

PROFESSIONAL MARKET STUDY
FOR THE AMAL HEIGHTS TOWNHOMES

A PROPOSED LIHTC/TAX EXEMPT BOND
FAMILY DEVELOPMENT

LOCATED IN:
ATLANTA, FULTON COUNTY, GA

PREPARED FOR:
GEORGIA DEPARTMENT of COMMUNITY AFFAIRS
OFFICE of AFFORDABLE HOUSING
60 Executive Park South, NE
Atlanta, GA 30329

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DECEMBER 2007

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INTRODUCTION

The proposed Tax Exempt Bond multi-family development will target LIHTC/Market Rate eligible households in the south and southeast area of Atlanta and Fulton County, Georgia.

The market study assignment was to ascertain market demand for a proposed acquisition/rehab multi-family LIHTC/Tax Exempt Bond development to be known as the **Amal Heights Townhomes**, for the Georgia Department of Community Affairs, Office of Affordable Housing, under the following scenario:

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
3BR/2b	12	Na	1,181
3BR/2.5b	180	Na	1,273
Total	192		

Project Rents:

The proposed development will target approximately 2% of the units at 50% or below of area median income (AMI); 70% of the units at 60% AMI and 25% at Market. Rent includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
3BR/2b	1	\$685	\$240	\$925
3BR/2.5b	2	\$685	\$240	\$925

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
3BR/2b	9	\$750	\$240	\$990
3BR/2.5b	132	\$750	\$240	\$990

*Provided by applicant.

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
3BR/2b	2	\$775	\$240	\$1015
3BR/2.5b	46	\$775	\$240	\$1015

*Provided by applicant.

In addition, there are several terms that will be used throughout the study, which have very specific meanings within the program assisted framework, but which may have other meanings in other contexts. Two sets of terms in particular are identified here to avoid confusion in the study.

Type of Project Rent Structure:

- Conventional - also referred to as "market rate", reflects projects which are developed without any program funding from public or private sources, using equity and conventional finance. Rents are established by the owner, typically without regulatory constraints.
- Assisted - projects that use some form of program financing designed to make rents more affordable. The financing may include federal and state grant, loan or loan guarantee programs; the Low Income Housing Tax Credit program, direct rental assistance and in some cases private grants or preferential loans.
- Subsidized - projects that have direct rental assistance, which allows tenants to pay only an affordable proportion of their income for rent, with the balance paid by another agency (usually governmental). These subsidies are project-based; that is, the subsidies are attached to the units. Tenant-based subsidies are carried by the tenants, who may use them in assisted or conventional projects. Note: all subsidized projects are also assisted projects, but not all assisted projects are subsidized.

Rent Inclusions:

- Gross Rent - refers to the total rent payment, including utilities. (Cable and telephone utilities are excluded from this definition.) Gross rents are usually identified as a monthly rent. Gross rents are used in the study for program usage such as LIHTC maximum rents or HUD Fair Market Rents.
- Net Rent - sometimes known as "street rent", involves the rent paid to the landlord, and usually excludes some or all utilities. Net rents are used in comparisons with conventional projects, and are also usually identified as a

monthly rent.

- Utility Allowance - is the amount of the Gross Rent not included in the Net Rent, and reflects the estimated amount a tenant will have to pay out-of-pocket for utilities.

As a final terminology note, capture rate and penetration rate are used interchangeably in this study. They refer to the proportion of a defined total pool of tenants that a specific project must capture (or the degree to which the project must penetrate the total pool) in order to be fully occupied. Different capture rates will be calculated for different market pools - for example, the capture rate applied to the total income-qualified renter base will be different from the capture rate applied to a annual target demand pool. Both are used in this study.

The analyst performed an in-depth, on-site analysis in the market area, surrounding neighborhoods, and the site. Personal interviews were conducted with local area real estate professionals and other persons knowledgeable in the local area housing market.

Among sources utilized and cited throughout the study are the U.S. Census of Population and Housing, the Georgia Department of Labor, the Metro Atlanta Chamber of Commerce, the City of Atlanta, the US Department of Housing and Urban Development and pertinent information and materials collected from local professional real estate sources and subject related service providers.

Other, specific elements of the methodology are discussed in the text of the study.

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS

1. The consultant declares that he does not have, and will not have the future, any material interest in the proposed project, and that there is no identity between him and the client of the study. Further, the consultant declares that the payment of the study fee is in no way contingent upon a favorable study conclusion, nor upon approval of the project by any agency before or after the fact. The analyst certifies that no attempt was made to contact the applicant directly for any information in the market study.
2. The information on which this analysis of conditions in Atlanta and Fulton County has been obtained from the most pertinent and current available sources, and every reasonable effort has been made to insure its accuracy and reliability. However, the consultant assumes no responsibility for inaccuracies in reporting by any of the Federal, State, or Municipal agencies cited, nor for any data withheld or erroneously reported by private sources cited during the normal course of a thorough investigation. The consultant reserves the right to alter conclusions on the basis of any discovered inaccuracies.
3. No opinion of a legal or engineering nature is intentionally expressed or implied.
4. The fee charged for this study does not include payment for testimony nor further consultation.
5. This analysis assumes a free and fair real estate market place, with no constraints imposed by any market element based on race, age or gender, except for age / handicapped eligibility established by law for units designated by elderly households and the handicapped.
6. The consultant affirms that a member of the firm made a physical inspection of the site and market area, and that information has been used in the full assessment of the need and demand for new rental units.

**Jerry M. Koontz, Principal
Koontz and Salinger**

SECTION A
EXECUTIVE SUMMARY

1. Market Area and Site Description:

- The Primary Market Area (PMA) for the proposed multi-family development consists of the following Census Tracts in Atlanta and Fulton County:

55.02, 57, 63, 64, 65, 67, 68.01, 68.02, 69, 70.01, 70.02, 71, 72, 73, 74, 75, and 108.
- The overall character of the neighborhood within the immediate vicinity of the site can be defined as a mixture of land use including: single-family and multi-family residential, nearby major highway use, and vacant land use. The site is located in the southern portion of Atlanta, within the city limits.
- The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. All major facilities in the PMA can be accessed within a 10 to 20-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site/subject.

2. Appropriateness of Project Parameters

- Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.
- In the area of unit size, by bedroom type, the subject will offer a competitive unit size, based on the most currently available set of floor plans.
- The subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding proposed net rents by bedroom type.
- The proposed subject 3BR/2b net rent at 50% AMI is approximately 4% less than the comparable/competitive 3BR/2b net rents at 50% AMI. The proposed subject 3BR/2b net rent at 50% AMI is approximately 14% less than the

comparable/competitive 3BR/2b net rents at Market.

- The proposed subject 3BR/2b net rent at 60% AMI is approximately 7% less than the comparable/competitive 3BR/2b net rents at 60% AMI. The proposed subject 3BR/2b net rent at 60% AMI is approximately 6% less than the comparable/competitive 3BR/2b net rents at Market.
- The proposed subject 3BR/2b net rent at Market is approximately 3% less than the comparable/competitive 3BR/2b net rents at Market.
- The subject bedroom mix is considered to be appropriate. At present, the market is in need of larger bedroom sizes, as stated by most of the interviewed existing LIHTC apartment managers located within and adjacent to the PMA.

3. Market Demand:

- The capture rates by income segment and bedroom mix are considered to be positive indicators of demand support for the proposed 192-unit subject family development, given the GA-DCA capture rate threshold parameters. The overall project capture rate is 26.0% for the LIHTC component were the subject 100% vacant. It is estimated that the subject will only have to rent 30% of its units, owing to the fact that it will very likely retain 70% of its existing tenant base. Under this assumption the overall project capture rate for the LIHTC component of the subject is 7.8%.
- The overall project capture rate is 14.3% for the Market Rate component were the subject 100% vacant. It is estimated that the subject will only have to rent 30% of its units, owing to the fact that it will very likely retain 70% of its existing tenant base. Under this assumption the overall project capture rate for the Market Rate component of the subject is 4.5%.

Capture Rates by Bedroom Type & Income Targeting							
Unit Size	Income Limits	Units Proposed	Net Demand	Capture Rate	Absorption	Avg Mkt Net Rent	Proposed Net Rent
3BR	50% AMI	13	689	1.9%	1 mo.	\$735	BOI
	60% AMI	10	68	14.7%	6 mos.	\$735	\$640
	Market	5	42	11.9%	6 mos.	\$735	\$670
3BR	Total	28	799	3.5%	6 mos.		

- Thirteen LIHTC family properties, representing 2,122-units, were surveyed within the PMA, in detail. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted LIHTC family properties was approximately 6.5%.
- Present indicators point to the fact that the introduction of the proposed 192-unit development will have little to no long term negative impact on the like-kind program assisted LIHTC family apartment market within the PMA.
- The most likely/best case scenario for 93% to 100% rent-up is estimated to be 9 to 12 months (at 16-units per month on average) were the subject 100% vacant.
- Working under the assumption that the property will need to fill only 30% of the 192-units, i.e., about 58-units equates to an absorption period of 4 months.
- It is forecasted that a stabilized occupancy level of 93%+ can be achieved within a 9 month (or less) period for the proposed subject property, after the rehab process has been completed and subject to the retention of the bulk of the existing tenant base. This is an assumption that is considered to be attainable at a factor of 70%, owing to: (1) the current condition the units, (2) the existing building design, (3) the existing occupancy rate, and (4) the existing and proposed net rents for both the LIHTC and Market Rate component of the subject property.

8. Recommendation & Conclusion:

- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT DESCRIPTION

The proposed Low Income Housing Tax Credit (LIHTC)/ Tax Exempt Bond multi-family acquisition/rehab development will target the general population in the south and southeast portions of Atlanta and Fulton County, Georgia. The subject property is located at 1700 Giben Road, within the Atlanta city limits.

The market study assignment was to ascertain market demand for a proposed acquisition/rehab multi-family development to be known as the **Amal Heights Townhomes**, for the Georgia Department of Community Affairs, Office of Affordable Housing, under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
3BR/2b	12	Na	1,181
3BR/2.5b	180	Na	1,273
Total	192		

The proposed acquisition/rehab development project design comprises 92 one-story flats and two-story townhouse duplex residential buildings. The development includes a separate building comprising a managers office, central laundry and community area. The development provides for 288-parking spaces.

The proposed *Occupancy Type* is for the **General Population** and is not age restricted.

Project Rents:

The proposed development will target approximately 2% of the units at 50% or below of area median income (AMI); 70% of the units at 60% AMI and 25% at Market. Rent includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
3BR/2b	1	\$685	\$240	\$925
3BR/2.5b	2	\$685	\$240	\$925

*Provided by applicant.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
3BR/2b	9	\$750	\$240	\$990
3BR/2.5b	132	\$750	\$240	\$990

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
3BR/2b	2	\$775	\$240	\$1015
3BR/2.5b	46	\$775	\$240	\$1015

*Provided by applicant.

Amenity Package

The development might include the following amenity package:

Unit Amenities

- range
- disposal
- central air
- smoke alarms
- carpet
- patio
- outside storage
- refrigerator
- dish washer
- cable ready
- washer/dryer hook-ups
- mini-blinds
- ceiling fans

Development Amenities

- on-site management
- laundry room
- swimming pool
- community area
- equipped playground

The estimated projected date/year that Amal Heights will be placed in service after the rehab process is September 1, 2009.

SECTION C

**SITE & NEIGHBORHOOD
EVALUATION**

The site of the proposed LIHTC/Tax Exempt Bond acquisition/rehab apartment development is located at 1700 Giben Road, approximately 1 mile north of Lakewood Parkway and .1 mile east of I-75/85. The site is located in the southern portion of Atlanta, within the

city limits, about 3-miles south of the Downtown Central Business District. Specifically, the site is located in Census Tract 67, Census Block Group 5, Census Blocks 5009 and 5010, and Zip Code 30315. See Site Map, page 9.

Note: The site/subject is located within a Qualified Census Tract (QCT).

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers and area churches. All major facilities in the PMA can be accessed within a 10 to 20-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site/subject.

Site / Subject Characteristics

The approximately 29-acre, polygon shaped tract is presently occupied by the Amal Heights apartment complex. Amal Heights comprises two phases and totals 192-units. Phase I was built in 1989 and totals 96-units. Phase II was built in 1991 and totals 96-units. At present, the property targets 60% target of the units at 60% AMI under the LIHTC program and the remaining 40% at market. At the time of the survey 25-units were vacant (and not rented). 17 of the 25 vacant units are "down" units primarily owing to issues with carpet and appliances. The majority of the remaining vacant units are purposely vacant owing to a management/owner decision. Over the last year the property has had a typical occupancy rate ranging between 70% and 85%.

The present rent schedule, by bedroom type for Amal Heights Park is:

<u>Bedroom Type</u>		<u>Size sf</u>	<u>Rent</u>
3BR/2b	Flat	1818	\$630-\$705
3BR/2.5b	TH	1273	\$650-\$725

The rent range is owing to the difference in lease term renewal periods.

Source: On-site Manager

The site/subject is considered to be very marketable and buildable, subject to a complete renovation/rehab process. In addition, this assessment is subject to both environmental and engineering studies. All public utility services are available to the tract and excess capacity exists.

The subject is not located within a flood plain and appears to drain well.

Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: single-family and multi-family residential and nearby highway use.

Directly north and east of the subject is the new Park Place South planned unit development. Park Place South is a recently introduced development residential community that is in its final phase of sale. The development comprises the Atlanta Development Authority and New Pryor Development. The development consists of single-family homes, townhomes and condominiums. In addition, the development includes a clubhouse with a swimming pool and fitness center. The price of the remaining condominium units ranges between \$128,000 and \$146,000. The price of the remaining single-family homes ranges between \$240,000 and \$265,000. Further north of the site along Pryor Road is a relatively new YMCA, the new Veranda at Carver LIHTC senior complex and the Villages at Carver, a three phase LIHTC family development built in 2002/2003. Woods Village, the fourth phase of the Villages at Carver is presently under construction.

Directly west is the I-75/85 highway. On the opposite side of I-75/85 is the Atlanta Metropolitan College and US 19/41.

Directly south of the tract is a small single-family home subdivision known as Betmar LaVilla. This community comprises around 50 small, aged homes of which the majority appeared to be occupied. There are a couple of small multi-family properties further south of Betmar LaVilla, within .3 miles of the site.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.



(1) - Amal Heights townhouse duplex - Phase I.



(2) - Amal Heights townhouse duplex - Phase II.



(3) - Amal Heights - duplex flats.



(4) - Amal Heights managers office & community room.



(5) - Entrance into Amal Heights (Giben Road),
off Amal Drive, south to north.



(6) - Interior views of townhouse units.



(7) - Typical home within Betmar LaVillas.



(8) - Park Place South, homes and condominiums.

Access to Services

The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Subject
Access to Pryor Road	.1
YMCA	.3
John C Birdine Neighborhood Center (Library/Police Sub Station)	.8
Access to US 19/41	.8
Villages of Carver	.8
Slater Elementary School	1.0
Access to Lakewood Parkway	1.0
Atlanta Metropolitan College	1.1
Access to I-75/85	1.2
Middle School	1.2
Post Office	1.3
Fire Station	1.6
High School	1.7
Kroger Grocery Store	2.3
Atlanta Federal Penitentiary	2.3
Atlanta Central Business District	3.5
Industrial Park	3.8
South Fulton Hospital	4.0
Morehouse & Spellman Colleges	4.5
Atlanta Hartsfield Airport	6.0

Note: Distance from subject is in tenths of miles and are approximated.

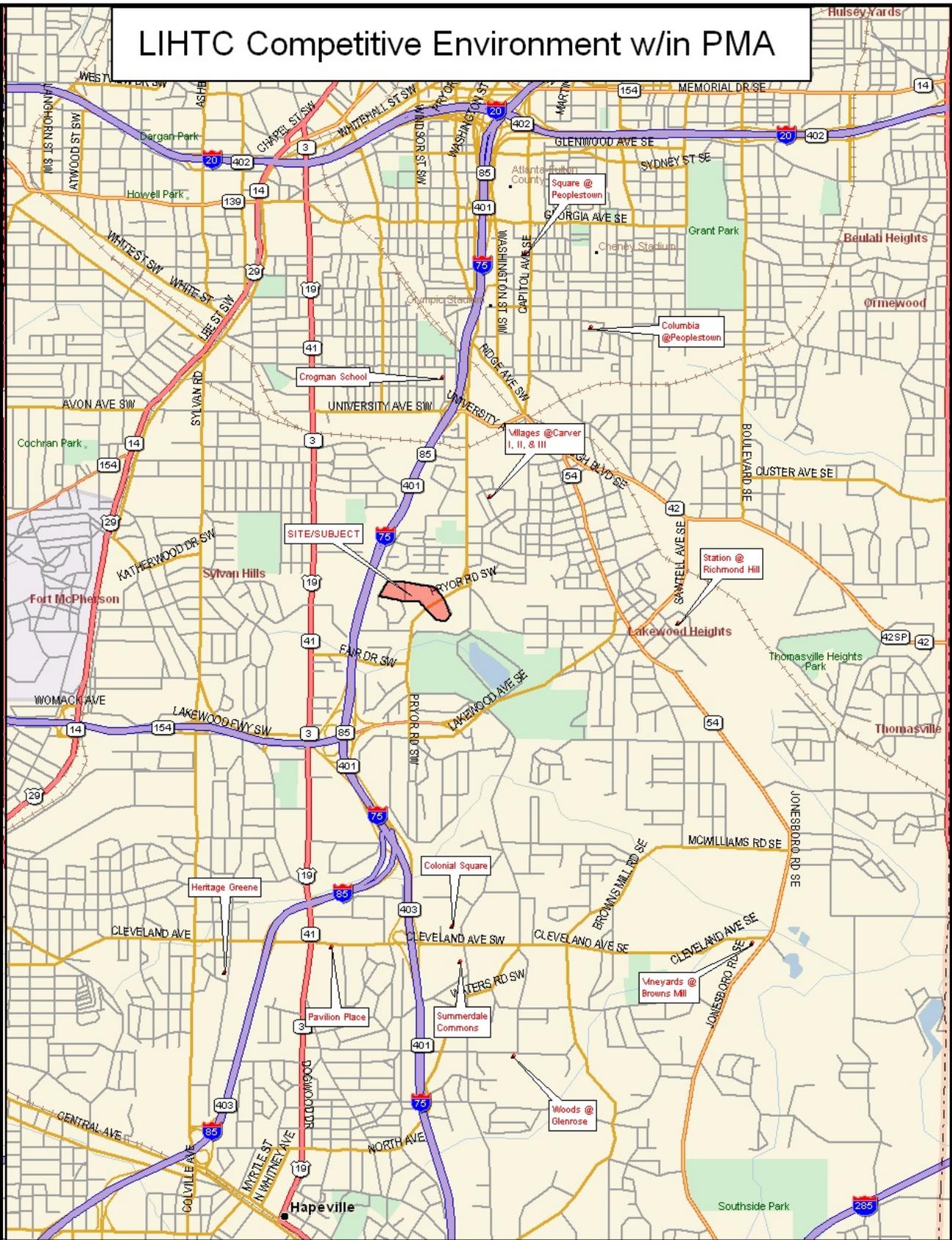
Program Assisted Apartments in the PMA

At present there are at least 13 existing LIHTC family apartment complexes located within the PMA. A map (on the next page) exhibits the LIHTC family properties within the PMA in relation to the site.

Project Name	Street Address	Program Type	Number of Units	Distance from Site
Columbia @ Peoplestown	222 Tuskegee Street	LIHTC/MR nc	99	2.5
Crogman School	1093 West St	LIHTC/MR ar	105	1.6
Colonial Square	2637 Old Hapeville Rd	LIHTC/MR ar	192	2.8
Pavilion Place	532 Cleveland	LIHTC/MR ar	240	2.8
Heritage Green	2891 Springdale Rd	LIHTC/MR ar	109	3.5
Station @ Richmond Hill	1770 Richmond Circle	LIHTC/MR ar	181	1.7
Summerdale Commons	3745 Old Hapeville Rd	LIHTC/MR ar	244	2.8
Square @ Peoplestown	875 Hank Aron	LIHTC nc	94	2.5
Vineyards @ Browns Mill	2738 Vineyards Dr	LIHTC/MR nc	220	3.6
Woods @ Glenrose	50 Mt Zion Rd	LIHTC ar	142	3.0
Villages @ Craver I, II, III	201 Moury Ave	LIHTC/MR nc	496	.8

*a/r - acquisition/rehab nc - new construction Distance in tenths of miles

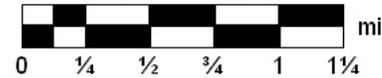
LIHTC Competitive Environment w/in PMA



DeLORME

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★
 MN (4.2° W)



Data Zoom 12-2

SUMMARY

The field visits for the site, subject and surrounding market area were between November 27 and 29, 2007. The site inspector was Mr. Jerry M. Koontz.

The overall character of the neighborhood within the immediate vicinity of the site can be defined as a mixture of land use including: single-family and multi-family residential, nearby major highway use, and vacant land use. The site is located in the southern portion of Atlanta, within the city limits.

At present, the site comprises the physical location of the Amal Heights Townhome (apartments), built in 1989 and 1991.

Access to the site is available off Amal Drive, as well as Giben Road. Giben Road is a very short residential connector which connects the site/subject with Amal Drive to the south. Giben Road is a very low density road with a speed limit of 25 miles per hour. Amal Drive is a low to very low density traveled road, with a speed limit of 25 miles per hour in the immediate vicinity of the site/subject. It connects the site/subject with nearby Pryor Drive, which in turn links the site with the PMA north and south. Also, the location of the site/subject off both Amal Drive and Giben Road does not present problems of egress and ingress to the site/subject.

The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of most negative externalities (including noxious odors, close proximity to power lines, close proximity to rail lines and junk yards). Note: The good accessibility to the site/subject is at present both a positive and a negative. The negative is owing to uncontrolled walk-in and drive-in traffic into the subject by persons considered to be undesirable and potentially harmful to the property.

The site in relation to the subject and the surrounding roads is not very agreeable to signage, in particular to passing traffic along Amal Drive.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered appropriate as a multi-family development.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, and area schools	No controlled access to the subject
Good linkages to area road system	
Nearby road speed and noise is acceptable	
Surrounding land uses are acceptable	

SECTION D
MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly

considers the **location** and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Atlanta, the southern portion of Fulton County and a 5 to 10 mile area, along with an assessment of relevant items including: the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers, the Primary Market Area (PMA) for the proposed multi-family development consists of the following Census Tracts:

- 55.02, 57, 63, 64, 65, 67, 68.01, 68.02, 69, 70.01,
- 70.02, 71, 72, 73, 74, 75, and 108.

(See Primary Market Area Map)

Note: Interviews with managers and assistant managers of The Station at Richmond Hill, The Villages at Carver I, II and III, Vineyards at Browns Mill, Brentwood Village, Pavilion Place, Colonial Square and The Woods at Glenrose LIHTC and combination LIHTC/Market Rate apartment developments confirmed that significant market support for the proposed development would include that area of Downtown Atlanta south towards the Fulton County line and east towards DeKalb County. In addition demand support should be expected from the eastern portions of East Point and all of Hapeville.

The PMA is bounded as follows:

North	Glen Street, Georgia and Confederate Avenues
East	De Kalb County
South	Clayton County
West	a 1 extension beyond I-75/85 up to Sylvan Road

Atlanta is the largest populated place within the PMA. It is estimated that it represents approximately 75% to 80% of the total population within the PMA and the remainder is located in Fulton County. Atlanta, the state capital and largest city in the state, functions as the regional trade center for the multi county metro area. It is the major employment node for the PMA and along with the Airport to the south offers the site/subject as a mid point residential choice for a large employment market.

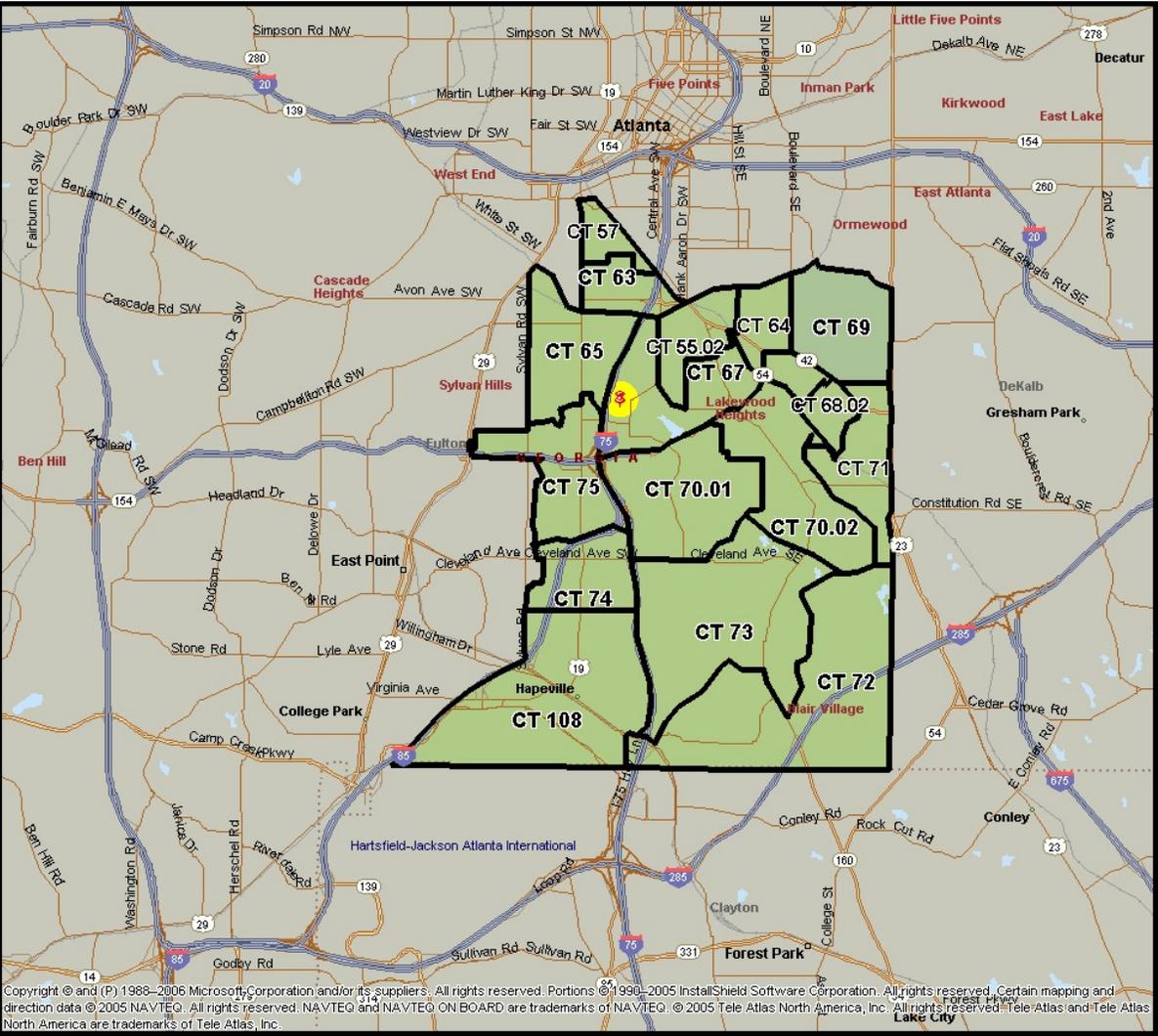
Transportation access to the PMA and within the PMA is excellent. I-75/85 and US 19/41 are the major north/south connectors. Cleveland Avenue and the Lakewood Parkway (SR 154/166) are the major east/west connectors. Access to I-75/85 is about 1 mile north of the subject and access to the Lakewood Parkway is about 1 mile to the south. I-20 is a little further north of the PMA by about 2 miles.

Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area. Demand for the development from the SMA is considered to be good to very good. Typically, 5% to 25% of program assisted apartment complexes are occupied by tenants from outside the PMA. It is estimated that the subject will attract 15% to 25% of its tenant base from outside the PMA. Note: The demand methodology in this market study utilized a predetermined GA-DCA market study guideline factor of 15%.



- ☐ Pushpins
- 📍 SITE
- ☐ Amal Heights PMA
- CT 108
- CT 55.02
- CT 57
- CT 63
- CT 64
- CT 65
- CT 67
- CT 68.01
- CT 68.02
- CT 69
- CT 70.01
- CT 70.02
- CT 71
- CT 72
- CT 73
- CT 74
- CT 75



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SECTION E
COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 7 exhibit indicators of trends in total population and household growth, for the Amal Heights PMA.

Population Trends

Table 1, exhibits the change in **total** population in the Amal Heights PMA and Fulton County between 1990 and 2011. The year 2009 is estimated to be the first year of availability for occupancy of the subject property. The year 2006 has been established as the base year for the purpose of estimating new household growth demand, as measured by age and tenure in accordance with the 2007 GA-DCA Market Study Guidelines.

The PMA exhibited very slight total population gains during the 1990's, at around .10% per year. Population losses over the next several years are forecasted for the PMA at a slight to moderate rate of decline, represented by a rate of decline ranging between .25% to .30% per year. Note: The majority of the decline has been concentrated in the northern and eastern sections of the PMA. These areas have suffered from out migration, areas of high crime, areas of few employment opportunities and areas in which there has been a limited introduction of new residential supply. However, over the last few years, pockets of these areas have been revitalized. They have contributed to new population growth and the lessening of out-migration. These pockets of revitalization include the Villages of Carver development and Park Place South.

Fulton County exhibited significant total population gains during the 1990's, at over 2.5% per year. The majority of the gain has occurred in the northern portion of the county. Population gains over the next several years are forecasted for the County at a very, very reduced rate of gain.

Population Projection Methodology:

The forecast total population was interpolated (between 2006 and 2011) for a 2009 estimate.

The Claritas data was used in the forecast of total population, within the PMA and county. In addition, the Georgia Office of Planning & Budget 2015 forecast and the ESRI projections were used as a cross check to the Claritas forecasts, but not in lieu of.

Sources: (1) 1990 and 2000 US Census, and 2001 - 2006 US Census estimates.

(2) Georgia 2010-2015 Residential Population Project of Georgia Counties, Source: Georgia Governor's Office of Planning and Budget (as of December, 2004).

(3) ESRI 2005/2006 and 2010/2011 Projections, 17th & 18th Editions.

(4) Claritas 2006 and 2011 HISTA Projections, Ribbon Demographics.

Table 1					
Total Population Trends and Projections: Atlanta, Amal Heights PMA and Fulton County					
Atlanta					
Year	Population	Total Change	Percent	Annual Change	Percent
1990	394,017	-----	-----	-----	-----
2000	416,474	+22,457	+ 5.70	+ 2,246	+ 0.57
2006	486,411	+69,937	+ 16.79	+11,656	+ 2.80
Amal Heights PMA					
1990	62,448	-----	-----	-----	-----
2000	63,092	+ 644	+ 1.03	+ 64	+ 0.10
2006	62,061	- 1,031	- 1.63	- 172	- 0.27
2009*	61,613	- 448	- 0.72	- 149	- 0.24
2011	61,315	- 298	- 0.48	- 149	- 0.24
Fulton County					
1990	648,951	-----	-----	-----	-----
2000	816,006	+167,055	+ 25.74	+16,706	+ 2.57
2006	813,532	- 2,474	- 0.30	- 412	- 0.05
2009*	813,875	+ 343	+ 0.04	+ 114	+ 0.01
2011	814,103	+ 228	+ 0.03	+ 114	+ 0.01

* 2009 - Estimated year that project is placed in service.

Calculations - Koontz and Salinger. December, 2007.

Table 2 exhibits the change in population by age group in the Amal Heights PMA between 2000 and 2011.

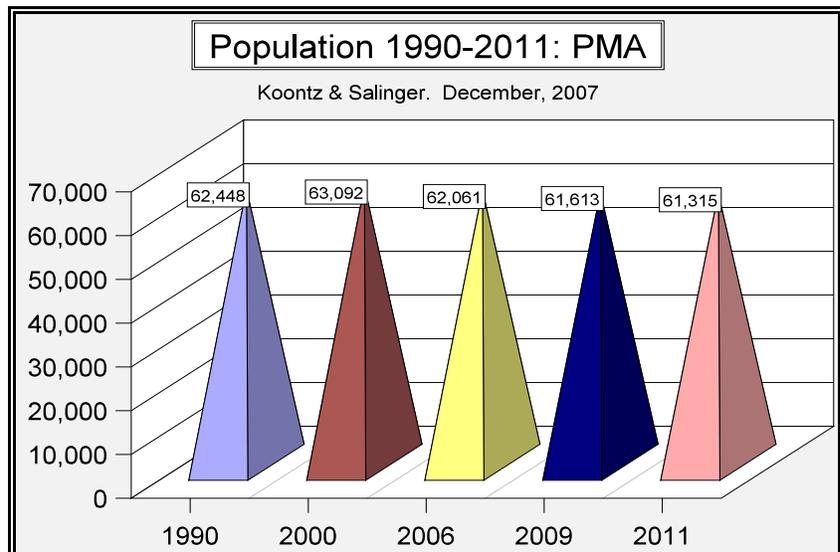
Table 2 Population by Age Groups: Amal Heights PMA, 2000 - 2011						
	2000 Number	2000 Percent	2011 Number	2011 Percent	Change Number	Change Percent
Age Group						
0 - 4	5,501	8.72	5,110	8.33	- 391	- 7.11
5 - 17	14,644	23.21	12,726	20.76	-1,918	-13.10
18 - 24	7,118	11.28	6,487	10.58	- 631	- 8.86
25 - 44	19,428	30.79	17,403	28.38	-2,025	-10.42
45 - 54	7,320	11.60	7,817	12.75	+ 497	+ 6.79
55 - 64	4,135	6.55	5,969	9.73	+1,834	+44.35
65 +	4,946	7.84	5,803	9.46	+ 857	+17.33

Sources: 2000 Census of Population, Georgia.
Claritas 2011 HISTA Projections, Ribbon Demographics.
Koontz and Salinger. December, 2007.

Table 2 revealed that population is forecasted to decrease in all of the displayed age groups in the PMA between 2000 and 2011, with the exception of the 45 and over age groups. The decrease is forecasted to be significant in the primary renter age group: of 18 to 44, at over 10%. Overall, a significant portion of the total PMA population is in the target property primary renter group of 18 to 44, representing around 39% of the total population.

Between 2000 and 2011 total population is projected to decrease in the PMA at a slight rate of decline at approximately .25% per year. The majority of the decrease has been in the eastern and northern portions of the PMA, owing primarily to losses in housing stock.

The figure to the right presents a graphic display of the numeric change in population in the PMA between 1990 and 2011.



HOUSEHOLD TRENDS & CHARACTERISTICS

Tables 3 exhibits the change in total households in the Columbus PMA between 2000 and 2011. The slight to moderate decrease in household formations in the PMA has continued over a 10 year period and is reflective of the continuing decline in population.

The increase in the rate of persons per household has continued over the last 10 years and is projected to continue at a much reduced rate of increase between 2000 and 2011 in the PMA. The rate of change is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters' supply since the 2000 census.

Table 3					
Household Formations: 1990 to 2011					
Amal Heights PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household ¹	Total Households ²
1990	62,448	1,921	60,527	2.8728	21,069
2000	63,092	3,382	59,710	2.9843	20,008
2006	62,061	3,500	58,561	3.0177	19,406
2009	61,613	3,650	57,963	3.0263	19,152
2011	61,315	3,750	57,565	3.0321	18,985

Sources: Claritas, 2006 and 2011 Projections.

_____ 1990 and 2000 Census of Population, Georgia. _

Calculations: Data was interpolated between 2006 and 2011 and estimated for 2009.
Koontz & Salinger. December, 2007.

¹Continuation of the 1990 to 2000 persons per household rate of change.

²Population in Households divided by persons per unit count.

Table 4

**Households by Tenure, by Person Per Household
Amal Heights PMA, 2000 - 2011**

Households	Owner				Renter			
	2000	2011	Change	% 2011	2000	2011	Change	% 2011
1 Person	2,094	2,101	+ 7	28.01%	2,948	3,182	+ 234	27.71%
2 Person	2,190	1,970	- 220	26.26%	2,553	2,194	- 339	19.11%
3 Person	1,498	1,445	- 53	19.26%	2,163	1,899	- 264	16.54%
4 Person	1,036	974	- 62	12.98%	1,824	1,667	- 157	14.52%
5+Person	1,120	1,012	- 108	13.49%	2,602	2,541	- 61	22.13%
Total	7,938	7,502	- 436	100%	12,070	11,483	- 587	100%

Sources: 2000 Census of Population, Georgia.
Claritas 2011 HISTA Projections, Ribbon Demographics.
Koontz and Salinger. December, 2007.

Table 4 indicates that in 2009 approximately 50% of the renter-occupied households in the Amal Heights PMA contain 3 to 5 persons (the target group by household size).

The majority of these households are:

- single head of households with children, and
- families with children.

A noticeable increase in renter households by size was exhibited by 1 person households. Noticeable decreases in renter households by size were exhibited by 2, 3 and 4 persons per household. Note: Moderate decreases were exhibited in all of the other renter household sizes. One person households are typically attracted to both 1 and 2 bedroom rental units and 2 and 3 person households are typically attracted to 2 bedroom units, and to a lesser degree three bedroom units. It is estimated that between 35% and 40% of the renter households in the PMA fit the bedroom profile for a 3BR unit. Given the proposed income targeting, rent positioning of the subject and 2000 and 2011 trends, the appropriate estimate is considered to be 40% versus 35%.

Table 5 exhibits households in the Amal Heights PMA by owner-occupied and renter-occupied tenure. The 2000 to 2011 projected trend supports a change in the tenure ratio slightly favoring owner-occupied households on a percentage basis.

Overall, a moderate net numerical loss is forecasted for both owner-occupied tenure and a moderate to significant decline is forecasted in renter-occupied households within the PMA.

Table 5 Households by Tenure: 2000-2011 Amal Heights PMA					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	20,008	7,938	39.67	12,070	60.33
2006	19,406	7,631	39.32	11,775	60.68
2009	19,153	7,553	39.44	11,600	60.56
2011	18,985	7,502	39.52	11,483	60.48

Sources: 2000 Census of Population, Georgia.
 Claritas 2011 HISTA Projections, Ribbon Demographics.
 Koontz and Salinger. December, 2007.

Table 6 exhibits building permit data between 2000 and 2007. The permit data is for Atlanta.

Between 2000 and September, 2007, 62,767 permits were issued in Atlanta, of which, 53,677 or approximately 86% were multi-family units, both owner-occupied and renter-occupied.

<p style="text-align: center;">Table 6</p> <p style="text-align: center;">New Housing Units Permitted:</p> <p style="text-align: center;">City of Atlanta</p> <p style="text-align: center;">2000-2007¹</p>					
Year	Net Total ²	1 Unit	2 Units	3-4 Units	5+ Units
2000	5,819	803	54	18	4,944
2001	6,794	781	64	4	5,945
2002	6,649	759	116	19	5,755
2003	6,893	980	136	37	5,740
2004	9,726	1,356	198	40	8,132
2005	7,974	1,564	74	25	6,311
2006	10,779	1,842	86	24	8,827
2007	8,133	1,005	48	40	7,040
Total	62,767	9,090	776	207	52,694

¹Sources: New Privately Owned Housing Units Authorized In Permit Issuing Places, 2000 - 2007, U.S. Department of Commerce, C-40 Construction Reports. U.S. Census Bureau.

²Net total equals new SF and MF dwellings units.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents and/or the availability of deep subsidy rental assistance (RA) for USDA-RD developments.

The estimate of the upper income limit is based on the most recent set of HUD Median Income Guidelines for five person households (the maximum household size for a 3BR unit, for the purpose of establishing income limits) in the Atlanta Metropolitan Area (which includes Fulton County, Georgia) at 60% of the area median income (AMI).

Tables 7A and 7B exhibit renter households, by income group, in the Amal Heights PMA in 2000 and 2006, forecasted to 2011.

The projection methodology is based on Claritas forecasts for households, by tenure, by age and by income group for the year 2006 and 2011, with a base year data set of 2000 (US Census). A 2009 estimate was interpolated based on the trend between the 2006 and 2011 data sets and utilized within the quantitative demand methodology.

Note: The data set used in Table 7A and 7B is from Claritas and Ribbon Demographics.

Tables 7A and 7B exhibit renter-occupied households, by income in the Amal Heights PMA in 2000, estimated to 2006, and projected to 2011.

Table 7A				
Amal Heights PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2000 Number	2000 Percent	2006 Number	2006 Percent
Under \$10,000	3,616	29.96	3,229	27.42
10,000 - 20,000	2,809	23.27	2,556	21.71
20,000 - 30,000	2,089	17.31	2,027	17.12
30,000 - 40,000	1,328	11.00	1,363	11.58
40,000 - 50,000	743	6.16	803	6.82
50,000 - 60,000	575	4.76	599	5.09
60,000 +	910	7.54	1,198	10.17
Total	12,070	100%	11,775	100%

Table 7B				
Amal Heights PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2006 Number	2006 Percent	2011 Number	2011 Percent
Under \$10,000	3,229	27.42	2,919	25.42
10,000 - 20,000	2,556	21.71	2,365	20.60
20,000 - 30,000	2,027	17.12	1,899	16.54
30,000 - 40,000	1,363	11.58	1,323	11.52
40,000 - 50,000	803	6.82	907	7.90
50,000 - 60,000	559	5.09	624	5.43
60,000 +	1,198	10.17	1,446	12.59
Total	11,775	100%	11,483	100%

Sources: 2000 Census of Population, Georgia.
 Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. December, 2007.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies and one bedrooms, 1 person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom. (Note that estimated rents must be net of utility allowances.)
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2007 HUD Income Guidelines were used.
- (5) - 25% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 192 three bedroom units
The recommended maximum number of people per unit is:

3BR - 3, 4, 5 and 6 persons

Analyst Note: As long as the unit in demand is income qualified there is no minimum number of people per unit.

The proposed development will target approximately 2% of the units at 50% or below of area median income (AMI); 70% of the units at 60% AMI and 25% at Market.

The lower portion of the target income range is set by the proposed subject 3BR rents at 50% and 60% AMI and at Market. Given the fact that only 3-units will target renters at 50% AMI and the bulk of the overall income range between 50% and 60% AMI will be allocated to the 60% AMI target group.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property's intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. GA-DCA has set the estimate for non elderly applications at 35%.

The proposed 3BR net rent at 50% AMI is \$685. The estimated utility costs is \$240. The proposed 3BR gross rent at 50% AMI is \$925.

The proposed 3BR net rent at 60% AMI is \$750. The estimated utility costs is \$240. The proposed 3BR gross rent at 60% AMI is \$990.

The proposed 3BR net rent at Market is \$775. The estimated utility costs is \$240. The proposed 3BR gross rent at Market is \$1,015.

Based on the proposed gross rents the lower income limits at 50% and 60% AMI were established at \$31,715 and \$33,940. Based on the proposed gross rent the lower income limits at Market is established at \$34,800.

The AMI at 50% and 60% for 1 to 5 person households in the Atlanta MSA (which includes Fulton County) follows:

	50% AMI	60% AMI
1 Person -	\$24,900	\$29,880
2 Person -	\$28,500	\$34,200
3 Person -	\$32,050	\$38,460
4 Person -	\$35,600	\$42,720
5 Person -	\$38,450	\$46,140

Source: 2007 HUD Median Income Guidelines.

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The subject will position 3-units at 50% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$31,715 to \$38,450.

It is projected that in 2009 approximately **10%** of the renter households in the PMA were in the subject property 50% AMI LIHTC target income group.

60% AMI

_____The subject will position 141-units at 60% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$33,940 to \$46,140.

It is projected that in 2009 approximately **13.25%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group.

Market Rate

The subject will position 48-units at Market.

The overall **Target Income Range** for the proposed subject property targeting households at Market Rate is \$34,800 to \$60,000+.

It is projected that in 2009 approximately **30.5%** of the renter households in the PMA were in the subject property Market Rate target income group.

Adjustments

In order to adjust for income over lap between the targeted income segments the following adjustments were made: (1) the 60% income segment estimate was reduced slightly in order to account for overlap with the 50% AMI income target group, but only slightly given fact that only 3-units will target renters at 50% AMI versus 141-units at 60% AMI; and (2) the Market Rate income segment estimate of 30.5% was reduced in order to account for income over lap at 60% AMI.

It is estimated that approximately **3%** of the overall income qualified range will target households at the 50% AMI segment; **12%** will target households at the 60% AMI segment and **20%** in the Market Rate income segment.

ECONOMIC & EMPLOYMENT TRENDS

The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net immigration.

Tables 8 through 13 exhibit labor force trends by employment, changes in employment sectors and changes in average annual weekly wages for Fulton County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 8			
Civilian Labor Force and Employment Trends, Fulton County: 2000, 2006 and 2007			
	2000	2006	2007*
Civilian Labor Force	431,874	472,795	483,889
Employment	417,210	449,640	461,255
Unemployment	14,664	23,155	22,634
Rate of Unemployment	3.4%	4.9%	4.7%

* based on 1st 10-months of the year

Table 9				
Change in Employment, Fulton County				
Years	# Total	# Annual*	% Total	% Annual*
2000 - 2006	+32,430	+4,633	+ 7.77	+ 1.11
2006 - 2007	+11,615	Na	+ 2.58	Na

* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2000 - 2007. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. December, 2007.

Employment Trends

Table 10
Employment Change and Rates of Unemployment, Fulton County

Year	Number Employed	Change Over Previous Year	Unemployment Rate
2000	417,210	-----	3.4
2001	423,702	+ 6,492	4.1
2002	420,232	- 3,470	5.4
2003	421,248	+ 1,016	5.3
2004	427,383	+ 6,135	5.1
2005	434,881	+ 7,498	5.6
2006	449,640	+ 14,759	4.9
2007 (01)	457,953	-----	4.9
2007 (02)	458,688	+ 735	4.5
2007 (03)	462,065	+ 3,377	4.2
2007 (04)	458,396	- 3,669	4.3
2007 (05)	459,651	+ 1,255	4.4
2007 (06)	460,762	+ 1,111	5.0
2007 (07)	463,070	+ 2,308	5.1
2007 (08)	461,977	- 1,093	4.8
2007 (09)	463,497	+ 1,520	4.8
2007 (10)	466,487	+ 2,990	4.8

Table 11 Average Monthly Covered Employment by Sector, Fulton County, 2005 and 2006							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2005	740718	22,717	33,835	100,828	70,061	57,248	100947
2006	774510	24,324	36,345	108,160	74,988	60,498	101104
05-06 # Ch.	33792	+1607	+2,510	+7,332	+4,927	+3,250	+ 157
05-06 % Ch.	+4.6	+ 7.1	+ 7.4	+ 7.3	+ 7.0	+ 5.7	+ 0.2

% Ch. 2005 to 2006 = % Increase/Decrease

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade; FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and Social Services; G - Federal, State & Local Government

Sources: Georgia Labor Force Estimates, 2000 - 2007. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. December, 2007.

Table 12, exhibits average annual weekly wages in 2005 and 2006 in the major employment sectors in Fulton County. The rate of change in wages has for the most part matched or exceeded the recent rate of inflation, as measured by the consumer price index (CPI) for about one-third of the employment sectors and has decreased or stabilized for about half. It is estimated that the majority of workers in the service and trade sectors in 2008 will have average weekly wages between \$425 and \$950.

Table 12				
Average Annual Weekly Wages, 2005 and 2006				
Fulton County				
Employment Sector	2005	2006	% Numerical Change	Annual Rate of Change
Total	\$1050	\$1074	+ 24	+ 2.3
Construction	\$1022	\$1077	+ 55	+ 5.4
Manufacturing	\$1208	\$1266	+ 58	+ 4.8
Wholesale Trade	\$1390	\$1461	+ 71	+ 5.1
Retail Trade	\$ 540	\$ 551	+ 11	+ 2.0
Transportation & Warehouse	\$ 910	\$ 891	- 19	- 2.1
Finance	\$1712	\$1823	+ 111	+ 6.5
Real Estate Leasing	\$1068	\$1150	+ 82	+ 7.7
Health Care Services	\$ 930	\$ 942	+ 12	+ 1.3
Leisure & Hospitality	\$ 401	\$ 417	+ 16	+ 4.0
Federal Government	\$1271	\$1289	+ 18	+ 1.4
State Government	\$ 839	\$ 869	+ 30	+ 3.6
Local Government	\$ 789	\$ 803	+ 14	+ 1.8

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2005 and 2006.

Koontz and Salinger. December, 2007.

Major Employers

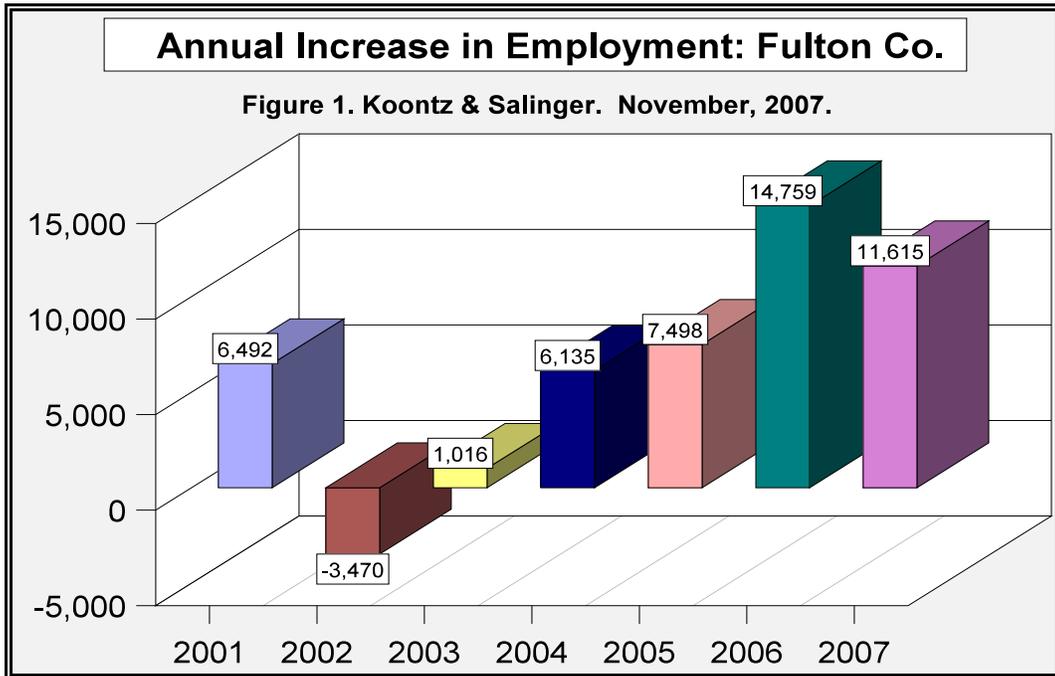
The major employers in Metro Atlanta are listed in Table 13.

Table 13		
Major Employers		
Firm	Product/Service	Employees
Gwinnett County	School System	27,197
Emory University	Education	21,797
Delta	Transportation	19,235
Publix	Grocery	16,855
Kroger	Grocery	15,500
Bellsouth	Telecommunications	15,500
Walmart	Retail Trade	14,700
DeKalb County	School System	14,500
US Postal Service	Mail System	14,000
Home Depot	Retail Trade	13,184
Cobb County	School System	13,000
Fulton County	School System	10,892
UPS	Express Document Service	10,500
Wellstar	Healthcare	10,112
Atlanta City	Government	7,934
SunTrust Banks	Finance	7,768
Lockheed Martin	Defense Contractor	7,531
IBM	Computer Services	7,500
Northside Hospital	Healthcare	7,100
Georgia Tech	University	7,075
Clayton County	School System	6,826
Atlanta Public	School System	6,702
US Center for Disease Control	Disease Prevention	6,500
Wachovia	Finance	6,000
Turner Broadcasting	News & Entertainment	5,959
Cox Enterprises	Publishing	5,606
The Southern Company	Energy Company	5,490

Sources: Metro Atlanta Chamber of Commerce, Research Department.

SUMMARY

The economic situation for Fulton County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 8-13, Fulton County has experienced mostly significant employment gains from the mid part of the new decade onward. Employment losses were experienced between 2001 and 2002, primarily in the manufacturing sector of the local economy. Over the last two years, significant net gains in employment levels have been the norm in Fulton County.



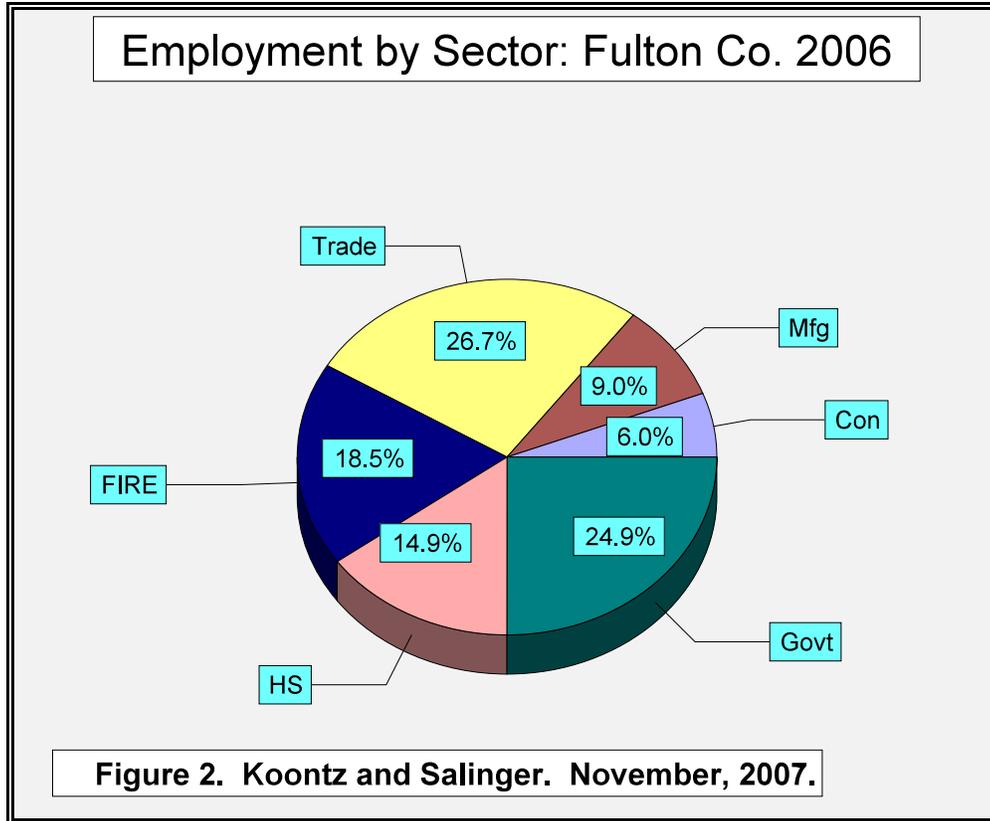
As represented in Figure 1 (and Table 9), between 2000 and 2006, the average increase in employment was approximately 4,635 workers or around +1.1% per year. The rate of employment gain between 2006 and 2007, was very significant at over 2.5%, representing a net increase of over 11,600 workers.

The Atlanta/Fulton County economy is extremely well diversified with an excellent mixture of service, trade, government and manufacturing employment opportunities. The site/subject is located within 4-miles of several major areas of employment opportunities including: (1) the Downtown Central Business District of Atlanta, (2) the South Fulton Medical Center, (3) the Atlanta Metropolitan College and (4) several area industrial parks,

Located within 6.5 miles of the subject is home to one of the largest airports in the world, physically, and the largest in the world in terms of air travel business, Hartsfield-Jackson Atlanta International Airport.

Hartsfield-Jackson Atlanta International Airport is responsible for approximately 56,000 airline, ground transportation, concessionaire, security, and local and federal government jobs. The total airport payroll is around \$2.4 billion, resulting in a direct and indirect economic impact of around \$5.6 billion on the local and regional economy.

Figure 2 exhibits employment by sector in Fulton County in 2006. The top employment sectors in the County are: manufacturing, trade, government and service. The forecast for 2007 is for the manufacturing sector to either stabilize or decrease slightly. The forecast for the service, trade and government sectors is for an increase in employment.



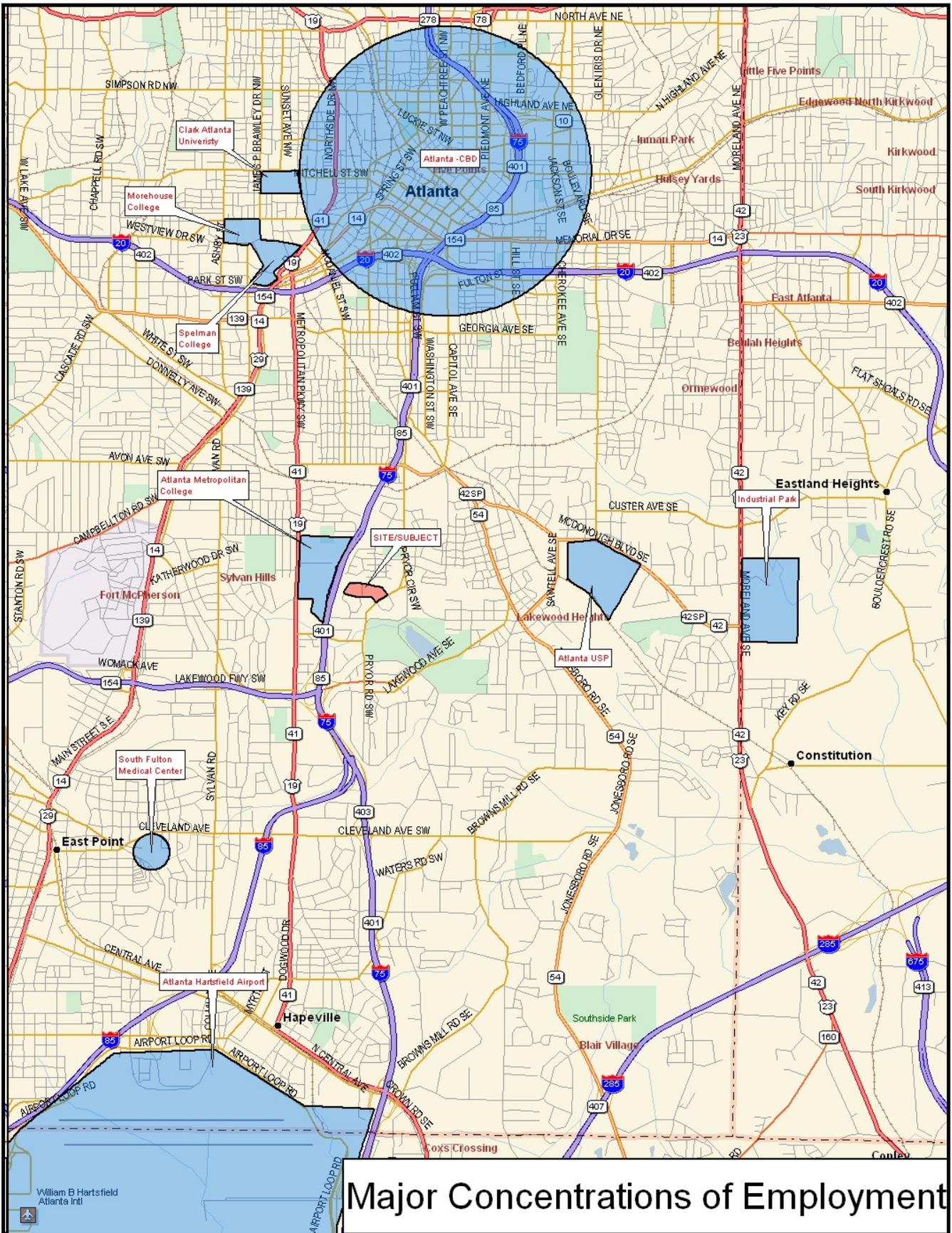
Local Economy - Relative to Subject & Impact on Housing Demand

The Atlanta / Fulton County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the excellent location of the subject, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters from these sectors of the workforce who are in need of affordable housing and a reasonable commute to work. In particular, a reasonable commute to the Airport (6-miles south) as well as to the Downtown Central Business District of Atlanta (3.5-miles north). The semi mid-point location of the subject to Downtown and the Airport, along with adjacent Interstate travel makes the site a very attractive residential location to the workforce population of South Atlanta and Southeast Fulton County.

In summary, the forecast of economic growth into 2007 is considered to be extremely positive. Employment growth for 2008 is expected to be more moderate as the area economy works out the negative impacts of: (1) Fort McPherson and Fort Gillem closing, (2) the Ford Motor plant closing (in 2007), (3) the upcoming closing of the GM plant (in 2008) and (4) the slow down in residential development owing to the present mortgage crisis.

However, there are enough positive signs at present signaling that the local economy will continue to grow at an overall positive rate into 2008. This in turn will assist in the strengthening of the overall demand for rentals by younger households and to give support for local landlords to increase rents on an annual basis as overall supply versus demand tightens. The increase in demand support will be strengthened as fewer home buying households will qualify for entry level homes and unfortunately there will be an increase in new tenants owing to an increase in local area foreclosures. An increase in net rents will be (or should be) commensurate to the increase in the CPI more so to changes in area wage rates.

A map of the major employment concentrations in the PMA is exhibited on the next page.



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MN (4.2° W)



Data Zoom 11-7

SECTION F

**PROJECT-SPECIFIC
DEMAND ANALYSIS**

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from

existing renter households already residing within the PMA. In addition, given the amount of substandard and overcrowded housing conditions that still exists in the PMA market, the potential demand from substandard housing will be examined.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimated projected year that the subject will be placed in service of 2009.

In this section, the effective project size is 192-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 7A and 7B from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered within the context of the current market conditions. This analysis assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like-kind competitive supply. In this case discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted family apartment projects in the market area.

Effective Demand Pool

In this methodology, there are three basic sources of demand for an apartment project to acquire potential tenants:

- * net household formation (normal growth),
- * existing renters who are living in substandard housing, and
- * existing renters who choose to move to another unit, typically based on affordability (rent overburdened), project location and features.

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

- (1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2007 to 2009 forecast period,
- (2) taking into consideration like-kind competition introduced into the market between 2000 and 2007, and
- (3) for secondary market area demand (a 15% adjustment factor).

Note: The secondary market area adjustment factor is pre determined and specified in the most current GA-DCA Market Study Guideline instructions.

Growth

For the PMA, forecast housing demand through household formation totals a minus 253 households over the 2006 to 2009 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2006 to 2009, forecast period it is calculated that minus 175 or approximately 69% of the decline in new household formations would be renters.

Based on 2009 income forecasts, minus 5 new renter households fall into the 50% AMI target income segment of the proposed subject property; minus 21 new renter households fall into the 60% AMI target income segment; and minus 35 in the Market Rate segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. In 2000, 165 households were living in renter-occupied dwelling units without complete plumbing facilities in the PMA and 1,020 households were living in renter-occupied dwellings in over crowded conditions. The total number of existing renters that were in substandard housing based on the 2000 Census was 1,185.

Based on a field analysis of the Amal Heights PMA and immediate surrounding areas, the introduction of new LIHTC developments within the PMA since 2000, along with an examination of the trends in substandard data between the 1990 and 2000 censuses, it is estimated that in 2009 there are 685 renter households in substandard housing conditions in the PMA.

Based on 2009 income forecasts, 21 substandard renter households fall into the target income segment of the proposed subject property at 50% AMI; 82 are in the 60% AMI segment; and 34 are in the Market Rate segment.

Demand from Existing Renters that are Rent Overburdened

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. Forecasting this percentage estimate forwarded into 2009 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households (in 2009) have remained the same since 2000. That is approximately 40% of the renters with incomes in the 50% and 60% AMI target income segments are rent overburdened and 15% of the renters with incomes in the Market Rate target income segment are rent overburdened.

*Note: HUD and the US Census define a rent over burdened household at 30% of income to rent.

In the PMA it is estimated that 131 existing renter households are

rent overburdened and fall into the 50% AMI target income segment of the proposed subject property; 524 are in the 60% AMI segment; and 327 are in the Market Rate segment.

Total Effective Tenant Pool - PMA

The potential demand from these sources (in the PMA) total 147 households/units at 50% AMI. The potential demand from these sources (in the PMA) total 585 households/units at 60% AMI. The potential demand from these sources (in the PMA) total 326 households/units at Market. These estimates comprises the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA, by income target group segment.

Secondary Market Area Adjustment (15% factor)

The following is in the 2007 GA-DCA Market Study Guidelines: "To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area." The 15% adjustment factor is applied to all of the **combined** demand estimates (regardless of tenure) as detailed in the overall demand methodology.

The secondary market area adjustment factor increased demand by 22 households at 50% AMI; 88 households at 60% AMI and 49 households at Market.

Total Effective Tenant Pool - PMA & SMA

The potential demand from the demand methodology sources from both the PMA and SMA total 169 households/units at 50% AMI. The potential demand from the demand methodology sources from both the PMA and SMA total 673 households/units at 60% AMI. The potential demand from the demand methodology sources from both the PMA and SMA total 375 households/units at Market. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from both the PMA and SMA.

These estimates of demand were adjusted for the introduction of new like-kind supply into the PMA between the 2004 to 2009 forecast period. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

The final segmentation process of the demand methodology was to subject out like-kind competition/supply in the PMA built as a LIHTC property or acquired and rehabed as a LIHTC property since 2004. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/Home family developments, USDA-RD Section 515 family developments

and HUD 221 (d4) family developments. Note: Since 2000, seven like-kind competitive family apartment developments have been introduced into the PMA offering LIHTC and Market Rate 3BR units.

Brookside Park	2004	(26 3BR @60% AMI and 14 @Market)
Carver I	2002	(24 3BR @60% AMI and 5 @Market)
Carver II	2003	(11 3BR @60% AMI and 6 @Market)
Carver III	2003	(26 3BR @60% AMI and 6 @Market)
Columbia @ Peoples town	2003	(18 3BR @60% AMI and 18 @50% AMI)
Crogman	2004	(7 3BR @60% AMI and 1 @Market)
Vineyards @Browns Mill	2005	(20 3BR @60% AMI and 14 @Market)

Taking these complex into consideration reduced the target demand pool to 151 at 50% AMI; 542 at 60% AMI; and 335 at Market.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. According to local sources and documentation, no other program assisted multi-family apartment development supply targeting the non elderly population is under construction or in the permitted pipeline for development within the PMA other than Phase IV (Woods Village) of the Village of Carver LIHTC Hope VI revitalization plan. Source: Interviews with existing area LIHTC apartment managers and a review of approved applications presented to GA-DCA between 2005 and 2007 within the Atlanta market, focusing on that area within the PMA

Note: In addition, in 2007 GA-DCA approved an application for a proposed elderly development (age 55+) within the PMA. Ashton Browns Mill will comprise 100-units (1BR and 2BR) and will be located at the intersection of Cleveland Avenue and Jonesboro Road. This property is not considered to be competitive with the subject development.

The segmented, effective demand pool for the proposed LIHTC/Market Rate acquisition/rehab development is summarized in Tables 14A and 14B.

Table 14A: LIHTC Component

Quantitative Demand Estimate: Amal Heights PMA

	50%	60%
	<u>AMI</u>	<u>AMI</u>
● <u>Demand from New Growth - Renter Households</u>		
Total Projected Number of Households (2009)	11,600	11,600
Less: Current Number of Households (2000)	<u>11,775</u>	<u>11,775</u>
Change in Total Renter Households	- 175	- 175
% of Renter Households in Target Income Range	<u>3%</u>	<u>12%</u>
Total Demand from New Growth	- 5	- 21
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2000)	1,185	1,185
Number of Households in Substandard Housing(2009)	685	685
% of Substandard Households in Target Income Range	<u>3%</u>	<u>12%</u>
Number of Income Qualified Renter Households	21	82
● <u>Demand from Existing Renter Households</u>		
Number of Renter Households (2009)	11,600	11,600
Minus substandard housing segment	685	685
Net Number of Existing Renter Households	10,912	10,912
% of Households in Target Income Range	<u>3%</u>	<u>12%</u>
Number of Income Qualified Renter Households	327	1,390
Proportion Income Qualified (that are Rent Overburden)	<u>40%</u>	<u>40%</u>
Total	131	524
● <u>Net Total Demand from the PMA</u>	147	585
● <u>Secondary Market Area Adjustment</u>		
Net Total Demand	147	585
Adjustment Factor of 15%	<u>15%</u>	<u>15%</u>
Demand from SMA Adjustment	22	88
● <u>Gross Total Demand (PMA & SMA)</u>	169	673
Minus New Supply of Competitive Units (2000-2007)	<u>18*</u>	<u>131*</u>
● <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	151	542

*3BR LIHTC units at: Carver I, II, III, Crogman, Columbia @Peopletown, Brookside Park and Vineyards @Browns Mill

Capture Rate Analysis - LIHTC Component (Two Scenarios)

Scenario 1 - Assumption is that the subject property is 100% vacant at the time of the rehab process.

Total Number of Households Income Qualified = 693. For the subject 144 LIHTC units this equates to an overall LIHTC Capture Rate of 21.8%.

LIHTC Capture Rates by AMI

	50%	60%
● <u>Capture Rate</u> (144 unit subject, by AMI)	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	3	141
Number of Income Qualified Households	151	542
Required Capture Rate	2.0%	26.0%

Scenario 2 - Assumption is that the subject property is 30% vacant at the time of the rehab process. That is the property retains 70% of the existing tenants and all are tax credit eligible. Based on an examination of the property, historic occupancy trends over the last 2-years, an inspection of units and buildings and an examination of the most recent rent roll it is assumed that the property will be able to retain 70% (if not more) of the existing tenants.

Total Number of Households Income Qualified = 693. For the subject 43 LIHTC units vacant; this equates to an overall LIHTC Capture Rate of 6.2%.

LIHTC Capture Rates by AMI

	50%	60%
● <u>Capture Rate</u> (43 unit subject, by AMI)	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	1	42
Number of Income Qualified Households	151	542
Required Capture Rate	0.6%	7.8%

- Total Demand Adjustment at 50% AMI

At present there is one LIHTC/Market Rate like kind competitive property either under construction or in the pipeline for development. None of the 3BR units at Carver IV will target households at 50% AMI.

	<u>Total Demand</u>	New <u>Supply*</u>	<u>Net Demand</u>	Units <u>Proposed</u>	Capture <u>Rate</u>
3BR	151	0	151	3	2.0%

- Total Demand Adjustment at 60% AMI

At present there is one LIHTC/Market Rate like kind competitive property either under construction or in the pipeline for development. 50 of the 3BR units at Carver IV will target households at 60% AMI.

	<u>Total Demand</u>	New <u>Supply*</u>	<u>Net Demand</u>	Units <u>Proposed</u>	Capture <u>Rate</u>
3BR	542	50	492	141	28.7%

Table 14B: Market Rate Component

Quantitative Demand Estimate: Amal Heights PMA

	Market Rate
● <u>Demand from New Growth - Renter Households</u>	
Total Projected Number of Households (2009)	11,600
Less: Current Number of Households (2000)	<u>11,775</u>
Change in Total Renter Households	- 175
% of Renter Households in Target Income Range	<u>20%</u>
Total Demand from New Growth	- 35
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2000)	1,185
Number of Households in Substandard Housing(2009)	685
% of Substandard Households in Target Income Range	<u>5%</u>
Number of Income Qualified Renter Households	34
● <u>Demand from Existing Renter Households</u>	
Number of Renter Households (2009)	11,600
Minus substandard housing segment	685
Net Number of Existing Renter Households	10,912
% of Households in Target Income Range	<u>20%</u>
Number of Income Qualified Renter Households	2,182
Proportion Income Qualified (that are Rent Overburden)	<u>15%</u>
Total	327
● <u>Net Total Demand from the PMA</u>	326
● <u>Secondary Market Area Adjustment</u>	
Net Total Demand	326
Adjustment Factor of 15%	<u>15%</u>
Demand from SMA Adjustment	49
● <u>Gross Total Demand (PMA & SMA)</u>	375
Minus New Supply of Competitive Units (1999-2008)	<u>40*</u>
● <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	335

*3BR Market Rate units w/in LIHTC properties: Carver I, II, III,
Crogman, Columbia @Peopletown, Brookside Park and Vineyards @Browns Mill

Capture Rate Analysis - Market Rate Component (Two Scenarios)

Scenario 1 - Assumption is that the subject property is 100% vacant at the time of the rehab process.

● <u>Capture Rate</u> (48 Market Rate units)	Market <u>Rate</u>
Number of Units in Subject Development	48
Number of Income Qualified Households	335
Required Capture Rate	14.3%

Scenario 2 - Assumption is that the subject property is 30% vacant at the time of the rehab process. That is the property retains 70% of the existing tenants and all are tax credit eligible. Based on an examination of the property, historic occupancy trends over the last 2-years, an inspection of units and buildings and an examination of the most recent rent roll it is assumed that the property will be able to retain 70% (if not more) of the existing tenants.

● <u>Capture Rate</u> (15 Market Rate units)	Market <u>Rate</u>
Number of Units in Subject Development	15
Number of Income Qualified Households	335
Required Capture Rate	4.5%

● Total Demand Adjustment at Market

At present there is one LIHTC/Market Rate like kind competitive property either under construction or in the pipeline for development. 10 of the 3BR units at Carver IV will target households at Market.

	<u>Total Demand</u>	New <u>Supply*</u>	<u>Net Demand</u>	Units <u>Proposed</u>	Capture <u>Rate</u>
3BR	335	10	325	48	14.8%

Absorption Rate Analysis

Given the strength (or lack of strength) of the demand estimated in Tables 14 and 15, the most likely/best case scenario for 93% to 100% rent-up is estimated to be 9 to 12 months (at 16-units per month on average) were the subject 100% vacant.

Working under the assumption that the property will need to fill only 30% of the 192-units, i.e., about 58-units equates to an absorption period of 4 months.

Note: In addition, the absorption of the project is contingent upon an attractive product, a competitive amenity package, competitive rents and professional management.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher.

Overall Impact to the Rental Market

Given the current rental market vacancy rate and the forecasted strength of demand for the expected entry of the subject in 2009, it is estimated that the introduction of the proposed development will probably have little to no long term negative impact on the PMA program assisted apartment market. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than / up to 1 year. (Note: This expectation is contingent upon neither catastrophic natural nor economic forces effecting the Atlanta / Fulton County apartment market and local economy in 2009.)

SECTION G

**COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS**

This section of the report evaluates the general rental housing market conditions in the PMA, for both program assisted properties and market rate properties. Part I of the survey focused upon the existing LIHTC program assisted properties within the PMA. Part II consisted of a sample survey of conventional

apartment properties in the PMA. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Fulton County apartment market is representative of an urban apartment market, with a very sizable mixture of small to large apartment properties as well as a very sizable mixture of conventional properties and program assisted properties. Most of the upscale newer market rate apartment properties are located within northern sections of the County, as well as the Downtown area of Atlanta. Much of the program assisted LIHTC rental stock and older market rate stock is located near the Downtown and that area south of the Downtown and I-20 towards the southern loop of the I-285 perimeter.

Survey of the Competitive Environment - LIHTC Supply

- * Thirteen LIHTC family properties, representing 2,122-units, were surveyed within the PMA, in detail.
- * At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted LIHTC family properties was approximately 6.5%. Almost 48% of the vacant LIHTC units were at two of the 13 properties, The Station at Richmond Hill and Summerdale. The overall vacancy rate of the other surveyed LIHTC properties is approximately 4.5%.
- * The bedroom mix of the surveyed LIHTC apartment properties is 20% 0BR & 1BR, 61.5% 2BR, and 18.5% 3BR & 4BR.
- * The survey of the LIHTC family apartment market targeting households at 50% AMI exhibited the following: median, average, and range of net rents, by bedroom type, in the area competitive environment:

LIHTC Competitive Environment - Net Rents (50% AMI)			
BR/Rent	Average	Median	Range
1BR/1b	\$530	\$495	\$450-\$550
2BR/1b	\$635	\$630	\$625-\$650
2BR/2b	Na	\$630	\$570-\$635
3BR/2b	\$715	\$715	\$690-\$727

Source: Koontz & Salinger. December, 2007

* The survey of the LIHTC family apartment market targeting households at 60% AMI exhibited the following: median, average, and range of net rents, by bedroom type, in the area competitive environment:

LIHTC Competitive Environment - Net Rents (60% AMI)			
BR/Rent	Average	Median	Range
1BR/1b	\$590	\$565	\$491-\$620
2BR/1b	\$655	\$650	\$593-\$725
2BR/2b	\$695	\$690	\$578-\$750
3BR/2b	\$810	\$790	\$690-\$995

Source: Koontz & Salinger. December, 2007

* The sizes of the units targeting households at 60% AMI vary widely. Listed below are the average, median and range of the unit sizes, by bedroom type for the surveyed LIHTC properties:

LIHTC (60% AMI) Competitive Environment - Unit Size, by Bedroom			
Bedroom Type	Average	Median	Range
1BR/1b	780	745	500-900
2BR/1b	925	905	750-1062
2BR/2b	1105	1050	880-1303
3BR/2b	1240	1140	950-1384

Source: Koontz & Salinger. December, 2007

* The estimated rent per square foot data for the surveyed LIHTC properties targeting households at 60% AMI, by bedroom type is:

LIHTC (60% AMI) Competitive Environment - Rent Per SF			
Bedroom Type	Average	Median	Range
1BR/1b	\$.76	\$.76	\$.67-\$.98
2BR/1b	\$.71	\$.72	\$.68-\$.79
2BR/2b	\$.63	\$.66	\$.58-\$.66
3BR/2b	\$.65	\$.69	\$.72-\$.73

Source: Koontz & Salinger. December, 2007

Survey of the Competitive Environment - Market Rate Supply

* Eight market rate properties, representing 1,523 units, were surveyed within or adjacent to the PMA, in detail. Several key factors in the PMA market rate apartment market include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties was approximately 8%. Approximately 45% of the vacant conventional units were at two of the 8 properties, Grant Park and Lakewood. The overall vacancy rate of the other surveyed conventional properties is approximately 7%.

* The bedroom mix of the surveyed conventional apartment properties is 13% 1BR, 85% 2BR, and 2% 3BR. Note: The estimate for 1BR units includes a few studio units.

* The survey of the market rate apartment market exhibited the following: median, average, and range of net rents, by bedroom type, within the area competitive environment:

Conventional Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$555	\$565	\$440-\$725
2BR/1b	\$580	\$640	\$525-\$830
2BR/2b	\$705	\$800	\$539-\$960
3BR/2b	\$800	\$805	\$625-\$1150

Source: Koontz & Salinger. December, 2007

* The sizes of the units vary widely. Listed below are the average, median and range of the unit sizes, by bedroom type for the surveyed market rate properties:

Conventional Competitive Environment - Unit Size, by Bedroom			
Bedroom Type	Average	Median	Range
1BR/1b	780	750	500-840
2BR/1b	865	915	600-1100
2BR/2b	1040	1050	850-1150
3BR/2b	1110	1140	950-1384

Source: Koontz & Salinger. December, 2007

* The estimated rent per square foot data for the surveyed market rate properties, by bedroom type is:

Conventional Competitive Environment - Rent Per SF			
Bedroom Type	Average	Median	Range
1BR/1b	\$.71	\$.75	\$.86-\$.88
2BR/1b	\$.67	\$.70	\$.75-\$.88
2BR/2b	\$.68	\$.76	\$.63-\$.83
3BR/2b	\$.72	\$.71	\$.66-\$.83

Source: Koontz & Salinger. December, 2007

Summary

* The most comparable LIHTC properties in the survey relative to the subject were it to be a new construction development would be the 3BR units at the three phases of the Villages of Carver, Columbia at Peoplestown and the Vineyards at Browns Mill. As an acquisition/rehab development the most comparable LIHTC properties to the subject are: The Station at Richmond Hill, Heritage Green and Pavilion Place.

* The most comparable market rate properties are: Evergreen and the 3BR market rate units offered within the LIHTC/Market Rate properties that were surveyed.

Fair Market Rents

The 2008 Fair Market Rents for the Atlanta MSA (which includes Fulton County, GA) are as follows:

Efficiency = \$ 684
 1 BR Unit = \$ 741
 2 BR Unit = \$ 824
 3 BR Unit = \$1003
 4 BR Unit = \$1094

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.org

Note: The proposed subject property gross rents, by bedroom type at 50% and 60% AMI are set below the 2008 maximum Fair Market Rents in the Atlanta MSA at the 50% and 60% AMI level for the subject 3BR units. Thus, the proposed subject property 3BR units at 50% and 60% AMI will be readily marketable to area Section 8 voucher holders.

Table 15, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed LIHTC apartment properties in the PMA competitive environment.

Table 15 SURVEY OF PMA LIHTC APARTMENT COMPLEXES PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	192	---	---	192	25	---	---	\$685- \$775	---	---	1181 1273
Columbia@ Peopletwn	99	--	64	35	3	--	\$630- \$775	\$714- \$788	--	1103	1302
Crogman School	105	63	34	8	3	\$550- \$725	\$725- \$850	\$875- 1075	540- 793	916- 987	1045
Colonial Square	192	--	172	20	0	--	\$650- \$760	\$725- \$805	--	750	950
Pavilion Place	240	28	208	4	19	\$505	\$395- \$645	\$450- \$725	700	1034	1184
Heritage Greene	109	60	41	8	6	\$290- \$575	\$355- \$675	\$399- \$780	555- 745	947	1057
Station @ Richmond	181	Na	Na	--	32	\$600	\$650- \$800	--	750	904- 1200	--
Summer- dale	244	Na	Na	Na	35	\$495- \$545	\$570- \$643	\$690- \$750	500	850- 1050	1065
Square @ Peopletwn	94	Na	Na	Na	1	\$450- \$491	\$593- \$693	\$727- \$793	700	861	900- 1100
Vineyards @Browns	220	56	125	26	2	\$600- \$700	\$700- \$800	\$800- \$900	830	1120	1335
Woods @ Glenrose	142	30	52	60	5	\$535	\$625	\$650	900	1036	1105
Villages @ Carver I	214	42	114	58	15	\$590- \$675	\$650- \$900	\$785- 1300	773	900- 1150	1142- 1438
Villages @ Carver II	66	--	49	17	6	--	\$655- \$960	\$995- 1150	--	1062- 1092	1370
Villages @ Carver III	216	38	118	60	14	\$615- \$715	\$655- \$960	\$795- 1300	773	900- 1150	1384- 1438
Total*	2122	317	977	296	141						

* - Excludes the subject property

Na - Not available

Note: 0BR units are included in the 1BR count 4BR units included in 3BR count

Source: Koontz and Salinger. December, 2007.

Table 16, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed market rate apartment properties in the PMA competitive environment.

Table 16											
SURVEY OF PMA MARKET RATE APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	192	---	---	192	25	---	---	\$685- \$775	---	---	1181 1273
Caribu	166	54	104	8	17	\$440- \$480	\$525	\$625	745- 800	845	1086
Const. Hill	76	30	46	--	8	\$595	\$640	--	670	875	--
Evergreen	200	--	160	4	6	--	\$630	\$730	--	818	1005
Grant Park	344	--	344	--	25	--	\$525	--	--	760	--
Harmony	169	56	105	8	13	\$489	\$539	\$685	840	950	1104
Lakewood	299	Na	Na	Na	24	\$565	\$665	\$765	696	1020	1300
Chastain	157	2	154	--	20	\$550	\$595	--	500	1100	--
Villa Court	112	Na	Na	--	Na	\$595	\$640	--	450	600	--
Total*	1523	142	913	20	113						

* - Excludes the subject property

0BR units are included in the 1BR count

Na - Not available

Source: Koontz and Salinger. December, 2007.

Table 17, exhibits the key amenities of the subject and the surveyed LIHTC apartment properties. Note: The amenity package for the subject is still subject to change. The information presented below for the subject is preliminary and based on an interview with on-site management.

Table 17 SURVEY OF PMA LIHTC APARTMENT COMPLEXES UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x	x		x	x	x	x	x	x	x	x	x
Columbia@ Peopletwn	x	x			x	x	x	x	x	x	x	x	x
Crogman School	x	x			x	x	x	x	x	x	x	x	s
Colonial Sq	x	x	x			x		x	x	x	x		s
Pavilion Pl	x	x				x	x	x	x	x	x		
Heritage Green	x	x			x	x	x	x	x	x	x	x	x
Station @ Richmond	x		x		x	x	x	x	x	x	x	x	
Summerdale	x	x				x	x	x	x	x	x		x
Square @ Peopletwn		x			x	x	x	x	x	x	x		x
Vineyard @ Browns M	x	x	x		x	x	x	x	x	x	x	x	x
Woods @Glenrose	x					x	x	x	x	x	x		x
Villages @ Carver I	x	x	x		x	x	x	x	x	x	x	x	x
Villages @ Carver II	x	x	x		x	x	x	x	x	x	x	x	x
Villages @ Carver III	x	x	x		x	x	x	x	x	x	x	x	x

s - some

Source: Koontz and Salinger. December, 2007.

Key: A - On-Site Mgmt B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Table 18, exhibits the key amenities of the subject and the surveyed Market Rate apartment properties.

Table 18													
SURVEY OF PMA MARKET RATE APARTMENT COMPLEXES													
UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x	x		x	x	x	x	x	x	x	x	x
Caribu		x				x		x	x	x	x		
Const. Hill		x				x		x	x	x	x		x
Evergreen	x	x			x	x	x	x	x	x	x		x
Grant Park	x	x	x		x	x		x	x	x	x		x
Harmony		x			x	x		x	x	x	x		
Lakewood	x	x	x		x	x	x	x	x	x	x		x
Chastain	x	x				x			x	x	x		x
Villa Court	x	x						x	x	x	x		

Source: Koontz and Salinger. December, 2007.

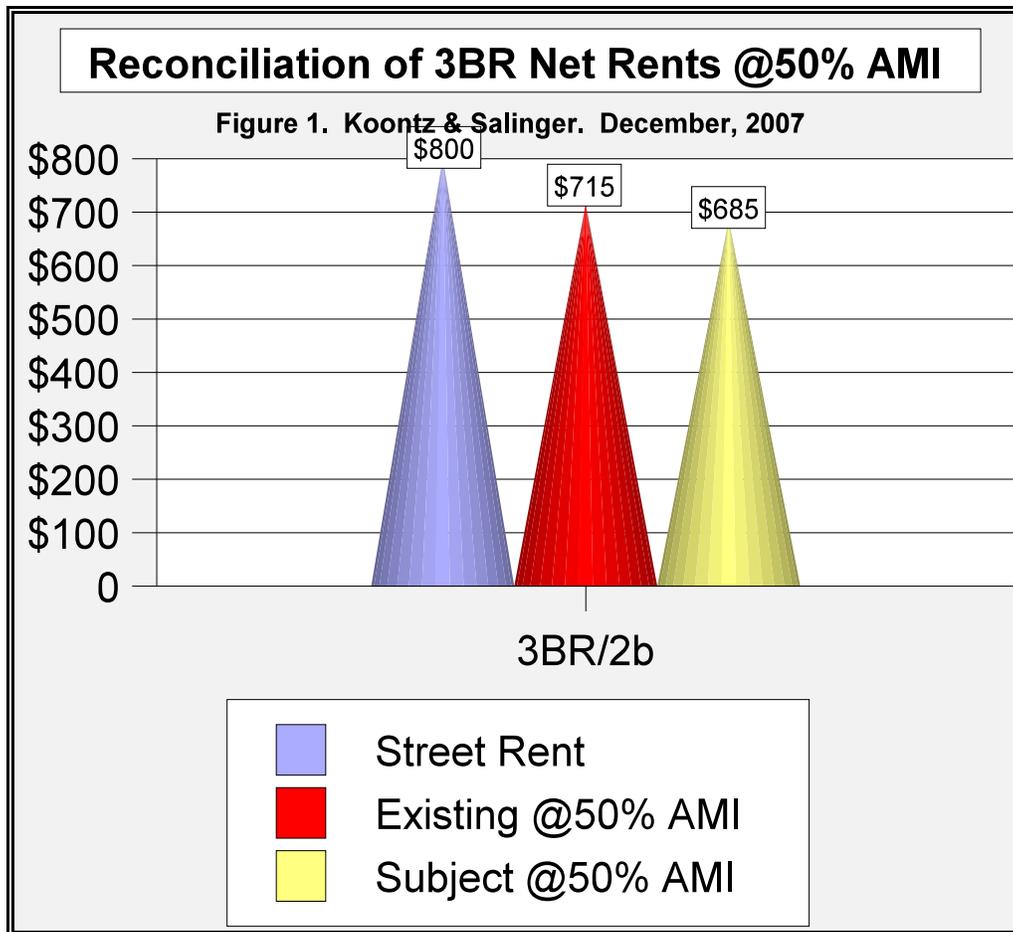
Key: A - On-Site Mgmt B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Reconciliation of 3BR Net Rents - @ 50% AMI

The survey of the competitive environment revealed the following market based findings regarding net rents for the proposed 3BR units targeting households at 50% AMI. Figure 1 below exhibits the estimated average conventional (street) net rents and existing LIHTC net rents (at 50% AMI) for 3BR units in relation to the proposed subject property 3BR unit net rent at 50% AMI.

Data Set	Market Rate	Existing PMA	Proposed
<u>Bedroom Type</u>	<u>Street Rent</u>	<u>Rent @50% AMI</u>	<u>Subject Rents at 50% AMI</u>
3BR/2b	\$800	\$715	\$685

Figure 1, reveals that the proposed subject 3BR/2b net rent at 50% AMI is approximately 4% less than the comparable/competitive 3BR/2b net rents at 50% AMI. The proposed subject 3BR/2b net rent at 50% AMI is approximately 14% less than the comparable/competitive 3BR/2b net rents at Market.

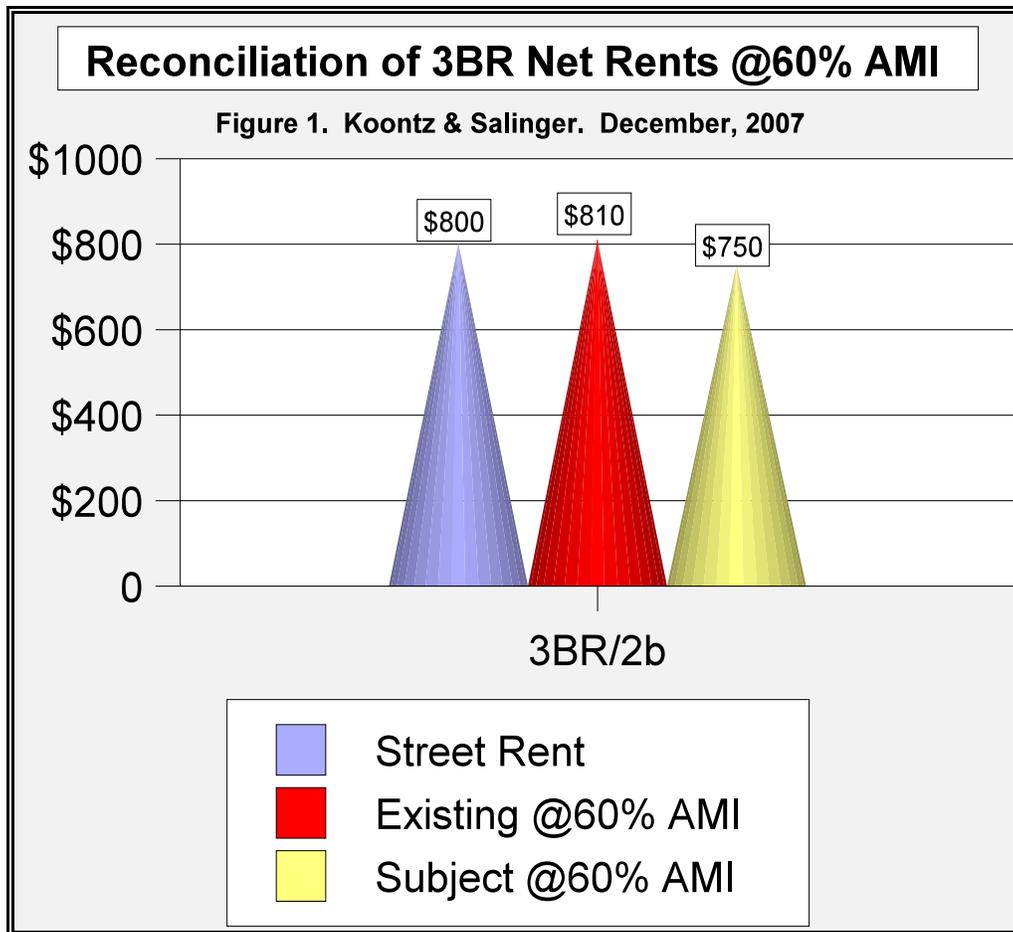


Reconciliation of 3BR Net Rents - @ 60% AMI

The survey of the competitive environment revealed the following market based findings regarding net rents for the proposed 3BR units targeting households at 60% AMI. Figure 1 below exhibits the estimated average conventional (street) net rents and existing LIHTC net rents (at 60% AMI) for 3BR units in relation to the proposed subject property 3BR unit net rent at 60% AMI.

Data Set	Market Rate	Existing PMA	Proposed
<u>Bedroom Type</u>	<u>Street Rent</u>	<u>Rent @60% AMI</u>	<u>Subject Rents at 60% AMI</u>
3BR/2b	\$800	\$810	\$750

Figure 1, reveals that the proposed subject 3BR/2b net rent at 60% AMI is approximately 7% less than the comparable/competitive 3BR/2b net rents at 50% AMI. The proposed subject 3BR/2b net rent at 60% AMI is approximately 6% less than the comparable/competitive 3BR/2b net rents at Market.

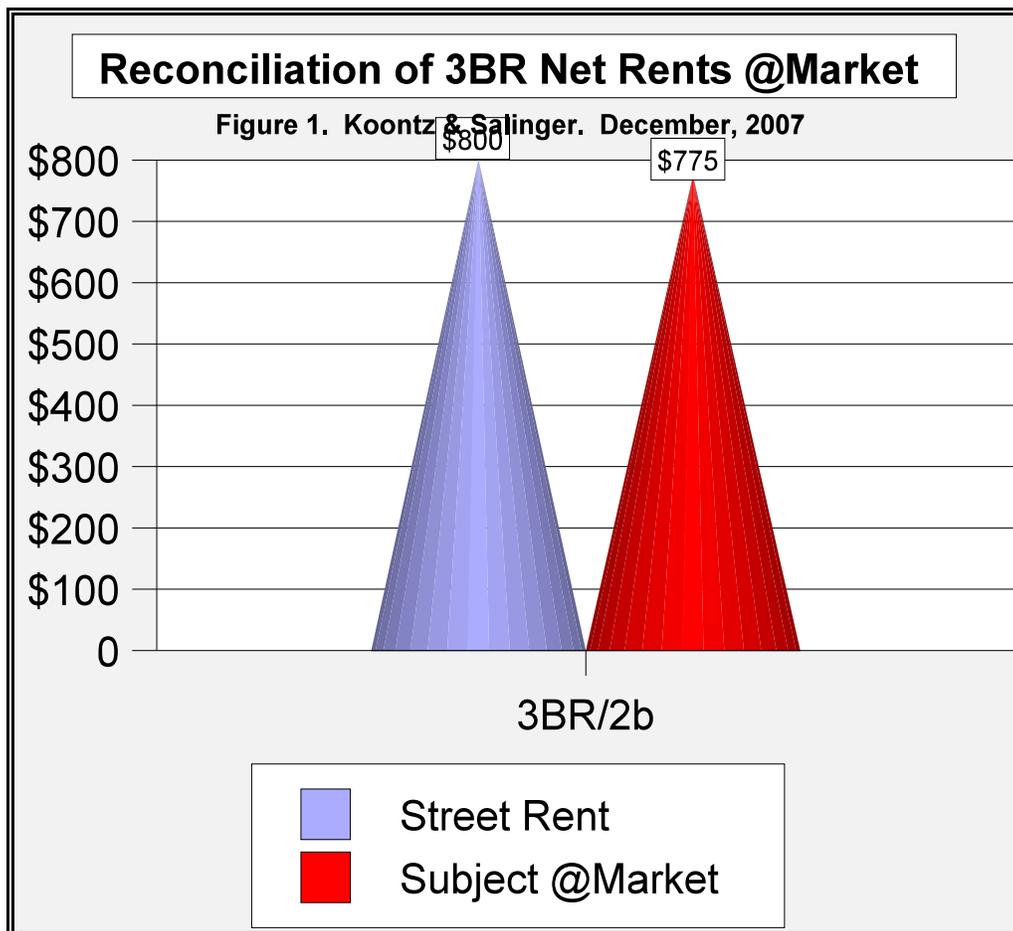


Reconciliation of 3BR Net Rents - @ Market

The survey of the competitive environment revealed the following market based findings regarding net rents for the proposed 3BR units targeting households at Market. Figure 1 below exhibits the estimated average conventional (street) net rents for 3BR units in relation to the proposed subject property 3BR unit net rent at Market.

Data Set	Market Rate	Proposed
<u>Bedroom Type</u>	<u>Street Rent</u>	<u>Subject Rents at Market</u>
3BR/2b	\$800	\$775

Figure 1, reveals that the proposed subject 3BR/2b net rent at Market is approximately 3% less than the comparable/competitive 3BR/2b net rents at Market.



The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the surveyed LIHTC properties is provided on page 13. A map showing the location of the surveyed Market Rate properties is provided on page 82.

Survey of the Competitive Environment - LIHTC

1. Columbia @ Peoplestown, 222 Tuskegee St (866) 277-8667

Contact: Jacinda (11/19/07)

Type: LIHTC/Market

Date Built: 2003

Condition: Excellent

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u> <u>50% & 60%</u>	<u>Market Rate</u> <u>Rent</u>	<u>Size</u> sf	<u>Vacant</u>
2BR/2b	19	\$630		1103	0
2BR/2b	18	\$695		1103	1
2BR/2b	27		\$775	1103	1
3BR/2b	18	\$714		1302	0
3BR/2b	17	\$788		1302	1
Total	99				3

Typical Occupancy Rate: 95%

Waiting List: Yes (2 mos.)

Security Deposit: Na

Concessions: No

Utilities Included: water, sewer, trash

Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	No

Design: 3 story walk-up w/controlled access

Remarks: 38-units have Section 8 voucher holders; computer center



2. Crogman School Apartments, 1093 West Ave (404) 614-0808

Contact: Irene Williams (11/29/07)

Type: LIHTC/Market

Date Built: rehabed as a LIHTC - 2004

Condition: Very Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
0BR/1b	5	\$550		540	0
0BR/1b	1		\$575	540	0
1BR/1b	46	\$620		793	0
1BR/1b	11		\$725	793	0
2BR/1b	1		\$825	916	0
2BR/1b	12	\$725		916	1
2BR/2b	3		\$850	987	0
2BR/2b	18	\$750		987	0
3BR/2b	7	\$875		1045	1
3BR/2b	1		\$1075	1045	1
Total	105				3

Typical Occupancy Rate: 95%-97%

Waiting List: Yes

Security Deposit: \$250

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Some

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: old school & 2-story new construction

Remarks: 42-units have Section 8 Project Base Rental Assistance



3. Colonial Square, 2637 Old Hapeville Rd, Atlanta (404) 767-1894

Contact: Ms Vernia Bell (11/29/07)
Date Built: 1974 Rehab 1998
Contact Type: In person interview

Type: LIHTC Rehab
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u> <u>50% & 60%</u>	<u>Market Rate</u> <u>Rent</u>	<u>Size</u> sf	<u>Vacant</u>
2BR/1.5b	72	\$650		750	0
2BR/1.5b	65	\$680		750	0
2BR/1.5b	35		\$760	750	0
3BR/2.5b	7	\$725		950	0
3BR/2.5b	9	\$745		950	0
3BR/2.5b	4		\$805	950	0
Total	192				0

Typical Occupancy Rate: low 90's
Security Deposit: \$300
Utilities Included: water, sewer, trash

Waiting List: Yes ("small")
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Some

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: townhouse w/controlled access
Remarks: 76 units have Section 8 vouchers



4. Pavilion Place, 532 Cleveland Avenue, Atlanta (404) 767-1556

Contact: Michelle (11/29/07)
Date Built: 1966 Rehab 2004
Contact Type: In person interview

Type: LIHTC Rehab
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u>		<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
		<u>30%</u>	<u>& 50% & 60%</u>			
1BR/1b	17		\$505		700	1
1BR/1b	5		\$505		700	0
1BR/1b	6			\$505	700	0
2BR/1b	21	\$395			1034	1
2BR/1b	105		\$625		1034	9
2BR/1b	40		\$635		1034	4
2BR/1b	42			\$645	1034	4
3BR/2b	1	\$450			1184	0
3BR/2b	1		\$695		1184	0
3BR/2b	1		\$710		1184	0
3BR/2b	1			\$725	1184	0
Total	240					19

Typical Occupancy Rate: low 80's
Security Deposit: Na
Utilities Included: water, sewer, trash
Waiting List: No
Concessions: Yes
Turnover: 10 per month

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 2 story walk-up
Remarks: 30%-40% Section 8 voucher holders; 2BR & 3BR in most demand



5. Heritage Green, 2891 Springdale Road, Atlanta (404) 768-1158

Contact: Ms Dee Smith (11/29/07)
Date Built: 1970 Rehab 2003
Contact Type: In person interview

Type: LIHTC Rehab
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u>		<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
		<u>30%</u>	<u>50% & 60%</u>			
0BR/1b	1	\$290			555	0
0BR/1b	2		\$495		555	0
0BR/1b	1			\$495	555	0
1BR/1b	8	\$301			745	0
1BR/1b	26		\$550		745	3
1BR/1b	11		\$563		745	0
1BR/1b	11			\$575	745	0
2BR/1b	6	\$355			947	0
2BR/1b	19		\$630		947	0
2BR/1b	8		\$660		947	0
2BR/1b	8			\$675	947	2
3BR/2b	1	\$399			1057	0
3BR/2b	3		\$720		1057	1
3BR/2b	2		\$740		1057	0
3BR/2b	2			\$780	1057	0
Total	109					6

Typical Occupancy Rate: 90's
Security Deposit: \$225
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes (2's & 3's)	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2 story walk-up / controlled access
Remarks: 0 units have Section 8 voucher holders; business center



6. The Station at Richmond Hill, 1770 Richmond Cir (404) 627-6302

Contact: Ms Jackson, Reg Mgr. (11/19/07) **Type:** LIHTC/Market rehab
Date Built: rehab in 2000 **Condition:** Very Good
Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	*	\$600		750	*
1BR/1b	1		\$600	750	*
2BR/1b	12	\$650		904	*
2BR/1b	*		\$750	904	*
2BR/2b	68	\$710		1200	*
2BR/2b	*		\$800	1200	*
Total	181				32

Typical Occupancy Rate: low 90's **Waiting List:** No
Security Deposit: Na **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No (available)	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	No	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2-story townhouse w/controlled access
Remarks: 72-units have Section 8 vouchers; after school program



7. Summerdale Commons, 2745 Old Hapeville Rd, Atlanta

Contact: Mr. Kent (11/19/07)
Date Built: 1975 Rehab 1998
Contact Type: Telephone interview

Type: LIHTC Rehab
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u> <u>50% & 60%</u>	<u>Market Rate</u> <u>Rent</u>	<u>Size</u> sf	<u>Vacant</u>
1BR/1b	*	\$495		500	*
1BR/1b	*	\$525		500	*
1BR/1b	*		\$545	500	*
2BR/2b	*	\$570 \$578		850-1050	*
2BR/2b	*	\$590 \$598		850-1050	*
2BR/2b	*		\$620-\$643	850-1050	*
3BR/2b	*	\$690		1065	*
3BR/2b	*	\$690		1065	*
3BR/2b	*		\$750	1065	*
Total	244				35

Typical Occupancy Rate: 85% **Waiting List:** No
Security Deposit: \$250-\$350 **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 2 story walk-up
Remarks: 9 units are occupied by Section 8 voucher holders



8. Square @ Peoplestown, 875 Hank Aron Dr (866) 236-7153

Contact: Ms. Anyika (11/21/07)
Date Built: 1998
Contact Type: Telephone interview

Type: LIHTC
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>AMI Rent</u>		<u>Size sf</u>	<u>Vacant</u>
		<u>50%</u>	<u>60%</u>		
1BR/1b	*	\$450	\$491	700	1
2BR/1b	*	Na	\$593	861	0
2BR/2b	*	\$635	\$693	900	0
3BR/2b	*	\$727	\$793	1100	0
Total	94				1

Typical Occupancy Rate: 97%+ **Waiting List:** No
Security Deposit: \$150 **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 3 story walk-up; controlled access
Remarks: 20-units have Section 8 vouchers



9. Vineyards at Browns Mill, 2738 Vineyards Dr (877) 263-8561

Contact: Ms Nettie Horton (11/21/07)
Date Built: 2005
Contact Type: Telephone interview

Type: LIHTC/Market
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	42	\$600		830	1
1BR/1b	14		\$700	830	0
2BR/2b	31	\$700		1120	0
2BR/2b	94		\$800	1120	0
3BR/2b	20	\$800		1335	0
3BR/2b	6		\$900	1335	1
Total	220				2

Typical Occupancy Rate: mid 90's
Security Deposit: \$350
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 3 story walk-up w/controlled access
Remarks: 40% of the units have Section 8 vouchers; business center



10.Woods at Glenrose, 50 Mt Zion Rd, Atlanta

(888) 793-1264

Contact: Ms Collier (11/29/07)

Type: LIHTC/rehab

Date Built: 1969 rehab 1997

Condition: Very Good

Contact Type: In person interview

<u>Unit Type</u>	<u>Number</u>	<u>60% AMI Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	30	\$535	900	\$.59	1
2BR/1b	52	\$625	1036	\$.60	2
2BR/1.5b	60	\$650	1105	\$.59	2
Total	142				5

Typical Occupancy Rate: low 90's

Waiting List: No

Security Deposit: \$200

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)_	Pool	No
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 2-story

Remarks: 40% of the units have Section 8 vouchers



11.Villages at Carver I, 201 Moury Ave

(866) 403-4282

Contact: Ms Temple Miller (11/20/07)

Type: LIHTC/Market

Date Built: 2002

Condition: Excellent

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	30	\$590		773	1
1BR/1b	12		\$675	773	1
2BR/1b	24	\$650		900	1
2BR/1b	6		\$810	900	0
2BR/2b	24	\$660		1042	4
2BR/2b	18		\$850	1042	1
2BR/2b	36	\$725		1150	1
2BR/2b	6		\$900	1150	0
3BR/2b	24	\$785		1142	4
3BR/2b	5		\$990	1142	2
4BR/2b	24	\$850		1438	0
4BR/2b	5		\$1300	1438	0
Total	214				15

Typical Occupancy Rate: low 90's

Waiting List: No

Security Deposit: \$150

Concessions: Yes

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 2 & 3-story walk-up w/gated entry

Remarks: 1/2 off 1st month rent for a 12 mo lease



12.Villages at Carver II, 201 Moury Ave

(866) 403-4282

Contact: Ms Temple Miller (11/20/07)

Type: LIHTC/Market

Date Built: 2003

Condition: Excellent

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	10	\$655		1062	2
2BR/1b	7		\$830	1062	1
2BR/1.5b	10	Na		1303	0
2BR/1.5b	6		Na	1303	0
2BR/2b	9	\$690		1092	0
2BR/2b	7		\$960	1092	0
3BR/2.5b	11	\$995		1370	2
3BR/2.5b	6		\$1150	1370	1
Total	66				6

Typical Occupancy Rate: low 90's

Waiting List: No

Security Deposit: \$150

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)_	Pool	Yes
Laundry Room	No	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 3-story walk-up w/controlled access

Remarks:



13.Villages at Carver III, 201 Moury Ave (866) 403-4282

Contact: Ms Temple Miller (11/20/07)
Date Built: 2003
Contact Type: Telephone interview

Type: LIHTC/Market
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent at 60% AMI</u>	<u>Market Rate Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	28	\$615		773	1
1BR/1b	10		\$715	773	2
2BR/1b	33	\$655		900	1
2BR/1b	15		\$830	900	0
2BR/2b	31	\$690		1055	0
2BR/2b	13		\$960	1055	0
2BR/2b	22	\$725		1150	1
2BR/2b	15		\$960	1150	3
3BR/2b	26	\$795		1384	3
3BR/2b	8		\$1010	1384	2
4BR/2b	22	\$850		1438	1
4BR/2b	4		\$1300	1438	0
Total	216				14

Typical Occupancy Rate: low 90's
Security Deposit: \$150
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)_	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Design: 2 & 3-story walk-up w/gated entry
Remarks: ½ off 1st month rent for a 12 mo lease



Survey of the Competitive Environment - Market Rate

1. Caribu Apartments, 2001 Sylvan Rd (888) 793-5168

Contact: Anita, Mgr (11/19/07)
Date Built: 1964
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	20	\$440	745	\$.59	0
1BR/1b	34	\$480	800	\$.60	0
2BR/1b	104	\$525	845	\$.62	17
3BR/2b	8	\$625	1086	\$.58	0
Total	166				17*

*13 of 17 are "down" units in need of rehab

Typical Occupancy Rate: low 90's
Security Deposit: Na
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Tennis Court	No

Design: 2-story walk-up
Remarks: no Section 8 vouchers; \$100 move-in special



2. Constitution Hill Apartments, 1177 Constitution Rd (866) 455-4209

Contact: Ms Quan, Mgr (11/20/07)
Date Built: 1968
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	30	\$595	670	\$.89	4
2BR/2b	46	\$640	875	\$.73	4
Total	76				8

Typical Occupancy Rate: low 90's
Security Deposit: \$250
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Tennis Court	No

Design: 2-story walk-up
Remarks: presently offering move-in specials



3. Evergreen Village Apartments, 445 Cleveland Ave (888) 793-5168

Contact: Theresa, Mgr (11/20/07)
Date Built: 1974 rehab 1997
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
2BR/1b	160	\$630	818	\$.77	6
3BR/2b	40	\$730	1005	\$.73	0
Total	200				6

Typical Occupancy Rate: low 90's
Security Deposit: %200+
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: Yes
Turnover: 1-3 per mo

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Tennis Court	No

Design: 2-story walk-up

Remarks: accepts Section 8 vouchers; offers rent concession for 1st month



4. Grant Park Commons, 1940 Fisher Rd (888) 793-5168

Contact: Jaime, Lsg Cons. (11/19/07)
Date Built: 1978 rehab 2003
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
2BR/1b	344	\$525	760	\$.69	*
Total	344				25

Typical Occupancy Rate: low 90's
Security Deposit: \$200
Utilities Included: water, sewer, trash
Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: two-story walk-up / controlled access
Remarks:



5. Harmony Apartment Homes, 1870 Myrtle Dr (888) 793-5168

Contact: Tasha, Assist Mgr (11/30/07)
Date Built: 1975
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	56	\$489	840	\$.58	3
2BR/1b	50	\$539	950	\$.57	8
2BR/2b	55	\$539	950	\$.57	1
3BR/2b	8	\$679-\$689	1104	\$.62	1
Total	169				13

Typical Occupancy Rate: 92%
Security Deposit: \$300
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: two-story walk-up
Remarks:



6. Park at Lakewood Apartments, 1991 Delowe Dr (888) 793-5168

Contact: Sonya, Lsg Mgr (11/30/07)
Date Built: 1964
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	*	\$565	696	\$.81	14
2BR/1.5b	*	\$665	1020	\$.65	0
3BR/2.5b	*	\$765	1300	\$.59	10
Total	299				24

Typical Occupancy Rate: Na
Security Deposit: \$150-\$300
Utilities Included: water, sewer, trash

Waiting List: Na
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: two-story walk-up / controlled access

Remarks: most of the units are 2's & 3's; rent specials until year end



7. Chastain Manor Apartments, 1631 Stanton Rd (888) 793-5168

Contact: Ms Rodriguez, Mgr (12/3/07)
Date Built: 1985
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
0BR/1b	2	\$550	500	\$1.10	0
2BR/1b	154	\$595	1100	\$.54	20
4BR/2b	1	\$980	1600	\$.61	0
Total	157				20

Typical Occupancy Rate: low 90's
Security Deposit: \$300
Utilities Included: water, sewer, trash
Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: two-story

Remarks: all utilities included in the studio units; 6-units have a Section 8 voucher holder; new name Spanish Oaks



8. Villa Court Apartments, 1051 Villa Court (888) 793-5168

Contact: Manager (12/07)
Date Built: 1968
Contact Type: Telephone interview

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	*	\$595	450	\$1.32	*
2BR/1b	*	\$640	600	\$1.06	*
Total	112				Na

Typical Occupancy Rate: low 90's
Security Deposit: Na
Utilities Included: water, sewer, trash
Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

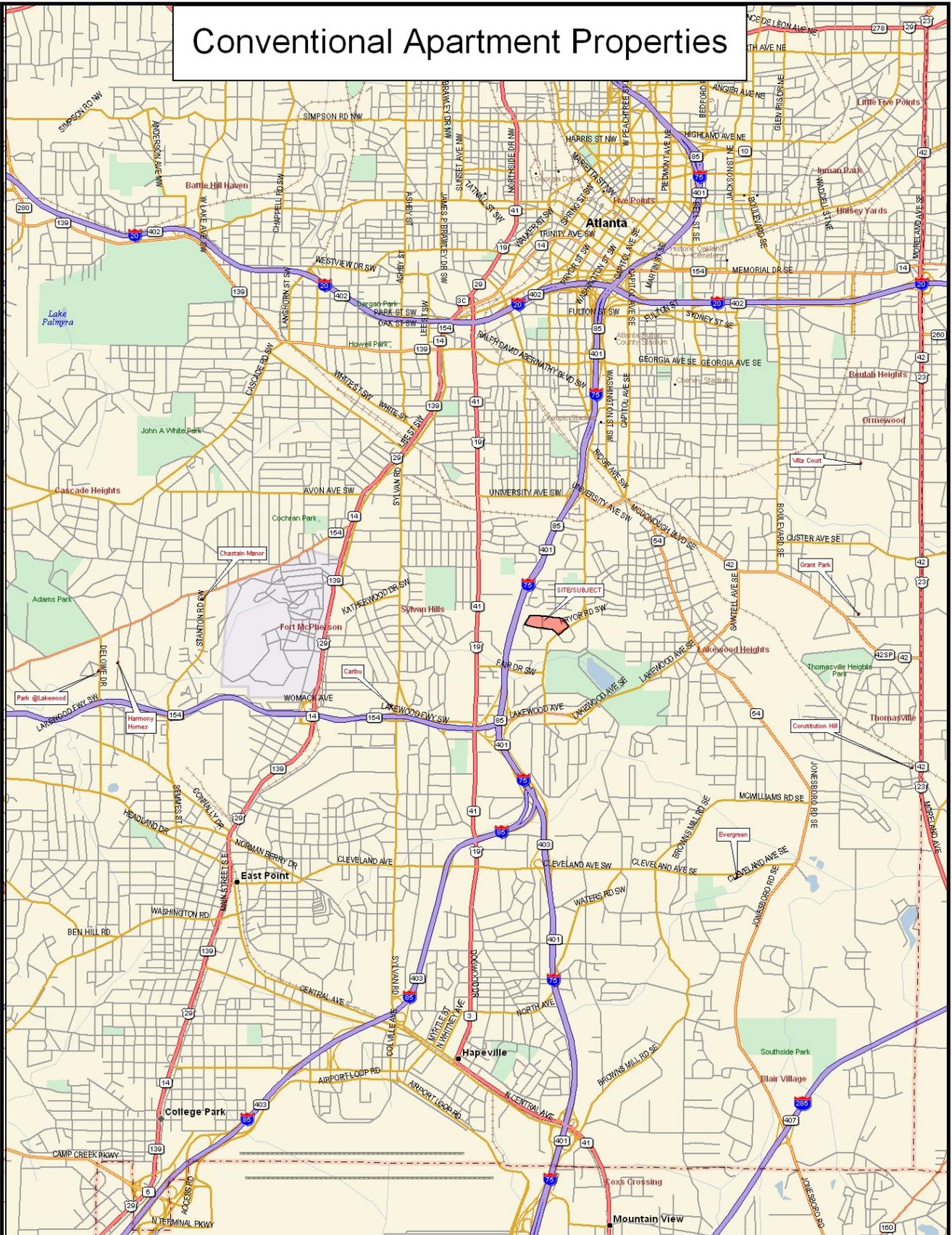
On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Clubhouse	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: two-story walk-up

Remarks: offering a move-in special; electric included in rent



Conventional Apartment Properties



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SECTION H

INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process.

In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site location, project size, bedroom mix, income targeting and net rents. The following statements/comments were made:

(1) - Ms. Vernia B. Bell, HCCP, the manager of the Colonial Square acquisition/rehab LIHTC apartments was interviewed (in person), (404) 599-0015. *Ms. Bell stated that she was familiar with the location of the subject property and stated that it is properly rehabed it would do well as a LIHTC property. Ms Bell made several suggestions regarding proposed subject unit and development amenity package.*

(2) - The Assistant Manager (Michelle), of the Pavilion Place acquisition/rehab LIHTC apartments was interviewed (in person), (404) 767-1556. *Michelle stated that she was familiar with the location of the subject property and stated that it is a good location, being near the Interstate and Downtown. She is of the opinion that the subject property would do well as a LIHTC complex targeting families and thought that the proposed 3BR units would rent well. She made several suggestions regarding proposed subject unit and development amenity package.*

(3) - Ms. Katrina Henry, the assistant manager of the Hidden Cove Crossing acquisition/rehab LIHTC apartments was interviewed (in person). *Ms. Henry stated that "there is a need" for additional LIHTC program assisted family housing serving the southside area of Atlanta and Fulton County. She made several suggestions regarding proposed subject unit and development amenity package.*

(4) - Ms. Collier, Manager, of the Woods at Glenrose acquisition/rehab LIHTC apartments was interviewed (in person), (888)793-1264. *Ms Collier stated that she was familiar with the location of the subject property and stated that it is a good location. She is of the opinion that the subject location would do well as a LIHTC program targeting families and thought that the 3BR units would rent very well, given the proposed rents. She made several suggestions regarding proposed subject unit and development amenity package.*

(5) - Ms. Sharon Silvery the manager of the subject property, Amal Height Townhomes was interviewed (in person), (404)622-1199. *Ms. Silvery stated that Amal Heights would be well received by the market, given its location and the fact that in will likely retain 70% or more of its existing tenants. In her opinion, the proposed 3BR net rents at both 60% AMI and at Market are and will be very competition within the immediate area and Southside Atlanta market.*

SECTION I
**CONCLUSIONS &
RECOMMENDATION**

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that the Amal Heights Townhomes (a proposed acquisition/rehab LIHTC / Tax Exempt Bond property) targeting the general population should proceed forward with the development process.

Detailed Support of Recommendation

1. Product Mix - The target group is large enough to absorb the proposed product development of **192** units.
2. Assessment of rents - The proposed net rents will be competitive to very competitive in the PMA.
3. The current apartment market is **not** representative of an over saturated market, for well maintained, well amenitized and professionally managed properties.
4. The proposed complex unit amenity package is considered to be competitive to very competitive within the PMA.
5. Stabilized occupancy, subsequent to initial lease-up, is forecasted to be 93% or higher.
6. The site location is considered to be marketable.
7. The proposed development will not negatively impact the existing supply of program assisted LIHTC family properties within the Subject PMA.

SECTION J
ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental

agencies.

JERRY M. KOONTZ

EDUCATION: M.A. Geography 1982 Florida Atlantic Un.
B.A. Economics 1980 Florida Atlantic Un.
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC

1983-1985, Market Research Staff Consultant, Stephens Associates, an consulting firm in real estate development and planning. Raleigh, NC

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 24+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d)(4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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Member in Good Standing: Professional Real Estate Market Analysts Coalition (PREMAC)

Market Analyst Certification and Checklist

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

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

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

Signed: _____ Date: _____

A. Executive Summary

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Summary

J. Signed Statement

Signed Statement from Analyst Page 86&87

APPENDIX A

FORECAST DATA BASE

CURRENT SUBJECT RENT ROLL

SCOPE OF WORK