



A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

**CUMBERLAND OAKS
100 Mary Powell Drive
St. Marys, Camden County, Georgia 31558**

**Effective Date: July 10, 2014
Report Date: July 22, 2014**

Prepared For

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Prepared By

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July 22, 2014

Mr. Michael Sherard
Southport Financial Services
2430 Estancia Blvd., Suite 101
Clearwater, FL 33761

Re: Market Study for Cumberland Oaks, St. Marys, Camden County, GA

Dear Mr. Sherard:

At your request, Novogradac & Company LLP performed a market study of the multifamily rental market in the St. Marys, Camden County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of Cumberland Oaks, an existing Section 8 development to be renovated using tax credits. The property consists of 154 units and will be restricted to family households earning 60 percent of the AMI, or less, post renovations. Additionally, all units will continue operate with a project-based subsidy and as such, all tenants will continue to pay only 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

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

Respectfully submitted,



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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Cumberland Oaks is located at 100 Mary Powell Drive, St. Marys, Camden County, Georgia. The property is an existing Project-based Section 8 development that consists of 18 two-story, lowrise buildings targeted towards families. The Subject property will be renovated with LIHTC. Post renovation the Subject will be rent and income restricted at 60 percent of AMI, but maintain the Section 8 overlay on all units. The following tables illustrate the current and proposed unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

CURRENT RENTS

Unit Type	Number of Units	Square Footage	Contract Rent	Utility Allowance (1)	Gross Rent
<i>Section 8</i>					
1BR/1BA	32	600	\$519	\$47	\$566
2BR/1BA	90	800	\$610	\$81	\$691
3BR/2BA	32	1,000	\$807	\$110	\$917
Total	154				

Notes (1) Source of Utility Allowance is according to the rent roll current as of 6/30/2014.

PROPOSED RENTS

Unit Type	Number of Units	Square Footage	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>60% AMI (Section 8)</i>							
1BR/1BA	32	600	\$631	\$55	\$686	\$702	\$601
2BR/1BA	90	800	\$732	\$91	\$823	\$843	\$813
3BR/2BA	32	1,000	\$807	\$114	\$921	\$973	\$1,130
Total	154						

Notes (1) Source of Utility Allowance provided by the Developer.

The property currently operates with all units under a Project-Based Section 8 contract. As such, all tenants only pay 30 percent of their income towards rent. Upon completion of renovations, the Subject will continue to operate all units with subsidy.

Post-renovations, the Subject will offer the following amenities: blinds, central air conditioning, coat closets, ceiling fans, handrails and emergency pull cords, a refrigerator, an oven, washer/dryer connections, a computer

lab, a clubhouse, a courtyard, an exercise facility, central laundry facilities, a playground, on-site management, off-street parking, limited access and a gated perimeter. The Subject's in-unit amenities are generally inferior to the LIHTC and market rate comparables as the units lack a balcony/patio, dishwasher, garbage disposal, exterior storage and walk-in closets, which are offered at majority of the comparables. The Subject's common area amenities however, are superior to the LITHC and market rate comparables, as the Subject will offer a computer lab, community room, exercise facility and security features, which are not offered at many comparables. As such we believe the Subject will be competitive and marketable.

2. Site Description/Evaluation:

The Subject site is located on Mary Powell Drive, which is located only 0.6 mile from Osborne Road/Highway 40. Highway 40 travels east towards downtown St. Marys and west towards Kingsland. The Subject also has good access to Charlie Smith Senior Highway, 0.4 mile to the west. This road provides access to Kings Bay Naval Submarine Base, the largest employer in the area, 2.0 mile north of the Subject. Various commercial uses including retail, restaurants and offices are located on Highway 40 and Charlie Smith Senior Highway. The post office, fire department and police department are also located on these routes. There is no public transportation offered in the St. Marys area. The Subject is primarily surrounded by residential uses, including a number of multifamily properties. There are communities of single-family homes located two blocks east and west of the Subject. South of the Subject is the St. Marys Middle School and commercial uses located along Osborne Road. East of the Subject is the St. Marys Airport and further north is the Kings Bay Naval Submarine Base. The Subject is located in an established neighborhood of single-family home communities and several multifamily developments. The Subject is a compatible use with the surrounding neighborhood. The nearby airport may be considered a detrimental influence to the Subject due to air traffic noise. However, the Subject is currently 95 percent occupied and surrounding multifamily uses are performing well, indicating the airport has not hindered the marketability of the Subject.

3. Market Area Definition:

The PMA is defined by the boundaries of the state of Georgia to the south and Cumberland Sound to the east. Cumberland Island has been excluded from the PMA as it is a National Seashore with no residents. Boundaries to the

north include the Satilla River and Highway 110. This area encompasses approximately half of Camden County. The southern and eastern borders were defined on political and natural boundaries. Many property managers have indicated that majority of their tenants from the area are from the Camden County area. The northern and western boundaries were recommended by property managers, as these borders separate the area of St. Marys/Kingsland from the other towns of Camden County, which have a different economic base. The boundaries of the PMA range from approximately four to 17 miles from the Subject and the total square mileage of the PMA is 325 miles.

4. Community Demographic Data:

The population and number of households in the PMA is growing rapidly and is expected to continue strong growth through market entry. There are currently 46,984 persons in the PMA and this is expected to increase to 47,935 persons at market entry. A majority of households are homeowners but there is a larger percentage of renters in the PMA when compared to the national average. A number of these households are military families or those who work in administrative or support positions for the military base. As such, there are a distinct number of transient renter households in the PMA that could seek housing at the Subject. Household incomes range from employees in low-paying supportive positions to higher paid military households. The Subject is located in an established residential community and is not in close proximity to any abandoned or vacant structures. One in every 711 homes in St. Marys is in a state of foreclosure compared to one in every 654 homes in Camden County. The state of Georgia has only one in every 1,206 homes in a state of foreclosure and similarly, one in every 1,199 homes in the nation is in a state of foreclosure. This indicates that foreclosures are elevated in St. Marys and Camden County. However, none of the foreclosed homes in the area have negatively affected the neighborhood or the market for the Subject.

5. Economic Data:

Total employment in the SMA increased through 2007 and then decreased during the national recession from 2008 to 2010, similar to the nation. Since 2010, Camden County has experienced strong employment growth with the exception of 2013 which saw limited employment growth. National employment in 2013 slowed significantly but did not decrease. However, total employment has increased in year-to-date 2014 and in the 12-month period prior to May

2014. Growth in the SMA in 2011 and 2012 surpassed that of the nation but has since slowed to below that of the nation. The unemployment rate in the SMA has historically been lower than that of the nation but the SMA saw unemployment peak in 2010 at a higher rate than the nation. Unemployment in the SMA has decreased every year since 2010 yet is still above the national unemployment rate and pre-recession levels in the SMA. The largest industries in the PMA are accommodation/food services, public administration, health care/social assistance, education and retail trade. The local economy is heavily reliant on tourism and the Kings Bay Naval Submarine Base. Supportive services for the base and industries related to tourism are expected to be the main employers of the Subject’s tenants. The growth in these industries, particularly the low paying accommodation/food services and retail trade industries, bode well for the Subject’s affordable units. Kings Bay Naval Submarine Base is the largest employer in the region. This base is the newest and largest of the three naval submarine bases on the east coast. Additionally, Kings Bay is the only base that can accommodate the navy’s Trident submarines. As such, this base is under minimal pressure and has no proposed funding cuts. The economic stability of Kings Bay Naval Submarine Base indicates the region will continue to grow economically. Additionally, tourism is a major industry for the PMA and a proposed amusement park plans to add an additional 1,300 employees to this industry and bring major economic growth to the region.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR at 60% AMI	32	180	0	180	17.8%
2BR at 60% AMI	90	216	14	202	44.6%
3BR at 60% AMI	32	173	29	144	22.3%
All Units	154	568	43	525	29.3%

Our demand analysis indicates that there are approximately 525 income qualified renter households in the PMA. Because all of the Subject’s units will operate with an additional subsidy, under DCA guidelines its units are considered leasable and its capture rates are actually zero. However, we have performed a demand analysis excluding

the Section 8 rent subsidy to indicate demographic-based demand. Overall, we believe there is ample demand for the Subject's units as proposed.

7. Competitive Rental Analysis:

The Subject will offer one, two and three-bedroom units at 60 percent of AMI. To evaluate the competitive position of the Subject, 1,068 units in 11 rental properties were surveyed in depth. The availability of LIHTC data is considered average. Six LIHTC properties were surveyed and provided interviews. However, only one LIHTC property offered one-bedroom units for comparative purposes and this property does not offer units at 60 percent of AMI. The availability of market rate data is considered good. We have included five market rate properties, including four in St. Marys and one in Kingsland. The Subject's proposed rents offer an advantage over the surveyed average of market rents; although some market rate comparables offer rents lower than the LIHTC comparables surveyed. When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

8. Absorption/Stabilization Estimate:

We were only able to obtain complete absorption information from one comparable property, Caney Heights. This comparable is a LIHTC property that offers three and four-bedroom single-family homes at 50 and 60 percent of the AMI. The property is new construction and was completed in Spring of 2012. Advertising for the property began in December of 2011 and leasing began in February of 2012. The property leased all 28 units by June 1st, 2012. This represents an absorption period of four months, indicating an absorption rate of seven units per month. We believe the Subject would hypothetically absorb at a faster rate than Caney Heights because the Subject offers a superior location. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all

units following construction we believe the Subject would lease at minimum 12 units per month, indicating an absorption period of just over 12 months to reach a stabilized occupancy of 93 percent. We additionally received information from The Reserve at Sugar Mill regarding their re-leasing period after renovations. However, the contact was only able to indicate that half of the units were re-leased during the extent of the renovations.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject's rents at 60 percent of AMI are appropriately placed in comparison to comparable LIHTC properties. While market rents in the area are lower than many of the LIHTC comparables, all of these properties will be inferior to the Subject in terms of condition, post renovations. Other comparables, such as The Reserve at Sugar Mill, are achieving LIHTC rents higher than market rate comparables and are fully occupied. The Subject will additionally benefit from all units maintaining a project-based subsidy and all tenants will continue to pay only 30 percent of their income towards rent, post renovations. As such, we believe the Subject offers a marketable advantage over the existing supply in the market. The Subject's greatest competitive disadvantage is a lack of a dishwasher, which all comparables offer. However, the Subject is currently performing well and we do not expect its performance to change upon completion of renovations. The demand calculations illustrate high demand for the Subject's units. However, as previously noted, limited turnover is anticipated during the renovation and all tenants will remain income qualified. As such, an absorption analysis is moot. Further, since the Subject will not be adding any additional units to the market, the renovation of the Subject will not hinder the performance of existing LIHTC properties in the PMA. Vacancy rates fluctuate in the PMA but majority of the vacancies are attributable to management issues or a prevalence of larger unit types such as three and four-bedrooms. The Subject will offer smaller floor plans, including one-bedrooms, which are limited in the market. The Subject will be a good condition property offering marketable rents and good community amenities. As such, we expect the Subject to continue to perform well in the market with a vacancy of seven percent or less.

Summary Table:

Development Name:	Cumberland Oaks Apartments	Total # Units: 154
Location:	100 Mary Powell Drive St. Marys, GA	# LIHTC Units: 154
PMA Boundary:	North: Satilla River; West: Camden/Charlton county line, Highway 110; South: Florida/Georgia state line; East: Cumberland Sound	
	Farthest Boundary Distance to Subject:	17.7 miles

Rental Housing Stock (found on pages 49-83)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	24	1,834	46	97.0%
Market-Rate Housing	10	1,107	25	97.0%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	6	239	0	100.0%
LIHTC	8	488	21	95.7%
Stabilized Comps	24	1,834	46	97.0%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
32	1BR at 60% AMI	1	600	\$631	\$633	\$0.89	0.3%	\$777	\$1.11
90	2BR at 60% AMI	1	800	\$732	\$749	\$0.78	2.0%	\$933	\$0.98
32	3BR at 60% AMI	2	1,000	\$807	\$869	\$0.73	8.0%	\$1,023	\$0.93

Demographic Data (found on page 22-24)

	2013		2015		2018	
Renter Households	6,510	38.80%	6,618	38.40%	6,769	38.00%
Income-Qualified Renter HHs (LIHTC)	3,560	54.68%	3,619	54.68%	3,701	54.68%

Targeted Income-Qualified Renter Household Demand (found on pages 33-47)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	N/Ap	59	N/Ap	N/Ap	59
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	549	N/Ap	N/Ap	549
Homeowner conversion (Seniors)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap
Total Primary Market Demand						
Less Comparable/Competitive Supply	N/Ap	N/Ap	29	N/Ap	N/Ap	35
Adjusted Income-qualified Renter HHs**	N/Ap	N/Ap	579	N/Ap	N/Ap	573

Capture Rates (found on page 47)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	N/Ap	28.60%	N/Ap	N/Ap	28.60%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Project Address and Development Location:	The Subject is located at 100 Mary Powell Drive in the central area of St. Marys, Camden County, Georgia.
Construction Type:	The Subject will be the renovation of an existing Section 8 property. The Subject consists of 18, two-story walk-up lowrise buildings.
Occupancy Type:	The Subject will target general households.
Special Population Target:	None.
Number of Units by Bedroom Type and AMI Level:	See following property profile.
Unit Size:	See following property profile.
Structure Type:	See following property profile.
Rents and Utility Allowances:	See following property profile.
Existing or Proposed Project Based Rental Assistance:	Currently all of the units operate with Section 8 subsidy and all of the units will continue to operate with subsidy following the renovations.
Proposed Development Amenities:	See following property profile.

Property Profile Report

Cumberland Oaks Apartments

Location	100 Mary Powell Dr Saint Marys, GA 31558 Camden County
Distance	n/a
Units	154
Vacant Units	N/A
Vacancy Rate	N/A
Type	Lowrise (2 stories)
Year Built / Renovated	1985 / 2015
Marketing Began	n/a
Leasing Began	n/a
Last Unit Leased	n/a
Major Competitors	n/a
Tenant Characteristics	n/a



Market

Program	Section 8	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Concession)	n/a
Units/Month Absorbed	n/a		
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	Range
1	1	Lowrise (2 stories)	32	600	\$631	\$0	@60% (Section 8)	n/a	N/A	N/A	No	
2	1	Lowrise (2 stories)	90	800	\$732	\$0	@60% (Section 8)	n/a	N/A	N/A	No	
3	2	Lowrise (2 stories)	32	1,000	\$807	\$0	@60% (Section 8)	n/a	N/A	N/A	No	

Amenities

In-Unit	Blinds Carpeting Central A/C Coat Closet Ceiling Fan Hand Rails Oven Pull Cords Refrigerator Washer/Dryer hookup	Security	Limited Access Perimeter Fencing Security Cameras
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground	Premium	none

Comments

This is the proposed renovation of an existing Section 8 development. The property will continue to operate all units with a Section 8 subsidy after renovations, which are expected to be complete in July 2015. The utility allowance for one-bedroom units is \$55, for two-bedroom units is \$91 and for three-bedroom units is \$114.

Scope of Renovations:

The renovation will include the replacement of all HVAC equipment, all roofs, gutter spouts, toilets, showerheads, faucets, sinks, water heaters, refrigerators, ranges, outlets, indoor lighting, exhaust fans. New exterior lighting sensors, ceiling fans, fiberglass insulation, signs, security cameras and a secured access gate will be installed. The entry doors and all windows will be replaced as well as kitchen and bathroom cabinets, countertops, flooring, paint, ceilings, bathroom mirrors and medicine cabinets. The leasing office will be remodeled, landscaping updated, buildings will be pressure washed, parking lot and curbs will be repaired and all public areas made to conform to ADA requirements. Hard costs of the renovation are \$3,447,290 or \$22,385 per unit.

Current Rents:

The Subject’s current rental rates and proposed rents after renovation are displayed in the table below. Rents are expected to increase for the Subject’s one and two-bedroom units. The Subject’s proposed three-bedroom rental rates do not represent an increase of current rents. As the Subject will operate with a project-based subsidy, the increase in rental rates shall not cause any additional rent burden on tenants, who will continue to pay 30 percent of their income towards rent.

CURRENT RENTS

Unit Type	Number of Units	Square Footage	Contract Rent	Utility Allowance (1)	Gross Rent
<i>Section 8</i>					
1BR/1BA	32	600	\$519	\$47	\$566
2BR/1BA	90	800	\$610	\$81	\$691
3BR/2BA	32	1,000	\$807	\$110	\$917
Total	154				

Notes (1) Source of Utility Allowance is according to the rent roll current as of 6/30/2014.

PROPOSED RENTS

Unit Type	Number of Units	Square Footage	Asking Rent	Utility Allowance (1)	Gross Rent	2014 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>60% AMI (Section 8)</i>							
1BR/1BA	32	600	\$631	\$55	\$686	\$702	\$601
2BR/1BA	90	800	\$732	\$91	\$823	\$843	\$813
3BR/2BA	32	1,000	\$807	\$114	\$921	\$973	\$1,130
Total	154						

Notes (1) Source of Utility Allowance provided by the Developer.

CHANGE IN SUBJECT RENTS

Bedroom	Current Rent	Renovated Rent	Change in Rents
1BR/1BA	\$519	\$631	21.6%
2BR/1BA	\$610	\$732	20.0%
3BR/2BA	\$807	\$807	0.0%

Current Occupancy: The Subject is currently 95.5 percent occupied according to the rent roll dated June 30, 2014.

Current Tenant Income: Average tenant annual income at the property is \$1,836 as majority of tenants have negligible income and are only responsible for 30 percent of their income towards rent according to the provided rent roll.

Placed in Service Date: Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis and negligible turnover is anticipated. Renovations are scheduled to be completed in August 2015.

Conclusion: The Subject will be a good-quality newly renovated two-story walk-up, lowrise apartment complex, comparable to most of the inventory in the area. As a recently renovated development, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

1. Date of Site Visit and Name of Site Inspector:

Edward Mitchell visited the site on July 10, 2014.

2. Physical Features of the Site:

The following analysis illustrates the physical features of the site.

Frontage:

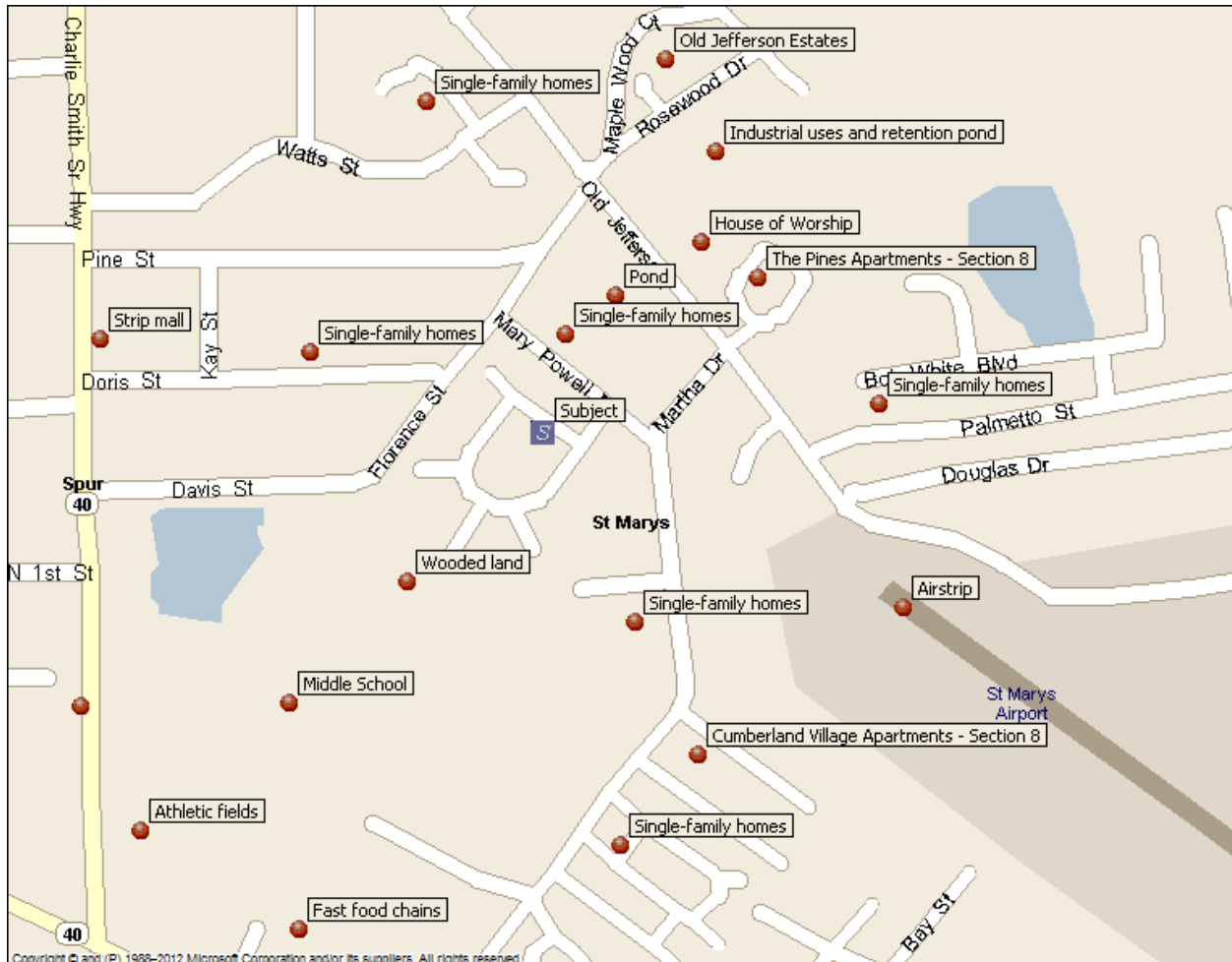
The Subject site has frontage along Mary Powell Drive.

Visibility/Views:

The Subject is located on the southern side of Mary Powell Drive and has average views. Visibility is somewhat impaired by wooded land.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject is primarily surrounded by residential uses, including a number of multifamily properties. There are communities of single-family homes located two blocks east and west of the Subject. South of the Subject is the St.

Marys Middle School and commercial uses on Osborne Road. East of the Subject is the St. Marys Airport and further north is the Kings Bay Naval Submarine Base.

Positive/Negative Attributes of Site: The Subject is in an established neighborhood of single-family home communities and several multifamily developments. The Subject will be a compatible use with the surrounding neighborhood. Additionally, the Subject is near several commercial uses along Osborne Road and Charlie Smith Senior Highway that indicate this is a walkable neighborhood. The nearby airport may be considered a detrimental influence to the Subject due to air traffic noise. However, the Subject is currently 95 percent occupied and surrounding multifamily uses are performing well, indicating the airport has not hindered the marketability of the Subject.

3. Physical Proximity to Locational Amenities:

The Subject site is located on Mary Powell Drive, which is located only 0.6 mile from Osborne Road/Highway 40. Highway 40 travels east towards downtown St. Marys and west towards Kingsland. The Subject also has good access to Charlie Smith Senior Highway, 0.4 mile to the west. This road provides access to Kings Bay Naval Submarine Base, the largest employer in the area, 2.0 mile north. Various commercial uses including retail, restaurants and offices are located on Highway 40 and Charlie Smith Senior Highway. The post office, fire department and police department are also located on these routes. There is no public transportation offered in the St. Marys area.

4. Pictures of Site and Adjacent Uses:



View east on Mary Powell Drive



View west on Mary Powell Drive



Entrance Signage



Exterior and parking



Exterior and parking



Exterior and parking



Leasing Office



Playground



Leasing Office



Community room



Laundry facilities



One-bedroom unit kitchen



One-bedroom unit living room



One-bedroom unit bedroom



One-bedroom unit bathroom



One-bedroom unit dining area



Two-bedroom unit kitchen and dining area



Two-bedroom unit living room



Two-bedroom unit bedroom



Two-bedroom unit bathroom



Two-bedroom unit storage closet and laundry



Two-bedroom unit dining area



Three-bedroom unit living room



Three-bedroom unit hallway



Three-bedroom unit bedroom



Three-bedroom unit kitchen



Three-bedroom unit kitchen



Commercial uses west of the Subject



K-Mart west of the Subject



Publix west of the Subject



Commercial uses west of the Subject



Commercial uses west of the Subject



Commercial uses west of the Subject



Average condition mobile homes near Subject



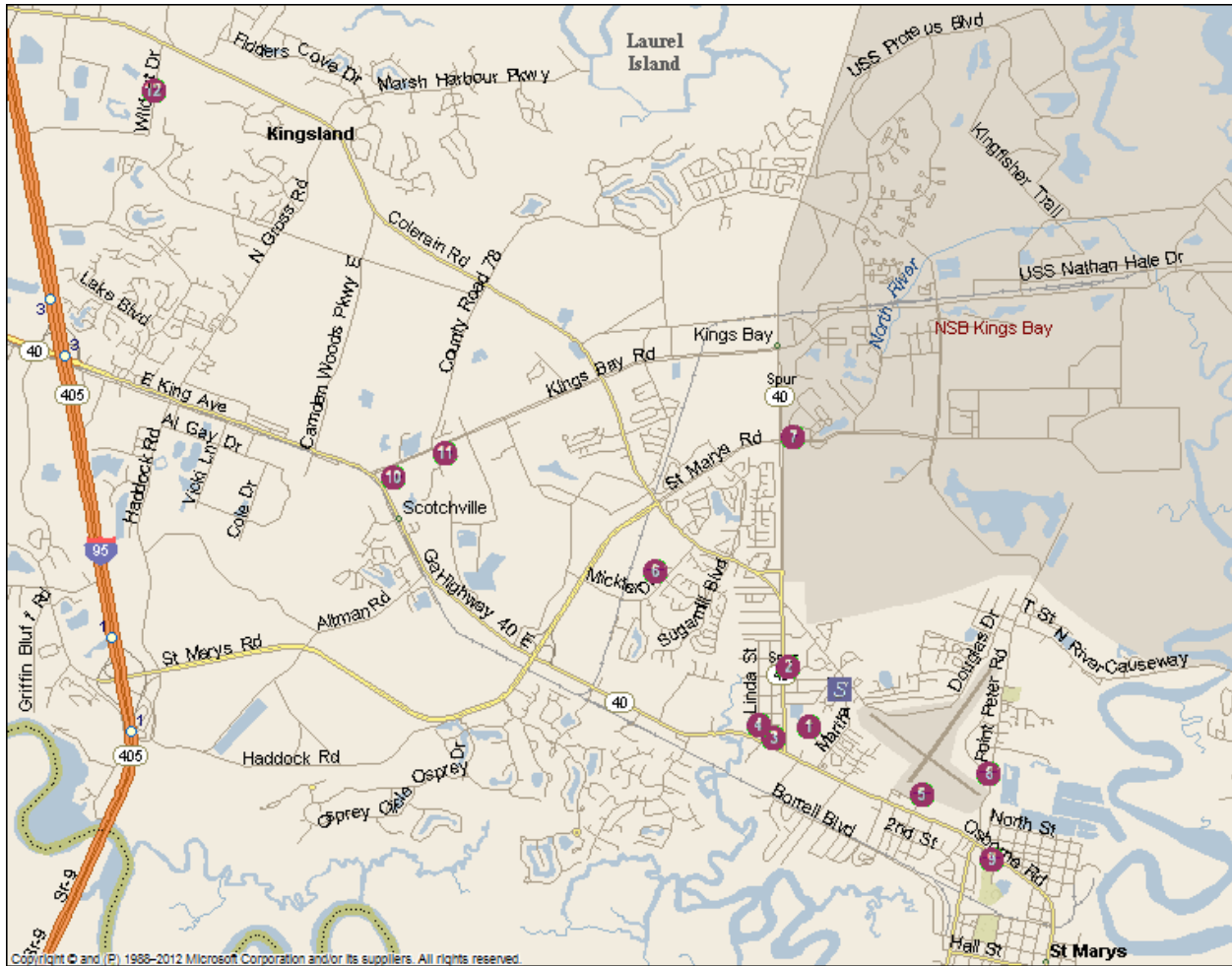
Average condition mobile homes near Subject



Excellent condition single-family homes near Subject

5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities.



LOCATIONAL AMENITIES

Map #	Service/Amenity	Distance from Subject
1	St. Marys Middle School	0.5 miles
2	US Post Office	0.6 miles
3	Bank of America	0.8 miles
4	Harvey's Supermarket	0.9 miles
5	St. Marys Fire Department	1.4 miles
6	Mary Lee Clark Elementary School	2.0 miles
7	Kings Bay Naval Submarine Base	2.0 miles
8	St. Marys Police Department	2.3 miles
9	St. Marys Public Library	2.1 miles
10	Walmart Supercenter	4.3 miles
11	Southeast Georgia Health System Camden Campus	5.0 miles
12	Camden County High School	7.1 miles

6. Description of Land Uses:

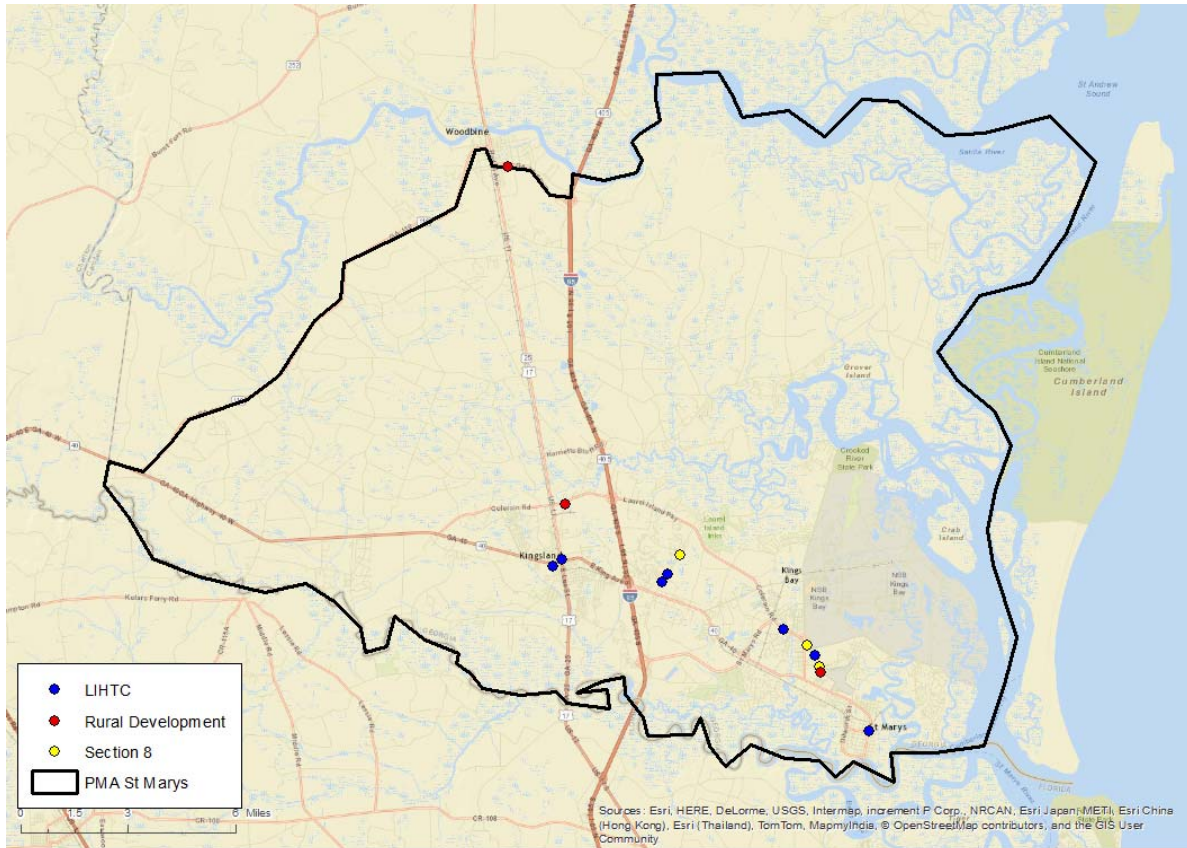
The Subject is located in a primarily residential neighborhood with single-family and multifamily properties on the surrounding roads ranging in condition

from fair to good. The Subject is immediately surrounded by wooded land, which limits visibility of the Subject. However, immediately south of the Subject is St. Marys Middle School, which is in excellent condition and a walkable location from the Subject. The commercial uses near the Subject located on Osborne Road/Charlie Smith Senior Highway are primarily in average to good condition. West of the Subject is the St. Marys airport and north is an industrial lot. These uses are the only major variants in the Subject’s neighborhood from small commercial and residential uses.

7. Existing Assisted Rental Housing Property Map:

The following map and list identifies all affordable rental housing properties in the PMA.

Name	Address	City	Distance from Subject	Type	Tenancy	Map Color	Included/ Excluded	
Ashton Cove Apartments	230 N Gross Rd	Kingsland	6.4 miles	LIHTC	Family	Blue	Included	
Caney Heights	4698 N Lee St	Kingsland	9.7 miles	LIHTC	Family		Included	
Kings Grant Apartments	4698 N Lee St	Kingsland	10.3 miles	LIHTC	Family		Included	
Old Jefferson Estates	1 Rosewood Dr	St. Marys	0.2 miles	LIHTC	Family		Included	
Royal Point Apartments	301 N Gross Rd	Kingsland	6.6 miles	LIHTC	Family		Included	
The Reserve at Sugar Mill	11115 Colerain Rd	St. Marys	1.8 miles	LIHTC	Family		Included	
Clarks Bluff Road	102 Clarks Bluff Rd	Kingsland	9.2 miles	LIHTC	Family		Excluded	
The Village At Winding Road	301 Carnegie Dr	St. Marys	4.9 miles	LIHTC	Senior		Excluded	
Cumberland Village	300 Martha Dr	St. Marys	0.3 miles	Rural Development	Family		Red	Excluded
Hilltop Terrace	4059 MLK Blvd	Kingsland	9.1 miles	Rural Development	Senior			Excluded
Hilltop Terrace	4059 MLK Blvd	Kingsland	9.1 miles	Rural Development	Family	Excluded		
Satilla Villges	1100 McDonald Ave	Woodbine	20.1 miles	Rural Development	Family	Excluded		
Cottages at Camden	1050 N Gross Rd	Kingsland	6.2 miles	Section 8	Senior	Yellow	Excluded	
The Pines Apartments	203 Old Jeffers on Rd	St. Marys	0.3 miles	Section 8	Family		Excluded	



St Mary's, GA



**8. Road/Infrastructure
Proposed Improvements:**

No road improvements or infrastructure changes are planned at this time.

**9. Access, Ingress/Egress and
Visibility of site:**

The Subject has good access from Mary Powell Drive but lacks visibility due to a wooded tree line surrounding the property.

10. Environmental Concerns:

No obvious environmental concerns were observed upon inspection.

11. Conclusion:

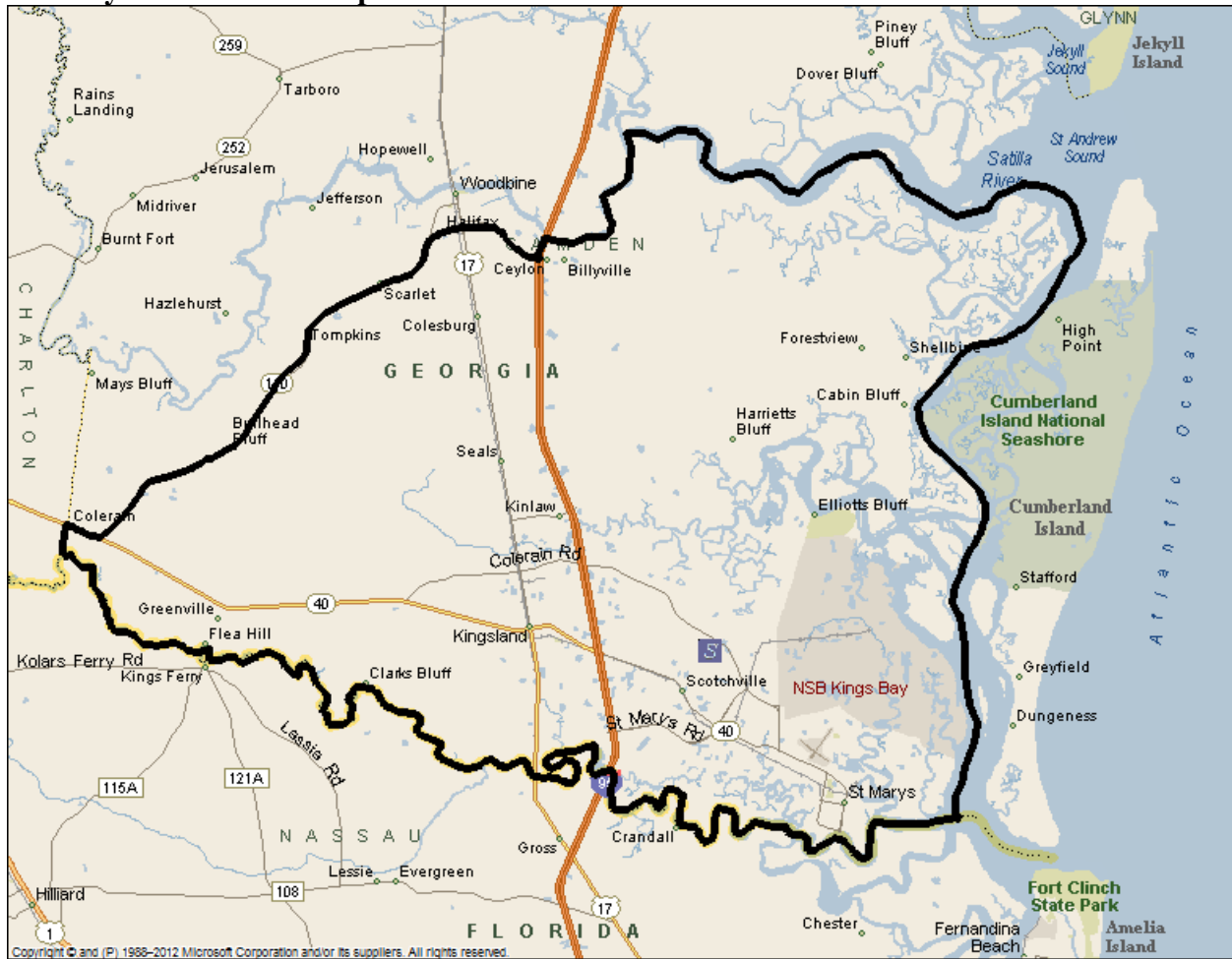
The Subject is located along Mary Powell Drive in a primarily residential neighborhood. Surrounding uses include multifamily properties and single-family homes in average to good condition. South of the Subject are institutional and commercial uses, including St. Marys Middle School and several fast food restaurants and banks. Retail in the area is newer and appears to have occupancy between 90 and 95 percent. The Subject offers limited visibility as it is obscured by a number of trees. Overall, the community presents a good location for an affordable, multifamily development and the Subject has a positive impact on the local neighborhood.

D. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

Primary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the St. Marys SMA are areas of growth or contraction.

The boundaries of the PMA are as follows:

- North – Satilla River
- South – Florida-Georgia State Line
- East – Cumberland Sound
- West – Highway 110 and Camden-Charlton County Line

The PMA is defined by the boundaries of the state of Georgia to the south and Cumberland Sound to the east. Cumberland Island has been excluded from the PMA as it is a National Seashore with no residents. Boundaries to the north include the Satilla River and Highway 110. This area encompasses approximately half of Camden County. The southern and eastern borders were defined on political and natural boundaries. Many property managers have indicated that majority of their tenants from the area are from the Camden County area. The northern and western boundaries were recommended by property managers, as these borders separate the area of St. Marys/Kingsland from the other towns of Camden County, which have a different economic base. The boundaries of the PMA range from approximately four to 17 miles from the Subject and the total square mileage of the PMA is 325 miles.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and St. Marys, GA Micropolitan Statistical Area are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group within population in MSA, the PMA and nationally from 1990 through 2018.

TOTAL POPULATION						
Year	PMA		St. Marys, GA SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	26,886	-	30,166	-	248,709,873	-
2000	39,557	4.7%	43,662	4.5%	281,421,906	1.3%
2013	46,984	1.4%	51,815	1.4%	315,444,544	0.9%
Projected Mkt Entry August 2015	47,935	1.0%	52,880	1.0%	320,199,660	0.7%
2018	49,266	1.0%	54,371	1.0%	326,856,823	0.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, July 2014

POPULATION BY AGE IN 2013						
Age Cohort	PMA		St. Marys, GA SMA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	3,744	8.0%	3,996	7.7%	20,027,834	6.3%
5-9	3,487	7.4%	3,762	7.3%	20,305,969	6.4%
10-14	3,282	7.0%	3,572	6.9%	20,664,258	6.6%
15-19	3,297	7.0%	3,591	6.9%	21,217,478	6.7%
20-24	4,503	9.6%	4,790	9.2%	22,842,251	7.2%
25-29	4,235	9.0%	4,519	8.7%	21,494,659	6.8%
30-34	3,490	7.4%	3,743	7.2%	21,041,804	6.7%
35-39	2,791	5.9%	3,060	5.9%	19,423,837	6.2%
40-44	2,896	6.2%	3,220	6.2%	20,789,809	6.6%
45-49	2,940	6.3%	3,309	6.4%	21,274,128	6.7%
50-54	3,031	6.5%	3,453	6.7%	22,615,522	7.2%
55-59	2,665	5.7%	3,066	5.9%	21,155,463	6.7%
60-64	2,181	4.6%	2,538	4.9%	18,575,616	5.9%
65-69	1,749	3.7%	2,021	3.9%	14,286,322	4.5%
70-74	1,228	2.6%	1,442	2.8%	10,422,155	3.3%
75-79	729	1.6%	866	1.7%	7,612,501	2.4%
80-84	429	0.9%	507	1.0%	5,754,938	1.8%
85+	309	0.7%	360	0.7%	5,940,001	1.9%
Total	46,986	100.0%	51,815	100.0%	315,444,545	100.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, July 2014

The total population of the PMA and SMA saw dramatic growth between 1990 and 2000 which slowed between 2000 and 2013. However, the growth in the PMA and SMA during this time still outpaced the nation. Population growth is expected to slow again through market entry and 2018 but will still outpace national growth.

The largest age cohorts in the PMA and SMA are from 20 to 29. The national age cohort breakdown is much more evenly dispersed than the PMA and SMA, which show a high concentration of these younger ages and then level off in older age cohorts. This is very likely due to the large number of military personnel and families in the PMA and SMA. As such, we expect many young families with children to seek housing at the Subject.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		St. Marys, GA SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	8,299	-	9,459	-	91,947,410	-
2000	13,267	6.0%	14,804	5.7%	105,991,193	1.5%
2013	16,799	2.0%	18,635	2.0%	119,423,008	1.0%
Projected Mkt Entry August 2015	17,217	1.2%	19,104	1.2%	121,299,565	0.8%
2018	17,802	1.2%	19,760	1.2%	123,926,744	0.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, July 2014

AVERAGE HOUSEHOLD SIZE

Year	PMA		St. Marys, GA SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.85	-	2.82	-	2.58	-
2013	2.69	-0.4%	2.68	-0.4%	2.57	0.0%
Projected Mkt Entry August 2015	2.68	-0.2%	2.67	-0.2%	2.57	0.0%
2018	2.67	-0.2%	2.66	-0.2%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, July 2014

The total number of households in the PMA and SMA increased similarly to population from 1990 to 2013, with dramatic growth slowing but still outpacing the nation. The number of households in expected to grow at a rate faster than population through market entry and 2018. This indicates that family size is shrinking, as is illustrated in the second chart. The average household size is just below three persons and is expected to stay relatively stable through market entry and 2018.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2018.

TENURE PATTERNS PMA

Year	Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage
2000	8,007	60.4%	5,260	39.6%
2013	10,289	61.2%	6,510	38.8%
Projected Mkt Entry August 2015	10,599	61.6%	6,618	38.4%
2018	11,033	62.0%	6,769	38.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, July 2014

Owner-occupied units represent the majority of housing units in the PMA. Approximately two-thirds of the nation are owners and as such, the PMA has a higher concentration of renters. This percentage is projected to slightly decrease through market entry and 2018; however, it is

anticipated that an additional 259 renter households will be added to the market. This bodes well for the Subject.

2c. Households by Income

The following table depicts household income in 2013, market entry and 2018 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2013		Projected Mkt Entry August 2015		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,472	8.8%	1,474	8.6%	1,477	8.3%
\$10,000-19,999	1,757	10.5%	1,754	10.2%	1,751	9.8%
\$20,000-29,999	1,519	9.0%	1,540	8.9%	1,568	8.8%
\$30,000-39,999	1,725	10.3%	1,714	10.0%	1,698	9.5%
\$40,000-49,999	1,847	11.0%	1,865	10.8%	1,891	10.6%
\$50,000-59,999	1,643	9.8%	1,657	9.6%	1,676	9.4%
\$60,000-74,999	2,304	13.7%	2,328	13.5%	2,362	13.3%
\$75,000-99,999	2,176	13.0%	2,288	13.3%	2,446	13.7%
\$100,000-124,999	1,178	7.0%	1,269	7.4%	1,396	7.8%
\$125,000-149,999	438	2.6%	512	3.0%	617	3.5%
\$150,000-199,999	554	3.3%	581	3.4%	619	3.5%
\$200,000+	187	1.1%	235	1.4%	301	1.7%
Total	16,799	100.0%	17,217	100.0%	17,802	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, July 2014

The income levels for the Subject will range from \$0 to \$40,440.

2d. Renter Households by Number of Persons in the Household

The following table illustrates the number of persons per household among renter households.

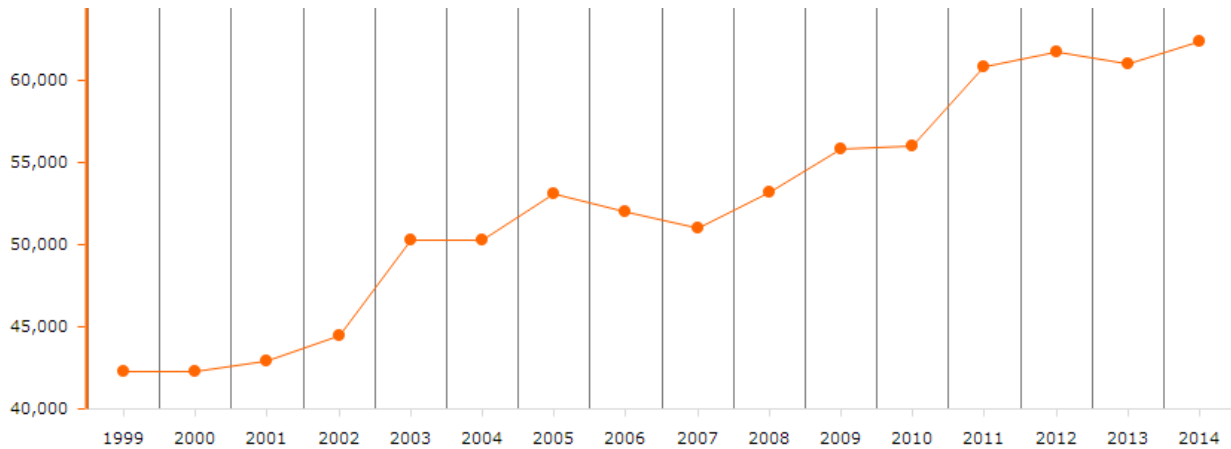
RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2013		Projected Mkt Entry August 2015		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,072	20.4%	1,749	26.9%	1,793	27.1%	1,855	27.4%
With 2 Persons	1,643	31.2%	1,683	25.9%	1,709	25.8%	1,744	25.8%
With 3 Persons	1,065	20.2%	1,317	20.2%	1,337	20.2%	1,366	20.2%
With 4 Persons	843	16.0%	996	15.3%	1,006	15.2%	1,019	15.1%
With 5+ Persons	637	12.1%	765	11.8%	773	11.7%	784	11.6%
Total Renter Households	5,260	100.0%	6,510	100.0%	6,618	100.0%	6,769	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, July 2014

The Subject’s one, two and three-bedroom units will target families ranging in size from one person to five persons.

The following graph details the AMI for a four-person household in Camden County, GA from 1999 to 2014.



Overall, the AMI has increased by an average 2.6 percent annually between 1999 and 2014. Many areas throughout the nation had a decreasing or unchanging AMI between 2006 and 2007, which was a result of the system and underlying data sources that HUD uses to establish income limits changing, by shifting to data from the American Community Survey (ACS), which has replaced previous census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. As indicated, Camden County was impacted by this change. The rise in AMGI since 2007 indicates a healthy market where affordable households may be priced out by more affluent households. However, in 2013 the AMI decreased 1.1 percent from the previous year. Nationally, 84 percent of counties experienced a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. However, AMI increased again in 2014, indicating properties previously held harmless will be able to raise their rents to the higher 2014 limits. The Subject will complete renovations in 2015.

Conclusion

The population of number of households in the PMA is growing rapidly and is expected to continue strong growth through market entry. A number of these households are military families or those who work in administrative or support positions for the military base. As such, there are a distinct number of transient renter households in the PMA that could seek housing at the Subject.

F. EMPLOYMENT TRENDS

Employment Trends

The PMA and Camden County are economically reliant on tourism and Kings Bay Naval Submarine Base, the largest and most stable of three submarine bases on the east coast. Employment is concentrated in industries relating to or supporting the base, which is the largest employer in the region. Industries related to tourism also represent major employment sectors in the PMA. Employment levels decreased during the national recession but are recovering with strong growth.

1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Camden County.

TOTAL JOBS IN CAMDEN COUNTY

Year	Total Employment	Percent Change
2004	18,256	-
2005	19,618	7.5%
2006	20,074	2.3%
2007	20,698	3.1%
2008	20,026	-3.2%
2009	18,831	-6.0%
2010	18,013	-4.3%
2011	18,405	2.2%
2012	19,021	3.3%
2013	18,935	-0.5%
2014 YTD Average*	19,193	0.9%
May-2013	19,192	-
May-2014	19,312	0.6%

Source: U.S. Bureau of Labor Statistics July 2014

*2014 data is through May

Total employment in Camden County increased through 2007 and then decreased during the national recession from 2008 to 2010. Since 2010, Camden County has experienced strong employment growth with the exception of 2013, which experienced limited employment growth. However, total employment has increased in year-to-date 2014 and in the 12-month period prior to May 2014.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as of the third quarter 2013.

September 2013 Covered Employment Camden County, Georgia		
	Number	Percent
Total All Industries	9,949	-
Good producing	1,112	-
Natural Resources and Mining	-	-
Construction	-	-
Manufacturing	671	6.74%
Service-Providing	8,837	
Trade, Transportation, and utilities	2,269	22.81%
Information	142	1.43%
Financial Activities	1,170	11.76%
Professional and business services	2,235	22.46%
Educational and health services	967	9.72%
Leisure and hospitality	1,764	17.73%
Other services	264	2.65%
Unclassified	26	0.26%

Source: Bureau of Labor Statistics, 2014

The largest sector in Camden County, according to the Bureau of Labor Statistics, is the trade/transportation/utilities industry, followed by professional and business services and leisure and hospitality industries. Professional and Business Services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. Leisure and hospitality are due to prevalence of tourism in the area and Georgia's beaches, which has remained stable in the past several years. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

2013 EMPLOYMENT BY INDUSTRY

Industry	<u>PMA</u>		<u>USA</u>	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	2,318	13.6%	10,849,114	7.6%
Public Administration	2,129	12.5%	6,713,073	4.7%
Educational Services	2,069	12.2%	12,979,314	9.1%
Health Care/Social Assistance	2,003	11.8%	20,080,547	14.0%
Retail Trade	1,761	10.4%	16,592,605	11.6%
Manufacturing	1,298	7.6%	15,162,651	10.6%
Construction	1,131	6.6%	8,291,595	5.8%
Prof/Scientific/Tech Services	842	5.0%	9,808,289	6.8%
Other Services (excl Publ Adm)	635	3.7%	7,850,739	5.5%
Finance/Insurance	547	3.2%	6,884,133	4.8%
Transportation/Warehousing	493	2.9%	5,898,791	4.1%
Admin/Support/Waste Mgmt Svcs	414	2.4%	6,316,579	4.4%
Real Estate/Rental/Leasing	410	2.4%	2,627,562	1.8%
Arts/Entertainment/Recreation	324	1.9%	3,151,821	2.2%
Information	227	1.3%	2,577,845	1.8%
Wholesale Trade	191	1.1%	3,628,118	2.5%
Utilities	142	0.8%	1,107,105	0.8%
Agric/Forestry/Fishing/Hunting	64	0.4%	1,800,354	1.3%
Mining	10	0.1%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
Total Employment	17,008	100.0%	143,286,279	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, July 2014

The industries with the highest number of employees in the PMA are accommodation/food services, public administration, educational services, healthcare/social assistance and retail trade. Some of these industries, including public administration, educational services and healthcare/social assistance, are stable industries and indicate a strong economy. However, accommodation/food services and retail trade are low-paying industries and are dependent upon the large population based at Kings Bay Naval Submarine Base and tourism in the region. However, these industries are typically volatile during economic downturns. Accommodation/food services, public administration, educational services, construction, and real estate services are all overrepresented in the PMA compared to the nation. However, all other industries are underrepresented in the PMA, indicating the PMA is heavily based upon these industries related to Kings Bay Naval Submarine Base or tourism.

3. Major Employers

The diversification of the Camden County economic base is indicated by the following list of the Camden County's 10 largest employers.

MAJOR EMPLOYERS**Camden County, GA**

Employer	Industry	Number of Employees
Kings Bay Naval Submarine Base	Military	8,979
Camden County School System	Education	1,462
Express Scripts	Healthcare	600
Lockheed Martin	Defense Contractor	479
Camden County Government	Public Administration	404
Walmart Supercenter	Retail	366
Southeast Georgia Health System - Camden Campus	Healthcare	330
Kings Bay Support Services	Administrative Support/Utilities	290
Winn-Dixie	Retail	107
Publix	Retail	105

Source: Tribune of Georgia, Camden County Chamber of Commerce; "Guide to Camden County"; 2013

The local economy is heavily reliant on the Kings Bay Naval Submarine Base. Kings Bay Naval Submarine Base is the largest employer in the region and several other employers are dependent upon this military installation. This base is the newest and largest of the three naval submarine bases on the east coast. Additionally, Kings Bay is the only base that can accommodate the navy's Trident submarines. As such, this base is under minimal pressure for down-sizing and has no proposed funding cuts. The economic stability of Kings Bay Naval Submarine Base is integral to the region's economy and its significant role in the U.S. Navy bodes well for continuing economic growth in the region.

Expansions/Contractions

A large scale, \$300 million theme park is proposed and entering the final planning stages in incorporated Kingsland, approximately 6.9 miles from the Subject. The theme park, currently referred to as Kingsland Adventures Resort, would provide a water park, amusement park, convention center, a number of hotels and sport fields to the area. The development has received city approval and will be ready to begin construction once all permits are obtained. Construction is expected to begin in January of 2015 and be complete by May of 2017. The development would create 1,300 direct jobs in the area. The economy in Camden County already attracts a substantial amount of tourists and this attraction would greatly increase this industry for years to come.

No WARN notices have been issued for Camden County since 2011. The region has seen minimal closures and is closely tied to Kings Bay Naval Submarine Base, which is a stable military installment.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Camden County from 2004 to 2014 (through May).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	St. Marys, GA Micropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	18,256	-	4.5%	-	139,252,000	-	5.5%	-
2005	19,618	7.5%	4.6%	0.1%	141,730,000	1.8%	5.1%	-0.4%
2006	20,074	2.3%	4.1%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	20,698	3.1%	4.1%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	20,026	-3.2%	5.6%	1.5%	145,362,000	-0.5%	5.8%	1.2%
2009	18,831	-6.0%	8.8%	3.2%	139,877,000	-3.8%	9.3%	3.5%
2010	18,013	-4.3%	10.1%	1.3%	139,064,000	-0.6%	9.6%	0.3%
2011	18,405	2.2%	9.8%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	19,021	3.3%	9.0%	-0.8%	142,469,000	1.9%	8.1%	-0.8%
2013	18,935	-0.5%	8.5%	-0.5%	143,929,000	1.0%	7.0%	-1.1%
2014 YTD Average*	19,193	0.9%	7.3%	-1.7%	144,983,000	1.8%	6.6%	-1.5%
May-2013	19,192	-	8.5%	-	144,432,000	-	7.3%	-
May-2014	19,312	0.6%	7.7%	-0.8%	146,398,000	1.4%	6.1%	-1.2%

Source: U.S. Bureau of Labor Statistics July 2014

*2014 data is through May

Total employment in the SMA increased through 2007 and then decreased during the national recession from 2008 to 2010, a similar trend to the nation. Since 2010, Camden County has experienced strong employment growth with the exception of 2013, which experienced limited employment growth. National employment in 2013 slowed significantly but did not decrease. However, total employment has increased in year-to-date 2014 and in the 12-month period prior to May 2014. Growth in the SMA in 2011 and 2012 surpassed that of the nation in percentage terms but has since slowed to below that of the nation. The unemployment rate in the SMA has historically been lower than that of the nation but the SMA reported an unemployment peak in 2010 at a higher rate than the nation. Unemployment in the SMA has decreased every year since 2010; however, it is still above the national unemployment rate and pre-recession levels in the SMA.

5. Map of Site and Major Employment Concentrations

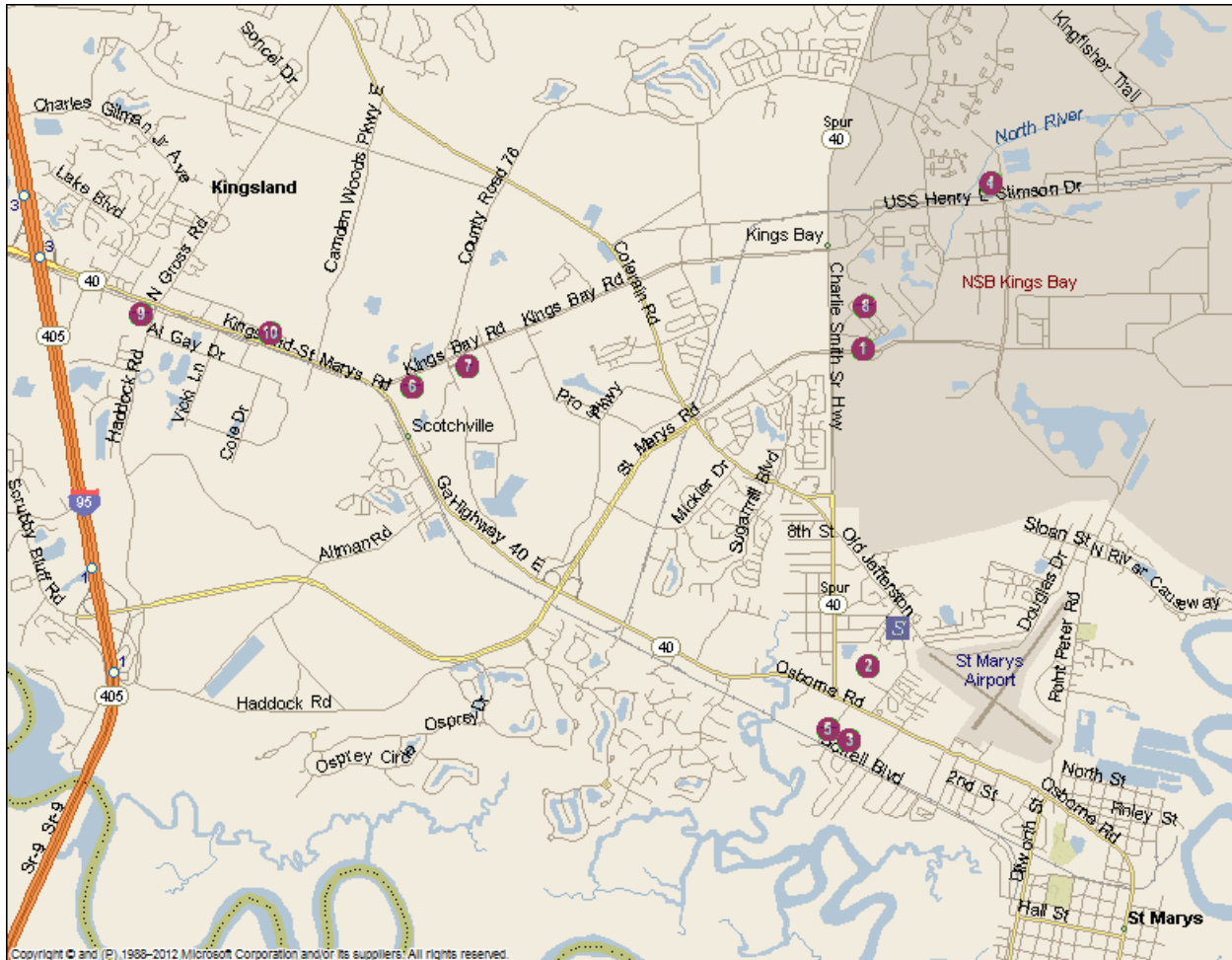
The following map and table details the largest employers in Camden County.

MAJOR EMPLOYERS

Camden County, GA

Map #	Employer	Industry	Number of Employees	Distance from Subject
1	Kings Bay Naval Submarine Base	Military	8,979	1.9 miles
2	Camden County School System	Education	1,462	0.5 miles
3	Express Scripts	Healthcare	600	0.8 miles
4	Lockheed Martin	Defense Contractor	479	3.9 miles
5	Camden County Government	Public Administration	404	1.0 miles
6	Walmart Supercenter	Retail	366	4.2 miles
7	Southeast Georgia Health System - Camden Campus	Healthcare	330	4.9 miles
8	Kings Bay Support Services	Administrative Support/Utilities	290	1.9 miles
9	Winn-Dixie	Retail	107	6.0 miles
10	Publix	Retail	105	5.2 miles

Source: Tribune of Georgia, Camden County Chamber of Commerce; "Guide to Camden County"; 2013



Conclusion

The largest industries in the PMA are accommodation/food services, public administration, health care/social assistance, education and retail trade. The local economy is heavily reliant on tourism and the Kings Bay Naval Submarine Base. Supportive services for the base and industries related to tourism are expected to be the main employers of the Subject's tenants. The growth in these industries, particularly the low paying accommodation/food services and retail trade industries, bode well for the Subject's affordable units. Kings Bay Naval Submarine Base is the largest employer in the region. This base is the newest and largest of the three naval submarine bases on the east coast. Additionally, Kings Bay is the only base that can accommodate the navy's Trident submarines. As such, this base is under minimal pressure to down-size and has no proposed funding cuts. The economic stability of Kings Bay Naval Submarine Base indicates the region will continue to grow economically. Additionally, tourism is a major industry for the PMA and a proposed amusement park plans to add an additional 1,300 employees to this industry and bring major economic growth to the region.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

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

1. INCOME RESTRICTIONS

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

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

2. AFFORDABILITY

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. However, as the Subject will operate all units with a project-based subsidy, we have utilized a minimum income level of \$0.

3. DEMAND

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

3A. DEMAND FROM NEW HOUSEHOLDS

The number of new households entering the market is the first level of demand calculated. We have utilized 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2013 household population estimates are inflated to 2016 by interpolation of the difference between 2013 estimates and 2018 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2016. This number takes the overall growth from 2013 to 2018 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3B. DEMAND FROM EXISTING HOUSEHOLDS

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

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

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

3C. SECONDARY MARKET AREA

Per the 2014 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

3D. OTHER

DCA does not consider household turnover to be a source of market demand. Therefore, we have not accounted for household turnover in our demand analysis.

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2012 to the present.

ADDITIONS TO SUPPLY

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2012 through 2014.
- Vacancies in projects placed in service prior to 2012 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2012 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

There have been three LIHTC allocations in the PMA since 2010. The first, The Reserve at Sugar Mill, was allocated tax-credits for renovations in 2010 and has been included as a comparable in this report. This is a family property and is considered competitive with the Subject. The property began renovations in July 2012 and completed in January 2014. Half of the tenants remained at the property during renovations and all remaining units were leased by completion of renovation. As such, only the 35 units at this comparable that were absorbed during renovations and only the 29 units at 60 percent of AMI will be deducted from our demand analysis. The second property allocated tax-credits in the PMA is Caney Heights, which was allocated tax-credits in 2010 and opened in 2012. This is a family property of single-family homes located in Kingsland. The have only removed the 14 competitive units at this property from our demand analysis. The third, The Village at Winding Road, is an age-restricted property and as such has not been deducted from our demand analysis as it is not considered competitive.

The Subject’s tenants will not be required to relocate during renovations and as such we do not believe the Subject will need to reabsorb units. Additionally, we believe there is high demand for one, two and three-bedroom units in the PMA, with majority of family LIHTC properties reporting vacancies in four-bedroom units.

COMPETITIVE SUPPLY 2012-Present

Property Name	Type	Year Built/ Proposed	Number of Competitive Units	Comments
Caney Heights	@50%, @60%	2012	14	New construction, only three-bedroom units at 60 percent of AMI removed
The Reserve at Sugar Mill	@50%, @60%	2014	29	Renovations of existing LIHTC property, half of the units were re-leased

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2012 and present. As mentioned previously, only those units at 60 percent of AMI in two and three-bedroom units have been removed from our demand analysis.

Additions To Supply	50%	60%	Overall
Two Bedroom	3	14	17
Three Bedroom	7	29	36
Four Bedroom	2	8	10
Total	12	51	63

PMA OCCUPANCY

Per DCA's guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Cove Apartments	@45%, @50%	72	0	0.0%
Caney Heights	@50%, @60%	28	2	7.1%
Kings Grant Apartments	@50%, @60%	60	7	11.7%
Old Jefferson Estates	@50%, @60%	62	0	0.0%
Royal Point Apartments	@50%, @60%	144	6	4.2%
The Reserve At Sugar Mill	@50%, @60%	70	0	0.0%
Greenbriar Townhomes	Market	72	0	0.0%
Harbor Pines Apartments	Market	200	17	8.5%
Mission Forest Apartments	Market	104	4	3.8%
Park Place	Market	200	21	10.5%
Pelican Point Apartments	Market	56	4	7.1%
LIHTC Total		436	15	3.4%
Market Total		632	46	7.3%
Total		1,068	61	5.7%

As indicated in the previous table, the average LIHTC vacancy is 3.4 percent with majority of the comparables reporting vacancies below five percent. We believe the Subject will operate with a vacancy of seven percent or less.

Rehab Developments and PBRA

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

As all of the Subject's units will remain occupied by their current tenants upon completion of renovation and all units will operate with a project-based subsidy, the demand calculation is somewhat moot. However, we have illustrated capture rates for the Subject utilizing LIHTC maximum income limits.

Capture Rates

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

Renter Household Income Distribution 2013 to Projected Market Entry August 2015					
Cumberland Oaks					
PMA					
	2013		Projected Mkt Entry August 2015		Percent Growth
	#	%	#	%	
\$0-9,999	821	12.6%	817	12.3%	-0.5%
\$10,000-19,999	1,134	17.4%	1,121	16.9%	-1.2%
\$20,000-29,999	865	13.3%	874	13.2%	1.1%
\$30,000-39,999	783	12.0%	772	11.7%	-1.4%
\$40,000-49,999	777	11.9%	801	12.1%	2.9%
\$50,000-59,999	418	6.4%	424	6.4%	1.2%
\$60,000-74,999	822	12.6%	837	12.6%	1.8%
\$75,000-99,999	393	6.0%	422	6.4%	6.7%
\$100,000-124,999	345	5.3%	371	5.6%	6.9%
\$125,000-149,999	64	1.0%	75	1.1%	15.0%
\$150,000-199,999	64	1.0%	71	1.1%	10.1%
\$200,000+	25	0.4%	35	0.5%	29.5%
Total	6,510	100.0%	6,618	100.0%	1.6%

Renter Household Income Distribution Projected Market Entry August 2015			
Cumberland Oaks			
PMA			
	Projected Mkt Entry August 2015		Change 2013 to Prj Mrkt Entry August 2015
	#	%	#
\$0-9,999	817	12.3%	13
\$10,000-19,999	1,121	16.9%	18
\$20,000-29,999	874	13.2%	14
\$30,000-39,999	772	11.7%	13
\$40,000-49,999	801	12.1%	13
\$50,000-59,999	424	6.4%	7
\$60,000-74,999	837	12.6%	14
\$75,000-99,999	422	6.4%	7
\$100,000-124,999	371	5.6%	6
\$125,000-149,999	75	1.1%	1
\$150,000-199,999	71	1.1%	1
\$200,000+	35	0.5%	1
Total	6,618	100.0%	108

Tenure Prj Mrkt Entry August 2015	
Renter	38.4%
Owner	61.6%
Total	100.0%

Renter Household Size for Prj Mrkt Entry August 2015		
Size	Number	Percentage
1 Person	1,793	27.1%
2 Person	1,709	25.8%
3 Person	1,337	20.2%
4 Person	1,006	15.2%
5+ Person	773	11.7%
Total	6,618	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,072	20.4%
2 Person	1,643	31.2%
3 Person	1,065	20.2%
4 Person	843	16.0%
5+ Person	637	12.1%
Total	5,260	100.0%

60% AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$0			
Maximum Income Limit		\$40,440			
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2015		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	817	12.3%	9,999	100.0%	817
\$10,000-19,999	1,121	16.9%	9,999	100.0%	1,121
\$20,000-29,999	874	13.2%	9,999	100.0%	874
\$30,000-39,999	772	11.7%	9,999	100.0%	772
\$40,000-49,999	801	12.1%	440	4.4%	35
\$50,000-59,999	424	6.4%		0.0%	0
\$60,000-74,999	837	12.6%		0.0%	0
\$75,000-99,999	422	6.4%		0.0%	0
\$100,000-124,999	371	5.6%		0.0%	0
\$125,000-149,999	75	1.1%		0.0%	0
\$150,000-199,999	71	1.1%		0.0%	0
\$200,000+	35	0.5%		0.0%	0
	6,618	100.0%			3,619
Percent of renter households within limits versus total number of renter households					54.68%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$0			
Maximum Income Limit		\$40,440			
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry August 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	13.32	12.3%	9,999	100.0%	13
\$10,000-19,999	18.28	16.9%	9,999	100.0%	18
\$20,000-29,999	14.26	13.2%	9,999	100.0%	14
\$30,000-39,999	12.59	11.7%	9,999	100.0%	13
\$40,000-49,999	13.06	12.1%	440	4.4%	1
\$50,000-59,999	6.91	6.4%		0.0%	0
\$60,000-74,999	13.64	12.6%		0.0%	0
\$75,000-99,999	6.87	6.4%		0.0%	0
\$100,000-124,999	6.04	5.6%		0.0%	0
\$125,000-149,999	1.22	1.1%		0.0%	0
\$150,000-199,999	1.16	1.1%		0.0%	0
\$200,000+	0.58	0.5%		0.0%	0
	108	100.0%			59
Percent of renter households within limits versus total number of renter households					54.68%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
Type of Housing (Family vs Senior)	Family		
Location of Subject (Rural versus Urban)	Rural		
Percent of Income for Housing	35%		
2000 Median Income	\$41,396		
2013 Median Income	\$52,665		
Change from 2013 to Prj Mrkt Entry August 2015	\$11,269		
Total Percent Change	21.4%		
Average Annual Change	1.8%		
Inflation Rate	1.8%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,440		
Maximum Allowable Income Inflation Adjusted	\$40,440		
Maximum Number of Occupants	5		
Rent Income Categories	60%		
Initial Gross Rent for Smallest Unit	\$686		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$686.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry August 2015

Income Target Population		60%
New Renter Households PMA		108
Percent Income Qualified		54.7%
New Renter Income Qualified Households		59

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

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		6,618
Income Qualified		54.7%
Income Qualified Renter Households		3,619
Percent Rent Overburdened Prj Mrkt Entry August 2015		14.5%
Rent Overburdened Households		526

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		3,619
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		23

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		549
Adjustment Factor - Leakage from SMA	0%	0
Adjusted Demand from Existing Households		549
Total New Demand		59
Total Demand (New Plus Existing Households)		608

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	27.1%	165
Two Persons	25.8%	157
Three Persons	20.2%	123
Four Persons	15.2%	92
Five Persons	11.7%	71
Total	100.0%	608

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	148
Of two-person households in 1BR units	20%	31
Of one-person households in 2BR units	10%	16
Of two-person households in 2BR units	80%	126
Of three-person households in 2BR units	60%	74
Of three-person households in 3BR units	40%	49
Of four-person households in 3BR units	80%	74
Of five-person households in 3BR units	70%	50
Of four-person households in 4BR units	20%	18
Of five-person households in 4BR units	30%	21
Total Demand		608

Total Demand by Bedroom

		60%
1 BR		180
2 BR		216
3 BR		173
Total Demand		568

Additions To Supply 2013 to Prj Mrkt Entry August 2015

		60%
1 BR		0
2 BR		14
3 BR		29
Total		51

Net Demand

		60%
1 BR		180
2 BR		202
3 BR		144
Total		525

Developer's Unit Mix

		60%
1 BR		32
2 BR		90
3 BR		32
Total		154

Capture Rate Analysis

		60%
1 BR		17.8%
2 BR		44.6%
3 BR		22.3%
Total		29.3%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$0		
Maximum Income Limit			\$40,440		
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2015		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	817	12.3%	9,999	100.0%	817
\$10,000-19,999	1,121	16.9%	9,999	100.0%	1,121
\$20,000-29,999	874	13.2%	9,999	100.0%	874
\$30,000-39,999	772	11.7%	9,999	100.0%	772
\$40,000-49,999	801	12.1%	440	4.4%	35
\$50,000-59,999	424	6.4%		0.0%	0
\$60,000-74,999	837	12.6%		0.0%	0
\$75,000-99,999	422	6.4%		0.0%	0
\$100,000-124,999	371	5.6%		0.0%	0
\$125,000-149,999	75	1.1%		0.0%	0
\$150,000-199,999	71	1.1%		0.0%	0
\$200,000+	35	0.5%		0.0%	0
	6,618	100.0%			3,619
Percent of renter households within limits versus total number of renter households					54.68%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$0		
Maximum Income Limit			\$40,440		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry August 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	13.32	12.3%	9,999	100.0%	13
\$10,000-19,999	18.28	16.9%	9,999	100.0%	18
\$20,000-29,999	14.26	13.2%	9,999	100.0%	14
\$30,000-39,999	12.59	11.7%	9,999	100.0%	13
\$40,000-49,999	13.06	12.1%	440	4.4%	1
\$50,000-59,999	6.91	6.4%		0.0%	0
\$60,000-74,999	13.64	12.6%		0.0%	0
\$75,000-99,999	6.87	6.4%		0.0%	0
\$100,000-124,999	6.04	5.6%		0.0%	0
\$125,000-149,999	1.22	1.1%		0.0%	0
\$150,000-199,999	1.16	1.1%		0.0%	0
\$200,000+	0.58	0.5%		0.0%	0
	108	100.0%			59
Percent of renter households within limits versus total number of renter households					54.68%

Does the Project Benefit from Rent Subsidy? (Y/N)	No		
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2013 Median Income	\$52,665		
Change from 2013 to Prj Mrkt Entry August 2015	\$11,269		
Total Percent Change	21.4%		
Average Annual Change	1.8%		
Inflation Rate	1.8%	Two year adjustment	1.0000
Maximum Allowable Income	\$40,440		
Maximum Allowable Income Inflation Adjusted	\$40,440		
Maximum Number of Occupants	\$5		
Rent Income Categories	Overall		
Initial Gross Rent for Smallest Unit	\$686		
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$686.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry August 2015

Income Target Population		Overall
New Renter Households PMA		108
Percent Income Qualified		54.7%
New Renter Income Qualified Households		59

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

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		6,618
Income Qualified		54.7%
Income Qualified Renter Households		3,619
Percent Rent Overburdened Prj Mrkt Entry August 2015		14.5%
Rent Overburdened Households		526

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		3,619
Percent Living in Substandard Housing		0.6%
Households Living in Substandard Housing		23

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

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		549
Adjustment Factor - Leakage from SMA	0%	0
Adjusted Demand from Existing Households		549
Total New Demand		59
Total Demand (New Plus Existing Households)		608

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	27.1%	165
Two Persons	25.8%	157
Three Persons	20.2%	123
Four Persons	15.2%	92
Five Persons	11.7%	71
Total	100.0%	608

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	148
Of two-person households in 1BR units	20%	31
Of one-person households in 2BR units	10%	16
Of two-person households in 2BR units	80%	126
Of three-person households in 2BR units	60%	74
Of three-person households in 3BR units	40%	49
Of four-person households in 3BR units	80%	74
Of five-person households in 3BR units	70%	50
Of four-person households in 4BR units	20%	18
Of five-person households in 4BR units	30%	21
Total Demand		608

Total Demand by Bedroom

	Overall
1 BR	180
2 BR	216
3 BR	173
Total Demand	568

Additions To Supply 2013 to Prj Mrkt Entry August 2015

	Overall
1 BR	0
2 BR	14
3 BR	29
Total	53

Net Demand

	Overall
1 BR	180
2 BR	202
3 BR	144
Total	525

Developer's Unit Mix

	Overall
1 BR	32
2 BR	90
3 BR	32
Total	154

Capture Rate Analysis

	Overall
1 BR	17.8%
2 BR	44.6%
3 BR	22.3%
Total	29.3%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a subsidized tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 1.2 percent between 2013 and 2015.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
1BR at 60% AMI	32	180	0	180	17.8%	12 months	\$633	\$560 - \$777	\$631
2BR at 60% AMI	90	216	14	202	44.6%	12 months	\$749	\$653 - \$933	\$732
3BR at 60% AMI	32	173	29	144	22.3%	12 months	\$869	\$800 - \$1,023	\$807
All Units	154	568	43	525	29.3%	12 months	-	-	-

Demand and Net Demand

	HH at 60% AMI (\$0 to \$40,440)	All Tax Credit Households
Demand from New Households (age and income appropriate)	59	59
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	23	23
PLUS	+	+
Demand from Existing Renter Households - Rent Overburdened Households	526	526
Sub Total	608	608
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
Equals Total Demand	608	608
Less	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	43	43
Equals Net Demand	565	565

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level will range from 17.8 to 44.6 percent, with an overall capture rate of 29.3 percent. The overall capture rate for the project’s 60 percent units is 28.6 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 11 “true” comparable properties containing 1,068 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC is considered average. There are six multifamily LIHTC properties located within the PMA. Two LIHTC properties are located in St. Marys, where the Subject is located, and the four remaining properties are located in Kingsland. We have included five market rate properties located within 0.6 to 9.1 miles of the Subject. Like the Subject, four of the five market rate properties used in our analysis are located in St. Marys with the fifth in neighboring Kingsland. Therefore, we consider the availability of market data to be good.

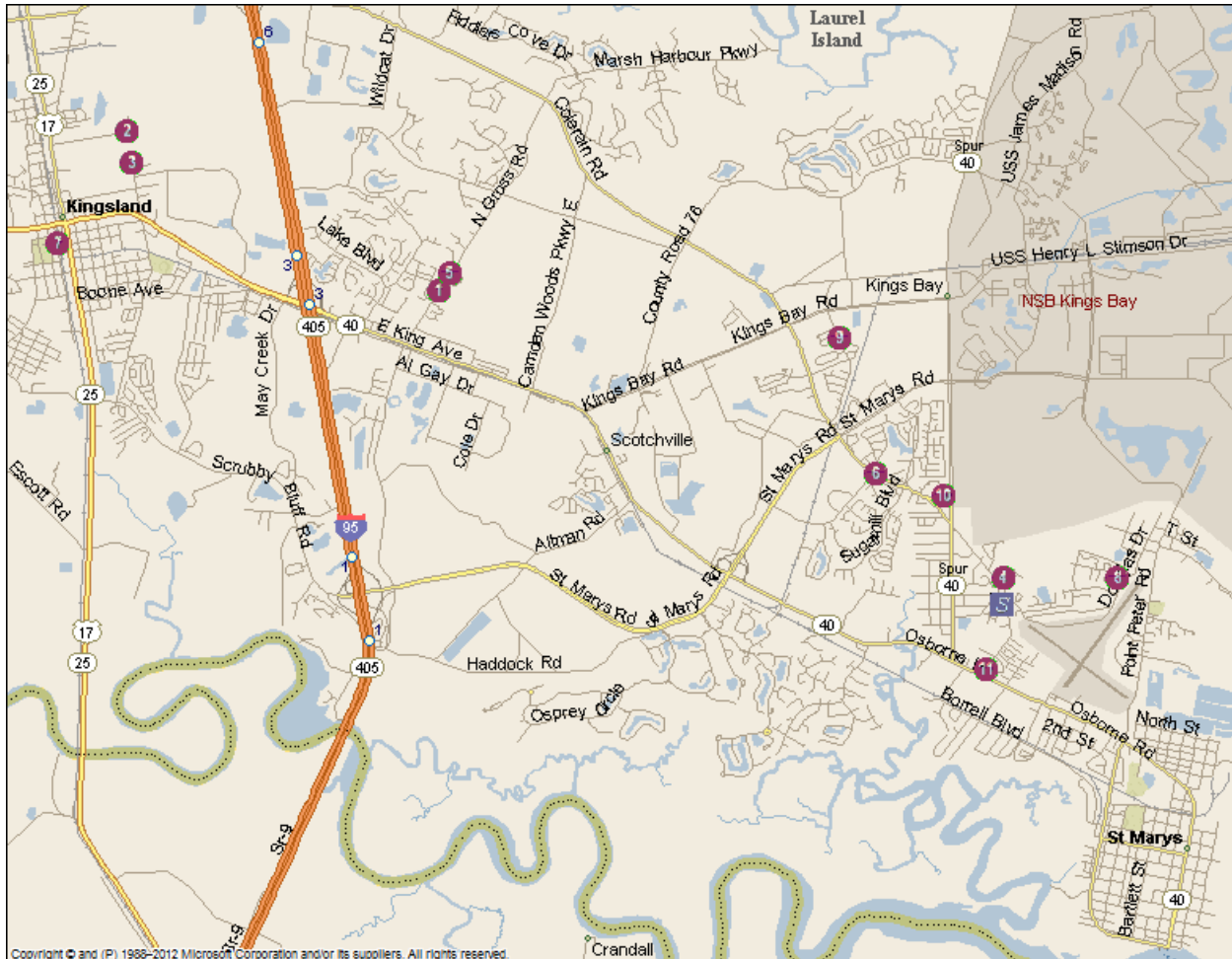
Excluded Properties

The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES

Name	Program	Tenancy	Reason for Exclusion	Distance from Subject
Clarks Bluff Road	LIHTC	Family	Only 2 units	9.2 miles
The Village At Winding Road	LIHTC	Senior	Senior Tenancy	4.9 miles
Cumberland Village	Rural Development	Family	Subsidized	0.3 miles
Hilltop Terrace	Rural Development	Senior	Subsidized/Senior	9.1 miles
Hilltop Terrace	Rural Development	Family	Subsidized	9.1 miles
Satilla Villages	Rural Development	Family	Subsidized	20.1 miles
Cottages at Camden	Section 8	Senior	Subsidized/Senior	6.2 miles
The Pines Apartments	Section 8	Family	Subsidized	0.3 miles
Brant Creek	Market	Family	Refused to Participate	1.7 miles
Kings Landing Apartments	Market	Family	More comparable properties available	6.4 miles
Summer Bend Apartments	Market	Family	More comparable properties available	9.2 miles
Willow Way Apartments	Market	Family	More comparable properties available	6.3 miles
Camden Way Apartments	Market	Family	More comparable properties available	6.3 miles

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	Location	Program	Distance from Subject
1	Ashton Cove Apartments	Kingsland	@45%, @50%	6.4 miles
2	Caney Heights	Kingsland	@50%, @60%	9.7 miles
3	Kings Grant Apartments	Kingsland	@50%, @60%	10.3 miles
4	Old Jefferson Estates	St. Marys	@50%, @60%	0.2 miles
5	Royal Point Apartments	Kingsland	@50%, @60%	6.6 miles
6	The Reserve at Sugar Mill	St. Marys	@50%, @60%	1.8 miles
7	Greenbriar Townhomes	Kingsland	Market	9.1 miles
8	Harbor Pines Apartments	St. Marys	Market	1.1 miles
9	Mission Forest Apartments	St. Marys	Market	2.8 miles
10	Park Place	St. Marys	Market	1.1 miles
11	Pelican Point Apartments	St. Marys	Market	0.6 miles

1. The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Cumberland Oaks 100 Mary Powell Dr Saint Marys, GA 31558 Camden County	n/a	Lowrise (2 stories) 1985 / 2015	Section 8	1BR / 1BA	32	20.80%	@60%	\$631	600	n/a		N/A	N/A
					2BR / 1BA	90	58.40%	@60%	\$732	800	n/a	N/A	N/A	
					3BR / 2BA	32	20.80%	@60%	\$807	1,000	n/a	N/A	N/A	
						154	100%					N/A	N/A	
1	Ashton Cove Apartments 230 N Gross Rd Kingsland, GA 31548 Camden County	6.4 miles	Garden 1999 / n/a	@45%, @50%	1BR / 1BA	15	20.80%	@45%	\$499	764	yes	Yes	0	0.0%
					1BR / 1BA	3	4.20%	@50%	\$521	764	yes	Yes	0	0.0%
					2BR / 2BA	32	44.40%	@45%	\$602	984	yes	Yes	0	0.0%
					2BR / 2BA	6	8.30%	@50%	\$630	984	yes	Yes	0	0.0%
					3BR / 2BA	13	18.10%	@45%	\$693	1,184	yes	Yes	0	0.0%
					3BR / 2BA	3	4.20%	@50%	\$773	1,184	yes	Yes	0	0.0%
						72	100%						0	0.0%
2	Caney Heights Grove Boulevard Kingsland, GA 31548 Camden County	9.7 miles	Single 2012 / n/a	@50%, @60%	3BR / 2BA	4	14.30%	@50%	\$759	1,418	yes	No	0	0.0%
					3BR / 2BA	14	50.00%	@60%	\$854	1,418	yes	No	1	7.1%
					4BR / 2BA	2	7.10%	@50%	\$832	1,710	yes	No	0	0.0%
					4BR / 2BA	8	28.60%	@60%	\$962	1,710	yes	No	2	25.0%
						28	100%						3	10.7%
3	Kings Grant Apartments 500 N. Grove Blvd Kingsland, GA 31548 Camden County	10.3 miles	Garden (2 stories) 2009 / n/a	@50%, @60%	2BR / 2BA	7	11.70%	@50%	\$626	900	no	No	0	0.0%
					2BR / 2BA	20	33.30%	@60%	\$740	900	no	No	4	20.0%
					3BR / 2BA	14	23.30%	@50%	\$718	1,100	no	No	0	0.0%
					3BR / 2BA	19	31.70%	@60%	\$801	1,100	no	No	4	21.1%
						60	100%						8	13.3%
4	Old Jefferson Estates 42 Pinehurst Dr St Marys, GA 31558 Camden County	0.2 miles	Single 1995 / n/a	@50%, @60%	3BR / 2BA	12	19.40%	@50%	\$751	1,297	no	None	0	0.0%
					3BR / 2BA	19	30.60%	@60%	\$909	1,297	no	None	0	0.0%
					4BR / 2BA	12	19.40%	@50%	\$861	1,329	no	None	0	0.0%
					4BR / 2BA	19	30.60%	@60%	\$1,038	1,329	no	None	1	5.3%
						62	100%						1	1.6%
5	Royal Point Apartments 301 N Gross Rd Kingsland, GA 31548 Camden County	6.6 miles	Garden (3 stories) 2000 / n/a	@50%, @60%	2BR / 2BA	72	50.00%	@50%	\$643	990	no	None	2	2.8%
					2BR / 2BA	N/A	N/A	@60%	\$717	990	no	None	3	N/A
					3BR / 2BA	72	50.00%	@50%	\$739	1,189	no	None	0	0.0%
					3BR / 2BA	N/A	N/A	@60%	\$827	1,189	no	None	2	N/A
						144	100%						7	4.9%
6	The Reserve At Sugar Mill 11115 Colerain Rd St Marys, GA 31558 Camden County	1.8 miles	Garden (2 stories) 1997 / 2013	@50%, @60%	2BR / 2BA	3	4.30%	@50%	\$652	939	no	None	0	0.0%
					2BR / 2BA	3	4.30%	@50%	\$652	952	no	None	0	0.0%
					2BR / 2BA	13	18.60%	@60%	\$752	939	no	None	0	0.0%
					2BR / 2BA	15	21.40%	@60%	\$752	952	no	None	0	0.0%
					3BR / 2BA	3	4.30%	@50%	\$755	1,161	no	None	0	0.0%
					3BR / 2BA	3	4.30%	@50%	\$755	1,174	no	None	0	0.0%
					3BR / 2BA	17	24.30%	@60%	\$850	1,161	no	None	0	0.0%
					3BR / 2BA	13	18.60%	@60%	\$850	1,174	no	None	0	0.0%
						70	100%						0	0.0%
7	Greenbriar Townhomes 244 S. Orange Edwards Blvd Kingsland, GA 31548 Camden County	9.1 miles	Townhouse (2 stories) 1993 (est.) /	Market	2BR / 2BA	6	8.30%	Market	\$802	1,200	n/a	Yes	0	0.0%
					3BR / 2BA	66	91.70%	Market	\$800	1,200	n/a	Yes	0	0.0%
						72	100%						0	0.0%
8	Harbor Pines Apartments 2000 Harbor Pine Dr St Marys, GA 31558 Camden County	1.1 miles	Garden (2 stories) 1989 / n/a	Market	1BR / 1BA	44	22.00%	Market	\$626	750	n/a	None	2	4.5%
					2BR / 2BA	112	56.00%	Market	\$707	950	n/a	None	2	1.8%
					3BR / 2BA	44	22.00%	Market	\$885	1,100	n/a	None	1	2.3%
						200	100%						5	2.5%
9	Mission Forest Apartments 999 Mission Trace Dr St Marys, GA 31558 Camden County	2.8 miles	Garden (2 stories) 1986 / n/a	Market	1BR / 1BA	16	15.40%	Market	\$568	750	n/a	None	0	0.0%
					2BR / 2BA	88	84.60%	Market	\$653	950	n/a	None	1	1.1%
						104	100%						1	1.0%
10	Park Place 11919 Colerain Rd St Marys, GA 31558 Camden County	1.1 miles	Garden (2 stories) 1988 / n/a	Market	1BR / 1BA	32	16.00%	Market	\$777	700	n/a	None	0	0.0%
					1BR / 1BA	N/A	N/A	Market	\$809	700	n/a	None	0	N/A
					1BR / 1BA	N/A	N/A	Market	\$743	700	n/a	None	0	N/A
					2BR / 1BA	68	34.00%	Market	\$933	950	n/a	None	2	2.9%
					2BR / 1BA	N/A	N/A	Market	\$972	950	n/a	None	0	N/A
					2BR / 1BA	N/A	N/A	Market	\$897	950	n/a	None	0	N/A
					2BR / 2BA	68	34.00%	Market	\$1,011	950	n/a	None	1	1.5%
					2BR / 2BA	N/A	N/A	Market	\$1,038	950	n/a	None	0	N/A
					2BR / 2BA	N/A	N/A	Market	\$984	950	n/a	None	0	N/A
					3BR / 2BA	32	16.00%	Market	\$1,023	1,100	n/a	None	5	15.6%
					3BR / 2BA	N/A	N/A	Market	\$1,101	1,100	n/a	None	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$944	1,100	n/a	None	0	N/A
	200	100%						8	4.0%					
11	Pelican Point Apartments 1 Pelican Point St Mary's, GA 31558 Camden County	0.6 miles	Garden (2 stories) 1987 / n/a	Market	1BR / 1BA	24	42.90%	Market	\$560	560	n/a	None	0	0.0%
					2BR / 2BA	32	57.10%	Market	\$686	1,000	n/a	None	0	0.0%
						56	100%						0	0.0%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

Effective Rent Date:	Jul-14	Units Surveyed:	1068	Weighted Occupancy:	96.90%
		Market Rate	632	Market Rate	97.80%
		Tax Credit	436	Tax Credit	95.60%

One Bedroom One Bath

Two Bedrooms One Bath

Three Bedrooms Two Bath

	Property	Average	Property	Average	Property	Average
RENT	Park Place	\$809	Park Place	\$972	Park Place	\$1,101
	Park Place	\$777	Park Place	\$933	Park Place	\$1,023
	Park Place	\$743	Park Place	\$897	Park Place	\$944
	Cumberland Oaks * (60%)	\$631	Greenbriar Townhomes (2BA)	\$802	Old Jefferson Estates * (60%)	\$909
	Harbor Pines Apartments	\$626	The Reserve At Sugar Mill * (2BA 60%)	\$752	Harbor Pines Apartments	\$885
	Mission Forest Apartments	\$568	The Reserve At Sugar Mill * (2BA 60%)	\$752	Caney Heights * (60%)	\$854
	Pelican Point Apartments	\$560	Kings Grant Apartments * (2BA 60%)	\$740	The Reserve At Sugar Mill * (60%)	\$850
	Ashton Cove Apartments * (50%)	\$521	Cumberland Oaks * (60%)	\$732	The Reserve At Sugar Mill * (60%)	\$850
	Ashton Cove Apartments * (45%)	\$499	Royal Point Apartments * (2BA 60%)	\$717	Royal Point Apartments * (60%)	\$827
			Harbor Pines Apartments (2BA)	\$707	Cumberland Oaks * (60%)	\$807
			Pelican Point Apartments (2BA)	\$686	Kings Grant Apartments * (60%)	\$801
			Mission Forest Apartments (2BA)	\$653	Greenbriar Townhomes	\$800
			The Reserve At Sugar Mill * (2BA 50%)	\$652	Ashton Cove Apartments * (50%)	\$773
			The Reserve At Sugar Mill * (2BA 50%)	\$652	Caney Heights * (50%)	\$759
			Royal Point Apartments * (2BA 50%)	\$643	The Reserve At Sugar Mill * (50%)	\$755
			Ashton Cove Apartments * (2BA 50%)	\$630	The Reserve At Sugar Mill * (50%)	\$755
			Kings Grant Apartments * (2BA 50%)	\$626	Old Jefferson Estates * (50%)	\$751
			Ashton Cove Apartments * (2BA 45%)	\$602	Royal Point Apartments * (50%)	\$739
					Kings Grant Apartments * (50%)	\$718
				Ashton Cove Apartments * (45%)	\$693	
SQUARE FOOTAGE	Ashton Cove Apartments * (45%)	764	Greenbriar Townhomes (2BA)	1,200	Caney Heights * (50%)	1,418
	Ashton Cove Apartments * (50%)	764	Pelican Point Apartments (2BA)	1,000	Caney Heights * (60%)	1,418
	Harbor Pines Apartments	750	Royal Point Apartments * (2BA 50%)	990	Old Jefferson Estates * (50%)	1,297
	Mission Forest Apartments	750	Royal Point Apartments * (2BA 60%)	990	Old Jefferson Estates * (60%)	1,297
	Park Place	700	Ashton Cove Apartments * (2BA 45%)	984	Greenbriar Townhomes	1,200
	Park Place	700	Ashton Cove Apartments * (2BA 50%)	984	Royal Point Apartments * (50%)	1,189
	Park Place	700	The Reserve At Sugar Mill * (2BA 50%)	952	Royal Point Apartments * (60%)	1,189
	Cumberland Oaks * (60%)	600	The Reserve At Sugar Mill * (2BA 60%)	952	Ashton Cove Apartments * (45%)	1,184
	Pelican Point Apartments	560	Harbor Pines Apartments (2BA)	950	Ashton Cove Apartments * (50%)	1,184
			Mission Forest Apartments (2BA)	950	The Reserve At Sugar Mill * (50%)	1,174
			Park Place	950	The Reserve At Sugar Mill * (60%)	1,174
			Park Place	950	The Reserve At Sugar Mill * (50%)	1,161
			Park Place	950	The Reserve At Sugar Mill * (60%)	1,161
			The Reserve At Sugar Mill * (2BA 50%)	939	Kings Grant Apartments * (50%)	1,100
			The Reserve At Sugar Mill * (2BA 60%)	939	Kings Grant Apartments * (60%)	1,100
			Kings Grant Apartments * (2BA 50%)	900	Harbor Pines Apartments	1,100
			Kings Grant Apartments * (2BA 60%)	900	Park Place	1,100
			Cumberland Oaks * (60%)	800	Park Place	1,100
					Park Place	1,100
				Cumberland Oaks * (60%)	1,000	
RENT PER SQUARE FOOT	Park Place	\$1.16	Park Place	\$1.02	Park Place	\$1.00
	Park Place	\$1.11	Park Place	\$0.98	Park Place	\$0.93
	Park Place	\$1.06	Park Place	\$0.94	Park Place	\$0.86
	Cumberland Oaks * (60%)	\$1.05	Cumberland Oaks * (60%)	\$0.92	Cumberland Oaks * (60%)	\$0.81
	Pelican Point Apartments	\$1.00	Kings Grant Apartments * (2BA 60%)	\$0.82	Harbor Pines Apartments	\$0.80
	Harbor Pines Apartments	\$0.83	The Reserve At Sugar Mill * (2BA 60%)	\$0.80	The Reserve At Sugar Mill * (60%)	\$0.73
	Mission Forest Apartments	\$0.76	The Reserve At Sugar Mill * (2BA 60%)	\$0.79	Kings Grant Apartments * (60%)	\$0.73
	Ashton Cove Apartments * (50%)	\$0.68	Harbor Pines Apartments (2BA)	\$0.74	The Reserve At Sugar Mill * (60%)	\$0.72
	Ashton Cove Apartments * (45%)	\$0.65	Royal Point Apartments * (2BA 60%)	\$0.72	Old Jefferson Estates * (60%)	\$0.70
			Kings Grant Apartments * (2BA 50%)	\$0.70	Royal Point Apartments * (60%)	\$0.70
			The Reserve At Sugar Mill * (2BA 50%)	\$0.69	Greenbriar Townhomes	\$0.67
			Mission Forest Apartments (2BA)	\$0.69	Ashton Cove Apartments * (50%)	\$0.65
			Pelican Point Apartments (2BA)	\$0.69	Kings Grant Apartments * (50%)	\$0.65
			The Reserve At Sugar Mill * (2BA 50%)	\$0.68	The Reserve At Sugar Mill * (50%)	\$0.65
			Greenbriar Townhomes (2BA)	\$0.67	The Reserve At Sugar Mill * (50%)	\$0.64
			Royal Point Apartments * (2BA 50%)	\$0.65	Royal Point Apartments * (50%)	\$0.62
			Ashton Cove Apartments * (2BA 50%)	\$0.64	Caney Heights * (60%)	\$0.60
			Ashton Cove Apartments * (2BA 45%)	\$0.61	Ashton Cove Apartments * (45%)	\$0.59
					Old Jefferson Estates * (50%)	\$0.58
				Caney Heights * (50%)	\$0.54	

PROPERTY PROFILE REPORT

Ashton Cove Apartments

Effective Rent Date	7/17/2014
Location	230 N Gross Rd Kingsland, GA 31548 Camden County
Distance	N/A
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Village at Winding Road
Tenant Characteristics	10% seniors, 50% families, 40% singles
Contact Name	Reese, Property Manager
Phone	(912) 510-7007



Market Information

Program	@45%, @50%
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 1 to 11%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	15	764	\$378	\$0	@45%	Yes	0	0.0%	yes	None
1	1	Garden	3	764	\$400	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	32	984	\$445	\$0	@45%	Yes	0	0.0%	yes	None
2	2	Garden	6	984	\$473	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden	13	1,184	\$503	\$0	@45%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,184	\$583	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$378	\$0	\$378	\$121	\$499	1BR / 1BA	\$400	\$0	\$400	\$121	\$521
2BR / 2BA	\$445	\$0	\$445	\$157	\$602	2BR / 2BA	\$473	\$0	\$473	\$157	\$630
3BR / 2BA	\$503	\$0	\$503	\$190	\$693	3BR / 2BA	\$583	\$0	\$583	\$190	\$773

Ashton Cove Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The property manager is the same as The Reserve at Sugar Mill. The waiting list is eight to 12 months in length with 200 households. Both properties typically maintain 100 percent occupancy. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.

Ashton Cove Apartments, continued

Trend Report

Vacancy Rates

1Q11	2Q12	2Q14	3Q14
0.0%	0.0%	0.0%	0.0%

Trend: @45%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$342	\$0	\$342	\$463
2012	2	0.0%	\$342	\$0	\$342	\$463
2014	2	0.0%	\$378	\$0	\$378	\$499
2014	3	0.0%	\$378	\$0	\$378	\$499

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$401	\$0	\$401	\$558
2012	2	0.0%	\$401	\$0	\$401	\$558
2014	2	0.0%	\$445	\$0	\$445	\$602
2014	3	0.0%	\$445	\$0	\$445	\$602

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$454	\$0	\$454	\$644
2012	2	0.0%	\$454	\$0	\$454	\$644
2014	2	0.0%	\$503	\$0	\$503	\$693
2014	3	0.0%	\$503	\$0	\$503	\$693

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$395	\$0	\$395	\$516
2012	2	0.0%	\$395	\$0	\$395	\$516
2014	2	0.0%	\$400	\$0	\$400	\$521
2014	3	0.0%	\$400	\$0	\$400	\$521

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$464	\$0	\$464	\$621
2012	2	0.0%	\$464	\$0	\$464	\$621
2014	2	0.0%	\$473	\$0	\$473	\$630
2014	3	0.0%	\$473	\$0	\$473	\$630

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$527	\$0	\$527	\$717
2012	2	0.0%	\$527	\$0	\$527	\$717
2014	2	0.0%	\$583	\$0	\$583	\$773
2014	3	0.0%	\$583	\$0	\$583	\$773

Trend: Comments

- 1Q11** The property is typically 100 percent occupied with a waiting list. Half of the people on the waiting list are seniors. There is sufficient demand for senior housing in St. Mary's, with an estimated 70 units. Seniors are generally in the one and two bedroom units. Management also indicated that there is demand for additional family units as well, given the large number of families on their waiting list.
- 2Q12** The property typically has 0.00 percent vacancy and maintains a waiting list of six to eight months long with four hundred households across all unit types. The property manager at Ashton Cove also manages Ashton Pines Apartments. One-half of the property is for seniors, 62 and older, only, and one-half is for non-seniors. Currently 15 households utilize Housing Choice Vouchers.
- 2Q14** The property manager is the same as The Reserve at Sugar Mill. The waiting list is six to eight months in length with 200 households. Both properties typically maintain 100 percent occupancy. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.
- 3Q14** The property manager is the same as The Reserve at Sugar Mill. The waiting list is eight to 12 months in length with 200 households. Both properties typically maintain 100 percent occupancy. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.

Photos



PROPERTY PROFILE REPORT

Caney Heights

Effective Rent Date	7/17/2014
Location	Grove Boulevard Kingsland, GA 31548 Camden County
Distance	N/A
Units	28
Vacant Units	3
Vacancy Rate	10.7%
Type	Single Family
Year Built/Renovated	2012 / N/A
Marketing Began	12/01/2011
Leasing Began	2/01/2012
Last Unit Leased	6/01/2012
Major Competitors	None
Tenant Characteristics	Mostly local families
Contact Name	Sebastian
Phone	912-882-7220



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	5 to 6 per month
HCV Tenants	4%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 4 to 11% since 2012
Concession	Reduced deposits

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Single Family	4	1,418	\$555	\$0	@50%	No	0	0.0%	yes	None
3	2	Single Family	14	1,418	\$650	\$0	@60%	No	1	7.1%	yes	None
4	2	Single Family	2	1,710	\$575	\$0	@50%	No	0	0.0%	yes	None
4	2	Single Family	8	1,710	\$705	\$0	@60%	No	2	25.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$555	\$0	\$555	\$204	\$759	3BR / 2BA	\$650	\$0	\$650	\$204	\$854
4BR / 2BA	\$575	\$0	\$575	\$257	\$832	4BR / 2BA	\$705	\$0	\$705	\$257	\$962

Amenities

In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Dishwasher	Garbage Disposal
Oven	Refrigerator
Washer/Dryer	Washer/Dryer hookup

Security

None

Services

None

Property

Basketball Court	Clubhouse/Meeting
Central Laundry	Off-Street Parking
On-Site Management	Picnic Area
Playground	Swimming Pool

Premium

None

Other

Lakeside park, shuffleboard

Caney Heights, continued

Comments

The property manager at Caney Heights is also the property manager of Kings Grant Apartments. Caney Heights is the third phase of the Kingsland Affordable Housing Development, which is projected to include five phases. The waiting list is three months long for units @50% AMI. Management explained that the two vacancies are due to tenants buying houses. Management stated that demand is slow due to the military base offering housing to the public since January.

The property manager reported that rents are almost at the maximum allowable level for all unit types.

There are currently eight households that are currently utilizing Housing Choice Vouchers.

Caney Heights, which is adjacent to Kings Grant Apartments, shares community amenities with Kings Grant Apartments including swimming pool and clubhouse.

Although the units have in-unit washer and dryers, Caney Heights has its own central laundry for its tenants use.

Caney Heights, continued

Trend Report

Vacancy Rates

3Q10	2Q12	2Q14	3Q14
N/A	10.7%	7.1%	10.7%

Trend: @50%

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$486	\$0	\$486	\$690
2012	2	N/A	\$505	\$0	\$505	\$709
2014	2	0.0%	\$530	\$0	\$530	\$734
2014	3	0.0%	\$555	\$0	\$555	\$759

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$513	\$0	\$513	\$770
2012	2	N/A	\$525	\$0	\$525	\$782
2014	2	0.0%	\$550	\$0	\$550	\$807
2014	3	0.0%	\$575	\$0	\$575	\$832

Trend: @60%

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$506	\$0	\$506	\$710
2012	2	N/A	\$625	\$0	\$625	\$829
2014	2	7.1%	\$650	\$0	\$650	\$854
2014	3	7.1%	\$650	\$0	\$650	\$854

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$533	\$0	\$533	\$790
2012	2	N/A	\$635	\$0	\$635	\$892
2014	2	12.5%	\$705	\$0	\$705	\$962
2014	3	25.0%	\$705	\$0	\$705	\$962

Trend: Comments

- 3Q10** The Subject is the third phase of the Kingsland Affordable Housing Development, which is projected to include five phases. Phase II, Kings Grant Apartments, is the only completed phase. It consists of 60 family units located adjacent to the Subject site. The Subject's utility allowance is \$231 and \$287 for the three- and four-bedroom units and the gross rents are: \$717, \$737, \$800, and \$820 for the three- and four-bedroom units at 50 and 60 percent of AMI, respectively.
- 2Q12** The property manager at Caney Heights said that she is also the property manager of Kings Grant Apartments. Caney Heights is the third phase of the Kingsland Affordable Housing Development, which is projected to include five phases. Kings Grant is Phase II. It was built in 2009, and consists of 60 family units at the 50 and 60 percent restriction level. Caney Heights was completed on February 1, 2012. Of the 28 units, 25 are leased and three are preleased with June move-in scheduled, which equates to an absorption rate of five or six units per month. There is a waiting list of ten households for all unit types.
- The property manager reported that rents are almost at the maximum allowable level for all unit types.
- There are currently eight households that are currently utilizing Housing Choice Vouchers. Caney Heights, which is adjacent to Kings Grant Apartments, shares community amenities with Kings Grant Apartments including swimming pool and clubhouse.
- Although the units have in-unit washer and dryers, Caney Heights has its own central laundry for its tenants use.
- 2Q14** The property manager at Caney Heights is also the property manager of Kings Grant Apartments. Caney Heights is the third phase of the Kingsland Affordable Housing Development, which is projected to include five phases. The waiting list is three months long for units @50% AMI. Management explained that the two vacancies are due to tenants buying houses. Management stated that demand is slow due to the military base offering housing to the public since January.
- The property manager reported that rents are almost at the maximum allowable level for all unit types.
- There are currently eight households that are currently utilizing Housing Choice Vouchers. Caney Heights, which is adjacent to Kings Grant Apartments, shares community amenities with Kings Grant Apartments including swimming pool and clubhouse.
- Although the units have in-unit washer and dryers, Caney Heights has its own central laundry for its tenants use.
- 3Q14** N/A

Photos



PROPERTY PROFILE REPORT

Kings Grant Apartments

Effective Rent Date	7/17/2014
Location	500 N. Grove Blvd Kingsland, GA 31548 Camden County
Distance	N/A
Units	60
Vacant Units	8
Vacancy Rate	13.3%
Type	Garden (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	3/28/2009
Last Unit Leased	8/31/2009
Major Competitors	Caney Place, Ashton Cove, Old Jefferson, Ashton Pines
Tenant Characteristics	Mostly local families
Contact Name	Sebastian
Phone	912-882-7220



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	11-12
HCV Tenants	4%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 4 to 25% since 2012
Concession	Reduced deposits

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	7	900	\$520	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (2 stories)	20	900	\$634	\$0	@60%	No	4	20.0%	no	None
3	2	Garden (2 stories)	14	1,100	\$590	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	19	1,100	\$673	\$0	@60%	No	4	21.1%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$520	\$0	\$520	\$106	\$626	2BR / 2BA	\$634	\$0	\$634	\$106	\$740
3BR / 2BA	\$590	\$0	\$590	\$128	\$718	3BR / 2BA	\$673	\$0	\$673	\$128	\$801

Kings Grant Apartments, continued

Amenities

In-Unit

Carpeting
Coat Closet
Ceiling Fan
Hand Rails
Oven
Refrigerator

Central A/C
Dishwasher
Garbage Disposal
Microwave
Pull Cords
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground
Swimming Pool

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Sport Court

Premium

None

Other

None

Comments

The waiting list is three months long for units at 50 percent of AMI. Management stated that demand is slow due to the military base offering housing to the public since January. He reported that the base's rents are \$650 per month including all utilities. Occupancy has been lower recently at this property as there was no property manager. The property has since hired a manager and vacancies are decreasing.

Kings Grant Apartments, continued

Trend Report

Vacancy Rates

1Q11	2Q12	2Q14	3Q14
5.0%	16.7%	11.7%	13.3%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$495	\$0	\$495	\$601
2012	2	N/A	\$495	\$41	\$454	\$560
2014	2	0.0%	\$619	\$0	\$619	\$725
2014	3	0.0%	\$520	\$0	\$520	\$626

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$565	\$0	\$565	\$693
2012	2	N/A	\$565	\$47	\$518	\$646
2014	2	0.0%	\$658	\$0	\$658	\$786
2014	3	0.0%	\$590	\$0	\$590	\$718

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	15.0%	\$609	\$0	\$609	\$715
2012	2	N/A	\$609	\$51	\$558	\$664
2014	2	15.0%	\$634	\$0	\$634	\$740
2014	3	20.0%	\$634	\$0	\$634	\$740

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$648	\$0	\$648	\$776
2012	2	N/A	\$648	\$54	\$594	\$722
2014	2	21.1%	\$673	\$0	\$673	\$801
2014	3	21.1%	\$673	\$0	\$673	\$801

Trend: Comments

1Q11 There is demand for senior one bedroom units, and some senior two bedroom units. Some seniors prefer the second bedroom unit for visiting family members. The vacant units are a result of layoffs and evictions. The property manager indicated that rents could be increased if the economy improves. There are two pending applications on vacant units. Management also reported a need for family LIHTC units in the area, particularly two- and three-bedroom units.

2Q12 The property manager of Kings Grant Apartments indicated that she is also the property manager at Caney Heights, a new 28-unit affordable housing development, containing a total of 28 single-family homes at the 50 and 60 percent restriction levels. Caney Heights opened in February of 2012 and contains 18 three-bedroom units and ten four-bedroom units. Caney Heights, which is adjacent to Kings Grant Apartments, shares community amenities with Kings Grant Apartments including swimming pool and club house.

The property manager reported that over the last three years, vacancy has typically been at five percent, however vacancy is currently at 17 percent with ten units vacant due primarily to tenants moving to Caney Heights. Vacancy is across all unit types. Turnover, which has typically run at one or two units per month, or 30 percent, is running higher since Caney Heights opened; the manager did not specify how much higher. The property manager reported that typically, it takes two to three weeks to lease a unit, however, it has been taking longer to lease a unit since Caney Heights opened; the property manager did not specify how much longer.

Rents have not changed over the last year. The property is currently offering a concession of one-month free rent for all unit types.

There are currently nine households that are currently utilizing Housing Choice Vouchers.

2Q14 The waiting list is three months long for units at 50 percent of AMI. Management stated that demand is slow due to the military base offering housing to the public since January. He reported that the base's rents are \$650 per month including all utilities. Occupancy has been lower recently at this property as there was no property manager. The property has since hired a manager and vacancies are decreasing.

3Q14 N/A

Kings Grant Apartments, continued

Photos



PROPERTY PROFILE REPORT

Old Jefferson Estates

Effective Rent Date	7/16/2014
Location	42 Pinehurst Dr St Marys, GA 31558 Camden County
Distance	N/A
Units	62
Vacant Units	1
Vacancy Rate	1.6%
Type	Single Family
Year Built/Renovated	1995 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None because SFH
Tenant Characteristics	Families mostly from Kingsland and St. Mary's, some are from Jacksonville
Contact Name	Lisa
Phone	(912) 673-6344



Market Information

Program	@50%, @60%
Annual Turnover Rate	77%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	One week to one month
Annual Chg. in Rent	Increased 3 to 185% since 2012
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Single Family	12	1,297	\$547	\$0	@50%	None	0	0.0%	no	None
3	2	Single Family	19	1,297	\$705	\$0	@60%	None	0	0.0%	no	None
4	2	Single Family	12	1,329	\$604	\$0	@50%	None	0	0.0%	no	None
4	2	Single Family	19	1,329	\$781	\$0	@60%	None	1	5.3%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$547	\$0	\$547	\$204	\$751	3BR / 2BA	\$705	\$0	\$705	\$204	\$909
4BR / 2BA	\$604	\$0	\$604	\$257	\$861	4BR / 2BA	\$781	\$0	\$781	\$257	\$1,038

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator

Security

None

Services

None

Property

Basketball Court
Off-Street Parking

Garage
On-Site Management

Premium

None

Other

None

Comments

Management is the same as Pelican Point. Management explained that the property's rents increases were at the DCA's maximum allowable amount. However, the rents are still below the LIHTC maximum allowable levels. Management is new and stated that the high turnover is due to evictions and tenants moving out of state for new jobs. She also stated that this is the first time in several years that the property has been 100 percent occupied. Management stated that leasing pace varies depending on the amount of work needed before showing the unit. She also stated that St. Mary's is a small town with average demand.

Old Jefferson Estates, continued

Trend Report

Vacancy Rates

1Q11	2Q12	2Q14	3Q14
11.5%	9.7%	0.0%	1.6%

Trend: @50%

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$490	\$0	\$490	\$694
2012	2	N/A	\$529	\$0	\$529	\$733
2014	2	0.0%	\$547	\$0	\$547	\$751
2014	3	0.0%	\$547	\$0	\$547	\$751

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$510	\$0	\$510	\$767
2012	2	N/A	\$510	\$0	\$510	\$767
2014	2	0.0%	\$604	\$0	\$604	\$861
2014	3	0.0%	\$604	\$0	\$604	\$861

Trend: @60%

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$630	\$0	\$630	\$834
2012	2	N/A	\$630	\$0	\$630	\$834
2014	2	0.0%	\$705	\$0	\$705	\$909
2014	3	0.0%	\$705	\$0	\$705	\$909

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$660	\$0	\$660	\$917
2012	2	N/A	\$660	\$0	\$660	\$917
2014	2	0.0%	\$781	\$0	\$781	\$1,038
2014	3	5.3%	\$781	\$0	\$781	\$1,038

Trend: Comments

- 1Q11** The property typically remains 100 percent occupied with a waiting list. People prefer single family homes. The property is 99 percent leased. The low occupancy is a result of the previous manager.
- 2Q12** There are currently six vacant units, however four are preleased. There is a waiting list of several households for the 50 percent restricted units. In January of 2012, three-bedroom rents at the 50 percent restriction level increased from \$490 to \$529, or eight percent, and four-bedroom rents at the 50 percent restriction level increased from \$583 to \$630, or eight percent. Rents did not increase for three- or four-bedroom units at the 60 percent restriction level.
- 2Q14** Management is the same as Pelican Point. Management explained that the property's rents increases were at the DCA's maximum allowable amount. However, the rents are still below the LIHTC maximum allowable levels. Management is new and stated that the high turnover is due to evictions and tenants moving out of state for new jobs. She also stated that this is the first time in several years that the property has been 100 percent occupied. Management stated that leasing pace varies depending on the amount of work needed before showing the unit. She also stated that St. Mary's is a small town with average demand.
- 3Q14** Management is the same as Pelican Point. Management explained that the property's rents increases were at the DCA's maximum allowable amount. However, the rents are still below the LIHTC maximum allowable levels. Management is new and stated that the high turnover is due to evictions and tenants moving out of state for new jobs. She also stated that this is the first time in several years that the property has been 100 percent occupied. Management stated that leasing pace varies depending on the amount of work needed before showing the unit. She also stated that St. Mary's is a small town with average demand.

Photos



PROPERTY PROFILE REPORT

Royal Point Apartments

Effective Rent Date	7/16/2014
Location	301 N Gross Rd Kingsland, GA 31548 Camden County
Distance	N/A
Units	144
Vacant Units	7
Vacancy Rate	4.9%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Cove, Willow Way, Camden Way
Tenant Characteristics	Majority from Camden Cty including St Marys; Avg HH size is 3 persons, 2% senior
Contact Name	Gwyn
Phone	(912) 729-7135



Market Information

Program	@50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Three to four days
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	72	990	\$537	\$0	@50%	None	2	2.8%	no	None
2	2	Garden (3 stories)	N/A	990	\$611	\$0	@60%	None	3	N/A	no	None
3	2	Garden (3 stories)	72	1,189	\$611	\$0	@50%	None	0	0.0%	no	None
3	2	Garden (3 stories)	N/A	1,189	\$699	\$0	@60%	None	2	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$537	\$0	\$537	\$106	\$643	2BR / 2BA	\$611	\$0	\$611	\$106	\$717
3BR / 2BA	\$611	\$0	\$611	\$128	\$739	3BR / 2BA	\$699	\$0	\$699	\$128	\$827

Royal Point Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is one maintained.

Royal Point Apartments, continued

Trend Report

Vacancy Rates

2Q12	2Q13	2Q14	3Q14
11.1%	6.2%	4.2%	4.9%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$537	\$0	\$537	\$643
2013	2	0.0%	\$537	\$0	\$537	\$643
2014	2	0.0%	\$537	\$0	\$537	\$643
2014	3	2.8%	\$537	\$0	\$537	\$643

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$608	\$0	\$608	\$736
2013	2	10.0%	\$611	\$0	\$611	\$739
2014	2	1.4%	\$611	\$0	\$611	\$739
2014	3	0.0%	\$611	\$0	\$611	\$739

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$599	\$0	\$599	\$705
2013	2	N/A	\$615	\$0	\$615	\$721
2014	2	N/A	\$611	\$0	\$611	\$717
2014	3	N/A	\$611	\$0	\$611	\$717

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$659	\$0	\$659	\$787
2013	2	N/A	\$733	\$0	\$733	\$861
2014	2	N/A	\$733	\$0	\$733	\$861
2014	3	N/A	\$699	\$0	\$699	\$827

Trend: Comments

- 2Q12** There are approximately 18 households which utilize Housing Choice Vouchers. Vacancy rate was estimated by property manager, however she indicated that there is always a list maintained to call prospective tenants for when a two-bedroom unit becomes available, but that it isn't a waiting list per se. The property manager reported that in general, the vacancy was higher for the two-bedroom units than for the three-bedroom units. Over the past year, rents for existing tenants have increased by \$20 for all unit types. The property manager indicated that \$20 was as high as they were allowed to increase apartment rents for existing tenants. Over the last year, asking rents for the two-bedroom units at the 50 percent level have increased by 11 percent, and three percent at the sixty percent restriction level; asking rents for the three-bedroom units at the 50 percent level have increased by 10 percent, and have decreased by five percent at the sixty percent restriction level.
- 2Q13** No additional comments.
- 2Q14** The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is.
- 3Q14** The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is one maintained.

Royal Point Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Reserve At Sugar Mill

Effective Rent Date	7/21/2014
Location	11115 Colerain Rd St Marys, GA 31558 Camden County
Distance	N/A
Units	70
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1997 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kings Grant, Ashton Cove, Royal Point, Harbor Pines
Tenant Characteristics	Majority of tenants come from St. Marys and Kingsland, mix - families, singles and seniors
Contact Name	Reese
Phone	912-673-6588



Market Information

Program	@50%, @60%
Annual Turnover Rate	34%
Units/Month Absorbed	N/A
HCV Tenants	14%
Leasing Pace	Preleased
Annual Chg. in Rent	Dec. 1% on 3BD @60%, Inc. 1-3% other
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	3	939	\$495	\$0	@50%	None	0	0.0%	no	None
2	2	Garden (2 stories)	3	952	\$495	\$0	@50%	None	0	0.0%	no	None
2	2	Garden (2 stories)	13	939	\$595	\$0	@60%	None	0	0.0%	no	None
2	2	Garden (2 stories)	15	952	\$595	\$0	@60%	None	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,161	\$565	\$0	@50%	None	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,174	\$565	\$0	@50%	None	0	0.0%	no	None
3	2	Garden (2 stories)	17	1,161	\$660	\$0	@60%	None	0	0.0%	no	None
3	2	Garden (2 stories)	13	1,174	\$660	\$0	@60%	None	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$495	\$0	\$495	\$157	\$652	2BR / 2BA	\$595	\$0	\$595	\$157	\$752
3BR / 2BA	\$565	\$0	\$565	\$190	\$755	3BR / 2BA	\$660	\$0	\$660	\$190	\$850

The Reserve At Sugar Mill, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Recreation Areas

Premium

None

Other

Splash pad

Comments

Management is the same as Ashton Cove Apartments. The property underwent an 4.3 million dollar renovation, which equates to \$61,500 per unit in hard costs. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.

The Reserve At Sugar Mill, continued

Trend Report

Vacancy Rates

2Q11	2Q12	2Q14	3Q14
N/A	N/A	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$490	\$0	\$490	\$647
2012	2	N/A	\$490	\$0	\$490	\$647
2014	2	0.0%	\$495	\$0	\$495	\$652
2014	3	0.0%	\$495	\$0	\$495	\$652

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$550	\$0	\$550	\$740
2012	2	N/A	\$550	\$0	\$550	\$740
2014	2	0.0%	\$565	\$0	\$565	\$755
2014	3	0.0%	\$565	\$0	\$565	\$755

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$590	\$0	\$590	\$747
2012	2	N/A	\$590	\$0	\$590	\$747
2014	2	0.0%	\$595	\$0	\$595	\$752
2014	3	0.0%	\$595	\$0	\$595	\$752

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	2	N/A	\$668	\$0	\$668	\$858
2012	2	N/A	\$668	\$0	\$668	\$858
2014	2	0.0%	\$660	\$0	\$660	\$850
2014	3	0.0%	\$660	\$0	\$660	\$850

Trend: Comments

2Q11 Ashton Pines is an existing LIHTC property that will be renovated with tax credits. Proposed net rents for the property's two- and three-bedroom units at 50 percent AMI are \$490 and \$550 respectively. The proposed net rents for the property's two- and three-bedroom units at 60 percent AMI are \$590 and \$668, respectively. Per the developer, the Subject's utility allowances will be \$180 for a one-bedroom unit and \$219 for a two-bedroom unit. This yields a gross rent of \$670 and \$769 for the property's one- and two-bedroom units at 50 percent AMI and \$770 and \$887 for the property's one- and two-bedroom units at 60 percent AMI.

2Q12 Ashton Pines is an existing LIHTC property that will be renovated with tax credits. The Subject's compliance period ended on December 31, 2011. The Subject was put in-service in 1997. Proposed net rents for the property's two- and three-bedroom units at 50 percent AMI are \$490 and \$550 respectively. The proposed net rents for the property's two- and three-bedroom units at 60 percent AMI are \$590 and \$668, respectively. Per the developer, the Subject's utility allowances will be \$180 for a two-bedroom unit and \$219 for a three-bedroom unit. This yields a gross rent of \$670 and \$769 for the property's two- and three-bedroom units at 50 percent AMI and \$770 and \$887 for the property's two- and three-bedroom units at 60 percent AMI.

Property manager reported that the nine vacant units are being kept vacant pending renovations at the property. Typically, vacancy is at 0.00 to 2.00 percent. Management reported that typically three units turnover in a month, which equates to a 51 percent turnover rate, however this seems high based on the 2011 rent roll, which indicated that only thirteen units turned over, equating to an annual turnover rate of 19 percent. The property is not currently maintaining a waiting list pending renovations. Typically, there is a waiting list of 75 to 100 households across all unit types. There has not been an increase in rents over the last year.

The property manager reported that new single-family affordable housing in Kingsland at Caney Heights was less of a concern to Ashton Pines since the property's tenants generally prefer St. Marys to Kingsland.

There are currently ten households utilizing Housing Choice Tax Credit Vouchers.

2Q14 Management is the same as Ashton Cove Apartments. The property underwent an 8.9 million dollar renovation, which equates to \$127,123 per unit. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.

3Q14 Management is the same as Ashton Cove Apartments. The property underwent an 4.3 million dollar renovation, which equates to \$61,500 per unit in hard costs. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.

The Reserve At Sugar Mill, continued

Photos



Greenbriar Townhomes, continued

Comments

There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. However, all rents are at the discounted rate currently. There is a waiting list of five households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.

Greenbriar Townhomes, continued

Trend Report

Vacancy Rates

1Q10	1Q11	2Q14	3Q14
4.2%	5.6%	0.0%	0.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$610	\$25	\$585	\$742
2011	1	0.0%	\$645	\$10	\$635	\$792
2014	2	0.0%	\$665	\$55	\$610	\$767
2014	3	0.0%	\$665	\$20	\$645	\$802

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	4.5%	\$620	\$25	\$595	\$785
2011	1	6.1%	\$665	\$30	\$635	\$825
2014	2	0.0%	\$665	\$55	\$610	\$800
2014	3	0.0%	\$665	\$55	\$610	\$800

Trend: Comments

- 1Q10** Military discount offered on two and three bedroom units. We have applied this discount as a concession because a majority of the tenant base is military. The contact indicated that turnover was highly dependent on military transfers, and was higher in the spring and summer months.
- 1Q11** Military discount offered on two and three bedroom units. We have applied this discount as a concession because a majority of the tenant base is military. The contact indicated that turnover was highly dependent on military transfers. There were 10 move-outs in December due to military transfers.
- 2Q14** There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. There is a waiting list of two households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.
- 3Q14** There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. However, all rents are at the discounted rate currently. There is a waiting list of five households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.

Greenbriar Townhomes, continued

Photos



PROPERTY PROFILE REPORT

Harbor Pines Apartments

Effective Rent Date	7/21/2014
Location	2000 Harbor Pine Dr St Marys, GA 31558 Camden County
Distance	N/A
Units	200
Vacant Units	5
Vacancy Rate	2.5%
Type	Garden (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place, Brant Creek
Tenant Characteristics	40% military, 20% senior, families, singles
Contact Name	JoAnn
Phone	(912) 882-7330



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 2.0 to 7.8% on one and three
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	44	750	\$505	\$0	Market	None	2	4.5%	N/A	None
2	2	Garden (2 stories)	112	950	\$550	\$0	Market	None	2	1.8%	N/A	None
3	2	Garden (2 stories)	44	1,100	\$695	\$0	Market	None	1	2.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$505	\$0	\$505	\$121	\$626
2BR / 2BA	\$550	\$0	\$550	\$157	\$707
3BR / 2BA	\$695	\$0	\$695	\$190	\$885

Harbor Pines Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Off-Street Parking
Playground
Tennis Court

Clubhouse/Meeting
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

Management could not comment on leasing pace or turnover. The property updates appliances as needed.

Harbor Pines Apartments, continued

Trend Report

Vacancy Rates

1Q11	2Q12	2Q14	3Q14
30.0%	18.0%	8.5%	2.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$475	\$0	\$475	\$596
2012	2	0.0%	\$495	\$0	\$495	\$616
2014	2	27.3%	\$505	\$0	\$505	\$626
2014	3	4.5%	\$505	\$0	\$505	\$626

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$475	\$0	\$475	\$632
2012	2	32.1%	\$550	\$0	\$550	\$707
2014	2	3.6%	\$550	\$0	\$550	\$707
2014	3	1.8%	\$550	\$0	\$550	\$707

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$575	\$0	\$575	\$765
2012	2	0.0%	\$645	\$0	\$645	\$835
2014	2	2.3%	\$695	\$0	\$695	\$885
2014	3	2.3%	\$695	\$0	\$695	\$885

Trend: Comments

1Q11	Management reported that occupancy rates at market rate properties in the area fluctuate significantly throughout the year due to military deployments. Management also stated that the LIHTC rental market is much more stable than the conventional market due to the low military tenancy at these properties.
2Q12	There is only one household currently utilizing a Housing Choice Voucher at the property. All of the vacant units are two-bedroom units. The property manager reported that the one- and three-bedroom units lease up quickly. The leasing pace is generally one to six months for the two-bedroom units and within a month for the one- and three-bedroom units.
2Q14	Management could not comment on leasing pace or turnover. The property updates appliances as needed.
3Q14	N/A

Harbor Pines Apartments, continued

Photos



PROPERTY PROFILE REPORT

Mission Forest Apartments

Effective Rent Date	7/16/2014
Location	999 Mission Trace Dr St Marys, GA 31558 Camden County
Distance	N/A
Units	104
Vacant Units	1
Vacancy Rate	1.0%
Type	Garden (2 stories)
Year Built/Renovated	1986 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place, Harbor Pines, Camden Way
Tenant Characteristics	65-70% military; Majority singles or families
Contact Name	Nancy
Phone	(912) 882-4444



Market Information

Program	Market
Annual Turnover Rate	69%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	3-4 days
Annual Chg. in Rent	4% increase on one-bedrooms
Concession	\$200 off first month's rent

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	750	\$515	\$43	Market	None	0	0.0%	N/A	None
2	2	Garden (2 stories)	88	950	\$575	\$48	Market	None	1	1.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$515	\$43	\$472	\$96	\$568
2BR / 2BA	\$575	\$48	\$527	\$126	\$653

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Dishwasher		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting	None	None
Off-Street Parking		
Picnic Area		
Sauna		
Central Laundry		
On-Site Management		
Playground		
Swimming Pool		

Mission Forest Apartments, continued

Comments

The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.

Mission Forest Apartments, continued

Trend Report

Vacancy Rates

1Q11	2Q12	2Q14	3Q14
5.8%	6.7%	3.8%	1.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	6.2%	\$475	\$0	\$475	\$571
2012	2	0.0%	\$495	\$41	\$454	\$550
2014	2	6.2%	\$515	\$16	\$499	\$595
2014	3	0.0%	\$515	\$43	\$472	\$568

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	5.7%	\$550	\$0	\$550	\$676
2012	2	8.0%	\$575	\$48	\$527	\$653
2014	2	3.4%	\$575	\$16	\$559	\$685
2014	3	1.1%	\$575	\$48	\$527	\$653

Trend: Comments

- 1Q11** The high turnover is due to military tenants. Approximately five of the tenants are seniors, or five percent. The property manager believes there is demand for senior housing in St. Marys. Management also stated that while the conventional rental market is saturated, there is demand for additional units targeting low income families. Occupancy was as low as 70 percent during the spring of 2010 due to military deployments.
- 2Q12** The property manager reported that Housing Choice Vouchers are not accepted at the Subject property. Leasing pace depends on the season with the end of spring a busy time as well as the month of October. Approximately, five or six units turn over per month due to the high military tenancy. The property is currently offering a concession of one month free rent with a signed year lease.
- 2Q14** The property has a flat fee for water. It is 30 dollars on the one-bedroom units and 50 dollars on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.
- 3Q14** The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.

Mission Forest Apartments, continued

Photos



PROPERTY PROFILE REPORT

Park Place

Effective Rent Date	7/16/2014
Location	11919 Colerain Rd St Marys, GA 31558 Camden County
Distance	N/A
Units	200
Vacant Units	8
Vacancy Rate	4.0%
Type	Garden (2 stories)
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Brant Creek, Harbor Pines, Hickory Plantation
Tenant Characteristics	90% military, Camden Cty Medical Center, schools, police department; Avg is 4 person HH; 2% senior
Contact Name	Richelle
Phone	(912) 673-6001



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 2 to 30% since 2011
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	700	\$656	\$0	Market	None	0	0.0%	N/A	AVG
1	1	Garden (2 stories)	N/A	700	\$688	\$0	Market	None	0	N/A	N/A	HIGH
1	1	Garden (2 stories)	N/A	700	\$622	\$0	Market	None	0	N/A	N/A	LOW
2	1	Garden (2 stories)	68	950	\$776	\$0	Market	None	2	2.9%	N/A	AVG
2	1	Garden (2 stories)	N/A	950	\$815	\$0	Market	None	0	N/A	N/A	HIGH
2	1	Garden (2 stories)	N/A	950	\$740	\$0	Market	None	0	N/A	N/A	LOW
2	2	Garden (2 stories)	68	950	\$854	\$0	Market	None	1	1.5%	N/A	AVG
2	2	Garden (2 stories)	N/A	950	\$881	\$0	Market	None	0	N/A	N/A	HIGH
2	2	Garden (2 stories)	N/A	950	\$827	\$0	Market	None	0	N/A	N/A	LOW
3	2	Garden (2 stories)	32	1,100	\$833	\$0	Market	None	5	15.6%	N/A	AVG
3	2	Garden (2 stories)	N/A	1,100	\$911	\$0	Market	None	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	N/A	1,100	\$754	\$0	Market	None	0	N/A	N/A	LOW

Park Place, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$622 - \$688	\$0	\$622 - \$688	\$121	\$743 - \$809
2BR / 1BA	\$740 - \$815	\$0	\$740 - \$815	\$157	\$897 - \$972
2BR / 2BA	\$827 - \$881	\$0	\$827 - \$881	\$157	\$984 - \$1,038
3BR / 2BA	\$754 - \$911	\$0	\$754 - \$911	\$190	\$944 - \$1,101

Amenities

In-Unit

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer hookup

Carpeting
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Walk-In Closet

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Tennis Court

Exercise Facility
Off-Street Parking
Swimming Pool

Premium

None

Other

Fishing pond, walking path

Comments

Management stated that rent ranges based on occupancy and rents change daily. A large majority of tenants work at the base. Management was unable to estimate turnover and stated that leasing pace depends on the apartment type. Management also believes that housing demand in the area is average.

Park Place, continued

Trend Report

Vacancy Rates

2Q08	1Q11	2Q14	3Q14
4.1%	18.8%	10.5%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	3.1%	\$605	\$0	\$605	\$726
2011	1	N/A	\$500	\$0	\$500	\$621
2014	2	N/A	\$702 - \$801	\$0	\$702 - \$801	\$823 - \$922
2014	3	N/A	\$622 - \$688	\$0	\$622 - \$688	\$743 - \$809

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	2.6%	\$705	\$0	\$705	\$862
2011	1	N/A	\$600	\$0	\$600	\$757
2014	2	N/A	\$654 - \$715	\$0	\$654 - \$715	\$811 - \$872
2014	3	N/A	\$740 - \$815	\$0	\$740 - \$815	\$897 - \$972

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	7.8%	\$725	\$0	\$725	\$882
2011	1	N/A	\$725	\$75	\$650	\$807
2014	2	N/A	\$726 - \$779	\$0	\$726 - \$779	\$883 - \$936
2014	3	N/A	\$827 - \$881	\$0	\$827 - \$881	\$984 - \$1,038

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	0.0%	\$825	\$0	\$825	\$1,015
2011	1	N/A	\$825	\$75	\$750	\$940
2014	2	N/A	\$729 - \$956	\$0	\$729 - \$956	\$919 - \$1,146
2014	3	N/A	\$754 - \$911	\$0	\$754 - \$911	\$944 - \$1,101

Trend: Comments

- 2Q08** The contact reported that the market has slowed due to the economy as the property is typically 97 percent occupied. The property last maintained a 97 percent occupancy rate in February 2008. The contact attributed the slower market to the economy and tenants moving to affordable properties, for which there is a high demand according to the contact.
- 1Q11** The property has suffered from the poor economy over the past several years; however, management reported that the local economy has begun to improve. The property is currently 96.5 percent pre-leased. The one bedroom units stay full. There are four unleased two bedroom units and one three bedroom unleased unit. The property manager believed there was demand for low income senior and family housing in St. Mary's.
- 2Q14** Management stated that rent ranges based on occupancy and rents change daily. Management also stated that occupancy is low because there has been a shift in employment at the naval base. The base has transferred many employees and some employees contracts have ended. A large majority of tenants work at the base. Management expects to be 98 percent occupied within the next few months. Management was unable to estimate turnover and stated that leasing pace depends on the apartment type. Management also believes that housing demand in the area is average.
- 3Q14** Management stated that rent ranges based on occupancy and rents change daily. A large majority of tenants work at the base. Management was unable to estimate turnover and stated that leasing pace depends on the apartment type. Management also believes that housing demand in the area is average.

Photos



PROPERTY PROFILE REPORT

Pelican Point Apartments

Effective Rent Date	7/16/2014
Location	1 Pelican Point St Mary's, GA 31558 Camden County
Distance	N/A
Units	56
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1987 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Camden Way, Mission Forest, Harbor Pines
Tenant Characteristics	18% military, families, singles, 11 % retired seniors, mostly from Jacksonville
Contact Name	Lisa
Phone	(912) 673-6301



Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	One to three weeks
Annual Chg. in Rent	Increased 2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	560	\$480	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (2 stories)	32	1,000	\$580	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$480	\$0	\$480	\$80	\$560
2BR / 2BA	\$580	\$0	\$580	\$106	\$686

Amenities

In-Unit
Balcony/Patio
Carpeting
Dishwasher
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Oven
Walk-In Closet

Security
None

Services
None

Property
Central Laundry
On-Site Management

Off-Street Parking
Playground

Premium
None

Other
None

Pelican Point Apartments, continued

Comments

Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied.

Pelican Point Apartments, continued

Trend Report

Vacancy Rates

2Q08	2Q12	2Q14	3Q14
3.6%	8.9%	7.1%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$514	\$21	\$493	\$573
2012	2	N/A	\$470	\$0	\$470	\$550
2014	2	8.3%	\$480	\$0	\$480	\$560
2014	3	0.0%	\$480	\$0	\$480	\$560

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	2	N/A	\$619	\$25	\$594	\$700
2012	2	9.4%	\$570	\$0	\$570	\$676
2014	2	6.2%	\$580	\$0	\$580	\$686
2014	3	0.0%	\$580	\$0	\$580	\$686

Trend: Comments

- 2Q08** The contact could not report on any market characteristics. The management company is SMG property management and information on the property can be found at www.smgpm.com. The contact estimated that water fees for the one- and two-bedroom units are \$15 and \$20, respectively. These fees are included in the above rent and we have entered the property as including water and sewer in the rental rates. Only two-bedroom units offer washer/dryer connections and dishwashers.
- 2Q12** There are currently six households utilizing Housing Choice Vouchers. Property manager reported that ten of the units are occupied by military households.
- 2Q14** Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied. She stated that demand has been low lately. The property is waiving the application fee and will also waive the deposit if the tenant has a high credit score. Three of the vacancies are preleased. Two will be rented by May first and the other by the end of May.
- 3Q14** Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied.

Photos



2. The following information is provided as required by DCA:

Housing Choice Vouchers

TENANTS WITH VOUCHERS

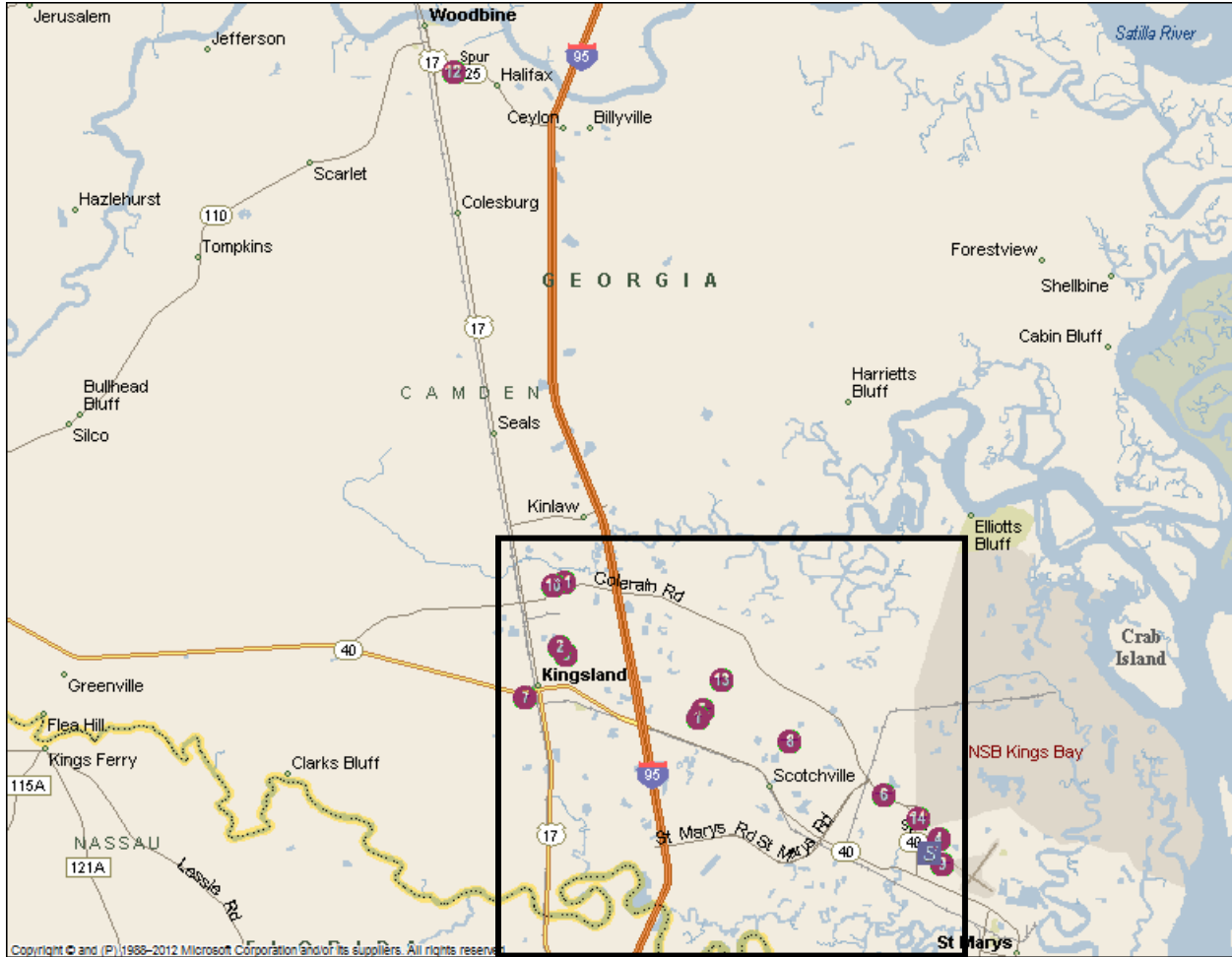
Comparable Property	Type	Housing Choice Voucher Tenants
Ashton Cove Apartments	LIHTC	15%
Caney Heights	LIHTC	4%
Kings Grant Apartments	LIHTC	4%
Old Jefferson Estates	LIHTC	20%
Royal Point Apartments	LIHTC	13%
The Reserve At Sugar Mill	LIHTC	14%
Greenbriar Townhomes	Market	0%
Harbor Pines Apartments	Market	2%
Mission Forest Apartments	Market	2%
Park Place	Market	0%
Pelican Point Apartments	Market	2%
LIHTC Average		12%
Average		7%

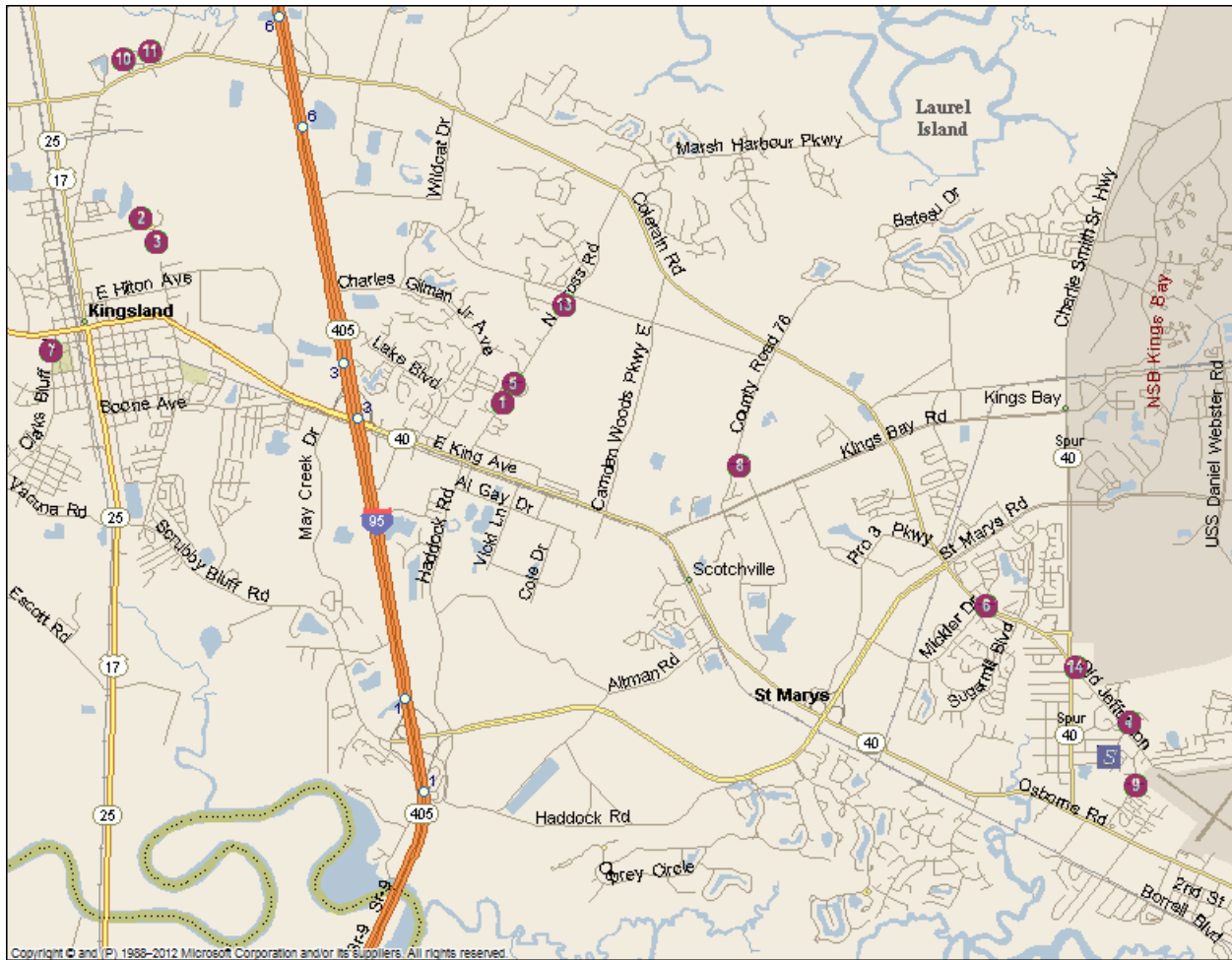
As illustrated in the table, all of the LIHTC properties reported having voucher tenants as well as three market rate comparables. Voucher usage at the LIHTC comparables ranges from four to 20 percent with an average of 12 percent. The market rate comparables with voucher users all report two percent usage. As the Subject will continue to have a project-based Section 8 contract, there will be no tenants using Housing Choice Vouchers. However, if the Subject were to lose its subsidy, we would expect the Subject to operate with voucher usage of between 10 and 15 percent.

Lease Up History

We were only able to obtain complete absorption information from one comparable property, Caney Heights. This comparable is a LIHTC property that offers three and four-bedroom single-family homes at 50 and 60 percent of the AMI. The property is new construction and was completed in Spring of 2012. Advertising for the property began in December of 2011 and leasing began in February of 2012. The property leased all 28 units by June 1st, 2012. This represents an absorption period of four months, indicating an absorption rate of seven units per month. We believe the Subject would hypothetically absorb at a faster rate than Caney Heights because the Subject offers a superior location. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 12 units per month, indicating an absorption period of just over 12 months to reach a stabilized occupancy of 93 percent. We additionally received information from The Reserve at Sugar Mill regarding their re-leasing period after renovations. However, the contact was only able to indicate that half of the units were re-leased during the extent of the renovations.

3. COMPETITIVE PROJECT MAP





COMPETITIVE PROJECTS

Map#	Name	City	Distance from Subject	Type	Tenancy	Included/ Excluded
1	Ashton Cove Apartments	Kingsland	6.4 miles	LIHTC	Family	Included
2	Caney Heights	Kingsland	9.7 miles	LIHTC	Family	Included
3	Kings Grant Apartments	Kingsland	10.3 miles	LIHTC	Family	Included
4	Old Jefferson Estates	St. Marys	0.2 miles	LIHTC	Family	Included
5	Royal Point Apartments	Kingsland	6.6 miles	LIHTC	Family	Included
6	The Reserve at Sugar Mill	St. Marys	1.8 miles	LIHTC	Family	Included
7	Clarks Bluff Road	Kingsland	9.2 miles	LIHTC	Family	Excluded
8	The Village At Winding Road	St. Marys	4.9 miles	LIHTC	Senior	Excluded
9	Cumberland Village	St. Marys	0.3 miles	Rural Development	Family	Excluded
10	Hilltop Terrace	Kingsland	9.1 miles	Rural Development	Senior	Excluded
11	Hilltop Terrace	Kingsland	9.1 miles	Rural Development	Family	Excluded
12	Satilla Villges	Woodbine	20.1 miles	Rural Development	Family	Excluded
13	Cottages at Camden	Kingsland	6.2 miles	Section 8	Senior	Excluded
14	The Pines Apartments	St. Marys	0.3 miles	Section 8	Family	Excluded

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

UNIT MATRIX REPORT

	Cumberland Oaks Apartments	Ashton Cove Apartments	Caney Heights	Kings Grant Apartments	Old Jefferson Estates	Royal Point Apartments	The Reserve At Sugar Mill	Greenbriar Townhomes	Harbor Pines Apartments	Mission Forest Apartments	Park Place	Pelican Point Apartments
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11
Property Information												
Property Type	Lowrise (2 stories)	Garden	Single Family	Garden (2 stories)	Single Family	Garden (3 stories)	Garden (2 stories)	Townhouse (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)
Year Built / Renovated	n/a / 2015	1999 / n/a	2012 / n/a	2009 / n/a	1995 / n/a	2000 / n/a	1997 / 2013	1993 / 2009	1989 / n/a	1986 / n/a	1988 / n/a	1987 / n/a
Market	@60%, @50%	@45%, @50%	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%	Market	Market	Market	Market	Market
(Conv./Subsidy Type	Section 8											
Utility Adjustments												
Cooking	yes	no	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	yes	no	yes	no	no	no	no	no	yes
Sewer	no	no	no	yes	no	yes	no	no	no	yes	no	yes
Trash Collection	yes	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
In-Unit Amenities												
Balcony/Patio	no	yes	yes	no	yes	no	yes	no	yes	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	no	yes	yes	yes	yes	yes	no	yes	no	no
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	yes	no	yes	yes	yes	no	yes	no
Ceiling Fan	yes	yes	no	yes	no	yes	yes	no	no	yes	yes	no
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no
Hand Rails	yes	no	no	yes	no	no	no	no	no	no	no	no
Microwave	no	no	no	yes	no	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	yes	no	no	no	no	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	yes	no
Walk-In Closet	no	no	no	no	no	yes	yes	yes	no	yes	yes	yes
Washer/Dryer	no	no	yes	no	no	no	yes	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Property Amenities												
Basketball Court	no	no	yes	yes	yes	yes	no	no	yes	no	no	no
Business Center/Computer Lab	yes	no	no	yes	no	no	no	no	no	no	no	no
Clubhouse/Meeting Room	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no
Exercise Facility	yes	no	no	yes	no	yes	no	no	no	no	yes	no
Garage	no	no	no	no	yes	no	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	no	yes	yes	yes	no	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	yes	yes	yes	no	no	no	no	no	yes	no	no
Playground	yes	yes	yes	yes	no	yes	yes	no	yes	yes	no	yes
Recreation Areas	no	no	no	no	no	no	yes	no	no	no	no	no
Sauna	no	no	no	no	no	no	no	no	no	yes	no	no
Swimming Pool	no	yes	yes	yes	no	yes	no	yes	yes	yes	yes	no
Tennis Court	no	no	no	no	no	no	no	no	yes	no	yes	no
Security												
Limited Access	yes	no	no	no	no	no	no	no	no	no	no	no
Patrol	no	no	no	yes	no	no	no	no	yes	no	yes	no
Perimeter Fencing	yes	no	no	no	no	no	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no
Other Amenities												
Other	n/a	n/a	Lakeside park, shuffleboard court	n/a	n/a	n/a	Splash pad	n/a	n/a	n/a	Fishing pond, walking path	n/a

The Subject’s in-unit amenities are generally inferior to the LIHTC and market rate comparables as the units lack a balcony/patio, dishwasher, garbage disposal, exterior storage and walk-in closet, which are offered at majority of the comparables. The Subject’s common area amenities however, are superior to the LITHC and market rate comparables, as the Subject will offer a computer lab, community room, exercise facility and security features, which are not offered at many comparables. As such we believe the Subject will be competitive and marketable.

5. Tenancy

The Subject will continue to target family households. Therefore, per DCA’s guidelines, senior properties were not included.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Cove Apartments	@45%, @50%	72	0	0.0%
Caney Heights	@50%, @60%	28	3	10.7%
Kings Grant Apartments	@50%, @60%	60	8	13.3%
Old Jefferson Estates	@50%, @60%	62	1	1.6%
Royal Point Apartments	@50%, @60%	144	7	4.9%
The Reserve At Sugar Mill	@50%, @60%	70	0	0.0%
Greenbriar Townhomes	Market	72	0	0.0%
Harbor Pines Apartments	Market	200	5	2.5%
Mission Forest Apartments	Market	104	1	1.0%
Park Place	Market	200	8	4.0%
Pelican Point Apartments	Market	56	0	0.0%
LIHTC Total		436	19	4.4%
Market Total		632	14	2.2%
Total		1,068	61	5.7%

The market rate comparable properties are outperforming the LITHC comparables with a 2.2 percent vacancy rate versus 4.4 percent among the LIHTC properties. Management at the market rate properties attributed the majority of vacancies to recent military deployments. Turnover at these market rate properties with high percentages of military tenants fluctuates, with Mission Forest Apartments reporting nearly 70 percent annual turnover and Greenbriar Townhomes less than 10 percent. However, Greenbriar Townhomes has indicated that there are four notices currently, all attributable to base transfers. Managers at the other properties have also commented that there recently has been a large transfer of military focused employees at the base, which has contributed to slightly elevated vacancy rates at these properties. Greenbriar Townhomes has the lowest vacancy rate of the market rate comparables currently due to high favorability from military employees as the property offers concessions for these personnel.

The LIHTC properties experience lower turnover than the market rate properties due to the fact that they have limited military personnel, as the majority of these households are overqualified for LIHTC properties. Both LIHTC properties in St. Mary’s are completely occupied. However, three of the four LIHTC properties in Kingsland are operating with slightly elevated vacancy.

Kings Grant Apartments recently shared a property manager with Caney Heights and had issues with leasing. Kings Grant Apartments and Caney Heights now have individual full time property managers who believe that occupancy will increase in the coming weeks and have already seen an increase in occupancy. However, Caney Heights currently only has three vacant units and based on the fact that this property only offers 28 units, the reported vacancy rate is elevated and not indicative of actual market demand. Royal Point Apartments has reported a slightly elevated vacancy and indicated higher demand for 50 percent of AMI units, as there is typically a waiting list for these units at this property. However, there is no waiting list at this time. Majority of these vacant units are in four-bedroom units. As the Subject offers only one, two and three-bedrooms, we do not believe it will suffer from elevated vacancy as there appears to be higher demand for these smaller unit types. Four properties in the PMA are reporting waiting lists: Ashton Cove Apartments, Caney Heights, Kings Grant Apartments and Greenbriar Townhomes. However, majority of these waiting lists are for units at the 50 percent of AMI level. Property managers have indicated that the reason demand is higher for 50 percent of AMI units is due to the fact that many tenants are not qualified for 60 percent of AMI units. As the Subject will operate with a project-based subsidy, all tenants earning less than 60 percent of AMI will be qualified to live at the property.

The Subject as an existing property is currently over 95 percent occupied. As a subsidized property, we expect the Subject to continue to operate with this low level of vacancy. If the Subject were to hypothetically lose its subsidy and operate as a strictly LIHTC property, we believe it would operate with a stabilized vacancy rate of seven percent or less.

7. Properties Under Construction and Proposed

There are no new LIHTC or market rate properties that have been proposed or under construction in the PMA.

8. Rental Advantage

The following table illustrates the Subject's similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashton Cove Apartments	@45%, @50%	Slightly Inferior	Superior	Slightly Inferior	Slightly Inferior	Slightly Superior	0
2	Caney Heights	@50%, @60%	Similar	Slightly Superior	Inferior	Similar	Superior	5
3	Kings Grant Apartments	@50%, @60%	Slightly Superior	Superior	Inferior	Slightly Inferior	Slightly Superior	5
4	Old Jefferson Estates	@50%, @60%	Slightly Inferior	Superior	Slightly Inferior	Inferior	Superior	0
5	Royal Point Apartments	@50%, @60%	Similar	Slightly Superior	Slightly Inferior	Slightly Inferior	Superior	5
6	The Reserve At Sugar Mill	@50%, @60%	Slightly Inferior	Superior	Slightly Inferior	Similar	Slightly Superior	5
7	Greenbriar Townhomes	Market	Inferior	Slightly Superior	Slightly Inferior	Slightly Inferior	Superior	-5
8	Harbor Pines Apartments	Market	Similar	Slightly Superior	Slightly Inferior	Inferior	Slightly Superior	-5
9	Mission Forest Apartments	Market	Similar	Slightly Superior	Slightly Inferior	Inferior	Slightly Superior	-5
10	Park Place	Market	Similar	Superior	Slightly Inferior	Inferior	Slightly Superior	0
11	Pelican Point Apartments	Market	Inferior	Similar	Similar	Inferior	Similar	-20

*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table.

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR	3BR
Cumberland Oaks (Subject)	\$631	\$732	\$807
2014 LIHTC Maximum (Net)	\$647	\$752	\$859
Ashton Cove Apartments (50%)	\$521	\$630	\$773
Caney Heights	-	-	\$854
Kings Grant Apartments	-	\$740	\$801
Old Jefferson Estates	-	-	\$909
Royal Point Apartments	-	\$717	\$827
The Reserve At Sugar Mill	-	\$752	\$850
Average (excluding Subject)	-	\$736	\$848

Post renovation, the Subject will offer all units at the 60 percent of AMI level with an additional project-based subsidy for each unit. Rents will be set according to LIHTC guidelines and restrictions and tenants will pay 30 percent of their income towards rent due to the Section 8 overlay, which will remain in place. We have, however analyzed the Subject’s rents at 60 percent of AMI in comparison to the LIHTC market assuming no subsidy. There are no properties that offer one-bedroom units at 60 percent of AMI. This is due to the limited supply of one-bedroom units in the market. The only affordable competition for the Subject’s one-bedroom units are other subsidized properties and Ashton Cove Apartments, which offers one-bedroom units at 45 and 50 percent of AMI. We believe that the Subject’s 32 one-bedroom units will be successful at the proposed LITHC rent as this is the lowest rent at 60 percent of AMI in the region, as well as

the fact that there are limited affordable one-bedroom units.

The Subject's two and three-bedroom units are set below the maximum allowable levels. Several comparables appear to be charging rents above the maximum allowable level, but this is likely due to a difference in utility allowances. The Subject's rents for two-bedroom units are proposed just below the surveyed average and only above the rental rates at Royal Point Apartments. We believe the Subject's rents for two-bedroom units to be acceptable as the Subject is located in St. Marys, which property managers have indicated is more desirable than the neighboring Kingsland. The Reserve at Sugar Mill, which is the most similar comparable in terms of location and condition to the Subject, is offering the highest rents in the market for two-bedroom units. We believe the Subject's two-bedroom rents are placed appropriately in comparison to this comparable as the Subject offers smaller unit sizes.

The Subject's three-bedroom rents at 60 percent of AMI are proposed below the surveyed average of comparables. The Subject's proposed rents are above only one comparables, Kings Grant Apartments, which is currently trying to lease several vacancies. The Subject offers a superior location to majority of the surveyed LIHTC comparables but will offer a lower rent. As such, we believe the Subject's three-bedroom rents at 60 percent of AMI are achievable and offer an advantage in the market over the other affordable properties. We believe the Subject will be successful at these proposed rents, even absent a subsidy.

Post renovation, the Subject's proposed rents represent an increase of zero to 21.6 percent over the current Section 8 rents. As the Subject is the renovation of an existing Section 8 property, the Subject will not be adding any new units to the market. Additionally, all 154 units will continue to benefit from project-based subsidies post renovation. Therefore, current tenants are expected to remain income qualified and not be rent overburdened.

Analysis of "Market Rents"

Per DCA's market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not "Achievable unrestricted market rent." In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market."

When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

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

Subject Comparison to Market Rents

@60%

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR	\$631	\$560	\$777	\$633	0.3%
2 BR	\$732	\$653	\$933	\$749	2.3%
3 BR	\$807	\$800	\$1,023	\$869	7.6%

As illustrated the Subject's proposed 60 percent rents are below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject's proposed LIHTC rents are higher than the surveyed minimum but are within the range of the comparables. This is considered reasonable given that there are very few good quality market rate properties and the Subject will be significantly superior to the market rate inventory. The 60 percent AMI rents at The Reserve at Sugar Mill are actually higher than several of the market rate properties and this property still maintains occupancy above 95 percent.

The Subject will be most similar to The Reserve at Sugar Mill as a LIHTC property. This property offers two and three-bedroom units at 50 and 60 percent of AMI. The Subject's proposed rents are below those currently being achieved at The Reserve at Sugar Mill and as such, the Subject will offer competitive rent over this comparable. The Reserve at Sugar Mill is currently 100 percent occupied.

The Subject will be most similar to Park Place as a market rate property. This property is the achieving the highest rents in the market, which are more than 20 percent higher than the Subject's proposed rents. Additionally, the Subject's proposed rents per square foot are lower than this comparable.

Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties. The most similar LIHTC property is The Reserve at Sugar Mill, which recently completed renovations. We believe the Subject's proposed rents are placed appropriately in comparison to this comparable as the Subject offers smaller unit sizes. The Subject will additionally operate with a project-based subsidy and as such, will offer a distinct rental advantage over the existing competition.

9. LIHTC Competition – DCA Funded Properties within the PMA

There have been three LIHTC allocations in the PMA since 2010. The first, The Reserve at Sugar Mill, was allocated tax-credits for renovations in 2010 and has been included as a comparable in this report. This is a family property and is considered competitive with the Subject. The property began renovations in July 2012 and completed in January 2014. Half of the tenants remained at the property during renovations and all remaining units were leased by completion of renovation. As such, only the 35 units at this comparable that were absorbed during renovations and only the 29 units at 60 percent of AMI will be deducted from our demand analysis. The second property allocated tax-credits in the PMA is Caney Heights, which was allocated tax-credits in 2010 and opened in 2012. This is a family property of single-family homes located in Kingsland. The have only removed the 14 competitive units at this property from our demand analysis. The third, The Village at Winding Road, is an age-restricted property

and as such has not been deducted from our demand analysis as it is not considered competitive. As the Subject is existing, occupied and tenants will not be forced to relocate during renovations, the completion of renovations at the Subject will add no new units to the market. As such, the Subject should not affect demand for any other properties in the PMA.

10. Rental Trends in the PMA

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	8,007	60.4%	5,260	39.6%
2013	10,289	61.2%	6,510	38.8%
Projected Mkt Entry August 2015	10,599	61.55%	6,618	38.45%
2018	11,033	62.0%	6,769	38.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, July 2014

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately two-thirds of households are homeowners and one-third are renters. The PMA has a slightly higher percentage of renter households than the nation as a whole (approximately 33 percent), which is largely due to transient households in the PMA.

Change in Rental Rates

The following table illustrates rental increases since second quarter of 2012.

RENT GROWTH

Comparable Property	Rent Structure	Rent Growth
Ashton Cove Apartments	@45%, @50%	Increased 1 to 11%
Caney Heights	@50%, @60%	Increased 4 to 11%
Kings Grant Apartments	@50%, @60%	Increased 4 to 25%
Old Jefferson Estates	@50%, @60%	Increased 3 to 18.5%
Royal Point Apartments	@50%, @60%	None
The Reserve At Sugar Mill	@50%, @60%	Decreased 1 to an increase of 3%
Greenbriar Townhomes	Market	None
Harbor Pines Apartments	Market	Increased 2.0 to 7.8%
Mission Forest Apartments	Market	Increased 4%
Park Place	Market	Increased 2 to 30%
Pelican Point Apartments	Market	Increased 2%

Rental rates in the area have increased on the majority of the LIHTC and market rate properties in the past two years. This indicates that the Subject may be able to increase rents in the future as demand for rental housing continues to grow.

11. Impact of Foreclosed, Abandoned and Vacant Structures

The Subject is located in an established residential community and is not in close proximity to any abandoned or vacant structures. One in every 711 homes in St. Marys is in a state of foreclosure compared to one in every 654 homes in Camden County. The state of Georgia has only one in every 1,206 homes in a state of foreclosure and similarly, one in every 1,199 homes

in the nation is in a state of foreclosure. This indicates that foreclosures are elevated in St. Marys and Camden County. However, none of the foreclosed homes in the area have negatively affected the neighborhood or the market for the Subject.

12. Primary Housing Void

There are a limited number of affordable one-bedroom units in the PMA. Comparable data indicates that one-bedroom units are in high demand due to the lack of supply. As the Subject offers one-bedroom units, we believe the Subject will be an improvement to the existing rental market by filling this void.

13. Affect of Subject on Other Affordable Units in Market

As a renovation of an existing subsidized property, the Subject will not be adding any units to the local market. Therefore, we do not believe the Subject will affect demand for other affordable units in the market as tenants are expected to remain in place post renovation.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject's rents at 60 percent of AMI are appropriately placed in comparison to comparable LIHTC properties. While market rents in the area are lower than many of the LIHTC comparables, all of these properties will be inferior to the Subject in terms of condition, post renovations. Other comparables, such as The Reserve at Sugar Mill, are achieving LIHTC rents higher than market rate comparables and are fully occupied. The Subject will additionally benefit from all units maintaining a project-based subsidy and all tenants will continue to pay only 30 percent of their income towards rent, post renovations. As such, we believe the Subject offers a marketable advantage over the existing supply in the market. The Subject's greatest competitive disadvantage is a lack of a dishwasher, which all comparables offer. However, the Subject is currently performing well and we do not expect its performance to change upon completion of renovations. The demand calculations illustrate high demand for the Subject's units. However, as previously noted, limited turnover is anticipated during the renovation and all tenants will remain income qualified. As such, an absorption analysis is moot. Further, since the Subject will not be adding any additional units to the market, the renovation of the Subject will not hinder the performance of existing LIHTC properties in the PMA. Vacancy rates fluctuate in the PMA but majority of the vacancies are attributable to management issues or a prevalence of larger unit types such as three and four-bedrooms. The Subject will offer smaller floor plans, including one-bedrooms, which are limited in the market. The Subject will be a good condition property offering marketable rents and good community amenities. As such, we expect the Subject to continue to perform well in the market with a vacancy of seven percent or less.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were only able to obtain complete absorption information from one comparable property, Caney Heights. This comparable is a LIHTC property that offers three and four-bedroom single-family homes at 50 and 60 percent of the AMI. The property is new construction and was completed in Spring of 2012. Advertising for the property began in December of 2011 and leasing began in February of 2012. The property leased all 28 units by June 1st, 2012. This represents an absorption period of four months, indicating an absorption rate of seven units per month. We believe the Subject would hypothetically absorb at a faster rate than Caney Heights because the Subject offers a superior location. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 12 units per month, indicating an absorption period of just over 12 months to reach a stabilized occupancy of 93 percent. We additionally received information from The Reserve at Sugar Mill regarding their re-leasing period after renovations. However, the contact was only able to indicate that half of the units were re-leased during the extent of the renovations.

J. INTERVIEWS

Georgia Department of Community Affairs, Waycross Regional Office

We spoke with Mr. Pat McNally, Section 8 Office Manager for the Georgia Department of Community Affairs (DCA) Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Mr. McNally was unable to report how many Housing Choice Vouchers are in use in Camden County. Mr. McNally stated that due to budget cuts, the Georgia DCA is not currently issuing additional vouchers, and added that there are no applicants on the waiting list as it is closed indefinitely. The payment standards for Camden County are listed below.

Payment Standards	
1BR	\$565
2BR	\$732
3BR	\$1,017

Payment standards for the county are 90 percent of FMR. The Subject's gross rents at 60 percent AMI for one and two-bedroom units are above the payment standards but are below the standards for three-bedroom units. However, as the Subject will operate with a project-based subsidy, no tenants will be able to use Housing Choice Vouchers.

Planning

We interviewed Ken Kessler with the City of Kingsland Planning Department. Mr. Kessler informed us that there are no multifamily properties proposed or under construction in the area. However, Mr. Kessler was able to inform us of details regarding the major development of an amusement park in the Kingsland area, located only 6.9 miles from the Subject. The Kingsland Amusement Resort is a proposed theme park that will include a water park, go-cart track, mini-golf, zip line and ropes course, along with a hotel and convention center, outdoor amphitheater, restaurants, a theatre and retail space. The development is currently in the planning stages but only need to acquire appropriate permits before construction can commence, which is planned for January 2015. Construction is expected to be complete by May 2017. The development will create 1,300 direct jobs and is expected to increase tourism to the area and will increase annual revenue from seasonal tourists.

We additionally contacted the City of St. Marys Planning Department, which also provided information on the proposed theme park and indicated no residential properties are currently planned or under construction.

Additional interviews can be found in the comments section of the property profiles.

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

- The population and number of households in the PMA is growing rapidly and is expected to continue strong growth through market entry. A number of these households are military families or those who work in administrative or support positions for the military base. As such, there are a distinct number of transient renter households in the PMA that could seek housing at the Subject.
- The largest industries in the PMA are accommodation/food services, public administration, health care/social assistance, education and retail trade. The local economy is heavily reliant on tourism and the Kings Bay Naval Submarine Base. Supportive services for the base and industries related to tourism are expected to be the main employers of the Subject's tenants. The growth in these industries, particularly the low paying accommodation/food services and retail trade industries, bode well for the Subject's affordable units. Kings Bay Naval Submarine Base is the largest employer in the region. This base is the newest and largest of the three naval submarine bases on the east coast. Additionally, Kings Bay is the only base that can accommodate the navy's Trident submarines. As such, this base is under minimal pressure to down-size and has no proposed funding cuts. The economic stability of Kings Bay Naval Submarine Base indicates the region will continue to grow economically. Additionally, tourism is a major industry for the PMA and a proposed amusement park plans to add an additional 1,300 employees to this industry and bring major economic growth to the region.
- The Subject's capture rates at the 60 percent AMI level will range from 17.8 to 44.6 percent, with an overall capture rate of 28.6 percent. The overall capture rate for the project's 60 percent units is 29.3 percent. Therefore, we believe there is adequate demand for the Subject.
- We were only able to obtain complete absorption information from one comparable property, Caney Heights. This comparable is a LIHTC property that offers three and four-bedroom single-family homes at 50 and 60 percent of the AMI. The property is new construction and was completed in Spring of 2012. Advertising for the property began in December of 2011 and leasing began in February of 2012. The property leased all 28 units by June 1st, 2012. This represents an absorption period of four months, indicating an absorption rate of seven units per month. We believe the Subject would hypothetically absorb at a faster rate than Caney Heights because the Subject offers a superior location. The Subject's subsidy would facilitate a more rapid absorption than a strictly LIHTC property. The Subject's tenants will not be required to relocate during renovations and as such; an absorption analysis is moot. However, if the Subject were to hypothetically re-lease all units following construction we believe the Subject would lease at minimum 12 units per month, indicating an absorption period of just over 12 months to reach a stabilized occupancy of 93 percent. We additionally received information from The Reserve at Sugar Mill regarding their re-leasing period after renovations. However, the contact was only able to indicate that half of the units were re-leased during the extent of the renovations.

- The market rate comparable properties are outperforming the LIHTC comparables with a 2.2 percent vacancy rate versus 4.4 percent among the LIHTC properties. Management at the market rate properties attributed the majority of vacancies to recent military deployments. Turnover at these market rate properties with high percentages of military tenants fluctuates, with Mission Forest Apartments reporting nearly 70 percent annual turnover and Greenbriar Townhomes less than 10 percent. However, Greenbriar Townhomes has indicated that there are four notices currently, all attributable to base transfers. Managers at the other properties have also commented that there recently has been a large transfer of military focused employees at the base, which has contributed to slightly elevated vacancy rates at these properties. Greenbriar Townhomes has the lowest vacancy rate of the market rate comparables currently due to high favorability from military employees as the property offers concessions for these personnel.

The LIHTC properties experience lower turnover than the market rate properties due to the fact that they have limited military personnel, as the majority of these households are overqualified for LIHTC properties. Both LIHTC properties in St. Mary's are completely occupied. However, three of the four LIHTC properties in Kingsland are operating with slightly elevated vacancy. Kings Grant Apartments recently shared a property manager with Caney Heights and had issues with leasing. Kings Grant Apartments and Caney Heights now have individual full time property managers who believe that occupancy will increase in the coming weeks and have already seen an increase in occupancy. However, Caney Heights currently only has three vacant units and based on the fact that this property only offers 28 units, the reported vacancy rate is elevated and not indicative of actual market performance. Royal Point Apartments has reported a slightly elevated vacancy and indicated higher demand for 50 percent of AMI units, as there is typically a waiting list for these units at this property. However, there is no waiting list at this time. Majority of these vacant units are in four-bedroom units. As the Subject offers only one, two and three-bedrooms, we do not believe it will suffer from elevated vacancy as there appears to be higher demand for these smaller unit types.

- Four properties in the PMA are reporting waiting lists: Ashton Cove Apartments, Caney Heights, Kings Grant Apartments and Greenbriar Townhomes. However, majority of these waiting lists are for units at the 50 percent of AMI level. Property managers have indicated that the reason demand is higher for 50 percent of AMI units is due to the fact that many tenants are not qualified for 60 percent of AMI units. As the Subject will operate with a project-based subsidy, all tenants earning less than 60 percent of AMI will be qualified to live at the property. We believe that the Subject, as a newly renovated property, will operate with a vacancy of seven percent or less.
- Strengths of the Subject will include its location as St. Marys is considered to be a more desirable location than nearby Kingsland according to property managers surveyed. The Subject is also located in close proximity to neighborhood retail and schools. Single family homes in the general vicinity appear to have been built since 1970 and are in good condition. Post renovation, the Subject will still have slightly inferior to inferior in-unit amenities, but superior common area amenities when compared to other tax credit and market rate properties in the local market. The tourism industry and Kings Bay Naval Submarine Base, the main drivers of the economy, appear to be stable employers. According to management, the current occupancy rate at the Subject is 95 percent, which

is typical in the local market. As the demand analysis found later in this report will indicate, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject's rents at 60 percent of AMI are appropriately placed in comparison to comparable LIHTC properties. While market rents in the area are lower than many of the LIHTC comparables, all of these properties will be inferior to the Subject in terms of condition, post renovations. Other comparables, such as The Reserve at Sugar Mill, are achieving LIHTC rents higher than market rate comparables and are fully occupied. The Subject will additionally benefit from all units maintaining a project-based subsidy and all tenants will continue to pay only 30 percent of their income towards rent, post renovations. As such, we believe the Subject offers a marketable advantage over the existing supply in the market. The Subject's greatest competitive disadvantage is a lack of a dishwasher, which all comparables offer. However, the Subject is currently performing well and we do not expect its performance to change upon completion of renovations. The demand calculations illustrate high demand for the Subject's units. However, as previously noted, limited turnover is anticipated during the renovation and all tenants will remain income qualified. As such, an absorption analysis is moot. Further, since the Subject will not be adding any additional units to the market, the renovation of the Subject will not hinder the performance of existing LIHTC properties in the PMA. Vacancy rates fluctuate in the PMA but majority of the vacancies are attributable to management issues or a prevalence of larger unit types such as three and four-bedrooms. The Subject will offer smaller floor plans, including one-bedrooms, which are limited in the market. The Subject will be a good condition property offering marketable rents and good community amenities. As such, we expect the Subject to continue to perform well in the market with a vacancy of seven percent or less.

Recommendations

- We recommend the Subject offer dishwashers in all units, as all other comparables offer this amenity. The Subject suffers from the lack of this amenity which could affect marketability, particularly over the long term.

L. SIGNED STATEMENT REQUIREMENTS

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



John Cole
Partner
Novogradac & Company LLP
7-22-14
Date



Lindsey Sutton
Manager
Novogradac & Company LLP
7-22-14
Date



Edward Mitchell
Analyst
Novogradac & Company LLP
7-22-14
Date



Lauren Smith
Researcher
Novogradac & Company LLP
7-22-14
Date

M. MARKET STUDY REPRESENTATION

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



John Cole
Partner
Novogradac & Company LLP
7-22-14
Date



Lindsey Sutton
Manager
Novogradac & Company LLP
7-22-14
Date



Edward Mitchell
Analyst
Novogradac & Company LLP
7-22-14
Date



Lauren Smith
Researcher
Novogradac & Company LLP
7-22-14
Date

N. QUALIFICATIONS

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
JOHN D. COLE**

I. EDUCATION

University of Texas – Austin, Texas (1999)
Master of Business Administration – Finance Concentration, Real Estate Specialization

California Polytechnic State University – San Luis Obispo, California (1992)
Bachelor of Science in Civil/Environmental Engineering

II. LICENSING AND PROFESSIONAL AFFILIATION

Candidate for Designation, Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)

Certified General Real Estate Appraiser – State of Texas (1335358-G)
Certified General Real Estate Appraiser – State of Arizona (31931)
Certified General Real Estate Appraiser – State of Louisiana (G2092)
Certified General Real Estate Appraiser – State of Mississippi (GA-857)
Certified General Real Estate Appraiser – State of Florida (RZ3595)
Certified General Real Estate Appraiser – State of California (3002119)

III. PROFESSIONAL TRAINING

National USPAP and USPAP Updates – Appraisal Institute
Advanced Concepts and Case Studies – Appraisal Institute
Advanced Market Analysis and Highest & Best Use – Appraisal Institute
Advanced Sales Comparison and Cost Approaches – Appraisal Institute
Advanced Income Capitalization – Appraisal Institute
General Appraiser Report Writing and Case Studies– Appraisal Institute

IV. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner (2002 to Present)
NAI/Commercial Industrial Properties Company, Director of Operations (1999 to 2001)
Asset Recovery Fund, Financial Analyst Internship (1998 to 1999)
Stratus Properties, Market Research Analyst Internship (1997 to 1998)
Dames & Moore (URS Corporation), Project Manager and Engineer (1992 to 1997)

V. REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Managed and conducted more than 400 market and feasibility studies for multifamily and student housing on a national basis. Special concentration in Section 42 Low Income Housing Tax Credit (LIHTC) Properties. Local housing authorities, developers, syndicators and lenders have utilized these studies to assist in the financial underwriting and design of these properties. Expertise in evaluating unit mix, estimating demand, analyzing rental rates, selecting competitive properties and assessing overall market feasibility.
- Managed and conducted appraisals of multifamily housing developments (primarily LIHTC properties). Appraisal assignments have typically involved determining the as is, as if complete, and as if complete and stabilized values. Additionally, encumbered and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Managed and conducted appraisals on existing and proposed U.S. Department of Agriculture (USDA) Rural Development properties. These assignments were performed in compliance with USDA underwriting guidelines, in accordance with USDA Handbook 3560, Chapter 7 and attachments.
- Completed and managed numerous Section 8 rent comparability studies (RCS) in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. These properties were typically undergoing recertification under HUD's Mark to Market Program.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)4 and 223(f) programs, as well as the LIHTC Pilot Program.
- Performed valuations of General and/or Limited Partnership Interests in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Assisted in the preparation of the Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
LINDSEY SUTTON**

EDUCATION

Texas State University, Bachelor of Business Administration in Finance

State of Texas Appraiser Trainee No. TX 1340427

EXPERIENCE

Novogradac & Company LLP, Manager, December 2012- Present

Novogradac & Company LLP, Real Estate Analyst, September 2011- Present

Novogradac & Company LLP, Real Estate Researcher February 2010 – September 2011

REAL ESTATE ASSIGNMENTS

A representative sample of work on various types of projects:

- Performed market studies for proposed new construction and existing Low Income Housing Tax Credit, USDA Rural Development, Section 8 and market rate multifamily and age-restricted developments. This included property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, determination of market rents, expense comparability analysis, and other general market analysis. Property types include proposed multifamily, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single-family development.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Assist on appraisals using the cost approach, income capitalization approach, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development, and Section 8 properties. Additional assignments also include partnership valuations and commercial land valuation.
- Prepared HUD Market-to-Market rent comparability studies for Section 8 multifamily developments.
- Perform valuations of General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Prepare Fair Market Value analyses for solar panel installations in connection with financing and structuring analyses performed for various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, these reports can be used in connection with application for the Federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and the ITC funding process.
- Analyze historic audited financial statements to determine property expense projections.
- Perform market studies and assist on appraisals for proposed and existing multifamily properties under the HUD MAP program. These reports meet the requirements outlined in Chapter 7 of the HUD MAP Guide for the 221(d)4, 223(f), and the LIHTC Pilot Program.
- Consult with lenders and developers and complete valuation assignments under the HUD RAD program.

- Completed assignments in the following states:

California

Texas

New Jersey

Georgia

Oklahoma

Virgin Islands

Maryland

Tennessee

Florida

Washington

Louisiana

North Carolina

Missouri

Minnesota

Delaware

South Carolina

Illinois

Utah

Arizona

Oregon

Michigan

New York

Arkansas

Connecticut

Mississippi

Iowa

Tennessee

Indiana

Nebraska

Wisconsin

West Virginia

Ohio

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL

I. Education

Master of Science – Financial Planning
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management
San Antonio College, San Antonio, Texas

II. Professional Experience

Senior Real Estate Analyst; Novogradac & Company LLP (September 2013 – Present)
Senior Appraiser; Valbridge Property Advisors
Managing Partner; Consolidated Equity, Inc.
Appraiser; Schultz, Carr, Bissette
Disposition Manager; Resolution Trust Corporation (RTC)

III. Assignments

- Currently conducts market feasibility studies, valuation assignments, rent comparability studies (RCS) and consulting assignments for proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Performed work in Alabama, Alaska, California, Florida, Georgia, Kansas, Mississippi, Texas, New York, North Carolina, and Pennsylvania.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS LAUREN E. SMITH

I. Education

Trinity College, Hartford, CT
Bachelor of Arts in American Studies and Art History, *cum laude*

II. Professional Experience

Real Estate Researcher, *Novogradac & Company LLP*, August 2013 – Present

Campaign Intern, *John Larson for U.S. Congress*, September 2012- November 2012

Communications Directorate Intern, *U.S. Census Bureau*, June 2011 – August 2011

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Conduct preliminary property screenings, market analysis, comparable rent surveys, and demand analysis of competitive LIHTC properties and market rate properties operating in the target market area
- Analyze and research economic trends such as unemployment, average wages, median income levels, and demand for low income housing in the target market area.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information