

MARKET STUDY AND PROJECT FEASIBILITY ANALYSIS

Phase II of the Peabody Hope VI (Peabody II)

Columbus, Georgia



Prepared For:

David Bartlett
Georgia Department of Community Affairs

Date of Report:
June 30, 2005

Prepared by:

THE
SIEGEL GROUP

The logo for The Siegel Group consists of the text "THE SIEGEL GROUP" in a serif font. Below the text is a stylized teal graphic that resembles a wave or a ribbon, curving upwards and then downwards.

OBJECTIVES, SCOPE OF STUDY and LIMITING CONDITIONS

The purpose of this study is to examine the overall feasibility and long-term viability of building a mixed-income apartment complex in Columbus, Muscogee County, Georgia. Phase II of the Peabody Hope VI project will be developed with units restricted under the Low-Income Housing Tax Credit Program administered by the Georgia Department of Community Affairs. Factors in the analysis include, but are not limited to:

- Identification of the target market and the effective market area.
- Review of the proposed project as to the functionality and practicality of design, visibility, accessibility, neighboring uses and target market acceptance.
- Area demographic analysis, including population and household trends, employment and unemployment trends and characteristics.
- Housing analysis, including area housing statistics, rental housing inventory, comparable property analysis, construction trends, historic, current and anticipated absorption characteristics.
- Demand analysis, including income-eligible household population, band of affordability and penetration rate, calculation of demand from both existing and new households, effective demand and capture rate.
- Rental rate and expense analysis, including analysis and comparison of area market rents and amenities in competing projects, and an analysis of anticipated expenses at stabilized occupancy.

The study contains data gathered from various sources, including field survey, interviews with local officials and property managers/leasing agents, real estate professionals, local records and secondary demographic data. These sources are deemed to be reliable; however, The Siegel Group does not guarantee the data and assumes no liability for any errors in fact, analysis or judgment.

The report objectives are to identify and analyze the market issues impacting the proposed project, including the current market status and future market trends. The conclusions contained herein represent the analyst's best professional judgments based on his evaluation of the data and pertinent facts; however, The Siegel Group makes no guarantees or assurances that the opinions, projections or conclusions will be realized as stated. Use of the information contained in this study by any other party other than the addressee is strictly prohibited, unless otherwise specified in writing by The Siegel Group.

Prepared By:

Reviewed By:

Michael Elder, Market Analyst

Ginger Brown-McGuire, President & COO

TABLE OF CONTENTS

A. Executive Summary	1
B. Project Description	4
C. Site Evaluation.....	7
<i>Map of Community Service Locations</i>	<i>9</i>
<i>Site and Neighborhood Photographs.....</i>	<i>10</i>
<i>Map of All Affordable Housing.....</i>	<i>26</i>
D. Market Area	28
<i>Map of Primary Market Area</i>	<i>29</i>
<i>Map of Secondary Market Area.....</i>	<i>30</i>
E. Community Demographic Data	31
<i>Population Trends.....</i>	<i>31</i>
<i>Household Trends</i>	<i>33</i>
<i>Employment Trends</i>	<i>40</i>
<i>Map of Major Employment Concentrations.....</i>	<i>43</i>
F. Project Specific Demand Analysis	44
<i>Income Restrictions.....</i>	<i>44</i>
<i>Affordability.....</i>	<i>46</i>
<i>Demand.....</i>	<i>48</i>
<i>Net Demand, Capture Rate and Stabilization.....</i>	<i>51</i>
<i>Capture Rate Analysis Chart</i>	<i>53</i>
G. Supply Analysis	54
<i>One-Bedroom Units</i>	<i>56</i>
<i>Two-Bedroom Units.....</i>	<i>59</i>
<i>Three-Bedroom Units</i>	<i>63</i>
<i>Comparable Properties.....</i>	<i>67</i>
<i>Map of Comparable Properties</i>	<i>90</i>
<i>Map of All Competing Properties</i>	<i>93</i>
H. Interviews.....	95
I. Conclusions and Recommendations	96
J. Signed Statement.....	98
<i>Market Analyst Certification and Checklist.....</i>	<i>99</i>
K. Comparison of Competing Properties	103

A. Executive Summary

The proposed Phase II of the Columbus Peabody Hope VI apartment complex (the Subject) will be located in central downtown Columbus at the west diagonal intersection of Talbotton Road and 27th Street. The Subject is being built on the site of the former George Foster Peabody Apartment complex, and is being targeted to serve Families, Older Persons, the Elderly, or other populations.

The Subject contains 34 different unit types, ranging from one- to three-bedrooms, with 36 units having rents restricted to households earning no more than 50 percent or 60 percent of AMGI, as well as 73 market rate units, and 73 units reserved for Columbus Public Housing Authority (PHA) tenants. As proposed, the Subject is to include 46 one-bedroom flats, 82 two-bedroom flats, 6 three-bedroom flats, 14 two-bedroom townhouses and 34 three bedroom townhouses.

The area housing market is difficult to judge. There has been rapid growth in single and multi-family market rate housing that has not been tied to a comparable increase in population. Numerous public housing developments in the area have been rehabilitated, resulting in a significant net decrease in units. Much of the housing stock in central Columbus, where the Subject is located, is older and offers few three-bedroom units. Job growth has been mostly flat, although the Army reported that nearby Fort Benning will soon have 10,000 troops added. The families of those personnel can be expected to have a large impact on the economy, housing and jobs market of the entire region.

The development of the Subject, regardless of occupancy, will have a very positive impact on the community. Since the demolition of the former George Foster Peabody apartments, the neighborhood has experienced the first signs of gentrification. The community is thus measuring the perceived benefit of the Subject in advance. The nearby hospitals provide a substantial number of direct and indirect job opportunities, and access to downtown, the AFLAC campus, and Fort Benning is all relatively convenient, with little traffic on the substantial roadways.

The projected Stabilized Occupancy Level of 93% should be attainable through pre-leasing during project construction. Based on data from recently completed comparable properties, the analyst conservatively estimates that market and LIHTC units will be absorbed by approximately 10 units per month, or ten months until stabilized occupancy. Based on voucher and public housing wait lists, along with the number of tenants displaced by the demolition of the George Foster Peabody Apartments that formerly occupied the site, it is assumed that the Columbus PHA will have all their units occupied upon completion.

The proposed LIHTC rents in the Subject applications are higher than the maximum allowed due to the use of an incorrect utility allowance for Electric Heat Pumps. The overage varies from \$2 to \$16.

Unit sizes compare very favorable against all comparables, except for one newer mixed-income project that has very large loft-style apartments in a converted mill. Of note, that project is one of two with poor occupancy rates.

According to the application documents, all units at the Subject will be provided with the same suite of amenities. These amenities are considerably more generous than those found in other apartment complexes throughout most of the Columbus area; only in high-end, new construction in North Columbus are so many amenities offered.

The surrounding area provides a strong mix of shopping and services for prospective tenants. A confluence of hospitals and associated offices is located within walking distance, providing tenants a large base of employment.

As demonstrated in Table A-1, Capture Rates for every LIHTC and market rate unit type are favorable. Using the demand calculation methodology required by DCA, and then correcting for number of persons per household and individual unit rents, the Capture Rate Analysis Chart shows Capture Rates of less than five percent for almost every unit type.

It is the opinion of the analyst that the unique site and design of the Subject, along with housing, demographic trends, economic factors and data from comparable properties demonstrate that the subject property represents a significant value in the market place and meets the need for affordable housing units. The above factors should position the property favorably with respect to attracting and retaining tenants and achieving timely absorption. Based on the characteristics listed above, the analyst believes that the construction of Phase II of the Peabody Hope VI project is both feasible and will compete favorably in the marketplace, in addition to having a favorable impact on area revitalization.

A-1 CAPTURE RATE ANALYSIS CHART									
Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Avg. Market Rent	Proposed Rents
1 Bdrm	50% AMI	6	260	27	233	2.58%		\$517	\$407
	60% AMI	2	367	60	307	0.65%		\$517	\$491
	Market Rate	17	3,253	260	2,993	0.57%		\$517	\$580
1 Bdrm	TOTAL	25	3,880	347	3,533	0.71%		\$517	\$493
2 Bdrm	50% AMI	16	341	201	140	11.42%		\$657	\$470
	60% AMI	3	380	534	-154	-1.95%		\$657	\$589
	Market Rate	31	3,881	541	3,340	0.93%		\$657	\$680
2 Bdrm	TOTAL	50	4,602	1,276	3,326	1.50%		\$657	\$580
	50% AMI	6	251	97	154	3.89%		\$850	\$540
	60% AMI	3	286	216	70	4.27%		\$850	\$670
	Market Rate	25	1,841	72	1,769	1.41%		\$850	\$753
3 Bdrm	TOTAL	34	2,378	385	1,993	1.71%		\$850	\$654

Proposed Project Capture Rate LIHTC Units	6.38%
Proposed Project Capture Rate Market Rate Units	1.01%
Proposed Project Capture Rate ALL Units	1.38%
Proposed Project Stabilization Period	10 months

B. Project Description

The proposed Phase II of the Columbus Peabody Hope IV apartment complex (the Subject) will be located in central downtown Columbus at the west diagonal intersection of Talbotton Road and 27th Street. The location is about one mile east of the Chattahoochee Rive and the state of Alabama and about two miles west of the I-185/Manchester Expressway interchange. Phase II is adjacent to and just northwest of Phase I.

The Subject is being built on the site of the former George Foster Peabody Apartment complex. Demolition has taken place, and the site was being leveled and drained at the time of inspection. All of the Subject buildings will be new construction

The Subject is being targeted to serve Families, with no restrictions (besides adherence to ADA guidelines) for Older Persons, the Elderly or other populations. The analyst has been informed that the plan for Phase III of this project does include a substantial set aside for Elderly units. A second proposed Tax Credit property, Jordan Mills, located diagonally across the intersection of Talbotton Road and 27th Street and also reviewed by the analyst, is proposed to contain 101 two-bedroom units for Older Persons.

The Subject contains 34 different unit types, ranging from one- to three-bedrooms, with 36 units having rents restricted to households earning no more than 50 percent or 60 percent of AMGI, as well as 73 market rate units, and 73 units reserved for Columbus PHA tenants, otherwise defined as 30 and 50 percent AMGI set asides. As proposed, the Subject is to include 46 one-bedroom flats, 82 two-bedroom flats, six three-bedroom flats, 14 two-bedroom townhouses and 34 three bedroom townhouses. The unit mix is described below in Table B-1.

According to the application documents supplied by the Georgia Department of Community Affairs (DCA), the landlord will only pay for water, sewer and trash removal. Tenants will be responsible for all electricity payments including individual heat pumps, air conditioning, water heating and cooking. The utility allowances for these items are based upon the 2005 guidelines provided by the Columbus Housing Authority. They are listed below in Table B-2.

B-1 UNIT MIX							
# of Units	Set Aside	# of Bedrooms	# of Baths	Style	SF Per Unit	Net Rent	Net Rent Per SF
3	50%	1	1	F	730	\$407	\$0.56
3	50%	1	1	F	715	\$407	\$0.57
1	50%	2	1.5	TH	1,282	\$470	\$0.37
12	50%	2	1.5	F	912	\$470	\$0.52
2	50%	2	1.5	TH	1,131	\$470	\$0.42
1	50%	2	1	F	738	\$470	\$0.64

# of Units	Set Aside	# of Bedrooms	# of Baths	Style	SF Per Unit	Net Rent	Net Rent Per SF
5	50%	3	2.5	TH	1,467	\$540	\$0.37
1	50%	3	2.5	F	1,200	\$540	\$0.45
1	60%	1	1	F	730	\$491	\$0.67
1	60%	1	1	F	715	\$491	\$0.69
1	60%	2	1.5	F	912	\$589	\$0.65
1	60%	2	1.5	TH	1,131	\$589	\$0.52
1	60%	2	1.5	F	938	\$589	\$0.63
2	60%	3	2.5	TH	1,467	\$670	\$0.46
1	60%	3	2.5	F	1,200	\$670	\$0.56
2	Market	1	1	F	715	\$580	\$0.81
6	Market	1	1	F	743	\$580	\$0.78
9	Market	1	1	F	730	\$580	\$0.79
2	Market	2	1.5	F	938	\$675	\$0.72
6	Market	2	1.5	TH	1,131	\$690	\$0.61
23	Market	2	1.5	F	912	\$675	\$0.74
6	Market	3	1.5	F	1,382	\$720	\$0.52
2	Market	3	2.5	F	1,200	\$750	\$0.63
17	Market	3	2.5	TH	1,467	\$790	\$0.54
2	PHA (30%)	1	1	F	715	\$0	\$0.00
8	PHA (30%)	1	1	F	715	\$0	\$0.00
11	PHA (30%)	1	1	F	730	\$0	\$0.00
3	PHA (30%)	2	1.5	TH	1,131	\$0	\$0.00
28	PHA (30%)	2	1.5	F	912	\$0	\$0.00
10	PHA (30%)	3	2.5	TH	1,467	\$0	\$0.00
2	PHA (50%)	2	1	F	938	\$0	\$0.00
7	PHA (50%)	2	2	F	1,282	\$0	\$0.00
2	PHA (50%)	3	2.5	F	1,200	\$0	\$0.00
182							

B-2 UTILITY ALLOWANCE CHART FOR TENANT-PAID ITEMS			
Housing Authority of Columbus, GA			
Utility, Service or Appliance	1 bedroom	2 bedroom	3 bedroom
Electric (Light & AC)	\$29	\$33	\$39
Heat (Heat Pump)	\$19	\$24	\$29
Hot Water (Electric)	\$15	\$19	\$28
Cooking	\$3	\$3	\$3
TOTAL	\$66	\$79	\$99

According to the application documents, all units at the Subject will be provided with the same suite of amenities. Listed below in Table B-3, these amenities are considerably more generous than those found in other apartment complexes throughout most of the Columbus area; only in high-end, new construction in North Columbus are so many amenities offered.

B-3 PROJECT AMENITIES	
Range & Oven	On-Site Laundry
Dishwasher	Individual Storage
Garbage Disposal	Swimming Pool
Refrigerator	Clubhouse
Central Heat & AC	Picnic/BBQ Area
Individual Water Heaters	Tot Lot
Computer Center	Fire Extinguisher System

According to the application documents, the Subject will be placed in service December 31, 2007.

C. Site Evaluation

The Subject site is strategically located in between the Columbus Regional Medical Center and the Waverly Terrace Historic District, a densely developed residential neighborhood. The Subject is bordered by two primary arterial roads, Talbotton Road and 27th Street, which will serve as the primary modes of access to the Subject. The site has excellent visibility from both streets, and they will provide very good physical access to the property. The site has a flat topography and has been cleared, save a play structure and a few small stands of trees. Several days of heavy rain preceded the site inspection, and while there was standing water observed in numerous locations, it was not alarming considering the lack of a drainage system. There were no signs of flooding or soil sloughing on or off the property.

The surrounding neighborhood consists primarily of single family residences in mainly fair condition. There is also a large amount of retail space, primarily “C” grade, which is approximately 80 percent occupied. The vacancies are most likely the result of the loss of the tenants from the now demolished 510 units of public housing that formerly occupied the property. The planned redevelopment and aforementioned demolition has already impacted the surrounding neighborhood. Area real estate agents report a sharp decline in home sales, as owners are “holding tight” so they can reap the benefit of the expected sharp increase in property values that the Hope VI project is expected to cause. A new medical office is under construction on Talbotton Road, effectively stretching the medical district to the Subject’s doorstep. Neighboring business owners, some of whom have been at their present location in excess of 30 years, are universally positive about the planned redevelopment.

The subject neighborhood is approximately 95 percent built out with little if any vacant and available land (the aforementioned construction on Talbotton Road and the redevelopment of Jordan Mills in LIHTC units set aside for Older Persons are the only substantive lots identified). The largest facet of the neighborhood is the Columbus Regional Hospital Complex located to the south of Comer Avenue approximately a half mile to the southwest. Concentrated around the intersection of Talbotton Road and Comer Avenue are a number of medical professional buildings, including the offices of Dr. Patel, slated to be relocated to the medical office space under construction adjacent to the Subject.

Along Talbotton Road to the south and southeast of the subject are a number of poor to fair quality commercial and retail buildings, mostly occupied, which house a pawn shop and similar businesses. At the intersection of 27th and Talbotton is the “famous” Veri-Best donut shop, a local institution with a very high volume of drive up business. Opposite the donut shop is an ice plant that has a considerable amount of delivery truck traffic. At Peabody Avenue and 27th Street there is a large school with an ornate façade, most likely developed in the 1930s, which presently serves as a magnet academy. Immediately to the west of the subject are a number of vacant retail buildings, most likely convenience stores that served the former tenants. Further to the west and northwest is Hamilton Road, a busy commercial thoroughway with several auto shops and the Rosehill seafood restaurant, a Columbus landmark. As previously mentioned, the abandoned Jordan Mills, a former hosiery manufacture, is located on the southeast corner of the

five-way intersection created by Talbotton, 27th, Warm Springs and 24th streets. The analyst concurrently studied that site for the location of 101 units of LIHTC housing for Older Persons.

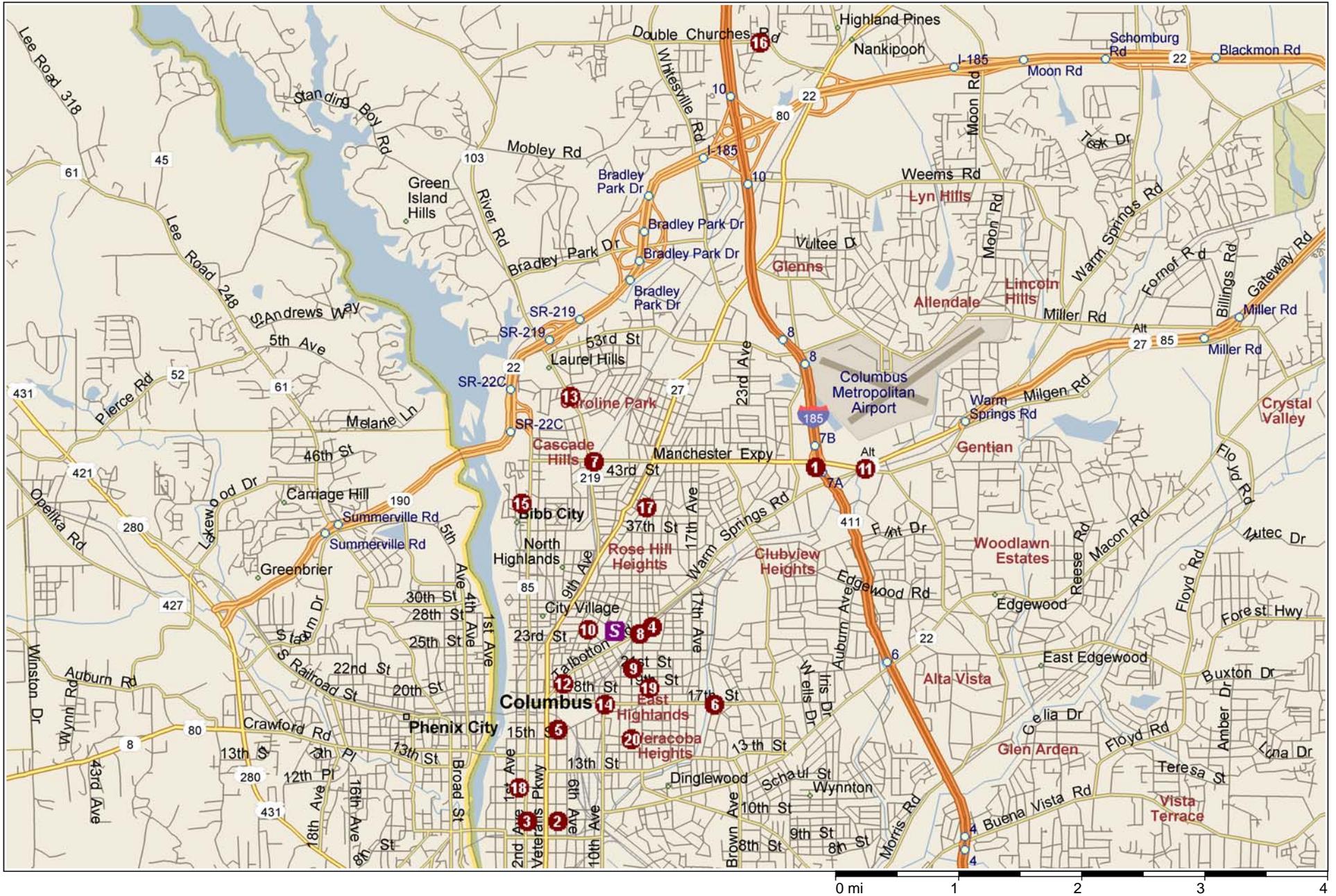
Per the Columbus consolidated government, the subject site is zoned RMF-2, high-density multifamily, and the proposed use would be in compliance.

For illustrative purposes, photographs of the Subject site and surrounding land uses are included below.

The surrounding area provides a strong mix of shopping and services for prospective tenants. These are listed below on Table C-1 and the corresponding map.

C-1 COMMUNITY SERVICE LOCATIONS					
Facility / Service		Description	Distance from Site		Direction
Major Highways	(1)	I-185 and Manchester Expressway	2.1	miles	Northeast
Police Department	(2)	Columbus Police Patrol Bureau	1.6	miles	Southwest
Fire Department	(3)	Columbus Fire Department	1.7	miles	Southwest
Schools:					
Elementary	(4)	Hannan Elementary	0.3	miles	East
Middle	(5)	Muscogee County Middle School	0.92	miles	Southwest
Senior	(6)	Columbus High School	1.0	miles	Southeast
Continuing Education	(7)	Columbus Technical Institute	1.35	miles	North
Bus Stop	(8)	METRA Transit-Blue Line (Warm Springs Rd.)	0	miles	Adjacent
Gas Station	(9)	Lawrence Bp	0.35	miles	South
Grocery	(10)	Young's Grocery	0.25	miles	West
Shopping	(11)	Peachtree Mall	2.45	miles	Northeast
Pharmacy	(12)	River Road Pharmacy	1.9	miles	Northwest
Financial Institution	(13)	Columbus Bank & Trust Co.	0.6	miles	South
Medical Facility	(14)	Doctor's Hospital	0.6	miles	Southwest
Recreational Facility	(15)	Columbus Parks and Recreation	1.3	miles	Northwest
	(16)	Double Churches Park	5.0	miles	Northeast
Post Office	(17)	US Post Office	1.0	miles	North
Library	(18)	Twelfth Street Branch Library	1.5	miles	Southwest
Church	(19)	Church of the Living God (non-denominational)	0.55	miles	South
Senior Center	(20)	Gallop's Senior Center	0.9	miles	South

Community Service Locations-Peabody II



Peabody II – Site and Neighborhood Photographs



Site looking North from corner of Talbotton and Midland

Peabody II – Site and Neighborhood Photographs



Looking South into Site

Peabody II – Site and Neighborhood Photographs



Looking West into Site
Talbotton in Background

Peabody II – Site and Neighborhood Photographs



Boys and Girls Club
13th and 29th Streets – 0.3 miles Northeast of Site



Church and School
Pierpoint and 29th Streets – 0.4 miles Northeast of Site

Peabody II – Site and Neighborhood Photographs



Fire Station
Pierpoint and 29th Streets - 0.4 miles Northeast of Site



Hamilton Road looking South
200 yards West of Site

Peabody II – Site and Neighborhood Photographs



Ice Plant
Talbotton, 27th, and 12th Intersection at Southeast corner of Site



Leasing Office
12th and 29th Streets – 0.3 miles Northeast of Site

Peabody II – Site and Neighborhood Photographs



Medical Office
Comer and Talbotton - 100 yards South of Site



Medical Center
Comer and Talbotton - 200 yards South of Site

Peabody II – Site and Neighborhood Photographs



New Medical Office
Corner of Talbotton and Midland – immediately South of Site



Residential
Waverly and 29th - 250 yards Northeast of Site

Peabody II – Site and Neighborhood Photographs



Residential
Curtis Street – 100 yards North of Site



Retail
27th and Talbotton – immediately East of Site

Peabody II – Site and Neighborhood Photographs



Retail
27th and Waverly - immediately East of Site



Retail
Northwest Corner of Talbotton and 27th
Site in Background

Peabody II – Site and Neighborhood Photographs



Retail
Talbotton and 12th – immediately Southeast of Site



Retail with new Medical Office Construction in Background
Talbotton Road – immediately Southeast of Site

Peabody II – Site and Neighborhood Photographs



Elementary School
Talbotton and 13th - 0.2 miles East of Site



Vacant Lot , Jordan Mills to Right
Waverly, 12th and 28th – 300 yards Northeast of Subject

Peabody II – Site and Neighborhood Photographs



Vacant Residential at 23rd and North
Immediately West of Site



Vacant Retail
27th and Talbotton – Immediately East of Site

Peabody II – Site and Neighborhood Photographs



Vacant Retail
Adjacent to Northwest Corner of Site



Vacant Retail
24th and North - Immediately West of Site

Peabody II – Site and Neighborhood Photographs

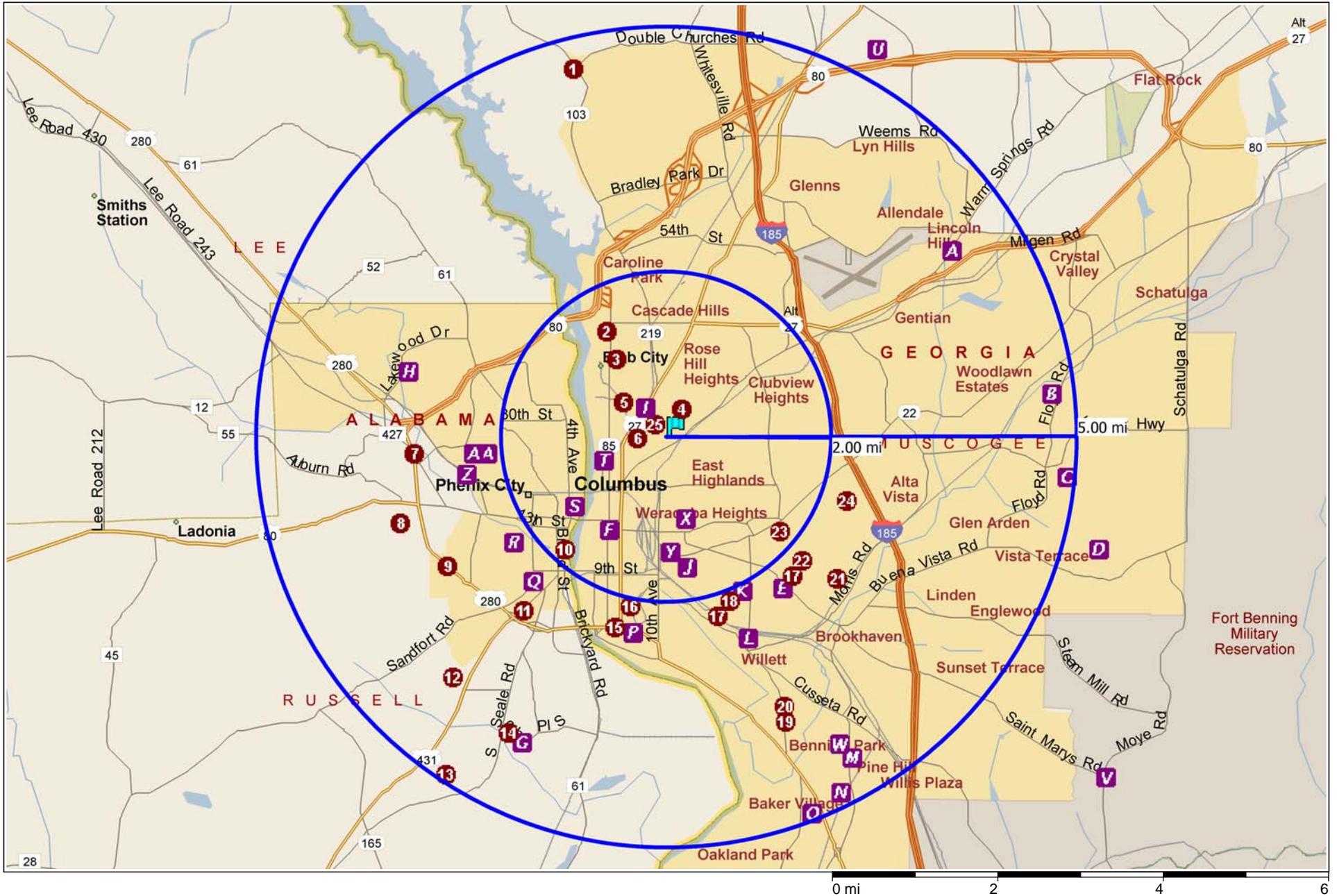


Playing Field
13th and 29th – 0.3 miles Northeast of Site

The Market Area, described in detail in Section D, has a large amount of preexisting affordable housing. This is listed below on Table C-2 and the corresponding map that shows distance to the Subject.

C-2 EXISTING LOW-INCOME HOUSING			
Map Legend			
LIHTC		Section 8	
1	North Columbus Units	A	North Gate Village
2	Lynndolyn	B	Bull Creek
3	3rd Ave. and 40th St.	C	Hunter Haven
4	Pear Tree Place	D	Columbus Villas
5	McCleod Square	E	Renaissance Villa
6	24th Street Project	F	Ralston Towers
7	Paddock Club	G	Edmond Estates
8	Evangeline Heights	H	Stonewood
9	Spring Ridge	Multi-Family HA Development	
10	Poplar Pointe	I	Luther C Williams Homes
11	Crown Chase	J	Warren Williams Homes
12	Richmond Park	K	EE Farley Homes
13	Brookwood Park	L	Canty Homes Addition
14	6th Place Apts.	M	EJ Knight Gardens
15	Columbus II	N	Newton Baker Village
16	Liberty Gardens	O	Elizabeth Canty Homes
17	Fay Project	P	BT Washington Apartments
18	Knight Project	Q	Stough
19	Springfield Crossing	R	Douglas
20	Victory Crossing	S	Riverview
21	Thirty-Second Ave.	T	Louis T Chase Homes
22	Washington Ave.	Elderly	
23	Columbus Area Habitat for Humanity	U	Calvary Community
24	Midtown Square	V	St. Mary's Woods
25	Peabody I	W	EJ Knight Gardens
Note: Subject property marked with a turquoise flag		X	Brown Nicholson Terrace
		Y	George F Rivers Homes
		Z	Blake
		AA	Tubman Gardens

All LIHTC with Distance



Despite indications of a nearby light rail proposal in the application documents, no immediate plans are in the works for such a system. Only preliminary discussions of a possible light rail have taken place according to Rick Jones at the Planning Department for the Columbus Consolidated Government. Barriers to the light rail proposal include considerable costs and unavailable technology. If a light rail system were to be proposed, it would connect the downtown area to the middle of the county, but it will be a significant amount of time before this might occur. A dormant rail bed is extant just south of the subject property (the grade level crossing next to the Ice Plant has been paved over). However, there are no suggestions that they will be part of any future transit plan.

We were not provided with Environment Site Assessments. We are not experts in this area and we are not qualified to render environmental assessments. We observed no obvious environmental deficiencies, and the history of the parcel as being used for residential space for the past sixty years implies few deficiencies should exist. However, the location of two significant industrial properties within close proximity to the subject, the Ice Plant and Jordan Mills, are potential sources of ground contamination.

The Subject Site is very well suited for the development of affordable housing. Until recently, the site was occupied by a very poorly maintained public housing property that, anecdotal evidence suggests, suffered from many of the social difficulties common to such properties. Despite this, the neighborhood appears to have maintained high occupancy for retail, commercial and residential space. Neighboring business and landlords appear eager for new development. The site has been cleared, and at the time this report is submitted, construction should have begun on Phase I of the development.

D. Market Area

The Primary and Secondary Market Areas (PMA and SMA) were selected as the area from which tenants will be drawn based on interviews with local officials and property managers on residential movement that is expected within Columbus and the Georgia-Alabama region. *Per instruction from Georgia DCA, the market areas specifically exclude any areas in Alabama, even though it is likely that some tenants will come from this region. DCA has no control over the affordable housing supply in Alabama, and therefore cannot depend on a demand analysis that includes that population.*

The PMA is defined as Muscogee County. The PMA contains approximately 190,000 people in 72,000 households. It is anticipated that approximately 80 percent of the tenants will originate from this area.

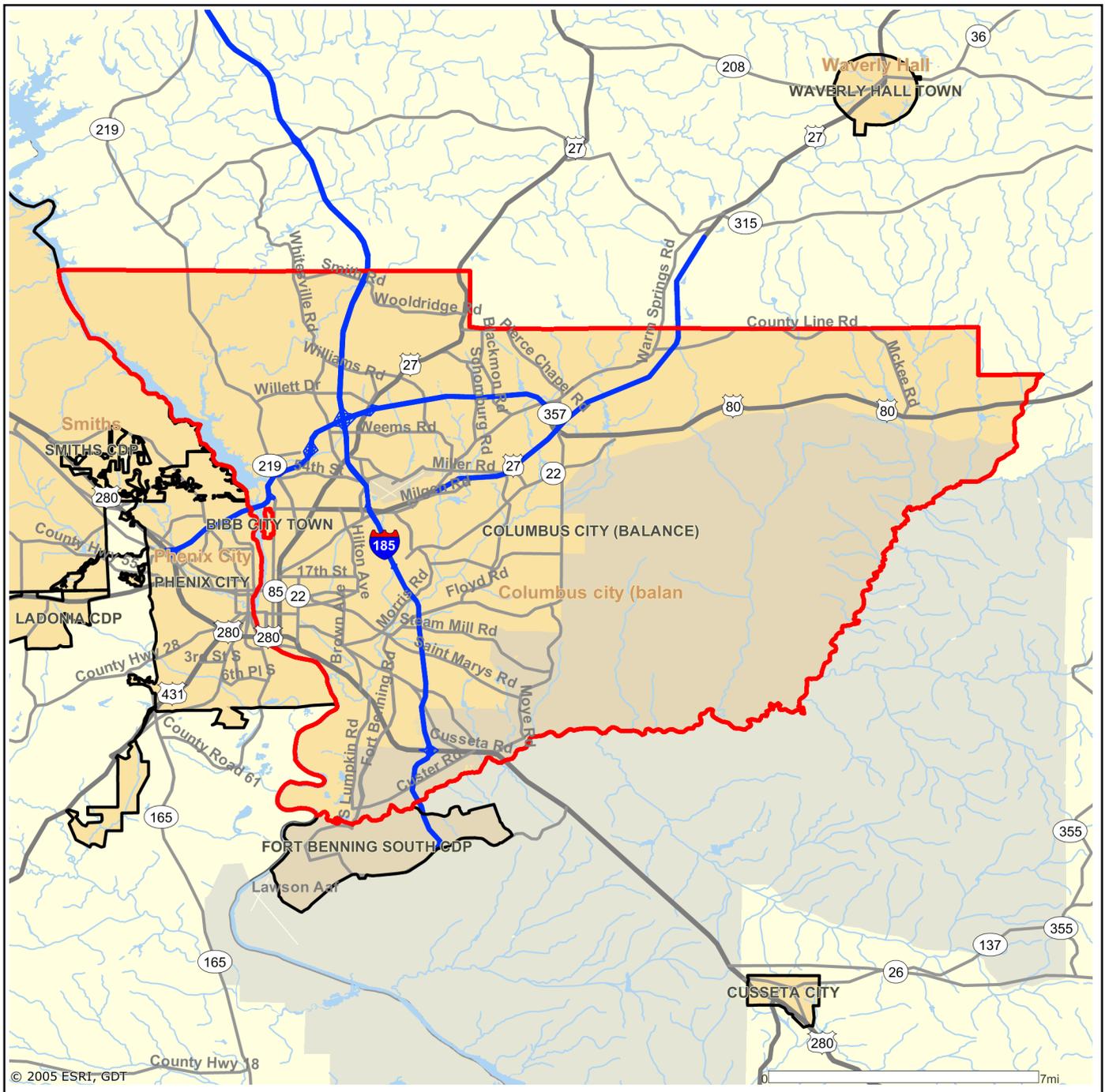
The Secondary Market Area (SMA) includes Muscogee County, Harris County, and Chattahoochee County. The SMA includes the entire Fort Benning Military Reservation. This Secondary Market Area contains approximately 235,000 people in 85,000 households. It is anticipated that approximately 20 percent of the tenants will originate from this area.

In actuality, it is very likely that a large number of tenants will be drawn from well outside this region, including Phenix City, AL. Area employers including AFLAC regularly advertise job openings in newspapers throughout the nation. It is not uncommon for people to relocate to Columbus from Atlanta, and Fort Benning draws soldiers and their families from throughout the United States. For the purpose of this report, only the above defined Market Area will be relied upon.

Maps of the PMA and SMA are included below.

PMA Map

August 10, 2005

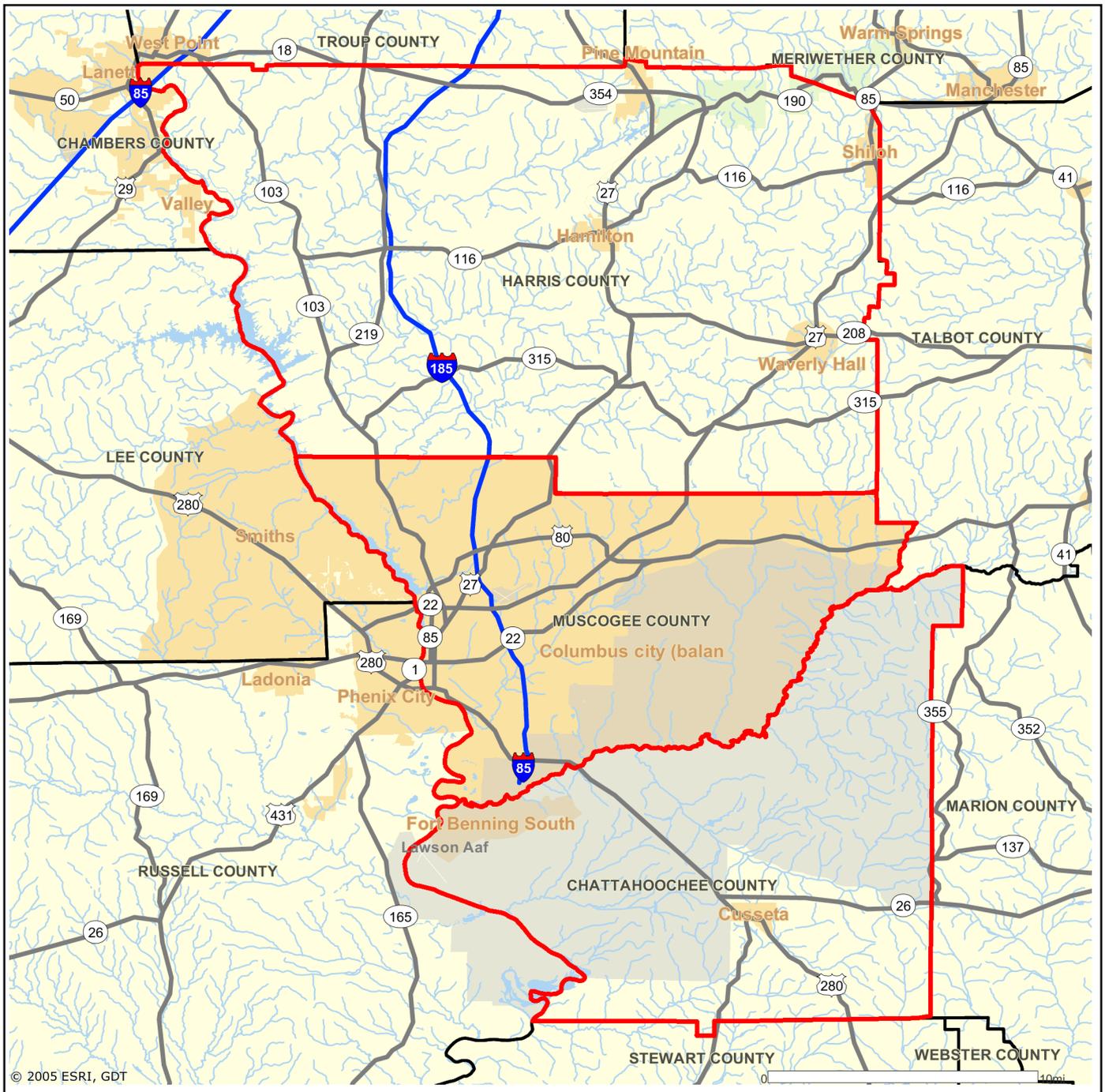


Place: 1319007 Columbus City (Balance), GA

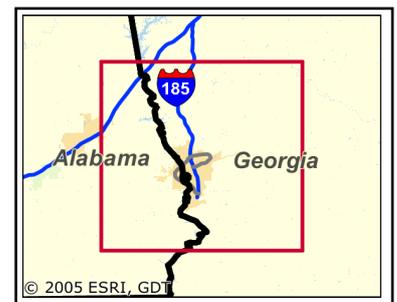


SMA Map

August 10, 2005



Counties: 13053 Chattahoochee County, GA, 13145
Harris County, GA, et. al.



E. Community Demographic Data

Population Trends

Total population is growing slowly in both the Primary and Secondary Market Areas. Population has grown at an annual rate of between four-tenths and nine-tenths percent through 2005. Total population is projected to grow annually an additional three-tenths to four tenths percent through 2010. The number of families has grown at a slightly slower rate. In the Primary Market Area, families have grown at less than one-tenth percent since 2000 and are not expected to grow substantially by 2010. In the Secondary Market Area, families have grown by two-tenths percent through 2005 and are not expected to grow substantially by 2010. This is illustrated in Tables E-1 and E-2.

E-1 POPULATION			
Location	2000 Census	2005	2010 Projection
Primary Market Area			
Population	185,781	190,179	193,105
<i>Annualized Growth</i>	NA	0.5%	0.3%
Number of Families	47,560	47,734	47,790
<i>Annualized Growth</i>	NA	0.1%	0.0%
Average Family Size	3.08	3.08	3.09
Secondary Market Area			
Population	224,868	235,084	239,532
<i>Annualized Growth</i>	NA	0.9%	0.4%
Number of Families	57,287	57,980	58,107
<i>Annualized Growth</i>	NA	0.2%	0.0%
Average Family Size	3.10	3.09	3.09

Source: ESRI Business Information Solutions

E-2 POPULATION BY AGE GROUP						
Primary Market Area						
Age	2000 Census		2005		2010 Projection	
	Number	Percent	Number	Percent	Number	Percent
0 - 2	8,320	4.48%	8,754	4.60%	8,853	4.59%
3 - 4	5,319	2.86%	5,411	2.85%	5,444	2.82%
5	2,749	1.48%	2,522	1.33%	2,478	1.28%
6	2,872	1.55%	2,492	1.31%	2,422	1.25%
7 - 9	8,626	4.64%	7,564	3.98%	7,315	3.79%
10 - 11	5,513	2.97%	5,482	2.88%	5,023	2.60%
12 - 13	5,405	2.91%	5,486	2.88%	4,987	2.58%
14 - 15	5,378	2.89%	5,306	2.79%	5,057	2.62%
16 - 17	5,697	3.07%	5,390	2.83%	5,383	2.79%
18 - 20	10,290	5.54%	10,681	5.62%	10,732	5.56%
21 - 24	11,886	6.40%	12,914	6.79%	13,107	6.79%
25 - 34	27,087	14.58%	27,416	14.42%	27,653	14.32%
35 - 44	28,227	15.19%	26,036	13.69%	24,689	12.79%
45 - 54	22,677	12.21%	25,898	13.62%	26,836	13.90%
55 - 64	14,003	7.54%	16,350	8.60%	20,253	10.49%
65 - 74	12,137	6.53%	11,110	5.84%	10,701	5.54%
75 - 84	7,211	3.88%	8,449	4.44%	8,642	4.48%
85+	2,384	1.28%	2,911	1.53%	3,502	1.81%
Total	185,781		190,172		193,077	
Median Age	32.6		33.4		34.3	

Source: ESRI Business Information Solutions

Household Trends

Total households in the primary market area have increased at an annual rate of seven-tenths percent since 2000 and are expected to continue to increase at an annual rate of four-tenths percent through 2010. With household size decreasing and population increasing, it is clear that additional housing is necessary.

The average household size has decreased slightly and is expected to continue to decrease. In addition, the secondary market area follows these trends closely. See Table E-3

E-3 TOTAL HOUSEHOLDS			
Location	2000 Census	2005	2010 Projection
Primary Market Area			
Number of Households	69,599	72,004	73,598
<i>Annualized Growth</i>	NA	0.7%	0.4%
Average Household Size	2.54	2.51	2.49
Secondary Market Area			
Number of Households	81,573	84,893	87,218
<i>Annualized Growth</i>	NA	0.8%	0.5%
Average Household Size	2.58	2.55	2.53

Source: ESRI Business Information Solutions

The tenure of households reflects a trend common across the country. The percentage of housing occupied by the owner has increased in the past five years from 56.4 percent owner-occupied to 58.5 percent owner-occupied. This trend is expected to continue, but the rate is projected to slow through 2010. Total percentage of occupied housing is trending downward, indicating that new housing may not be necessary. Tenure data is in Table E-4

E-4 OCCUPANCY STATUS AND TENURE						
PMA						
Housing Units	2000		2005		2010	
	Number	Percent	Number	Percent	Number	Percent
TOTAL	75,940	100.0%	80,399	100.0%	83,586	100.0%
OCCUPIED	69,599	91.6%	72,004	89.6%	73,598	88.1%
By Owner	39,244	56.4%	42,158	58.5%	43,214	58.7%
By Renter	30,355	43.6%	29,846	41.5%	30,384	41.3%
VACANT	6,341	8.4%	8,395	10.4%	9,988	11.9%

Source: ESRI Business Information Solutions

However, in examining occupancy data by housing unit types, a different trend arises. In the primary market area, single family residences are occupied at a high rate: approximately 94 percent. Households that are unable to find single family residences may cause some spillover into the multi-family housing (Table E-5). Building permits issued confirm the demand for single family residences in recent years (Table E-6).

E-5 UNITS IN STRUCTURE BY OCCUPANCY				
PMA				
Housing Unit Type	Housing Units		Occupied Units	
	Number	Percent	Number	Percent
SFR - Detached	49,751	65.5%	47,147	67.7%
SFR - Attached	2,343	3.1%	2,057	3.0%
Duplex	2,587	3.4%	2,162	3.1%
3 to 4 units	5,178	6.8%	4,313	6.2%
5 to 9 units	5,665	7.5%	4,935	7.1%
10 to 19 units	3,053	4.0%	2,740	3.9%
20 to 49 units	1,734	2.3%	1,488	2.1%
50 or more	2,764	3.6%	2,464	3.5%
Mobile Home & Other	2,863	3.8%	2,291	3.3%
TOTAL	75,938	100.0%	69,597	100.0%

Source: ESRI Business Information Solutions

Significant portions of households in the primary and secondary markets make under \$10,000 or over \$100,000, as shown in Table E-7. As a result, the need for low-income housing becomes clear. However, projections indicated on the following tables demonstrate the continued decrease in percentage of households earning below \$10,000. This reduction in the percentage of households earning less than \$10,000 can probably be attributed to inflation, though. The following table, E-8, confirms this attribution, demonstrating that median household income has grown at a 3.7 percent rate and is expected to grow at a similar rate through 2010. In addition, the percentage of the households earning greater than \$100,000 has increased and is expected to continue to increase.

E-6 BUILDING PERMITS ISSUED		
Columbus, GA		
Year	Multi Family	Single Family
2001	675	506
2002	207	615
2003	522	704
2004	392	701
2005	152	319

Source: US Census Bureau

E-7 INCOME ESTIMATES				
2005				
Households by Income	Primary Market Area		Secondary Market Area	
	Households	Percent	Households	Percent
0 - 9,999	7,741	10.8%	8,617	10.2%
10,000 - 14,999	4,445	6.2%	4,952	5.8%
15,000 - 19,999	4,432	6.2%	4,998	5.9%
20,000 - 24,999	4,872	6.8%	5,556	6.5%
25,000 - 29,999	4,622	6.4%	5,273	6.2%
30,000 - 34,999	4,639	6.4%	5,299	6.2%
35,000 - 39,999	3,982	5.5%	4,612	5.4%
40,000 - 44,999	4,193	5.8%	4,952	5.8%
45,000 - 49,999	3,504	4.9%	4,252	5.0%
50,000 - 59,999	6,088	8.5%	7,363	8.7%
60,000 - 74,999	7,092	9.8%	8,589	10.1%
75,000 - 99,999	6,827	9.5%	8,423	9.9%
100,000 +	9,568	13.3%	12,007	14.1%
TOTALS:	72,005	100%	84,893	100%

Source: ESRI Business Information Solutions



Place: 1319007 Columbus City (Balance), GA

	Census 2000	2005	2010	2005-2010 Change	2005-2010 Annual Rate
Population	185,781	190,179	193,105	2,926	0.31%
Households	69,599	72,004	73,598	1,594	0.44%
Average Household Size	2.54	2.51	2.49	-0.02	-0.16%
Families	47,560	47,734	47,490	-244	-0.1%
Average Family Size	3.08	3.08	3.09	0.01	0.06%

	Census 2000		2005		2010	
	Number	Percent	Number	Percent	Number	Percent
Households by Income						
HH Income Base	69,560	100.0%	72,005	100.0%	73,599	100.0%
< \$10,000	8,520	12.2%	7,741	10.8%	6,738	9.2%
\$10,000 - \$14,999	5,280	7.6%	4,445	6.2%	3,965	5.4%
\$15,000 - \$19,999	5,234	7.5%	4,432	6.2%	3,738	5.1%
\$20,000 - \$24,999	5,519	7.9%	4,872	6.8%	4,163	5.7%
\$25,000 - \$29,999	5,357	7.7%	4,622	6.4%	4,179	5.7%
\$30,000 - \$34,999	4,988	7.2%	4,639	6.4%	3,713	5.0%
\$35,000 - \$39,999	4,110	5.9%	3,982	5.5%	4,091	5.6%
\$40,000 - \$44,999	4,367	6.3%	4,193	5.8%	3,546	4.8%
\$45,000 - \$49,999	3,354	4.8%	3,504	4.9%	3,293	4.5%
\$50,000 - \$59,999	5,691	8.2%	6,088	8.5%	6,347	8.6%
\$60,000 - \$74,999	6,508	9.4%	7,092	9.8%	7,199	9.8%
\$75,000 - \$99,999	5,071	7.3%	6,827	9.5%	7,904	10.7%
\$100,000 - \$124,999	2,627	3.8%	4,162	5.8%	5,097	6.9%
\$125,000 - \$149,999	1,066	1.5%	2,184	3.0%	3,478	4.7%
\$150,000 - \$199,999	710	1.0%	1,285	1.8%	2,807	3.8%
\$200,000 - \$249,999	1,158	1.7%	783	1.1%	1,291	1.8%
\$250,000 - \$499,999	N/A		926	1.3%	1,400	1.9%
\$500,000+	N/A		228	0.3%	650	0.9%
Median Household Income	\$34,864		\$41,392		\$48,972	
Average Household Income	\$47,614		\$57,612		\$72,624	
Per Capita Income	\$18,276		\$22,475		\$28,400	
Families by Income						
Family Income Base	47,767	100.0%	47,716	100.0%	47,469	100.0%
< \$10,000	3,930	8.2%	3,417	7.2%	2,970	6.3%
\$10,000 - \$14,999	2,815	5.9%	2,221	4.7%	1,789	3.8%
\$15,000 - \$19,999	3,067	6.4%	2,267	4.8%	1,932	4.1%
\$20,000 - \$24,999	3,365	7.0%	3,098	6.5%	1,921	4.0%
\$25,000 - \$29,999	3,472	7.3%	2,661	5.6%	2,660	5.6%
\$30,000 - \$34,999	3,349	7.0%	2,721	5.7%	2,017	4.2%
\$35,000 - \$39,999	2,889	6.0%	2,582	5.4%	2,373	5.0%
\$40,000 - \$44,999	3,281	6.9%	2,597	5.4%	2,208	4.7%
\$45,000 - \$49,999	2,564	5.4%	2,624	5.5%	2,267	4.8%
\$50,000 - \$59,999	4,423	9.3%	4,810	10.1%	4,175	8.8%
\$60,000 - \$74,999	5,442	11.4%	4,971	10.4%	5,216	11.0%
\$75,000 - \$99,999	4,364	9.1%	5,405	11.3%	5,805	12.2%
\$100,000 - \$124,999	2,349	4.9%	3,772	7.9%	4,212	8.9%
\$125,000 - \$149,999	883	1.8%	1,884	3.9%	3,019	6.4%
\$150,000 - \$199,999	620	1.3%	1,210	2.5%	2,432	5.1%
\$200,000 - \$249,999	954	2.0%	637	1.3%	1,123	2.4%
\$250,000 - \$499,999	N/A		692	1.5%	914	1.9%
\$500,000+	N/A		147	0.3%	436	0.9%
Median Family Income	\$41,385		\$49,311		\$58,396	
Average Family Income	\$54,432		\$65,569		\$82,171	

Data Note: Income represents the annual income for the preceding year, expressed in current dollars, including an adjustment for inflation (for 2005 and 2010). In 2000, the Census Bureau reported income to an upper interval of \$200,000+. ESRI forecasts extend income to \$500,000+. N/A means Not Available.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Counties: 13053 Chattahoochee County, GA, 13145 Harris County, GA, et. al.

	Census 2000	2005	2010	2005-2010 Change	2005-2010 Annual Rate
Population	224,868	235,084	239,532	4,448	0.38%
Households	81,573	84,893	87,218	2,325	0.54%
Average Household Size	2.58	2.55	2.53	-0.02	-0.16%
Families	57,287	57,980	58,107	127	0.04%
Average Family Size	3.1	3.09	3.09	0	0%

	Census 2000		2005		2010	
	Number	Percent	Number	Percent	Number	Percent
Households by Income						
HH Income Base	81,589	100.0%	84,893	100.0%	87,218	100.0%
< \$10,000	9,470	11.6%	8,617	10.2%	7,505	8.6%
\$10,000 - \$14,999	5,877	7.2%	4,952	5.8%	4,422	5.1%
\$15,000 - \$19,999	5,913	7.2%	4,998	5.9%	4,196	4.8%
\$20,000 - \$24,999	6,299	7.7%	5,556	6.5%	4,746	5.4%
\$25,000 - \$29,999	6,137	7.5%	5,273	6.2%	4,767	5.5%
\$30,000 - \$34,999	5,702	7.0%	5,299	6.2%	4,229	4.8%
\$35,000 - \$39,999	4,828	5.9%	4,612	5.4%	4,693	5.4%
\$40,000 - \$44,999	5,247	6.4%	4,952	5.8%	4,150	4.8%
\$45,000 - \$49,999	4,073	5.0%	4,252	5.0%	3,943	4.5%
\$50,000 - \$59,999	6,927	8.5%	7,363	8.7%	7,673	8.8%
\$60,000 - \$74,999	7,755	9.5%	8,589	10.1%	8,704	10.0%
\$75,000 - \$99,999	6,438	7.9%	8,423	9.9%	9,672	11.1%
\$100,000 - \$124,999	3,367	4.1%	5,338	6.3%	6,516	7.5%
\$125,000 - \$149,999	1,372	1.7%	2,809	3.3%	4,493	5.2%
\$150,000 - \$199,999	889	1.1%	1,648	1.9%	3,601	4.1%
\$200,000 - \$249,999	1,295	1.6%	922	1.1%	1,596	1.8%
\$250,000 - \$499,999	N/A		1,047	1.2%	1,607	1.8%
\$500,000+	N/A		243	0.3%	705	0.8%
Median Household Income	\$36,319		\$43,033		\$51,059	
Average Household Income	\$48,541		\$58,833		\$73,868	
Per Capita Income	\$18,343		\$22,296		\$28,034	
Families by Income						
Family Income Base	57,572	100.0%	57,963	100.0%	58,090	100.0%
< \$10,000	4,365	7.6%	3,779	6.5%	3,273	5.6%
\$10,000 - \$14,999	3,207	5.6%	2,510	4.3%	2,010	3.5%
\$15,000 - \$19,999	3,568	6.2%	2,670	4.6%	2,234	3.8%
\$20,000 - \$24,999	3,902	6.8%	3,628	6.3%	2,298	4.0%
\$25,000 - \$29,999	4,093	7.1%	3,097	5.3%	3,095	5.3%
\$30,000 - \$34,999	3,915	6.8%	3,201	5.5%	2,402	4.1%
\$35,000 - \$39,999	3,473	6.0%	3,042	5.2%	2,772	4.8%
\$40,000 - \$44,999	4,047	7.0%	3,143	5.4%	2,621	4.5%
\$45,000 - \$49,999	3,109	5.4%	3,245	5.6%	2,607	4.5%
\$50,000 - \$59,999	5,573	9.7%	5,915	10.2%	5,232	9.0%
\$60,000 - \$74,999	6,639	11.5%	6,293	10.9%	6,612	11.4%
\$75,000 - \$99,999	5,643	9.8%	6,840	11.8%	7,408	12.8%
\$100,000 - \$124,999	3,026	5.3%	4,798	8.3%	5,362	9.2%
\$125,000 - \$149,999	1,168	2.0%	2,453	4.2%	3,963	6.8%
\$150,000 - \$199,999	779	1.4%	1,621	2.8%	3,138	5.4%
\$200,000 - \$249,999	1,065	1.8%	765	1.3%	1,476	2.5%
\$250,000 - \$499,999	N/A		803	1.4%	1,099	1.9%
\$500,000+	N/A		160	0.3%	488	0.8%
Median Family Income	\$42,636		\$50,940		\$60,911	
Average Family Income	\$55,086		\$66,772		\$83,580	

Data Note: Income represents the annual income for the preceding year, expressed in current dollars, including an adjustment for inflation (for 2005 and 2010). In 2000, the Census Bureau reported income to an upper interval of \$200,000+. ESRI forecasts extend income to \$500,000+. N/A means Not Available.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.

E-8 AREA INCOME TRENDS			
Location	2000 Census	2005	2010 Projection
Primary Market Area			
Per Capita Income	\$18,276	\$22,475	\$28,400
Median Household Income	\$34,864	\$41,392	\$48,972
Average Household Income	\$47,614	\$57,612	\$72,624
Annualized Growth (Median)	NA	3.7%	3.7%
Annualized Growth (Average)	NA	4.2%	5.2%
Secondary Market Area			
Per Capita Income	\$18,343	\$22,296	\$28,034
Median Household Income	\$36,319	\$43,033	\$51,059
Average Household Income	\$48,541	\$58,833	\$73,868
Annualized Growth (Median)	NA	3.7%	3.7%
Annualized Growth (Average)	NA	4.2%	5.1%

Source: ESRI Business Information Solutions

Finally, in analyzing the number of persons per unit by tenure (E-9 and 10), the conclusion is supported that the majority of households are owner-occupied. This trend has not changed significantly over the past ten years. The category in which households are most often owner occupied is for those households that have two people per unit – 63 percent of the properties in that category are owner-occupied. A significant exception to the general trend is in the one person per unit category in which fewer properties are occupied by owners than renters. These units are generally occupied by older persons, spouse or partners of deployed troops, and students.

E-9 NUMBER OF PERSONS IN UNIT Muscogee County, GA Census 1990			
Persons / Unit	Total	Owner	Renter
1	16,149	7,236	8,913
2	20,248	12,276	7,972
3	12,835	7,111	5,724
4	10,251	5,636	4,615
5	4,155	2,155	2,000
6	1,435	717	718
7+	785	345	440
TOTAL	65,858	35,476	30,382

E-10 NUMBER OF PERSONS IN UNIT			
Muscogee County, GA			
Census 2000			
Persons / Unit	Total	Owner	Renter
1	18,659	8,919	9,740
2	21,682	13,723	7,959
3	12,869	7,197	5,672
4	10,175	6,004	4,171
5	4,330	2,357	1,973
6	1,455	796	659
7+	649	376	273
TOTAL	69,819	39,372	30,477

Source: US Census Bureau

Employment Trends

Employment trends for the Columbus area over the past five years do not follow any rigid patterns. As shown in Tables E-11, the labor force has hovered in the range of 130,000 workers, with the exception of 2005, in which the number dropped to around 121,575. This drop in workforce appears to be attributed strictly to the drop in farm employment, which is likely attributable to seasonal employment and incomplete data for the year. Otherwise, unemployment rates rose and leveled from 2000 to 2004. In 2005, the unemployment rate shrunk slightly.

The portion of the workforce employed by non-farm industries shrunk consistently from 2001 to 2004 and will likely continue to shrink. Service workers employ approximately a quarter of the workforce. The next three employment industries are government, manufacturing, and trade, transportation, and utilities. With the exception of manufacturing, no patterns of growth or decline arose in the analysis of these industries. A slow decline in manufacturing employment is noticeable in the table below. In addition, the percentage of workers in the financial industry has grown steadily.

E-10 UNEMPLOYMENT HISTORY				
Year	Columbus	Columbus, GA-AL MSA	Georgia	United States
2001	4.7%	4.8%	4.0%	4.7%
2002	5.3%	5.2%	5.1%	5.8%
2003	4.9%	5.4%	4.7%	6.0%
2004	4.5%	5.4%	4.1%	5.5%
2005	5.3%	5.3%	5.0%	5.2%

Source: US Census Bureau and Texas A&M Real Estate Center

E-11 LABOR FORCE HISTORY										
Columbus, GA-AL MSA										
	2001		2002		2003		2004		2005	
Labor Force										
Total Labor Force	130,366		130,164		131,981		132,517		121,575	
% Change from prior year	N/A		-0.2%		1.4%		0.4%		-8.3%	
Employed	124,150		123,449		124,813		125,402		115,074	
Unemployed	6,216		6,715		7,168		7,115		6,501	
% Unemployed	4.8%		5.2%		5.4%		5.4%		5.3%	
Unemployment Rate % Change (from Prior Year)	N/A		8.3%		3.8%		0.0%		-1.9%	
Farm Employment	8,666		10,264		11,781		13,117		2,675	
Non-Farm Employment										
	2001		2002		2003		2004		2005	
Construction/Mining	6,000	4.9%	5,600	4.7%	5,500	4.6%	5,700	4.8%	5,700	4.8%
Services	30,800	25.3%	30,800	25.7%	30,800	25.6%	31,000	26.0%	30,600	25.2%
Financial Activities	7,300	6.0%	7,900	6.6%	8,600	7.2%	8,800	7.4%	9,000	7.5%
Government	22,200	18.2%	22,100	18.4%	21,700	18.1%	21,700	18.2%	21,900	18.4%
Manufacturing	19,100	15.7%	17,400	14.5%	15,900	13.2%	14,900	12.5%	14,600	12.2%
Leisure & Hospitality	11,100	9.1%	11,300	9.4%	12,600	10.5%	12,700	10.6%	12,900	10.8%
Trade, Transportation & Utilities	17,800	14.6%	17,600	14.7%	18,500	15.4%	18,200	15.2%	18,000	15.1%
Information	7,400	6.1%	7,200	6.0%	6,600	5.4%	6,400	5.4%	6,200	5.2%
Total Non-Farm Employment	121,700	93.4%	119,900	92.1%	120,200	91.1%	119,400	90.1%	118,900	97.8%
% Change from Prior Year		N/A		-1.5%		0.3%		-0.7%		-0.4%

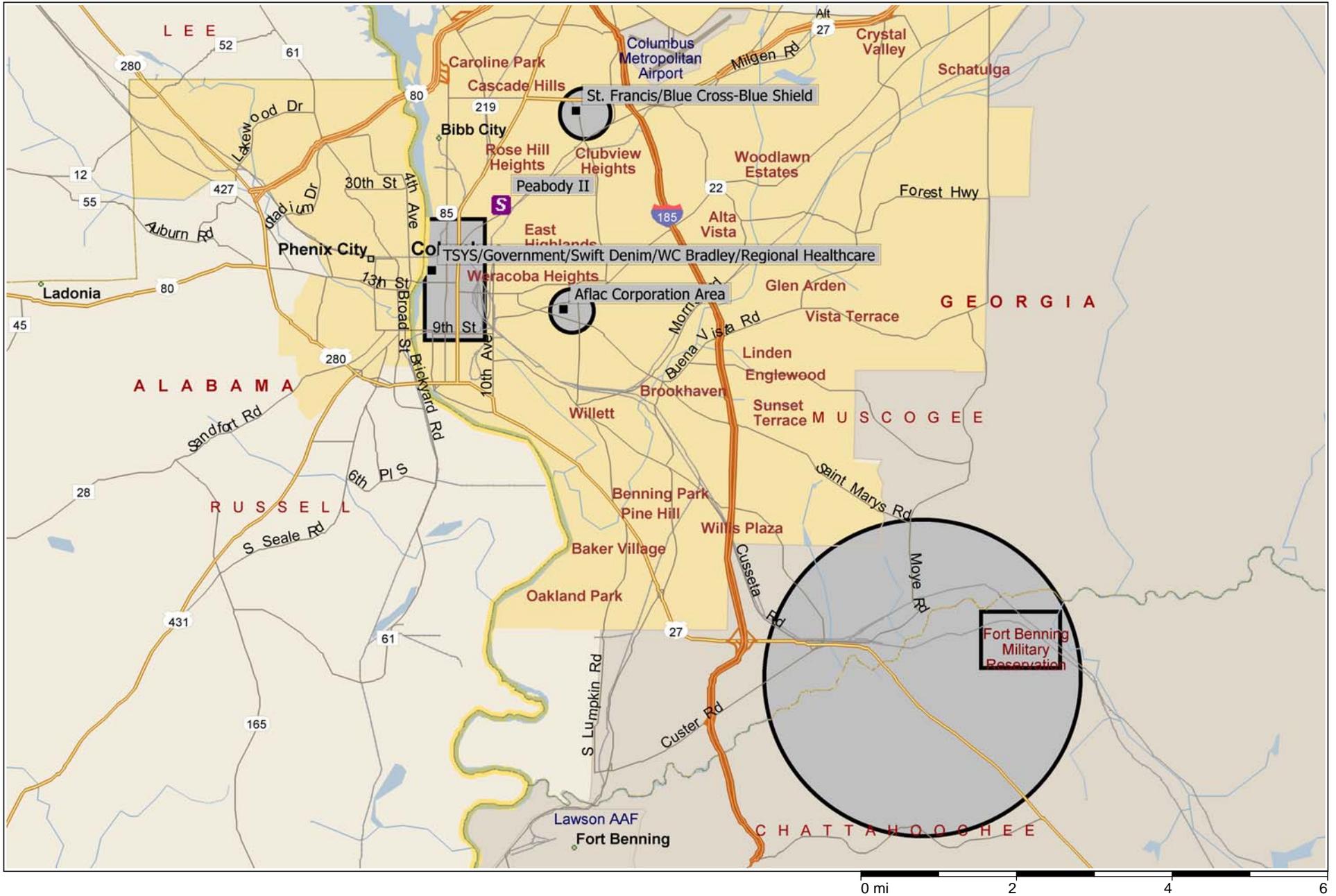
Source: Bureau of Labor Statistics

The following Table E-12 lists leading employers by the number of workers they employ. The U.S. Army employs the most workers, with almost 34,000 employees. The most significant employment change in the area will result from Fort Benning's expansion of almost 10,000 new personnel through 2006. A few other companies that are not major employers expect to increase employees by an aggregate of about 1,000 workers. No major contractions or further expansions are expected in the area.

E-12 MAJOR EMPLOYERS		
Columbus, GA (2002)		
Industry / Business	Product / Service	Employees
Headquarters US Army Infantry Center and Fort Benning	Military	33,779
TSYS (Total Systems Inc.)	Credit Card Processing	6,000
Muscogee County School District	Public Education	5,927
AFLAC Incorporated	Insurance Products	3,300
Columbus Consolidated Government	Consolidated City/County Government	2,847
Columbus Regional Healthcare System	Hospital	2,603
Char-Broil (a division of W.C. Bradley Co.)	Outdoor Cooking Systems	2,000
Blue Cross Blue Shield of Georgia	Health Care and Insurance Products	1,700
Swift Denim, Inc.	Broad Woven Fabrics and Indigo Denim	1,600
St. Francis Hospital, Inc.	Hospital	1,409
W.C. Bradley Company	Outdoor Cookers	1,400
Cagle's, Inc.	Poultry Processing	1,300
Callaway Gardens Resort, Inc.	Garden and Resort Services	1,300
Mead Westvaco	Coated Paperboard	1,100
MBIA	Batteries-MFRS	1,000
Pezold Management Assoc., Inc.	Restaurant	1,000
TSYS Business Process Management	Customer Care Call Center	1,000
Columbus Foundry, L.P.	Automotive Castings	750
Hogan Transport	Transportation Services	725
Carl Gregory Enterprises, Inc.	Automotive Sales and Service	700

Source: Columbus Chamber of Commerce

Major Employer Locations in Columbus



F. Project Specific Demand Analysis

Income Restrictions

In the following Tables F-1 and F-2 are the income limits, rents limits, utility allowances and proposed opening net rents for the Subject. Pursuant to DCA specifications, income limits are based upon 1.5 persons per bedroom, and rent and set aside data is derived from the Subject application.

F-1 INCOME LIMITS FOR TAX CREDIT UNITS			
Muscogee County			
Household Size	30% AMGI	50% AMGI	60% AMGI
1	\$10,230	\$17,050	\$20,460
2	\$11,700	\$19,500	\$23,400
3	\$13,140	\$21,900	\$26,280
4	\$15,780	\$26,300	\$31,560
5	\$16,950	\$28,250	\$33,900

It should be noted that the utility allowances listed below are considerably greater than what was included in the application documents. This is because the applicant failed to use the Electric Heat Pump allowance as determined by the Columbus PHA. As a result, the Proposed Opening Net Rent exceeds the Maximum Allowable Net Rent by \$2 to \$16.

F-2 MAXIMUM RENTS FOR TAX CREDIT UNITS					
Muscogee County					
Unit Type	Set-Aside	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Proposed Opening Net Rent
1 Bedroom	50%	\$457	\$66	\$391	\$407
1 Bedroom	50%	\$457	\$66	\$391	\$407
2 Bedroom	50%	\$547	\$79	\$468	\$470
2 Bedroom	50%	\$547	\$79	\$468	\$470
2 Bedroom	50%	\$547	\$79	\$468	\$470
2 Bedroom	50%	\$547	\$79	\$468	\$470
2 Bedroom	50%	\$547	\$79	\$468	\$470
3 Bedroom	50%	\$632	\$99	\$533	\$540
3 Bedroom	50%	\$632	\$99	\$533	\$540
1 Bedroom	60%	\$548	\$66	\$482	\$491
1 Bedroom	60%	\$548	\$66	\$482	\$491
2 Bedroom	60%	\$656	\$79	\$577	\$589
2 Bedroom	60%	\$656	\$79	\$577	\$589
2 Bedroom	60%	\$656	\$79	\$577	\$589
3 Bedroom	60%	\$758	\$99	\$659	\$670
3 Bedroom	60%	\$758	\$99	\$659	\$670

F-3 RENT VARIANCES						
Unit Type	# of Units	Current Net Rent	Maximum LIHTC Net Rent		Net Adjusted Average Market Rent	
			\$	% Diff	\$	% Diff
1 Bedroom	25	\$407	\$391	(4.2%)	\$517	21.2%
1 Bedroom	50	\$491	\$482	(1.9%)	\$517	5.0%
1 Bedroom	34	\$580	NA		\$517	(12.2%)
2 Bedroom	17	\$470	\$468	(0.5%)	\$657	28.5%
2 Bedroom	2	\$589	\$577	(2.1%)	\$657	10.4%
2 Bedroom	8	\$680	NA		\$657	(3.5%)
3 Bedroom	11	\$540	\$533	(1.4%)	\$850	36.5%
3 Bedroom	3	\$670	\$659	(1.7%)	\$850	21.2%
3 Bedroom	28	\$753	NA		\$850	11.4%

Affordability

Based on the Proposed Rent and Utility Allowances listed in Table F-2, and income limits detailed in Table F-1 the following Table F-4 shows the income bands for each unit type. Based on DCA guidelines, these calculations are based upon households paying no more than 35 percent of gross income toward total housing expenses. HUD established Area Median Gross Income for the Columbus GA-AL MSA is \$48,700. For the Market Rate units, the analyst has chosen a maximum income ceiling of \$75,000. This is based, in part, on the applicant recommendations, and confirmed by area property managers and area real estate agents familiar with local tenant demographic trends.

F-4 INCOME BAND CALCULATOR				
Year 2005 - Columbus GA-AL MSA, Georgia				\$48,700
Unit Set-Aside	Assumed Unit Type	Proposed Rent + Utility Allowance (by # of Bedrooms)	Minimum Income *	Maximum Income
50%	1 Bed	\$473	\$16,217	\$19,500
50%	1 Bed	\$473	\$16,217	\$19,500
50%	2 Bed	\$549	\$18,823	\$21,900
50%	2 Bed	\$549	\$18,823	\$21,900
50%	2 Bed	\$549	\$18,823	\$21,900
50%	2 Bed	\$549	\$18,823	\$21,900
50%	3 Bed	\$639	\$21,909	\$26,300
50%	3 Bed	\$639	\$21,909	\$26,300
60%	1 Bed	\$557	\$19,097	\$23,400
60%	1 Bed	\$557	\$19,097	\$23,400
60%	2 Bed	\$668	\$22,903	\$26,280
60%	2 Bed	\$668	\$22,903	\$26,280
60%	2 Bed	\$668	\$22,903	\$26,280
60%	3 Bed	\$769	\$26,366	\$31,560
60%	3 Bed	\$769	\$26,366	\$31,560

F-5 INCOME ESTIMATES				
Households by Income	Primary Market Area		Secondary Market Area	
	Households	Percent	Households	Percent
0 - 9,999	7,741	10.8%	8,617	10.2%
10,000 - 14,999	4,445	6.2%	4,952	5.8%
15,000 - 19,999	4,432	6.2%	4,998	5.9%
20,000 - 24,999	4,872	6.8%	5,556	6.5%
25,000 - 29,999	4,622	6.4%	5,273	6.2%
30,000 - 34,999	4,639	6.4%	5,299	6.2%
35,000 - 39,999	3,982	5.5%	4,612	5.4%
40,000 - 44,999	4,193	5.8%	4,952	5.8%
45,000 - 49,999	3,504	4.9%	4,252	5.0%
50,000 - 59,999	6,088	8.5%	7,363	8.7%
60,000 - 74,999	7,092	9.8%	8,589	10.1%
75,000 - 99,999	6,827	9.5%	8,423	9.9%
100,000 +	9,568	13.3%	12,007	14.1%
TOTALS:	72,005	100%	84,893	100%

Source: ESRI Business Information Solutions

The above highlighted bands demonstrate the approximate income ranges that correspond with the Subject 50 percent and 60 percent units. For the purpose of calculating capture rates, we correct the household data to correspond to the exact percentage of a given band.

Demand

Demand from New Households

Based upon the guidelines set by DCA, the analyst derived gross annual demand for the 50 and 60 percent income restricted units at 75 households per year. This calculation, outlined in Table F-5, was based on taking 2000 Census data and using the 2005 and 2010 growth projections from ESRI, illustrated in Table E-3, above, to determine the Average Annual Household Growth for the study area of 319 units per year. The gross percentage of income qualified households, discussed above, was derived at 58.8 percent. Further deducted was the gross market percentage of renter households, 41.5 percent. That number was then corrected by the number of correctly sized households; based on DCA guidelines of 1.5 persons per bedroom, and the Subject offering one to three bedroom units, the number of one to five person households in the PMA represents 96.9 percent of the total. This equates to annual demand from new household growth for 50 and 60 percent units of 75 households. More specific calculations appear in Tables F-11 and F-12.

F-6 ANNUAL DEMAND FROM NEW HOUSEHOLD GROWTH	
DEMAND FROM NEW HOUSEHOLD GROWTH	
Average Annual Household Growth	319
Percent Income Qualified	58.8%
Percent Plan to Rent	41.5%
Appropriate Household Size	96.9%
Demand From New Household Growth	75

Source: ESRI

Demand from Existing Households

DCA guidelines state that the second source of demand should be calculated based on households that are rent-burdened or living in substandard conditions. Tables F-7 through F-10 demonstrate that there are a significant number of households in the PMA that have these conditions.

According to DCA, the threshold for rent burden is 35 percent of gross income. As demonstrated in Table F-7, 34 percent of area households meet this definition.

Substandard housing can be defined as those households lacking adequate plumbing or kitchen facilities, or those considered overcrowded. Tables F-8 and F-9 show that the number of households meeting the first two criteria is almost statistically insignificant. Again, when examining the number of overcrowded units, household demand remains mostly unchanged. Using a threshold of 1.51 occupants per room as a threshold, Table F-10 shows a very small percentage of renter households that are overcrowded. Based on these findings, the percentage of all households living in substandard conditions is calculated at 2.05 percent.

F-7 GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME PMA		
Percent of Income Paid	Number of Households	Percent of Total
Less than 10%	2,034	7%
10% to 14%	3,640	12%
15% to 19%	4,539	15%
20% to 24%	3,676	12%
25% to 29%	3,098	10%
30% to 34%	2,033	7%
35% to 39%	1,324	4%
40% to 49%	1,690	6%
50% or more	5,085	17%
Not Computed	3,101	10%
Total	30,220	100%

Source: US Census Bureau

F-8 TENURE BY PLUMBING FACILITIES PMA	
2000	Columbus City, GA
Total	69,597
Owner Occupied	39,266
Complete Plumbing Facilities	39,159
Lacking Complete Plumbing Facilities	107
Renter Occupied	30,331
Complete Plumbing Facilities	30,112
Lacking Complete Plumbing Facilities	219

Source: US Census Bureau

F-9 TENURE BY KITCHEN FACILITIES PMA	
2000	Columbus City, GA
Total	69,597
Owner Occupied	39,266
Complete Kitchen Facilities	39,174
Lacking Complete Kitchen Facilities	92
Renter Occupied	30,331
Complete Kitchen Facilities	29,931
Lacking Complete Kitchen Facilities	400

Source: US Census Bureau

F-10 TENURE BY OCCUPANTS PER ROOM PMA	
2000	Columbus City, GA
Total	69,597
Owner Occupied	39,266
0.50 or less occupants per room	29,334
0.51 to 1.00 occupants per room	9,070
1.01 to 1.50 occupants per room	612
1.51 to 2.00 occupants per room	214
2.01 or more occupants per room	36
Renter Occupied	30,331
0.50 or less occupants per room	16,573
0.51 to 1.00 occupants per room	11,487
1.01 to 1.50 occupants per room	1,463
1.51 to 2.00 occupants per room	636
2.01 or more occupants per room	172

Source: US Census Bureau

Net Demand, Capture Rate and Stabilization

The DCA Demand and Net Demand chart in Table F-11 makes it clear that there is a need for both affordable and market rate units.

F-11 DEMAND AND NET DEMAND				
	HH at 30% AMI	HH at 50% AMI	HH at 60% AMI	HH at > 60% AMI
	(min. income to max. income)	(min. income to max. income)	(min. income to max. income)	(min. income to max. income)
a) demand from New Household migration into the market and growth from existing households in the market: age and income appropriate	NA	25	30	262
Plus				
Demand from Existing Renter Households - Substandard Housing	NA	205	249	2,081
Plus				
Demand from Existing Renter Households - Rent Overburdened households	NA	622	755	6,631
Plus				
Demand from Existing Households - Elderly Homeowner Turnover (where applicable)				
Equals				
Total Demand	NA	852	1,033	8,975
Less				
Supply of directly comparable affordable housing units built and/or awarded in the project market between 1999 and the present	NA	325	810	873
Equals				
Net Demand	NA	527	223	8,102

There are several important notes regarding the above figures. First, is that the analyst only performed capture rate calculations for the LIHTC and market rate units – not for the 73 PHA

units that will be part of the Subject. DCA failed to provide any guidance regarding how these units should be dealt with, and it stands to reason that the Columbus PHA, which displaced in excess of 200 households in the demolition of the public housing formerly occupying the site, has more than enough demand to fill the units. Furthermore, the application documents seem to imply that the annual PHA payments to the Subject are not contingent on the units being occupied.

Secondly, the analyst has determined that, given the nature of the subject and the prevailing market conditions, that it is unnecessary to deduct any of the rehab properties in the market area; all rehab units are counted in the Net Supply in the Market Area.

Finally, in calculating the supply of market rate housing, the analyst used only the units from the Comparable properties, as described in Section G, regardless of when they were developed. This methodology is used because of the scarcity of newer market rate units within the two mile radius, as delineated by DCA. Also, most market rate developments built since 1999 are high-end and concentrated in North Columbus. The Comparable units, to a much greater degree than the North Columbus new construction, meet the definition of “directly comparable.”

As demonstrated in Table F-12, Capture Rates for every LIHTC and market rate unit type are favorable. Using the demand calculated described above, and then correcting for number of persons per household and individual unit rents, the Capture Rate Analysis Chart shows Capture Rates of less than five percent for nearly every unit type.

Absorption is based upon interviews with property managers at competing tax credit properties, described in more detail in section G. Johnston Mills reported that its most recent 75 unit addition was leased up in two months. Representatives of Victory Crossing, a tax credit property currently under construction, expect to be fully leased prior to opening. Midtowne Square had an absorption rate of 24 units a month, and Springfield Crossing was approximately 10 units per month. Based on this information, the analyst is relying on a conservative estimate of 10 units per month, which has been proportionately allocated between one-, two- and three bedroom units. Based on these assumption, and 109 non-PHA units, the assumed stabilization period to achieve 93 percent occupancy rate, as delineated by DCA, is 10 months. Again, the PHA units were included in this calculation, although it is assumed that the Columbus Housing Authority, which presently has 295 eligible applicants on its waiting list for public housing units and 2,471 applications on hand for Section 8 Vouchers, with annual turnover of approximately 216 Section 8 Vouchers and 350 units of public housing will have tenants lined up prior to the Subject completing construction.

F-12 CAPTURE RATE ANALYSIS CHART									
Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Avg. Market Rent	Proposed Rents
1 Bdrm	50% AMI	6	260	27	233	2.58%		\$517	\$407
	60% AMI	2	367	60	307	0.65%		\$517	\$491
	Market Rate	17	3,253	260	2,993	0.57%		\$517	\$580
1 Bdrm	TOTAL	25	3,880	347	3,533	0.71%		\$517	\$493
2 Bdrm	50% AMI	16	341	201	140	11.42%		\$657	\$470
	60% AMI	3	380	534	-154	-1.95%		\$657	\$589
	Market Rate	31	3,881	541	3,340	0.93%		\$657	\$680
2 Bdrm	TOTAL	50	4,602	1,276	3,326	1.50%		\$657	\$580
	50% AMI	6	251	97	154	3.89%		\$850	\$540
	60% AMI	3	286	216	70	4.27%		\$850	\$670
	Market Rate	25	1,841	72	1,769	1.41%		\$850	\$753
3 Bdrm	TOTAL	34	2,378	385	1,993	1.71%		\$850	\$654

Proposed Project Capture Rate LIHTC Units	6.38%
Proposed Project Capture Rate Market Rate Units	1.01%
Proposed Project Capture Rate ALL Units	1.38%
Proposed Project Stabilization Period	10 months

G. Supply Analysis

The analyst personally investigated the Market Area on June 1 to 3, 2005. Over 20 properties, both market rate and subsidized, were inspected, and several dozen property managers, agents, Realtors, landlords and local housing officials were interviewed. From this work, as well as significant secondary off-site research, 13 properties have been identified as most comparable to the Subject, of which five are subsidized using LIHTC. Furthermore, following with DCA guidelines, all market rate properties within two miles have been identified, as well as every property in the Market Area that receives any form of rental subsidy. Given that the surrounding neighborhood is primarily constituted of rental properties with four or fewer units, data was collected on these units as well. The considerable amount of information gathered, presented in the tables that follow, provide both a strong understanding of the greater Columbus rental market, as well as strong support for the development of the subject property.

The following Table G-1 provides a summary of the 14 Comparable Properties. The Subject will offer the newest units in the downtown or Central Columbus, as there is no new construction of market rate nor affordable multifamily rental properties in the pipeline beside Phase I of the Peabody Hope VI development. While there is significant amount of market rate development in North Columbus, these are high end units, with concierge services and rents far above the Subject's. For the Central Columbus area, there are no market rate units built in the last 20 to 25 years, with the exception of the units at Johnston Mills (Comparable #5) a mixed-income LIHTC rehabilitation of a former mill complex on the Chattahoochee River. There was a spate of market rate renovations in the late 1990s, and one property, Country Club (Comparable #3), a luxury golf course development, rehabilitated a portion of its units in 2004.

Besides the aforementioned Johnston Mills, there are four other LIHTC developments in the market area being used as comparables. Two properties, Midtowne Square (Comparable #11), built in 2000, and Springfield Crossing (Comparable #12) built in 2002, are new construction. The other properties, Liberty Gardens (Comparable #10) and Eagle's Trace (Comparable #13) are rehabilitations of former public housing projects.

Table G-1 provides a summary of the Comparable Properties. The Subject, like most properties, offers a dishwasher, garbage disposal, refrigerator, washer and dryer connections and an on-site laundry facility. About half the properties, the subject included, offer central heat and air conditioning as well as a clubhouse or community room. Subject units do not come with a microwave or ceiling fans, unlike 46 percent of Comparable properties. Furthermore, the application documents do not purport the presence of security personnel, closed circuit cameras, or a gated entrance to the facility, unlike 31 percent of the competing properties. Not included in this table are many other less essential amenities such as playgrounds, game courts, picnic areas or a computer/business center. The subject will offer all of these amenities making it extremely competitive in the marketplace.

G-1 SURVEY SUMMARY																			
Comp No.	Project Name	No. Units	Prop Age	Occ. Rate	Tenant Pairs					Amenities									
					Electric	Heat	Hot Water	Water / Sewer	Trash	Dishwasher	Garbage Disposal	Refrigerator	Microwave	Central Heat & Air Conditioning	Washer / Dryer Connection.	Ceiling Fans	On-Site Laundry	Security	Clubhouse
Subject	Peabody II	182	NC	NA	X	X	X			X	X	X		X	X		X		X
1	Le Crow on 13th	24	25 yrs	97%	X	X	X			X	X	X	X			X	X		
2	Rose Hill	24	30 yrs	100%	X	X	X			X	X	X					X		
3	Country Club	148	66 yrs	99%	X	X	X			X	X	X	X	X	X	X	X	X	X
4	Village on Cherokee	81	25 yrs	97%	X	X	X			X	X	X	X		X		X		
5	Johnston Mills*	336	1 yr	68%	X	X	X			X	X	X	X	X	X	X	X	X	X
6	Dinglewood Court	104	25 yrs	94%	X	X	X					X			X	X	X		
7	Garden Brook	71	40 yrs	90%	X	X	X			X	X	X							
8	Hillcrest	36	50 yrs	92%	X	X	X			X	X	X	X						
9	Overlook Club	104	30 yrs	100%	X	X	X					X			X	X	X		X
10	Liberty Gardens*	88	9 yrs	85%	X	X	X				X	X		X	X		X		X
11	Midtowne Square*	144	5 yrs	97%	X	X	X			X	X	X		X	X		X	X	X
12	Springfield Crossing*	120	3 yrs	99%	X	X	X			X	X	X	X	X	X	X	X		X
13	Eagles Trace*	383	55 yrs	57%	X	X	X			X	X	X		X	X		X	X	X
Ave / %:		132	28 yrs	90%	100%	100%	100%	0%	0%	77%	85%	100%	46%	46%	69%	46%	85%	31%	54%

*LIHTC property

** Section 8 Property

The following subsections outline how each of the Subject unit types compares in the marketplace. The properties are individually described and photographs provided in the pages that follow.

One-Bedroom Units

The market rental range for the one-bedroom units is \$310 to \$675. No utility adjustments were necessary for any bedroom size, because every property includes only water, sewer and trash removal in the rent.

At the low end of the range is Rose Hill (Comparable #2), an older property with comparable location in close proximity to the subject, but inferior amenities, condition, and unit sizes. The Subject is considered superior. The high end of the range is Johnston Mills (Comparable #5) a newly renovated, mixed-income LIHTC property offering loft-style apartments in a former mill complex. It offers a superior amenities and unit sizes, and comparable condition. The location, close to downtown on the banks of the Chattahoochee River, but still in a predominately industrial area, is considered roughly comparable to the Subject. Overall the Subject is considered slightly inferior. Furthermore, it should be noted that, while data specific to unit type is not available, that overall occupancy at Johnston Mills is only 68 percent. This would imply that the current rent levels are not sustainable.

The market rate, one-bedroom units most comparable to the Subject are Le Crow on 13th (Comparable #1) and The Village on Cherokee (Comparable #4). These are both older, well-maintained properties in close proximity to the subject, albeit in slight superior neighborhoods. They offer a slightly inferior amenity package, but both offer larger units. On balance, the Subject is considered slightly superior to both properties.

The remaining market rate one-bedroom units are located at Dinglewood Court (Comparable #6), Garden Brook (Comparable #7) and Hillcrest (Comparable #8). Similar to the above two properties, these projects are all older, well-maintained properties, with roughly comparable locations in proximity to the subject, in slight nicer neighborhoods, but with considerably worse traffic on facing roads. These three properties offer amenities inferior to the Subject. On balance, the Subject is considered superior to all three.

Given the above comparisons between the Subject development and the above properties, the Subject's one-bedroom market rate units should command rental rates higher than Le Crow and The Village, but somewhat less than Johnston Mills, given the low occupancy rate at that property. As a result, proposed Subject market rent of \$580 for its one-bedroom units is both competitive and viable.

G-2 NET ADJUSTED RENT (One Bedroom)					
Project Name	Comp #	# of Units	Net Rent	Adj. For Tenant Paid Utilities	Net Adjusted Rent
Johnston Mills	5	53	\$675	\$0	\$675
Peabody II	Subject	17	\$580	\$0	\$580
Le Crow on 13th	1	12	\$560	\$0	\$560
Village on Cherokee	4	41	\$520	\$0	\$520
Peabody II - 60% LIHTC	Subject	2	\$491	\$0	\$491
Eagles Trace - 60% LIHTC	13	25	\$485	\$0	\$485
Johnston Mills - 40% LIHTC	6	27	\$470	\$0	\$470
Johnston Mills - 60% LIHTC	6	27	\$470	\$0	\$470
Dinglewood Court	6	73	\$465	\$0	\$465
Garden Brook	7	31	\$460	\$0	\$460
Hillcrest	8	18	\$460	\$0	\$460
Peabody II - 50% LIHTC	Subject	6	\$407	\$0	\$407
Rose Hill	2	12	\$310	\$0	\$310
Survey: Total & Averages		319	\$356		\$356
Market: Total & Averages		240	\$517		\$517

The Subject LIHTC units also compare favorable against other properties in the market. Two comparable properties offer one-bedroom units capped at 60 percent of AMGI, Johnston Mills and Eagles Trace (Comparable #13). No other comparable property offers 50 percent units; however, Johnston Mills does offer 40 percent.

The Johnston Mills LIHTC units have the same characteristics as the market units described above. As such, it is of note that the subject is proposing to charge \$21 more in rent, despite offering significantly less living space. Of note, Johnston Mills 40 percent rents are the same as its 60 percent rents, and considerably greater than the 50 percent LIHTC rents proposed for the Subject.

Eagles Trace is a rehabilitated public housing project, located on the outskirts of the PMA near the main gate of Fort Benning. Until recently suffered from a very bad reputation for crime and other negative social externalities. A major, national management firm now controls the property and it appears to be bouncing back, however reported occupancy remains at 57 percent. The property still maintains many of the design and structural shortcomings of public housing, though it is presumed the unit interiors have modern layouts and appurtenances. The Subject is considered superior.

Given the above comparisons between the Subject development and the above properties, the Subject's one-bedroom 60 percent units should command rental rates higher than Eagles Trace, but somewhat less than Johnston Mills, given the low occupancy rate at that property. As a

result, proposed Subject 60 percent rent of \$491 for its one-bedroom units may fail to be competitive. However, given that only two such units are proposed, the rent may be viable.

The six one-bedroom units restricted to 50 percent of AMGI are very competitive, using the Comparable 40 and 60 percent rents as a benchmark. Given that all of the Subject’s proposed LIHTC rents exceed the gross rent limits as calculated in Table F-2, the analyst can not suggest that the 50 percent rents be revised upwards. Furthermore, it stands to reason that the Johnston Mills 40 percent rents have either been erroneously reported or are in gross violation of DCA requirements.

G-3 UNIT SIZE (One Bedroom)			
Project Name	Comp #	#of Units	Ave. Unit Size
Johnston Mills	5	53	1,044
Johnston Mills - LIHTC	6	54	1,044
Le Crow on 13 th	1	12	883
Village on Cherokee	4	41	740
Peabody II	Subject	17	729
Eagles Trace - LIHTC	14	25	728
Peabody II - LIHTC	Subject	8	723
Dinglewood Court	6	73	700
Hillcrest	8	18	700
Garden Brook	7	31	680
Rose Hill	2	12	510
Survey: Total & Averages		319	576
Market: Total & Averages		240	780

Two-Bedroom Units

The market rental range for the two-bedroom units is \$310 to \$675. No utility adjustments were necessary for any bedroom size, because every property includes only water, sewer and trash removal in the rent.

Again, the low end of the range is Rose Hill, and the high end is Johnston Mills, with the comparisons remaining constant with the above conclusions drawn on one-bedroom units. Similarly, the market rate, two-bedroom units most comparable to the Subject are Le Crow on 13th and The Village on Cherokee. Their two-bedroom units are 10 and 20 percent larger than the Subject, but the comparisons remain constant.

Another of the most comparable properties is Springfield Crossing (Comparable #12) is a newer property, near the southern edge of Columbus where there has been a considerable focus on community revitalization. The vast majority of the affordable single-family home ownership properties being developed by Columbus are located nearby, as well as a new school and community center. Anecdotal evidence suggests this was a less desirable part of town with a heavy concentration of poor, minority residents. Besides Peabody I, the only other LIHTC property presently under construction in the Market Area is Victory Crossing, the sister property to Springfield, located on an adjacent site.

Springfield is the most successful LIHTC property in the market, with occupancy at 99 percent allowing a rent increase of two to three percent in June 2005. Springfield offers a slightly superior set of project amenities, although the project design is of the cookie cutter LIHTC variety, and lacks much of the ascetic and functional appeal of the New Urbanism design utilized in the Hope IV development. However, the market rents at Springfield, and by association, what one can infer regarding Victory, are more than \$100 less than the Subject. Again, the project is at full occupancy, and the sizable gap with rents at Le Crow and Village implies its location may be the controlling factor. Still, the significant price differential must be noted.

Country Club is a high-end concierge residence located on a nearby golf course (Comparable #3). While its four- and eight-unit mansard style buildings were originally constructed in the 1930s, they began rehabbing the structures in the mid 1990s, with some units completed as recently as 2004. Despite offering a superior location and amenities, these units have average rents well below the Subject. However, 16 units are priced at \$805 and overall occupancy is 99 percent. It is possible that the smaller layouts and style of the apartments are not competitive in this market, and parking appeared to be limited.

The remaining market rate two-bedroom units are located at Dinglewood Court, Garden Brook, Hillcrest, as well as Overlook Club and Springfield Crossing, another mixed-income LIHTC project. Overlook Club is an older property with poor design near a heavily trafficked arterial road. It is very close to the AFLAC campus, but on balance is in a less desirable location than the Subject. On balance, the Subject is considered superior to all three.

Given the above comparisons between the Subject development and the above properties, the Subject's one-bedroom market rate units should command rental rates higher than Le Crow, The Village and Springfield, but somewhat less than Johnston Mills. As a result, proposed Subject market rents of \$690 and \$675 for its two-bedroom units is both competitive and viable.

The Subject LIHTC units also compare favorable against other properties in the market. Four comparable properties offer two-bedroom units capped at 60 percent of AMGI: Johnston Mills, Eagles Trace, Midtowne Square (Comparable #11) and Liberty Gardens (Comparable #10). Springfield Crossing offers 50 percent units and, Johnston Mills, Midtowne Square and Liberty Gardens do offer 40 percent units.

The Johnston Mills LIHTC units have the same characteristics as the market units described above. Again, it is of note that the subject is proposing to charge \$24 more in rent, despite offering nearly a third less living space. As above, Johnston Mills' 40 percent rents are the same as its 60 percent rents, \$95 greater than the 50 percent LIHTC rents proposed for the Subject.

Eagles Trace interestingly, is charging the maximum allowable LIHTC rent, despite an abysmally low occupancy rate. This would seem to imply that the new management is confident that these rents are viable in this market.

Midtowne Square is a relatively newly constructed LIHTC property, located on a promontory near a retail hub on the western edge of central Columbus. It offers a comprehensive amenity package including tennis and basketball courts, as well as a gated entrance. However, it is somewhat remote from the major employment and population centers and is pushed up against an interstate highway. Occupancy rates are high, and rents increased three percent in 2004. Like Jordan Mills, 40 percent rents are the same as its 60 percent rents, \$29 less than the subject 60 percent rents and \$90 greater than the 50 percent LIHTC rents proposed for the Subject.

Springfield Crossing 60 percent rents are \$74 less than those proposed for the Subject, although the 50 percent rents are almost identical. The analyst believes the proximal rents the lower set aside point towards higher demand that should carry over favorably to the Subject.

Liberty Gardens is a generally unattractive, fairly maintained rehabbed housing project located near downtown Columbus. The neighborhood surrounding the property consists entirely of other subsidized developments and government offices. The Subject can be considered extremely superior.

Given the above comparisons between the Subject development and the above properties, the Subject's three-bedroom 60 percent units should command rental rates higher than Eagles Trace, Springfield Crossing and Midtowne Square, but somewhat less than Johnston Mills, given the low occupancy rate at that property. As a result, proposed Subject 60 percent rent of \$589 for its two-bedroom units may fail to be competitive. However, given that only three such units are proposed, the rent may be viable.

The 16 two-bedroom units restricted to 50 percent of AMGI are very competitive. Again, the rent needs to be revised downward to comply with DCA guidelines, but it certainly is competitive at the 50 percent threshold.

G-4 NET ADJUSTED RENT (Two Bedroom)					
Project Name	Comp #	# of Units	Net Rent	Adj. For Tenant Paid Utilities	Net Adjusted Rent
Johnston Mills	5	110	\$953	\$0	\$953
Peabody II	Subject	6	\$690	\$0	\$690
Peabody II	Subject	25	\$675	\$0	\$675
Le Crow on 13th	1	12	\$660	\$0	\$660
Village on Cherokee	4	40	\$645	\$0	\$645
Hillcrest	8	18	\$615	\$0	\$615
Country Club	3	146	\$593	\$0	\$593
Peabody II - 60% LIHTC	Subject	3	\$589	\$0	\$589
Eagles Trace - 60% LIHTC	13	15	\$585	\$0	\$585
Dinglewood Court	6	31	\$575	\$0	\$575
Springfield Crossing	12	16	\$570	\$0	\$570
Johnston Mills - 40% LIHTC	6	38	\$565	\$0	\$565
Johnston Mills - 60% LIHTC	6	77	\$565	\$0	\$565
Midtowne Square - 40% LIHTC	11	12	\$560	\$0	\$560
Midtowne Square - 60% LIHTC	11	12	\$560	\$0	\$560
Garden Brook	7	20	\$555	\$0	\$555
Springfield Crossing - 60% LIHTC	12	60	\$515	\$0	\$515
Eagles Trace - 60% LIHTC	13	266	\$495	\$0	\$495
Overlook Club	9	73	\$490	\$0	\$490
Peabody II - 50% LIHTC	Subject	16	\$470	\$0	\$470
Springfield Crossing - 50% LIHTC	12	4	\$465	\$0	\$465
Liberty Gardens - 60% LIHTC	10	36	\$416	\$0	\$416
Rose Hill	2	12	\$340	\$0	\$340
Liberty Gardens - 40% LIHTC	10	36	\$324	\$0	\$324
Survey: Total & Averages		1,034	\$573		\$573
Market: Total & Averages		478	\$657		\$657

G-5 UNIT SIZE (Two Bedroom)			
Project Name	Comp #	#of Units	Ave. Unit Size
Johnston Mills - LIHTC	6	115	1,512
Johnston Mills	5	110	1,370
Le Crow on 13th	1	12	1,214
Midtowne Square - LIHTC	12	24	1,175
Village on Cherokee	4	40	1,129
Peabody II - LIHTC	Subject	219	1006
Dinglewood Court	6	31	1,000
Overlook Club	10	73	1,000
Peabody II	Subject	31	994
Garden Brook	7	20	984
Springfield Crossing	13	16	960
Country Club	3	146	945
Liberty Gardens - LIHTC	11	72	920
Eagles Trace - LIHTC	14	281	856
Hillcrest	8	18	850
Rose Hill	2	12	806
Survey: Total & Averages		1,034	1,047
Market: Total & Averages		478	1,072

Three-Bedroom Units

The market rental range for the two-bedroom units is \$625 to \$975. No utility adjustments were necessary for any bedroom size, because every property includes only water, sewer and trash removal in the rent.

Again, the low end of the range are the market rate units at Springfield Crossing, and the high end are two, large lofts at Johnston Mills, with the comparisons remaining constant with the above conclusions drawn on one- and two-bedroom units. Besides the Johnston Mills units, there are no market rate, three-bedroom units considered a close comparison to the Subject

Country Club is a high-end concierge residence located on a nearby golf course (Comparable #3). While its four- and eight-unit mansard style buildings were originally constructed in the 1930s, they began rehabbing the structures in the mid 1990s, with some units completed as recently as 2004. Despite offering a superior location and amenities, these units have average rents well below the Subject. However, 16 units are priced at \$805 and overall occupancy is 99 percent. It is possible that the smaller layouts and style of the apartments are not competitive in this market, and parking appeared to be limited.

The remaining market rate three-bedroom units are located at Garden Brook and Overlook Club. These units are smaller, in older structures and the Subject is considered superior to both.

Given the above comparisons between the Subject development and the above properties, the Subject's three-bedroom market rate units should command rental rates higher than Garden Brook, Overlook Club and Springfield, but somewhat less than Johnston Mills. As a result, proposed Subject market rents of \$720, \$750 and \$790 for its three-bedroom units is both competitive and viable.

As demonstrated in Table G-6, there were very few market rate three-bedroom units available for our analysis of comparable units. Given the age of most development in the area it is not surprising. To make a better informed decision of three-bedroom market rent, the analyst performed a telephone survey of five additional properties located in North Columbus. As discussed earlier, these properties have all been developed within the last five years and offer a considerable array of amenities, including concierge service. Asking rent for these units ranged from \$800 to \$1,100. Based on these findings, it is the opinion of the analyst that overall comparable market rent for three-bedroom units is roughly \$850.

The Subject LIHTC units also compare favorable against other properties in the market. Five comparable properties offer two-bedroom units capped at 60 percent of AMGI: Johnston Mills, Eagles Trace, Midtowne Square, Springfield Crossing and Liberty Gardens. Springfield Crossing offers 50 percent units and Midtown Square and Liberty Gardens offer 40 percent units.

The Johnston Mills only offers one 40 percent and one 60 percent three bedroom unit, both of which are occupied. LIHTC units have the same characteristics as the market units described above. Again, it is of note that the subject is proposing to charge the same rent, despite offering 40 percent less living space. As above, Johnston Mills' 40 percent rents are the same as its 60 percent rents, \$130 greater than the 50 percent LIHTC rents proposed for the Subject.

Eagles Trace again, is charging \$5 less than the maximum allowable LIHTC rent, despite a 70 percent occupancy rate for its three-bedroom units, which are approximately the same size at the Subject's. This would seem to imply that the new management is confident that these rents are viable in this market.

Midtowne Square, like Jordan Mills, has identical 40 percent and 60 percent rents, \$25 less than the subject 60 percent rents and \$105 greater than the 50 percent LIHTC rents proposed for the Subject. The units' sizes are almost identical to the Subject.

Springfield Crossing 60 percent rents are \$80 less than those proposed for the Subject, although the 50 percent rents are at the maximum allowed, presently \$10 less than the Subject's. As before, the analyst believes the proximal rents the lower set aside point towards higher demand that should carry over favorably to the Subject.

Liberty Gardens as before, is quite inferior to the Subject. Its significantly lower rents are not considered to have bearing on the prospective demand.

Given the above comparisons between the Subject development and the above properties, the Subject's three three-bedroom 60 percent units should command rental rates higher than Eagles Trace, Springfield Crossing and Midtowne Square, with Johnston Mills three-bedrooms being of limited significance given that it only offers two units. As a result, proposed Subject 60 percent rent of \$670 for its three-bedroom units is both competitive and viable.

The six three-bedroom units restricted to 50 percent of AMGI are very competitive. Again, the rent needs to be revised downward to comply with DCA guidelines, but it certainly is competitive at the 50 percent threshold.

G-6 NET ADJUSTED RENT (Three Bedroom)					
Project Name	Comp #	# of Units	Net Rent	Adj. For Tenant Paid Utilities	Net Adjusted Rent
Johnston Mills	5	2	\$975	\$0	\$975
Peabody II	Subject	17	\$790	\$0	\$790
Peabody II	Subject	2	\$750	\$0	\$750
Peabody II	Subject	6	\$720	\$0	\$720
Peabody II - 60% LIHTC	Subject	3	\$670	\$0	\$670
Johnston Mills - 40% LIHTC	6	1	\$670	\$0	\$670
Johnston Mills - 60% LIHTC	6	1	\$670	\$0	\$670
Eagles Trace - 60% LIHTC	14	52	\$665	\$0	\$665
Midtowne Square - 40% LIHTC	12	60	\$645	\$0	\$645
Midtowne Square - 60% LIHTC	12	60	\$645	\$0	\$645
Garden Brook	7	20	\$635	\$0	\$635
Overlook Club	10	31	\$625	\$0	\$625
Springfield Crossing	13	8	\$625	\$0	\$625
Springfield Crossing - 60% LIHTC	13	30	\$590	\$0	\$590
Peabody II - 50% LIHTC	Subject	6	\$540	\$0	\$540
Springfield Crossing - 50% LIHTC	13	2	\$530	\$0	\$530
Liberty Gardens - 60% LIHTC	11	8	\$509	\$0	\$509
Liberty Gardens - 40% LIHTC	11	8	\$368	\$0	\$368
Survey: Total & Averages		283	\$629		\$629
Market: Total & Averages		61	\$640		\$640

G-7 UNIT SIZE (Three Bedroom)			
Project Name	Comp #	#of Units	Ave. Unit Size
Johnston Mills	5	2	1,898
Johnston Mills - LIHTC	6	2	1,898
Eagles Trace - LIHTC	14	52	1,475
Midtowne Square - LIHTC	12	120	1,375
Peabody II	Subject	25	1,350
Peabody II	Subject	9	1,334
Springfield Crossing	13	40	1,290
Garden Brook	7	20	1,250
Overlook Club	10	31	1,200
Liberty Gardens - LIHTC	11	16	1,038
Survey: Total & Averages		283	1,342
Market: Total & Averages		61	1,251

MARKET COMPARABLE

NAME:	Le Crow on 13th				COMP #:	1	
ADDRESS:	1918 13th Street			CITY:	Columbus		
CONTACT:	Thayer Properties - Lisa McCallister, Property Mgr.			PHONE:	706-324-2112		
# UNITS:	24	% OCCUPIED:	97%	AGE:	1980	RATING (A-D):	B
DISTANCE to SUBJECT:	0.4 miles		PARKING:	Surface, free		YR REHABED:	NA
INC RESTRICTED/SPECIAL FINANCING:			Section 8 vouchers not accepted				
TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom		12	1	883	\$560	\$0.63	\$340
2 Bedroom		12	2	1,214	\$660	\$0.54	\$340



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC			
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input type="checkbox"/> Washer / Dryer Conn.	<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input type="checkbox"/> Clubhouse			
<input checked="" type="checkbox"/> Other:	Car wash area, Fireplaces						
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS: Turnover rate approximately 10 percent
 Located in the Historic Park District - mostly single family residential neighborhood
 Across the street from park
 Older, well maintained building with excellent landscaping
 Tenants work at AFLAC, Total Systems, many nurses at Medical Center and St. Francis; many military families.
 Approximately 10 percent of tenants over 55; approximately 15 percent students; many single parents.

MARKET COMPARABLE #1 - Additional Photograph



Le Crow on 13th

MARKET COMPARABLE

NAME:	Rose Hill				COMP #:	2	
ADDRESS:	Hamilton Road			CITY:	Columbus		
CONTACT:	Thayer Properties - Lisa McCallister, Property Mgr.			PHONE:	706-324-2112		
# UNITS:	24	% OCCUPIED:	100%	AGE:	1975	RATING (A-D):	B
DISTANCE to SUBJECT:	0.4 miles		PARKING:	Surface, free		YR REHABED:	NA
INC RESTRICTED/SPECIAL FINANCING:			Section 8 vouchers not accepted				
TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom		12	1	510	\$310	\$0.61	\$340
2 Bedroom		12	1	806	\$340	\$0.42	\$340



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC			
<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual W/tr Htrs.	<input type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input type="checkbox"/> Clubhouse			
<input checked="" type="checkbox"/> Other:	Car wash area						
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS:

Near hospitals
 Older, well maintained building with excellent landscaping
 Tenants work at AFLAC, Total Systems, many nurses at Medical Center and St. Francis; many military families.
 Approximately 10 percent of tenants over 55; approximately 15 percent students; many single parents.
 Turnover rate approximately one percent - many long term tenants

MARKET COMPARABLE

NAME:	Country Club				COMP #:	3	
ADDRESS:	2001 Country Club Road			CITY:	Columbus		
CONTACT:	Greystone Properties - Terri Sparks, Property Mgr			PHONE:	706-327-0268		
# UNITS:	148	% OCCUPIED:	99%	AGE:	1939	RATING (A-D):	A
DISTANCE to SUBJECT:	0.8 miles		PARKING:	Surface, free		YR REHABED:	2004
INC RESTRICTED/SPECIAL FINANCING:			Section 8 Vouchers not accepted				

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
0 Bedroom		2	1 - 1	600 - 850	\$315 - \$430	\$0.53 - \$0.51	\$275
2 Bedroom		72	1 - 1.0	831 - 900	\$490 - \$595	\$0.59 - \$0.66	\$275
2 Bedroom		58 / 16	1 - 3	794 - 1,250	\$480 - \$805	\$0.60 - \$0.64	\$275



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Central Heat & AC			
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input checked="" type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse			
<input checked="" type="checkbox"/> Other:	Video library, high speed internet access, surround sound wiring, gourmet kitchens						
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS:

Two bedrooms in both flat and townhouse layout
 Located adjacent to golf course in upscale neighborhood
 High end property offering concierge services

MARKET COMPARABLE #3 - Additional Photograph



Country Club

MARKET COMPARABLE

NAME:	Village on Cherokee				COMP #:	4	
ADDRESS:	3113 Cherokee Avenue			CITY:	Columbus		
CONTACT:	Thayer Properties - Lisa McCallister, Property Mgr.			PHONE:	706-324-2112		
# UNITS:	81	% OCCUPIED:	97%	AGE:	1980	RATING (A-D):	B
DISTANCE to SUBJECT:	0.8 miles		PARKING:	Surface, free		YR REHABED:	1990
INC RESTRICTED/SPECIAL FINANCING:			Section 8 Vouchers not accepted				

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom		41	1	740	\$495 - \$545	\$0.67 - \$0.74	\$340
2 Bedroom		40	1	1,100 - 1,158	\$585 - \$705	\$0.53 - \$0.61	\$340



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry
<input checked="" type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input type="checkbox"/> Clubhouse
<input checked="" type="checkbox"/> Other:	Fireplaces, W/D units included, car wash area, picnic area			
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking
	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash	

COMMENTS:
 Located in the Historic Park District - mostly single family residential neighborhood
 Walking distance to park, near hospitals
 Older, well maintained building with adequate landscaping
 Tenants work at AFLAC, Total Systems, many nurses at Medical Center and St. Francis; many military families.
 Turnover approximately 25%

MARKET COMPARABLE #4 - Additional Photograph



Village on Cherokee

MARKET COMPARABLE

NAME:	Johnston Mills			COMP #:	5
ADDRESS:	3201 1st Avenue		CITY:	Columbus	
CONTACT:	PCM - Michelle Washington, Property Manager			PHONE:	706-494-0388
# UNITS:	336	% OCCUPIED:	68%	AGE:	2004
RATING (A-D):	A				
DISTANCE to SUBJECT:	1.0 miles	PARKING:	Surface, free	YR REHABED:	

INC RESTRICTED/SPECIAL FINANCING: LIHTC

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom	40% / 60%	27 / 27	1 - 1	952 - 1,135	\$470 - \$470	\$0.49 - \$0.41	\$88
1 Bedroom		53	1	952 - 1,135	\$675	\$0.71 - \$0.59	\$88
2 Bedroom	40% / 60%	38 / 77	1 - 2	952 - 1,788	\$565	\$0.59 - \$0.32	\$88
2 Bedroom		19 / 91	1 - 2	952 - 1,788	\$755 - \$1,150	\$0.79 - \$0.64	\$88
3 Bedroom	40% / 60%	1 / 1	2 - 2	1,898	\$670	\$0.35	\$88
3 Bedroom		2	2	1,898	\$950 - \$1,000	\$0.50 - \$0.53	\$88



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Central Heat & AC
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry
<input type="checkbox"/> Balcony / Patio	<input checked="" type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse
<input checked="" type="checkbox"/> Other:	Tennis courts, clothes care facility, fitness center, gourmet kitchen, high speed internet			
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking
	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash	

COMMENTS: Lease-up on most recent renovation (75 units) approximately two months
 Planned social activities
 Renovation of a substantial mill complex located on the Riverwalk in the northern section of the urban core
 Somewhat remote from most area housing stock in a principally industrial area.
 Large military households are causing a great deal of vacancy, Turnover 15 units a month.
 AFLAC, Total Systems, Synovus. Approximately 25% over 55.

MARKET COMPARABLE #5 - Additional Photograph



Johnston Mills

MARKET COMPARABLE

NAME:	Dinglewood Court				COMP #:	6	
ADDRESS:	1500 12th Street			CITY:	Columbus		
CONTACT:	The Woodruff Company			PHONE:	706-323-5699		
# UNITS:	104	% OCCUPIED:	94%	AGE:	1980	RATING (A-D):	B
DISTANCE to SUBJECT:	1.3 miles		PARKING:	Surface, free		YR REHABED:	NA
INC RESTRICTED/SPECIAL FINANCING:			Section 8 vouchers not accepted				

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom		73	1	700	\$465	\$0.66	\$305
2 Bedroom		16 / 15	1.5 - 2	1,000	\$565 - \$585	\$0.57 - \$0.59	\$305



<input checked="" type="checkbox"/> Range & Oven	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC			
<input type="checkbox"/> Microwave	<input type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input type="checkbox"/> Clubhouse			
<input type="checkbox"/> Other:							
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS:

Well maintained, older property with adequate landscaping.
 Located near AFLAC and Total Systems, with many tenants employed by those companies, which often rent directly.
 Rent increase 3 percent in January 2005

MARKET COMPARABLE #6 - Additional Photograph



Dinglewood Court

MARKET COMPARABLE

NAME:	Garden Brook				COMP #:	7	
ADDRESS:	3561 Hilton Avenue			CITY:	Columbus		
CONTACT:	Thayer Properties - Lisa McCallister, Property Mgr.			PHONE:	706-324-2112		
# UNITS:	71	% OCCUPIED:	90%	AGE:	1965	RATING (A-D):	B
DISTANCE to SUBJECT:	1.3 miles		PARKING:	Surface, free		YR REHABED:	1990
INC RESTRICTED/SPECIAL FINANCING:			Section 8 vouchers not accepted				

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom		31	1	680	\$460	\$0.68	\$340
2 Bedroom		20	1	984	\$555	\$0.56	\$340
3 Bedroom		20	2	1,250	\$635	\$0.51	\$340



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC			
<input type="checkbox"/> Microwave	<input type="checkbox"/> Individual Wtr Htrs.	<input type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input type="checkbox"/> On-Site Laundry			
<input type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input type="checkbox"/> Clubhouse			
<input type="checkbox"/> Other:							
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS: Turnover 30 to 40% - higher than usual due to deployments, new competing properties in North Columbus and homeownership
 Located in residential neighborhood on a busy arterial road.
 Older, well maintained building with adequate landscaping
 Tenants work at AFLAC, Total Systems, many nurses at Medical Center and St. Francis; many military families.

MARKET COMPARABLE #7 - Additional Photograph



Garden Brook

MARKET COMPARABLE

NAME:	Hillcrest				COMP #:	8	
ADDRESS:	Wildwood and Stark Ave			CITY:	Columbus		
CONTACT:	Thayer Properties - Lisa McCallister, Property Mgr.			PHONE:	706-324-2112		
# UNITS:	36	% OCCUPIED:	92%	AGE:	1955	RATING (A-D):	B
DISTANCE to SUBJECT:	1.3 miles		PARKING:	Surface, free		YR REHABED:	1995
INC RESTRICTED/SPECIAL FINANCING:			Section 8 vouchers not accepted				
TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom		18	1	700	\$460	\$0.66	\$340
2 Bedroom		18	1	850	\$615	\$0.72	\$340



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC			
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input type="checkbox"/> On-Site Laundry			
<input type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input type="checkbox"/> Clubhouse			
<input checked="" type="checkbox"/> Other:	Car wash area						
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS:
 Georgian style dorm-like edifice, popular with older tenants because of historic appeal
 Minimal landscaping
 Located in the Historic Park District - mostly single family residential neighborhood
 Walking distance to park, near hospitals
 Tenants work at AFLAC, Total Systems, many nurses at Medical Center and St. Francis; many military families.

MARKET COMPARABLE

NAME:	Overlook Club				COMP #:	9	
ADDRESS:	100 Lockwood Court			CITY:	Columbus		
CONTACT:	The Woodruff Company			PHONE:	706-323-5699		
# UNITS:	104	% OCCUPIED:	100%	AGE:	1975	RATING (A-D):	C
DISTANCE to SUBJECT:	1.6 miles		PARKING:	Surface, free		YR REHABED:	NA
INC RESTRICTED/SPECIAL FINANCING:			Section 8 vouchers not accepted				

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
2 Bedroom		73	1	1,000	\$490	\$0.49	
3 Bedroom		31	2	1,200	\$625	\$0.52	



<input checked="" type="checkbox"/> Range & Oven	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Central Heat & AC			
<input type="checkbox"/> Microwave	<input type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse			
<input type="checkbox"/> Other:							
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS:
 Adjacent to the AFLAC campus off a busy arterial road
 Older, poorly designed development with little landscaping. Adequately maintained.
 Rents increased 3 percent in January 2005

MARKET COMPARABLE #9 - Additional Photograph



Overlook Club

MARKET COMPARABLE

NAME:	Liberty Gardens			COMP #:	10
ADDRESS:	675 6th Avenue		CITY:	Columbus	
CONTACT:	Shanita Brown, Resident Manager			PHONE:	706-323-8833
# UNITS:	88	% OCCUPIED:	85%	AGE:	1996
RATING (A-D):	C				
DISTANCE to SUBJECT:	2.0 miles	PARKING:	Surface, Free	YR REHABED:	1995
INC RESTRICTED/SPECIAL FINANCING:		LIHTC, 80% of tenants have Section 8 Vouchers			

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
2 Bedroom	40% / 60%	36 / 36	2	920	\$324 - \$416	\$0.35 - \$0.45	\$300
3 Bedroom	40% / 60%	8 / 8	2	1,038	\$368 - \$509	\$0.35 - \$0.49	\$350



<input checked="" type="checkbox"/> Range & Oven	<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Central Heat & AC			
<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input checked="" type="checkbox"/> Individual Storage	<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse			
<input type="checkbox"/> Other:							
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS:
 Rent increased 3 percent in January 2005
 Rehabilitated public housing that maintained original design. In fair to good condition.
 Tenants primarily work in fast food, with approximately 50 percent receiving some form of entitlement payment
 40 percent of tenants over 55
 Near zero turnover; most tenants have lived on site since rehabilitation completed.

MARKET COMPARABLE #10 - Additional Photograph



Liberty Gardens

MARKET COMPARABLE

NAME:	Midtowne Square				COMP #:	11	
ADDRESS:	1400 Boxwood Boulevard			CITY:	Columbus		
CONTACT:	PCM - Debbie Roper, Property Manager			PHONE:	706-561-1083		
# UNITS:	144	% OCCUPIED:	97%	AGE:	2000	RATING (A-D):	A
DISTANCE to SUBJECT:	2.2 miles		PARKING:	Surface, free		YR REHABED:	NA
INC RESTRICTED/SPECIAL FINANCING:			LIHTC				
TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
2 Bedroom	40% / 60%	12 / 12	2	1,175	\$560	\$0.48	\$250
3 Bedroom	40% / 60%	60 / 60	2	1,375	\$645	\$0.47	\$260



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Central Heat & AC			
<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual W/tr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input checked="" type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse			
<input checked="" type="checkbox"/> Other:	Basketball and tennis courts						
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS: Rent increased 3% in 2004.

Approximately 50 percent of tenants use Section 8 vouchers - flooded with applications end of 2004, most have lived there since construction in 2000. Approximately 25 percent of tenants over 55.

Attractive, well designed community in like new condition. Near shopping and services.

Tenants work at Swift Spinning Mill, AFLAC (growing) and in retail (Wal-Mart and Kmart).

Turnover approximately 25 percent annually. All units are leased through expected July vacancies (three months).

MARKET COMPARABLE #11 - Additional Photograph



Midtowne Square

MARKET COMPARABLE

NAME:	Springfield Crossing				COMP #:	12	
ADDRESS:	3390 North Lumpkin road			CITY:	Columbus		
CONTACT:	LaShawnia Smith, Property Manager			PHONE:	706-689-7703		
# UNITS:	120	% OCCUPIED:	99%	AGE:	2002	RATING (A-D):	B
DISTANCE to SUBJECT:	3.5 miles		PARKING:	Surface, free		YR REHABED:	
INC RESTRICTED/SPECIAL FINANCING:			LIHTC				
TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
2 Bedroom	50% / 60%	4 / 60	2	960	\$465 - \$515	\$0.48 - \$0.54	\$200
2 Bedroom		16	2	960	\$570	\$0.59	\$200
3 Bedroom	50% / 60%	2 / 30	2	1,290	\$530 - \$590	\$0.41 - \$0.46	\$300
3 Bedroom		8	2	1,290	\$625	\$0.48	\$300



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Central Heat & AC			
<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry			
<input checked="" type="checkbox"/> Balcony / Patio	<input checked="" type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse			
<input type="checkbox"/> Other:							
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash

COMMENTS: Rent increased 2 to 3 percent in June 2005
 Cable included in rent
 Remote from jobs and services, in an area with a large amount of new, subsidized, single-family construction
 Tenants work in service industry, food service and plants. Most between 21 and 35, many single mothers, few over 55 years old
 30 units (25 percent) use Section 8 Vouchers. Fully leased within five months of construction. Turnover 15%

MARKET COMPARABLE #12 - Additional Photograph



Springfield Crossing

MARKET COMPARABLE

NAME:	Eagles Trace			COMP #:	13	
ADDRESS:	2001 Torch Hill Road		CITY:	Columbus		
CONTACT:	Keri, Leasing Agent; Shana Hart, Admin Asst.			PHONE:	706-689-6618	
# UNITS:	383	% OCCUPIED:	57%	AGE:	1950	
DISTANCE to SUBJECT:		5.3 miles	PARKING:	Surface, free	YR REHABED:	2002

INC RESTRICTED/SPECIAL FINANCING: LIHTC

TYPE	SET-ASIDE	# UNITS	# BATHS	SIZE (SF)	RENT	RENT/ SF	DEPOSITS
1 Bedroom	60%	11 / 14		700 - 755	\$485	\$0.69 - \$0.64	\$99
2 Bedroom	60%	198 / 68		800 - 850	\$495	\$0.62 - \$0.58	\$99
2 Bedroom	60%	15		1,400	\$585	\$0.42	\$99
3 Bedroom	60%	22 / 30		1,450 - 1,500	\$665	\$0.46 - \$0.44	\$99
4 Bedroom	60%	25		1,525	\$730	\$0.48	\$99



<input checked="" type="checkbox"/> Range & Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Central Heat & AC
<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Individual Wtr Htrs.	<input checked="" type="checkbox"/> Washer / Dryer Conn.	<input type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> On-Site Laundry
<input checked="" type="checkbox"/> Balcony / Patio	<input type="checkbox"/> Individual Storage	<input checked="" type="checkbox"/> Swimming Pool	<input checked="" type="checkbox"/> Security	<input checked="" type="checkbox"/> Clubhouse
<input checked="" type="checkbox"/> Other:	Free Daycare center on-site			
TENANT PAIDS:	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Cooking
	<input type="checkbox"/> Water	<input type="checkbox"/> Sewer	<input type="checkbox"/> Trash	

COMMENTS: Current offering a \$99 move-in special (effective concession 7 percent)
 Rehabilitated public housing that has struggled with a bad reputation under former management; now operated by Winn Residential (Boston). Property is clean and well-maintained.
 Located near the main gate of Fort Benning far from the majority of the city's housing stock.
 Tenants are primarily military families or receiving public assistance. Approximately 35% over 55.
 Turnover approximately 16%, with a high number of forced evictions.

MARKET COMPARABLE #13 - Additional Photograph



Eagles Trace

The analyst was able to secure a list of most of the one- through four-family rental properties available in the neighborhood surrounding the Subject. The property manager indicated that of the 230 units under management 92 percent were occupied through June 2005. Of the available units, summarized in Table G-8, average asking rents are considerably lower than those proposed for the subject. This can be attributed to the generally poor condition of many of the properties, the large number of traditional student apartments, and the fact that the peak rental month is September, a fact that has much greater influence on rent elasticity for these property types, due to the greater propensity for small scale property owners who can not absorb vacancy loss. However, it should be noted that the three-bedroom rental range does exceed asking rents for the Subject.

As stated above, there is almost no open land available for development within several miles of the Subject site. Any new development would most like have to include the rehabilitation of demolition of some of the vacant industrial property bordering the Chattahoochee River.

G-8 OTHER AREA APARTMENT RENTALS			
Listings for June and July 2005			
Average Rents:	1 Bedroom	\$345	
	2 Bedroom	\$413	
	3 Bedroom	\$625	
230 total units - 92% Occupied			
Rent	Beds	Baths	
\$265	1	1	
\$350	1	1	
\$365	1	1	
\$400	1	1	
\$350	2	1	
\$400	2	1	
\$425	2	1	
\$425	2	1	
\$425	2	1	
\$450	2	1	
\$425	3	1	
\$450	3	2	
\$500	3	1	
\$500	3	1.5	
\$550	3	1	
\$600	3	1	
\$650	3	1	
\$950	3	2	
\$1,000	3	1	

Source: Morgan Management

MAP LEGEND

Market Rate Comps (Letters)		LIHTC (Numbers)		Clockwise from Top		
				Section 8 (Black Triangle)	Multi-Family HA Development (Yellow Triangle)	Elderly (Down Arrow)
A	Winchester	1	North Columbus Units	North Gate Village	Luther C Williams Homes	Calvary Community
B	Club Hill	2	Lynndolyn	Bull Creek	Warren Williams Homes	St. Mary's Woods
C	The Cloister	3	3rd Ave. and 40th St.	Hunter Haven	EE Farley Homes	EJ Knight Gardens
D	Hardaway Square	4	Pear Tree Place	Columbus Villas	Canty Homes Addition	Brown Nicholson Terrace
E	Clubview Court	5	McCleod Square	Renaissance Villa	EJ Knight Gardens	George F Rivers Homes
F	Garden Brook	6	24th Street Project	Ralston Towers	Newton Baker Village	Blake
G	Village on Cherokee	7	Paddock Club	Edmond Estates	Elizabeth Canty Homes	Tubman Gardens
H	Country Club	8	Evangeline Heights	Stonewood	BT Washington Apartments	
I	Hillcrest	9	Spring Ridge		Stough	
J	Peacock Woods	10	Poplar Pointe		Douglas	
K	Wynnton Tower	11	Crown Chase		Riverview	
L	Hilltop	12	Richmond Park		Louis T Chase Homes	
M	Kodak	13	Brookwood Park	Notes: (1) Subject property is marked by a turquoise flag (2) First property in each category is highlighted on map		
N	2000 Wynnton	14	6th Place Apts.			
O	Essex	15	Columbus II			
P	Overlook Club	16	Liberty Gardens			
Q	Overlook Crossing	17	Fay Project			
R	Dinglewood Court	18	Knight Project			
S	LeCraw on 13th	19	Springfield Crossing			
T	Peabody I (also LIHTC)	20	Victory Crossing			
U	Johnston Mill Lofts (also LIHTC)	21	Thirty-Second Ave.			
V	Hawthorne	22	Washington Ave.			
W	North Creek	23	Columbus Area Habitat for Humanity			
X	11th Street Lofts	24	Midtown Square			
Y	Flowers Building					

H. Interviews

H -1 Interview Information			
Name	Position/Company	Telephone	Interview Summary
Rick Jones	Planning Department – Columbus Consolidated Government	706-653-4116	Information on area housing needs and planned activity.
Lisa McAllister	Property Manager – Thayer Properties	706-324-2112	Comparable information for the Garden Brook, Village on Cherokee, Hillcrest, Rose Hill, and LeCraw on 13 th complexes
Janna Dickerson	Assistant Manager – Thayer Properties	706-324-2112	
Terri Sparks	Property Manager – Greystone Properties	706-327-0268	Comparable information for Country Club
Michelle Washington	Property Manager	706-494-0388	Comparable information for Johnston Mill Lofts
Name Withheld	Property Manager – The Woodruff Company	706-323-5699	Comparable information for Dinglewood Court and Overlook Club
Shanita Brown	Resident Manager	706-323-8833	Comparable information for Liberty Gardens
Debbie Roper	Property Manager	706-561-1083	Comparable information for Midtown Square
LaShawnia Smith	Property Manager	706-689-7703	Comparable information for Springfield Crossing
Shana Hart	Administrative Assistant – Winn Residential	706-689-6618	Comparable information for Eagles Trace
Keri	Rental Agent – Winn Residential	706-689-6618	
Cathy	Property Manager	706-322-7331	Information for Ralston Towers and the area senior housing market
Connie Morgan	Owner/Manager – Morgan Management	706-221-8092	Information on Subject neighborhood and 1-4 unit building rental market

I. Conclusions and Recommendations

Subject Strengths

- Desirable project quality and location that should meet housing needs of targeted tenants.
- Jobs and services are within walking distance of the subject.
- Comparable unit and superior project amenities.
- Occupancy rates continue to remain high at surrounding properties.
- The proposed construction and activity should only enhance the livability of the surrounding neighborhood.
- Rehabilitation of numerous public housing developments is causing a net decrease in affordable units.
- A low overall capture rate of 1.38 percent in the PMA.

Subject Weaknesses

- The subject neighborhood is generally run down and less desirable than other parts of the Market Area.
- Several LIHTC properties have low occupancy rates. While the subject can be considered superior to both, the vacancy may signify lower demand than the analyst has forecast.
- Very slow population growth in the Market Area coupled with a large increase in market rate housing

Feasibility of Subject

The area housing market is difficult to judge. There has been rapid growth in single and multi-family market rate housing that has not been tied to a comparable increase in population. Numerous public housing developments in the area have been rehabilitated, resulting in a significant net decrease in units. Much of the housing stock in central Columbus, where the Subject is located, is older and offers few three-bedroom units. There are no market rate housing developments for Older Persons and area Elderly units are all targeted towards the lowest income strata. Job growth has been mostly flat, although the Army reported that nearby Fort Benning will soon have 10,000 troops added.

The development of the Subject, regardless of occupancy, will have a very positive impact on the local community. Since the demolition of the former George Foster Peabody apartments, the neighborhood has experienced the first signs of gentrification. The community is eager for new development in the Subject area. The nearby hospitals provide a substantial number of direct and indirect job opportunities, and access to downtown, the AFLAC campus, and Fort Benning is all relatively convenient, with little traffic on the substantial roadways.

The most positive message resulting from our research is that the derived Capture Rates are extremely favorable. With a large number of individuals living in rent-burdened households, and a relatively small number of directly competing units, the Subject stands to be very competitive in this market. However, it must be noted that occupancy rates for the large number of newer market rate units in the North Columbus area were not made available to the analyst. Should these units be forced to lower rents and compete for tenants, overall market conditions would seriously undermine the Subject's tenant base. The low occupancy numbers at Johnston Mills and, to a lesser degree, Eagles Trace, are already worrisome. However, the low Johnston Mills occupancy is due to the fact that its loft-style apartments are unique to the Columbus area, and therefore, leasing activity has been slow.

It is the opinion of the analyst that the unique site and design of the Subject, along with housing, demographic trends, economic factors and data from comparable properties demonstrate that the subject property represents a significant value in the market place and meets the need for affordable housing units. The above factors should position the property favorably with respect to attracting and retaining tenants and achieving timely absorption. Based on the characteristics listed above, the analyst believes that the construction of Phase II of the Peabody Hope VI project is both feasible and will compete favorably in the marketplace.

J. Signed Statement

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

Michael Elder, Market Analyst

Market Analyst Certification and Checklist

I understand that by initializing (or checking) the following items, I am stating those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed: _____

Date: _____

A. Executive Summary

1	Market demand for subject property given the economic conditions of the area	Page	3
2	Projected Stabilized Occupancy Level and Timeframe	Page	3
3	Appropriateness of unit mix, rent and unit sizes	Page	3
4	Appropriateness of interior and exterior amenities including appliances	Page	4
5	Location and distance of subject property in relationship to local amenities	Page	4
6	Discussion of capture rates in relationship to subject	Page	4
7	Conclusion regarding the strength of the market for subject	Page	4

B. Project Description

1	Project address, legal description and location	Page	6
2	Number of units by unit type	Page	6
3	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc)	Page	6
4	Rents and Utility Allowance*	Page	8
5	Existing or proposed project based rental assistance		NA
6	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.)	Page	8
7	For rehab proposals		NA

8	Projected placed in service date	Page 8
9	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page 6
10	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page 6
11	Special Population Target (if applicable)	NA

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst	Page 9
2	Physical features of Subject Property and Adjacent Uses	Page 9
3	Subject Photographs (front, rear, and side elevations as well as street scenes)	Page 12
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject	Page 11
5	Developments in vicinity to subject and proximity in miles (Identify developments surrounding the subject on all sides)	Page 10
6	zoning of subject and surrounding uses	Page 10
7	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject	Page 28
8	Road or infrastructure improvements planned or under construction in the PMA	Page 29
9	Comment on access, ingress/egress and visibility of subject	Page 10
10	Any visible environmental or other concerns	Page 29
11	Overall conclusions of site and their marketability	Page 29

D. Market Area

1	Map identifying Subject's Location within PMA	Page 31
2	Map identifying Subject's Location within SMA, if applicable	Page 32

E. Community Demographic Data

1	Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry.	Page 33
---	---	---------

1. Population Trends

a.	Total Population	Page 33
b.	Population by Age Group	Page 34
c.	Number of elderly and non-elderly (for elderly projects)	NA
d.	If a special needs is proposed, additional information	NA

2. Household Trends

a.	Total number of households and average household size	Page	35
b.	Households by tenure (# of owner and renter households) Elderly by tenure, if applicable	Page	36
c.	Households by Income (Elderly, if applicable, should be allocated separately)	Page	37
d.	Renter households by # of persons in the household	Page	40

3. Employment Trend

a.	Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%))	Page	43
b.	Major employers, product or service, total employees, anticipated expansions, contractions in work forces, as well as newly planned employers and impact on employment in the PMA	Page	44
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page	42
d.	Map of the site and location of major employment concentrations.	Page	45
e.	Overall conclusions	Page	42

F. Project Specific Demand Analysis

1	Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page	46
2	Affordability - Delineation of Income Bands *	Page	48
3	Comparison of market rates of competing properties with proposed subject market rent	Page	47
4	Comparison of market rates of competing properties with proposed LIHTC rents	Page	47
5	Demand Analysis Using Projected Service Date (within 2 years)	Page	50
a.	New Households Using Growth Rates from Reputable Source	Page	50
b.	Demand from Existing Households (Combination of rent overburdened and substandard)	Page	51
c.	Elderly Households Converting (applicable only to elderly)	NA	
d.	Deduction of Supply of "Comparable Units"	NA	
e.	Capture Rates for Each Bedroom Type	Page	55
f.	Anticipated Absorption period for the property	Page	54

G. Supply Analysis

1	Comparative chart of subject amenities and competing properties	Page	57
2	Supply & analysis of competing developments under construction & pending	Page	56
3	Comparison of competing developments (occupancy, unit mix and rents)	Page	58
4	Rent Comparable Map (showing subject and comparables)	Page	70
5	Assisted Projects in PMA *	Page	93
6	Multi-Family Building Permits issued in PMA in last two years	Page	37

* PHA properties are not considered comparable with LIHTC units

H. Interviews

1	Names, Title, and Telephone # of Individuals Interviewed	Page	95
---	--	------	----

I. Conclusions and Recommendations

1	Conclusion as to Impact of Subject on PMA	Page	96
2	Recommendation as to Subject's Viability in PMA	Page	96

J. Signed Statement

1	Signed Statement from Analyst	Page	98
---	-------------------------------	------	----

K. Comparison of Competing Properties

1	Separate Letter addressing addition of more than one competing property	Page	103
---	---	------	-----

K. Comparison of Competing Properties

The Siegel Group, Ltd. performed concurrent market studies for two projects in Columbus. Both Phase II of the Peabody Hope VI project and Jordan Mills were assigned for analysis by the DCA. It is the opinion of the analyst that these projects will only slightly compete for tenants. Based on market conditions, demographics, and the derived capture rate analysis for both properties, it is the opinion of the analyst that the market can sustain both projects.

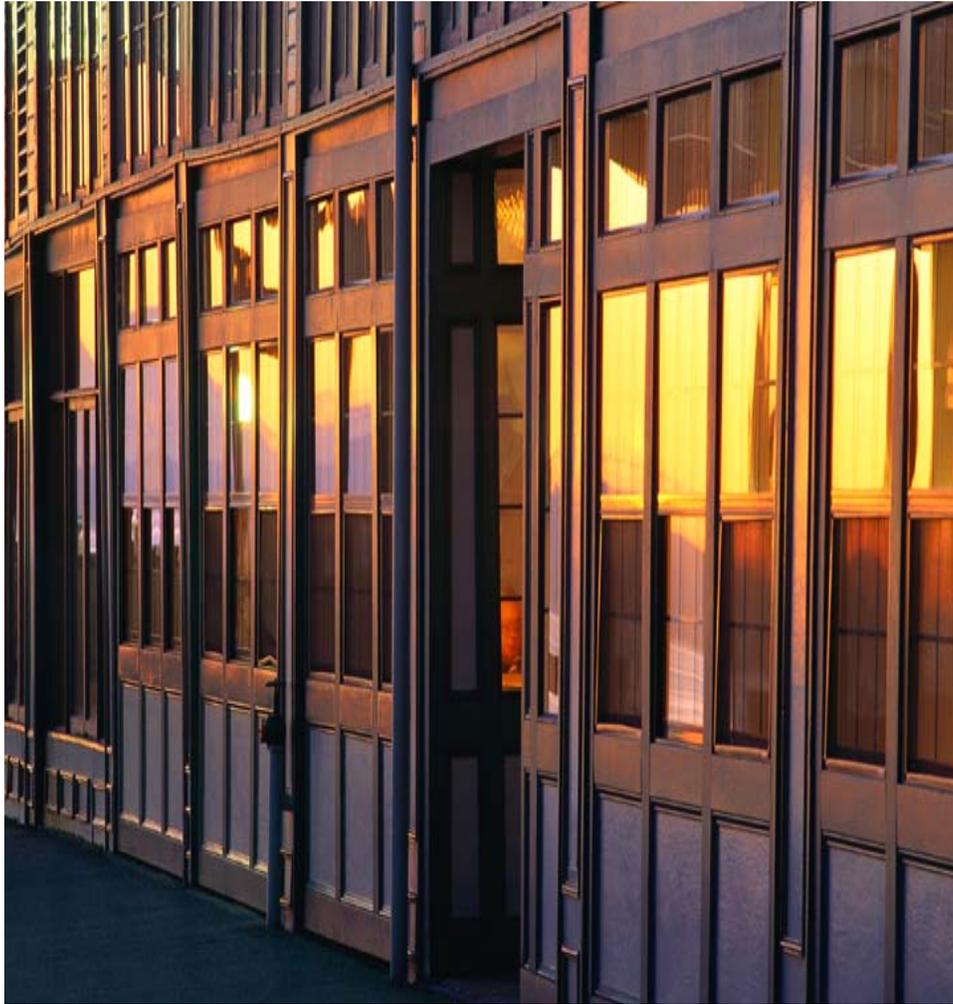
The analyst performed the market study for both Peabody II and Jordan Mills taking into account that the two properties would have to be measured against each other. All analysis performed for both reports relied on an identical set of demographic data and used the same set of comparable properties. Furthermore, capture rates for each property were calculated taking into account the number of units proposed for the other. Thus, all of the recommendations made in each market study are not only based on identical data, but under the presumption that the alternate proposal is definitely entering the market.

Peabody II is the second phase of a substantial Hope VI project. It contains one, two and three bedroom units in two- and three-story stacked flats as well as town houses. Units are set aside at 50 percent and 60 percent of AMGI, are unrestricted, and are set aside for Columbus Public Housing Authority (PHA) tenants. No units have age restrictions. All buildings are new construction and the site plan adheres to the tenants of New Urbanism, creating a very attractive and livable community in what was formerly a blighted public housing project.

Jordan Mills consists of 101 two-bedroom stacked flats set aside for Older Persons (age 55 and above) as well as three, three-bedroom staff units. All units are located in a vacant hosiery mill complex and the project has been designated a historic rehabilitation. Units restricted to 30, 50 and 60 percent of AMGI as well as unrestricted market rate units are proposed. At their closest point, Jordan Mills and Peabody II are located less than one block away from each other. The buildings have all brick facades, high ceilings and occupy an irregular lot with features such as a water town that will most likely draw tenants due to its unique nature. From an aesthetic standpoint, as well as the livability of the neighborhood, each project will increase the overall attractiveness of the other to prospective tenants.

Due to the nature of each development, Peabody II and Jordan Mills will, to a certain degree, compete for tenants. Both offer two-bedroom units at 50 and 60 percent set asides as well as market rate units. It can be presumed that a majority of Older Persons will choose age-restricted units over family units. However, Peabody offers a wider range of amenities, including two swimming pools being developed presently as part of Peabody I, so that may balance out. However, given the complete lack of any other Older Persons or non-PHA Elderly units in the market area, as well as the derived capture rates, there are more than enough Older Persons for both properties.

Overall, the Analyst supports the proposed development of both Peabody II and Jordan Mills.



THE
SIEGEL GROUP

The Siegel Group (TSG) is an alliance of highly skilled, knowledgeable and experienced real estate development, finance, and analysis professionals with extensive experience in the evaluation, financing, development, construction, and disposition of real estate nationwide. The current core business of the company is in the affordable housing sector where services are provided to residential real estate-oriented non-profit and for-profit organizations, financial institutions, investment banking firms, and various governmental entities nationwide.

Our principal activities include, but are not limited to, the following:

- Preparation of market studies
- Real estate asset management
- Problem real estate work-outs
- Debt and equity procurement
- Risk evaluation and due diligence review
- Participating Administrative Entity: HUD M2M Program
- Residential real estate acquisition and renovation
- Residential real estate development management

TSG is a unique combination of real estate professionals including affordable housing specialists, former state housing finance agency officers, former bankers, and real estate development practitioners. It is this unique blending of "expertise" and the reputation TSG has developed since its inception for producing quality work that has fueled TSG's continual growth.



REAL ESTATE MARKET STUDIES

TSG prepares market studies that look at supply and demand to determine the feasibility of a property and its impact on both the primary and secondary market areas that it serves or will serve. The TSG market study process includes an area demographics evaluation, housing analysis, demand assessment, and rental rate/sales price review. Extensive fieldwork is undertaken to determine housing needs and to gather market information directly in the field. The research and results are then compiled into a report that contains sufficient data and analysis to draw conclusions about the feasibility of the property's success in the subject market.

REAL ESTATE ASSET MANAGEMENT

TSG's Asset Management team is responsible for providing third party oversight of a property's operations as it relates to any and all financing requirements or regulatory agreements applicable to the property. TSG's focus is to ensure compliance with the local, state and/or federal programs under which the properties are restricted. The asset oversight reviews encompass three main areas: ongoing market analysis, compliance monitoring and operating budget financial analysis. Reviews include physical inspection of the property along with providing technical assistance to the property management agents. TSG's personnel will monitor capital improvements, occupancy requirements, and budgeting programs as well as recommend revenue enhancement, cost containment, and customer service ideas to owners. TSG jointly develops property specific plans of action with its client's individualized services to meet their needs.

PARTICIPATING ADMINISTRATIVE ENTITY for the HUD MARK-to-MARKET PROGRAM

Housing subsidy contracts are expiring on thousands of privately owned multifamily properties with federally insured mortgages. Many of these contracts set rents at amounts higher than those of the local market. The Mark-to-Market program was created to manage the myriad of issues created by the expiration of these subsidy contracts, including reducing rents to market levels and restructure existing debt to levels supportable by these rents. The Multifamily Assisted Housing Reform and Affordability Act of 1997 established the Office of Multifamily Housing Assistance Restructuring (now called the Office of Affordable Housing Preservation (OAHP)) to administer the Mark-to-Market program.

TSG is an OAHP Participating Administrative Entity (PAE) responsible for reducing rents to market levels and restructuring existing debt to levels supportable by these rents for Section 8 multifamily properties with federally insured mortgages. TSG's duties include eligibility screening, data collection and due diligence, underwriting, responding to appeals, managing the closing process, and engaging in certain post closing asset management activities.

DUE DILIGENCE/CREDIT UNDERWRITING

TSG's role in due diligence and credit underwriting is to examine thoroughly and judge expertly all the factors that bear on real estate transaction risk including an analysis of the appraisal, market study, environmental site assessment(s), architectural and engineering designs and plans as well as other information, and to judge the property's acceptability as security for the financial assistance requested from the TSG client. The value of the conclusions, opinions, and recommendations contained in any underwriting risk is measured by the qualifications and experience of the underwriter, a TSG strength.

REAL ESTATE DEVELOPMENT MANAGEMENT

TSG is an experienced manager of real estate developments focused on the acquisition, development and construction of residential communities throughout the country. We provide leadership and a myriad of services to investors and public and private partners. Our unique senior management team embodies decades of successful real estate development, construction management, and finance experience.

Howard A. Siegel, Chief Executive Officer, was educated as an architectural engineer at the University of Southern California, Los Angeles, California. He served for five years as the Chief Credit Officer of the Texas Department of Housing and Community Affairs. In this role he was responsible for the creation, implementation and administration of credit policies and underwriting standards for the State of Texas. As Director of the Credit Division, Mr. Siegel monitored the credit quality and determined the risk and viability of real estate related financial assistance programs that fund the construction or acquisition and/or rehabilitation of affordable, mixed income and special-needs residential projects throughout the State of Texas.

Mr. Siegel's career has included:

- Founder, Chairman and President of TSG;
- Founder and Chairman of The West Companies. The West Companies constructed in excess of 2,500 multifamily units, developed, constructed and marketed 500 affordable single-family residences in three Southern California projects, and developed, constructed, leased and operated 21 neighborhood and community shopping centers in California and Arizona. The shopping centers consisted of an aggregate net rentable area in excess of 3,000,000 square feet. The aggregate development cost of these projects was in excess of \$750 million;
- President, Chief Executive Officer and Director of multi-billion dollar Far West Bank and Vice Chairman of the Board and Chief Operating Officer of its NY stock exchange traded parent, Far West Financial Corporation, with headquarters in Newport Beach, California. The company was a major nationwide lender, real estate development joint venture partner and secondary market seller of commercial, industrial, multifamily residential, single family tract and single family mortgages;
- Chairman of the Board and Chief Executive Officer of Western Empire Savings & Loan Association in Irvine, California; and,
- Executive Vice President and Chief Operating Officer of Empire Savings & Loan Association in Van Nuys, California.

For two years Mr. Siegel was the Executive Director of an international educational foundation located in Key Largo, Florida. The organization is devoted to marine ecology, marine mammal research and the relationship between humans and dolphins.

Mr. Siegel has also devoted significant personal time to community and philanthropic activities. He served on the board of directors of the Easter Seal Society, the Arthritis Foundation and served as the President of the Board of Trustees of the South Coast Repertory Theatre in Orange County, California. He is currently a member of the Board of Directors of the Greater Austin Crime Commission in Austin, Texas and is an active member of the Austin Police Department Civil Defense Battalion and Search and Rescue Team. He has also taught classes in finance at the University of Texas and lectured nationally.

Ginger Brown McGuire, President, Chief Operating Officer, brings more than 25 years of experience in affordable housing to TSG. She currently serves as the Chief Operating Officer and is additionally responsible for product development, delivery of services and internal operations. Prior to joining TSG, she worked for both the federal and state governments, and in private industry in both non-profit and for profit entities. A native of Texas, Ms. McGuire has devoted considerable personal time to community activities by serving as a volunteer member of various boards of directors.

Prior to joining TSG, Ms. McGuire was the President of a non-profit development corporation that she created. The company's mission was to revitalize communities through new construction and the rehabilitation of single and multifamily residences. Through her efforts, the company acquired and constructed 496 multifamily units of family and senior housing utilizing 501(c)(3) bond financing. Through the non-profit, she worked with local governments including: the city of Fort Worth and Texas Wesleyan University, for whom she planned and determined the feasibility of constructing new student housing and revitalizing the neighborhood surrounding the University. She also worked with a national non-profit on a demonstration program to preserve the affordability of USDA/RHS 515 properties.

Ms. McGuire lived and worked in Washington, D.C. for many years where she developed a strong public policy background working with the Legislative and Regulatory branches of the U.S. Government. She worked with the law firm of Thacher, Proffitt and Wood as their Government Relations Consultant, the National Association of Home Builders as a Senior Legislative Representative, the U.S. Small Business Administration as a Government Relations Specialist and the U.S. House of Representatives, Committee on Banking, Finance and Urban Affairs. After moving back to Texas in 1991, Ms. McGuire served as the Southwest Regional Director for the Enterprise Foundation, was the Director of Loan Origination for the Texas General Land Office and was Deputy Executive Director of the Texas Department of Housing and Community Affairs.

Ms. McGuire served for 15 years as a Supervisor and board member of the Wright Patman Congressional Federal Credit Union that grew from \$2 million to \$102 million in assets during her tenure. She has served on the Board of Directors of the House of Representatives Child Care Facility, the National Advisory for Fannie Mae, the Network Advisory Board for the Texas Association of CDC's and the Dallas Affordable Housing Coalition. In 2000, she was selected "Entrepreneur of the Year" by the National Foundation for Women Legislators, Inc., the Business Women's Network and the Small Business Administration.

Ms. McGuire earned a Bachelor of Individualized Studies Degree, with a concentration in Political Science and Economics, from George Mason University and pursued graduate studies at George Washington University.

