

MARKET FEASIBILITY ANALYSIS

OF

**CAMPBELL CREEK APARTMENTS
351 WEST MEMORIAL DRIVE
DALLAS, GEORGIA 30132**

FOR

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INTRODUCTION

A. PURPOSE

The purpose of this report is to evaluate the market feasibility following renovations of the existing Campbell Creek Apartments in Dallas, Georgia using Low-Income Housing Tax Credits and developed by The Paces Foundation. This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA).

B. METHODOLOGIES

Methodologies used by Vogt Williams & Bowen, LLC include the following:

- The Primary Market Area (PMA) generated for the subject site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the subject project. Site PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods, or physical landmarks that might impede development.

Site PMAs are established using a variety of factors including, but not limited to:

- A detailed demographic and socioeconomic evaluation.
 - Interviews with area planners, realtors, and other individuals who are familiar with area growth patterns.
 - A drive-time analysis to the site.
 - Personal observations by the field analyst.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by evaluation of unit mix, vacancies, rent levels, and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 Low-Income Housing Tax Credit developments and market-rate developments that offer unit and project amenities similar to the subject development. An in-depth evaluation of those two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics, and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine the characteristics of the market when the subject project opens, and when it achieves a stabilized occupancy.
- Area building statistics and interviews with area officials familiar with area development provides identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, timing of the project, and its impact on the market and the subject development.
- An analysis of the subject project's market support from the number of income-appropriate households within the Site PMA based on GDCA's demand estimate guidelines. This capture rate analysis considers all income-qualified renter households. For senior projects, the market analyst is permitted to use conversion of homeowners to renters as an additional support component. Demand is conducted by bedroom type and targeted AMHI for the subject project. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- A determination of comparable market rent for the subject development is conducted. Using a Rent Comparability Grid, the features of the subject development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in a comparable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type at the subject site.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Vogt Williams & Bowen, LLC relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Vogt Williams & Bowen, LLC makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Vogt Williams & Bowen, LLC is not responsible for errors or omissions in the data provided by other sources.

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D. SOURCES

Vogt Williams & Bowen, LLC uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 1990 and 2000 Census on Housing
- Claritas
- Applied Geographic Solutions
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local Housing Authority representatives
- Real Estate Center at Texas A&M University
- Ribbon Demographic - HISTA

SECTION A. EXECUTIVE SUMMARY

Based on the findings reported in our market study, it is our opinion that a market exists for the renovation of the existing 80 units at the subject site, assuming it is renovated as detailed in this report. Changes in the project's rent or amenities may alter these findings. Following is a summary of our findings:

- The subject project involves the renovation of the existing Campbell Creek Apartments in Dallas, Georgia. Campbell Creek Apartments were completed in 1990 using Low-Income Housing Tax Credits awarded in 1989. The Tax Credit compliance period ended December 31, 2005. The project is currently 100.0% occupied with rents of \$499 for the two-bedroom units. The project will be renovated using Low-Income Housing Tax Credits and target households with incomes of up to 30%, 50% and 60% of the Area Median Household Income (AMHI) as well as market-rate renters with no maximum income limitation. The proposed Tax Credit collected rents range from \$351 to \$550.
- The subject site, Campbell Creek Apartments, is an existing cluster of 10 stucco exterior buildings located at 351 West Memorial Drive in Dallas, Georgia. The site is approximately 0.2 miles west of downtown Dallas, near the North Main Street and West Memorial Drive intersection. Located within Paulding County, Dallas is 31.6 miles northwest of downtown Atlanta, Georgia. The subject site is within an established mixed-use development, just outside of downtown Dallas, Georgia. Surrounding land uses include wooded areas, single-family homes, and various retail and commercial buildings.
- For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. The subject property is currently 100.0% occupied. Based on information provided by the developer, all of the tenants are income-qualified. Assuming all of the units need to be re-leased, it is our opinion that the 64 LIHTC units would reach a stabilized occupancy of 93% within five to seven months of opening, with an average absorption rate of nine to 11 units per month
- Based on our analysis contained in this report, it is our opinion that the 16 market-rate units will reach a stabilized occupancy of 93% within four to five months of opening, averaging an absorption rate between three and four units per month.

- The subject will offer a high-quality, affordable rental-housing alternative for low-income families in the Dallas area. Based on the extremely low vacancy rates and waiting lists in the rental market there is a strong demand for the rental units at the subject site.
- The proposed subject Tax Credit rents, ranging from \$480 (30% AMHI) to \$679 (60% AMHI) for a two-bedroom unit will be competitively priced with the other LIHTC units in the market. Market-rate units will have collected rents of \$600 per unit. The only Tax Credit property currently offering concessions is Magnolia Creste Apartments. If the one-month's free rent is calculated, the actual rent for the two-bedroom units is \$711.
- The proposed subject market rents of \$600 for a two-bedroom unit are among the lowest of the comparable units. This will enable the subject market-rate units to be very competitive in the market. When the high quality and competitive features are also considered, it appears that the market-rate units at the subject site will be perceived as a value in the market.
- The subject development will offer the smallest unit sizes (square footage) when compared with the existing LIHTC projects in the market. The number of baths offered at the subject site is equal to the older LIHTC units in the market (Creekstone Apartments). Based on the fact the subject property will offer lower rental rates and it is currently 100% occupied, it does not appear the smaller unit sizes and number of baths has negatively impacted the ability to compete in the market.
- After renovations, the amenity packages included at the subject development will be very competitive with the competing market-rate projects. Typical unit amenities among the comparable developments include a range, refrigerator, dishwasher, disposal, central air conditioning, carpet, window blinds, washer/dryer hookups, patio/balcony, and ceiling fans. Typical project amenities include a swimming pool, on-site management, on-site laundry, clubhouse, fitness center, playground, and picnic area.
- The subject units will include the same amenities as the comparable units, but will also have a computer center and offer resident services, such as social/recreation programs, computer classes and financial and budgeting seminars.
- Established residential and developing residential areas largely surround the subject site. The site is within 0.2 miles of downtown Dallas. There are no encroaching nuisances to deter residents from the site area. Overall, the subject property fits in well with the surrounding land uses and should contribute to the marketability of the site.

- The Dallas Site PMA includes all of the city of Dallas, Georgia. The boundaries of the Site PMA are the boundaries of Paulding County. This area is expected to represent support for approximately 85% of the subject site. Thus, a secondary market area has not been determined in this analysis, as the additional 15% of support for the subject site will likely come from surrounding areas of Georgia.
- According to statistics provided by the U.S. Department of Labor, Bureau of Labor Statistics, the 2000 Census, and Claritas demographic information, and based on interviews with representatives of the Paulding County/Dallas Chamber of Commerce and Dallas city officials, the Dallas economy has been stable and is projected to remain stable throughout the next few years. Despite the slowdown of the manufacturing industry, other economic sectors in the area have experienced slow growth that counteracts any slight decline in manufacturing. Thus, the overall economy is expected to remain stable to slow growing in the Dallas area for at least the next few years.
- This stability in the area economy is an indication of the continued demand for housing in the area. With modest economic growth in the area, the demand for housing is anticipated to increase proportionately over the next few years. Thus, the demand for housing is anticipated to remain as strong as current conditions.
- We conducted an on-site survey of 14 conventional properties totaling 1,932 units including the subject site. Of these properties, 13 are non-subsidized (market-rate or Tax Credit) with 1,892 units. Among these non-subsidized units, 98.1% are occupied. We consider this an excellent occupancy rate, and a positive indication of the strength of the non-subsidized conventional apartment market. There is also one government-subsidized project in the market with a total of 40 units. These units have an overall occupancy rate of 100.0%. This project operates under the HUD Section 8 program.
- Based on the market-driven rent analysis, it was determined that the present-day market-driven rent for units similar to the subject development is \$610 for a two-bedroom unit.
- The following table compares the proposed collected rents at the subject site with market-driven rent for selected units.

BEDROOM TYPE	COLLECTED RENT		
	PROPOSED SUBJECT	MARKET-DRIVEN	PROPOSED RENT AS SHARE OF MARKET
TWO-BEDROOM	\$351 (30%)	\$610	57.5%
	\$540 (50%)		88.5%
	\$550 (60%)		90.2%
	\$600 (MRR)		98.4%

- The proposed collected Tax Credit rents are 57.5% to 90.2% of market-driven rents and represent a 9.8% to 42.5% market rent advantage in the Dallas Site PMA. The proposed market-rate rents are priced 98.4% of market-driven rents, thus representing a 1.6% market rent advantage. Overall, the proposed rent levels represent a value in the Dallas market.
- Based on the demand calculations found on page F-5 of this analysis, the capture rates for the subject units range from 9.0% to 17.8%, with an overall Tax Credit capture rate of 21.3%. These capture rates are considered achievable and an indication of the existing support base for the subject units.
- The capture rates by bedroom type range from 3.8% to 29.2%. It is important to note the subject property is currently 100% occupied and, according to the developer, as of December 2005, all tenants residing at the property were Tax Credit qualified. Based on these factors, if all 80 occupied units are deducted from our capture rate calculations, the effective capture rate would be 0.0%.

BEDROOM SIZE (SHARE OF DEMAND)	TARGET % OF AMHI	SUBJECT UNITS	TOTAL DEMAND*	SUPPLY**	NET DEMAND	CAPTURE RATE	ABSORPTION	MEDIAN MARKET RENT	SUBJECT GROSS RENTS
ONE-BR (25.0%)	30%	0	22	0	22	-	-	\$749	-
	50%	0	56	7	49	-	-	\$749	-
	60%	0	92	5	87	-	-	\$749	-
	MRR	0	182	30	152	-	-	\$749	-
ONE-BEDROOM	TOTAL	0	353	42	311	-	-	\$749	-
TWO-BR (60.0%)	30%	8	53	0	53	15.1%	4 UPM	\$875	\$480
	50%	35	135	15	120	29.2%	2 UPM	\$875	\$669
	60%	21	221	9	212	9.9%	3 UPM	\$875	\$679
	MRR	16	437	15	422	3.8%	3 UPM	\$875	\$729
TWO-BEDROOM	TOTAL	80	847	39	808	9.9%	12 UPM	\$875	-
THREE-BR (15.0%)	30%	0	13	0	13	-	-	\$916	-
	50%	0	34	7	27	-	-	\$916	-
	60%	0	55	5	50	-	-	\$916	-
	MRR	0	109	0	109	-	-	\$916	-
THREE-BEDROOM	TOTAL	0	212	12	200	-	-	\$916	-

- The capture rates for each bedroom type and targeted income level illustrated above are all considered good. It should be noted that the absorption periods above assume that the project is 100% vacant. It is important to note that the most conservative approach to demand has been used. Therefore, we do not anticipate a long absorption period for any vacant units.

PROJECT CAPTURE RATE LIHTC UNITS	21.3%
PROJECT CAPTURE RATE MARKET-RATE UNITS	2.6%
PROJECT CAPTURE RATE ALL UNITS	9.9%
PROJECT STABILIZATION PERIOD (ASSUMING ALL UNITS VACANT)	12 TO 14 UNITS PER MONTH

SECTION B - PROJECT DESCRIPTION

The subject project involves the renovation of the existing 80-unit Campbell Creek Apartments in Dallas, Georgia. Campbell Creek Apartments was completed in 1990 using Low-Income Housing Tax Credits awarded in 1989. The Tax Credit compliance period ended December 31, 2005. The project is currently 100.0% occupied with rents of \$499 for the two-bedroom units. There is currently no waiting list. The project will be renovated using Low-Income Housing Tax Credits and target households with incomes of up to 30%, 50% and 60% of the Area Median Household Income (AMHI) as well as market-rate renters with no maximum income limitation. The proposed Tax Credit collected rents range from \$351 to \$550 while the market-rate rent will be \$600. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

1. **PROJECT NAME:** Campbell Creek Apartments
2. **PROPERTY LOCATION:** 351 West Memorial Drive
Dallas, Georgia 30132
3. **PROJECT TYPE:** Rehabilitation of a family-oriented Low-Income Housing Tax Credit project
4. **UNIT CONFIGURATION AND RENTS:**

TOTAL UNITS	BEDROOM TYPE	BATHS	STYLE	SQUARE FEET	PERCENT OF AMHI	PROPOSED RENTS		
						COLLECTED	UTILITY ALLOWANCE	GROSS
8	TWO-BR.	1.0	GARDEN	854	30%	\$351	\$129	\$480
35	TWO-BR.	1.0	GARDEN	854	50%	\$540	\$129	\$669
21	TWO-BR.	1.0	GARDEN	854	60%	\$550	\$129	\$679
16	TWO-BR.	1.0	GARDEN	854	MRR	\$600	\$129	\$729
80								

Source: Developer (The Paces Foundation)

AMHI – Area Median Household Income (Atlanta – Sandy Springs – Marietta MSA)

MRR – Market-rate

5. **TARGET MARKET:** Families with incomes up to 30%, 50% and 60% AMHI and higher
6. **PROJECT DESIGN:** Five two-story walk-up, residential buildings and two non-residential buildings

7. ORIGINAL YEAR BUILT: 1990

8. PROJECTED OPENING DATE: 2008

9. UNIT AMENITIES:

- RANGE
- DISHWASHER
- WINDOW BLINDS
- PATIO/BALCONY
- DISPOSAL
- REFRIGERATOR
- CENTRAL AIR CONDITIONING
- WASHER/DRYER HOOKUPS
- CARPETING

10. COMMUNITY AMENITIES:

- SWIMMING POOL
- PLAYGROUND
- CLUBHOUSE
- FITNESS ROOM
- STORAGE
- ON-SITE MANAGEMENT
- ON-SITE LAUNDRY
- COMPUTER CENTER
- PICNIC PAVILION

11. RESIDENT SERVICES:

- SOCIAL/RECREATIONAL PROGRAMS
- RECREATIONAL ACTIVITIES FOR CHILDREN
- SEMI-MONTHLY COMPUTER CLASSES
- FINANCIAL AND BUDGETING SEMINARS

12. UTILITY RESPONSIBILITY:

The cost of trash collection will be included in the rent. Tenants are responsible for all of the following utilities:

- ELECTRIC HEAT
- ELECTRIC COOKING
- WATER
- ELECTRICITY
- ELECTRIC HOT WATER
- SEWER

13. PARKING:

The subject site will offer a sufficient number of open lot parking spaces.

14. CURRENT PROJECT STATUS:

Tax Credit property with units available to households earning at or below 60% AMHI with current rents of \$499. The property is currently 100% occupied with no waiting list.

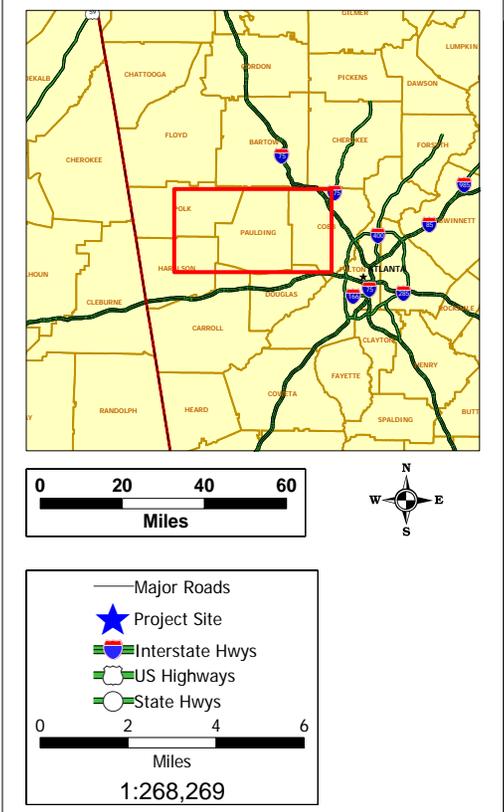
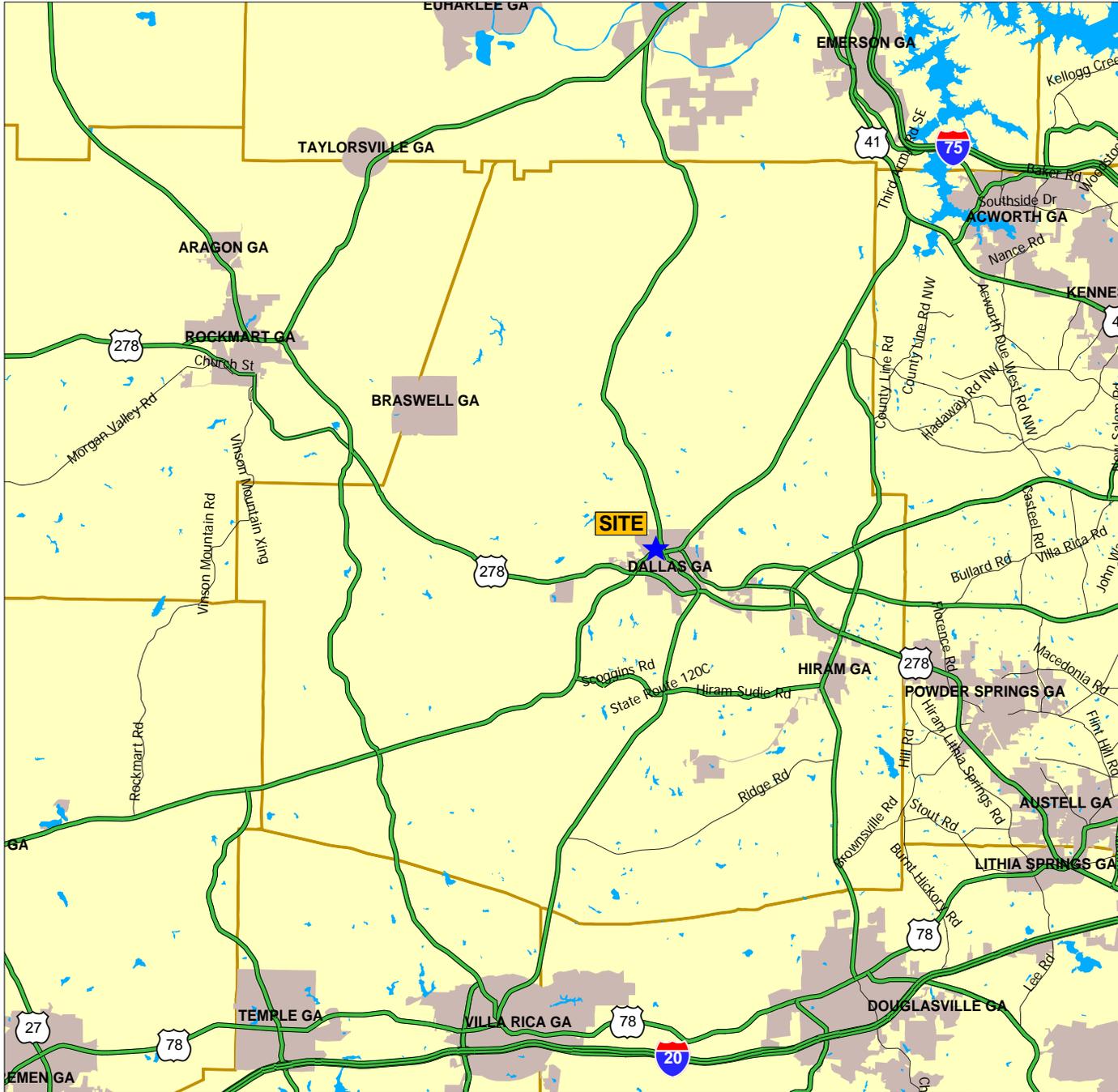
Proposed renovation costs are estimated at \$22,742 per unit. According to the developer, extensive interior and exterior repairs and upgrades will be done. All new roofs, appliances, HVAC systems, and hot water heaters will be installed. Four units will be made handicapped accessible and one unit converted for hearing and sight impaired tenants. ADA issues will be corrected throughout the site. A new community building will be added with leasing office, clubroom, covered porch, laundry, computer center, and fitness room. A new playground and picnic pavilion will be installed and the swimming pool will be upgraded.

The individual apartments include a kitchen, a living room, dining room and two-bedrooms. The project includes a swimming pool, playground, and central laundry. Bathrooms include a tub with shower, a vanity, and a mirror. Living rooms and bedrooms will be carpeted. Kitchens, dining areas, and bathrooms will have vinyl flooring. Each unit contains a stove, refrigerator, disposal, and dishwasher. Unit heating and cooling consist of central units.

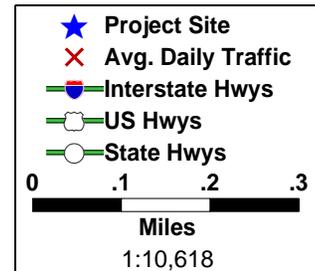
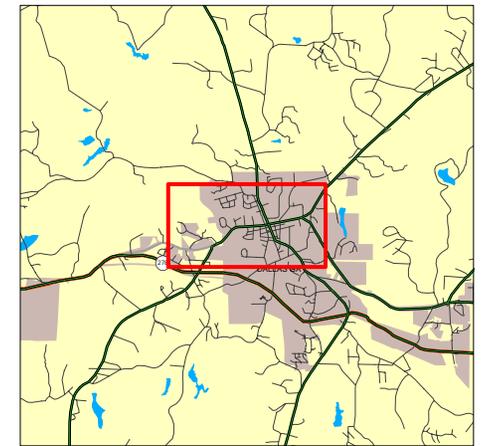
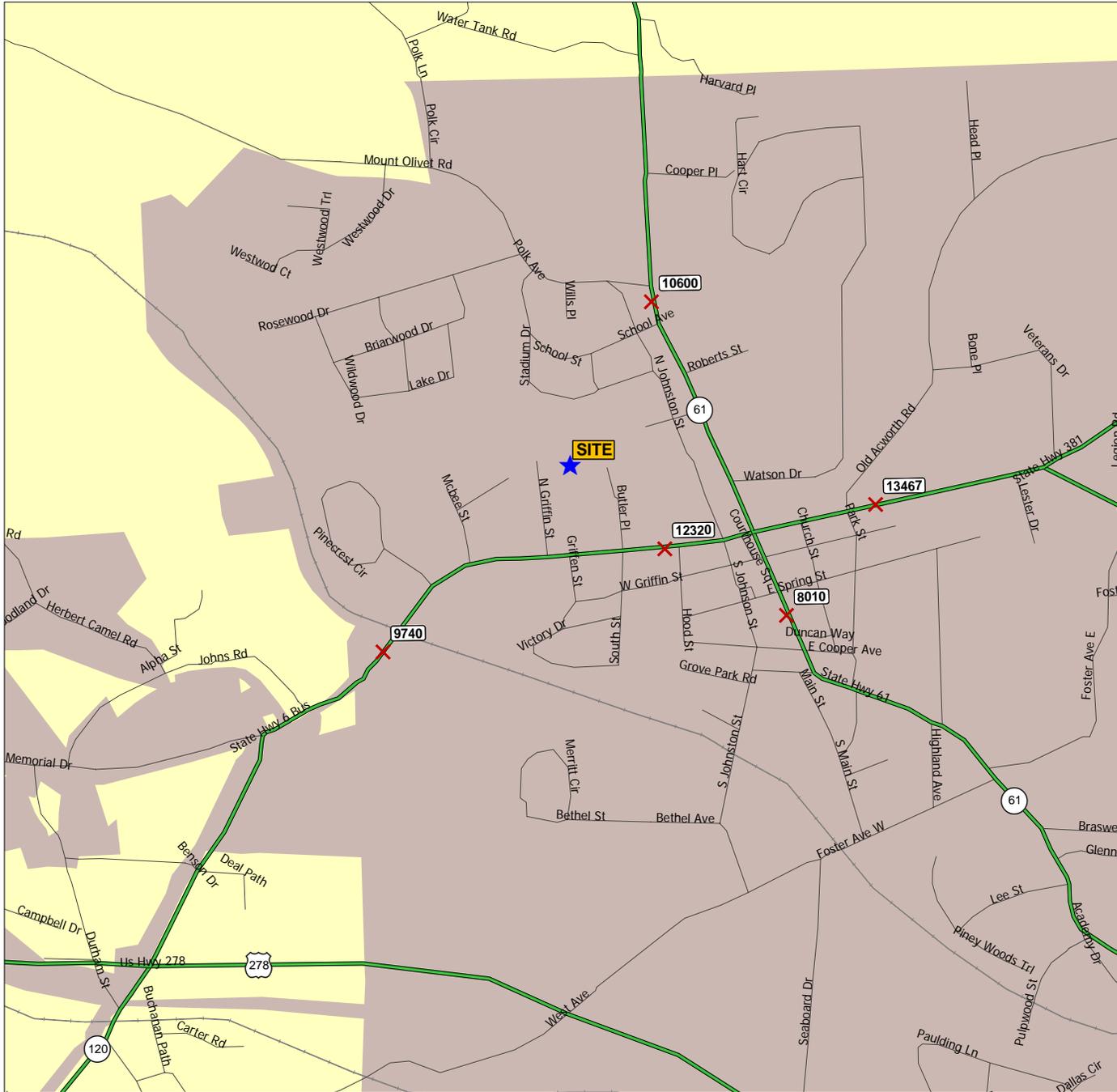
15. STATISTICAL AREA: Atlanta-Sandy Springs-Marietta MSA (2006)

A state map, regional map, and map illustrating the site neighborhood are on the following pages.

Dallas, GA: Surrounding Region



Dallas, GA: Site Neighborhood



SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site, Campbell Creek Apartments, is an existing cluster of 10 two-story, stucco exterior buildings located at 351 West Memorial Drive in Dallas, Georgia. The site is approximately 0.2 miles west of downtown Dallas, near the North Main Street and West Memorial Drive intersection. Located within Paulding County, Dallas is 31.6 miles northwest of downtown Atlanta, Georgia. Michael Myers, an employee of Vogt Williams & Bowen, LLC, inspected the site and area apartments during the week of June 26, 2006.

2. SURROUNDING LAND USES

The subject site is within an established mixed-use development, just outside of downtown Dallas, Georgia. Surrounding land uses include wooded areas, single-family homes, and various retail and commercial buildings. Adjacent land uses are detailed as follows:

North -	A wooded area separates the site from the single-family homes and Herschel Jones Middle School to the north.
East -	A wooded area is east of the site. Single-family homes in fair to good condition are southeast of the site beyond a tree line. Downtown Dallas is within 0.2 miles east of the site, beyond the wooded area and single-family homes.
South -	West Memorial Drive, a two-lane road, borders the site area to the south. May Day Pest Control and Tri-County Transmission flank the entrance to the site off of West Memorial Drive. A scooter dealer is opposite the site entrance across West Memorial Drive. Single-family homes in fair to good condition are further south of the scooter dealer.
West -	A tree line separates the site from a single-family home construction site to the west. A two-story brick building containing several attorneys' offices is southwest of the site.

Established residential and developing residential areas largely surround the subject site. The site is within 0.2 miles of downtown Dallas. There are no encroaching nuisances to deter residents from the site area. Overall, the subject property fits in well with the surrounding land uses and should continue to contribute to the marketability of the site.

3. VISIBILITY AND ACCESS

The subject property has an access road approximately 0.1 miles long, separating West Memorial Drive from the immediate site area. This distance, composed of grass areas and scattered established trees, provides a quiet wooded seclusion from downtown traffic. While this hinders direct visibility of the site, adequate signage off of West Memorial Drive is sufficient to alert passers-by to the site's location. Access to the site is gained from West Memorial Drive, a two-lane roadway south of the site. While vehicular traffic is generally moderate on this roadway, during peak travel times (before and after regular business hours) traffic can increase to above moderate levels. However, residents entering or leaving the site typically do not encounter any significant delays. Sidewalks line the south side of West Memorial Drive, opposite the site area. Pedestrian traffic in this area is light.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

a. Commercial/Retail Areas

The Dallas area provides a moderate array of shopping opportunities. Super Thrift Food Store, a small convenience store, is 0.1 miles south of the site. Ingles grocery store, Big Lots, Family Dollar, and CVS pharmacy are 1.0 mile southeast of the site. Region's Bank and a variety of smaller retail shops are located within 0.3 miles east of the site within downtown Dallas. Larger shopping opportunities are available in the Hiram area, 7.4 miles southeast of the site. Big Kmart, Wal-Mart, Home Depot, Sam's Club, Target, Marshall's, Kohl's, Good's, and Ross department stores are all located in the Hiram area.

b. Employers/Employment Centers

The subject site is within the town of Dallas, which has several small-scale employment opportunities. The largest area employers include: Paulding County Government, 0.3 miles east; Wal-Mart, 5.4 miles east; Wellstar Health System, 1.0 mile west; Aiken Grading Company, 2.2 miles south; Bellsouth, 13.0 miles northeast; and Target and Home Depot, both within 6.0 miles east of the site. A list of the area's largest employers is included in the Economic Analysis section of this report.

c. **Recreation Areas and Facilities**

The Paulding Forest Wildlife Management Area (WMA) protects over 10,000 acres of wildlife within Paulding County. This area is open to hunters and campers, but is restricted to ATVs and other motorized vehicles. There are three fitness centers/health clubs within 10.0 miles of the site, while the local YMCA is 9.6 miles northeast of the site. The Paulding County Community Center is 2.0 miles northeast of the site. The Samuel U. Braly Sports Complex is 2.1 miles northeast of the site. There are three golf courses within Paulding County.

d. **Entertainment Venues**

The closest professional sports teams are located in Atlanta, 32.0 miles southeast of the site. Plaza Cinema of Dallas is 0.9 miles southeast of the site. Musical and theatrical productions are performed at the Dallas Theater, 0.3 miles southeast of the site. The Paulding County Museum and Historical Society is 0.3 miles north of the site. Hiram, within 7.4 miles southeast of the site, offers numerous bars and restaurant chains including an Applebee's and a Chili's. There are a few bars within 1.0 mile of the site near downtown Dallas.

e. **Education Facilities**

The Paulding County Public School District serves over 23,000 students, including the subject site area. The elementary, middle, and high schools that serve the site are within 2.2 miles of the site.

The Chattahoochee Technical College, which typically has over 5,000 students enrolled within its 27 areas of study, is located within 3.0 miles southeast of the site.

Kennesaw State University is located 17.0 miles northeast of the site in the town of Kennesaw. The school has typical fall enrollment of 18,000 students within its 55 academic programs.

There are 12 other colleges within 30.0 miles of Paulding County.

f. Social Services

The Dallas City Hall and Paulding County Offices, which encompass most local and regional government services, are located 0.3 miles east of the site. The Paulding County Public Library is 1.5 miles northeast of the site. The Paulding County Senior Center, which includes numerous social, educational, and counseling programs for elderly residents, is 2.0 miles northeast of the site. The U.S. Post Office is within 1.5 miles east of the site.

g. Transportation Services

There is no public bus service within Paulding County or the surrounding communities. The Paulding County Transit, a county-wide door-to-door transportation service, is the only fee-based bus transportation available. The site is within 2.0 miles of U.S. Highway 278, the main thoroughfare connecting the site to Hiram. State Route 61, 0.2 miles east of the site, provides direct access to Interstate 20, a main highway to the south connecting the area to downtown Atlanta. The Hartsfield – Jackson Atlanta International Airport is 30.0 miles southeast of the site in south Atlanta, Georgia.

h. Public Safety

The Dallas Police Department maintains its main office 0.3 miles east of the site, while the Dallas Fire Department station is 0.2 miles southeast of the site. The WellStar Paulding Hospital is along West Memorial Drive, within 1.0 mile west of the site.

5. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indices are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indices for total crime, personal crime and property crime are not weighted indices, in that a murder is weighted no more heavily than petty theft. Thus, caution should be used when using the aggregate indices.

Total crime risk for the Site PMA (Paulding County) is below the national average with an overall personal crime index of 22 and property crime index of 45.

	CRIME RISK INDEX
	SITE PMA (PAULDING COUNTY)
TOTAL CRIME	36
PERSONAL CRIME	22
MURDER	19
RAPE	37
ROBBERY	8
ASSAULT	24
PROPERTY CRIME	45
BURGLARY	54
LARCENY	48
MOTOR VEHICLE THEFT	33

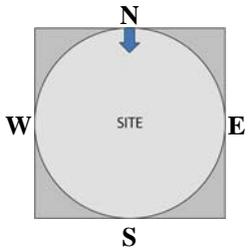
Source: Applied Geographic Solutions

The subject site does not appear to be located in a high crime area.

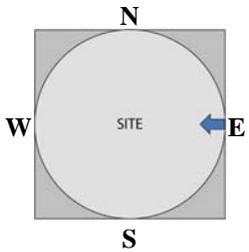
6. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

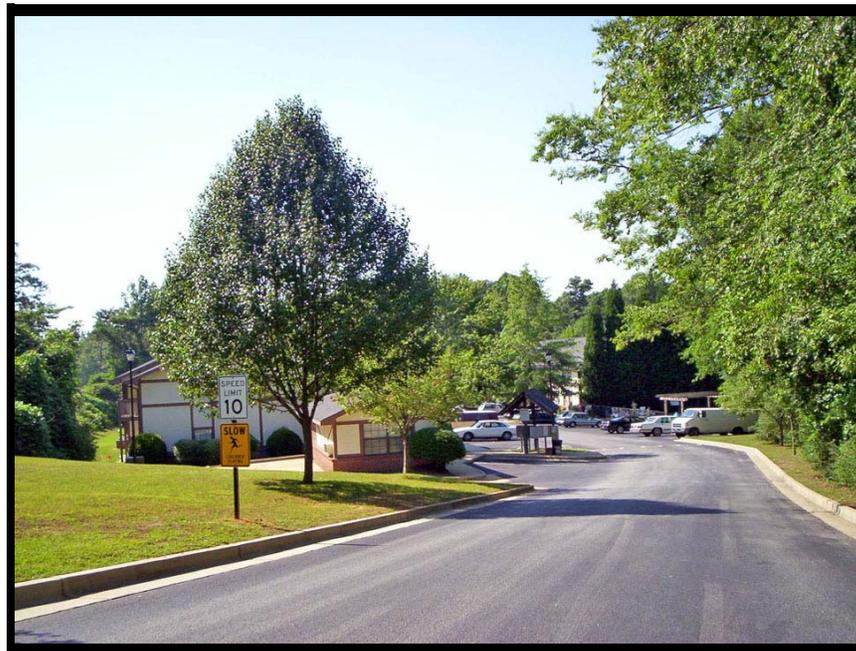
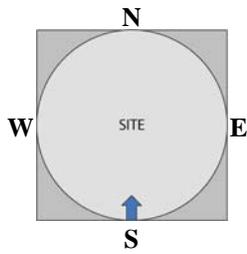
SITE PHOTOGRAPHS



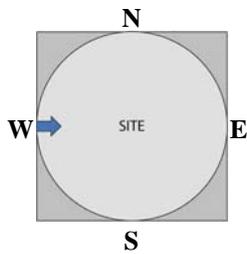
North view of site



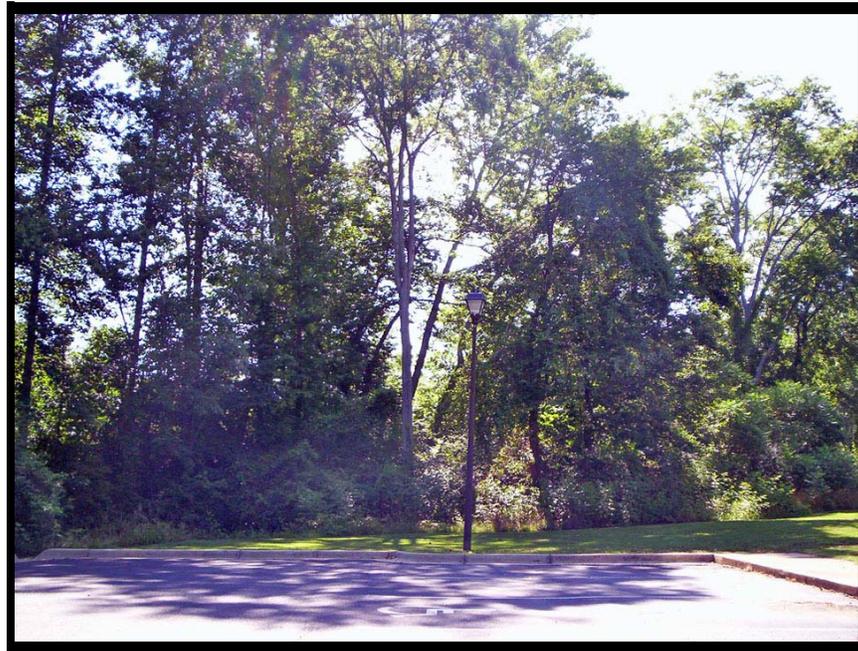
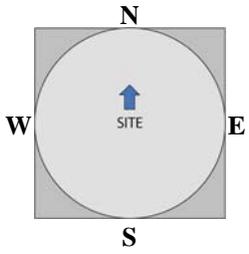
East view of site



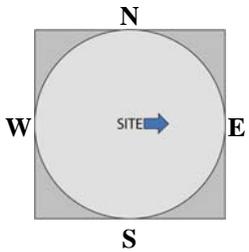
South view of site



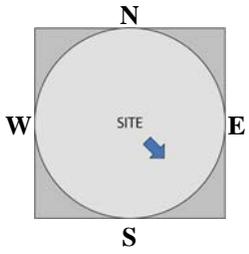
West view of site



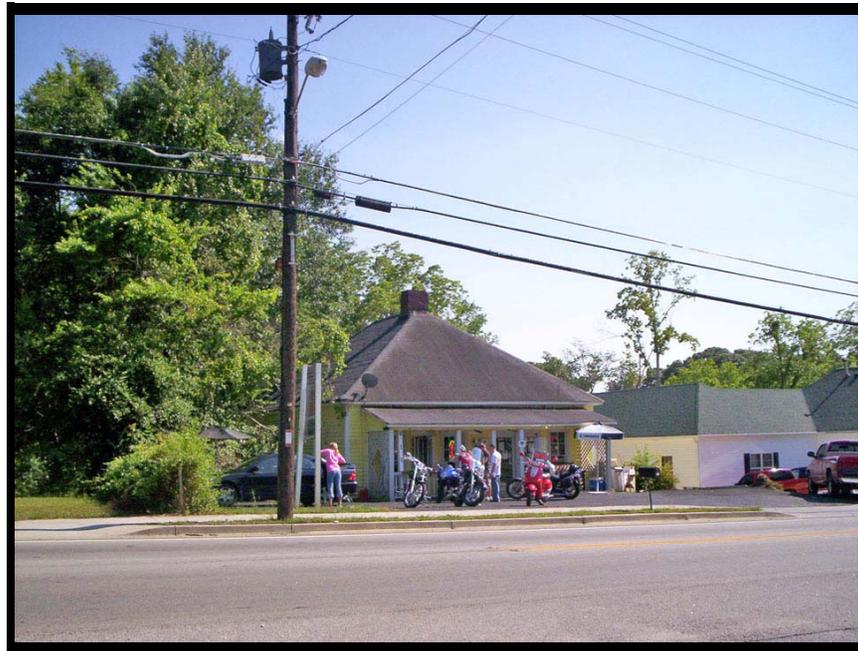
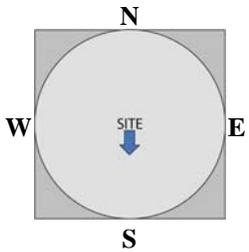
North view from site



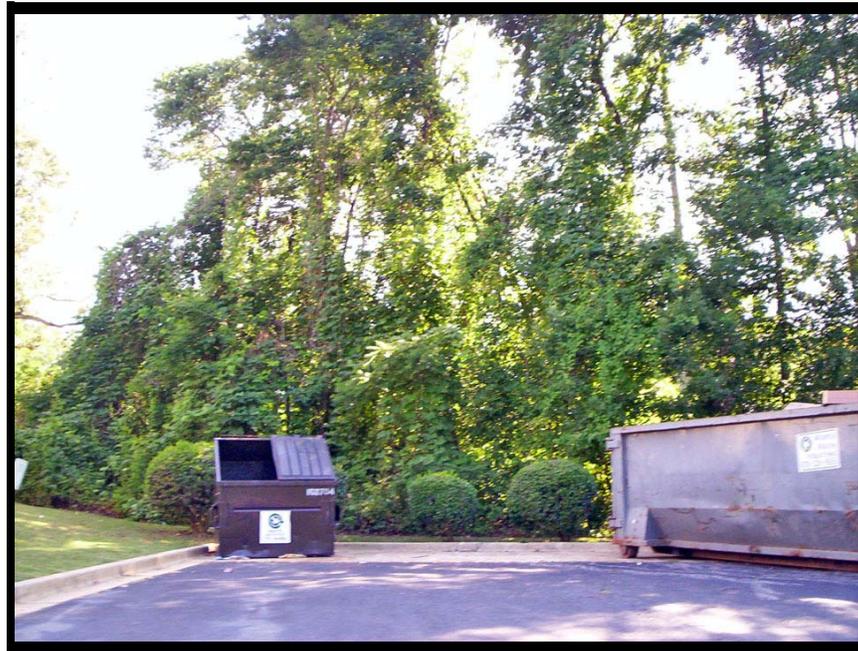
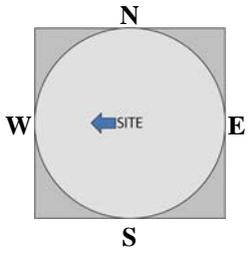
East view from site



Southeast view from site



South view from site



West view from site



End of typical building



Typical building façade



Living Room



Dining Room



Kitchen



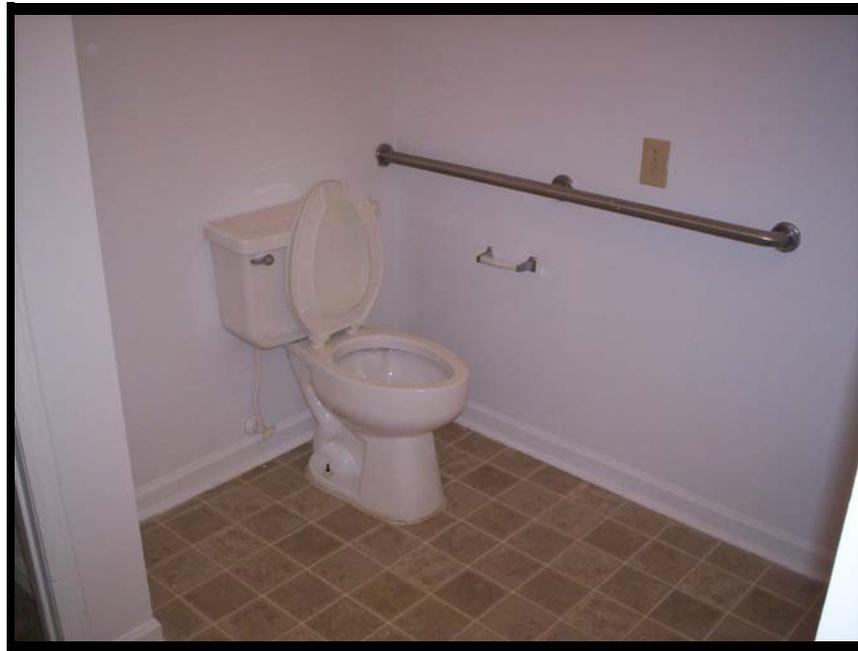
Kitchen



Laundry



Handicapped Bathroom



Handicapped Bathroom



Bedroom



Patio



Regular Bathroom

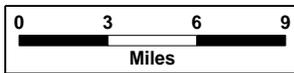
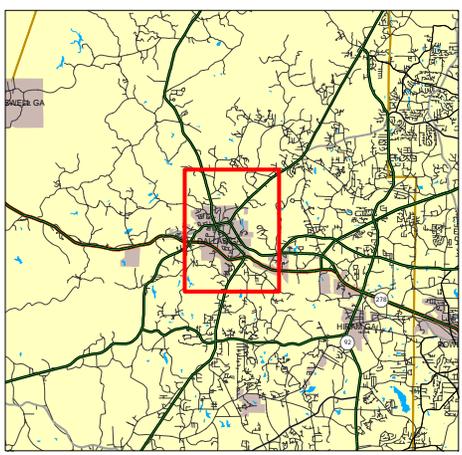
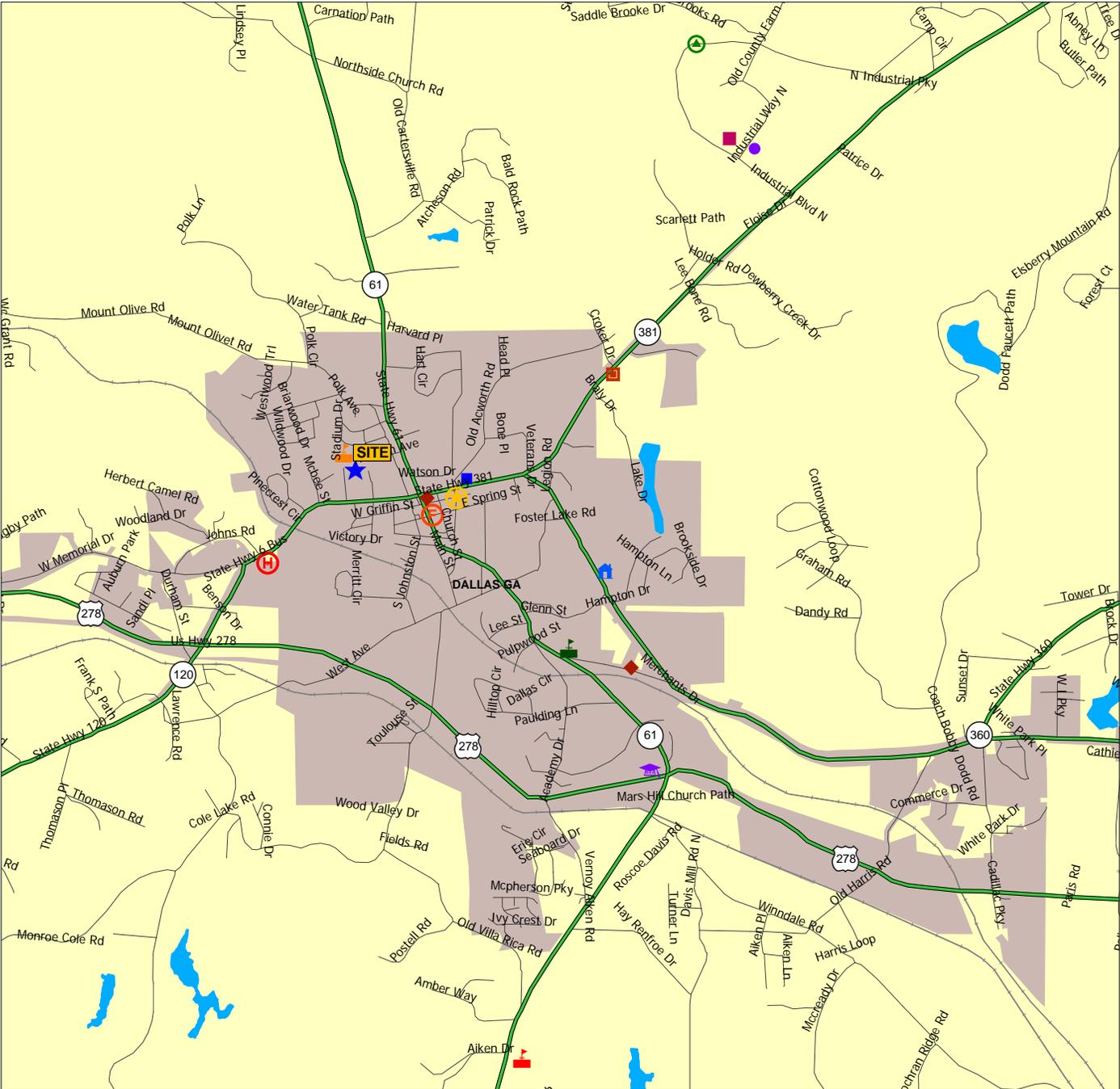


Regular Bathroom

7. COMMUNITY SERVICES MAP

A map illustrating the location of community services and the subject site is on the following page.

Dallas, GA: Community Services



- ★ Project Site
- ★ Police
- 🚒 Fire Department
- 🏥 Hospital
- ◆ Shopping
- 🏠 Post Office
- Senior Center
- 🌳 Park/Recreation
- 📖 Library
- 🏫 Elementary School
- 🏫 Middle School
- 🏫 High School
- 🎓 University/College
- Community Center
- City Government

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8. NEIGHBORHOOD DEVELOPMENTS/ZONING

The subject project involves acquisition and rehabilitation of an existing 80-unit apartment building in an established area of Dallas. Nearby land uses include wooded areas, single-family homes, and various retail and commercial buildings, which are not considered to have a significant impact on the subject site. The area is currently zoned for multifamily use and this is not expected to change.

9. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing projects (Tax Credit, Rural Development, HUD Section 8, and Public Housing) identified in the Site PMA is included on the following page.

10. PLANNED ROAD OR INFRASTRUCTURE IMPROVEMENTS

According to area planning and zoning officials, there are no notable roads or other infrastructure projects underway or planned for the immediate site area. The subject site has convenient access to U.S. Highway 278, State Route 61, and Interstate 20. The area is established and electric service is provided by Georgia Power and water and sewer service is provided by the city of Dallas.

11. VISIBLE ENVIRONMENTAL OR OTHER CONCERNS

There are no visible environmental concerns regarding the site.

12. OVERALL SITE EVALUATION

The site is well-situated within 0.2 miles of downtown Dallas. The wooded area around the site provides a degree of seclusion from the adjacent homes and retail establishments. The close proximity to two state highways and a U.S. highway allow for easy access to local shopping and commuting to the Atlanta area. Overall, the surrounding land uses will have a continued positive impact on the project's marketability. While visibility of the site is somewhat obstructed from West Memorial Drive by the setback and scattered wooded areas, adequate signage allows for easy identification and entrance into the site area.

The site is within close proximity to shops and restaurants in the downtown area. The highly developed retail area of Hiram is within 8.0 miles southeast of the site. Employment, recreational, entertainment, and educational opportunities are all within reasonable distances to the site. Social services and public safety services are both within 1.0 mile of the site. The site has convenient access to major highways. Overall, we consider the site's location and proximity to community services to have a continued positive impact on the marketability of the site.

SECTION D – PRIMARY MARKET AREA DELINEATION

The Site Primary Market Area (PMA) is the geographical area from which 85% of the support for the subject development originates. The Dallas Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, government officials, economic development representatives, and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

Shelbia Bohannon, Representative of the Paulding County Chamber of Commerce, stated that Dallas is largely a bedroom community for residents working in the Atlanta area. She believed that most of the support for the project originates from locals who live within the county and have been priced out of the home buying market. While she noted that there is some movement of rental residents into Dallas from western Atlanta, Ms. Bohannon thought the majority of these residents would be buying homes. Mr. Moak, Planner for Paulding County, stated that at least 60% of the residents most likely come from Paulding County. The rest, he presumed, originate from the western Atlanta suburbs. The areas west of Paulding County are less developed and not expected to produce a significant amount of residents for the project.

The Dallas Site PMA includes all of the city of Dallas, Georgia and the balance of Paulding County. The boundaries of the Site PMA are the boundaries of Paulding County. Because Dallas is the county seat and offers many community services, we anticipate the project will continue to draw from all parts of the county. The Site PMA for the proposed development includes the census tracts 201, 202.01, 202.02, 203, 204, 205, and 206.

A small portion of support may originate from some of the outlying communities in the area (such as western Atlanta); however, we have not considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.

SECTION E – COMMUNITY DEMOGRAPHIC DATA & MARKET AREA ECONOMY

1. POPULATION TRENDS

The Dallas Site PMA population base increased by 40,067 between 1990 and 2000. This represents a 96.3% increase over the 1990 total population, or an annual rate of 9.6%. The Site PMA population bases for 1990, 2000, 2005 (estimated), and 2008 (projected) are summarized as follows:

	YEAR			
	1990 (CENSUS)	2000 (CENSUS)	2005 (ESTIMATED)	2008 (PROJECTED)
POPULATION	41,611	81,678	108,331	125,025
POPULATION CHANGE	-	40,067	26,653	16,694
PERCENT CHANGE	-	96.3%	32.6%	15.4%

Source: Census; Claritas; Vogt Williams & Bowen, LLC

It is projected that the total population will increase by 16,694 people, or 15.4%, between 2005 and 2008. The annual rate of increase between 2000 and 2008 is 6.6%.

The Site PMA population bases by age are summarized as follows:

POPULATION BY AGE	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)		CHANGE 2005-2008	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
17 & UNDER	25,079	30.7%	32,558	30.1%	36,799	29.4%	4,241	13.0%
18 TO 24	6,198	7.6%	9,639	8.9%	11,321	9.1%	1,682	17.4%
25 TO 34	16,158	19.8%	19,395	17.9%	20,164	16.1%	769	4.0%
35 TO 44	15,228	18.6%	19,791	18.3%	21,752	17.4%	1,961	9.9%
45 TO 54	8,980	11.0%	13,090	12.1%	17,022	13.6%	3,932	30.0%
55 TO 64	5,211	6.4%	7,487	6.9%	9,760	7.8%	2,273	30.4%
65 TO 74	2,956	3.6%	3,931	3.6%	5,125	4.1%	1,194	30.4%
75 & HIGHER	1,868	2.3%	2,440	2.3%	3,081	2.5%	641	26.3%
TOTAL	81,678	100.0%	108,331	100.0%	125,025	100.0%	16,694	15.4%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

As the preceding table illustrates, 55.2% of the population was between 25 and 64 years old in 2005. This age group is the prime group of potential renters for the subject site and represents a significant amount of the tenants at the subject site.

2. HOUSEHOLD TRENDS

Within the Dallas Site PMA, the total number of households increased by 13,763 (96.1%) between 1990 and 2000. This equates to an annual average of 9.6%. Household trends within the Dallas Site PMA are summarized as follows:

	YEAR			
	1990 (CENSUS)	2000 (CENSUS)	2005 (ESTIMATED)	2008 (PROJECTED)
HOUSEHOLDS	14,326	28,089	37,281	43,039
HOUSEHOLD CHANGE	-	13,763	9,192	5,758
PERCENT CHANGE	-	96.1%	32.7%	15.4%
AVERAGE HOUSEHOLD SIZE	2.9	2.9	2.9	2.9

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Total household growth was positive between 2000 and 2005, and is projected to continue to increase when in 2008 there will be a total of 43,039 households. This is an increase of 1,869 households annually on 2000 levels, at an annual rate of 6.7%.

The Site PMA household bases by age are summarized as follows:

HOUSEHOLDS BY AGE	2005 (ESTIMATED)		2008 (PROJECTED)		CHANGE 2005-2008	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
UNDER 25	1,838	4.9%	2,157	5.0%	319	17.4%
25 - 34	9,124	24.5%	9,353	21.7%	229	2.5%
35 - 44	10,795	29.0%	11,693	27.2%	898	8.3%
45 - 54	7,298	19.6%	9,341	21.7%	2,043	28.0%
55 - 64	4,392	11.8%	5,636	13.1%	1,244	28.3%
65 - 74	2,387	6.4%	3,063	7.1%	676	28.3%
75 - 84	1,154	3.1%	1,417	3.3%	263	22.8%
85 & HIGHER	293	0.8%	379	0.9%	86	29.3%
TOTAL	37,281	100.0%	43,039	100.0%	5,758	15.4%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Between 2005 and 2008, the greatest growth among household age groups is expected to be among households between the ages of 55 and 74.

Households by tenure are distributed as follows:

TENURE	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
OWNER-OCCUPIED	24,372	86.8%	32,429	87.0%	37,460	87.0%
RENTER-OCCUPIED	3,717	13.2%	4,852	13.0%	5,579	13.0%
TOTAL	28,089	100.0%	37,281	100.0%	43,039	100.0%

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Currently, 13.0% of all households within the Site PMA are renter-occupied.

The household size among renter households within the Site PMA, based on Census data and estimates, are distributed as follows:

PERSONS PER RENTER HOUSEHOLD	2000 (CENSUS)		2005 (ESTIMATED)	
	HOUSEHOLDS	PERCENT	HOUSEHOLDS	PERCENT
1 PERSON	891	24.0%	1,254	25.9%
2 PERSONS	879	23.6%	1,133	23.4%
3 PERSONS	804	21.6%	1,019	21.0%
4 PERSONS	668	18.0%	833	17.2%
5+ PERSONS	475	12.8%	612	12.6%
TOTAL	3,717	100.0%	4,852	100.0%

One- and two-person households comprise 49.3% of all renter households within the Site PMA. The subject project generally houses one- to three-person households, which comprise 70.3% of all households. This is a high share of renter households and a good indication of support for the development.

The distribution of all households by income within the Site PMA is summarized as follows:

HOUSEHOLD INCOME	2000 (CENSUS)		2005 (ESTIMATED)		2008 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$10,000	1,253	4.5%	1,503	4.0%	1,635	3.8%
\$10,000 - \$19,999	2,214	7.9%	2,424	6.5%	2,513	5.8%
\$20,000 - \$29,999	2,656	9.5%	2,886	7.7%	3,044	7.1%
\$30,000 - \$39,999	3,274	11.7%	3,642	9.8%	3,726	8.7%
\$40,000 - \$49,999	3,665	13.0%	4,177	11.2%	4,253	9.9%
\$50,000 - \$59,999	3,571	12.7%	4,113	11.0%	4,536	10.5%
\$60,000 - \$74,999	4,631	16.5%	5,829	15.6%	6,349	14.8%
\$75,000 - \$99,999	4,358	15.5%	6,634	17.8%	7,835	18.2%
\$100,000 & HIGHER	2,467	8.8%	6,073	16.3%	9,147	21.3%
TOTAL	28,089	100.0%	37,281	100.0%	43,038	100.0%
MEDIAN INCOME	\$52,753		\$59,746		\$64,051	

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Between 2000 and 2005, most of the household growth was among households with incomes of \$30,000 and higher.

The following tables illustrate renter household income by household size for 2000, 2006, and 2008 for the Site PMA:

RENTER HOUSEHOLDS	2000 CENSUS					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	317	36	76	67	29	525
\$10,000-\$20,000	247	206	124	73	36	685
\$20,000-\$30,000	153	91	136	77	65	521
\$30,000-\$40,000	43	115	144	173	50	526
\$40,000-\$50,000	59	180	86	101	81	507
\$50,000-\$60,000	28	101	90	35	116	370
\$60,000+	42	150	148	143	98	582
TOTAL	891	879	804	668	475	3,717

Source: Ribbon Demographics, Claritas

RENTER HOUSEHOLDS	2006 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	436	40	97	76	34	682
\$10,000-\$20,000	339	232	136	72	38	817
\$20,000-\$30,000	223	105	145	77	67	617
\$30,000-\$40,000	67	138	166	194	73	638
\$40,000-\$50,000	95	244	105	127	83	653
\$50,000-\$60,000	55	149	134	54	165	557
\$60,000+	102	283	288	274	184	1,130
TOTAL	1,317	1,190	1,070	875	642	5,094

Source: Ribbon Demographics, Claritas

RENTER HOUSEHOLDS	2008 PROJECTED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0-\$10,000	479	41	98	72	35	725
\$10,000-\$20,000	372	230	128	67	36	833
\$20,000-\$30,000	251	104	142	74	65	636
\$30,000-\$40,000	75	133	161	197	75	641
\$40,000-\$50,000	106	249	106	132	80	672
\$50,000-\$60,000	65	168	151	61	184	628
\$60,000+	143	348	372	350	230	1,443
TOTAL	1,489	1,274	1,158	954	704	5,579

Source: Ribbon Demographics, Claritas

It is important to note that all of the demographics data within the Site PMA suggests a very positive growth in both population and households. Unemployment rates are low and the jobs in the area generate incomes well suited for affordable housing.

3. LABOR FORCE PROFILE

Retail Trade and Services comprise nearly two-thirds of the entire Dallas Site PMA labor force. According to Claritas, employment in the Site PMA as of 2005 was distributed as follows:

SIC GROUP	ESTABLISHMENTS	PERCENT	EMPLOYEES	PERCENT
AGRICULTURE & NATURAL RESOURCES	66	2.9%	270	1.3%
MINING	1	0.0%	6	0.0%
CONSTRUCTION	365	15.9%	2,427	11.8%
MANUFACTURING	97	4.2%	1,361	6.6%
TRANSPORTATION & UTILITIES	97	4.2%	755	3.7%
WHOLESALE TRADE	85	3.7%	505	2.5%
RETAIL TRADE	485	21.1%	6,639	32.3%
F.I.R.E.	191	8.3%	1,039	5.0%
SERVICES	795	34.6%	6,249	30.4%
GOVERNMENT	77	3.4%	1,199	5.8%
NON-CLASSIFIABLE	37	1.6%	128	0.6%
TOTAL	2,296	100.0%	20,578	100.0%

Note: Due to the fact that this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. However, these employees are included in our labor force calculations because their places of employment are located within the Site PMA.

Source: 2000 Census; Claritas; Vogt Williams & Bowen, LLC

Typical wages by occupation for the Atlanta-Sandy Springs-Marietta MSA and the state of Georgia are illustrated as follows:

TYPICAL WAGE BY OCCUPATION TYPE		
OCCUPATION TYPE	ATLANTA-SANDY SPRINGS-MARIETTA MSA	GEORGIA
MANAGEMENT OCCUPATIONS	\$92,280	\$86,600
BUSINESS AND FINANCIAL OCCUPATIONS	\$60,590	\$57,540
COMPUTER AND MATHEMATICAL OCCUPATIONS	\$66,010	\$63,460
ARCHITECTURE AND ENGINEERING OCCUPATIONS	\$60,240	\$58,240
COMMUNITY AND SOCIAL SERVICE OCCUPATIONS	\$39,440	\$36,540
ART, DESIGN, ENTERTAINMENT, AND SPORTS MEDICINE OCCUPATIONS	\$45,230	\$42,020
HEALTHCARE PRACTITIONERS AND TECHNICAL OCCUPATIONS	\$59,390	\$55,530
HEALTHCARE SUPPORT OCCUPATIONS	\$24,260	\$21,850
PROTECTIVE SERVICE OCCUPATIONS	\$32,160	\$30,080
FOOD PREPARATION AND SERVING RELATED OCCUPATIONS	\$16,840	\$16,180
BUILDING AND GROUNDS CLEANING AND MAINTENANCE OCCUPATIONS	\$21,630	\$20,180
PERSONAL CARE AND SERVICE OCCUPATIONS	\$25,030	\$22,260
SALES AND RELATED OCCUPATIONS	\$35,460	\$31,310
OFFICE AND ADMINISTRATIVE SUPPORT OCCUPATIONS	\$30,490	\$28,500
CONSTRUCTION AND EXTRACTION OCCUPATIONS	\$34,500	\$32,340
INSTALLATION, MAINTENANCE AND REPAIR OCCUPATIONS	\$40,630	\$37,360
PRODUCTION OCCUPATIONS	\$29,030	\$27,500
TRANSPORTATION AND MOVING OCCUPATIONS	\$31,780	\$28,730

Source: U.S. Department of Labor, Bureau of Labor Statistics

Most Atlanta-Sandy Spring-Marietta MSA annual average salaries range from \$16,840 to \$92,280, while most management and other white-collar jobs have annual average salaries of over \$67,702. The subject project will target households with incomes between \$16,457 and \$38,460. The area employment base has a significant number of income-appropriate households from which the subject project will be able to draw support.

4. MAJOR EMPLOYERS

The 10 largest employers within Paulding County comprise an estimated total of over 5,871 employees. These employers are summarized as follows:

INDUSTRY	BUSINESS TYPE	TOTAL EMPLOYED
PAULDING COUNTY BOARD OF EDUCATION	EDUCATION	3,000+
PAULDING COUNTY CITY GOVERNMENT	GOVERNMENT	703
WAL-MART	RETAIL	701
WELLSTAR HEALTH SYSTEM, INC.	HEALTH SERVICES	365
AIKEN GRADING COMPANY	CONSTRUCTION	260
BELLSOUTH TELECOMMUNICATIONS, INC.	TELECOMMUNICATIONS	230
METROMONT PRESTRESS COMPANY	MANUFACTURING	200
TARGET CORPORATION	RETAIL	185
PUBLIX SUPERMARKET	GROCERY	117
HOME DEPOT	RETAIL	110
TOTAL		5,871

According to officials at local Chamber of Commerce sources and Economic Development representatives, none of the area's major employers are expecting any significant increases or decreases in their employment base in the future.

5. EMPLOYMENT TRENDS

The employment base has increased by 19.5% over the past five years in Paulding County, outpacing the Georgia average of 8.0%.

The following illustrates the total employment base for Paulding County and Georgia.

YEAR	TOTAL EMPLOYMENT	
	PAULDING COUNTY	GEORGIA
1997	35,779	3,751,699
1998	38,805	3,861,646
1999	41,934	3,951,684
2000	44,802	4,095,362
2001	47,047	4,112,868
2002	48,742	4,118,606
2003	50,585	4,159,543
2004	53,349	4,230,639
2005	54,898	4,346,289
2006*	56,241	4,440,233

*Through May 2006

As the preceding table illustrates, the Paulding County employment base has increased by 20,462 (57.2%) employees since 1997.

The unemployment rate in Paulding County has remained between 2.0% and 4.3%, well below the state average since 1997. Employment rates for Paulding County and Georgia are illustrated as follows:

YEAR	UNEMPLOYMENT RATE	
	PAULDING COUNTY	GEORGIA
1997	2.6%	4.5%
1998	2.2%	4.2%
1999	2.0%	3.8%
2000	2.6%	3.5%
2001	2.8%	4.0%
2002	3.8%	4.9%
2003	3.9%	4.8%
2004	3.9%	4.8%
2005	4.3%	5.3%
2006*	3.9%	4.7%

*Through May 2006

The historically low unemployment rate for Paulding County is a positive indicator of the economic stability of the area.

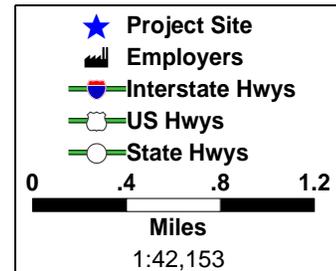
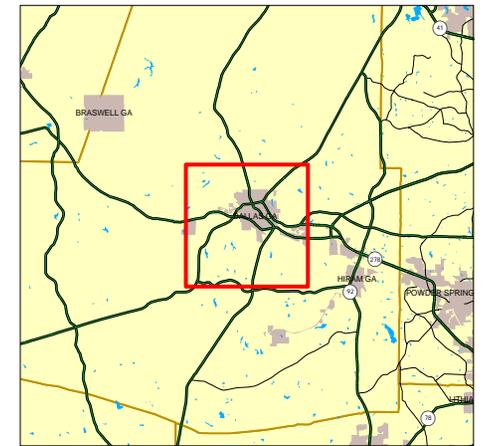
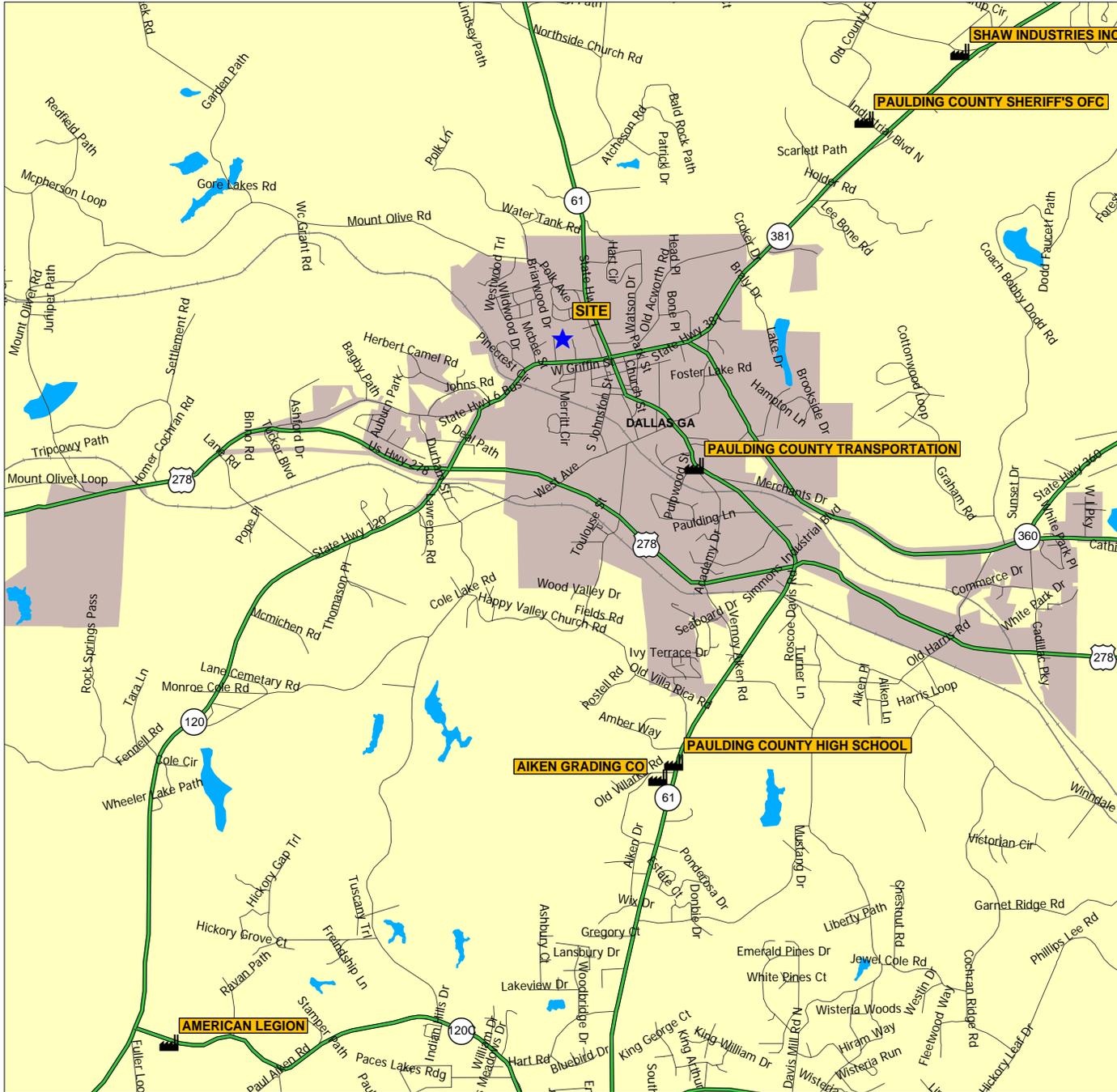
6. ECONOMIC FORECAST

According to statistics provided by the U.S. Department of Labor, Bureau of Labor Statistics, the 2000 Census, and Claritas demographic information, and based on interviews with representatives of the Paulding County/Dallas Chamber of Commerce and Dallas city officials, the Dallas economy has been stable and is projected to remain stable throughout the next few years. Despite the slowdown of the manufacturing industry, other economic sectors in the area have experienced slow growth that counteracts any slight decline in manufacturing. Thus, the overall economy is expected to remain stable to slow growing in the Dallas area for at least the next few years.

This significant growth in the area economy is an indication of the continued demand for housing in the area. With strong economic growth in the area, the demand for housing is anticipated to increase proportionately over the next few years. Thus, the demand for housing is anticipated to remain as strong as current conditions.

A map illustrating notable employment centers is on the following page.

Dallas, GA: Employment Centers



SECTION F – PROJECT-SPECIFIC DEMAND ANALYSIS

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Paulding County (which is in the Atlanta-Sandy Springs-Marietta MSA), which has a median household income of \$68,100 for 2006. The subject property will be restricted to households with incomes of up to 30%, 50% and 60% of AMHI for Paulding County and will also have non-income restricted market-rate units for rent. The following table summarizes the maximum allowable income by household size for Paulding County at 30%, 50% and 60% of AMHI.

HOUSEHOLD SIZE	MAXIMUM ALLOWABLE INCOME		
	30%	50%	60%
ONE-PERSON	\$14,940	\$24,900	\$29,880
TWO-PERSON	\$17,100	\$28,500	\$34,200
THREE-PERSON	\$19,230	\$32,050	\$38,460

a. Maximum Income Limits

The units (two-bedroom) at the subject site are expected to continue to house up to three-person households. As such, the maximum allowable income at the subject site is \$38,460.

Although there are no maximum income limits for market-rate units, for the purpose of this analysis we have assumed that it is likely that tenants in the Dallas Site PMA will likely not live in the subject rental units if their income is above \$60,000 per year. With HISTA data, we can identify the number of higher income renter households.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent to income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent to income ratio permitted for family projects is 35%, while older person (age 55+) and elderly (age 62+) projects should utilize a 40% rent to income ratio.

The subject Low-Income Housing Tax Credit units will have a lowest gross rent of \$480 (at 30% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,760.

Applying a 35% rent to income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$16,457.

The subject site will also contain 16 non-income restricted market-rate units. Assuming management qualifies tenants at a 27% rent to income ratio, the minimum income required to live in the market-rate units at the subject site will be \$32,400, as the market-rate units will be priced at \$729 per month.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required for living at the subject project with units built to serve households at 30%, 50%, and 60% of AMHI and higher is as follows:

UNIT TYPE	INCOME RANGE	
	MINIMUM	MAXIMUM
TAX CREDIT (LIMITED TO 30% OF AMHI)	\$16,457	\$19,230
TAX CREDIT (LIMITED TO 50% OF AMHI)	\$22,937	\$32,050
TAX CREDIT (LIMITED TO 60% OF AMHI)	\$23,280	\$38,460
MARKET-RATE	\$32,400	\$60,000

2. METHODOLOGY

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using 2000 renter household census data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as Claritas or the State Data Center. This household projected must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units are comprised of three and four bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis, which*

*does not take this into account, may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households.*

b. **Demand from Existing Households:** The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their income toward gross rent. Based on the 2000 Census, 29.6% of the renter households were rent overburdened. These households have been included in our demand analysis.*
- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both households that are rent overburdened or living in substandard housing. Based on the 2000 Census, 2.3% of all households were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).*
- **Elderly Homeowners likely to convert to rentership:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly tax credit housing. This segment should not account for more than 20% of total demand. Due to the difficulty of extrapolating elderly (65 and over) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band in order to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis.*

- **Elderly Households relocating from the following situations may also be considered in determining demand:**

- a) *Seniors relocating from other areas outside the Primary or Secondary Market area.*
- b) *Children subsidizing rents for their parents.*
- c) *Seniors moving from their children's homes that they had been living with.*

If an analyst utilizes these factors in his calculation of demand, specific documentation must be included in support of his conclusions. These factors may not account for more than 20% of the total demand.

- **Housing For Older Persons Rental Demand** *will be calculated at 10% of the Elderly Qualified Rental Households demand for the Primary Market Area.*
- **Demand for HFOP** *will be based on the Gross demand for Elderly Households plus the rental demand for HFOP.*
- *The maximum income limit for Senior developments will be limited to two-person households regardless of the bedroom type proposed.*

- c. **To accommodate for the Secondary Market Area, the Demand from Existing Qualified Households within the Site Primary Market Area will be multiplied by 115% to account for demand from the secondary market area.** *GDCA recommends that the analyst be conservative when developing the Primary Market Area so as to not overstate market demand due to this multiplier effect.*

Within the Site PMA we identified two LIHTC properties that were funded and/or built during the projection period (1999 to current). While we have accounted for all three LIHTC properties in the competitive analysis in Section G – Rental Housing Supply of this report, we have not included one of them in the following demand analysis. The following table illustrates Merchants Court Apartments and Magnolia Creste Apartments, the only two directly competitive Tax Credit projects funded during the projection period. There were no LIHTC rehab properties that entered the market during the projection period.

MAP I.D.	PROJECT NAME	YEAR BUILT	LIHTC UNITS	UNITS AT TARGETED AMHI			
				30% AMHI	40% AMHI	50% AMHI	60% AMHI
3	MERCHANTS COURT APTS.	1999	192	-	-	-	192
14	MAGNOLIA CRESTE APTS.	2000	70	-	-	12	58

The competing properties have a total of 262 Tax Credit units, of which 12 are at 50% AMHI and 250 are at 60% AMHI. Note the property manager at Magnolia Creste Apartments was unable to provide an accurate breakdown of the number of 50% and 60% units. Therefore, we used an estimated distribution of units by AMHI. These directly comparable units are included in our demand analysis. In addition, we found 106 market rate units in the Site PMA that offer units and rents similar to the proposed rents at the subject property.

The following is a summary of our demand calculations:

DEMAND COMPONENT	PERCENT OF MEDIAN HOUSEHOLD INCOME				
	30% (\$16,457 TO \$19,230)	50% (\$22,937 TO \$32,050)	60% (\$23,280 TO \$38,460)	OVERALL TAX CREDIT (\$16,457 TO \$38,460)	MARKET- RATE (\$32,400 TO \$60,000)
DEMAND FROM NEW HOUSEHOLDS (AGE- AND INCOME-APPROPRIATE)	231 – 226= 5	581 – 566= 15	970 – 954= 16	1,474 – 1,446= 28	1,788 – 1,695= 93
+					
DEMAND FROM EXISTING HOUSEHOLDS (RENTER IN SUBSTANDARD HOUSING)	226 X 2.3% = 5	566 X 2.3% = 13	954 X 2.3% = 22	1,446 X 2.3% = 33	1,695 X 2.3% = 39
+					
DEMAND FROM EXISTING HOUSEHOLDS (RENT OVERBURDENED)	226 X 29.6% = 67	566 X 29.6% = 168	954 X 29.6% = 282	1,446 X 29.6% = 428	1,695 X 29.6% = 502
+					
DEMAND FROM SECONDARY MARKET AREA (15% OF DEMAND FROM EXISTING QUALIFIED HOUSEHOLDS IN SITE PMA)	12	29	48	73	95
=					
DEMAND SUBTOTAL	89	225	368	562	729
+					
DEMAND FROM EXISTING HOUSEHOLDS (ELDERLY HOMEOWNER CONVERSION)	N/A	N/A	N/A	N/A	N/A
+					
DEMAND FROM EXISTING HOUSEHOLDS (ELDERLY HOMEOWNER RELOCATION)	N/A	N/A	N/A	N/A	N/A
+					
DEMAND FROM EXISTING HFOP RENTAL HOUSEHOLDS	N/A	N/A	N/A	N/A	N/A
=					
TOTAL DEMAND	89	225	368	562	729
-					
SUPPLY (DIRECTLY COMPARABLE UNITS BUILT AND/OR FUNDED SINCE 1999)	0	12	250	262	106
=					
NET DEMAND	89	213	118	300	623
SUBJECT UNITS	8	35	21	64	16
CAPTURE RATE	9.0%	16.4%	17.8%	21.3%	2.6%

The Tax Credit capture rates by income level are good to moderate, ranging from 9.0% to 17.8%. The overall Tax Credit capture rate is moderate but achievable at 21.3%. The market-rate capture rate is low at 2.6%.

Based on our survey of conventional apartments, as well as the distribution of bedroom types in balanced markets, the estimated share of demand by bedroom type is distributed as follows:

ESTIMATED DEMAND BY BEDROOM	
BEDROOM TYPE	PERCENT
ONE-BEDROOM	25.0%
TWO-BEDROOM	60.0%
THREE-BEDROOM	15.0%
FOUR-BEROOM	10.0%
TOTAL	100.0%

Applying these shares to the income-qualified households yields demand and capture rates of the subject units by bedroom type as follows (note: we have included only one- through three-bedroom units in this analysis.):

BEDROOM SIZE (SHARE OF DEMAND)	TARGET % OF AMHI	SUBJECT UNITS	TOTAL DEMAND*	SUPPLY**	NET DEMAND	CAPTURE RATE	ABSORPTION	MEDIAN MARKET RENT	SUBJECT GROSS RENTS
ONE-BR (25.0%)	30%	0	22	0	22	-	-	\$749	-
	50%	0	56	7	49	-	-	\$749	-
	60%	0	92	5	87	-	-	\$749	-
	MRR	0	182	30	152	-	-	\$749	-
ONE-BEDROOM	TOTAL	0	353	42	311	-	-	\$749	-
TWO-BR (60.0%)	30%	8	53	0	53	15.1%	4 UPM	\$875	\$480
	50%	35	135	15	120	29.2%	2 UPM	\$875	\$669
	60%	21	221	9	212	9.9%	3 UPM	\$875	\$679
	MRR	16	437	15	422	3.8%	3 UPM	\$875	\$729
TWO-BEDROOM	TOTAL	80	847	39	808	9.9%	12 UPM	\$875	-
THREE-BR (15.0%)	30%	0	13	0	13	-	-	\$916	-
	50%	0	34	7	27	-	-	\$916	-
	60%	0	55	5	50	-	-	\$916	-
	MRR	0	109	0	109	-	-	\$916	-
THREE-BEDROOM	TOTAL	0	212	12	200	-	-	\$916	-

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type range from 3.8% to 29.2%. Although the 29.2% capture rate for the two-bedroom units at 50% AMHI is high, it is important to note the subject property is currently 100% occupied and, according to the developer, as of December 2005, all tenants residing at the property were Tax Credit qualified. Based on these factors, if all 80 occupied units are deducted from our capture rate calculations, the effective capture rate would be 0.0%.

The absorption periods above assume that the project is 100% vacant and all units would need to be re-rented.

3. ABSORPTION PROJECTIONS

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. The subject property is currently 100.0% occupied. Based on information provided by the developer, all of the tenants are income-qualified. Assuming all of the units need to be re-leased, it is our opinion that the 64 LIHTC units would reach a stabilized occupancy of 93% within five to seven months of opening, with an average absorption rate of nine to 11 units per month.

Based on our analysis contained in this report, it is our opinion that the 16 market-rate units will reach a stabilized occupancy of 93% within four to five months of opening, averaging an absorption rate between three and four units per month.

SECTION G – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

Based on the 2000 Census, rental housing comprises 3,717 units, or 13.2% of the entire housing stock. The distribution of the area housing stock in 2000 and 2005 are summarized on the following table:

HOUSING TYPE	2000 CENSUS		2005 (ESTIMATED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	28,089	96.0%	37,281	96.0%
OWNER-OCCUPIED	24,372	86.8%	32,429	87.0%
RENTER-OCCUPIED	3,717	13.2%	4,852	13.0%
VACANT	1,185	4.0%	1,567	4.0%
TOTAL	29,274	100.0%	38,848	100.0%

Based on the 2000 Census, of the 29,274 total households in the market, 4.0% were vacant. The share of renters and owners in the market has remained virtually unchanged over the last five years.

We conducted an on-site survey of 14 conventional properties totaling 1,932 units including the subject site. Of these properties, 13 are non-subsidized (market-rate or Tax Credit) with 1,892 units. Among these non-subsidized units, 98.1% are occupied. We consider this an excellent occupancy rate, and a positive indication of the strength of the non-subsidized conventional apartment market.

There is also one government-subsidized project in the market with a total of 40 units. These units have an overall occupancy rate of 100.0%. This project operates under the HUD Section 8 program.

The non-government subsidized apartment market is summarized as follows:

UNIT TYPE	NUMBER OF UNITS	SHARE OF UNITS	VACANT UNITS	VACANCY RATE	MEDIAN GROSS RENT
1-BEDROOM	424	22.4%	5	1.2%	\$749
2-BEDROOM/ 1.0 BATH	333	17.6%	1	0.3%	\$660
2-BEDROOM/ 1.5 BATH	104	5.5%	0	0.0%	\$905
2-BEDROOM/ 2.0 BATH	631	33.4%	19	3.0%	\$903
2-BEDROOM/ 2.5 BATH	156	8.2%	6	3.8%	\$749
3-BEDROOM/ 1.0 BATH	20	1.1%	2	10.0%	\$688
3-BEDROOM/ 2.0 BATH	224	11.8%	3	1.3%	\$956
TOTAL	1,892	100.0%	36	1.9%	

The distribution of units by bedroom type is heavily weighted towards two-bedroom units, with over 64% of the units in the market representing this unit type. Demand for all unit types appear high with the exception of three-bedroom/one-bath units, which have a 10.0% vacancy rate. The subject property contains two-bedroom/one-bath units. The demand for this unit type appears high with a 0.3% vacancy rate.

We rated each property surveyed on a scale of A through E. All market-rate properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping, and grounds appearance). Following is a distribution of market-rate properties by quality rating, units, and vacancies.

MARKET-RATE			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE
A	4	636	0.9%
A-	2	486	2.5%
B+	2	262	5.3%
C+	1	58	0.0%

Vacancies are the highest among properties with ratings B+. The subject project is anticipated to have a quality rating of B+.

Following is a distribution of Tax Credit properties by quality rating, units, and vacancies.

TAX CREDIT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE
A	1	192	0.0%
B+	1	70	2.9%
B	1	80	0.0%
B-	1	108	1.9%

Vacancies are low among all properties.

2. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The subject project will include 64 Low-Income Housing Tax Credit (LIHTC) units. We identified three Low-Income Housing Tax Credit within the Dallas, Georgia Site PMA. These existing LIHTC projects are considered comparable with the subject development in that they target households with incomes similar to those that will be targeted at the subject site. These competitive properties and the subject development are summarized as follows. (Note: information regarding property address and phone number, contact name, date of contact, and utility responsibility is included in Addendum A-Field Survey of Conventional Rentals of this report):

MAP I.D.	PROJECT NAME	YEAR BUILT	LIHTC UNITS	OCCUPANCY RATE	PHYSICAL CONDITION	TARGET MARKET
1 (SITE)	CAMPBELL CREEK APTS.	1990/2008*	64	100.0%	GOOD	TAX CREDIT @ 30%, 50% & 60% AMHI; FAMILY
3	MERCHANTS COURT APTS.	1999	192	100.0%	EXCELLENT	TAX CREDIT @ 60% AMHI; FAMILY
12	CREEKSTONE APTS.	1994	108	98.1%	GOOD	TAX CREDIT @ 35% & 50% AMHI; FAMILY
14	MAGNOLIA CRESTE APTS.	2000	70	97.1%	GOOD	TAX CREDIT @ 50% & 60% AMHI; FAMILY

*Year renovated

The comparable properties have a combined occupancy rate of 98.4%. We consider this a high occupancy rate, and a strong indication of the demand for affordable housing within the Site PMA. All three of the comparable properties maintain waiting lists for at least one type of unit ranging from two weeks to one year, further indicating the strong demand for affordable rental housing in the market. It is important to note the subject property is currently 100% occupied.

Gross rents for the competing projects and the proposed Tax Credit rents at the subject site as well as their unit mix and vacancies by bedroom are listed in the following table:

MAP I.D.	PROJECT NAME	GROSS RENT (NUMBER OF UNITS/VACANCIES)			SPECIALS/ CONCESSIONS
		ONE-BR.	TWO-BR.	THREE-BR.	
1 (SITE)	CAMPBELL CREEK APTS.	-	\$480 - \$679 (64/0)	-	-
3	MERCHANTS COURT APTS.	-	\$710 (96/0)	\$793 (96/0)	-
12	CREEKSTONE APTS.	\$404 - \$475 (52/0)	\$544 - \$590 (36/0)	\$688 (20/2)	-
14	MAGNOLIA CRESTE APTS.	\$627 - \$677 (25/0)	\$776 (35/2)	\$916 (10/0)	1 MONTH FREE - 2BR UNITS

The proposed subject Tax Credit rents, ranging from \$480 (30% AMHI) to \$679 (60% AMHI) for a two-bedroom unit will be competitively priced with the other LIHTC units in the market. Market-rate units will have gross rents of \$729 per unit. Note the units at Creekstone Apartments target households at 35% and 50% AMHI, while the units at Merchants Court Apartments target households at 60% and Magnolia Creste Apartments target households at 50% and 60% AMHI.

The only Tax Credit property currently offering concessions is Magnolia Creste Apartments. If the one-month's free rent is calculated, the actual rent for the two-bedroom units is \$711. Note the waiting list is for the one- and three-bedroom units only.

The unit sizes (square feet) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table.

MAP I.D.	PROJECT NAME	SQUARE FOOTAGE			NUMBER OF BATHS		
		ONE-BR.	TWO-BR.	THREE-BR.	ONE-BR.	TWO-BR.	THREE-BR.
1 (SITE)	CAMPBELL CREEK APTS.	-	854	-	-	1.0	-
3	MERCHANTS COURT APTS.	-	1,200	1,400	-	2.0	2.0
12	CREEKSTONE APTS.	720	960	1,079	1.0	1.0	1.0
14	MAGNOLIA CRESTE APTS.	975	1,150	1,350	1.0	2.0	2.0

The subject development will offer the smallest unit sizes (square footage) when compared with the existing LIHTC projects in the market. The number of baths offered at the subject site is equal to the older LIHTC units in the market (Creekstone Apartments). Based on the fact the subject property will generally offer lower rental rates than much of the competition and it is currently 100% occupied, it does not appear the smaller unit sizes and number of baths has negatively impacted its ability to compete in the market.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market.

**COMPARABLE PROPERTIES AMENITIES
DALLAS, GEORGIA
JUNE 2006**

MAP ID	APPLIANCES						UNIT AMENITIES											OTHER		
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	FIREPLACE	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS
SITE	X	X		X	X		X		C		X	S						B		
14	X	X		X	X		X		C		X	X	X					B		
3	X	X	X	X	X		X		C		X	X	X					B		STORAGE (PATIO)
12	X	X		X	X		X		C		X	X						B		

MAP ID	PROJECT AMENITIES																OTHER			
	POOL	ON-SITE MNGT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	LAKE	ELEVATOR	SECURITY GATE	BUSINESS CENTER	CAR WASH AREA		PICNIC AREA	CONCIERGE SERVICE	SOCIAL SERVICES
SITE	X	X	X	X		X		X			X				X		X			
14	X	X	X	X	A	X		X						X	X		X			AFTER SCHOOL PROGRAM
3	X	X	X	X	A	X		X		X							X			
12		X	X					X									X			

MARKET-RATE
MARKET-RATE/TAX CREDIT
MARKET-RATE/GOVERNMENT-SUBSIDIZED
MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
TAX CREDIT
TAX CREDIT/GOVERNMENT-SUBSIDIZED
GOVERNMENT-SUBSIDIZED

X - ALL UNITS
S - SOME UNITS
O - OPTIONAL

C - CARPET
H - HARDWOOD
V - VINYL

B - BLINDS
C - CURTAINS
D - DRAPES



The amenity packages included at the subject development will be competitive with Merchants Court Apartments and Magnolia Creste Apartments and will be superior to the amenity package offered at Creekstone Apartments. The subject development does not appear to be lacking any amenities that would hinder its marketability to continue to operate as a Low-Income Housing Tax Credit project.

Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive with these properties.

The anticipated occupancy rates of the existing comparable Tax Credit developments following renovations at the subject site are as follows:

MAP I.D.	PROJECT	CURRENT OCCUPANCY RATE	ANTICIPATED OCCUPANCY RATE THROUGH 2008
3	MERCHANTS COURT APTS.	100.0%	96%+
12	CREEKSTONE APTS.	98.1%	96%+
14	MAGNOLIA CRESTE APTS.	97.1%	96%+

Rehabilitation of the subject site is expected to have little, if any effect on the future occupancies of the competing Tax Credit properties, particularly given that the existing Tax Credit properties are 97.1% to 100% occupied with waiting lists reported, and that the subject project is 100.0% occupied as well.

Market-rate Units

The project will include 16 market-rate units among its 80 units. After renovation, the project will have an improved quality and will offer a comprehensive amenity package. We identified four market-rate properties within the Site PMA that offered quality, rents, and features comparable to the subject project. These competitive properties and the subject development are summarized as follows:

MAP I.D.	PROJECT NAME	YEAR BUILT/RENOVATED	MRR UNITS	OCCUPANCY RATE	CONCESSIONS	DISTANCE TO SITE
1 (SITE)	CAMPBELL CREEK APTS.	1990/2008	16	100.0%	NONE	-
2	ST. IVES APTS.	2001	284	98.6%	NONE	3.8 MILES
4	PARKWAY NORTH	1996	20	100.0%	NONE	3.8 MILES
10	SANDALWOOD APTS.	2000	156	96.2%	NONE	3.7 MILES
14	MAGNOLIA CRESTE APTS.	2000	106	92.5%	1 MONTH FREE	3.4 MILES

MRR – Market-rate

The comparable properties have a combined occupancy rate of 96.8%, with Magnolia Creste Apartments, the only mixed-income property, experiencing the lowest occupancy rate.

Collected rents and unit mixes for units at the competing projects and the proposed rents at the subject site are listed in the following table:

MAP I.D.	PROJECT NAME	COLLECTED RENT (NUMBER OF UNITS)		
		ONE-BR.	TWO-BR.	THREE-BR.
1 (SITE)	CAMPBELL CREEK APTS.	-	\$600 (16)	
2	ST. IVES APTS.	\$705 - \$820 (112)	\$870 - \$970 (164)	\$1,015 - \$1,105 (8)
4	PARKWAY NORTH	-	\$550 (20)	-
10	SANDALWOOD APTS.	-	\$630 - \$680 (156)	-
14	MAGNOLIA CRESTE APTS.	\$640 (35)	\$730 (45)	\$810 (26)

The proposed subject rents of \$600 for a two-bedroom unit are among the lowest of the comparable units. This will enable the subject market-rate units to be very competitive in the market. When the improved quality and competitive features are also considered, it appears that the market-rate units at the subject site will be perceived as a value in the market.

The unit sizes (square feet) and number of bathrooms included in each of the different unit types offered in the market are compared with the subject development in the following table:

MAP I.D.	PROJECT NAME	SQUARE FOOTAGE			NUMBER OF BATHS		
		ONE-BR.	TWO-BR.	THREE-BR.	ONE-BR.	TWO-BR.	THREE-BR.
1 (SITE)	CAMPBELL CREEK APTS.	-	854	-	-	1.0	-
2	ST. IVES APTS.	660 - 891	1,048-1,210	1,366	1.0	2.0	2.0
4	PARKWAY NORTH	-	1,200	-	-	1.5	-
10	SANDALWOOD APTS.	-	1,070	-	-	2.5	-
14	MAGNOLIA CRESTE APTS.	975	1,150	1,350	1.0	2.0	2.0

The development offers the smallest sized units when compared with the competitive projects in the market. The number of baths offered at the subject site is less than the market-rate units in the market. However, taking into consideration the competitive pricing of the market-rate units and the fact that the units at the subject property are currently 100% occupied, it does not appear the smaller units have negatively impacted the marketability of the site. The subject property should be able to continue to compete well with the comparable market-rate units in the market.

The following tables compare the amenities of the subject development with the most comparable projects in the market.

**COMPARABLE PROPERTIES AMENITIES
DALLAS, GEORGIA
JUNE 2006**

MAP ID	APPLIANCES							UNIT AMENITIES										OTHER		
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	FIREPLACE	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS
SITE	X	X		X	X		X		C		X	S						B		
2	X	X	X	X	X		X		C		X	X					O	B		SUNROOM
4	X	X		X	X		X		C		X	X	X					B		HARDWOOD FLOOR
10	X	X		X	X		X		C		X	X	X					B		
14	X	X		X	X		X		C		X	X	X					B		

MAP ID	PROJECT AMENITIES																OTHER			
	POOL	ON-SITE MNGT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	LAKE	ELEVATOR	SECURITY GATE	BUSINESS CENTER	CAR WASH AREA		PICNIC AREA	CONCIERGE SERVICE	SOCIAL SERVICES
SITE	X	X	X	X		X		X			X				X		X			
2	X	X	X	X	A	X		X	X		O			X	X	X	X			
4																				
10		X						X			O						X			
14	X	X	X	X	A	X		X						X	X		X			AFTER SCHOOL PROGRAM

 MARKET-RATE
 MARKET-RATE/TAX CREDIT
 MARKET-RATE/GOVERNMENT-SUBSIDIZED
 MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
 TAX CREDIT
 TAX CREDIT/GOVERNMENT-SUBSIDIZED
 GOVERNMENT-SUBSIDIZED

X - ALL UNITS	C - CARPET	B - BLINDS
S - SOME UNITS	H - HARDWOOD	C - CURTAINS
O - OPTIONAL	V - VINYL	D - DRAPES



After renovations, the amenity packages included at the subject development will be very competitive with the competing market-rate projects. Typical unit amenities among the comparable developments include a range, refrigerator, dishwasher, disposal, central air conditioning, carpet, window blinds, washer/dryer hookups, patio/balcony, and ceiling fans. Typical project amenities include a swimming pool, on-site management, on-site laundry, clubhouse, fitness center, playground, and picnic area.

The subject units will include the same amenities as the comparable units, but will also have a computer center and offer resident services, such as social/recreation programs, computer classes and financial and budgeting seminars.

Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the comparable market-rate properties within the market, it is our opinion that the subject development will be competitive with these properties.

3. SUMMARY OF ASSISTED PROJECTS

There are a total of four federally subsidized and/or Tax Credit apartment developments in the Dallas Site PMA. They are summarized, along with the subject site, as follows:

MAP I.D.	PROJECT NAME	TYPE	YEAR BUILT/RENOVATED	TOTAL UNITS	OCCUP.	COLLECTED RENTS		
						ONE-BR.	TWO-BR.	THREE-BR.
1 (SITE)	CAMPBELL CREEK APTS.	MRT	1990/2008	80	100.0%	-	\$351-\$600	-
3	MERCHANTS COURT APTS.	TAX	1999	192	100.0%	-	\$600	\$650
11	DALLAS MANOR	GSS	1988	40	100.0%	-	SUB.	-
12	CREEKSTONE APTS.	TAX	1994	108	98.1%	\$320-\$391	\$434-\$480	\$545
14	MAGNOLIA CRESTE APTS.*	MRT	2000	70	97.1%	\$540-\$590	\$665	\$770
TOTAL				410	99.0%			

OCCUP-Occupancy

TAX-Tax Credit

MRT – Market-rate and Tax Credit

GSS – Government-subsidized

SUB.-Subsidized

*Market-rate units not included in total.

There are a total of 410 federally subsidized and/or Tax Credit apartment developments in the Site PMA. The overall occupancy is 99.0%, indicating a strong market among these types of apartments. The subject project offers no subsidized units, and therefore will not be competitive with federally subsidized projects. The subject project will compete with the Tax Credit projects as discussed in detail earlier in this report.

4. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there are no multifamily projects planned for the area.

5. MARKET-DRIVEN RENT ADVANTAGE

We identified four market-rate properties within the Dallas Site PMA that we consider most comparable to the subject development. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note for the purpose of this analysis we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects include, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical to each other, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or less features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies, and the prior experience of Vogt Williams & Bowen, LLC in markets nationwide.

The subject development and the four selected properties include the following:

MAP I.D.	PROJECT NAME	TOTAL UNITS	YEAR BUILT	OCC. RATE	UNIT MIX		
					ONE-BR.	TWO-BR.	THREE-BR.
1 (SITE)	CAMPBELL CREEK APTS.	80	1990/2008*	100.0%	-	80	-
2	ST. IVES APTS.	284	2001	98.6%	112	164	8
4	PARKWAY NORTH	20	1996	100.0%	-	20	-
10	SANDALWOOD APTS.	156	2000	96.2%	-	156	-
14	MAGNOLIA CRESTE APTS.	106	2000	92.5%	35	45	26

Occ. – Occupancy

*Year renovated

The four selected market-rate projects have a combined total of 566 units with an overall occupancy rate of 96.8%. None of the selected properties have an occupancy rate below 92.5%.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features, and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development.

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject's FHA #:

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Campbell Creek Apts.		St. Ives Apts.		Parkway North		Magnolia Creste Apts.		Sandalwood Apts.			
351 West Memorial Dr.		1175 Old Harris Rd.		350 White Ingram Pkwy.		201 Butler Industrial Dr.		115 White Park Place			
Dallas, GA		Dallas, GA		Dallas, GA		Dallas, GA		Dallas, GA			
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
on		on		on		on		on		on	
A. Rents Charged		A. Rents Charged		A. Rents Charged		A. Rents Charged		A. Rents Charged		A. Rents Charged	
1 \$ Last Rent / Restricted?		\$870		\$550		\$730		\$655			
2 Date Surveyed		Jul-06		Jul-06		Jul-06		Jul-06			
3 Rent Concessions		None		None		Yes (\$61)		None			
4 Occupancy for Unit Type		97%		100%		89%		96%			
5 Effective Rent & Rent/ sq. ft		\$870 0.8302		\$550 0.46		\$669 0.58		\$655 0.61			
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		B. Design, Location, Condition		B. Design, Location, Condition		B. Design, Location, Condition		B. Design, Location, Condition		B. Design, Location, Condition	
6 Structure / Stories		WU/2		TH/2		WU/2		WU/2			
7 Yr. Built/Yr. Renovated		1990/2008		2001 (\$7)		1996 \$3		2000 (\$1)		2000 (\$5)	
8 Condition/Street Appeal		G		E (\$15)		E (\$15)		G			
9 Neighborhood		G		G		G		G			
10 Same Market?		Yes		Yes		Yes		Yes			
C. Unit Equipment/ Amenities		C. Unit Equipment/ Amenities		C. Unit Equipment/ Amenities		C. Unit Equipment/ Amenities		C. Unit Equipment/ Amenities		C. Unit Equipment/ Amenities	
11 # Bedrooms		2		2		2		2			
12 # Baths		1		2 (\$30)		1.5 (\$15)		2 (\$30)		2.5 (\$45)	
13 Unit Interior Sq. Ft.		854		1048 (\$39)		1200 (\$69)		1150 (\$59)		1070 (\$43)	
14 Balcony/ Patio		Y		Y		Y		Y			
15 AC: Central/ Wall		C		C		C		C			
16 Range/ refrigerator		R/F		R/F		R/F		R/F			
17 Microwave/ Dishwasher		N/Y		N/Y		N/Y		N/Y			
18 Washer/Dryer		HU/L		HU/L		HU \$5		HU/L		HU \$5	
19 Floor Coverings		C		C		C		C			
20 Window Coverings		B		B		B		B			
21 Intercom/Security System		N/N		N/N		N/N		N/N			
22 Garbage Disposal		Y		Y		Y		Y			
23 Ceiling Fans		N		N		Y (\$5)		Y (\$5)		Y (\$5)	
D. Site Equipment/ Amenities		D. Site Equipment/ Amenities		D. Site Equipment/ Amenities		D. Site Equipment/ Amenities		D. Site Equipment/ Amenities		D. Site Equipment/ Amenities	
24 Parking (\$ Fee)		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management		Y		Y		N \$5		Y		Y	
26 Security Gate		N		Y (\$10)		N		Y (\$10)		N	
27 Clubhouse/ Meeting Rooms		Y/N		Y/Y (\$5)		N/N \$5		Y/Y (\$5)		N/N \$5	
28 Pool/ Recreation Areas		P/F		P/E/T (\$2)		N \$15		P/F		N \$15	
29 Computer Center		Y		Y		N \$3		Y		N \$3	
30 Picnic Area		Y		Y		N \$3		Y		Y	
31 Playground		Y		Y		N \$3		Y		Y	
32 Social Sevices		N		N		N		N		N	
E. Utilities		E. Utilities		E. Utilities		E. Utilities		E. Utilities		E. Utilities	
33 Heat (in rent?/ type)		N/E		N/E		N/G		N/E			
34 Cooling (in rent?/ type)		N/E		N/E		N/E		N/E			
35 Cooking (in rent?/ type)		N/E		N/E		N/E		N/E			
36 Hot Water (in rent?/ type)		N/E		N/E		N/G		N/E			
37 Other Electric		N		N		N		N			
38 Cold Water/ Sewer		Y/Y		N/N \$30		Y/Y		Y/Y		Y/Y	
39 Trash /Recycling		Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		F. Adjustments Recap		F. Adjustments Recap		F. Adjustments Recap		F. Adjustments Recap		F. Adjustments Recap	
40 # Adjustments B to D				7		8 4		6		4 4	
41 Sum Adjustments B to D				(\$108)		\$42 (\$104)		(\$110)		\$28 (\$98)	
42 Sum Utility Adjustments		\$30									
43 Net/ Gross Adjmts B to E		(\$78) \$138		(\$62) \$146		(\$110) \$110		(\$70) \$126			
G. Adjusted & Market Rents		G. Adjusted & Market Rents		G. Adjusted & Market Rents		G. Adjusted & Market Rents		G. Adjusted & Market Rents		G. Adjusted & Market Rents	
44 Adjusted Rent (5+ 43)		\$792		\$488		\$559		\$585			
45 Adj Rent/Last rent				91%		89%		84%		89%	
46 Estimated Market Rent		\$610		\$0.71		← Estimated Market Rent/ Sq. Ft					

Appraiser's Signature

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Based on the preceding Rent Comparability Grid, it was determined that the present-day market-driven rent for units similar to the subject development is \$610 for a two-bedroom unit.

The following table compares the proposed collected rents at the subject site with market-driven rent for selected units.

BEDROOM TYPE	COLLECTED RENT		
	PROPOSED SUBJECT	MARKET-DRIVEN	PROPOSED RENT AS SHARE OF MARKET
TWO-BEDROOM	\$351 (30%)	\$610	57.5%
	\$540 (50%)		88.5%
	\$550 (60%)		90.2%
	\$600 (MRR)		98.4%

The proposed collected Tax Credit rents are 57.5% to 90.2% of market-driven rents and represent a 9.8% to 42.5% market rent advantage in the Dallas Site PMA. The proposed market-rate rents are priced 98.4% of market-driven rents, thus representing a 1.6% market rent advantage. Overall, the proposed rent levels represent a value in the Dallas market.

6. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider utilities paid by tenants. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. The subject property was originally constructed in 1990. Most of the selected properties were built between five and 10 years ago. As such, we have adjusted the rents at the selected properties by \$1 to \$5 to reflect the age of these properties.
8. It is anticipated that the subject project will have an improved quality once renovations are complete. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.

12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made \$15 per half bath adjustments to reflect the difference in the number of bathrooms offered at the site as compared with the competitive properties.
13. There is a wide range of unit sizes (square footage) among the selected properties. We have made \$0.20 adjustments to the rents of each project that had different unit sizes compared to the subject site. Where there is a range of unit sizes, we have used an average square footage or the square footage of the most similar style unit.
- 14.- 23. The subject project offers a unit amenity package similar to the selected properties. However, we have made numerous adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. After renovations, the project will offer a comprehensive project amenities package including a community center, fitness center and business center. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Once all adjustments to collected rents were made, the rents for each bedroom type were considered to derive a market-driven rent for each bedroom type. Each property was considered and weighed based upon its proximity, amenities, and unit layout compared to the subject site.

SECTION H – INTERVIEWS

As discussed in *Section D – Primary Market Area Delineation*, the determination of the Site Primary Market Area for the project was based on interviews with the with area leasing and real estate agents, government officials, and economic development representatives to establish the boundaries of the geographical area from which most of the support for the development is expected to originate.

Blake Swotford at the Airport Authority and the Paulding County Chamber of Commerce were contacted in order to gather economic data such as major employer numbers and information on job growth in the city of Dallas and the Paulding County economy. This information is important in determining the amount of anticipated growth the area is projected to incur over the next few years, which could affect the demand for housing.

Finally, Michael Monk in the Paulding County Planning Department was also contacted in order to gather information regarding any new housing developments as well as infrastructure changes that may be taking place in the future. The general consensus was that there is very high demand in the Dallas area for rental housing, especially affordable rental housing, such as the subject site.

Tammy and Jamie, leasing agents at Merchants Court Apartments, stated there is a demand for affordable housing. Their property is currently 100% occupied with a two to three week waiting list.

SECTION I – RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the renovation of the existing 80 units at the subject site, assuming it is renovated as detailed in this report. Changes in the project's rent or amenities may alter these findings.

After renovations, the amenity packages included at the subject development will be very competitive with the competing market-rate and Tax Credit projects. Typical unit amenities among the comparable developments include a range, refrigerator, dishwasher, disposal, central air conditioning, carpet, window blinds, washer/dryer hookups, patio/balcony, and ceiling fans. Typical project amenities include a swimming pool, on-site management, on-site laundry, clubhouse, fitness center, playground, and picnic area. The subject units will include the same amenities as the comparable units, but will also have a computer center and offer resident services, such as social/recreation programs, computer classes, and financial and budgeting seminars. The subject development does not appear to be lacking any amenities or features that would hinder its marketability to continue to operate as a Low-Income Housing Tax Credit project. Therefore, we do not recommend any changes to the subject project.

The units are currently available at 60% AMHI with rents of \$499. While the 60% units will experience an increase of \$50, it will also provide units available at 30% and 50% AMHI and non-restricted units available at market rate. The proposed renovations will enable the property to continue to compete, even with the increase in 60% rents.

The subject development will offer the smallest unit sizes (square footage) when compared with the existing LIHTC projects in the market. The number of baths offered at the subject site is equal to the older LIHTC units in the market (Creekstone Apartments). Based on the fact the subject property will offer lower rental rates and it is currently 100% occupied, it does not appear the smaller unit sizes and number of baths will negatively impact the ability to compete in the market.

As shown in the Project-Specific Demand Analysis section of this report, with penetration rates ranging from 3.8% to 29.2% of income-qualified households in the market, there is sufficient support for the subject development. It is important to note the subject property is currently 100% occupied and, according to the developer, as of December 2005, all tenants residing at the property were Tax Credit qualified. Based on these factors, if all 80 occupied units are deducted from our capture rate calculations, the effective capture rate would be 0.0%.

Rehabilitation of the subject site is expected to have little, if any effect on the future occupancies of the competing Tax Credit properties, particularly given that the existing Tax Credit properties are 97.1% to 100% occupied with waiting lists reported and the fact that the subject project is already 100.0% occupied

SECTION J - SIGNED STATEMENT

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

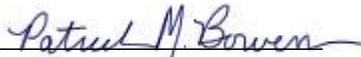
Certified:



Davonne Lewis
Market Analyst
Date: July 14, 2006



Michael Myers
Market Analyst
Date: July 14, 2006



Patrick Bowen
Partner
Date: July 14, 2006

SECTION K - QUALIFICATIONS

1. THE COMPANY

Vogt Williams & Bowen, LLC is a real estate research firm established to provide accurate and insightful market forecasts for a broad range client base. The three principals of the firm, Robert Vogt, Tim Williams, and Patrick Bowen have a combined 40 years of real estate market feasibility experience throughout the United States.

Serving real estate developers, syndicators, lenders, state housing finance agencies, and the U.S. Department of Housing and Urban Development (HUD), the firm provides market feasibility studies for affordable housing, market-rate apartments, condominiums, senior housing, student housing, and single-family developments.

2. THE STAFF

Robert Vogt has conducted and reviewed over 5,000 market analyses over the past 26 years for market-rate and Low-Income Housing Tax Credit apartments, as well as studies for single-family, golf course/residential, office, retail and elderly housing throughout the United States. Mr. Vogt is a founding member and the chairman of the National Council of Affordable Housing Market Analysts, a group formed to bring standards and professional practices to market feasibility. He is a frequent speaker at many real estate and state housing conferences. Mr. Vogt has a bachelor's degree in finance, real estate, and urban land economics from The Ohio State University.

Tim Williams has over 20 years of sales and marketing experience, and over six years in the real estate market feasibility industry. He is a frequent speaker at state housing conferences and an active member of the National Council of State Housing Agencies and the National Housing and Rehabilitation Association. Mr. Williams has a bachelor's degree in English from Hobart and William Smith College.

Patrick Bowen has prepared and supervised market feasibility studies for all types of real estate products including affordable family and senior housing, multifamily market-rate housing, and student housing for more than seven years. He has also prepared various studies for submittal as part of HUD 221(d) 3 & 4, HUD 202 developments, and applications for housing for Native Americans. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from The University of West Florida.

Brian Gault has conducted fieldwork and analyzed real estate markets for more than six years in nearly 40 states. In this time, Mr. Gault has conducted a broad range of studies including Low-Income Housing Tax Credit, luxury market-rate apartments, comprehensive community housing assessment, Hope VI redevelopment, student housing analysis, condominium communities, and mixed-use developments. Mr. Gault has his bachelor's degree in public relations from The Ohio University Scripps School of Journalism.

K. David Adamescu has conducted real estate market research and analysis over the past four years for a broad range of products including Low-Income Housing Tax Credit apartments, market-rate apartments, student-targeted housing, condominiums, single-family housing, mixed-use developments, and commercial office space. Mr. Adamescu has participated in over 100 market feasibility studies with sites located in more than 30 states. Mr. Adamescu holds a bachelor's degree in Economics and Masters of City and Regional Planning (with emphasis in urban economics) from The Ohio State University.

Nancy Patzer has been consulting in the areas of economic and community development and housing research for the past nine years. Ms. Patzer has been employed by a number of research organizations including Community Research Partners, United Way of Central Ohio, Retail Planning Associates, the city of Columbus, and Boulevard Strategies. Ms. Patzer has analyzed or conducted field research for over 75 housing markets across the United States. She holds a Bachelor of Science, Journalism degree from the E.W. Scripps School of Journalism, Ohio University.

Davonne Lewis has more than eight years of professional experience in the real estate and construction business. Previously Vice President of a national real estate consulting firm, her experience includes supervising and preparing market feasibility studies for low-income housing. Ms. Lewis has prepared many market studies in numerous states throughout the country and also has a background in the management and administration of real estate construction and real estate appraisal companies. Ms. Lewis was educated at Hardin-Simmons University in Abilene, Texas where she obtained a Bachelor of Behavioral Science degree and is a member of the National Council of Affordable Housing Market Analysts and the Real Estate Council of Austin.

Charlotte Bergdorf has over four years of professional experience in real estate market analysis and has prepared market analyses for Tax Credit syndicators, housing finance agencies, housing authorities, banks, investment banking companies, and real estate developers in many states across the country. Ms. Bergdorf attended the University of Wisconsin-Parkside in Kenosha, earning a bachelor's degree in English with a concentration in writing and has additional experience in journalism. Ms. Bergdorf is also a member of the National Council of Affordable Housing Market Analysts.

David Twehues holds a bachelor's degree in Geographic Information Systems (GIS) and a master's degree in Quantitative and Statistical Methods from The Ohio State University. He has contributed mapping and demographic products to over 250 community development market studies. Mr. Twehues has extensive knowledge in the field of statistics, including experience in mathematical modeling and computer programming, and has two years of experience using GIS in multiple report formats.

Christopher T. Bunch has eight years of professional experience in real estate, including three years experience in the real estate market research field. Mr. Bunch, who holds an Ohio Real Estate Appraisal License, is responsible for preparing market feasibility studies and rent comparability studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Andrew W. Mazak has three years of experience in the real estate market research field. He has conducted and participated in market feasibility studies in numerous markets throughout the United States. Mr. Mazak attended Capital University in Columbus, Ohio, where he graduated with a bachelor's degree in Business Management and Marketing.

June Davis is an administrative assistant with 15 years experience in market feasibility. Ms. Davis has overseen production on over 1,000 market studies for projects throughout the United States.

Field Staff – Vogt Williams & Bowen, LLC maintains a field staff of professionals experienced at collecting critical on-site real estate data. Each member has been fully trained to evaluate site attributes, area competitors, trends in the market, economic characteristics, and a wide range of issues impacting the viability of real estate development.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

DALLAS, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

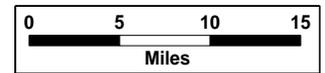
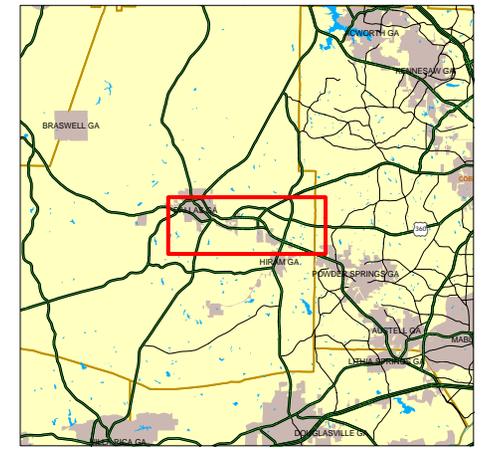
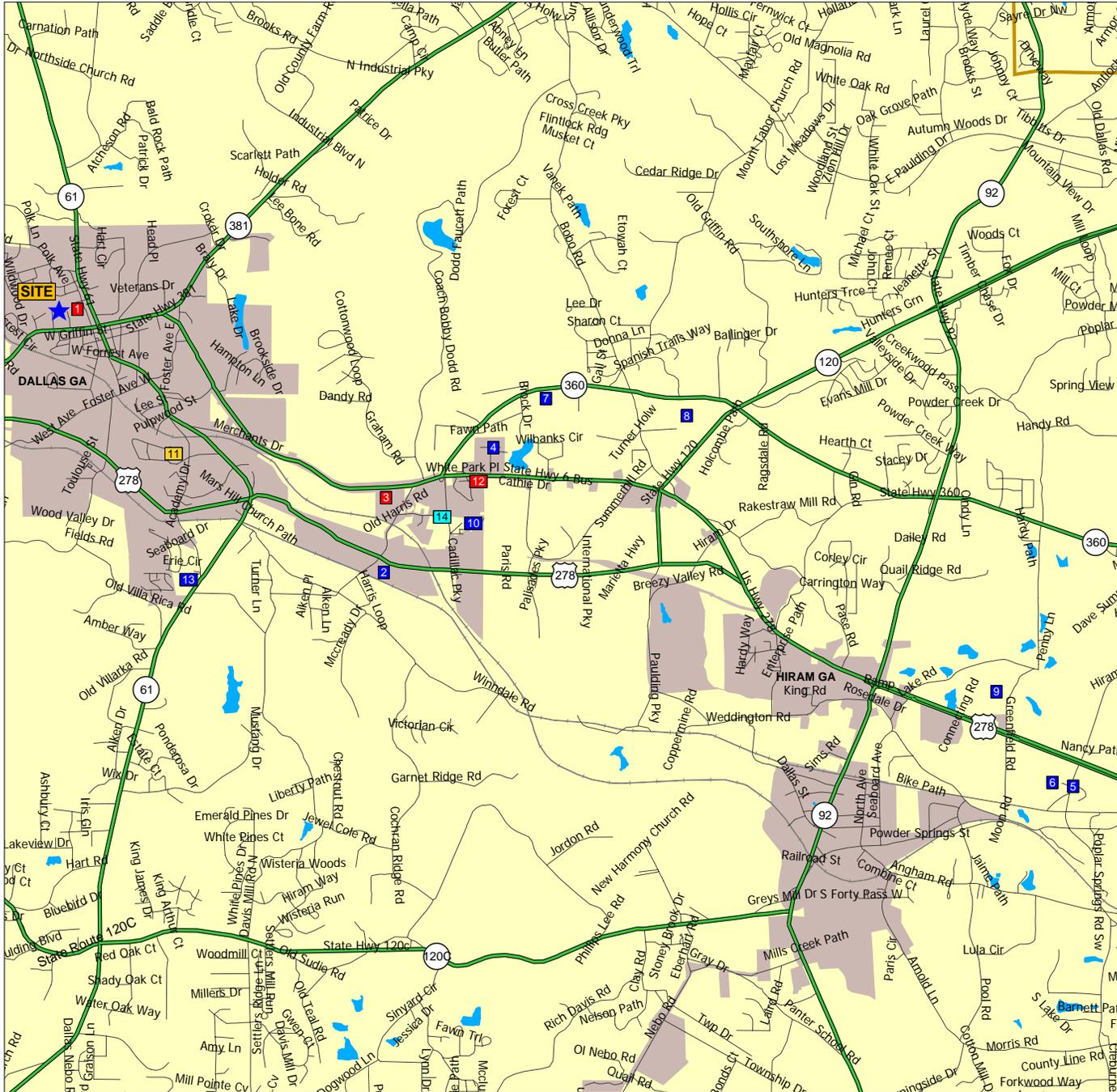
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designed as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, where applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Dallas, GA: Apartment Locations



- ★ Project Site
- Interstate Hwys
- US Hwys
- State Hwys
- Govt. Sub.
- Market Rate
- Market Rate/Tax Credit
- Tax Credit

Miles
1:48,646

**MAP IDENTIFICATION LIST
DALLAS, GEORGIA
JUNE 2006**

MAP ID	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE
1	CAMPBELL CREEK APTS. (SITE)	TAX	1991	80	0	100%
2	ST. IVES APTS.	MRR	2001	284	4	99%
3	MERCHANTS COURT APTS.	TAX	1999	192	0	100%
4	PARKWAY NORTH	MRR	1996	20	0	100%
5	COLUMNS AT HIRAM	MRR	2000	292	1	100%
6	MAGNOLIA COMMONS	MRR	2003	194	11	94%
7	AMBERLEY	MRR	2001	168	0	100%
8	AMCI AT LOST MOUNTAIN	MRR	2001	164	2	99%
9	GREENBROOK	MRR	2006	0	0	U/C
10	SANDALWOOD APTS.	MRR	2000	156	6	96%
11	DALLAS MANOR	GSS	1988	40	0	100%
12	CREEKSTONE APTS.	TAX	1994	108	2	98%
13	HARMONY HILL APTS.	MRR	1966	58	0	100%
14	MAGNOLIA CRESTE APTS.	MRT	2000	176	10	94%

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	9	1,336	24	98.2%
MRT	1	176	10	94.3%
TAX	3	380	2	99.5%
GSS	1	40	0	100.0%

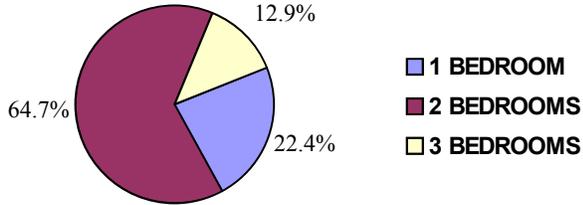
■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**DISTRIBUTION OF
UNITS AND VACANCIES
DALLAS, GEORGIA
JUNE 2006**

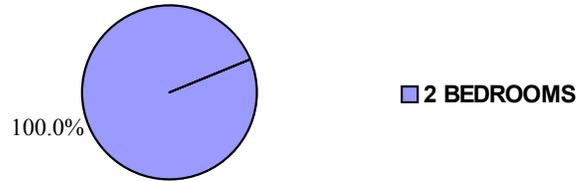
NON-SUBSIDIZED UNITS						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	424	22.4%	5	1.2%	\$749
2	1	333	17.6%	1	0.3%	\$660
2	1.5	104	5.5%	0	0.0%	\$905
2	2	631	33.4%	19	3.0%	\$903
2	2.5	156	8.2%	6	3.8%	\$749
3	1	20	1.1%	2	10.0%	\$688
3	2	224	11.8%	3	1.3%	\$956
TOTAL		1,892	100.0%	36	1.9%	
124 UNITS UNDER CONSTRUCTION						
SUBSIDIZED UNITS						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
2	1	40	100.0%	0	0.0%	
TOTAL		40	100.0%	0	0.0%	
GRAND TOTAL		1,932	-	36	1.9%	

DISTRIBUTION OF UNITS BY BEDROOM TYPE

NON-SUBSIDIZED



SUBSIDIZED



**PROJECT LISTING
DALLAS, GEORGIA
JUNE 2006**

MAP ID	NAME / LOCATION	BUILDING INFORMATION	CONTACT / QUALITY RATING	COMMENTS/ RENT INCENTIVES
2	ST. IVES APTS. 1175 OLD HARRIS RD. DALLAS, GA 30157 (678) 363-7333	Project Type MRR Year Built 2001 Year Renovated Floors 3 Total Units 284 Occupancy Rate 98.6%	Contact SARAH, MICHELLE CONTACT IN PERSON Quality Rating A	\$40/MONTH FOR UNITS WITH SUNROOM; GARAGE PRICE RANGES FROM \$85-\$110; BUILT IN 3 PHASES: 2001, 2004 & 2006; OPTIONAL SECURITY FEE WAS UNAVAILABLE
4	PARKWAY NORTH 350 WHITE INGRAM PKWY. DALLAS, GA 30132 (678) 363-6630	Project Type MRR Year Built 1996 Year Renovated Floors 1,2 Total Units 20 Occupancy Rate 100.0%	Contact JANIE CONTACT IN PERSON Quality Rating A	
5	COLUMNS AT HIRAM 151 CLEBURNE PKWY. HIRAM, GA 30141 (770) 222-3360	Project Type MRR Year Built 2000 Year Renovated Floors 2,3 Total Units 292 Occupancy Rate 99.7%	Contact CINDY CONTACT IN PERSON Quality Rating A-	3RD FLOOR 2- & 3-BR UNITS HAVE FIREPLACES; 3-BR PRICES RANGE BASED ON FLOOR LEVEL; 1- & 2-BR UNIT MIX ESTIMATED RENTS REPORTED ARE REDUCED
6	MAGNOLIA COMMONS 150 CLEBURNE PKWY. HIRAM, GA 30141 (678) 567-1877	Project Type MRR Year Built 2003 Year Renovated Floors 2,3 Total Units 194 Occupancy Rate 94.3%	Contact KIM CONTACT IN PERSON Quality Rating A-	VACANCIES ESTIMATED RENTS REPORTED ARE DISCOUNTED
7	AMBERLEY 890 MACLAND RD. DALLAS, GA 30157 (770) 505-0509	Project Type MRR Year Built 2001 Year Renovated Floors 1 Total Units 168 Occupancy Rate 100.0%	Contact NO NAME GIVEN CONTACT IN PERSON Quality Rating A Waiting List 6-12 MONTHS	100% SENIOR (55+)
8	AMCI AT LOST MOUNTAIN 75 LOG CABIN DR. DALLAS, GA 30157 (770) 443-3345	Project Type MRR Year Built 2001 Year Renovated Floors 2,3,4 Total Units 164 Occupancy Rate 98.8%	Contact CINDY CONTACT IN PERSON Quality Rating A	FIREPLACES IN SCATTERED UNITS 2-BR RENTS REPORTED ARE REDUCED
9	GREENBROOK GREENFIELD RD., HWY 278 DALLAS, GA 30132 (678) 567-0007	Project Type MRR Year Built 2006 Year Renovated Floors 1 Total Units 0 Occupancy Rate U/C	Contact LINDA CONTACT IN PERSON Quality Rating A	100% SENIOR (55+); ALL 124 UNITS U/C; ALL PRE-LEASED; OPENING JULY 1, 2006

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**PROJECT LISTING
DALLAS, GEORGIA
JUNE 2006**

MAP ID	NAME / LOCATION	BUILDING INFORMATION	CONTACT / QUALITY RATING	COMMENTS/ RENT INCENTIVES
10	SANDALWOOD APTS. 115 WHITE PARK PL. DALLAS, GA 30132 (678) 363-3052	Project Type MRR Year Built 2000 Year Renovated Floors 2 Total Units 156 Occupancy Rate 96.2%	Contact NO NAME GIVEN CONTACT IN PERSON Quality Rating B+	SOME OLDER UNITS ARE GAS HEATED (LOWER RENTS); ALL ELECTRIC UNITS AT \$680 WERE BUILT IN 2003 RENTS REPORTED ARE REDUCED
13	HARMONY HILL APTS. 13 PEACEFUL PATH DALLAS, GA 30132 (770) 445-1302	Project Type MRR Year Built 1966 Year Renovated Floors 2 Total Units 58 Occupancy Rate 100.0%	Contact JOAN CONTACT IN PERSON Quality Rating C+	
14	MAGNOLIA CRESTE APTS. 201 BUTLER INDUSTRIAL DR. DALLAS, GA 30132 (770) 443-4099	Project Type MRT Year Built 2000 Year Renovated Floors 2 Total Units 176 Occupancy Rate 94.3%	Contact NADINE, DENISHA CONTACT IN PERSON Quality Rating B+ Waiting List 1-3 MONTHS	TAX CREDIT @ 50% & 60% AMHI (70 UNITS) & MARKET-RATE (106 UNITS); BREAKDOWN BY AMHI ESTIMATED; WAITING LIST IS FOR 1- & 3-BR TAX CREDIT UNITS 1 MONTH FREE RENT
1	CAMPBELL CREEK APTS. (SITE) 351 W. MEMORIAL DR. DALLAS, GA 30132 (770) 443-9060	Project Type TAX Year Built 1990 Year Renovated Floors 2 Total Units 80 Occupancy Rate 100.0%	Contact JANICE CONTACT IN PERSON Quality Rating B	TAX CREDIT @ 60% AMHI; 4 HANDICAPPED UNITS; 44 UNITS HAVE PATIOS/BALCONIES RENTS REPORTED ARE REDUCED
3	MERCHANTS COURT APTS. 1068 MERCHANTS DR. DALLAS, GA 30132 (678) 363-0965	Project Type TAX Year Built 1999 Year Renovated Floors 3 Total Units 192 Occupancy Rate 100.0%	Contact TAMMY, JAMIE CONTACT IN PERSON Quality Rating A Waiting List 2-3 WEEKS	TAX CREDIT @ 60% AMHI
12	CREEKSTONE APTS. 1300 MERCHANTS DR. DALLAS, GA 30132 (770) 445-2898	Project Type TAX Year Built 1994 Year Renovated Floors 1,2 Total Units 108 Occupancy Rate 98.1%	Contact LEWIS CONTACT IN PERSON Quality Rating B- Waiting List 3-12 MONTHS	TAX CREDIT @ 35% & 50% AMHI; WAITING LIST IS FOR 1- & 2-BR UNITS
11	DALLAS MANOR 350 PAULDING LN. DALLAS, GA 30132 (770) 445-5059	Project Type GSS Year Built 1988 Year Renovated Floors 2 Total Units 40 Occupancy Rate 100.0%	Contact NO NAME GIVEN CONTACT IN PERSON Quality Rating B- Waiting List 8 HOUSEHOLDS	GOVERNMENT-SUBSIDIZED, HUD SECTION 8

█	MARKET-RATE
█	MARKET-RATE/TAX CREDIT
█	MARKET-RATE/GOVERNMENT-SUBSIDIZED
█	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	TAX CREDIT
█	TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	GOVERNMENT-SUBSIDIZED

**UNIT AMENITIES
DALLAS, GEORGIA
JUNE 2006**

MAP ID	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	FIREPLACE	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	OTHER
2	X		C		X	X					O	B		SUNROOM
4	X		C		X	X	X					B		HARDWOOD FLOOR
5	X		C		X	X		S				B		VAULTED CEILINGS
6	X		C		X	X	X					B		
7	X		C		X	X	X					B		ROCKING CHAIR
8	X		C	X	X	X		S				B		VAULTED CEILINGS
9	X		C		X	X	X					B		ROCKING CHAIR
10	X		C		X	X	X					B		
13	X		C		X		X					B		
14	X		C		X	X	X					B		
1	X		C		X	S						B		
3	X		C		X	X	X					B		STORAGE (PATIO)
12	X		C		X	X						B		
11	X		C									B		

█ MARKET-RATE
█ MARKET-RATE/TAX CREDIT
█ MARKET-RATE/GOVERNMENT-SUBSIDIZED
█ MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
█ TAX CREDIT
█ TAX CREDIT/GOVERNMENT-SUBSIDIZED
█ GOVERNMENT-SUBSIDIZED

X - ALL UNITS
S - SOME UNITS
O - OPTIONAL

C - CARPET
H - HARDWOOD
V - VINYL

B - BLINDS
C - CURTAINS
D - DRAPES



**PROJECT AMENITIES
DALLAS, GEORGIA
JUNE 2006**

MAP ID	POOL	ON-SITE MNGT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	LAKE	ELEVATOR	SECURITY GATE	BUSINESS CENTER	CAR WASH AREA	PICNIC AREA	CONCIERGE SERVICE	SOCIAL SERVICES	OTHER
2	X	X	X	X	A	X		X	X		O			X	X	X	X			
4																				
5	X	X	X	X	A	X		X	X						X	X	X			
6	X	X	X	X		X		X	X	X				X	X		X			AFTER SCHOOL PROGRAM JOGGING TRAIL
7		X		X	A						X						X			
8	X	X		X	A	X			X		O				X	X				
9		X		X	A						O						X			SHUFFLEBOARD
10		X						X			O						X			
13	X	X	X																	
14	X	X	X	X	A	X		X						X	X		X			AFTER SCHOOL PROGRAM
1	X	X	X					X			X						X			
3	X	X	X	X	A	X		X		X							X			
12		X	X					X									X			
11		X	X					X												

█	MARKET-RATE
█	MARKET-RATE/TAX CREDIT
█	MARKET-RATE/GOVERNMENT-SUBSIDIZED
█	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	TAX CREDIT
█	TAX CREDIT/GOVERNMENT-SUBSIDIZED
█	GOVERNMENT-SUBSIDIZED

O - OPTIONAL



**PARKING OPTIONS AND OPTIONAL CHARGES
DALLAS, GEORGIA
JUNE 2006**

MAP ID	PARKING OPTIONS					OPTIONAL CHARGES					
	ATTACHED GARAGE	DETACHED GARAGE	OFF STREET PARKING	SURFACE PARKING	CARPORT	PARKING GARAGE	GARAGE	FURNISHED UNITS	VAULTED CEILINGS	VIEW/LOCATION	OTHER
2		O		X			\$97.5				STORAGE(\$45)
4				X							
5		O		X			\$75				
6		O		X			\$75				
7				X	X						
8		O		X			\$75				STORAGE LOCKERS(\$25)
9					X						STORAGE(\$50)
10				X							STORAGE UNITS(\$45)
13				X							
14				X							
1				X							
3				X							
12				X							
11				X							

<p> ■ MARKET-RATE ■ MARKET-RATE/TAX CREDIT ■ MARKET-RATE/GOVERNMENT-SUBSIDIZED ■ MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED ■ TAX CREDIT ■ TAX CREDIT/GOVERNMENT-SUBSIDIZED ■ GOVERNMENT-SUBSIDIZED </p>	<p> X - ALL UNITS S - SOME UNITS O - OPTIONAL </p>
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**UTILITIES AND APPLIANCES
DALLAS, GEORGIA
JUNE 2006**

MAP ID	UTILITIES												APPLIANCES							
	GENERAL ELECTRIC	TYPE OF HEAT	PAYOR HEAT	TYPE OF HOT WATER	PAYOR HOT WATER	TYPE OF COOKING	PAYOR COOKING	WATER	SEWER	TRASH PICK UP	PAYOR CABLE	INTERNET	TELEPHONE	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	OTHER
2	T	E	T	E	T	E	T	T	T	L	T	T	T	X	X	X	X	X		
4	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X	X		
5	T	E	T	E	T	E	T	T	T	L	T	L	T	X	X		X	X		
6	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X	X	X	
7	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X	X		
8	T	E	T	E	T	E	T	T	T	T	T	T	T	X	X		X	X		
9	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X			
10	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X	X		
13	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X			
14	T	G	T	G	T	E	T	L	L	L	T	T	T	X	X		X	X		
1	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X			
3	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X	X	X	X		
12	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X		X	X		
11	T	E	T	E	T	E	T	L	L	L	T	T	T	X	X					

 MARKET-RATE
 MARKET-RATE/TAX CREDIT
 MARKET-RATE/GOVERNMENT-SUBSIDIZED
 MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
 TAX CREDIT
 TAX CREDIT/GOVERNMENT-SUBSIDIZED
 GOVERNMENT-SUBSIDIZED

T - TENANT
 L - LANDLORD

E - ELECTRIC
 G - GAS
 O - OTHER

X - ALL UNITS
 S - SOME UNITS
 O - OPTIONAL



**COLLECTED RENT DETAIL
DALLAS, GEORGIA
JUNE 2006**

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1 BR	2 BR	3 BR	4+ BR	1 BR	2 BR	3 BR	4+ BR
2		\$705 to \$820	\$870 to \$970	\$1015 to \$1105					
4							\$550		
5		\$623 to \$667	\$710 to \$788	\$885 to \$894					
6		\$739	\$789	\$910					
7			\$765 to \$795						
8		\$735 to \$755	\$789 to \$865	\$1135 to \$1155					
9									
10							\$630 to \$680		
13			\$550						
14		\$540 to \$640	\$665 to \$730	\$770 to \$810					
1			\$499						
3			\$600	\$650					
12		\$320 to \$391	\$434 to \$480	\$545					

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**SQUARE FOOT DETAIL
DALLAS, GEORGIA
JUNE 2006**

MAP ID	GARDEN STYLE UNITS (SQ.FT)					TOWNHOUSE UNITS (SQ.FT.)			
	STUDIO	1 BR	2 BR	3 BR	4+ BR	1 BR	2 BR	3 BR	4+ BR
2		660 to 960	1048 to 1337	1366 to 1439					
4							1200		
5		801 to 896	1131 to 1213	1405					
6		975	1175	1350					
7			936 to 956						
8		760	1012 to 1030	1171					
9									
10							1070		
13			900						
14		975	1150	1350					
1			1200						
3			1200	1400					
12		720	960	1079					
11			800						

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**PRICE PER SQUARE FOOT
DALLAS, GEORGIA
JUNE 2006**

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	ST. IVES APTS.	1	660 to 960	\$812 to \$927	\$0.97 to \$1.23
5	COLUMNS AT HIRAM	1	801 to 896	\$705 to \$749	\$0.84 to \$0.88
6	MAGNOLIA COMMONS	1	975	\$823	\$0.84
8	AMCI AT LOST MOUNTAIN	1	760	\$857 to \$877	\$1.13 to \$1.15
14	MAGNOLIA CRESTE APTS.	1	975	\$627 to \$727	\$0.64 to \$0.75
12	CREEKSTONE APTS.	1	720	\$404 to \$475	\$0.56 to \$0.66

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	ST. IVES APTS.	2	1048 to 1337	\$1010 to \$1110	\$0.83 to \$0.96
4	PARKWAY NORTH	1.5	1200	\$669	\$0.56
5	COLUMNS AT HIRAM	1 to 2	1131 to 1213	\$825 to \$903	\$0.73 to \$0.74
6	MAGNOLIA COMMONS	2	1175	\$899	\$0.77
7	AMBERLEY	1 to 1.5	936 to 956	\$875 to \$905	\$0.93 to \$0.95
8	AMCI AT LOST MOUNTAIN	2	1012 to 1030	\$944 to \$1020	\$0.93 to \$0.99
9	GREENBROOK	1.5	1000	\$1005	\$1.01
10	SANDALWOOD APTS.	2.5	1070	\$749 to \$799	\$0.70 to \$0.75
13	HARMONY HILL APTS.	1	900	\$660	\$0.73
14	MAGNOLIA CRESTE APTS.	2	1150	\$776 to \$841	\$0.67 to \$0.73
1	CAMPBELL CREEK APTS. (SITE)	1	1200	\$609	\$0.51
3	MERCHANTS COURT APTS.	2	1200	\$710	\$0.59
12	CREEKSTONE APTS.	1	960	\$544 to \$590	\$0.57 to \$0.61

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	ST. IVES APTS.	2	1366 to 1439	\$1194 to \$1284	\$0.87 to \$0.89
5	COLUMNS AT HIRAM	2	1405	\$1039 to \$1048	\$0.74 to \$0.75
6	MAGNOLIA COMMONS	2	1350	\$1053	\$0.78
8	AMCI AT LOST MOUNTAIN	2	1171	\$1329 to \$1349	\$1.13 to \$1.15
14	MAGNOLIA CRESTE APTS.	2	1350	\$916 to \$956	\$0.68 to \$0.71
3	MERCHANTS COURT APTS.	2	1400	\$793	\$0.57
12	CREEKSTONE APTS.	1	1079	\$688	\$0.64

■	MARKET-RATE
■	MARKET-RATE/TAX CREDIT
■	MARKET-RATE/GOVERNMENT-SUBSIDIZED
■	MARKET-RATE/TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	TAX CREDIT
■	TAX CREDIT/GOVERNMENT-SUBSIDIZED
■	GOVERNMENT-SUBSIDIZED

**AVERAGE GROSS RENT PER SQUARE FOOT
BY UNIT TYPE AND BEDROOM
DALLAS, GEORGIA
JUNE 2006**

MARKET-RATE			
UNIT TYPE	ONE BR	TWO BR	THREE BR
GARDEN	\$0.96	\$0.84	\$0.82
TOWNHOUSE	\$0.00	\$0.70	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE BR	TWO BR	THREE BR
GARDEN	\$0.62	\$0.58	\$0.59
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE BR	TWO BR	THREE BR
GARDEN	\$0.90	\$0.78	\$0.70
TOWNHOUSE	\$0.00	\$0.70	\$0.00

**PROJECTS AND UNITS
BY QUALITY RATING
DALLAS, GEORGIA
JUNE 2006**

MARKET-RATE PROJECTS AND UNITS

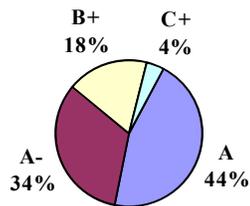
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT		
				ONE BR	TWO BR	THREE BR
A	4	636	0.9%	\$867	\$944	\$1,329
A-	2	486	2.5%	\$749	\$899	\$1,048
B+	2	262	5.3%	\$727	\$799	\$956
C+	1	58	0.0%	\$0	\$660	\$0

TAX CREDIT PROJECTS AND UNITS

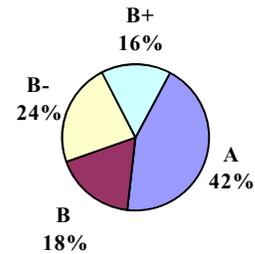
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT		
				ONE BR	TWO BR	THREE BR
A	1	192	0.0%	\$0	\$710	\$793
B+	1	70	2.9%	\$677	\$776	\$916
B	1	80	0.0%	\$0	\$609	\$0
B-	1	108	1.9%	\$404	\$590	\$688

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



**DISTRIBUTION OF MARKET-RATE AND TAX CREDIT PROJECTS
BY UNITS AND YEAR BUILT
DALLAS, GEORGIA
JUNE 2006**

YEAR RANGE	PROJECTS	UNITS	VACANT*	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	1	58	0	0.0%	58	3.1%
1970 to 1979	0	0	0	0.0%	58	0.0%
1980 to 1989	0	0	0	0.0%	58	0.0%
1990 to 1994	2	188	2	1.1%	246	9.9%
1995 to 1999	2	212	0	0.0%	458	11.2%
2000 to 2001	6	1240	23	1.9%	1698	65.5%
2002	0	0	0	0.0%	1698	0.0%
2003	1	194	11	5.7%	1892	10.3%
2004	0	0	0	0.0%	1892	0.0%
2005	0	0	0	0.0%	1892	0.0%
2006*	0	0	0	0.0%	1892	0.0%
TOTAL	12	1892	36	1.9%	1892	100.0 %

* BASED ON SURVEY DATE OF JUNE 2006

**DISTRIBUTION OF APPLIANCES
AND UNIT AMENITIES
DALLAS, GEORGIA
JUNE 2006**

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	13	100.0%	1,892
REFRIGERATOR	13	100.0%	1,892
ICEMAKER	2	15.4%	476
DISHWASHER	13	100.0%	1,892
DISPOSAL	10	76.9%	1,754
MICROWAVE	1	7.7%	194

UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	13	100.0%	1,892
AC - WINDOW	0	0.0%	
FLOOR COVERING	13	100.0%	1,892
WASHER/DRYER	1	7.7%	164
WASHER/DRYER HOOK-UP	13	100.0%	1,892
PATIO/DECK/BALCONY	12	92.3%	1,834
CEILING FAN	8	61.5%	964
FIREPLACE	2	15.4%	456
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	13	100.0%	1,892
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - DOES NOT INCLUDE UNITS WHERE APPLIANCES / AMENITIES ARE OPTIONAL; ONLY INCLUDES MARKET-RATE OR NON-GOVERNMENT SUBSIDIZED TAX CREDIT

**DISTRIBUTION OF PROJECT AMENITIES
DALLAS, GEORGIA
JUNE 2006**

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	8	61.5%	1,440
ON SITE MANAGEMENT	12	92.3%	1,872
LAUNDRY	8	61.5%	1,384
CLUB HOUSE	8	61.5%	1,470
MEETING ROOM	7	53.8%	1,276
FITNESS CENTER	6	46.2%	1,302
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	8	61.5%	1,482
TENNIS COURT	4	30.8%	934
SPORTS COURT	2	15.4%	386
STORAGE	2	15.4%	248
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	3	23.1%	654
BUSINESS CENTER	5	38.5%	1,110
CAR WASH AREA	3	23.1%	740
PICNIC AREA	10	76.9%	1,650
CONCIERGE SERVER	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

**RENT ANALYSIS
BY BEDROOM TYPE
DALLAS, GEORGIA
JUNE 2006**

ONE-BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$925 - \$949	6	1.4%	0	0.0%
\$900 - \$924	6	1.4%	0	0.0%
\$875 - \$899	56	13.2%	1	1.8%
\$850 - \$874	56	13.2%	0	0.0%
\$825 - \$849	0	0.0%	0	0.0%
\$800 - \$824	82	19.3%	3	3.7%
\$775 - \$799	0	0.0%	0	0.0%
\$750 - \$774	0	0.0%	0	0.0%
\$725 - \$749	88	20.8%	1	1.1%
\$700 - \$724	53	12.5%	0	0.0%
\$675 - \$699	13	3.1%	0	0.0%
\$650 - \$674	0	0.0%	0	0.0%
\$625 - \$649	12	2.8%	0	0.0%
\$600 - \$624	0	0.0%	0	0.0%
\$575 - \$599	0	0.0%	0	0.0%
\$550 - \$574	0	0.0%	0	0.0%
\$525 - \$549	0	0.0%	0	0.0%
\$500 - \$524	0	0.0%	0	0.0%
\$475 - \$499	20	4.7%	0	0.0%
\$450 - \$474	0	0.0%	0	0.0%
\$425 - \$449	0	0.0%	0	0.0%
\$400 - \$424	32	7.5%	0	0.0%
TOTAL	424	100.0%	5	1.2%
MEDIAN GROSS RENT \$749				

**RENT ANALYSIS
BY BEDROOM TYPE
DALLAS, GEORGIA
JUNE 2006**

TWO-BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$1100 - \$1124	44	3.6%	1	2.3%
\$1075 - \$1099	44	3.6%	0	0.0%
\$1050 - \$1074	38	3.1%	1	2.6%
\$1025 - \$1049	0	0.0%	0	0.0%
\$1000 - \$1024	86	7.0%	2	2.3%
\$975 - \$999	0	0.0%	0	0.0%
\$950 - \$974	0	0.0%	0	0.0%
\$925 - \$949	48	3.9%	1	2.1%
\$900 - \$924	159	13.0%	1	0.6%
\$875 - \$899	204	16.7%	7	3.4%
\$850 - \$874	0	0.0%	0	0.0%
\$825 - \$849	120	9.8%	5	4.2%
\$800 - \$824	0	0.0%	0	0.0%
\$775 - \$799	113	9.2%	5	4.4%
\$750 - \$774	0	0.0%	0	0.0%
\$725 - \$749	78	6.4%	3	3.8%
\$700 - \$724	96	7.8%	0	0.0%
\$675 - \$699	0	0.0%	0	0.0%
\$650 - \$674	78	6.4%	0	0.0%
\$625 - \$649	0	0.0%	0	0.0%
\$600 - \$624	80	6.5%	0	0.0%
\$575 - \$599	32	2.6%	0	0.0%
\$550 - \$574	0	0.0%	0	0.0%
\$525 - \$549	4	0.3%	0	0.0%
TOTAL	1,224	100.0%	26	2.1%
MEDIAN GROSS RENT \$875				

**RENT ANALYSIS
BY BEDROOM TYPE
DALLAS, GEORGIA
JUNE 2006**

THREE-BEDROOM UNITS				
GROSS RENT	UNITS	DISTRIBUTION	VACANT	%
\$1325 - \$1349	18	7.4%	0	0.0%
\$1300 - \$1324	0	0.0%	0	0.0%
\$1275 - \$1299	4	1.6%	0	0.0%
\$1250 - \$1274	0	0.0%	0	0.0%
\$1225 - \$1249	0	0.0%	0	0.0%
\$1200 - \$1224	0	0.0%	0	0.0%
\$1175 - \$1199	4	1.6%	0	0.0%
\$1150 - \$1174	0	0.0%	0	0.0%
\$1125 - \$1149	0	0.0%	0	0.0%
\$1100 - \$1124	0	0.0%	0	0.0%
\$1075 - \$1099	0	0.0%	0	0.0%
\$1050 - \$1074	30	12.3%	1	3.3%
\$1025 - \$1049	36	14.8%	0	0.0%
\$1000 - \$1024	0	0.0%	0	0.0%
\$975 - \$999	0	0.0%	0	0.0%
\$950 - \$974	26	10.7%	2	7.7%
\$925 - \$949	0	0.0%	0	0.0%
\$900 - \$924	10	4.1%	0	0.0%
\$875 - \$899	0	0.0%	0	0.0%
\$850 - \$874	0	0.0%	0	0.0%
\$825 - \$849	0	0.0%	0	0.0%
\$800 - \$824	0	0.0%	0	0.0%
\$775 - \$799	96	39.3%	0	0.0%
\$750 - \$774	0	0.0%	0	0.0%
\$725 - \$749	0	0.0%	0	0.0%
\$700 - \$724	0	0.0%	0	0.0%
\$675 - \$699	20	8.2%	2	10.0%
TOTAL	244	100.0%	5	2.0%
MEDIAN GROSS RENT \$916				
GRAND TOTAL	1,892	100.0%	36	1.9%

**DISTRIBUTION OF UTILITIES
BY PROJECTS AND UNITS
DALLAS, GEORGIA
JUNE 2006**

<u>UTILITY (WHO PAYS)</u>	<u>NUMBER OF PROJECTS</u>	<u>NUMBER OF UNITS</u>	<u>DISTRIBUTION OF UNITS</u>
HEAT			
<u>TENANT</u>			
ELECTRIC	13	1,756	86.2%
GAS	1	176	<u>8.6%</u>
			100.0 %
COOKING FUEL			
<u>TENANT</u>			
ELECTRIC	14	1,932	<u>94.8%</u>
			100.0 %
HOT WATER			
<u>TENANT</u>			
ELECTRIC	13	1,756	86.2%
GAS	1	176	<u>8.6%</u>
			100.0 %
ELECTRIC			
<u>TENANT</u>			
	14	1,932	<u>94.8%</u>
			100.0 %
WATER			
LANDLORD	11	1,192	58.5%
TENANT	3	740	<u>36.3%</u>
			100.0 %
SEWER			
LANDLORD	11	1,192	58.5%
TENANT	3	740	<u>36.3%</u>
			100.0 %
TRASH PICK UP			
LANDLORD	13	1,768	86.8%
TENANT	1	164	<u>8.0%</u>
			100.0 %

**UTILITY ALLOWANCES
GEORGIA DCA WEBSITE
JUNE 2006**

BR	UNIT TYPE	HEATING				WATER		COOKING		ELECTRIC	WATER	SEWER	TRASH	CABLE
		GAS	ELECTRIC	STEAM	OTHER	GAS	ELECTRIC	GAS	ELECTRIC					
0	GARDEN	\$20	\$19	\$0	\$0	\$14	\$14	\$5	\$4	\$24	\$8	\$9	\$15	\$25
1	GARDEN	\$29	\$26	\$0	\$0	\$19	\$19	\$8	\$6	\$33	\$11	\$12	\$15	\$25
1	TOWNHOUS	\$31	\$30	\$0	\$0	\$19	\$20	\$8	\$7	\$37	\$11	\$12	\$15	\$25
2	GARDEN	\$36	\$34	\$0	\$0	\$24	\$25	\$9	\$8	\$43	\$14	\$16	\$15	\$25
2	TOWNHOUS	\$42	\$38	\$0	\$0	\$24	\$25	\$9	\$8	\$48	\$14	\$16	\$15	\$25
3	GARDEN	\$45	\$41	\$0	\$0	\$29	\$30	\$11	\$10	\$62	\$17	\$19	\$15	\$25
3	TOWNHOUS	\$50	\$46	\$0	\$0	\$29	\$30	\$11	\$10	\$58	\$17	\$19	\$15	\$25
4	GARDEN	\$58	\$53	\$0	\$0	\$36	\$39	\$14	\$12	\$67	\$22	\$24	\$15	\$25
4	TOWNHOUS	\$64	\$58	\$0	\$0	\$36	\$39	\$14	\$12	\$74	\$22	\$24	\$15	\$25

ADDENDUM B. COMPARABLE PROPERTY PHOTOS

2

ST. IVES APTS.



3

MERCHANTS COURT APTS.



4

PARKWAY NORTH



10

SANDALWOOD APTS.



12

CREEKSTONE APTS.



14

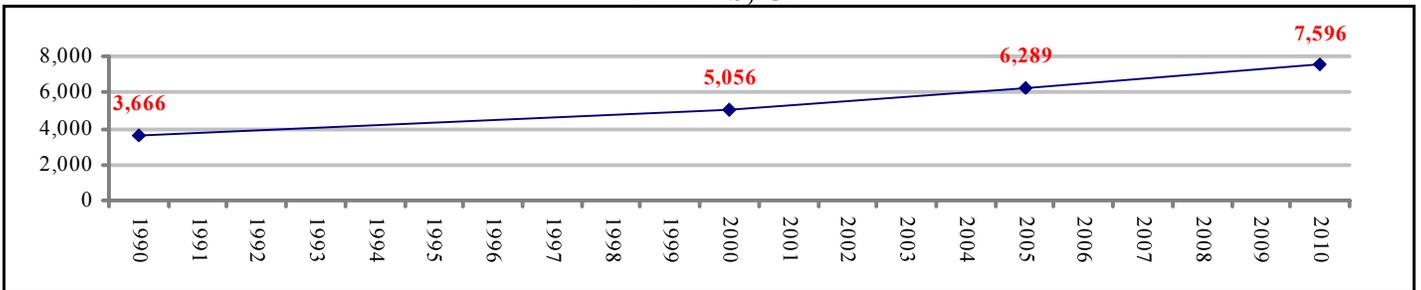
MAGNOLIA CRESTE APTS.



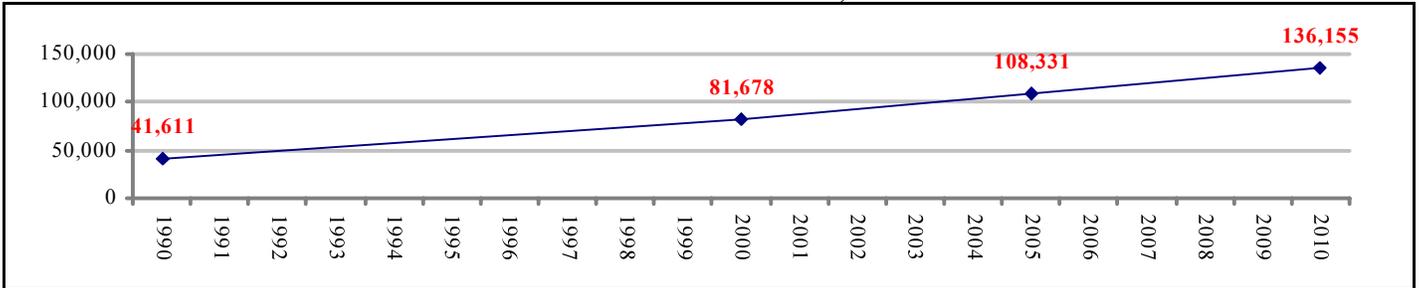
ADDENDUM C. AREA DEMOGRAPHICS

POPULATION - 1990, 2000(CENSUS), 2005(ESTIMATE), 2010(PROJECTION)

DALLAS, GA



PAULDING COUNTY, GA

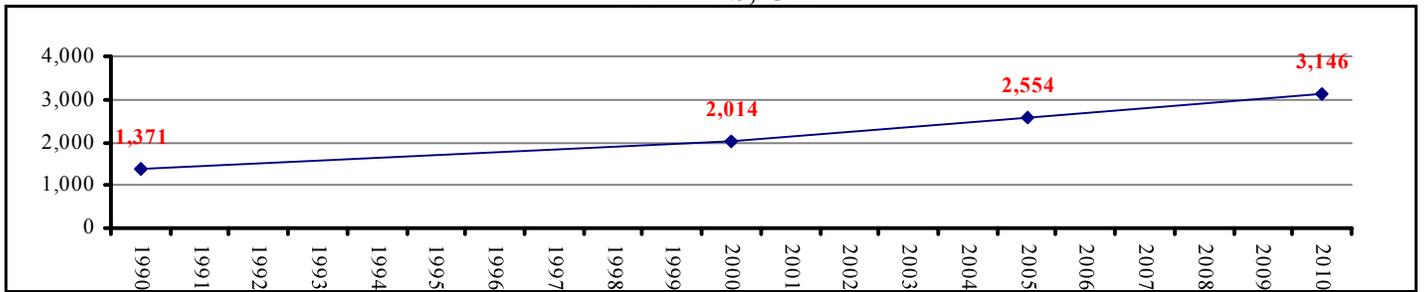


YEAR	DALLAS, GA	PAULDING COUNTY, GA
1990 CENSUS	3,666	41,611
2000 CENSUS	5,056	81,678
% CHANGE 1990 - 2000	37.9%	96.3%
AVG. ANNUAL CHANGE	139	4,007
2005 ESTIMATE	6,289	108,331
2010 PROJECTION	7,596	136,155
% CHANGE 2000 - 2010	50.2%	66.7%
AVG. ANNUAL CHANGE	282	6,053

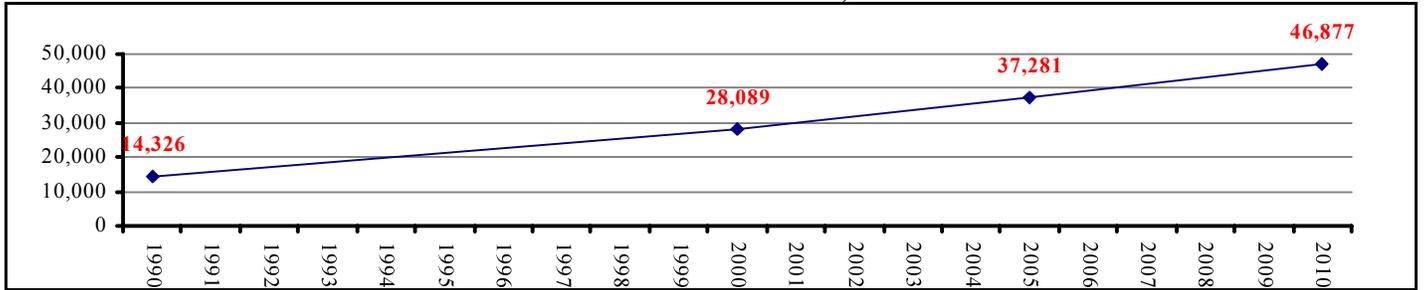


HOUSEHOLDS - 1990, 2000(CENSUS), 2005(ESTIMATE), 2010(PROJECTION)

DALLAS, GA



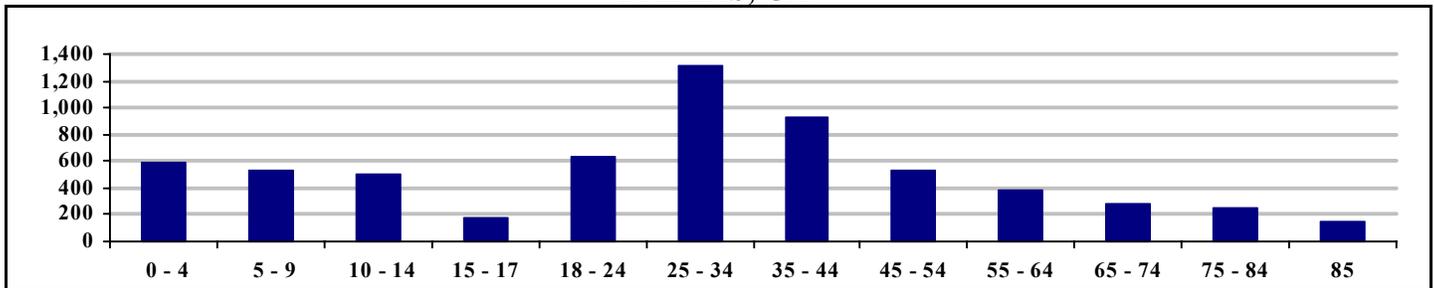
PAULDING COUNTY, GA



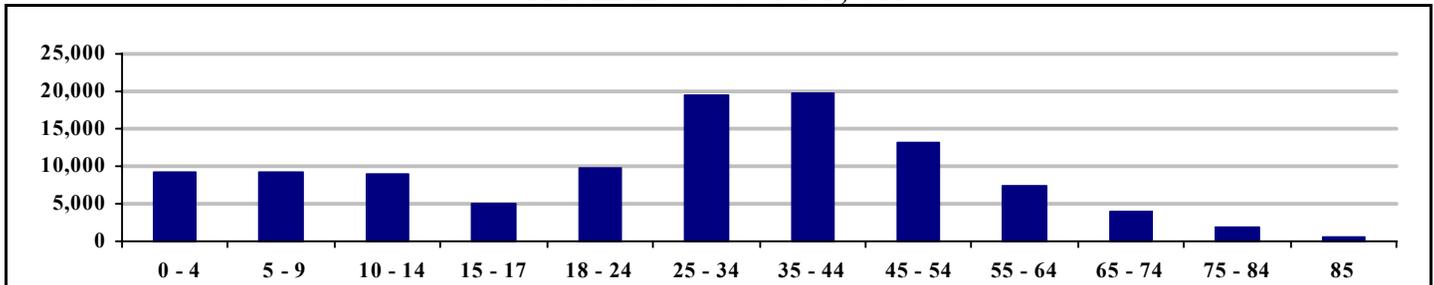
YEAR	DALLAS, GA	PAULDING COUNTY, GA
1990 CENSUS	1,371	14,326
2000 CENSUS	2,014	28,089
% CHANGE 1990 - 2000	46.9%	96.1%
AVG. ANNUAL CHANGE	64	1,376
2005 ESTIMATE	2,554	37,281
2010 PROJECTION	3,146	46,877
% CHANGE 2000 - 2010	56.2%	66.9%
AVG. ANNUAL CHANGE	126	2,088

POPULATION BY AGE GROUP - 2000 CENSUS

DALLAS, GA



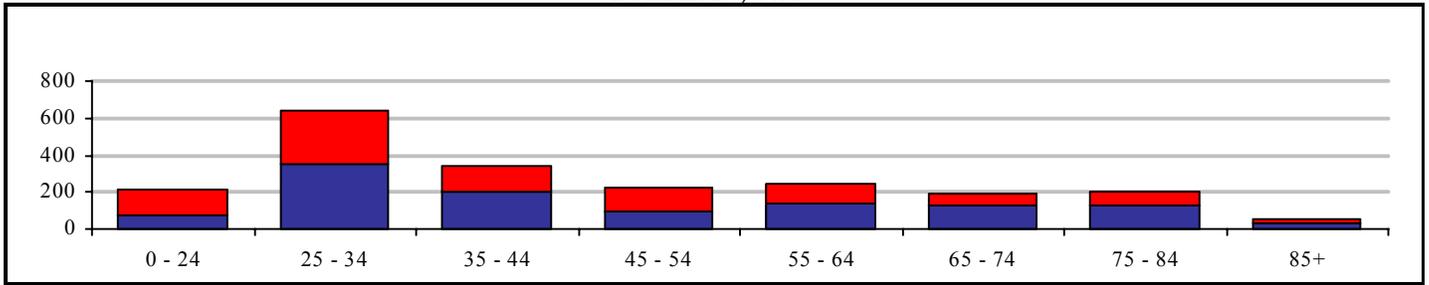
PAULDING COUNTY, GA



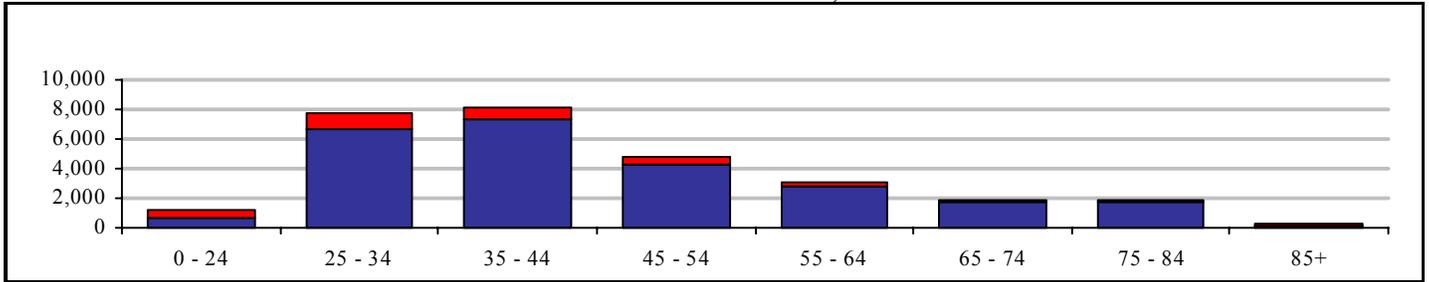
AGE GROUP	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
0 - 4	589	9.4%	9,303	8.6%
5 - 9	526	8.4%	9,290	8.6%
10 - 14	501	8.0%	9,034	8.3%
15 - 17	181	2.9%	4,931	4.6%
18 - 24	635	10.1%	9,639	8.9%
25 - 34	1,318	21.0%	19,395	17.9%
35 - 44	932	14.8%	19,791	18.3%
45 - 54	529	8.4%	13,090	12.1%
55 - 64	389	6.2%	7,487	6.9%
65 - 74	284	4.5%	3,931	3.6%
75 - 84	252	4.0%	1,877	1.7%
85 +	153	2.4%	563	0.5%
TOTAL	6,289	100 %	108,331	100 %

OWNER- AND RENTER-OCCUPIED HOUSING BY AGE OF HEAD OF HOUSEHOLD - 2000

DALLAS, GA



PAULDING COUNTY, GA



■ RENTER-OCCUPIED HOUSEHOLDS
■ OWNER-OCCUPIED HOUSEHOLDS



RENTER-OCCUPIED HOUSEHOLDS

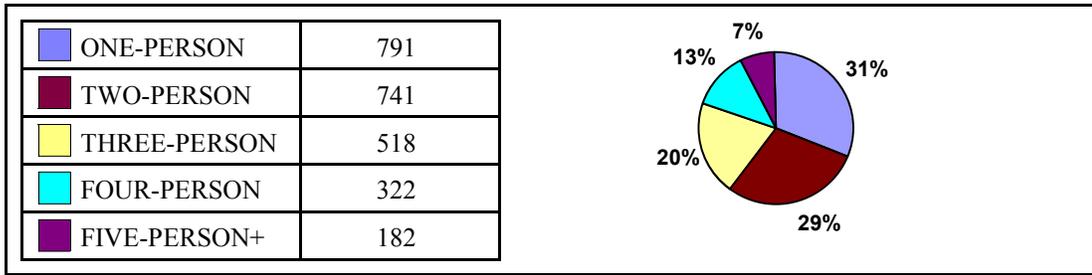
AGE GROUP	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
< 25	140	14.3%	490	13.2%
25 - 34	293	30.0%	1,080	29.1%
35 - 44	133	13.6%	885	23.9%
45 - 54	126	12.9%	476	12.8%
55 - 64	112	11.5%	338	9.1%
65 - 74	66	6.8%	239	6.4%
75 - 84	82	8.4%	157	4.2%
85 +	25	2.6%	41	1.1%
TOTAL	977	100 %	3,706	100 %

OWNER-OCCUPIED HOUSEHOLDS

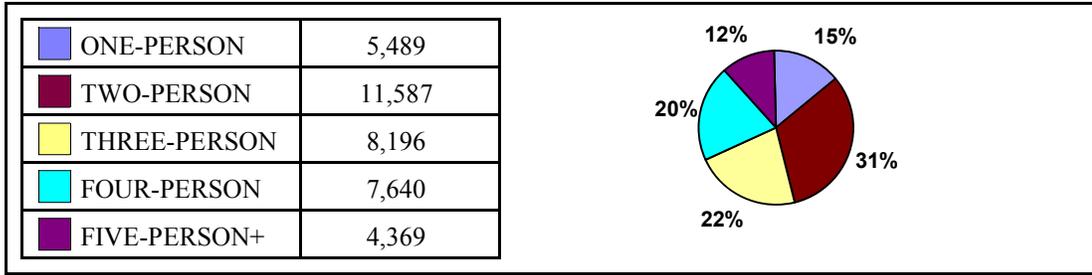
AGE GROUP	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
< 25	70	6.2%	720	2.8%
25 - 34	350	31.0%	6,680	26.4%
35 - 44	205	18.1%	7,305	28.8%
45 - 54	93	8.2%	4,333	17.1%
55 - 64	134	11.9%	2,743	10.8%
65 - 74	124	11.0%	1,677	6.6%
75 - 84	124	11.0%	1,677	6.6%
85 +	30	2.7%	199	0.8%
TOTAL	1,130	100 %	25,334	100 %

HOUSEHOLD SIZE - 2000 CENSUS

DALLAS, GA



PAULDING COUNTY, GA



HOUSEHOLD COMPOSITION - 2000 CENSUS

HOUSEHOLD TYPE	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
MARRIED COUPLE W/ CHILDREN	588	23.0%	14,077	38.2%
LONE MALE PARENT W/ CHILDREN	77	3.0%	909	2.5%
LONE FEMALE PARENT W/ CHILDREN	274	10.7%	2,061	5.6%
MARRIED COUPLE NO CHILDREN	505	19.8%	11,274	30.6%
LONE MALE PARENT NO CHILDREN	48	1.9%	631	1.7%
LONE FEMALE PARENT NO CHILDREN	140	5.5%	1,238	3.4%
NON-FAMILY MALE HEAD W/ CHILDREN	70	2.7%	631	1.7%
NON-FAMILY FEMALE HEAD W/ CHILDREN	61	2.4%	580	1.6%
LONE MALE HOUSEHOLDER	270	10.6%	2,632	7.1%
LONE FEMALE HOUSEHOLDER	521	20.4%	2,857	7.7%
TOTAL	2,554	100 %	36,890	100 %

POPULATION BY HOUSEHOLD COMPOSITION - 2000 CENSUS

POPULATION	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
IN FAMILY HOUSEHOLDS	4,162	83.7%	74,726	91.5%
IN NON-FAMILY HOUSEHOLDS	706	14.2%	6,452	7.9%
IN GROUP QUARTERS	104	2.1%	500	0.6%
TOTAL	4,972	100 %	81,678	100 %

POPULATION BY SINGLE RACE - 2000 CENSUS

RACE	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
WHITE ALONE	4,294	86.7%	73,188	91.2%
BLACK OR AFRICAN AMERICAN	512	10.3%	5,634	7.0%
AMERICAN INDIAN/ ALASKA NATIVE	10	0.2%	212	0.3%
ASIAN ALONE	40	0.8%	324	0.4%
HAWAIIAN/PACIFIC ISLANDER	1	0.0%	22	0.0%
SOME OTHER RACE ALONE	4	0.1%	84	0.1%
TWO OR MORE RACES	92	1.9%	816	1.0%
TOTAL	4,953	100 %	80,280	100 %

HOUSEHOLDS BY INCOME RANGE - 2000 CENSUS

DALLAS, GA



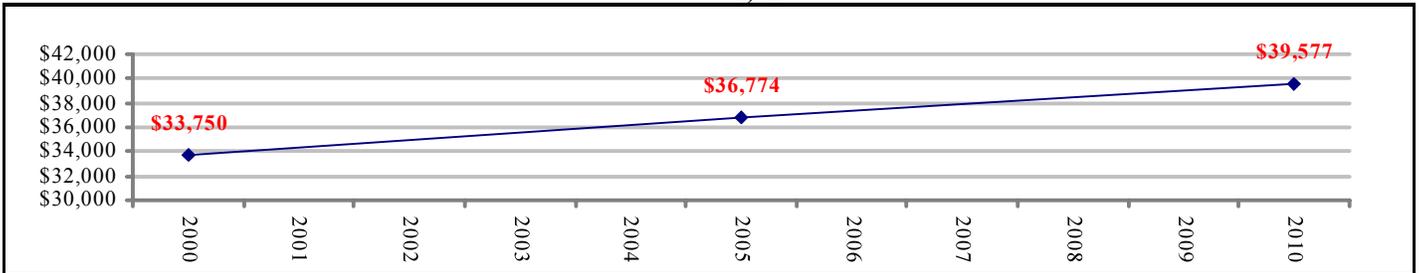
PAULDING COUNTY, GA



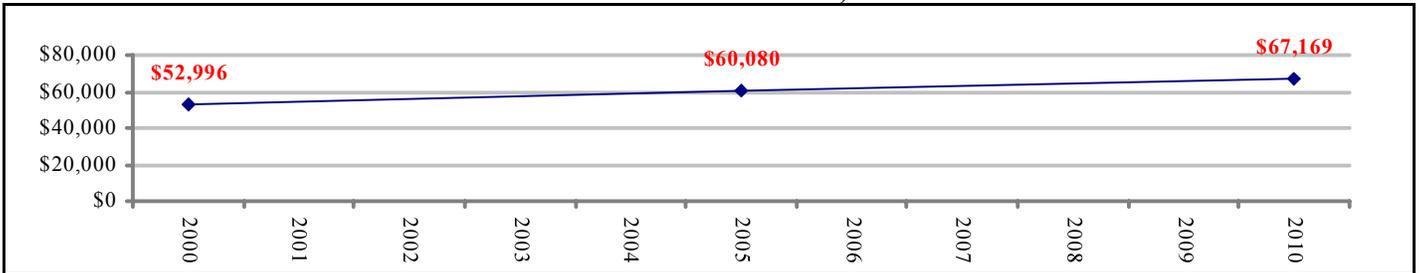
ANNUAL HOUSEHOLD INCOME	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
< \$15,000	496	19.4%	2,600	7.0%
\$15,000 - \$24,999	332	13.0%	2,715	7.3%
\$25,000 - \$34,999	390	15.3%	3,260	8.7%
\$35,000 - \$49,999	499	19.5%	6,057	16.2%
\$50,000 - \$74,999	546	21.4%	9,942	26.7%
\$75,000 - \$99,999	161	6.3%	6,634	17.8%
\$100,000 - \$150,000	106	4.2%	4,960	13.3%
\$150,000 +	24	0.9%	1,113	3.0%
TOTAL	2,554	100 %	37,281	100 %

MEDIAN HOUSEHOLD INCOME - 1990, 2000(CENSUS), 2005(ESTIMATE), 2010(PROJECTION)

DALLAS, GA



PAULDING COUNTY, GA



	DALLAS, GA	PAULDING COUNTY, GA
2000 CENSUS	\$33,750	\$52,996
2005 ESTIMATE	\$36,774	\$60,080
% CHANGE 2000 - 2005	9.0%	13.4%
2010 PROJECTION	\$39,577	\$67,169
% CHANGE 2000 - 2010	7.6%	11.8%

AGE OF HEAD OF HOUSEHOLD BY ANNUAL HOUSEHOLD INCOME - 2000 CENSUS

DALLAS, GA

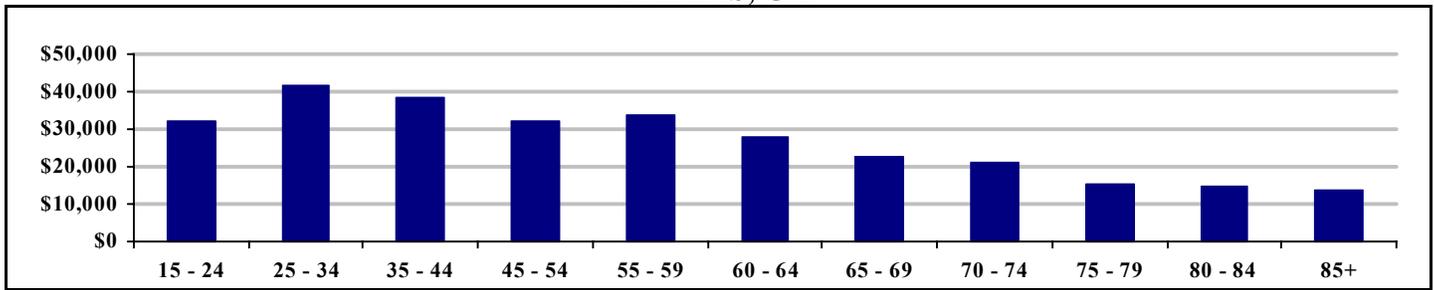
HOUSEHOLD INCOME	AGE OF HOUSEHOLDER						
	UNDER 25	25 - 34	35 - 44	45 - 54	55 - 64	66 - 74	75 +
< \$9,999	15	26	27	30	38	46	41
\$10,000 - \$14,999	5	35	5	33	36	56	42
\$15,000 - \$24,999	33	54	70	26	11	14	41
\$25,000 - \$34,999	58	98	63	45	25	35	20
\$35,000 - \$49,999	41	186	83	31	22	40	6
\$50,000 - \$74,999	14	158	87	47	45	15	12
\$75,000 - \$99,999	22	36	22	0	9	0	0
\$100,000 - \$149,999	6	7	30	8	8	0	0
\$150,000 +	0	0	0	0	10	8	0
TOTAL	194	600	387	220	204	214	162

PAULDING COUNTY, GA

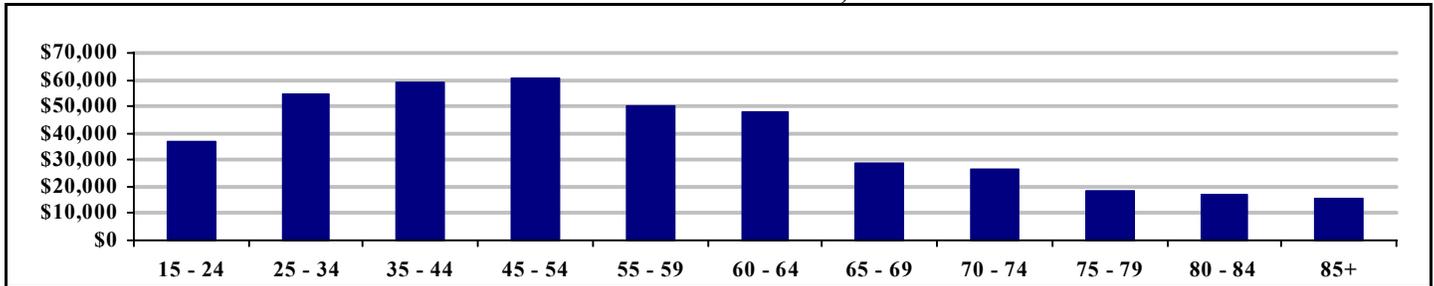
HOUSEHOLD INCOME	AGE OF HOUSEHOLDER						
	UNDER 25	25 - 34	35 - 44	45 - 54	55 - 64	66 - 74	75 +
< \$9,999	66	158	212	193	235	183	208
\$10,000 - \$14,999	39	111	193	96	134	250	214
\$15,000 - \$24,999	251	384	488	293	269	418	280
\$25,000 - \$34,999	218	848	746	426	415	311	121
\$35,000 - \$49,999	288	1,788	1,486	859	550	312	72
\$50,000 - \$74,999	178	2,768	2,774	1,400	797	235	71
\$75,000 - \$99,999	135	1,181	1,441	1,009	508	76	19
\$100,000 - \$149,999	33	360	750	533	168	70	24
\$150,000 +	2	113	208	137	63	12	0
TOTAL	1,210	7,711	8,298	4,946	3,139	1,867	1,009

MEDIAN HOUSEHOLD INCOME BY AGE OF HEAD OF HOUSEHOLD - 2000 CENSUS

DALLAS, GA



PAULDING COUNTY, GA



AGE OF HEAD OF HOUSEHOLD	DALLAS, GA	PAULDING COUNTY, GA
15 - 24	\$32,200	\$36,890
25 - 34	\$41,528	\$54,510
35 - 44	\$38,382	\$59,286
45 - 54	\$32,143	\$60,351
55 - 59	\$33,750	\$49,761
60 - 64	\$27,778	\$48,117
65 - 69	\$22,500	\$28,688
70 - 74	\$21,071	\$26,610
75 - 79	\$15,333	\$18,241
80 - 84	\$14,821	\$17,208
85 +	\$13,750	\$15,417
MEDIAN HOUSEHOLD INCOME	\$33,750	\$52,996

EMPLOYMENT BY SIC CATEGORY (LARGEST 10 SIC CODES) - 2000 CENSUS

INDUSTRY	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
AGRICULTURE / NATURAL RESOURCES	26	0.6%	66	2.9%
NATURAL RESOURCE EXTRACTION	0	0.0%	1	0.0%
CONSTRUCTION	287	7.1%	365	15.9%
MANUFACTURING	310	7.7%	97	4.2%
TRANSPORTATION, UTILITIES	158	3.9%	97	4.2%
WHOLESALE TRADE	132	3.3%	85	3.7%
RETAIL TRADE	885	22.0%	485	21.1%
FINANCE, INSURANCE, REAL ESTATE	262	6.5%	191	8.3%
SERVICES	1,325	33.0%	795	34.6%
GOVERNMENT	626	15.6%	77	3.4%
NON-CLASSIFIABLE	4	0.1%	37	1.6%
TOTAL	4,015	100 %	2,296	100 %

RENTER-OCCUPIED HOUSEHOLDS BY YEAR STRUCTURE BUILT - 2000 CENSUS

YEAR BUILT	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	91	9.3%	256	6.9%
1995 TO 1998	208	21.3%	554	14.9%
1990 TO 1994	42	4.3%	302	8.1%
1980 TO 1989	136	13.9%	716	19.3%
1970 TO 1979	88	9.0%	452	12.2%
1960 TO 1969	145	14.8%	531	14.3%
1940 TO 1959	160	16.4%	597	16.1%
1939 AND EARLIER	107	11.0%	298	8.0%
TOTAL	977	100 %	3,706	100 %

OWNER-OCCUPIED HOUSEHOLDS BY YEAR STRUCTURE BUILT - 2000 CENSUS

YEAR BUILT	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	102	9.6%	2,058	8.4%
1995 TO 1998	281	26.5%	6,656	27.3%
1990 TO 1994	235	22.1%	5,339	21.9%
1980 TO 1989	90	8.5%	5,086	20.9%
1970 TO 1979	65	6.1%	2,581	10.6%
1960 TO 1969	106	10.0%	1,302	5.3%
1940 TO 1959	90	8.5%	823	3.4%
1939 AND EARLIER	92	8.7%	538	2.2%
TOTAL	1,061	100 %	24,383	100 %

UNITS IN STRUCTURE - 2000 CENSUS

UNITS	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
1-UNIT, DETACHED	1,255	58.9%	25,227	86.5%
1-UNIT, ATTACHED	0	0.0%	0	0.0%
2 TO 4 UNITS	346	16.2%	658	2.3%
5 TO 19 UNITS	398	18.7%	520	1.8%
20 UNITS OR MORE	43	2.0%	189	0.6%
MOBILE HOME	90	4.2%	2,548	8.7%
BOAT, RV, VAN, ETC	0	0.0%	7	0.0%
TOTAL	2,132	100 %	29,149	100 %

GROSS RENT PAID - 2000 CENSUS

GROSS RENT	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
LESS THAN \$300	127	13.2%	262	7.5%
\$300 - \$499	258	26.8%	596	17.1%
\$500 - \$749	456	47.4%	1,413	40.6%
\$750 - \$999	62	6.4%	690	19.8%
\$1,000 - \$1,499	41	4.3%	220	6.3%
\$1,500 - \$1,999	0	0.0%	12	0.3%
\$2,000 OR MORE	0	0.0%	0	0.0%
NO CASH RENT	18	1.9%	286	8.2%
TOTAL	962	100 %	3,479	100 %
MEDIAN GROSS RENT	\$555		\$628	

YEAR MOVED INTO RENTER-OCCUPIED HOUSEHOLDS - 2000 CENSUS

YEAR	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	483	49.4%	1,554	41.9%
1995 TO 1998	347	35.5%	1,344	36.3%
1990 TO 1994	75	7.7%	440	11.9%
1980 TO 1989	72	7.4%	243	6.6%
1970 TO 1979	0	0.0%	56	1.5%
1969 OR EARLIER	0	0.0%	69	1.9%
TOTAL	977	100 %	3,706	100 %

YEAR MOVED INTO OWNER-OCCUPIED HOUSEHOLDS - 2000 CENSUS

YEAR	DALLAS, GA		PAULDING COUNTY, GA	
	NUM	%	NUM	%
1999 TO MARCH 2000	204	19.2%	4,152	17.0%
1995 TO 1998	389	36.7%	9,211	37.8%
1990 TO 1994	218	20.5%	4,830	19.8%
1980 TO 1989	74	7.0%	3,485	14.3%
1970 TO 1979	101	9.5%	1,697	7.0%
1969 OR EARLIER	75	7.1%	1,008	4.1%
TOTAL	1,061	100 %	24,383	100 %

HOUSING UNITS BUILDING PERMITS

DALLAS, GA			
YEAR	UNITS IN SINGLE-FAMILY STRUCTURES	UNITS IN ALL MULTI-FAMILY STRUCTURES	TOTAL
2001	92	66	158
2002	256	6	262
2003	425	0	425
2004	282	160	442
2005	358	0	358
TOTAL	1,413	232	1,645

PAULDING COUNTY, GA			
YEAR	UNITS IN SINGLE-FAMILY STRUCTURES	UNITS IN ALL MULTI-FAMILY STRUCTURES	TOTAL
2001	2,446	176	2,622
2002	2,675	240	2,915
2003	2,711	52	2,763
2004	2,927	176	3,103
2005	3,454	0	3,454
TOTAL	14,213	644	14,857

Market Analyst Certification 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 GDCA's market study requirements, that the information included is accurate and that the report can be relied upon by GDCA as a true assessment of the low-income housing rental market.

I also certify that a member of Vogt Williams & Bowen, LLC or I have inspected the property as well as all rent comparables.

Signed: 

Date: July 14, 2006

A. Executive Summary

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

B. Project Description

1	Project address, legal description and location	Page	B-1
2	Number of units by unit type	Page	B-1
3	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc)	Page	B-1
4	Rents and Utility Allowance*	Page	B-1
5	Existing or proposed project based rental assistance	Page	NA
6	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.)	Page	B-2
7	For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page	NA
8	Projected placed in service date	Page	B-2
9	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page	B-1
10	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page	B-2
11	Special Population Target (if applicable)	Page	NA

** For the Atlanta MSA, for 60% income, rents are based on 54% rents*

**Gross Rents are to be used for calculation of income bands*

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst	Page	C-1
2	Physical features of Subject Property and Adjacent Uses	Page	C-1
3	Subject Photographs (front, rear, and side elevations as well as street scenes)	Page	C-6
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject	Page	C-11
5	Developments in vicinity to subject and proximity in miles (Identify developments Surrounding subject on all sides) - zoning of subject and surrounding uses	Page	C-1
6	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject	Page	C-14
7	Road or infrastructure improvements planned or under construction in the PMA	Page	C-15
8	Comment on access, ingress/egress and visibility of subject	Page	C-2
9	Any visible environmental or other concerns	Page	C-2
10	Overall conclusions of site and their marketability	Page	C-2

D. Market Area

1	Map identifying Subject's Location within PMA	Page	D-1
2	Map identifying Subject's Location within SMA, if applicable	Page	D-2

E. Community Demographic Data

Data on Population and Households at Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry, (2004, 2005 and 2010) *	Page	E-1
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**** If using sources other than U.S. Census (I.e., Claritas or other reputable source of data), please include in Addenda***

1. Population Trends

a.	Total Population	Page	E-1
b.	Population by Age Group	Page	E-1
c.	Number of elderly and non-elderly (for elderly projects)	Page	NA
d.	If a special needs is proposed, additional information for this segment	Page	NA

2. Household Trends

a.	Total number of households and average household size	Page	E-2
b.	Households by tenure (# of owner and renter households) Elderly by tenure, if applicable	Page	E-2
c.	Households by Income (Elderly, if applicable, should be allocated separately)	Page	E-3
d.	Renter households by # of persons in the household	Page	E-4

3. Employment Trend

a.	Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%))	Page	E-5
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	E-7
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page	E-8
d.	Map of the site and location of major employment concentrations.	Page	E-10
e.	Overall conclusions	Page	E-8

F. Project Specific Demand Analysis

1	Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page	F-1
2	Affordability - Delineation of Income Bands *	Page	F-2
3	Comparison of market rates of competing properties with proposed subject market rent	Page	F-6
4	Comparison of market rates of competing properties with proposed LIHTC rents	Page	F-6
5	Demand Analysis Using Projected Service Date (within 2 years)	Page	F-4
a.	New Households Using Growth Rates from Reputable Source	Page	F-5
b.	Demand from Existing Households (Combination of rent overburdened and substandard)	Page	F-5
c.	Elderly Households Converting to Rentership (applicable only to elderly)	Page	NA
d.	Elderly Households Relocating to the Market (applicable only to elderly)		NA
e.	Deduction of Total of "Comparable Units"	Page	F-5
f.	Capture Rates for Each Bedroom Type	Page	F-6
g.	Anticipated Absorption period for the property	Page	F-7

** Assume 35% of gross income towards total housing expenses for family*

** Assume 40% of gross income towards total housing expenses for elderly*

** Assume 35% of gross income for derivation of income band for family*

** Assume 40% of gross income for derivation of income band for elderly*

G. Supply Analysis

1.	Comparative chart of subject amenities and competing properties	Page	G-5
2.	Supply & analysis of competing developments under construction & pending	Page	G-13
3.	Comparison of competing developments (occupancy, unit mix and rents)	Page	G-3
4.	Rent Comparable Map (showing subject and comparables)	Page	C-20
5.	Assisted Projects in PMA*	Page	G-12
6.	Multi-Family Building Permits issued in PMA in last two years * PHA properties are not considered comparable with LIHTC units	Page	Add. C-17

H. Interviews

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

I. Conclusions and Recommendations

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

J. Signed Statement

1. Signed Statement from Analyst Page J-1

K. Qualifications

K-1

Comparison of Competing Properties

Separate letter addressing addition of more than one competing property.

Not
Applicable