

Market Feasibility Analysis
Lake Point Apartments
Stone Mountain, DeKalb County, Georgia

Prepared for
The Georgia Department of Community Affairs

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I. Executive Summary

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs (DCA) to conduct a market feasibility analysis of Lake Point Apartments. Lake Point Apartments will be a newly rehabilitated LIHTC rental community consisting of 360 units. Ninety percent of the units will be reserved for renters earning no more than 60 percent of Area Median Income, adjusted for household size. The remaining 10 percent of the units will be reserved for renters earning no more than 50 percent AMI. The subject property is located at 1038 South Hairston Road in Stone Mountain, DeKalb County, Georgia.

Field work and data collection was conducted in March 2006. The site, comparables, and market area were visited on March 17, 2006 by Tad Scepaniak, Regional Director. The Executive Summary follows and is based on DCA's market study guidelines.

- 1. Market Demand and demand trends for the proposed, existing or rehabilitated units given the existing and proposed economic conditions of the area.**
 - a. Affordability analysis and DCA demand estimates indicate adequate demand to support the proposed units at Lake Point.
 - b. DeKalb County's at-place employment increased from 137,971 in 1990 to 304,087 in 2004, an increase of 166,116 jobs or 120 percent over 14 years. DeKalb County added 11,937 jobs in 2004, growth of over four percent from 2003's annual average.
 - c. Unemployment in DeKalb County has been lower than in the nation every year since 1990.

- 2. Stabilization projections for the subject property until a sustaining occupancy level of 93% can be achieved for the project. If stabilization projections for the subject differ significantly from historical data, an explanation must be given.**
 - a. We have estimated that Lake Point Apartments should be able to lease up at a minimum rate of 15 units per month. At this rate, the project would be able achieve 95 percent occupancy within an approximate 12 month period,

assuming tenant retention of 53.3 percent. The absorption period could be longer if tenant retention is below this estimate.

- b. We believe that Lake Point apartments should be able to maintain an occupancy level of 93 to 95 percent post renovation. Several similarly priced rental communities reported such occupancy rates.

3. Absorption projections for each bedroom category type and for the subject property as a whole.

- a. As noted above, we have estimated that the subject property will lease approximately 15 units per month.
- b. The proportion of monthly absorption is expected to be similar to the overall unit distribution of the proposed unit mix. Average monthly absorption by bedroom size is 5 one bedroom units, 7.5 two bedroom units, and 3.5 three bedroom units.

4. Comparable units in the proposed project's primary market area.

- a. Only two of the 15 surveyed communities were Tax Credit. The remainder of the market area's rental stock is market rate communities.
- b. Overall, the primary market area's rental stock appears stable. Well maintained rental communities with moderately priced units have vacancy rates of five percent or less. Among the 13 stabilized communities, 5.2 percent of the 3,795 units are vacant for a total of 196 vacant.

5. Appropriateness of unit rent, unit mixes, and unit sizes.

- a. The average net rent among surveyed rental communities is \$549 for a one bedroom unit, \$667 for a two bedroom unit, and \$771 for a three bedroom unit. The proposed rents at Lake Point are positioned below these averages for five of six proposed rent levels.
- b. The estimated market rents for the proposed units at Lake Point are \$556 for a one bedroom unit, \$668 for a two bedroom unit, and \$772 for a three bedroom unit. The proposed rents are positioned below the estimates of market rent with rent advantages ranging from 0.4 percent to 30 percent.
- c. The proposed rents appear reasonable and appropriate.

6. Appropriateness of interior and physical amenities including appliance package.

- a. The proposed amenities, including appliance package, will be superior or comparable to all rental communities in the primary market area. Interior amenities will include a dishwasher, washer/dryer connections, ceiling fans, washer/dryer connections, and patios and balconies.
- b. Community amenities will include a swimming pool, a playground, fitness center, community room, tennis courts, and a racquetball court.
- c. The amenities planned at Lake Point are extensive and competitive with similar and higher priced market rate communities in the primary market area. These amenities are reasonable and appropriate. .

7. Location and distance of subject property in relationship to local amenities.

- a. Lake Point is located within close proximity to area amenities including shopping, healthcare facilities, and transportation.
- b. Several MARTA bus stops are located along South Hairston Road within walking distance of the subject property

8. Correlation of the subject property to the eligible tenant target population through an analysis of capture rates for each target tenant segment. Given the target population, existing market conditions and market capture rates less than 30% of all one and two bedroom units, less than 40% for all three bedroom units, less than 50% for all four bedroom units in the project and less than 30% for the LIHTC units, Market Rate and for the project as a whole.

- a. The calculated capture rates for the proposed units at Lake Point all fall below these thresholds.
- b. The overall capture rates are 18.7 percent for all units and 10.0 percent based on tenant retention of 53.3 percent, which was calculated based on 80 percent of current income qualified tenants.

9. A candid, detailed conclusion about the strength of the market for the project as proposed.

- a. The primary market area's population and household base is stable, but expected to decrease slightly through 2010.
- b. The proposed product and rents will be competitive in the primary market area. Lake Point will be comparable in terms of appeal and amenities to rental communities with rents at or above the proposed LIHTC rents.

- c. Based on affordability and demand estimates, sufficient demand exists to support the renovated units at Lake Point.
- d. The vacancy rates in the primary market area are stable. We believe that Lake Point will be able to maintain occupancy of 93 to 95 percent post renovation. The primary market area has seen little new family oriented rental development over the past 10 years.
- e. We believe the product is properly positioned and will be well received in the primary market area.

10. Summary Table

The capture rates shown in the following table assume all units will be vacant post renovation, which is not likely. Approximately 53 percent of the units at Lake Point are expected to remain occupied following renovations.

Unit Size	AMI Target	Units	Total Demand	Supply	Net Demand	Capture Rate (All Units)	Absorption*	Avg. Market Rent	Proposed Rents
One Bedroom	50%	14	465	0	465	3.0%	6 Months	\$549	\$465
	60%	108	465	86	380	28.4%	12 Months	\$549	\$554
	1BR Total	122	465	86	380	26.2%	12 Months	\$549	\$544
Two Bedroom	50%	20	486	0	486	4.1%	6 Months	\$667	\$500
	60%	159	486	141	345	46.1%	12 Months	\$667	\$621
	2BR Total	179	486	141	345	51.9%	12 Months	\$667	\$607
Three Bedroom	50%	2	520	22	498	0.4%	2 Months	\$771	\$650
	60%	57	520	34	486	11.7%	12 Months	\$771	\$757
	3BR Total	59	520	55	464	12.7%	12 Months	\$771	\$753

Proposed Project Capture Rate LIHTC Units	18.7%
Proposed Project Capture Rate Market Rate Units	N/A
Proposed Project Capture Rate All Units	18.7%
Proposed Project Stabilization Period	12 Months

*Absorption period will be dependent on level of tenant retention.

II. Introduction

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs (DCA) to conduct a market feasibility analysis of Lake Point Apartments. Lake Point Apartments will be a newly rehabilitated LIHTC rental community consisting of 360 units. The community is located at 1038 South Hairston Road, just north Redan Road in southern DeKalb County. The newly renovated rental community will be general occupancy in nature with an emphasis on small to moderately sized family renter households.

All 360 units at Lake Point Apartments will benefit from Low Income Housing Tax Credits with ninety percent of the units targeting renters earning no more than 60 percent AMI. The remaining ten percent of the units will target renters at 50 percent AMI. Lake Point's 360 units are contained within two and three-story residential buildings originally constructed in 1988 with minor renovations in 1999. Lake Point offers multiple floorplans that result in weighted average unit sizes of 685 square feet for a one-bedroom unit, 970 square feet for a two bedroom unit, and 1,238 square feet for a three bedroom unit. The one-bedroom units will have one bathroom, while two and three bedroom units will have two bathrooms.

HUD has computed a 2006 median household income of \$68,100 for the Atlanta MSA, in which the subject site is located. Based on that median income adjusted for household size, the maximum income limit and minimum income requirement is computed for each floorplan in Table 1. The minimum income limit is calculated assuming 35% of income is spent on total housing cost (rent plus utilities). The maximum allowable income and corresponding rents are calculated assuming 1.5 persons per bedroom, rounded up to the nearest whole number per DCA's requirements.

This analysis takes into account pertinent trends in housing supply and demand in a distinct market area delineated with respect to the subject site. Conclusions are drawn on the appropriateness of the proposed rents and projected length of initial absorption.

Table 1 Project Specific Rent and Income Limits, Lake Point

Unit Type	AMI %	# Units	# Bed	Planned Net Rent	Utility Allowance	Planned Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
LIHTC	50%	14	1	\$465	\$124	\$589	\$668	\$28,500	\$20,194
LIHTC	50%	20	2	\$500	\$160	\$660	\$801	\$32,050	\$22,629
LIHTC	50%	2	3	\$650	\$196	\$846	\$926	\$38,450	\$29,006
LIHTC	60%	20	1	\$545	\$124	\$669	\$801	\$34,200	\$22,937
LIHTC	60%	88	1	\$556	\$124	\$680	\$801	\$34,200	\$23,314
LIHTC	60%	24	2	\$550	\$160	\$710	\$962	\$38,460	\$24,343
LIHTC	60%	47	2	\$590	\$160	\$750	\$962	\$38,460	\$25,714
LIHTC	60%	48	2	\$645	\$160	\$805	\$962	\$38,460	\$27,600
LIHTC	60%	40	2	\$670	\$160	\$830	\$962	\$38,460	\$28,457
LIHTC	60%	34	3	\$745	\$196	\$941	\$1,111	\$46,140	\$32,263
LIHTC	60%	23	3	\$775	\$196	\$971	\$1,111	\$46,140	\$33,291

The report is divided into six sections. Following the executive summary and this introduction, Section 3 provides a project description and an analysis of local neighborhood characteristics. Section 4 examines the socio-economic and demographic characteristics of the delineated market area. Section 5 presents a discussion of the competitive residential environment. Section 6 discusses conclusions reached from the analysis and estimates the demand for the project using growth projections and income distributions.

The conclusions reached in a market study are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors including the performance of management, the impact of changes in general and local economic conditions and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions attached as Appendix I and incorporated in this report.

III. Location and Neighborhood Context

A. Project Description

Lake Point Apartments is located in southern Stone Mountain in the southwestern quadrant of DeKalb County. The subject property is located on the east side South Hairston Road approximately one-quarter mile north of Redan Road. The physical address of the subject property is 1038 South Hairston Road. The existing rental community is bordered to the north by single-family detached homes, to the east by a small pond and single-family detached homes, to the south by a shopping center and single-family detached homes, and to the west by South Hairston Road and single-family detached homes.

Ingress and egress will be via an entrance on South Hairston Road, a moderately heavy thoroughfare. During field visits during the morning commute, no problems were experienced entering or entering the subject property. A center turn lane facilities community access.

Lake Point Apartments is compatible with surrounding land uses. Development along South Hairston Road includes a combination of residential and commercial uses. Few multi-family rental communities are located within one mile of the subject site, but many are within two miles. As the proposed development will be a renovation of an existing community, it will not alter the composition of the immediate area.

MARTA, metro Atlanta's public transportation authority, serves the subject site. The closest bus stops are located along South Hairston Road within one quarter mile of the subject site.

Lake Point Apartments is an existing rental community consisting of two and three story residential buildings and a separate community building. The subject property has been well maintained, does not show signs of deferred maintenance, and is comparable to many of the primary market area's market rate communities. Currently 337 of 360 units are occupied resulting in a vacancy rate of 6.4 percent. According to information provided by the developer, 62.2 percent of surveyed residents were income qualified for the proposed LIHTC units. Applying this 62.2 percent to the 337 occupied units results in potential tenant retention of 209. It is unlikely that all income qualified tenants will be retained after renovations. For purposes of this report, we have assumed an 80 percent

retention rate among qualified households. At this rate of retention, Lake Point will only need to lease 192 units after renovations.

The current rents of at Lake Point range are \$525 for a one bedroom unit, from \$587 to \$657 for a two bedroom unit, and from \$727 to \$755 a three bedroom unit. The proposed 60 percent LIHTC rents are comparable to these existing rents. Many of the units will actually have lower rents after the renovation process.

A detailed scope of work was not provided in the application data received for Lake Point Apartments. The preliminary market analysis prepared by Vogt, Williams, and Bowen, LLC and submitted by the developer provides a description of the proposed renovations. This list does not specify if these renovations will be completed for all units or on an “as-needed” basis. For purposes of our analysis, we have assumed that they will be done “as needed”. These listed renovations include:

Exterior:

- Replacing parking lot
- Repairing mail facilities
- Exterior doors
- Exterior sliding glass doors
- Repairing siding/soffits/fascia/gutters

Interior:

- Replacing and repairing bath appliance and fixtures
- Replacing countertops and sinks
- Replacing kitchen cabinets
- New flooring – vinyl and carpet
- HVAC equipment
- Kitchen appliances
- Water heaters
- Painting
- Electrical including GFI outlets, smoke detectors, and lighting
- Window coverings
- Sliding glass door coverings

Common Area:

- General repairs to the community building and community laundry area
- Resurface the swimming pool

Figure 1 Site Photos



View of site entrance sign.



View of existing building



View of existing building



View of existing buildings



View of community building.

Figure 2 Surrounding Land Use Photos

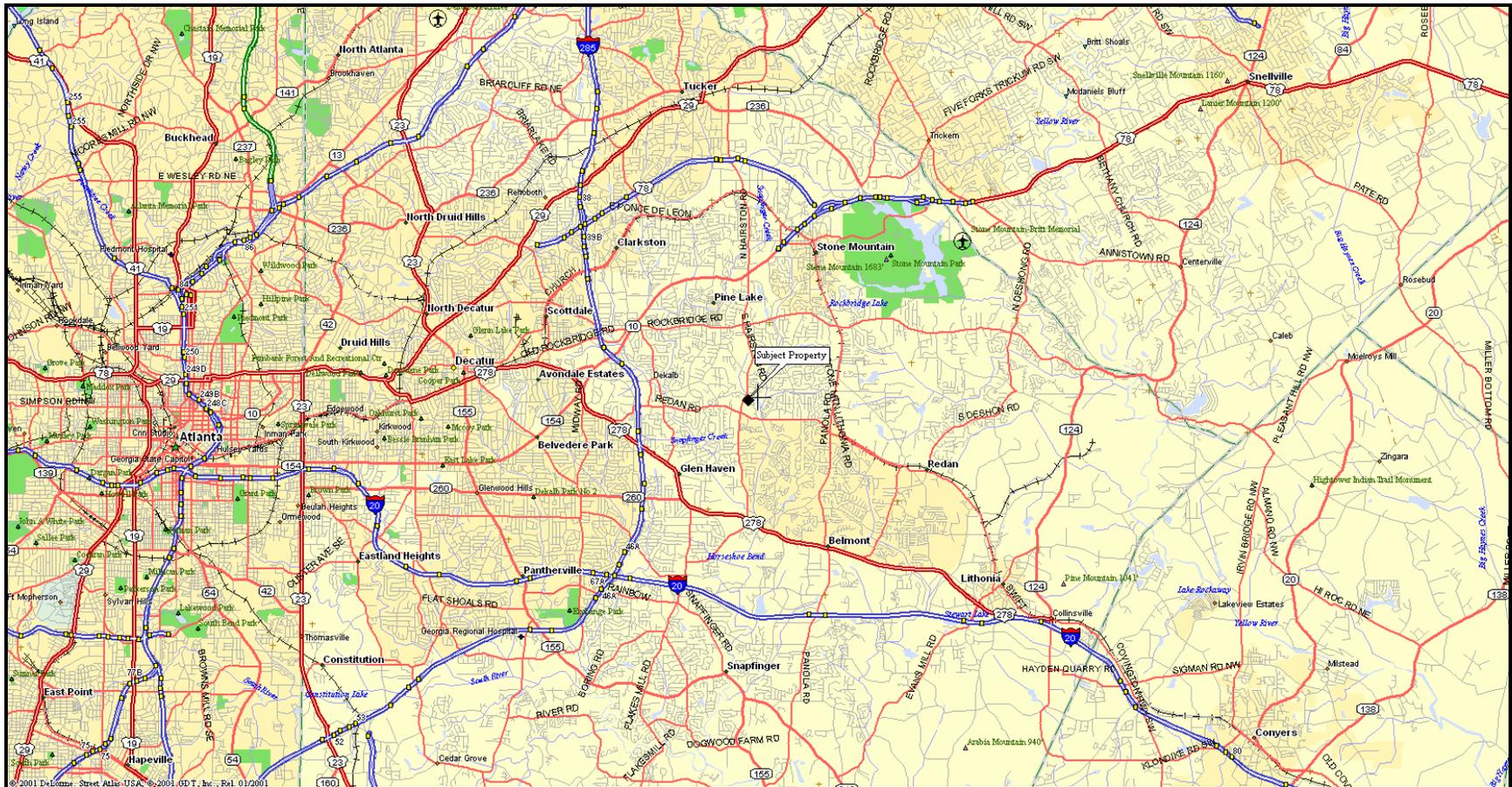


Single-family detached home across from site on South Hairston Road.



Single-family detached home north of subject entrance on South Hairston Road.

Map 1 Site Location, Lake Point



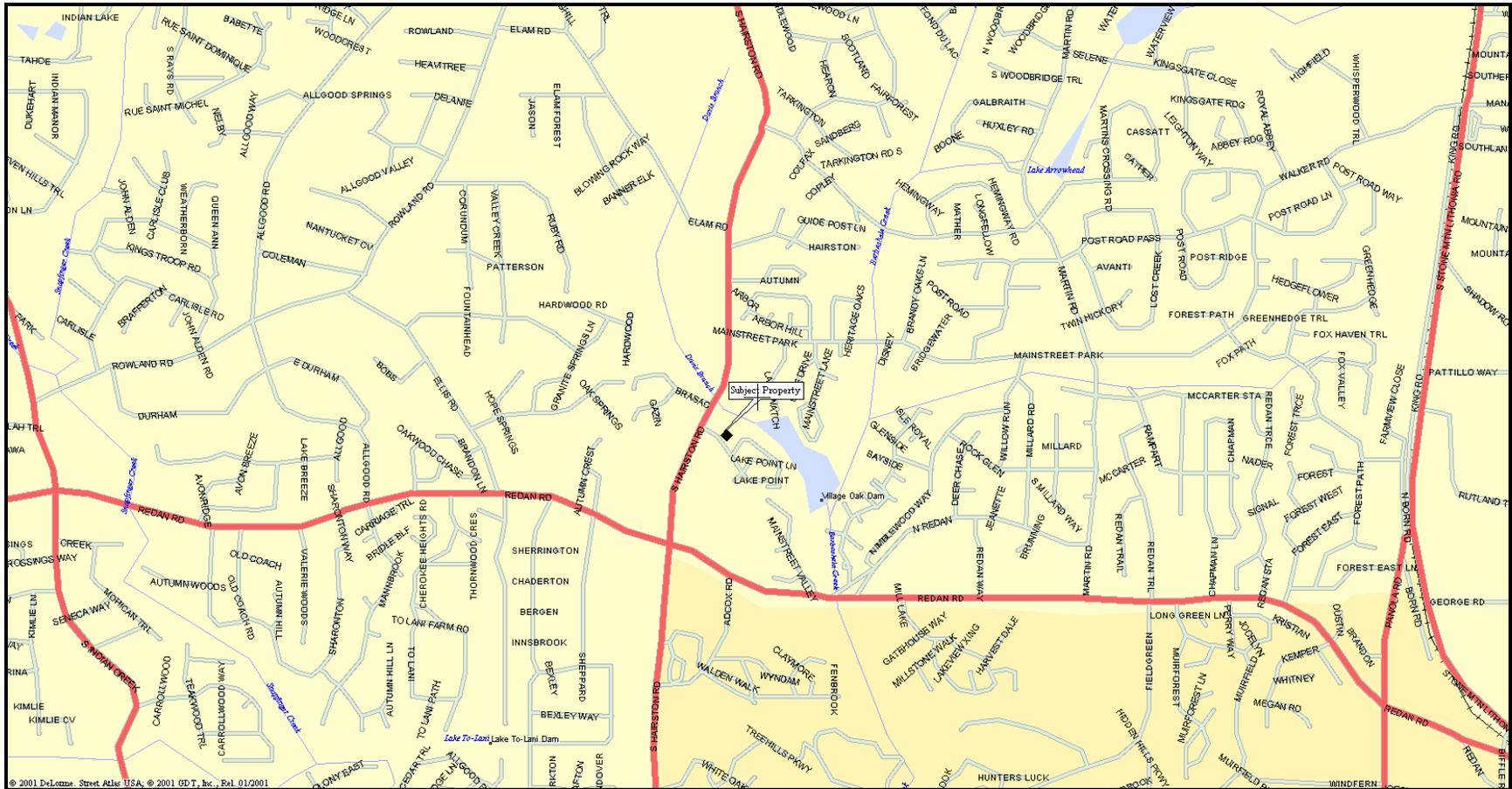
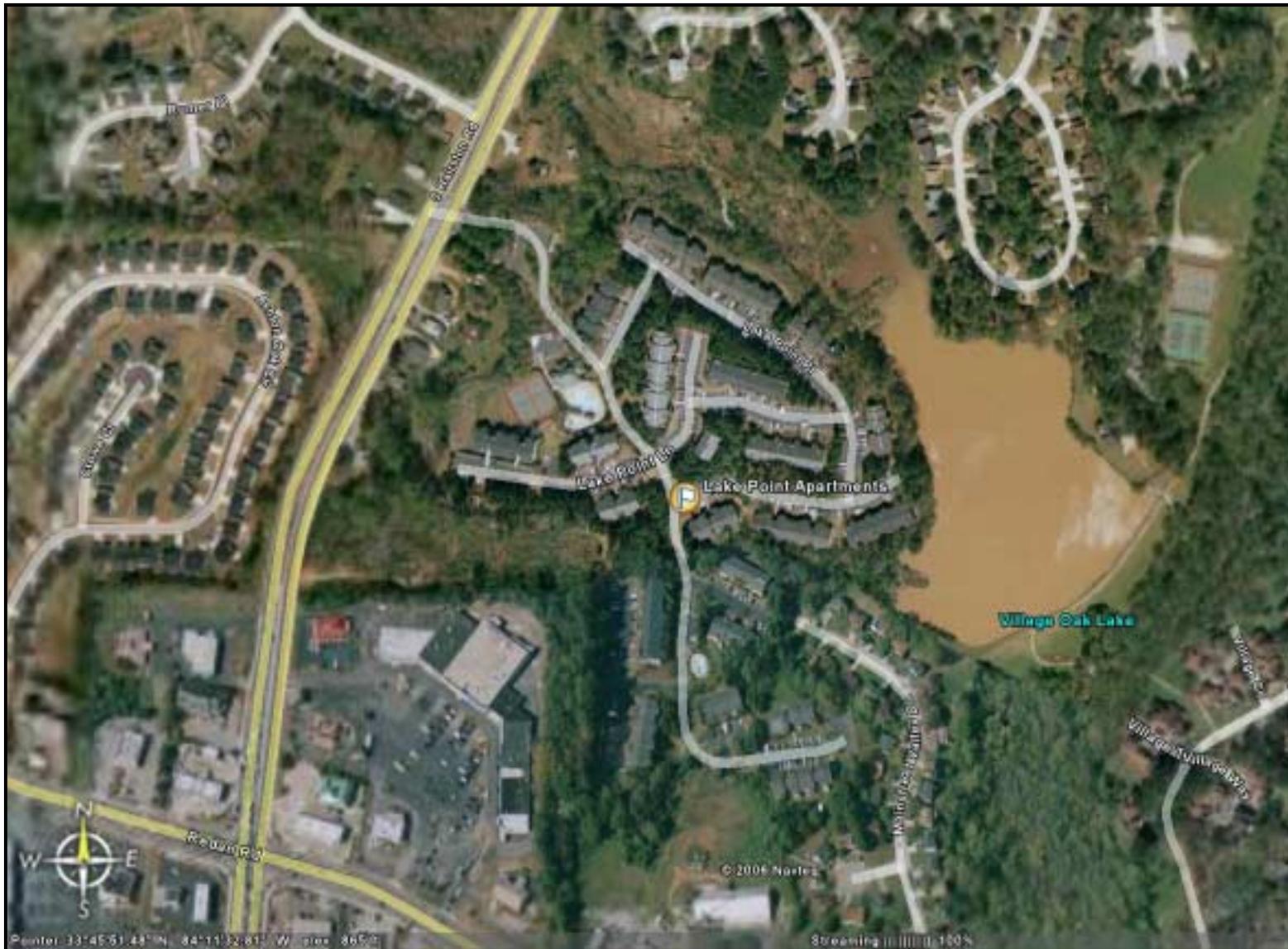


Figure 3 Satellite Image of Subject Property



Map 2 Site Amenities, Lake Point

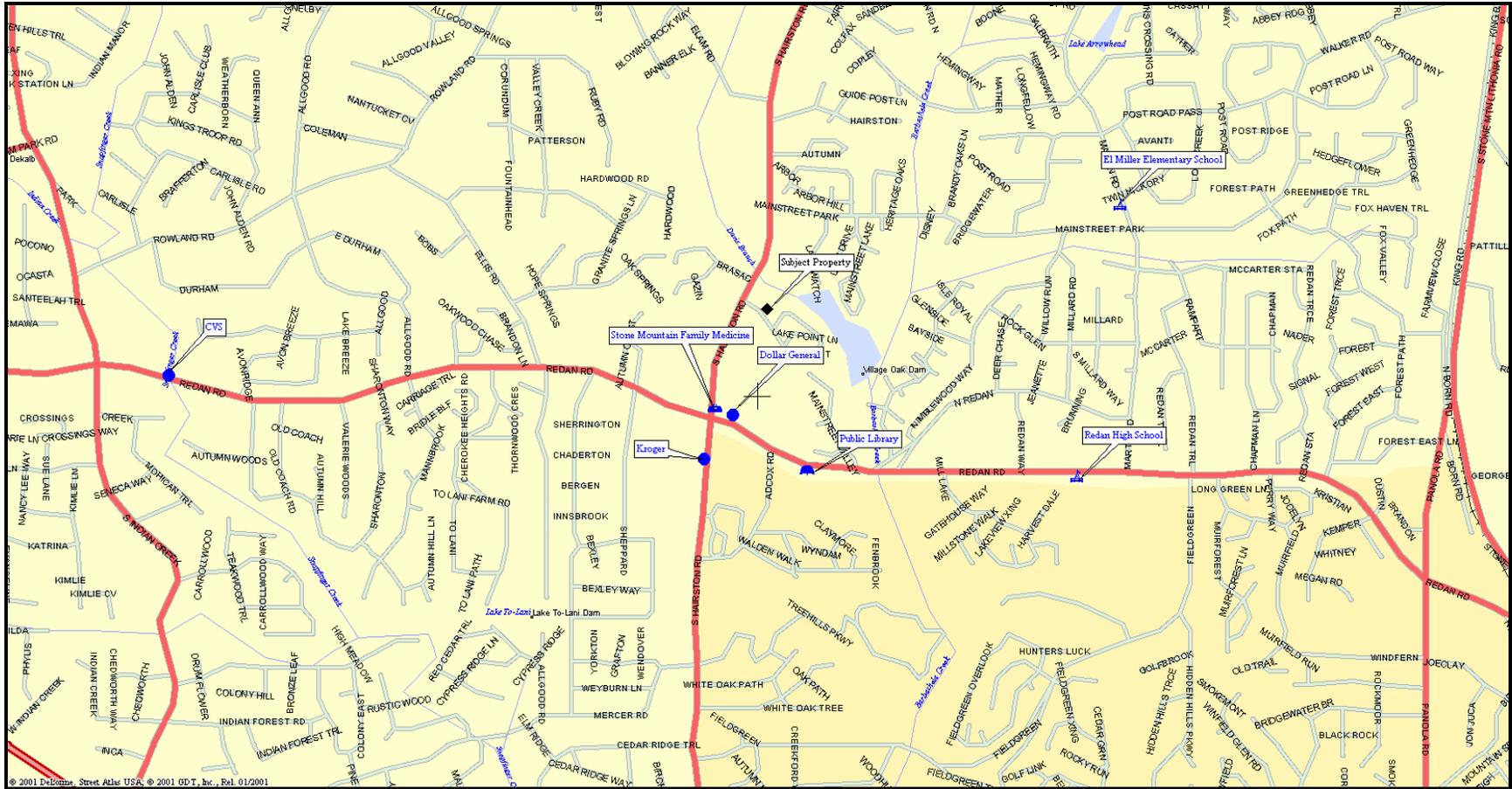


Table 2 Site Amenities, Lake Point

Establishment	Type	Address	Distance
Family Dollar	Retail	4814 Redan Rd	0.3 mile
Dollar General	Retail	4733 Redan Rd	0.4 mile
Hairston Public Library	Public Library	4911 Redan Rd	0.4 mile
Kroger	Grocery	1232 South Hairston Rd	0.5 mile
El Miller Middle School	Public School	919 Martin Rd	0.9 mile
Redan High School	Public School	5247 Redan Rd	1.1 miles
Freedom Middle School	Public School	505 South Hairston Rd	1.2 miles
Ingles	Grocery	4815 Rockbridge Rd	1.4 miles
CVS Pharmacy	Pharmacy	4104 Redan Rd	1.4 miles
Pine Lake Police Department	Police Department	459 Pine Dr	2.4 miles
Fire Station	Fire Departments	3630 Camp Cir	2.7 miles

Lake Point is located on the east side of South Hairston Road just outside of Interstate 285. The community enjoys good visibility from drive-by traffic on South Hairston Road in both directions.

The newly renovated rental community will feature 360 one, two, and three bedroom units in two and three story garden buildings. The community will feature a separate office/clubhouse building. The construction will be wood frame with hardi-plank exteriors. The unit mix will include 122 one bedroom/one bathroom units with a weighted average size of 685 square feet, 179 two bedroom/two bathroom units with a weighted average size of 970 square feet, and 59 three bedroom/two bathroom units with a weighted average size of 1,238 square feet.

Each of the newly renovated units at Lake Point will feature:

- Full kitchens including an electric range, a refrigerator with icemaker, and a dishwasher.
- Wall-to-wall carpeting in the bedrooms, living room, dining room and hallways. The kitchen, entry and bathrooms will feature scuff-resistant vinyl flooring.
- Washer and dryer connections.
- Alarms systems
- A covered entry and a patio or balcony.
- Gas fueled central heating and air conditioning system.
- Hard-wired smoke detectors and fire suppression systems.
- All two and three bedroom units will have washer and dryer connections.
- Selected units will include sunrooms, fireplaces, and/or ceiling fans.

Common area amenities will include a community building featuring management offices, a central laundry room, a fitness center, and a racquetball court. Additional property amenities will include two swimming pools, tennis courts, a playground, and a picnic area.

The proposed rents and unit configuration is shown below in Table 3. The rents shown will include the cost of only trash removal.

Table 3 Proposed Unit Configuration and Rents

Unit Type	Building Type	AMI Level	Units	# Bed	# Bath	Square Footage	Net Rent	Rent/Sq Ft
LIHTC	Garden	50%	14	1	1	616	\$465	\$0.75
LIHTC	Garden	50%	20	2	2	800	\$500	\$0.63
LIHTC	Garden	50%	2	3	2	1,208	\$650	\$0.54
LIHTC	Garden	60%	20	1	1	616	\$545	\$0.88
LIHTC	Garden	60%	88	1	1	712	\$556	\$0.78
LIHTC	Garden	60%	24	2	2	800	\$550	\$0.69
LIHTC	Garden	60%	47	2	2	932	\$590	\$0.63
LIHTC	Garden	60%	48	2	2	1,032	\$645	\$0.63
LIHTC	Garden	60%	40	2	2	1,128	\$670	\$0.59
LIHTC	Garden	60%	34	3	2	1,208	\$745	\$0.62
LIHTC	Garden	60%	23	3	2	1,285	\$775	\$0.60
Total/Avg.			360			918	\$610	\$0.66

B. Neighborhood Characteristics

DeKalb County offers one of the most even balances of jobs and housing among metro Atlanta counties. DeKalb County's is served by MARTA (Metropolitan Atlanta Rapid Transit Authority), four major interstates, numerous truck terminals and offers good rail sites; DeKalb Peachtree Airport is the second busiest air facility in Georgia and home to most of the region's corporate aircraft; Hartsfield-Jackson International Airport is just six miles away from the county line.

The subject site is located in the heart of the Atlanta MSA and in stable submarket along Highway 278 and just outside I-285, Atlanta's perimeter highway. The housing stock includes a solid base of 20-30 year old communities, but also includes a substantial amount of recently developed housing communities, both rental and for-sale. The subject site is located approximately five miles west of Lithonia, which has seen significant growth over the past five years with the completion of The Mall at Stonecrest, located just south of Interstate 20 at the Turner Hill Road exit and within five miles of the subject site.

DeKalb County is served by many of Atlanta's transportation arteries. Interstates 285, 20, and 85 all serve the county and provide access to the remainder

of the metro area and the state. Interstate 285 forms a perimeter around the City of Atlanta and is located within five miles of the subject property. In addition to the major interstates, southern DeKalb County is served by Highways 278, 29, 78, 260, 23, 410, 236, and 155.

The immediate area is served by several MARTA bus stops. The closest bus stops are along South Hairston Road. No major road or infrastructure projects are planned in the primary market area. No environmental concerns were identified.

C. Shopping

The closest shopping centers are located at the intersection of South Hairston Road and Redan Road, within one-half mile of the subject property. The largest stores in these shopping centers include Kroger grocery and Dollar General. Several smaller retailers are also located in and around these shopping centers. Several additional retail shopping centers are located within two miles of the subject property including those at the intersection of South Hairston Road and Rockbridge Road (north) and the intersection of South Hairston Road and Covington Highway (south).

D. Medical

Southwest DeKalb County is served by the DeKalb Medical Center. The main branch of this healthcare system, DeKalb Medical Center, is a 525-bed acute care hospital offering extensive services located near downtown Decatur within five miles west of the subject site.

DeKalb Medical Center recently opened a branch in the primary market area on Hillandale Road within 5 miles of the subject site. DeKalb Medical Center at Hillandale offers a minor emergency center, an outpatient surgery center, primary care physicians, specialists and diagnostic services. In addition, DeKalb Medical Center at Hillandale offers a variety of rehabilitation and wellness services.

Several smaller medical clinics are located within one mile of the subject property including Stone Mountain Family Medicine within one-half mile of the subject property.

E. Schools

The DeKalb County School System provides education to more than 100,000 students. The school system consists of 84 elementary schools, 19 middle schools, 21 high schools, and 18 specialized centers. The closest public schools to the subject property are Miller Elementary (0.9 mile), Freedom Middle School (1.2 miles), and Redan High School (1.1 miles).

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



Freedom Middle School

IV. Socio-Economic and Demographic Content

The primary market area for Lake Point Apartments is the portion of southwest DeKalb County roughly defined as north of Interstate 20 and east of Interstate 285. This area includes portions of Stone Mountain, Redan, Clarkson, and Pine Lake. The approximate boundaries of the primary market area are Memorial Drive to the north (2.5 miles), Panola Road to the east (1.8 miles), Interstate 20 to the south (3.7 miles), and Interstate 285 to the west (2.6 miles).

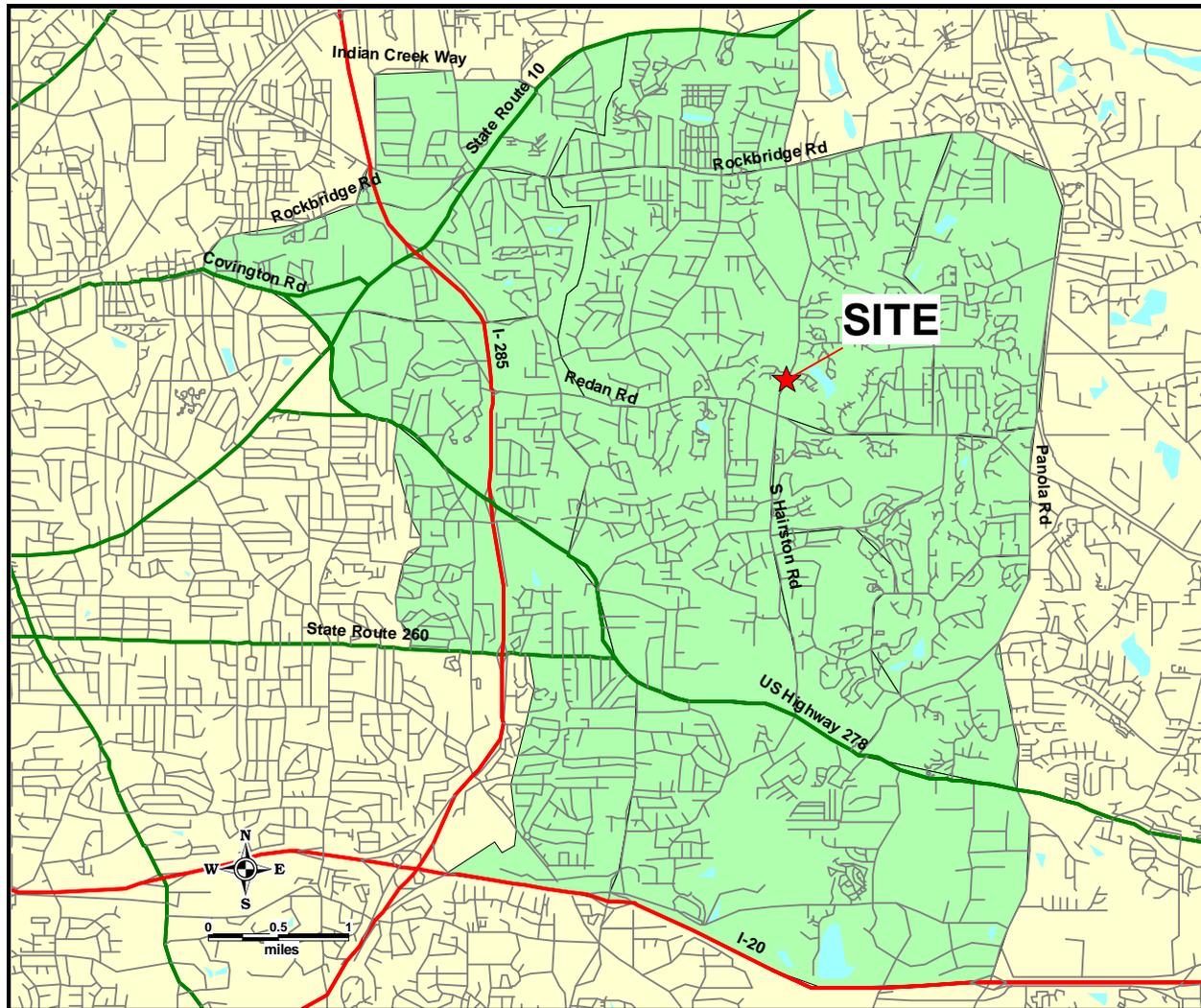
Our primary market area does not extend as far to the east as it does to the other directions. We do not believe the subject site is comparable to the Lithonia portion of DeKalb County. Lithonia and the surrounding areas have experienced more residential growth than the area immediate surrounding the subject property. Furthermore, Lithonia has a large number of recently developed commercial establishments, primarily Stonecrest Mall. We do not believe the subject property and location will draw many Lithonia area residents. The exclusion of this area of DeKalb County from the market area is conservative and insures that demand will not be overstated.

Demographic data on DeKalb County is included for comparison purposes. Demand estimates will be shown only for the primary market area.

The primary market area includes year 2000 census tracts 0219.09, 0220.05, 0232.08, 0232.09, 0232.04, 0231.05, 0231.06, 0232.06, 0232.10, 0231.08, 0232.11, 0232.12, 0235.07, and 0232.03. A map of this market area is shown on page 15.

According to property managers of exiting rental communities, tenants come predominantly from southwestern portion of DeKalb. A modest percentage of renters come from Fulton County. Property managers indicated that the proposed development will attract tenants from throughout the primary market area.

Map 3 Primary Market Area

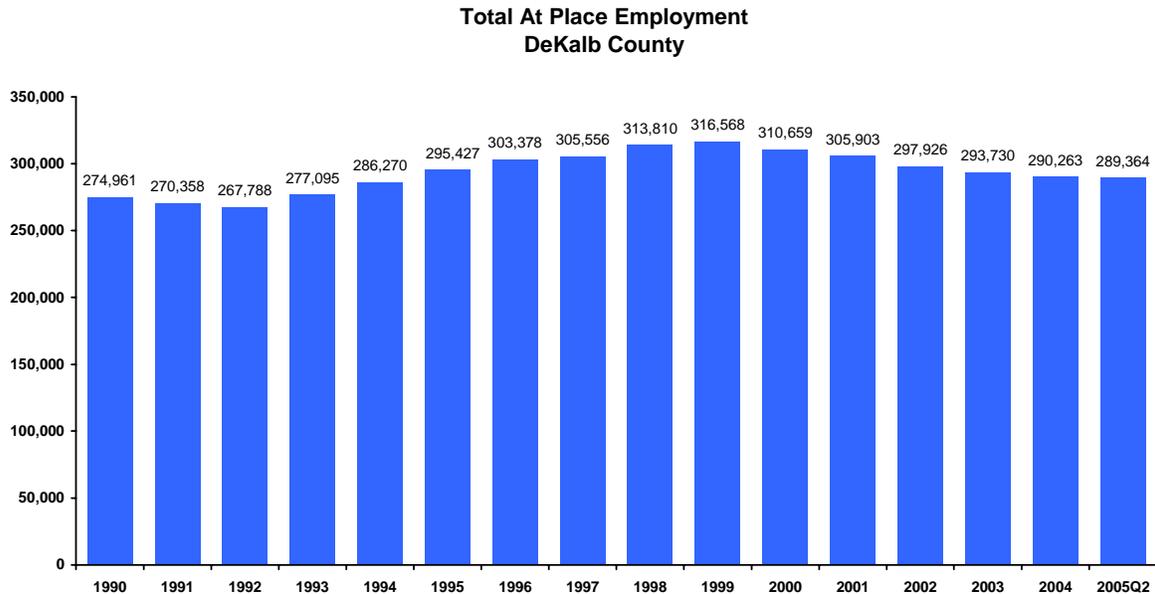


A. Economic Context

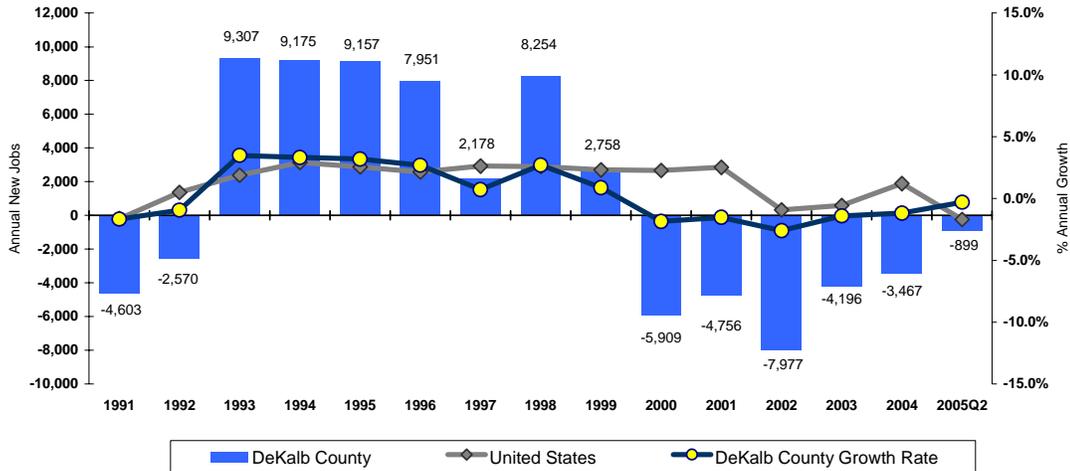
DeKalb County's at place employment has experienced net growth since 1990. The growth has not been steady, however, but the trends reflect the nation's economic fluctuations. After job stagnation and net job loss during the depths of the early 1990's recession, DeKalb County employment base expanded, reaching a high of 316,568 jobs by 1999 (Table 4). Between 1992 and 1999, DeKalb County added nearly 50,000 jobs, a total increase of 18 percent. Since this time, DeKalb County has seen a downward adjustment, dropping to 289,078 jobs by the second quarter of 2005. At place employment remains higher than the 1990 benchmark by 14,117 jobs.

On a percentage basis, job growth in DeKalb County has been generally lower than national employment growth in recent years, except during the 1993 to 1996 period when its job growth surpassed that of the nation. The Atlanta metropolitan area was one of the hardest hit areas in the country by the economic fallout from the 9/11 tragedy, with convention business falling by 10 percent. The airlines, in particular Delta Airlines, the largest employer in neighboring Fulton County, were hit exceptionally hard. A ripple effect throughout the Atlanta metropolitan area in addition impacted the manufacturing, construction and financial sectors.

Table 4 At Place Employment, DeKalb County 1990-2005



Employment Growth DeKalb County and US



The trade/transportation/utilities sector is by far the largest employment sector in the DeKalb County economy, employing 21.1 percent of all workers as of the second quarter of 2005 (Table 5). This is followed by the education/health (15.8 percent), government (15.6 percent) and the professional/business (15.0 percent) sectors. In three of these four largest sectors, all but the government sector, the proportion of DeKalb County workers exceeds that of the nation as a whole.

Between 2001 and the second quarter of 2005, only two sectors displayed annual growth—government and education-health (see figure 3). Two sectors dominant in DeKalb County, trade/transportation/utilities and professional/business, contracted to a greater extent than these did nationwide. However, these were not the sectors of the economy experiencing the greatest proportional job losses.

Table 5 Employment by Sector, DeKalb County 2005

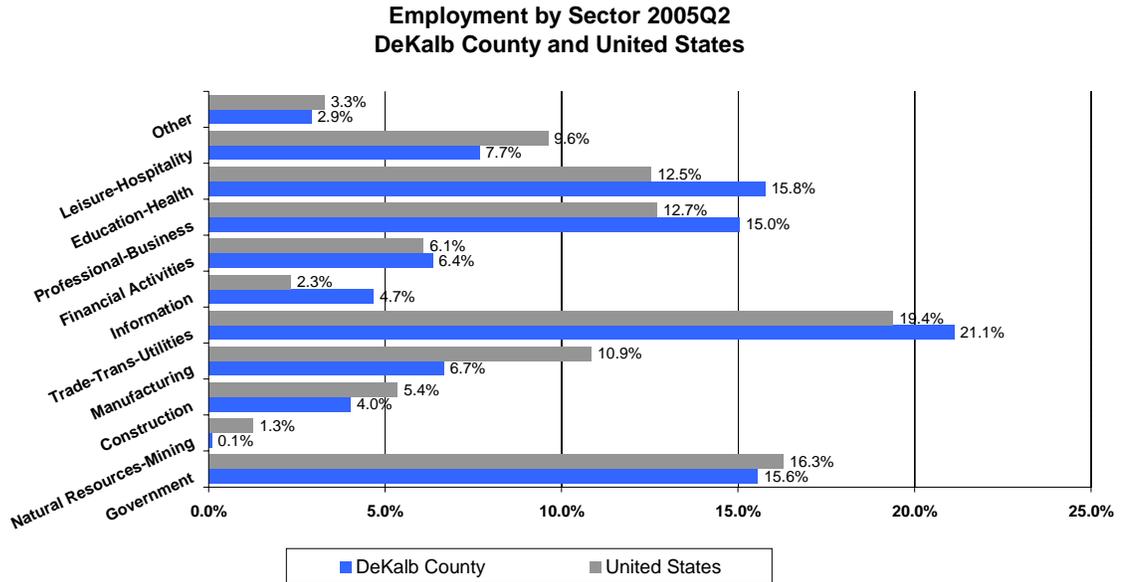
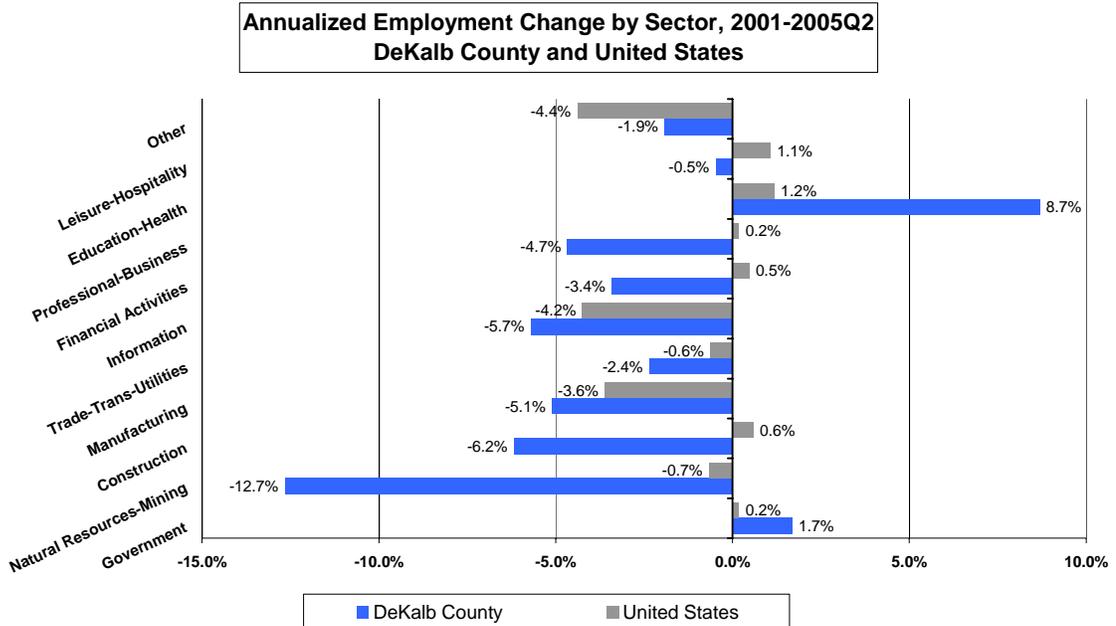


Table 6 Employment by Sector Change, DeKalb County 2001-2005



The most recent listing of the major employers in DeKalb County illustrates the county's economic diversity. As of 2004, BellSouth Telecommunications (22,041 employees), a utility giant, employs nearly 8,000 more workers than the next largest employer. The education/health sector is well represented by Emory University (14,398 employees), U.S.

Centers for Disease Control and Prevention (5,089 employees), DeKalb Medical Center (2,790 employees), Emory Hospital and Clinic (2,214 employees) and Children’s Healthcare of Atlanta (1,543 employees). Government is also well represented with 6,600 County employees. Two other large employers do not fall into these most dominant sectors, Cox Enterprises (a media company with 5,322 local employees) and General Motors (with 3,500 local employees) (Table 7).

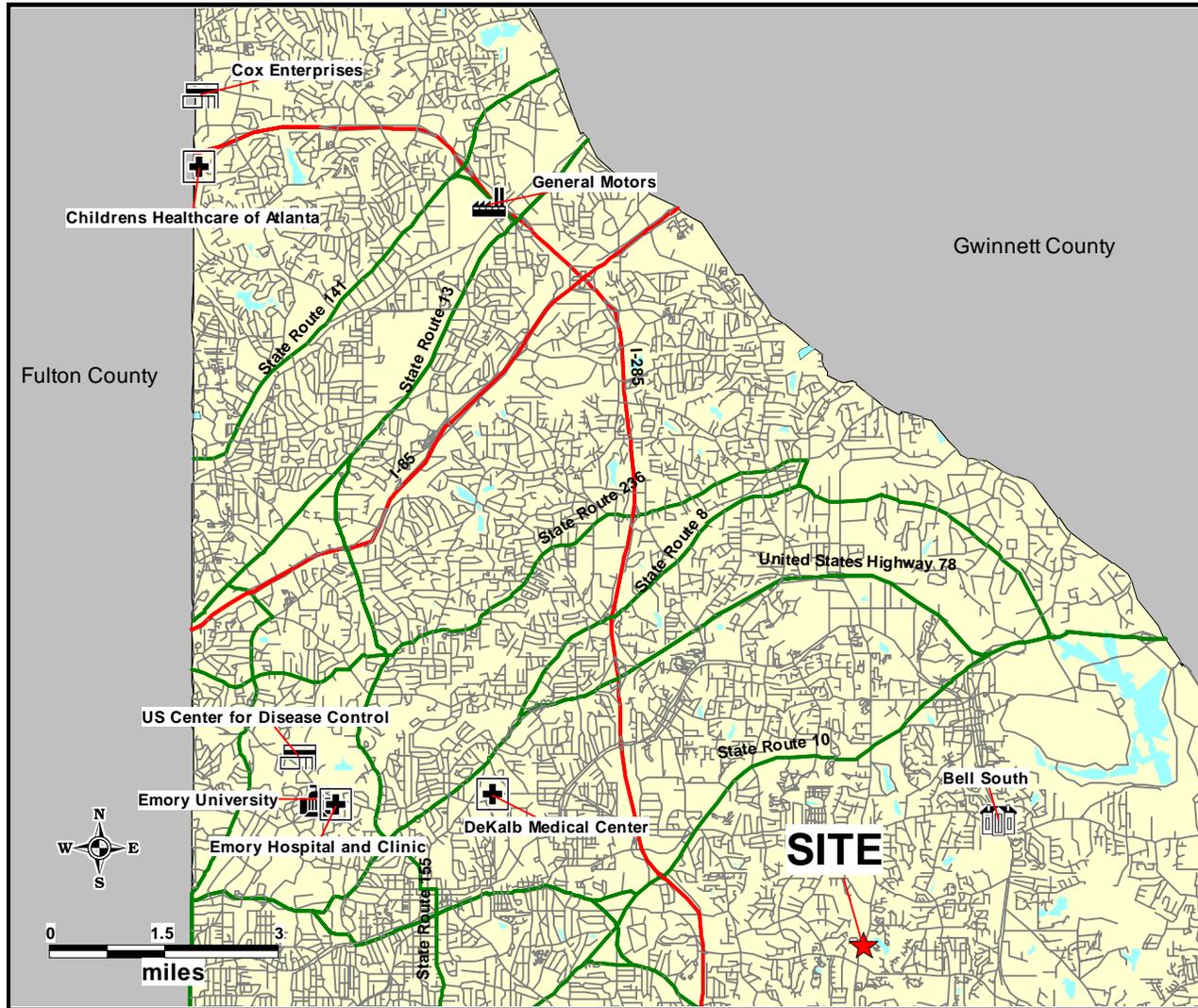
The future of several of these major employees is uncertain as General Motors has announced Atlanta area plant closings and Bellsouth is likely to be purchased by AT&T, which is headquartered in Texas. In addition to these major employers, employment concentrations near the site include several schools and retail shopping centers including the Mall at Stonecrest. Several large employers are located within five miles of the subject site.

Table 7 Top 10 Employers, DeKalb County

Rank	NAME	Employees
1	BellSouth Telecommunications	22,041
2	Emory University	14,398
3	DeKalb County Schools	6,876
4	DeKalb County Government	6,600
5	Cox Enterprises	5,322
6	U.S. Centers for Disease Control & Prevention	5,089
7	General Motors Corp. (Doraville)	3,500
8	DeKalb Medical Center	2,790
9	Emory Hospital and Clinic	2,214
10	Childrens Healthcare of Atlanta (form. Egleston)	1,543

Source: DeKalb County Chamber of Commerce.

Map 4 Major Employers



The labor force in DeKalb County has grown steadily since 1990. After a minor decline between 1990 and 1991, the county's labor force increase during 10 of the next 12 years. The annual average labor force in 2003 of 392,478 represents a 74,289 or 18.9 percent increase over 1990's annual average (Table 8). DeKalb County's labor force decreased during 2004.

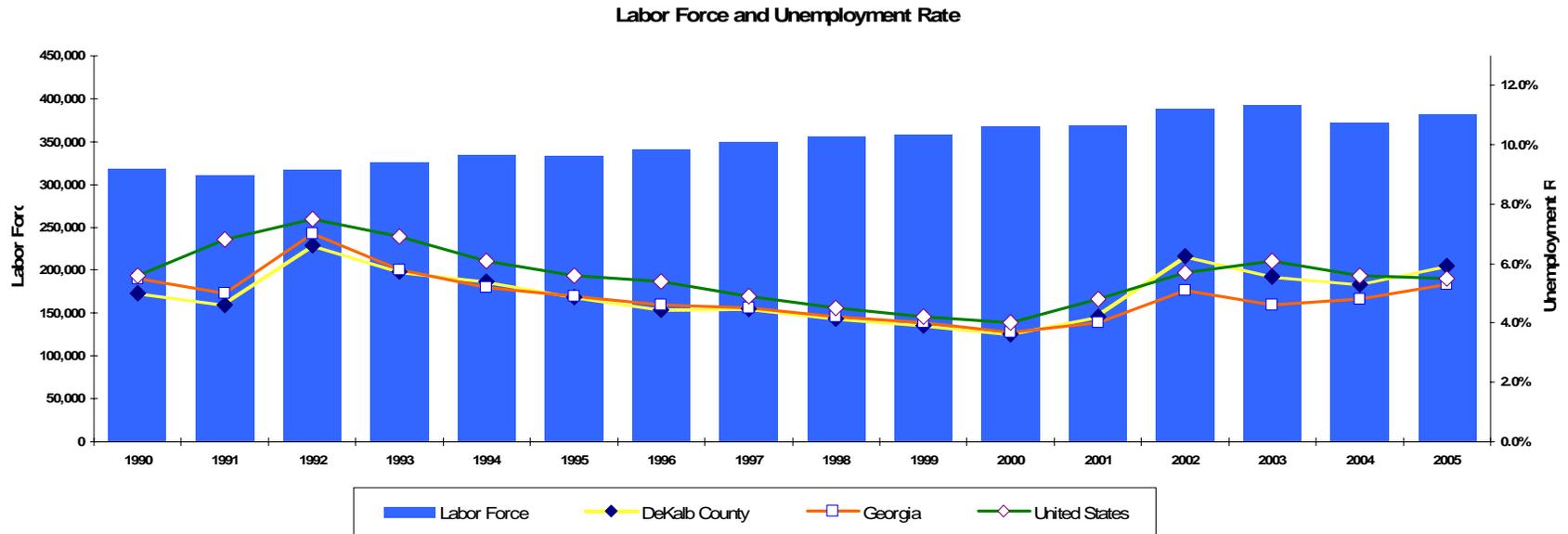
The unemployment rate in DeKalb County has historically been similar to the state figures while following similar trends. Over the past year, the county's unemployment rate has remained about one-half percentage point above the state figure. Unemployment has fallen to 5.3 percent in 2004 from 6.2 percent in 2002. Unemployment in the county appears stable at five to six percent.

While DeKalb County has several moderately sized employers, it remains a bedroom community to other metro counties, primarily Fulton County. Through 2004, the number of jobs in DeKalb County (293,621) accounted for 78 percent of the county's employed residents. Twenty to twenty-five percent of the county's residents commute to another county for work. As a result, the loss of jobs in the county is not particularly troubling, as the unemployment rate appears stable. Based on the stable and low unemployment rate, we do not believe local economics will negatively impact the ability of Lake Point to lease its units.

Table 8 Labor Force and Unemployment Rates, DeKalb County

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Labor Force	318,189	311,060	316,365	325,790	334,826	334,009	340,855	349,504	356,436	357,463	367,744	368,972	388,729	392,478	371,973	381,498
Employment	302,293	296,697	295,407	307,186	316,767	317,741	325,706	333,820	341,681	343,409	354,416	353,398	364,468	370,709	352,206	358,917
Unemployment	15,896	14,363	20,958	18,604	18,059	16,268	15,149	15,684	14,755	14,054	13,328	15,574	24,261	21,769	19,767	22,581
Unemployment Rate																
DeKalb County	5.0%	4.6%	6.6%	5.7%	5.4%	4.9%	4.4%	4.5%	4.1%	3.9%	3.6%	4.2%	6.2%	5.5%	5.3%	5.9%
Georgia	5.5%	5.0%	7.0%	5.8%	5.2%	4.9%	4.6%	4.5%	4.2%	4.0%	3.7%	4.0%	5.1%	4.6%	4.8%	5.3%
United States	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.8%	5.7%	6.1%	5.6%	5.5%

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



B. Growth Trends

The population and household statistics for the primary market area and DeKalb County are based on the 1990 and 2000 Census counts. Estimates and projections were provided by Claritas, Inc., a national data vendor.

The primary market area's 2000 population represents an increase of 16,379 persons or 22.2 percent from the 1990 Census count. At 22.0 percent, the rate of increase of DeKalb County's population has nearly identical during the same time period. From 2000 to 2005, the total population in the primary market area is estimated to have decreased by 1,095 or 1.2 percent. DeKalb County's population increased by 1.7 percent or 11,359 people during the same five-year time period.

Based on 1990 and 2000 Census data, the PMA grew by 4,347 households, while DeKalb County grew by 40,649 households (Table 9). These changes equate to a 16.5 percent increase in the primary market area and a 19.5 percent increase in DeKalb County. The annual compounded rates of household growth were 1.5 percent in the PMA and 1.8 percent in DeKalb County.

Estimates show that the PMA's household count decreased by 791 or 2.6 percent between 2000 and 2005 compared to an increase of 2,658 households or 1.1 percent in DeKalb County. Annual changes were estimated at a loss of 158 households or 0.5 percent in the primary market area and an increase of 532 households or 0.2 percent in DeKalb County.

Population and household losses in the primary market area are projected to continue through 2010, although the rate of decline is slowing. Minimal growth is projected in DeKalb County, similar to the experience of the past five years. The average household size has increased since 1990 in both the primary market area and DeKalb County. The market area's households are larger than the county's, on average.

Table 9 Trends in Population and Households, PMA and DeKalb County

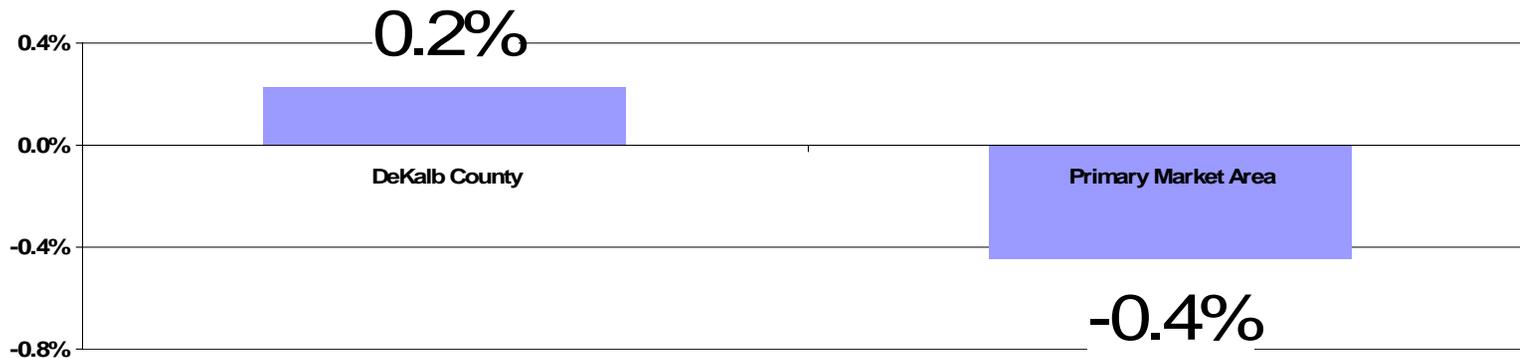
DeKalb County					Change 1990 to 2000				Change 2000 to 2005				Change 2005 to 2010			
					Total		Annual		Total		Annual		Total		Annual	
	1990	2000	2005	2010	#	%	#	%	#	%	#	%	#	%	#	%
Population	545,837	665,865	677,224	688,008	120,028	22.0%	12,003	2.0%	11,359	1.7%	2,272	0.3%	10,784	1.6%	2,157	0.3%
Group Quarters	10,383	13,671	14,306	14,972												
Households	208,690	249,339	251,997	254,927	40,649	19.5%	4,065	1.8%	2,658	1.1%	532	0.2%	2,930	1.2%	586	0.2%
Average HH Size	2.57	2.62	2.63	2.64												

Primary Market Area					Change 1990 to 2000				Change 2000 to 2005				Change 2005 to 2010			
					Total		Annual		Total		Annual		Total		Annual	
	1990	2000	2005	2010	#	%	#	%	#	%	#	%	#	%	#	%
Population	73,810	90,189	89,094	88,159	16,379	22.2%	1,638	2.0%	-1,095	-1.2%	-219	-0.2%	-935	-1.0%	-187	-0.2%
Group Quarters	1,521	2,629	2,747	2,875												
Households	26,270	30,617	29,826	29,167	4,347	16.5%	435	1.5%	-791	-2.6%	-158	-0.5%	-659	-2.2%	-132	-0.4%
Average HH Size	2.75	2.86	2.90	2.92												

Note: Annual change is compounded rate.

Source: 1990 and 2000 - 1990 and 2000 Censuses of Population and Housing; Claritas, RPRG Estimates

Annual Household Growth Rate 2005-2010



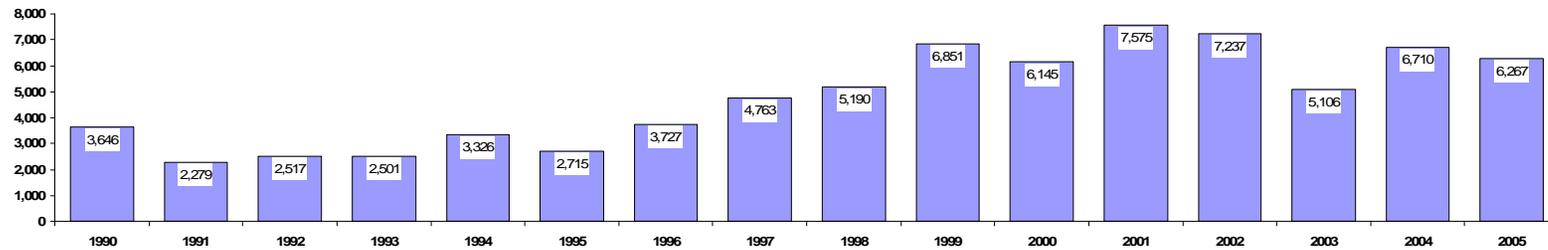
Local building permit activity is another measure of growth in a geographic area. Permit data reported in the U.S. Census Bureau's C-40 Report indicate continued growth in DeKalb County since 1990, with heightened residential building activity since 1999. On the average, 4,785 residential units were granted permits during the 1990 to 2005 period (Table 10). However, in six of the most recent seven years, the average number was above 6,000. This is consistent with the reputation of the Atlanta area as one of the nation's hottest areas for home building over the past few years.

Table 10 DeKalb County Building Permits, 1990 - 2005

DeKalb County	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1990-2005	Annual
Single Family	2,364	1,712	2,234	2,057	1,970	1,819	2,355	2,698	3,895	4,376	4,266	4,719	4,134	3,931	3,752	3,340	49,622	3,101
Two Family	186	48	48	12	40	30	44	36	54	4	0	4	0	0	0	0	506	32
3 - 4 Family	0	0	0	0	0	0	0	9	0	20	0	10	4	0	0	10	53	3
5 or more Family	1,096	519	235	432	1,316	866	1,328	2,020	1,241	2,451	1,879	2,842	3,099	1,175	2,958	2,917	26,374	1,648
Total	3,646	2,279	2,517	2,501	3,326	2,715	3,727	4,763	5,190	6,851	6,145	7,575	7,237	5,106	6,710	6,267	76,555	4,785

Source: US Census Bureau, C-40 Building Permit Reports.

**Total Housing Units Permitted
1990 - 2005**



C. Demographic Characteristics

Census data indicates that the primary market area is younger than DeKalb County, overall. The primary market area has a higher percentage of its residents in five of six age classifications under the age of 55 years. DeKalb County has a higher percentage of its residents in each classification age 55+. Renters are generally most common among householders age 25 to 44 years of age. This age grouping accounts for 36.9 percent of the PMA's population and 36.7 percent of DeKalb County's population (Table 11).

In terms of household types (Table 12), forty percent of the householders in both the primary market area and DeKalb County are married. The primary market area has a much higher occurrence of children due to a larger proportion of both married households with children and single parent households. Children are present in 39.9 percent of the primary market area's households and 31 percent of the households in DeKalb County. The primary market area has smaller percentages of single person households and non-married households without children.

Table 11 2000 Age Distribution

	DeKalb County		Primary Market Area	
	Number	Percent	Number	Percent
Under 10 years	94,247	14.2%	14,746	16.4%
10-17 years	69,731	10.5%	11,607	12.9%
18-24 years	72,887	10.9%	10,005	11.1%
25-34 years	129,873	19.5%	16,529	18.3%
35-44 years	114,571	17.2%	16,762	18.6%
45-54 years	85,353	12.8%	11,592	12.9%
55-61 years	34,964	5.3%	3,810	4.2%
62-64 years	11,015	1.7%	1,081	1.2%
65-69 years	15,474	2.3%	1,415	1.6%
70-74 years	13,406	2.0%	1,091	1.2%
75 and older	24,344	3.7%	1,551	1.7%
TOTAL	665,865	100.0%	90,189	100.0%

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

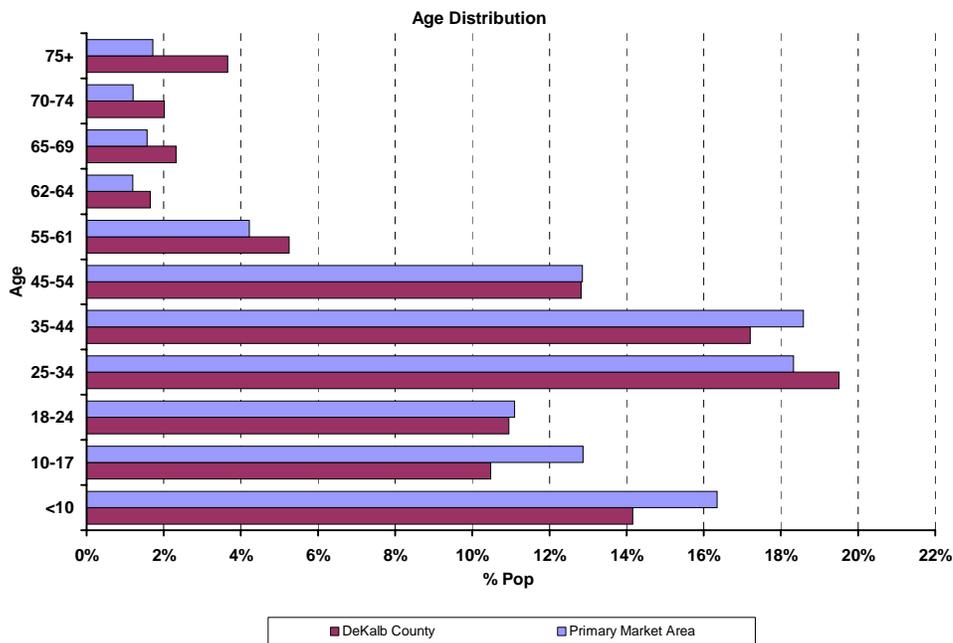
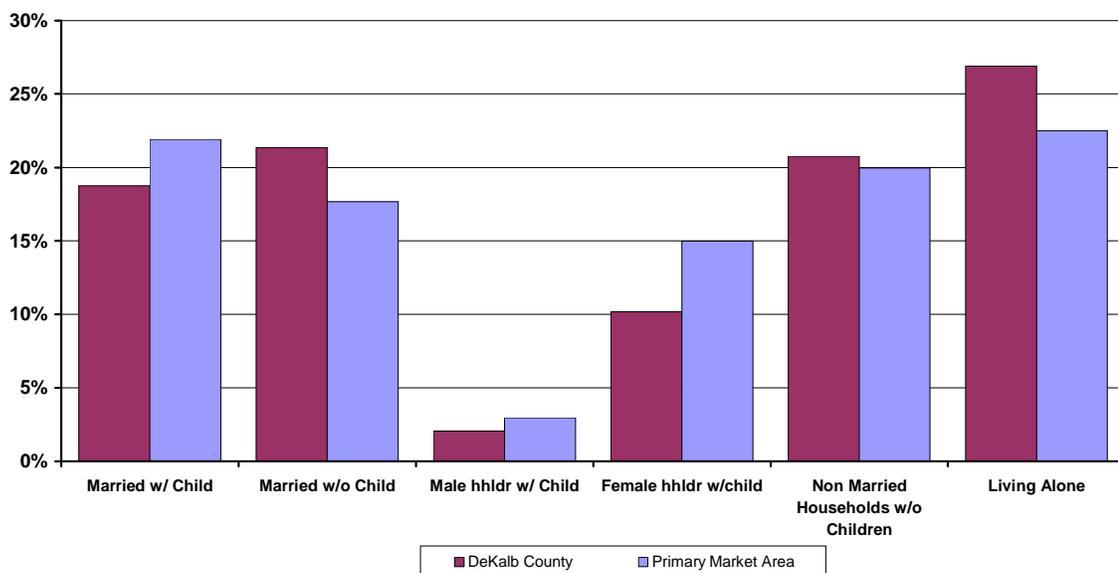


Table 12 2000 Households by Household Type

	DeKalb County		Primary Market Area	
	#	%	#	%
Married w/ Child	46,736	18.7%	6,712	21.9%
Married w/o Child	53,251	21.4%	5,412	17.7%
Male hhldr w/ Child	5,131	2.1%	908	3.0%
Female hhldr w/child	25,372	10.2%	4,588	15.0%
Non Married Households w/o Children	51,778	20.8%	6,108	19.9%
Living Alone	67,071	26.9%	6,889	22.5%
Total	249,339	100.0%	30,617	100.0%

Source: 2000 Census

Households by Household Type



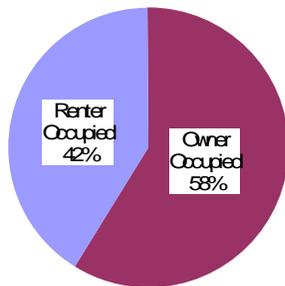
The primary market area has a slightly lower percentage of renter occupied households than does DeKalb County. In 2000, 40.3 percent of the householders in the PMA were renters (Table 13). In comparison, 41.5 percent of DeKalb County householders rented. The renter percentage in the Atlanta MSA was only 31.5 percent in 2000.

Table 13 Dwelling Units by Occupancy Status

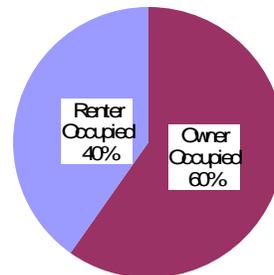
2000 Households	DeKalb County		Primary Market Area	
	Number	Percent	Number	Percent
Owner Occupied	145,825	58.5%	18,288	59.7%
Renter Occupied	103,514	41.5%	12,329	40.3%
Total Occupied	249,339	100.0%	30,617	100.0%
Total Vacant	11,892		1,121	
TOTAL UNITS	261,231		31,738	

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

DeKalb County



Primary Market Area



Comparing the age of householders shows that primary market area's householders are younger than in the county overall, consistent with the overall population age breakdown. The primary market area has a higher percentage of its owner householders under 55 years. Among renter householders, the primary market area has a higher percentage under between the ages of 18 and 55 years. DeKalb County has higher percentage of both owner and renter householders age 55 and older (Table 14).

Table 14 2000 Households by Tenure & Age of Householder

Owner Households	DeKalb County		Primary Market Area	
	Number	Percent	Number	Percent
15-24 years	1,540	1.1%	258	1.4%
25-34 years	22,442	15.4%	2,879	15.7%
35-44 years	38,376	26.3%	5,927	32.4%
45-54 years	36,432	25.0%	5,056	27.6%
55-64 years	21,920	15.0%	2,273	12.4%
65-74 years	14,393	9.9%	1,208	6.6%
75 to 84 years	8,801	6.0%	597	3.3%
85+ years	1,921	1.3%	90	0.5%
Total	145,825	100%	18,288	100%

Renter Households	DeKalb County		Primary Market Area	
	Number	Percent	Number	Percent
15-24 years	13,476	13.0%	1,545	12.5%
25-34 years	38,869	37.5%	4,710	38.2%
35-44 years	24,822	24.0%	3,329	27.0%
45-54 years	13,761	13.3%	1,847	15.0%
55-64 years	5,610	5.4%	596	4.8%
65-74 years	3,204	3.1%	217	1.8%
75 to 84 years	2,520	2.4%	65	0.5%
85+ years	1,252	1.2%	20	0.2%
Total	103,514	100%	12,329	100%

Source: 2000 Census

D. Income Characteristics

Based on Claritas projections, the 2005 median income for all households living in the primary market area was \$50,349, \$5,305 or 9.5 percent lower than the DeKalb County median of \$55,654 (Table 15). The primary market area has a higher percentage of its householders earning between \$20,000 and \$75,000. DeKalb County has a higher percentage in all income cohorts on either side of this range.

Based on Claritas income projections, the relationship between owner and renter incomes as recorded in the 2000 Census, the breakdown of tenure, and household estimates, RPRG estimates that the median income of renters in the

primary market area as of 2005 is \$37,063, 39 percent lower than the owner household median of \$60,992 (Table 16). Nearly 29 percent of renter households earn less than \$25,000, compared to only 9.4 percent of owner households.

Table 15 2005 Income Distribution, PMA and DeKalb County.

		DeKalb County		Primary Market Area	
		Number	Percent	Number	Percent
less than	\$20,000	33,020	13.1%	3,621	12.1%
	\$20,000 - \$24,999	11,472	4.6%	1,494	5.0%
	\$25,000 - \$29,999	12,819	5.1%	1,644	5.5%
	\$30,000 - \$34,999	13,483	5.4%	2,038	6.8%
	\$35,000 - \$39,999	13,966	5.5%	2,048	6.9%
	\$40,000 - \$44,999	13,824	5.5%	2,043	6.8%
	\$45,000 - \$49,999	13,190	5.2%	1,906	6.4%
	\$50,000 - \$59,999	23,654	9.4%	3,408	11.4%
	\$60,000 - \$74,999	29,645	11.8%	4,058	13.6%
	\$75,000 - \$99,999	33,118	13.1%	3,819	12.8%
	\$100,000 - \$124,999	20,844	8.3%	1,827	6.1%
	\$125,000 - \$149,999	12,030	4.8%	901	3.0%
	\$150,000 - \$199,999	10,041	4.0%	632	2.1%
	\$200,000 over	10,891	4.3%	387	1.3%
Total		251,997	100.0%	29,826	100.0%
Median Income		\$55,654		\$50,349	

Source: Claritas, Inc,

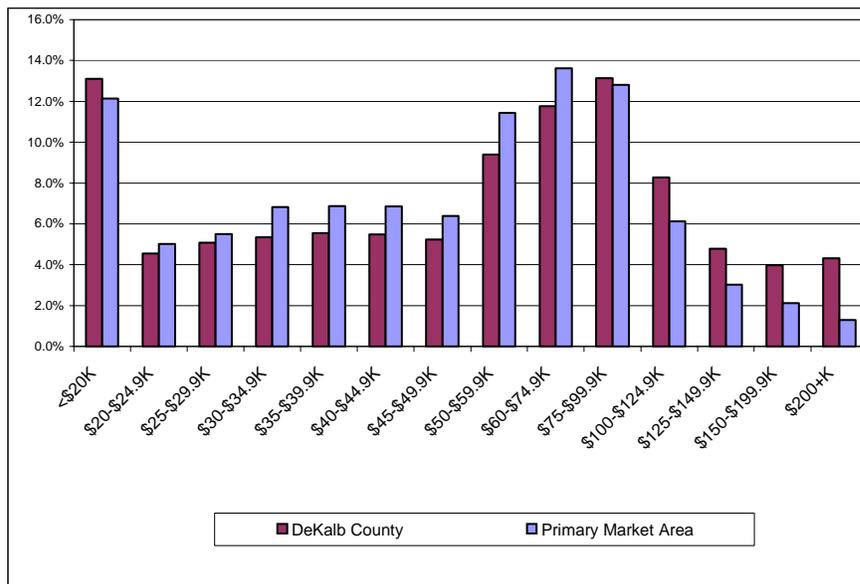


Table 16 2005 Income by Tenure, PMA

		Renter Household		Owner Households	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$25,000	3,446	28.7%	1,669	9.4%
	\$25,000 \$29,999	968	8.1%	676	3.8%
	\$30,000 \$34,999	1,200	10.0%	838	4.7%
	\$35,000 \$39,999	947	7.9%	1,101	6.2%
	\$40,000 \$44,999	945	7.9%	1,098	6.2%
	\$45,000 \$49,999	882	7.3%	1,024	5.8%
	\$50,000 \$59,999	1,090	9.1%	2,318	13.0%
	\$60,000 \$74,999	1,298	10.8%	2,760	15.5%
	\$75,000 \$99,999	810	6.7%	3,009	16.9%
	\$100,000 \$124,999	208	1.7%	1,619	9.1%
	\$125,000 \$149,999	102	0.9%	799	4.5%
	\$150,000 \$199,999	72	0.6%	560	3.1%
	\$200,000 over	44	0.4%	343	1.9%
Total		12,010	100.0%	17,816	100.0%
Median Income		\$37,063		\$60,992	

Source: Claritas, Inc, Estimates, Real Property Research Group, Inc.

V. Supply Analysis

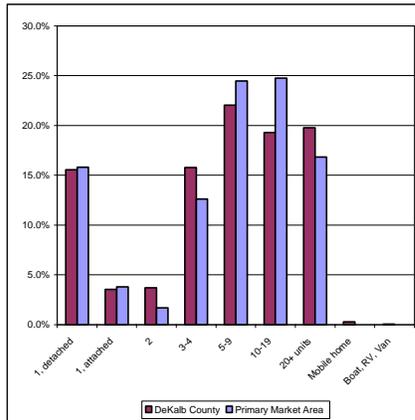
A. Area Housing Stock

Rental development in the primary market is similar to DeKalb County in terms of density (Table 17). The primary market area has a higher percentage of its rental units in single-family detached homes, townhomes and medium density structures with 3-19 units. DeKalb County has a higher percentage duplexes, structures with 3-4 units, and structures with 20 or more units. Structures with ten or more units account for 41.6 percent of the rental units in the primary market area and 39.1 percent of the county's rental units.

Table 17 2000 Renter Households by Number of Units

Renter Occupied	DeKalb County		Primary Market Area	
	Number	Percent	Number	Percent
1, detached	16,116	15.6%	1,948	15.8%
1, attached	3,654	3.5%	469	3.8%
2	3,817	3.7%	207	1.7%
3-4	16,333	15.8%	1,556	12.6%
5-9	22,814	22.0%	3,016	24.5%
10-19	19,984	19.3%	3,053	24.8%
20+ units	20,466	19.8%	2,075	16.8%
Mobile home	274	0.3%	0	0.0%
Boat, RV, Van	60	0.1%	0	0.0%
TOTAL	103,518	100.0%	12,324	100.0%

Source: U.S. Census of Population and Housing, 2000, STF3.



The rent distribution from the 2000 Census shows that the median rent is \$641 in the primary market area and \$671 in DeKalb County (Table 18). According to this distribution, 81.2 percent of renter householders in the primary market area paid a monthly contract rent between \$500 and \$800, which is the general range of proposed rents at Lake Point.

The median year built among owner occupied housing units is 1981 in the primary market area and 1977 in DeKalb County. The median year built among renter occupied households is 1977 for the primary market area and 1972 for DeKalb County. According to the 2000 Census, 15.1 percent of the rental units in the primary market area and 18.6 percent of DeKalb County's rental units were built between 1990 and 2000.

Table 18 2000 Census Rent Distribution.

	DeKalb County		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than \$400	8,501	8.4%	373	3.1%
\$400 to \$499	6,772	6.7%	537	4.5%
\$500 to \$599	17,695	17.4%	3,130	26.0%
\$600 to \$699	24,130	23.8%	4,062	33.7%
\$700 to \$799	19,905	19.6%	2,594	21.5%
\$800 to \$899	9,965	9.8%	906	7.5%
\$900 to \$999	5,084	5.0%	265	2.2%
\$1,000 to \$1,249	6,132	6.0%	111	0.9%
\$1,250 and over	3,243	3.2%	60	0.5%
TOTAL	101,427	100.0%	12,038	100.0%
Median Rent	\$671		\$641	
Renters paying rent	101,427	98.2%	12,038	98.1%
No cash rent	1,836	1.8%	227	1.9%
Total Renters	103,263	100.0%	12,265	100.0%

Source: U.S. Census of Population and Housing, 2000, STF3 Data.

Table 19 Year Property Built

Renter Occupied	DeKalb County		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1999 to 2000	1,547	1.5%	207	1.7%
1995 to 1998	6,804	6.6%	443	3.6%
1990 to 1994	9,793	9.5%	1,254	10.2%
1980 to 1989	26,696	25.8%	4,848	39.3%
1970 to 1979	25,698	24.8%	3,532	28.7%
1960 to 1969	17,584	17.0%	1,513	12.3%
1950 to 1959	8,174	7.9%	292	2.4%
1940 to 1949	3,561	3.4%	84	0.7%
1939 or earlier	3,661	3.5%	151	1.2%
TOTAL	103,518	100.0%	12,324	100.0%
MEDIAN YEAR BUILT	1977		1981	

Source: U.S. Census of Population and Housing, 2000, STF3.

Owner Occupied	DeKalb County		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1999 to 2000	4,409	3.0%	400	2.2%
1995 to 1998	10,860	7.4%	766	4.2%
1990 to 1994	11,966	8.2%	1,596	8.7%
1980 to 1989	25,983	17.8%	5,241	28.7%
1970 to 1979	26,865	18.4%	5,702	31.2%
1960 to 1969	30,117	20.7%	3,012	16.5%
1950 to 1959	20,422	14.0%	1,052	5.8%
1940 to 1949	7,729	5.3%	319	1.7%
1939 or earlier	7,470	5.1%	178	1.0%
TOTAL	145,821	100.0%	18,266	100.0%
MEDIAN YEAR BUILT	1972		1977	

Source: U.S. Census of Population and Housing, 2000, STF3.

B. Rental Market

As part of this analysis, Real Property Research Group, Inc. surveyed 15 rental communities in the primary market area. Of those communities, only two offer LIHTC units. The remaining 13 communities are market rate without rent or tenant income restrictions. A profile sheet of each community is attached as Appendix 5 Community Photos and Profiles. The location of each community is shown on Map 5.

The 15 surveyed rental communities combine to offer 4,758 rental units (Table 20). Ten communities offer all garden style units, one offers all townhouse units, and four offer both garden and townhouse units. The average year built/renovated of the surveyed rental communities is 1988. No communities have been constructed since 2000, although four have been renovated since then including the two LIHTC communities. One of the LIHTC communities, The Lakes at Indian Creek, is in the process of completing major renovations.

Among the 4,758 units surveyed, 371 were reported vacant for an overall vacancy rate of 7.8 percent. Both LIHTC communities are currently leasing their units post-rehabilitation units. Woodside Village's renovations are completed and the community recently changed ownership and management. The Lakes of Indian Creek is currently undergoing renovation, resulting in a large number of vacant units. Among the 13 stabilized communities, 5.2 percent of the 3,795 units are vacant for a total of 196 vacant units. Two of the stabilized communities reported ten percent or more of their units vacant and account for 56 total vacancies. Ten of the 13 stabilized communities reported a vacancy rate of 7.1 percent or less. Overall, the primary market area's rental stock appears stable. Well-maintained rental communities with moderately priced units report vacancy rates of five percent or less.

Map 5 Competitive Rental Communities

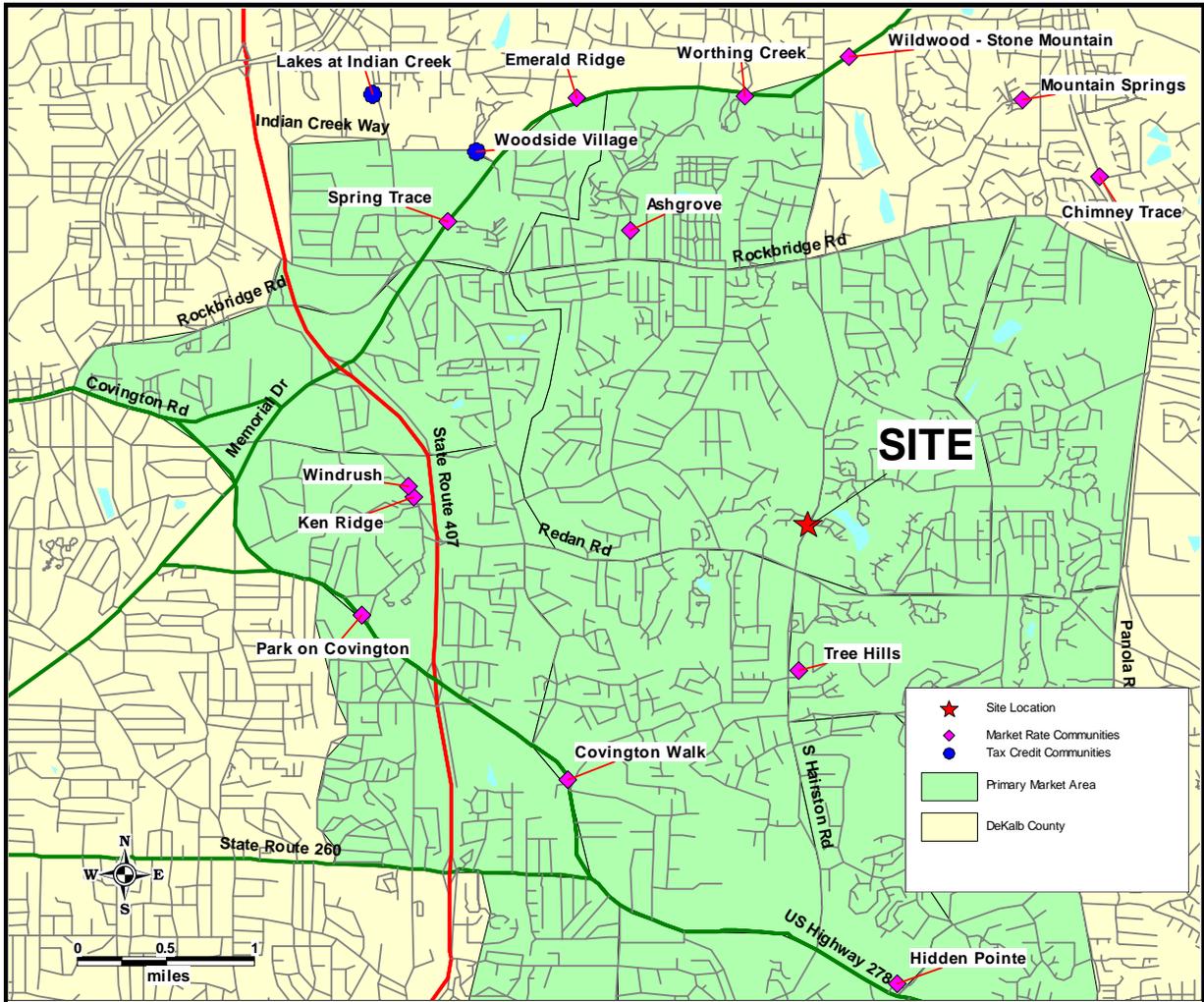


Table 20 Rental Summary, Survryed Rental Communities

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Average 1BR Rent (1)	Average 2BR Rent (1)	Incentive
Subject Property - 50% AMI		Garden	36			\$465	\$500	
Subject Property - 60% AMI		Garden	324			\$554	\$621	
Emerald Ridge	1971	Garden/TH	210	20	9.5%		\$850	None
Tree Hills	1987	Garden	882	38	4.3%	\$649	\$848	Reduced Rents
Wildwood - Stone Mountain	2002	Garden	298	9	3.0%	\$680	\$763	Reduced Rents
Hidden Pointe	1983	Garden	440	27	6.1%	\$646	\$744	\$190/month off rent
Woodside Village	2003	Garden	360	54	15.0%	\$599	\$719	1 month free
Worthing Creek	1980	Garden	360	36	10.0%	\$581	\$715	Reduced Rents
Ashgrove	1986	Garden	92	4	4.3%	\$580	\$695	None
Covington Walk	2002	Townhouse	216	12	5.6%		\$675	\$200 off first month
Spring Trace		Garden	380	2	0.5%	\$543	\$671	None
Chimney Trace	1985	Garden/TH	144	2	1.4%	\$549	\$664	Reduced Rents
Park on Covington	1969	Garden/TH	141	10	7.1%	\$505	\$648	Reduced Rents
Ken Ridge	1988	Garden	326	7	2.1%	\$559	\$626	None
Lakes at Indian Creek	2006	Garden/TH	603	121	20.1%	\$620	\$617	None
Windrush	1985	Garden	202	9	4.5%	\$515	\$599	None
Mountain Springs	1978	Garden	104	20	19.2%	\$495	\$575	1/2 off first month
Total/Average	1988		4,758	371	7.8%	\$578	\$694	
Stabilized Total/Average			3,795	196	5.2%			

Tax Credit Communities

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

Source: Field Survey, Real Property Research Group, Inc. March, 2006.

Nine of the 15 surveyed rental communities are currently offering rental incentives ranging from reduced monthly rents to one month free with a 12 month lease. These rental incentives are an indication of a highly competitive rental market. Furthermore, these rental incentives remain prevalent even in the case of low vacancy rates. According to property managers, incentives are necessary to stay competitive. In effect, the perpetual incentives have reduced the street rents at the majority of the properties in the PMA. It is unlikely that these incentives will burn off over the next two years, as they have become an essential marketing tool.

Surveyed rental communities offer a wide range of common area amenities (Table 21). Amenities include community rooms (eleven properties), a swimming pool (twelve properties), tennis courts (eight properties), a fitness center (eight properties), and a playground (nine properties). Two properties offer no recreational amenities, three properties offer one or two amenities, and eleven properties offer four or more recreational amenities. The number of recreational amenities is generally proportionate to the rent level of the community. The proposed amenities at Lake Point will position it in direct competition with the primary market area's top rental communities, appropriate given the proposed rents. The amenities will include a community room, a fitness room, a racquetball court, two swimming pools, and a playground.

Table 21 Common Area Amenities of Surveyed Communities

Community	Community Amenities						
	Clubhouse	Fitness Room	Pool	Playground	Tennis	Business Center	Gated Entry
Subject Property	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Ashgrove	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chimney Trace	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Covington Walk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emerald Ridge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hidden Pointe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Ken Ridge	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Lakes at Indian Creek	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Mountain Springs	<input type="checkbox"/>						
Park on Covington	<input type="checkbox"/>						
Spring Trace	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tree Hills	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wildwood - Stone Mountain	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Windrush	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Woodside Village	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Worthing Creek	<input checked="" type="checkbox"/>	<input type="checkbox"/>					

Source: Field Survey, Real Property Research Group, Inc. March, 2006.

The majority (12) of the 15 surveyed communities include only the cost of trash removal in the price of rent (Table 22). The remaining three communities also include the cost of water/sewer. The subject property includes only the cost of only trash removal and will continue to do so post renovation. Dishwashers are present at all 15 surveyed communities and garbage disposals are included at most. The majority of the properties offer patios or balconies in most or all units. All of the communities include central laundry rooms and thirteen offer washer/dryer connections. One community offers individual washer and dryer units for an additional monthly fee.

Among the 15 properties surveyed, two bedroom units are the most common as they are included at each property. One and three bedroom units are offered at 13 and 11 communities, respectively. The unit breakdown at Lake Point includes one, two and three bedroom units, which are all common in the primary market area. The proposed unit mix is comparable with the existing rental stock. As the subject development is a renovation of

an existing rental community, it will not alter the composition of the primary market area's rental stock.

The street rents at the existing communities have been adjusted to account for rental incentives and the inclusion of utilities to compute net rent. The average net rent among the surveyed communities is \$549 for a one bedroom unit, \$667 for a two bedroom unit, and \$771 for a three bedroom unit. The average square footages are 748, 1,054 and 1,295 for one, two, and three bedroom units, respectively. The proposed LIHTC rents at Lake Point are positioned below the overall average rents with smaller square footages. The proposed rents will be accompanied by newly renovated units, competitive amenities, and a convenient location. The proposed rents are comparable to, if not lower than, those found at several comparable market rate communities. Furthermore, many of the units at Lake Point will have LIHTC rents below those currently being charged.

In order to better understand how the proposed rents compare with the rental market, the rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. According to our adjustment calculations (Table 24), the market rents for the proposed units at Lake Point are \$556 for a one bedroom unit, \$668 for a two bedroom unit, and \$772 for a three bedroom unit. The proposed 50 percent rents are positioned well below the estimates of market rent with rent advantages ranging from 16 percent to 30 percent. The proposed 60 percent rents are priced comparably to the estimate of market rent for the one and three bedroom units (0.4 percent and 2.0 percent rent advantage) and 12 percent below the two bedroom market rent. A significant rental advantage in this market area is not a necessity as there is not a distinct line between LIHTC and most market rate communities in terms of condition, quality, and rent level. The proposed 60 percent rents are priced within a few dollars of the recently renovated LIHTC units at Woodside Village and The Lakes at Indian Creek. The proposed rents appear reasonable and achievable.

Table 22 Features of Rental Communities in Primary Market Area

Community	Heat Type	Utilities included in Rent						Dishwasher	Parking	In Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash			
Subject Property	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Ashgrove	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Chimney Trace	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Covington Walk	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Emerald Ridge	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	
Hidden Pointe	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Ken Ridge	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Lakes at Indian Creek	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	
Mountain Springs	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Park on Covington	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Spring Trace	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Tree Hills	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Wildwood - Stone Mountain	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Optional/Fee
Windrush	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Woodside Village	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Select Units
Worthing Creek	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. March, 2006.

Table 23 Salient Characteristics, PMA Rental Communities

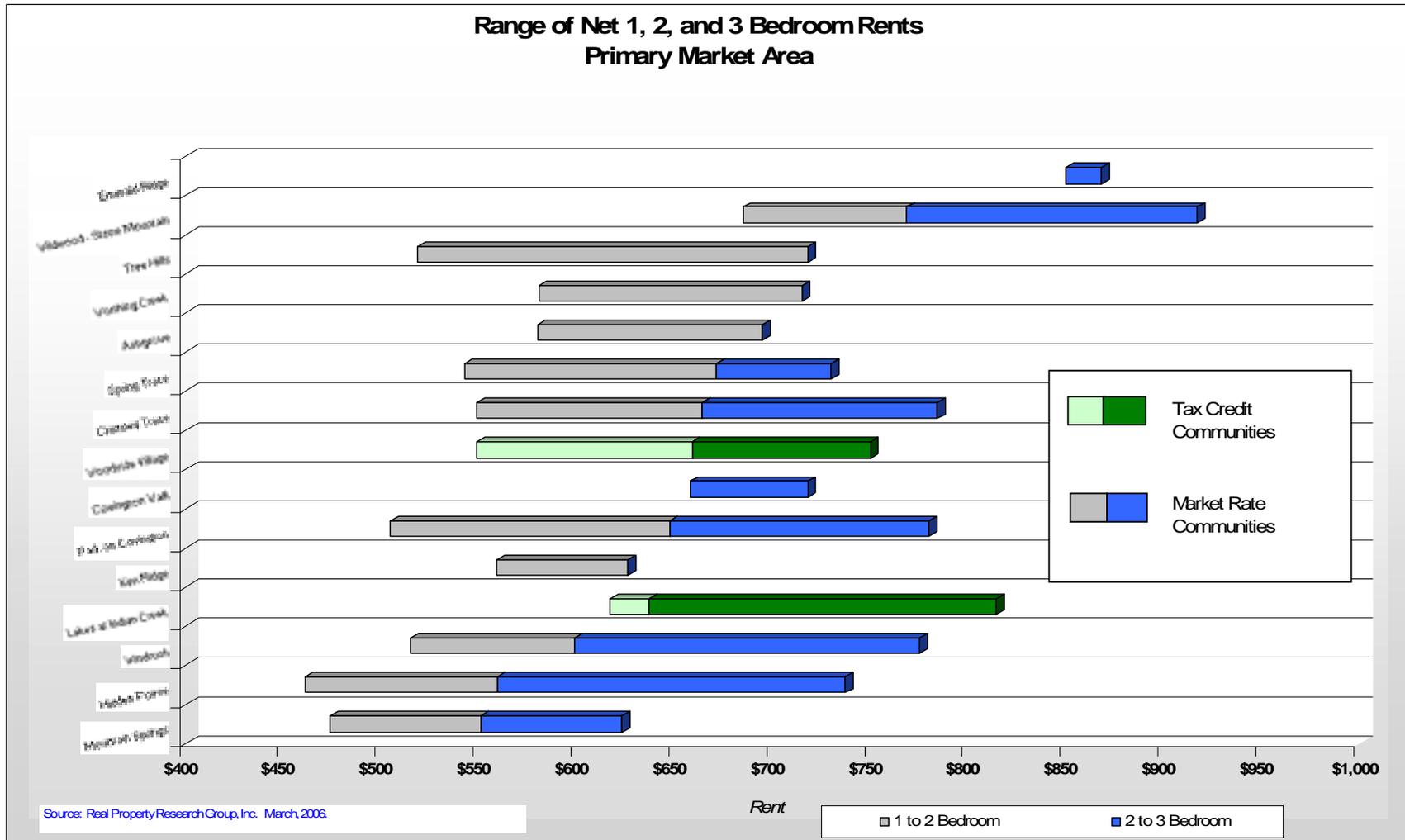
Community	Type	Total Units	One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
			Rent (1)	SF	Rent/SF	Rent (1)	SF	Rent/SF	Rent (1)	SF	Rent/SF
Subject Property - 50% AM	Garden	36	\$465	616	\$0.75	\$500	800	\$0.63	\$650	1,208	\$0.54
Subject Property - 60% AM	Garden	324	\$554	694	\$0.80	\$621	992	\$0.63	\$757	1,239	\$0.61
Emerald Ridge	Garden/TH	210				\$850	1,400	\$0.61	\$868	1,600	\$0.54
Wildwood - Stone Mountain	Garden	298	\$685	816	\$0.84	\$769	1,020	\$0.75	\$917	1,274	\$0.72
Tree Hills	Garden	882	\$519	768	\$0.68	\$718	1,280	\$0.56			
Worthing Creek	Garden	360	\$581	772	\$0.75	\$715	1,233	\$0.58			
Ashgrove	Garden	92	\$580	600	\$0.97	\$695	920	\$0.76			
Spring Trace	Garden	380	\$543	730	\$0.74	\$671	972	\$0.69	\$730	1,220	\$0.60
Chimney Trace	Garden/TH	144	\$549	796	\$0.69	\$664	1,093	\$0.61	\$784	1,285	\$0.61
Woodside Village	Garden	360	\$549	818	\$0.67	\$659	1,064	\$0.62	\$750	1,489	\$0.50
Covington Walk	Townhouse	216				\$658	1,100	\$0.60	\$718	1,300	\$0.55
Park on Covington	Garden/TH	141	\$505	780	\$0.65	\$648	901	\$0.72	\$780	1,200	\$0.65
Ken Ridge	Garden	326	\$559	700	\$0.80	\$626	955	\$0.66			
Lakes at Indian Creek	Garden/TH	603	\$620	657	\$0.94	\$617	965	\$0.64	\$797	1,254	\$0.64
Windrush	Garden	202	\$515	688	\$0.75	\$599	906	\$0.66	\$775	1,219	\$0.64
Hidden Pointe	Garden	440	\$461	785	\$0.59	\$560	1,095	\$0.51	\$737	1,300	\$0.57
Mountain Springs	Garden	104	\$474	820	\$0.58	\$551	912	\$0.60	\$623	1,100	\$0.57
Average / Total		4,758	\$549	748	\$0.73	\$667	1,054	\$0.63	\$771	1,295	\$0.60

Tax Credit Communities

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

Source: Field Survey, Real Property Research Group, Inc. March, 2006.

Figure 4 Range of Net Rents



As the figure on the preceding page illustrates, there are no breaks in the range of net rents in the primary market area. Price points are consistently covered by the existing rental stock. Classes of rental communities are not starkly defined in the primary market area. Given the proliferation of incentives in the primary market area, the range of net rent has been narrowed. Emerald Ridge and Wildwood Stone Mountain represent the top of the rental market. The next eleven communities are positioned very similarly. Hidden Pointe and Mountain Springs are priced below the remainder of the rental stock.

C. Proposed Developments

No new or upcoming rental communities were identified in the primary market area. Planning officials with DeKalb County were unaware of upcoming construction of rental communities in the primary market area. Most of the new construction in the primary market area is occurring in the eastern portion of the county near The Mall at Stonecrest, well east of the primary market area. The only DCA LIHTC approvals in or near the primary market area are Woodside Village (FKA Mountain Grove) and The Lakes at Indian Creek. Two nine percent senior communities (Antioch Senior and Heritage Senior) have been approved in the primary market area, but will not compete with the family oriented units at Lake Point.

VI. Findings and Conclusions

A. Findings

Based on this review of economic and demographic characteristics of the primary market area and DeKalb County and competitive housing trends, we arrive at the following findings:

- **The subject property is a suitable location for rental housing.** Lake Point Apartments is located southern Stone Mountain in southwest DeKalb County. The subject property is located on the east side of South Hairston Road within one-quarter mile of Redan Road, about two miles outside of the Interstate 285.
- The existing rental community is bordered to the north by single-family detached homes, to the east by a small pond and single-family detached homes, to the south by a shopping center and single-family detached homes, and to the west by South Hairston Road and single-family detached homes.
- Ingress and egress will be via an entrance on South Hairston Road, a moderately heavy thoroughfare. During field visits during the morning commute, no problems were experienced entering or exiting the subject property. A center turn lane facilitates community access.
- Lake Point Apartments is compatible with surrounding land uses. Development along South Hairston Road includes a combination of residential and commercial uses. Few multi-family rental communities are located within one mile of the subject site, but many are within two miles. As the proposed development will be a renovation of an existing community, it will not alter the composition of the immediate area.

DeKalb County has a diverse and established economy with a stable outlook for future growth.

- DeKalb County's at place employment has experienced net growth of 14,117 jobs since 1990 in spite of fluctuations consistent with the nation's economy.
- Employment by sector in the County is highly diversified, with trade/transportation/utilities leading the way but including significant concentrations in the education/health, government and professional/business sectors.

- The labor force, after experiencing relatively steady growth through the 1990's, surged in 2002, and has continued to surpass the new level since this time.
- Unemployment in DeKalb County has been lower than in the nation every year since 1990.

As an established area of DeKalb County, the market area has not grown as fast as the county. While minimal growth was reported between 1990 and 2000, the primary market area is projected to experience a decrease of population and households through 2010.

- The primary market area's 2000 population represents an increase of 16,379 persons or 22.2 percent from the 1990 Census count. At 22.0 percent, DeKalb County experienced the same rate of growth during the decade. From 2000 to 2005, the total population in the primary market area is estimated to have decreased by 1,095 or 1.2 percent. DeKalb County's population increased by 1.7 percent or 11,359 people during the same five-year time period.
- Based on 1990 and 2000 Census data, the PMA grew by 4,347 households, while DeKalb County grew by 40,649 households. These changes equate to a 16.5 percent increase in the primary market area and a 19.5 percent increase in DeKalb County. The annual compounded rates of household growth were 1.5 percent in the PMA and 1.8 percent in DeKalb County.
- Estimates show that the PMA's household count decreased by 791 or 2.6 percent between 2000 and 2005 compared to an increase of 2,658 households or 1.1 percent in DeKalb County. Annual changes were estimated at a loss of 158 households or 0.5 percent in the primary market area and an increase of 532 households or 0.2 percent in DeKalb County.
- Population and household losses in the primary market area are projected to continue through 2010, although the rate of decline is slowing. Minimal growth is projected in DeKalb County, similar to the experience of the past five years. The average household size has increased since 1990 in both the primary market area and DeKalb County. The market area's households are larger than the county's, on average.

The primary market area's households are generally younger and less affluent than DeKalb County.

- The primary market area has a higher percentage of its residents in five of six age classifications under the age of 55 years. DeKalb County has a higher percentage of its residents in each classification age 55+. Renters are generally most common among householders age 25 to 44 years of age. This age grouping accounts for 36.9 percent of the PMA's population and 36.7 percent of DeKalb County's population.
- In terms of household types, forty percent of the householders in both the primary market area and DeKalb County are married. The primary market area has a much higher occurrence of children due to a larger proportion of both married households with children and single parent households. Children are present in 39.9 percent of the primary market area's households and 31 percent of the households in DeKalb County.
- The primary market area has lower percentage of renter occupied households than does DeKalb County. In 2000, 40.3 percent of the householders in the PMA were renters. In comparison, 41.5 percent of DeKalb County householders rented. The renter percentage in the Atlanta MSA was only 31.5 percent in 2000.
- Based on Claritas projections, the 2005 median income for all households living in the primary market area was \$50,349, \$5,305 or 9.5 percent lower than the DeKalb County median of \$55,654. The primary market area has a higher percentage of its householders earning between \$20,000 and \$75,000. DeKalb County has a higher percentage in all income cohorts on either side of this range.
- The median income of primary market area renter households of \$37,063 is 39 percent lower than the owner household median of \$60,992. Nearly 29 percent of renter households earn less than \$25,000, compared to only 9.4 percent of owner households.

The rental stock has expanded little over that past two decades. A wide variety of property types and amenities are represented in the primary market area.

- The primary market area has a higher percentage of its rental units in single-family detached homes, townhomes and medium density structures with 3-19 units.

Structures with ten or more units account for 41.6 percent of the rental units in the primary market area and 39.1 percent of the county's rental units.

- The rent distribution from the 2000 Census shows that the median rent is \$641 in the primary market area and \$671 in DeKalb County. According to this distribution, 81.2 percent of renter householders in the primary market area paid a monthly contract rent between \$500 and \$800, which is the general range of proposed rents at Lake Point.
- According to the 2000 Census, 27.9 percent of the rental units in the primary market area and 44.6 percent of DeKalb County's rental units were built between 1990 and 2000.
- The 15 surveyed rental communities combine to offer 4,758 rental units. Ten communities offer all garden style units, one offers all townhouse units, and four offer both garden and townhouse units. The average year built/renovated of the surveyed rental communities is 1988. No communities have been constructed since 2000, but four have been renovated since then, including the two LIHTC communities. One of the LIHTC communities, The Lakes at Indian Creek, is in the process of major renovations.
- The primary market area's rental stock is stable. Among the 4,758 units surveyed, 371 were reported vacant for an overall vacancy rate of 7.8 percent. Both LIHTC communities are in the process of leasing their units post-rehab. Woodside Village's renovations are completed and the community recently changed ownership and management. The Lakes of Indian Creek is currently undergoing renovation, resulting in a large number of vacant units. Among the 13 stabilized communities, 5.2 percent of the 3,795 units are vacant for a total of 196 vacant.
- Nine of the 15 surveyed rental communities are currently offering rental incentives ranging from reduced monthly rents to one month free with a 12 month lease. These rental incentives are an indication of a highly competitive rental market. Furthermore, these rental incentives remain prevalent even in the case of low vacancy rates. According to property managers, incentives are necessary to stay competitive. In effect, the perpetual incentives have reduced the street rents at the majority of the properties in the PMA. It is unlikely that these incentives will burn off over the next two years, as they have become an essential marketing tool.

- The estimated market rents for the proposed units at Lake Point are \$556 for a one bedroom unit, \$668 for a two bedroom unit, and \$772 for a three bedroom unit.
- The proposed 50 percent rents are positioned well below the estimates of market rent with rent advantages of ranging from 16 percent to 30 percent. The proposed 60 percent rents are priced comparably to the estimate of market rent for the one and three bedroom units (0.4 percent and 2.0 percent rent advantage) and 12 percent below the two bedroom market rent
- A significant rental advantage in this market area is not a necessity as there is not a distinct line between LIHTC and most market rate communities in terms of condition, quality, and rent level. The proposed 60 percent rents are priced within a few dollars of the recently renovated LIHTC units at Woodside Village and The Lakes at Indian Creek. The proposed rents appear reasonable and achievable.

B. Affordability Analysis

To understand the depth of the rental market for affordable housing in the primary market area, we have conducted an affordability analysis for the proposed units (Table 25). This capture rate reflects the percentage of income-qualified households in the market that the subject property must capture in order to gain full occupancy.

- To calculate the income distribution for 2007, we projected incomes based on Claritas' income distributions for 2005 and 2010, and the relationship of owner/renter incomes by income cohort from the 2000 Census. The maximum income limits are based on DCA's requirements that the average persons per bedroom be rounded to the nearest whole number. Therefore, instead of the standard of 1.5 persons per bedroom as outlined in Section 42 of the IRS code, we have assumed 2 persons for a one bedroom unit, 3 persons for two bedroom units, and 5 persons for three bedroom units.
- Using a 35 percent rent burden criteria, we determined that the gross one bedroom rent (\$589) for the 50 percent one bedroom units would be affordable to households earning a minimum of \$20,194, which includes 27,209 households in the primary market area.
- Based on the 2006 HUD income limits for households at 50 percent of median income, the maximum income allowed for a one bedroom unit (two person household) in this market would be \$28,500. We estimate that 24,667 households within the primary market area have incomes above that maximum.
- Subtracting the 24,667 households with incomes above the maximum income from the 27,209 households that could afford to rent this unit, we compute that 2,541 households are within the band of being able to afford the proposed rent. The proposed 14 fifty percent one bedroom units would require a capture rate of 0.6 percent of all qualified households. Among renter households, the capture rate for this floorplan is 0.9 percent.

- Using the same methodology, we determined the band of qualified households for each of the other bedroom types offered in the community.
- Given the income requirements of each unit type and the overlap of income bands, project wide affordability bands were calculated. Looking at all 360 units, the project will need to absorb 4.0 percent of the 9,046 households that earn between \$20,194 and \$46,140 in the primary market area. For renter households, the 360 proposed units must capture 6.8 percent of the income qualified renter households.
- Affordability by floorplan indicates that there are a sufficient number of income-qualified households for all floorplans.

Table 25 2007 Affordability Analysis for Lake Point.

	One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
50% Units	Base Price	Minimum	Maximum	Base Price	Minimum	Maximum	Base Price	Proposed	Maximum
	Number of Units	14		Number of Units	20		Number of Units	2	
	Net Rent	\$465		Net Rent	\$500		Net Rent	\$650	
	Gross Rent	\$589		Gross Rent	\$660		Gross Rent	\$846	
	% Income Spent for Shelter	35%		% Income Spent for Shelter	35%		% Income for Shelter	35%	
	Income Range	\$20,194	\$28,500	Income Range	\$22,629	\$32,050	Income	\$29,006	\$38,450
Range of Qualified Hslds	27,209	24,667	Range of Qualified Hslds	26,406	23,542	Band of Qualified Hslds	24,529	21,201	
# Qualified Households		2,541	# Qualified Households		2,864	# Qualified Households		3,328	
Unit Total HH Capture Rate		0.6%	Unit Total HH Capture Rate		0.7%	Unit Capture Rate		0.1%	
Range of Qualified Renters	9,868	8,251	Range of Qualified Renters	9,357	7,535	Range of Qualified Renters	8,163	6,045	
# Qualified RenterHouseholds		1,617	# Qualified RenterHouseholds		1,822	# Qualified RenterHouseholds		2,118	
Unit Renter HH Capture Rate		0.9%	Unit Renter HH Capture Rate		1.1%	Unit Renter HH Capture Rate		0.1%	
60% Units	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
	Number of Units	108		Number of Units	159		Number of Units	57	
	Net Rent	\$554		Net Rent	\$621		Net Rent	\$757	
	Gross Rent	\$678		Gross Rent	\$781		Gross Rent	\$953	
	% Income for Shelter	35%		% Income for Shelter	35%		% Income for Shelter	35%	
	Income	\$23,244	\$34,200	Income	\$26,767	\$38,460	Income	\$32,678	\$46,140
Range of Qualified Hslds	26,202	22,791	Range of Qualified Hslds	25,141	21,197	Band of Qualified Hslds	23,322	18,163	
# Qualified Households		3,411	# Qualified Households		3,944	# Qualified Households		5,160	
Unit Total HH Capture Rate		3.2%	Unit Total HH Capture Rate		4.0%	Unit Capture Rate		1.1%	
Range of Qualified Renters	9,228	7,057	Range of Qualified Renters	8,552	6,043	Range of Qualified Renters	7,395	4,593	
# Qualified RenterHouseholds		2,171	# Qualified RenterHouseholds		2,509	# Qualified RenterHouseholds		2,802	
Unit Renter HH Capture Rate		5.0%	Unit Renter HH Capture Rate		6.3%	Unit Renter HH Capture Rate		2.0%	

Gross Capture Rate by Income Group			Total Households				Renter Households							
			Band of Qualified HHs	# Qualified HHs			Band of Qualified HHs	# Qualified HHs						
50% Units	36	Income Hs	\$20,194	\$38,450	21,201	6,008	0.6%	Capture Rate	\$20,194	\$38,450	7,535	2,333	1.5%	Capture Rate
60% Units	324	Income Hs	\$23,244	\$46,140	18,163	8,039	4.0%	Capture Rate	\$23,244	\$46,140	4,593	4,635	7.0%	Capture Rate
Total Units	360	Income Hs	\$20,194	\$46,140	18,163	9,046	4.0%	Capture Rate	\$20,194	\$46,140	4,593	5,275	6.8%	Capture Rate

Source: 2000 U.S. Census, estimates, Real Property Research Group, Inc.

D. DCA Demand Calculations

DCA's demand methodology consists of three components. The first is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to US Census data, the percentage of renter households in the primary market area that living in "substandard" conditions is 12.52 percent (Table 26).

The second component of demand is population growth. This number is the number of age and income qualified renter households anticipated to move into the market area between 2000 and 2007.

The final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to Census data, 31.8 percent of renter households are categorized as cost burdened. As the demand from this component is often overstated and includes households already counted as "substandard", we have assumed only fifty percent of the demand from cost burdened renters.

DCA requires that demand be calculated with several variations. Demand and capture rates are to be calculated for all low income units, all market rate units, on a floorplan basis, all units.

DCA considers units that have been constructed since the base year of the demand estimate (2000) to have an impact on the future demand for new development. For this reason, the units constructed since 1999 are subtracted from the gross demand estimate. Two recently renovated communities were identified just outside the primary market area. Given the proximity to the border of the primary market area (less than one-half mile), the market areas of these communities overlap with the subject site's. As these properties are renovations, they are subject to comparability factoring. Given their physical location outside the primary market area and slight additional variances in unit targeting and condition, these communities are not 100 percent comparable, therefore all units are not subtracted from the gross demand estimate. These comparability adjustments the number of units subtracted from the demand estimate are found in Table 27.

Capture rates for all units and for likely vacant units are shown in (Table 30). According to information provided by the developer, 93.6 percent of the units are currently occupied. Of the occupied units, 62.2 percent of tenants are income for the

proposed rents with LIHTC income limits. Multiplying the 93.6 occupancy percent and the 62.2 percent income qualification percent results in 58.3 percent of the units potentially remaining occupied post rehabbed. We have assumed that 80 percent of income qualified households will be retained throughout the renovation period. As a result, we have also calculated capture rates for the 53 percent of the units likely to become vacant. The overall and floorplan specific capture rates for Lake Point Apartments are below DCA thresholds both for all units and for to-be vacant units. The overall capture rates are 18.7 percent for all 360 units and 10.0 percent of 192 units anticipated to become vacant. The success of the project is not dependent on tenant retention, but it will significantly help the absorption period and decrease the impact on other properties in the primary market area.

Table 26 Cost Burdened and Substandard Calculation

Rent Cost Burden			Substandardness	
Total Households			Total Households	
Less than 10.0 percent	484	3.9%	Owner occupied:	
10.0 to 14.9 percent	1,119	9.1%	Complete plumbing facilities:	18,186
15.0 to 19.9 percent	2,116	17.3%	1.00 or less occupants per room	17,447
20.0 to 24.9 percent	1,739	14.2%	1.01 or more occupants per room	508
25.0 to 29.9 percent	1,407	11.5%	Lacking complete plumbing facilities:	231
30.0 to 34.9 percent	1,153	9.4%	Overcrowded or lacking plumbing	739
35.0 to 39.9 percent	900	7.3%		
40.0 to 49.9 percent	863	7.0%	Renter occupied:	
50.0 percent or more	1,971	16.1%	Complete plumbing facilities:	12,194
Not computed	513	4.2%	1.00 or less occupants per room	10,571
Total	12,265	100.0%	1.01 or more occupants per room	852
			Lacking complete plumbing facilities:	771
> 35% income on rent	3,734	31.8%	Overcrowded or lacking plumbing	1,623
			Substandard Housing	2,362
			% Total Stock Substandard	7.53%
			% Rental Stock Substandard	12.52%

Source: 2000 U.S. Census

Table 27 Recent and Pipeline Units – with Comparability Factoring

Recent and Proposed Units Community	Type	Total Units	Units		
			1-BR	2-BR	3-Br
Woodside Village - 50% AMI	Rehab	22			22
Woodside Village - 60% AMI	Rehab	115	48	62	6
Lakes at Indian Creek - 60% AMI	Rehab	146	38	80	28
Total		282	86	141	55

*Unit numbers reflect the numbers removed from demand estimate, not the actual number of units.

Rehab - Comparabilty Analysis

Woodside Village

	Percent	Comments
Location	50% *	Location on N Edge of PMA
Affordability	80% *	Include Market Rate Units
Property Type	100% *	
Quality	100% =	
Overall	40%	

Rehab - Comparabilty Analysis

Lakes at Indian Creek

	Percent	Comments
Location	50% *	Location on N Edge of PMA
Affordability	80% *	Include Market Rate Units
Property Type	100% *	
Quality	75% =	
Overall	30%	

Table 28 Overall Demand Estimates

Primary Market Area Demand	All Units	Vacant Units - Post
		Rehab
Substandard Households	684	684
Renter Household Growth	-212	-212
Cost Burdened Renter HH's	1,736	1,736
Total Demand	2,208	2,208
Recent and Pipeline	282	282
Net Income Qualified Demand	1,926	1,926
Units in Subject Property	360	192
Capture Rate	18.7%	10.0%

Table 29 Detailed Gross Demand Estimates

Demand from Substandard Households - Non Income Qualified

2000 Households		Substandard Percentage		2000 Substandard Households
30,617	times	12.52%	equals	3,833
2000 Substandard Households		% of Renters Per Census		2000 Substandard Renter Households
3,833	times	40.27%	equals	1,543

Demand from Household Growth - Non Income Qualified

2007 Households		2000 Households		Household Change
29,429	minus	30,617	equals	-1,188
Household Change		% of Renters Per Census		Renter Household Change
-1,188	times	40.27%	equals	-478

Demand from Cost Burdened Renters - Non Income Qualified

2000 Households		% of Renters Per Census		2000 Renter Households
30,617	times	40.27%	equals	12,329
2000 Renter Households		% Cost Burdened		2000 Cost Burdened Renter Households
12,329	times	31.77%	equals	3,917

E. DCA Estimates and Capture Rates by Floorplan and Income

Table 30 Demand Estimates and Capture Rates by Floorplan and Income Level

Demand By Floorplan - All Units				Demand By Floorplan - Vacant Units Post Rehab			
	LIHTC (50% AMI) Units				LIHTC (50% AMI) Units		
	1-BR	2-BR	3-BR		1-BR	2-BR	3-BR
Substandard Households	684	684	684	Substandard Households	684	684	684
Renter Household Growth	-212	-212	-212	Renter Household Growth	-212	-212	-212
Cost Burdened Households	1,736	1,736	1,736	Cost Burdened Households	1,736	1,736	1,736
Total Demand	2,208	2,208	2,208	Total Demand	2,208	2,208	2,208
% Income Qualified	13.6%	15.3%	17.8%	% Income Qualified	13.6%	15.3%	17.8%
Income Qualified Demand	300	338	393	Income Qualified Demand	300	338	393
Recent and Pipeline	0	0	22	Recent and Pipeline	0	0	22
Net Demand	300	338	371	Net Demand	300	338	371
Proposed Units	14	20	2	Proposed Units	7	9	1
Capture Rate	4.7%	5.9%	0.5%	Capture Rate	2.2%	2.8%	0.3%

	LIHTC (60% AMI) Units				LIHTC (60% AMI) Units		
	1-BR	2-BR	3-BR		1-BR	2-BR	3-BR
Substandard Households	684	684	684	Substandard Households	684	684	684
Renter Household Growth	-212	-212	-212	Renter Household Growth	-212	-212	-212
Cost Burdened Households	1,736	1,736	1,736	Cost Burdened Households	1,736	1,736	1,736
Total Demand	2,208	2,208	2,208	Total Demand	2,208	2,208	2,208
% Income Qualified	18.2%	21.1%	23.5%	% Income Qualified	18.2%	21.1%	23.5%
Income Qualified Demand	403	465	520	Income Qualified Demand	403	465	520
Recent and Pipeline	86	141	34	Recent and Pipeline	86	141	34
Net Demand	317	324	486	Net Demand	317	324	486
Proposed Units	108	159	57	Proposed Units	50	74	27
Capture Rate	34.1%	49.0%	11.7%	Capture Rate	15.9%	22.8%	5.5%

F. Project Feasibility

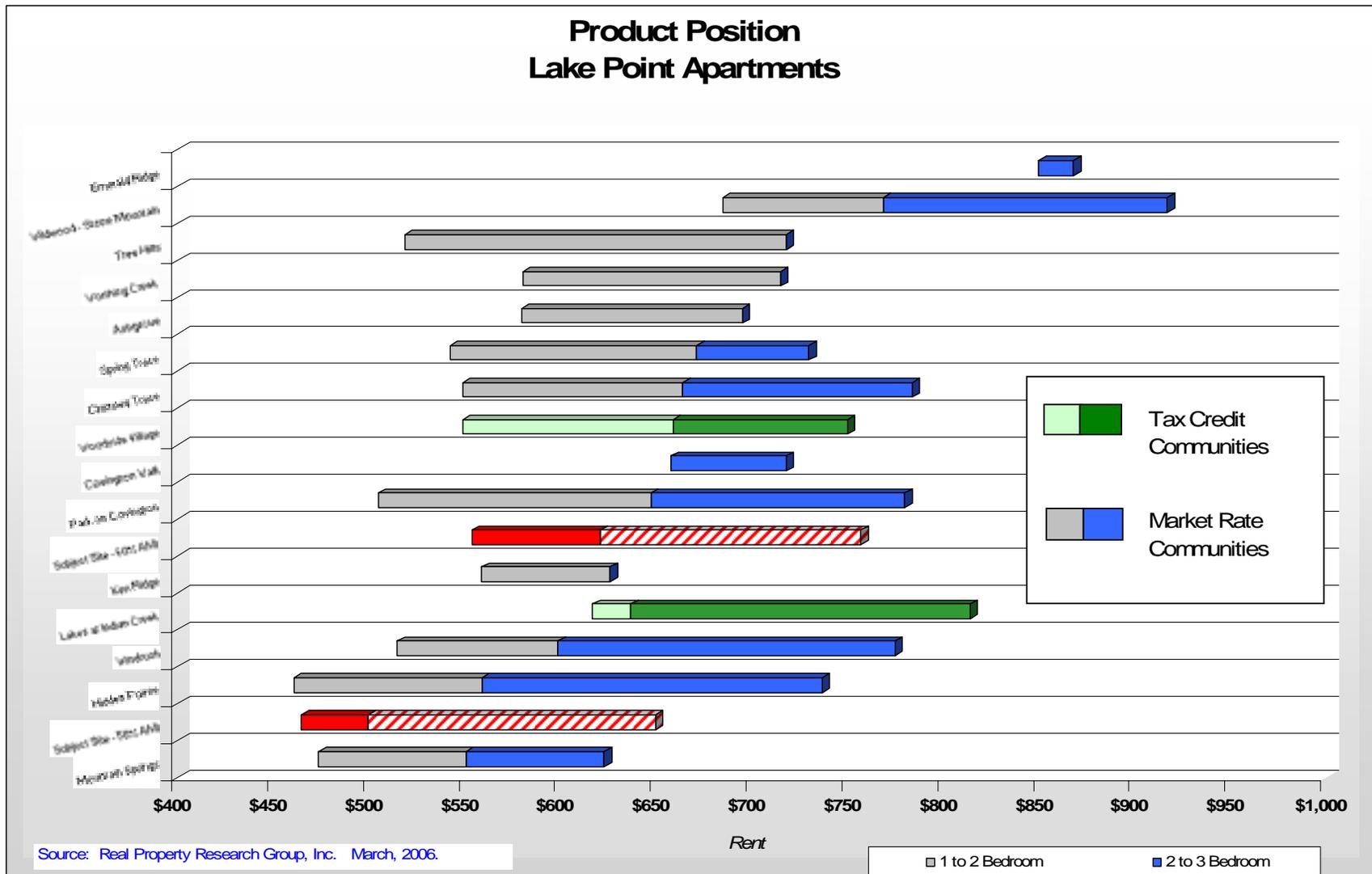
Looking at the proposed Lake Point compared to existing rental alternatives in the market, the project's appeal and strength is as follows:

- **Community Design:** The proposed renovated community will be positioned in the upper half of the primary market area's rental stock in terms of appeal. The community is already competitive with higher priced market rate communities. This competitiveness will be enhanced by the proposed renovations. The units at Lake Point will be competitive with properties at and above the proposed rent levels.
- **Location:** The subject property is located in an established area of DeKalb County. The subject property is convenient to shopping, education, health care, public transportation, and area traffic arteries.
- **Amenities:** The proposed Lake Point will offer competitive amenities. The proposed amenities are equal to or greater than nearly all of the primary market area's rental communities, including several at higher price points.
- **Unit Mix:** The unit mix distribution of the 360 units at Lake Point Apartments is appropriate and compatible with the existing rental stock. The one and two bedroom units will appeal to single person householders or small to medium sized families, while the three bedroom units will appeal to larger families and those desiring additional space. The proposed unit mix is appropriate.
- **Unit Size:** Lake Point's weighted average unit sizes of 685 square feet for a one bedroom unit, 970 for a two bedroom unit, and 1,238 for a three bedroom unit are smaller than the average square footages in the primary market area. The proposed rents at Lake Point are positioned below the overall market area average and will reflect the smaller unit sizes. The proposed price per square foot of all unit types is comparable with competitive rental communities.
- **Price:** The proposed 50 percent rents are positioned near the bottom of the range of net rent. The proposed 60 percent rents are positioned near the middle of the range of net rent (Figure 5). These proposed rents will be competitive given the convenient location, community design, competitive amenities, and the appeal of

newly renovated units. The product proposed at Lake Point is competitive with the communities priced at similar and higher price points. The proposed rents are reasonable and appropriate.

- **Demand:** The net demand estimates, affordability analysis, and DCA demand estimates indicate that there is sufficient demand to support the proposed development and the recently constructed units in the primary market area.

Figure 5 Product Position, Lake Point



G Absorption Estimate

The only two rental communities of which absorption data is available are LIHTC rehabilitation communities. Both of these communities have experienced turnover in ownership, management, and/or construction companies during the renovation process. As a result, leasing activity has been hampered. Woodside Village has leased 10-15 units per month. The Lakes at Indian Creek is still in the process of renovating its units and many buildings have yet to be renovated and are completely vacant. Absorption data is limited, but is estimated at 10 units per month.

We believe that given the proposed design characteristics, extensive amenities/services, strong demand estimates, competitive rents, and stable rental market and assuming an aggressive, professional marketing campaign, Lake Point Apartments should be able to lease up at a minimum rate of **15 units per month**. The overall lease up period will be dependent on the level tenant retention. Assuming a 58.2 percent retention rate, based on current occupancy (93.6 percent), tenant income qualification (62.2 percent), and a retention rate of 80 percent among those income qualified, 192 units will be vacant post renovation. At 15 units per month, these vacant units will be absorbed within 12 months. The renovated units are likely to come on-line over a several month period and most units are likely to be leased as they become available. The placed-in-service date is estimated as two years from the date of this report, per DCA's instruction.

Lake Point is an existing community with an occupancy rate of 93.6 percent. Its renovation does not represent an expansion of the primary market area's rental stock. The conversion of Lake Point to a LIHTC property is not expected to negatively impact the existing rental communities in the primary market area.

We believe the product is properly positioned and will be well received in the primary market area.

Appendix 1 Underlying Assumptions and Limiting Conditions

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

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.

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

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

Appendix 2 Analyst Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report.



Tad Scepaniak
Regional Director
Real Property Research Group, Inc.

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

Appendix 3 Resumes

TAD SCEPANIAK

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

Tad is a member of the National Council of Affordable Housing Market Analysts' (NCAHMA) Standards Committee and has been involved in the development of the organization's Standard Definitions, Recommended Market Study Content, and various white papers regarding market areas, derivation of market rents, and selection of comparable properties.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions. Mr. Scepaniak not only works with developers in their efforts to obtain tax credit financing, but also has received large contracts with state housing agencies including North Carolina Housing Finance Agency and Georgia Department of Community Affairs.

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

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

Education:

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

ROBERT M. LEFENFELD

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

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

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

Bob is currently a member of the National Council of Affordable Housing Market Analysts' executive committee serving as Vice-Chair.

Areas of Concentration:

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

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

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

Education:

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

Appendix 4 DCA Market Study Checklist

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

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

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



Signed: _____

Date: March 26, 2006

Tad Scepianiak

A. Executive Summary

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

B. Project Description

	Project address, legal description and location. <i>A legal description is not provided as it was not available. Legal descriptions are not considered a concern regarding feasibility or appeal of the site.</i>	Page 3
2	Number of units by unit type.	Page 10
3	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc).	Page 10
4	Rents and Utility Allowance*.	Page 2
5	Existing or proposed project based rental assistance.	Page 2
6	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.).	Page 9-10
7	For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property.	Page 3-4
8	Projected placed in service date.	Page 64
9	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page 1, 4, 9

10	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page	1
11	Special Population Target (if applicable).	Page	1

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst.	Page	III
2	Physical features of Subject Property and Adjacent Uses.	Page	3
3	Subject Photographs (front, rear, and side elevations as well as street scenes).	Page	1
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject.	Page	8, 9
5	Developments in vicinity to subject and proximity in miles (Identify developments surrounding subject on all sides) - zoning of subject and surrounding uses.	Page	3, 8, 9
6	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject.	Page	37
7	Road or infrastructure improvements planned or under construction in the PMA.	Page	10, 11
8	Comment on access, ingress/egress and visibility of subject.	Page	3
9	Any visible environmental or other concerns .	Page	10, 11
10	Overall conclusions of site and their marketability.	Page	3

D. Market Area

1	Map identifying Subject's Location within PMA .	Page	15
2	Map identifying Subject's Location within SMA, if applicable.	Page	N/A

E. Community Demographic Data

	Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry. <i>Population and household estimates are given for 1990, 2000, 2005, and 2010. Household estimates for 2007 are used in the demand calculations. All projections for future years are based on historical data from the 2000 census and Claritas projections. The annual compounded growth rate would be the same between 2000 and 2002 as it would be for between 2000 and 2005 or between 2002 and 2007, etc. The bench mark years and a five year projection are considered the most accurate population and household estimates. Additional estimates can be provided, however were omitted in an effort to simplify this section. Estimates of household growth for various years are used throughout the report in the demand, affordability and capture rate analyses.</i>	Page	24, 54, 58
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1. Population Trends

a.	Total Population.	Page	24
b.	Population by Age Group.	Page	27
c.	Number of elderly and non-elderly (for elderly projects).	Page	27
d.	If a special needs is proposed, additional information for this segment.	Page	N/A

2. Household Trends

a.	Total number of households and average household size.	Page	24
b.	Households by tenure (# of owner and renter households). Elderly by tenure, if applicable.	Page	29 N/A

c.	Households by Income (Elderly, if applicable, should be allocated separately).	Page	N/A
d.	Renter households by # of persons in the household.	Page	

3. Employment Trend

a.	Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%)).	Page	18
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	19
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page	22
d.	Map of the site and location of major employment concentrations.	Page	20
e.	Overall conclusions.	Page	22

F. Project Specific Demand Analysis

1	Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page	2
2	Affordability - Delineation of Income Bands *.	Page	2, 54, 58
3	Comparison of market rates of competing properties with proposed subject market rent.	Page	38, 43, 63
4	Comparison of market rates of competing properties with proposed LIHTC rents.	Page	38, 43, 63
5	Demand Analysis Using Projected Service Date (within 2 years).	Page	55 - 60
a.	New Households Using Growth Rates from Reputable Source.	Page	55 - 60
b.	Demand from Existing Households. (Combination of rent overburdened and substandard)	Page	55 - 60
c.	Elderly Households Converting to Rentership (applicable only to elderly).	Page	55 - 60
d.	Deduction of Supply of "Comparable Units".	Page	55 - 60
e.	Capture Rates for Each Bedroom Type.	Page	60

G. Supply Analysis

a.	Comparative chart of subject amenities and competing properties.	Page	40, 42
b.	Supply & analysis of competing developments under construction & pending.	Page	46
c.	Comparison of competing developments (occupancy, unit mix and rents).	Page	38, 43
d.	Rent Comparable Map (showing subject and comparables).	Page	37
e.	Assisted Projects in PMA *. Multi-Family Building Permits issued in PMA in last two years. <i>The most recent building permit data is provided for DeKalb County. As with unemployment data, building permits are only available for counties and municipalities. Given that the PMA includes all or portions of several permit issuing entities, it would be impossible to determine which of these permits are located in the PMA. The primary market area's activity is considered comparable to county activity.</i>	Page	43
f.		Page	25

* PHA properties are not considered comparable with LIHTC units.

H. Interviews

Names, Title, and Telephone # of Individuals Interviewed. *Data obtained through interviews is used throughout the report including in the upcoming competition sections and the rental summary. Many of the interviews with planning personnel occur in person; therefore a phone number is not available. Data obtained through interviews with property managers is presented in the rental analysis section and the profile sheets at the end of the report.*

Page Various

I. Conclusions and Recommendations

- a. Conclusion as to Impact of Subject on PMA.
- b. Recommendation as to Subject's Viability in PMA.

Page 64
Page 61, 64

J. Signed Statement

- a. Signed Statement from Analyst.

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K. Comparison of Competing Properties

Page

- a. Provided under separate cover.

Appendix 5 Community Photos and Profiles

Ashgrove

Multifamily Community Profile

481 Hambrick Rd
Stone Mountain, GA 30083

Community Type: Market Rate - General

Structure Type: 0-Story Garden

92 Units 4.3% Vacant (4 units vacant) as of 12/20/2002

Opened in 1986



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$580	600	\$0.97	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$695	920	\$0.76	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 12/20/2002) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	--	\$580	600	\$0.97	--	12/20/02	4.3%	\$580	\$695	--
	--	2	1	--	\$690	900	\$0.77	--					
	--	2	2	--	\$700	940	\$0.74	--					

Floorplans (Published Rents as of 12/20/2002) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	--	\$580	600	\$0.97	--	12/20/02	4.3%	\$580	\$695	--
	--	2	1	--	\$690	900	\$0.77	--					
	--	2	2	--	\$700	940	\$0.74	--					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Ashgrove

GA089-004841

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Chimney Trace

Multifamily Community Profile

490N Stone Mountain Rd
Stone Mountain, GA

Community Type: Market Rate - General

Structure Type: Garden/TH

144 Units 1.4% Vacant (2 units vacant) as of 3/15/2006

Opened in 1985

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$549	796	\$0.69	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$664	1,093	\$0.61	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$784	1,285	\$0.61	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$549	796	\$0.69	--	3/15/06	1.4%	\$549	\$664	\$784
Garden	--	2	2	--	\$664	1,093	\$0.61	--					
Townhouse	--	3	2.5	--	\$784	1,285	\$0.61	--					
Adjustments to Rent													
Incentives:													
Reduced Rents													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/>			Cooking: <input type="checkbox"/>			Wtr/Swr: <input checked="" type="checkbox"/>							
Hot Water: <input type="checkbox"/>			Electricity: <input type="checkbox"/>			Trash: <input checked="" type="checkbox"/>							

Covington Walk

Multifamily Community Profile

4565 Covington Highway
Decatur, GA

Community Type: Market Rate - General

Structure Type: Townhouse

216 Units 5.6% Vacant (12 units vacant) as of 3/15/2006

Last Major Rehab in 2002 Opened in 1977



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$658	1,100	\$0.60	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$718	1,300	\$0.55	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: --

Optional(\$): --

Security: Unit Alarms

Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	2	--	\$675	1,100	\$0.61	--	3/15/06	5.6%	--	\$658	\$718
Townhouse	--	3	2	--	\$735	1,300	\$0.57	--					

Adjustments to Rent

Incentives:
\$200 off first month

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Emerald Ridge

Multifamily Community Profile

5400 Memorial Drive
Clarkston

Community Type: Market Rate - General

Structure Type: Garden/TH

210 Units 9.5% Vacant (20 units vacant) as of 10/27/2003

Opened in 1971



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$850	1,400	\$0.61	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$868	1,600	\$0.54	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ice Maker; Central A/C; Patio/Balcony; Carpet

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 10/27/2003) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	2	2	--	\$850	1,400	\$0.61	--	10/27/03	9.5%	--	\$850	\$868
	--	3	2	--	\$868	1,600	\$0.54	--					

Floorplans (Published Rents as of 10/27/2003) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	2	2	--	\$850	1,400	\$0.61	--	10/27/03	9.5%	--	\$850	\$868
	--	3	2	--	\$868	1,600	\$0.54	--					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Emerald Ridge

GA089-006282

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Hidden Pointe

Multifamily Community Profile

1000 Hidden Chase
Stone Mountain, GA 30088

CommunityType: Market Rate - General

Structure Type: Garden

440 Units 6.1% Vacant (27 units vacant) as of 4/15/2005

Opened in 1983



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$461	785	\$0.59	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	--	\$560	1,095	\$0.51	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Three	--	\$737	1,300	\$0.57	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					<input checked="" type="checkbox"/>	<input type="checkbox"/>

Features
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Wood-burning Fireplace; Patio/Balcony

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --
Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/15/2005) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	--	\$646	785	\$0.82	--
Garden	--	2	2	--	\$744	1,095	\$0.68	--
Garden	--	3	2	--	\$920	1,300	\$0.71	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR \$	2BR \$	3BR \$
4/15/05	6.1%	\$461	\$560	\$737

Adjustments to Rent

Incentives:
\$190/month off rent

Utilities in Rent: Heat Fuel: Natural Gas
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Ken Ridge

Multifamily Community Profile

3893 Kensington Rd
Decatur, GA

Community Type: Market Rate - General

Structure Type: Garden

326 Units 2.1% Vacant (7 units vacant) as of 3/15/2006

Opened in 1988



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$559	700	\$0.80	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$626	955	\$0.66	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: Unit Alarms; Gated Entry

Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$559	700	\$0.80	--	3/15/06	2.1%	\$559	\$626	--
Garden	--	2	1	--	\$605	930	\$0.65	--					
Garden	--	2	2	--	\$647	980	\$0.66	--					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Lakes at Indian Creek

Multifamily Community Profile

751 N. Indian Creek Drive
Clarkston

CommunityType: LIHTC - General

Structure Type: Garden/TH

603 Units 20.1% Vacant (121 units vacant) as of 3/21/2006

Opened in 1971



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$620	657	\$0.94	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$617	965	\$0.64	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$797	1,254	\$0.64	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: Unit Alarms; Gated Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Vacancy rate is high because of current renovations.

Floorplans (Published Rents as of 3/21/2006) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	--	\$620	657	\$0.94	--
Townhouse	--	2	2	--	\$719	1,156	\$0.62	--
Garden	--	2	1	--	\$544	800	\$0.68	--
Garden	--	2	2	--	\$589	938	\$0.63	--
Garden	--	3	2	--	\$765	1,184	\$0.65	--
Townhouse	--	3	2	--	\$830	1,323	\$0.63	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR \$	2BR \$	3BR \$
3/21/06	20.1%	--	\$617	\$797
10/27/03	5.1%	\$620	\$698	\$820

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Mountain Springs

Multifamily Community Profile

854 Sheppard Rd
Stone Mountain, GA

CommunityType: Market Rate - General

Structure Type: Garden

104 Units 19.2% Vacant (20 units vacant) as of 3/15/2006

Opened in 1978



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$474	820	\$0.58	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$551	912	\$0.60	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$623	1,100	\$0.57	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$495	820	\$0.60	--	3/15/06	19.2%	\$474	\$551	\$623
Garden	--	2	1	--	\$575	912	\$0.63	--					
Garden	--	3	1.5	--	\$650	1,100	\$0.59	--					

Adjustments to Rent

Incentives:

1/2 off first month

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Mountain Springs

GA089-008833

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Park on Covington

Multifamily Community Profile

3961 Covington Hwy
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden/TH

141 Units 7.1% Vacant (10 units vacant) as of 3/15/2006

Opened in 1969

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$505	780	\$0.65	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	--	\$648	901	\$0.72	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	Elevator:	Volleyball:
Three	--	\$780	1,200	\$0.65	Fitness:	CarWash:
Four+	--	--	--	--	Hot Tub:	BusinessCtr:
					Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>
Features						
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

--

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$505	780	\$0.65	--	3/15/06	7.1%	\$505	\$648	\$780
Townhouse	--	2	1.5	--	\$665	1,000	\$0.67	--					
Garden	--	2	1	--	\$630	801	\$0.79	--					
Townhouse	--	3	1.5	--	\$780	1,200	\$0.65	--					
Adjustments to Rent													
Incentives:													
Reduced Rents													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Spring Trace

Multifamily Community Profile

4949 Memorial Dr
Stone Mountain, GA

CommunityType: Market Rate - General

Structure Type: Garden

380 Units 0.5% Vacant (2 units vacant) as of 3/15/2006



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$543	730	\$0.74	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$671	972	\$0.69	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$730	1,220	\$0.60	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$530	722	\$0.73	--	3/15/06	0.5%	\$543	\$671	\$730
Garden	--	1	1	--	\$555	737	\$0.75	--					
Garden	--	2	1	--	\$643	946	\$0.68	--					
Garden	--	2	2	--	\$700	998	\$0.70	--					
Garden	--	3	2	--	\$730	1,220	\$0.60	--					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Tree Hills

Multifamily Community Profile

100 Tree Hills Pkwy
Stone Mountain, GA

Community Type: Market Rate - General

Structure Type: Garden

882 Units 4.3% Vacant (38 units vacant) as of 3/14/2006

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$519	768	\$0.68	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	--	\$718	1,280	\$0.56	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>

Features
Standard: Dishwasher; Disposal; Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: **Fireplace**

Optional(\$): --

Security: **Gated Entry**

Parking 1: **Free Surface Parking** Parking 2: --
Fee: -- Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 3/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$608	647	\$0.94	Market	3/14/06	4.3%	\$519	\$718	--
Garden	--	1	1	--	\$690	889	\$0.78	Market	12/28/04	5.1%	--	--	--
Garden	--	2	2	--	\$785	1,157	\$0.68	Market	4/23/03	4.2%	\$654	\$818	--
Garden	--	2	2	--	\$870	1,307	\$0.67	Market					
Garden	--	2	2.5	--	\$890	1,375	\$0.65	Market					

Adjustments to Rent

Incentives:
Reduced Rents

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

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Wildwood - Stone Mountain

Multifamily Community Profile

6097 Memorial Dr
Stone Mountain, GA

Community Type: Market Rate - General

Structure Type: Garden

298 Units 3.0% Vacant (9 units vacant) as of 3/15/2006

Opened in 2002

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	27.9%	\$685	816	\$0.84	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	61.1%	\$769	1,020	\$0.75	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Three	11.1%	\$917	1,274	\$0.72	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					<input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): In Unit Laundry ()						
Security: Unit Alarms; Gated Entry						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	83	\$680	816	\$0.83	--	3/15/06	3.0%	\$685	\$769	\$917
Garden	--	2	2	99	\$790	1,060	\$0.75	--					
Garden	--	2	1	83	\$730	972	\$0.75	--					
Garden	--	3	2	33	\$910	1,274	\$0.71	--					

Adjustments to Rent

Incentives:
Reduced Rents

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Windrush

Multifamily Community Profile

3841 Kensington Rd
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden

202 Units 4.5% Vacant (9 units vacant) as of 3/15/2006

Opened in 1985



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$515	688	\$0.75	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$599	906	\$0.66	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$775	1,219	\$0.64	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$515	688	\$0.75	--	3/15/06	4.5%	\$515	\$599	\$775
Garden	--	2	2	--	\$599	906	\$0.66	--					
Garden	--	3	2	--	\$775	1,219	\$0.64	--					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Windrush

GA089-008836

Woodside Village

Multifamily Community Profile

3954 Memorial College Ave
Clarkston, GA

CommunityType: LIHTC - General

Structure Type: Garden

360 Units 15.0% Vacant (54 units vacant) as of 3/21/2006

Opened in 1965



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One	--	\$549	818	\$0.67	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$659	1,064	\$0.62	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$750	1,489	\$0.50	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: In Unit Laundry

Optional(\$): --

Security: Unit Alarms

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 3/21/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$

Garden	--	1	1	--	\$599	818	\$0.73	LIHTC/ 60%	3/21/06	15.0%	\$549	\$659	\$750
Garden	--	2	2	--	\$719	1,064	\$0.68	LIHTC/ 60%					
Garden	--	3	2	--	\$818	1,489	\$0.55	LIHTC/ 60%					

Adjustments to Rent

Incentives:

1 month free

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Woodside Village

GA089-008886

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Worthing Creek

Multifamily Community Profile

2700 Summit Creek Dr
Stone Mountain, GA

CommunityType: Market Rate - General

Structure Type: Garden

360 Units 10.0% Vacant (36 units vacant) as of 3/15/2006

Opened in 1980



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$581	772	\$0.75	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two	--	\$715	1,233	\$0.58	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: **Fireplace**

Optional(\$): --

Security: --

Parking 1: **Free Surface Parking** Fee: -- Parking 2: -- Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 3/15/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$581	772	\$0.75	--	3/15/06	10.0%	\$581	\$715	--
Garden	--	2	2	--	\$674	1,158	\$0.58	--					
Garden	--	2	2	--	\$756	1,308	\$0.58	--					

Adjustments to Rent

Incentives:
Reduced Rents

Utilities in Rent: Heat Fuel: **Natural Gas**

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Worthing Creek

GA089-008837