



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

## Market Feasibility Analysis

# Wisteria of Chatsworth Apartments

Chatsworth, Murray County, Georgia

Prepared for:

**Beverly J. Searles Foundation**

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## 1. EXECUTIVE SUMMARY

Beverly J. Searles Foundation has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis for Wisteria of Chatsworth Apartments, a proposed rental community in Chatsworth, Georgia. As proposed, Wisteria of Chatsworth Apartments will be financed in part with nine percent Low Income Housing Tax Credits (LIHTC) from the Georgia Department of Community Affairs (DCA). The following report, including the executive summary, is based on DCA’s 2019 market study requirements.

### 1. Project Description

- The site for Wisteria of Chatsworth Apartments is 234 S. 2nd Avenue in eastern Chatsworth. The subject site is on the east side of Second Avenue between Elm Street and Pine Street and due north of Fieldstone Apartments, an existing LIHTC community.
- Wisteria of Chatsworth Apartments will offer 72 newly constructed general occupancy LIHTC rental units earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size, plus 10 market rate units.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below. The rents shown will include trash removal.

Unit Type	Building Type	AMI Level	Units	Bed	Bath	Square Feet	Net Rent	Rent/Sq Ft
LIHTC	Garden	50%	7	1	1	700	\$355	\$0.51
LIHTC	Garden	60%	20	1	1	700	\$465	\$0.66
MKT	Garden	100%	3	1	1	700	\$668	\$0.95
LIHTC	Garden	50%	10	2	2	1,005	\$418	\$0.42
LIHTC	Garden	60%	25	2	2	1,005	\$550	\$0.55
MKT	Garden	100%	5	2	2	1,005	\$798	\$0.79
LIHTC	Garden	50%	4	3	2	1,175	\$461	\$0.39
LIHTC	Garden	60%	6	3	2	1,175	\$613	\$0.52
MKT	Garden	100%	2	3	2	1,175	\$908	\$0.77
<b>Total/Avg.</b>			<b>82</b>			<b>918</b>	<b>\$525</b>	<b>\$0.57</b>

Rents include: trash removal

Source: BJS Foundation

- Wisteria of Chatsworth Apartments will offer dishwasher, range/oven, microwave, refrigerator, garbage disposal, patio/balcony, and washer and dryer connections. These features are superior to the surveyed LIHTC and market rate communities.
- Wisteria of Chatsworth Apartments will offer a computer/business, playground, park, and after school program for tenants. These amenities will be superior to existing Lower/Affordable communities in the Wisteria of Chatsworth Market Area including the surveyed LIHTC community.

### 2. Site Description / Evaluation:

The subject site is in east Chatsworth, one block off US Highway 411, in an established area of residential and commercial uses. The subject site is acceptable for an affordable rental housing development targeting low to moderate income renter households. The site will compete well with all surveyed communities given its convenient access to traffic arteries and proximity to shopping and services.

- The site is within two miles of shopping, grocery stores, convenience stores, recreation, schools, pharmacies, banks, and medical facilities.



- Interstate 75 is roughly 15 miles west of the site and provides direct access to downtown Atlanta going south and travels to Chattanooga going north. Within Chatsworth, the subject site is in close proximity to one of its major intersections, 3<sup>rd</sup> Avenue (US Highway 411) and Fort Street (State Highway 52).
- Wisteria of Chatsworth Apartments will have excellent visibility from Second Avenue which has moderate traffic. Awareness for the project will be enhanced due to its location across the street from a prominent funeral home.
- The subject site is suitable for the proposed development. RPRG did identify active rail lines along the site's eastern border, operated by CSX and serving the Appalachian Regional Port that opened in August 2018 and is stationed in the town of Crandall, approximately eight miles due north of Chatsworth. The Regional Port serves a four state region and provides rail transportation to the Port of Savannah and is an alternative to trucking. According to the Port's website, the train runs every other day to and from the Appalachian Regional Port. Numerous residential dwellings in Chatsworth are in close proximity to the rail line and it is not considered a negative land use that would affect the proposed development's viability in the marketplace.

### **3. Market Area Definition**

- The Wisteria of Chatsworth Market Area includes the city of Chatsworth, which is situated on the western edge of the Chattahoochee National Forest, and includes areas east of Dalton and Interstate 75. The predominantly rural towns that comprise the market area share similar land use characteristics and contain the most comparable rental communities to the subject property; residents of this area would likely consider the subject site a suitable shelter location. This market area is the area from which the subject property is likely to draw most of its tenants. Nine census tracts in Murray County and eastern Whitfield County are included given proximity to the site and generally similar land uses and demographic characteristics. The Wisteria of Chatsworth Market Area does not include the city of Dalton as it is more densely developed and offers numerous intervening rental alternatives.

### **4. Community Demographic Data**

- The Wisteria of Chatsworth Market Area's household base saw very strong growth from 2000 to 2010, which moderated from 2010 to 2019, with continued growth expected over the next two years.
  - The Wisteria of Chatsworth Market Area's population saw dramatic change from 2000 to 2010 with the net addition of 5,063 people (12.5 percent) and the household base grew rapidly as well with the net addition of 1,322 households (9.1 percent).
  - Growth slowed from 2010 to 2019 with the net addition of 245 people (0.5 percent) and 93 households (0.6 percent); annual growth was 27 people (0.1 percent) and 10 households (0.1 percent) over the past nine years.
  - Growth is expected to increase to 78 people (0.2 percent) and 26 households (0.2 percent) per year from 2019 to 2021. The Wisteria of Chatsworth Market Area is expected to contain 45,867 people and 16,054 households by 2021.
- More than one-third (35.3 percent) of the Wisteria at Chatsworth Market Area's population are Young Adults, followed by more than one-quarter (27.5 percent) under age 20. Young Adults age 20-34 and Seniors age 62+ have similar sized age distributions, at 19.6 percent and 17.6 percent, respectively.



- Roughly half (46.7 percent) of Wisteria at Chatsworth Market Area renter households are ages 25 to 44 including 24.6 percent ages 25 to 34. Approximately 30 percent of renter households in the Wisteria at Chatsworth Market Area are ages 45 to 64 and 8.8 percent are under 25 years old.
- Households with children accounted for 40.6 percent of households in the Wisteria at Chatsworth Market Area compared to 41 percent in the Bi-County Market Area. Roughly 40 percent of market area households were multi-person households without children including a large proportion (29.2 percent) of married couples. Almost 20 percent of households in the Wisteria at Chatsworth Market Area had children.
- Roughly 35 percent of households in the Wisteria of Chatsworth Market Area rent in 2019 compared to 36.2 percent in the Bi-County Market Area. Renter households accounted for all net household growth in the Wisteria at Chatsworth Market Area over the past 19 years. Due to a change in Esri methodology, Esri projects owner households will contribute all net household growth over the next two years, which is inconsistent with past performance. RPRG projects renters will continue to contribute at least 75 percent of net household growth from 2019 to 2021; using this assumption, the Wisteria at Chatsworth Market Area is expected to add 39 net renter households over the next two years.
- The 2018 median household income in the Wisteria of Chatsworth Market Area is \$44,893, \$1,060 or 2.3 percent lower than the \$45,952 median in the Bi-County Market Area. RPRG estimates that the median income of renter households in the Wisteria of Chatsworth Market Area is \$34,418. Almost one-third (31.5 percent) of Wisteria of Chatsworth Market Area renter households earn incomes of less than \$35,000 and 37.1 percent earn moderate incomes of \$35,000 to \$74,999. Roughly 12 percent of renter households in the market area earn upper incomes of \$75,000 or more including 6.2 percent earning at least \$100,000.
- We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property's ability to lease its units given its primarily affordable nature.

##### **5. Economic Data:**

Murray County's economy is stagnant with a generally flat labor force over the past four years, resulting in steady At-Place-Employment. The county's unemployment rate has dropped to a 10-year low.

- The unemployment rate in Murray County decreased significantly to 5.2 percent in 2018 from a recession-era high of 13.9 percent in 2011; the county's 2018 unemployment rate is above the state and national rate of 3.9 percent.
- Murray County lost 1,125 net jobs from 2010 to 2017 and losses continued through 3Q 2018. After a strong showing in 2016 (the best showing since 2010), total At Place Employment pulled back slightly in 2017 and 2018.
- The county's economy is heavily weighted towards manufacturing, with eight of the county's 10 largest employers in this sector; manufacturing represents almost 40 percent of total employment in Murray County as compared to 8.7 percent nationally. Three additional sectors each account for at least 10 percent of the total jobs: Professional Business, Trade-Transportation-Utilities, and Government.
- Five of eleven employment sectors gained jobs in Murray County from 2011 to 3Q 2018, and job gains were predominantly in the county's smaller economic sectors, posting increases from 8.6 percent (Leisure Hospitality) to 45.6 percent (Natural Resources). Job losses primarily occurred in the county's large economic sectors including Manufacturing (19.7 percent loss), Trade-Transportation-Utilities (14.8 percent loss); and Government (11.7



percent loss). The bright spot was Professional Business, one of Murray County's largest sectors, which posted an increase of 158 percent.

- Job expansions in 2018 have been offset by job losses in 2019 due to layoffs or closures at manufacturing facilities in Murray County.

#### 6. Project Specific Affordability and Demand Analysis:

- Wisteria of Chatsworth Apartments will contain 72 LIHTC units reserved for households earning at or below 50 percent and 60 percent of the Area Median Income (AMI) and 10 market rate units.
- The proposed units at 50 percent AMI will target renter householders earning from \$15,326 to \$26,450. A projected 1,046 renter households in the market area will earn at least this amount in 2021. The 21 proposed 50 percent AMI units would need to capture 2.0 percent of the 1,046 qualified renter households to lease-up.
- The proposed units at 60 percent AMI will target renter householders earning from \$19,097 to \$31,740. The 51 proposed units at 60 percent AMI would need to capture 4.0 percent of the 1,283 income-qualified renter households to lease-up.
- The proposed market rate units at 100 percent AMI will target renter householders earning from \$26,058 to \$52,900. The 10 proposed units at 100 percent AMI would need to capture 0.5 percent of the 2,219 income-qualified renter households to lease-up.
- All affordability capture rates are low based on a large number of income-qualified renter households. These capture rates indicate sufficient income-qualified households will exist in the market area to support the proposed units.
- DCA demand capture rates are 4.7 percent for the 50 percent AMI units, 9.4 percent for the 60 percent AMI units, 1.1 percent for the market rate (100 percent AMI) units, and 6.0 percent for the project overall. Capture rates by floor plan within each income target range from 0.5 percent to 16.3 percent. The capture rates by floor plan are 3.4 percent for all one-bedroom units, 5.3 percent for all two-bedroom units, and 1.2 percent for all three-bedroom units.
- All capture rates are very low and indicate more than enough demand in the market area to support the proposed Wisteria of Chatsworth Apartments.

#### 7. Competitive Rental Analysis

RPRG surveyed four multi-family rental communities in the Wisteria of Chatsworth Market Area including one LIHTC community; two market rate communities, and one USDA property. The rental market is performing well with only one vacancy among LIHTC units.

- The Wisteria of Chatsworth Market Area's overall stabilized vacancy rate is 4.3 percent among 116 combined units without PBRA. The two market rate communities have vacancies that range from 5.6 percent to 8.3 percent, although no property has more than two vacant units. The USDA community with PBRA (Cohutta View) is fully occupied with a waiting list.
- Among the surveyed communities without PBRA, net rents, unit sizes, and rents per square foot were as follows:
  - **One-bedroom** effective rents average \$376 per month. The average one-bedroom unit size is 766 square feet, resulting in a net rent per square foot of \$0.49.
  - **Two-bedroom** effective rents average \$556 per month. The average two-bedroom unit size is 996 square feet, resulting in a net rent per square foot of \$0.56.



- **Three-bedroom** effective rents average \$457 per month. The average three-bedroom unit size is 1,111 square feet, resulting in a net rent per square foot of \$0.41. The average three-bedroom rent is skewed lower as all three-bedroom units in the market area are at LIHTC communities.
- The “average market rent” in the market area is \$463 for one-bedroom units, \$636 for two-bedroom units, and \$750 for three-bedroom units. All proposed LIHTC rents result in significant market advantages of at least 15.6 percent except the one bedroom units at 60 percent. The average market rent for one bedroom units is artificially low as only one old and inferior market rate community offers one bedroom units; the proposed 60 percent rent is \$3 or 0.5 percent higher than the average market rent. Even with this one floorplan close to the average market rent, the overall market advantage for LIHTC units is 20.8 percent.
- Market rate rents are 17.4 percent to 30.8 percent above average market rents, reflecting the low number and lower quality of market rate units in the Wisteria of Chatsworth Market Area. As detailed in the competitive section, these rents are positioned between scattered site rentals in the market area and market rate communities outside of the market area in Dalton. The proposed market rate rents are considered reasonable and appropriate based on our analysis of the project, site, existing competitive market, and demographics.
- RPRG did not identify any pipeline projects as proposed or under construction in the Wisteria at Chatsworth Market Area.

#### **8. Absorption/Stabilization Estimates**

- Based on the product to be constructed and the factors discussed above, we expect Wisteria of Chatsworth Apartments’ 82 LIHTC units to lease-up at a rate of 17 units per month. We expect Wisteria of Chatsworth Apartments’ 10 market rate units will lease-up at a rate of two units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within roughly four to five months.
- Given the limited affordable rental market in the Wisteria of Chatsworth Market Area and projected renter household growth over the next two years, we do not expect Wisteria of Chatsworth Apartments to have a negative impact on existing rental communities in the Wisteria of Chatsworth Market Area including those with tax credits.

#### **9. Overall Conclusion / Recommendation**

Based on projected household growth trends, affordability and demand, current rental market conditions, and socio-economic and demographic characteristics of the Wisteria of Chatsworth Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing rental communities in the Wisteria of Chatsworth Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.



**DCA Summary Table:**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Large HH Size	Large HH Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
<b>50% AMI</b>	<b>\$15,326 - \$26,450</b>												
One Bedroom Units	\$16,697-\$19,600	7	6.9%	166	0	166			4.2%	4 mos	\$463	\$375-\$550	\$ 355
Two Bedroom Units	\$20,091-\$22,050	10	6.1%	146	0	146			6.8%	4 mos	\$636	\$575-\$670	\$ 418
Three Bedroom Units	\$23,040-\$26,450	4	9.7%	233	0	233	50.8%	118	3.4%	4 mos	\$750	\$750	\$ 461
<b>60% AMI</b>	<b>\$19,097 - \$31,740</b>												
One Bedroom Units	\$18,549-\$23,520	20	7.1%	172	0	172			11.7%	4 mos	\$463	\$375-\$550	\$ 465
Two Bedroom Units	\$23,794-\$26,460	25	6.4%	153	0	153			16.3%	4 mos	\$636	\$575-\$670	\$ 550
Three Bedroom Units	\$27,394-\$31,470	6	11.2%	270	0	270	50.8%	137	4.4%	4 mos	\$750	\$750	\$ 613
<b>Market</b>	<b>\$26,057 - \$52,900</b>												
One Bedroom Units	\$18,549-\$39,200	3	22.8%	549	0	549			0.5%	5 mos	\$463	\$375-\$550	\$ 668
Two Bedroom Units	\$23,794-\$44,100	5	19.1%	459	0	459			1.1%	5 mos	\$636	\$575-\$670	\$ 798
Three Bedroom Units	\$27,394-\$52,900	2	20.3%	489	0	489	50.8%	248	0.8%	5 mos	\$750	\$750	\$ 908
<b>All Bedrooms</b>													
One Bedroom Units	\$16,697-\$39,200	30	36.8%	887	0	887			3.4%				
Two Bedroom Units	\$20,091 - \$44,100	40	31.5%	759	0	759			5.3%				
Three Bedroom Units	\$23,040 - \$52,900	12	41.2%	991	0	991			1.2%				
<b>Project Total</b>	<b>\$15,326 - \$52,900</b>				<b>0</b>								
50% AMI	\$15,326 - \$26,450	21	18.4%	443	0	443			4.7%				
60% AMI	\$19,097 - \$31,740	51	22.6%	543	0	543			9.4%				
LIHTC Units	\$15,326 - \$31,740	72	28.7%	690	0	690			10.4%				
Market	\$26,057 - \$52,900	10	39.0%	940	0	940			1.1%				
<b>Total Units</b>	<b>\$15,326 - \$52,900</b>	<b>82</b>	<b>56.7%</b>	<b>1,364</b>	<b>0</b>	<b>1,364</b>			<b>6.0%</b>				



SUMMARY TABLE:		
Development Name:	Wisteria of Chatsworth	Total # Units: 82
Location:	234 S. Second Ave, Chatsworth, Murray County, GA	# LIHTC Units: 82
PMA Boundary:	North: Halls Chapel Road, East: Gordon County South: Gilmer County, West: E Walnut Ave	
Gilmer County	Farthest Boundary Distance to Subject: 11.5 miles	

RENTAL HOUSING STOCK – (found on pages 11, 49, 51-53)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	168	5	3.0%
Market-Rate Housing	2	60	4	6.7%
Assisted/Subsidized Housing not to include LIHTC	1	52	0	0.0%
<b>LIHTC</b>	<b>1</b>	<b>56</b>	<b>1</b>	<b>1.8%</b>
Stabilized Comps	4	168	5	3.0%
Properties in construction & lease up	0	0	0	

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
7	1	1	700	\$355	\$463	\$0.66	30.3%	\$550	\$0.92
20	1	1	700	\$465	\$463	\$0.66	-0.5%	\$550	\$0.92
2	1	1	700	\$668	\$463	\$0.66	-30.8%	\$550	\$0.91
10	2	2	1,005	\$418	\$636	\$0.82	52.2%	\$670	\$0.74
25	2	2	1,005	\$550	\$636	\$0.82	15.6%	\$670	\$0.74
10	2	2	1,005	\$798	\$636	\$0.82	-20.3%	\$670	\$0.74
4	3	2	1,175	\$461	\$750	\$0.68	62.7%	\$750	\$0.68
6	3	2	1,175	\$613	\$750	\$0.68	22.3%	\$750	\$0.68
2	3	2	1,175	\$908	\$750	\$0.68	-17.4%	\$750	\$0.68

CAPTURE RATES (found on page 42)					
Targeted Population	50%	60%	100%		Overall
Capture Rate	4.7%	9.4%	1.1%		6.0%



## 2. INTRODUCTION

### A. Overview of Subject

The subject of this report is Wisteria of Chatsworth Apartments, a proposed affordable multi-family rental community in Chatsworth, Murray County, Georgia. Wisteria of Chatsworth Apartments will be newly constructed and financed in part with nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA). Wisteria of Chatsworth Apartments will offer 68 LIHTC rental units targeting households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size, and 14 market rate units.

### B. Purpose of Report

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability analysis.

### C. Format of Report

The report format is comprehensive and conforms to DCA's 2019 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

### D. Client, Intended User, and Intended Use

The Client is Beverly J. Searles Foundation (Developer). Along with the Client, the Intended Users are DCA, potential lenders, and investors.

### E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- DCA's 2019 Market Study Manual and Qualified Allocation Plan (QAP).
- The National Council of Housing Market Analysts' (NCHMA) Recommended Model Content.

### F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 5 for a detailed list of DCA requirements as well as the corresponding pages of requirements within the report.
- Leslie Burke (Senior Market Analyst) conducted a site visit on May 1, 2019.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, representatives at the City of Chatsworth Housing Authority, and building/planning officials with Murray County and Whitfield County. We were unsuccessful reaching building/planning officials at the city of Chatsworth.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.



## **G. Report Limitations**

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

### 3. PROJECT DESCRIPTION

#### A. Project Overview

Wisteria of Chatsworth Apartments will be located at 234 S. 2nd Avenue in Chatsworth, Georgia, a small rural community of approximately 4,000 residents. The subject property will be constructed directly north of an existing LIHTC apartment complex (Fieldstone Apartments). Wisteria of Chatsworth Apartments will offer 82 newly constructed general occupancy units comprised of 68 LIHTC rental units targeting households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size, and 14 market rate units.

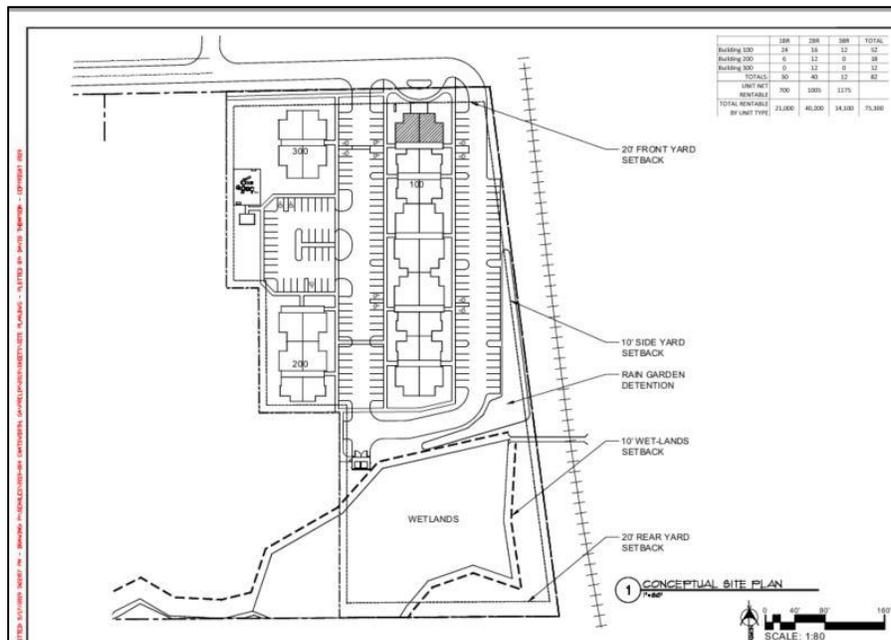
#### B. Project Type and Target Market

Wisteria of Chatsworth Apartments will target a wide range of household incomes from very low to moderate income renter households. The subject property will offer primarily one and two-bedroom units (85.4 percent) which will target smaller households including singles, couples, and roommates. The limited three-bedroom units (12 units or 14.6 percent) will target larger households including families with children.

#### C. Building Types and Placement

The developer has planned two phases. In Phase 1, Wisteria of Chatsworth Apartments will offer 82 garden rental units contained within three, three-story buildings with an attractive brick and hardi-plank exterior (Figure 1). The 100 building contains 52 units and runs along the site’s eastern boundary. The 200 building contains 18 units and the 300 building contains 12 units; these two buildings are parallel to and west of the 100 building. Surface parking will be available adjacent to each building.

Figure 1 Site Plan



Source: Beverly J. Searles Foundation



## D. Detailed Project Description

### 1. Project Description

- Wisteria of Chatsworth Apartments will offer 30 one-bedroom units, 40 two-bedroom units, and 12 three-bedroom units targeting households earning up to 50 percent 60 percent of the Area Median Income (AMI), adjusted for household size, as well as twelve market rate units. The market rate units include three one-bedroom units, five two-bedroom units, and two three-bedroom units. The configuration and unit sizes of each floor plan are as follows (Table 1):
  - **One-bedroom units** will have one bathroom and 700 square feet.
  - **Two-bedroom units** will have two bathrooms and 1,005 square feet.
  - **Three-bedroom units** will have two bathrooms and 1,175 square feet.
- Proposed rents for 50 percent AMI will be \$355 for one-bedroom units, \$418 for two-bedroom units, and \$461 for three-bedroom units. Proposed rents for 60 percent AMI will be \$465 for one-bedroom units, \$550 for two-bedroom units, and \$613 for three-bedroom units. Market rate units are priced at \$668 for one-bedroom units, \$798 for two-bedroom units, and \$908 for three-bedroom units.
- Rents will include the cost of trash removal; tenants will be responsible for all other utilities.
- Proposed unit features and community amenities are detailed in Table 2.

**Table 1 Detailed Unit Mix and Rents, Wisteria of Chatsworth Apartments**

Unit Type	Building Type	AMI Level	Units	Bed	Bath	Square Feet	Net Rent	Rent/Sq Ft
LIHTC	Garden	50%	7	1	1	700	\$355	\$0.51
LIHTC	Garden	60%	20	1	1	700	\$465	\$0.66
MKT	Garden	100%	3	1	1	700	\$668	\$0.95
LIHTC	Garden	50%	10	2	2	1,005	\$418	\$0.42
LIHTC	Garden	60%	25	2	2	1,005	\$550	\$0.55
MKT	Garden	100%	5	2	2	1,005	\$798	\$0.79
LIHTC	Garden	50%	4	3	2	1,175	\$461	\$0.39
LIHTC	Garden	60%	6	3	2	1,175	\$613	\$0.52
MKT	Garden	100%	2	3	2	1,175	\$908	\$0.77
<b>Total/Avg.</b>			<b>82</b>			<b>918</b>	<b>\$525</b>	<b>\$0.57</b>

Rents include: trash removal

Source: BJS Foundation



**Table 2 Unit Features and Community Amenities**

Unit Features	Community Amenities
<ul style="list-style-type: none"> <li>• Kitchens with refrigerator, range/oven, dishwasher, garbage disposal.</li> <li>• Microwaves.</li> <li>• Washer and dryer connections.</li> <li>• Window blinds.</li> <li>• Central heating and air-conditioning.</li> <li>• Patio/balcony.</li> </ul>	<ul style="list-style-type: none"> <li>• Park.</li> <li>• Playground.</li> <li>• Business/computer center.</li> <li>• After school programs.</li> </ul>

**2. Other Proposed Uses**

None

**3. Proposed Timing of Development**

Wisteria of Chatsworth Apartments is expected to begin construction in August 2020 with construction completion and first move-ins in December 2021. The subject property’s anticipated placed-in-service year is 2021 for the purposes of this report.



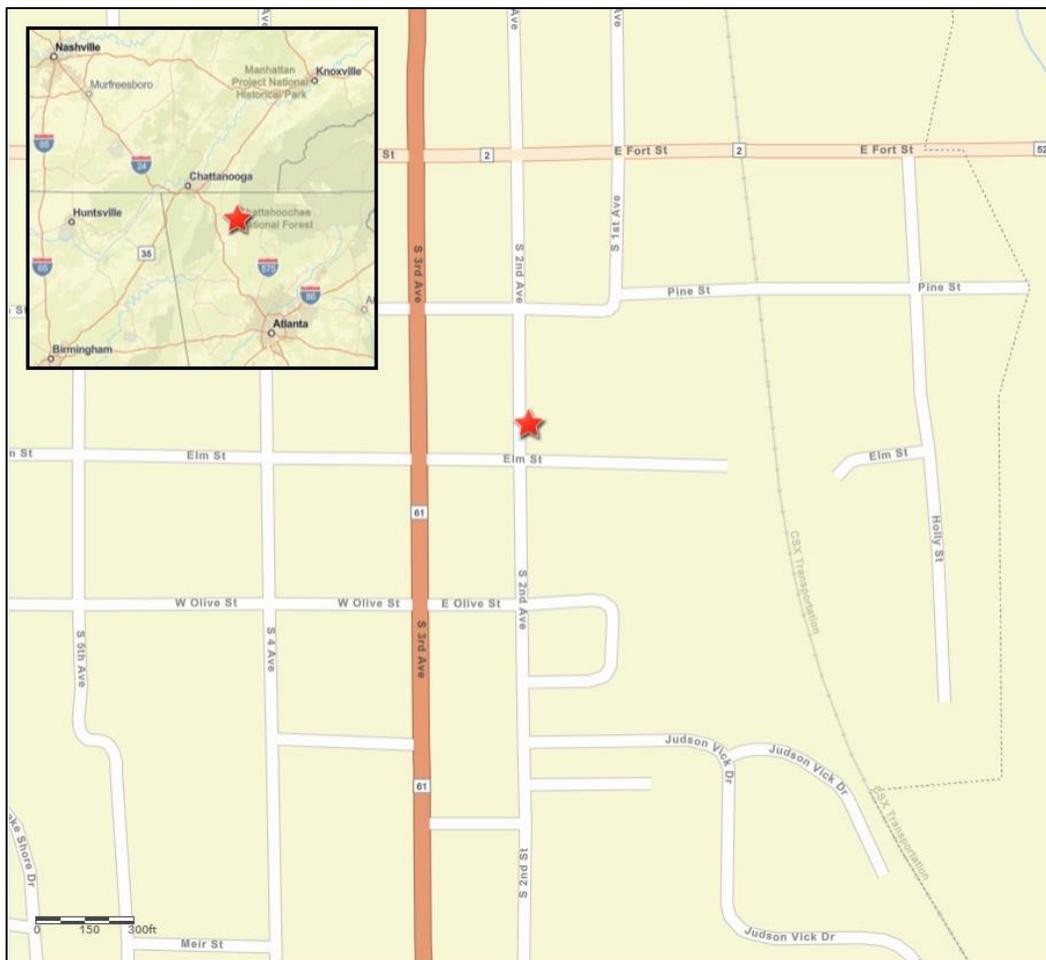
## 4. SITE EVALUATION

### A. Site Analysis

#### 1. Site Location

The site for Wisteria of Chatsworth Apartments is located at 234 S. 2nd Avenue in Chatsworth, Murray County, Georgia (Map 1). Chatsworth, the county seat of Murray County, was founded in the early 1900's with a population in 2010 of approximately 4,000 residents. The subject site is on the east side of Second Avenue between Elm Street and Pine Street and due north of Fieldstone Apartments, an existing LIHTC community.

Map 1 Site Location



## 2. Existing and Proposed Uses

The subject site is generally flat and rectangular comprised of vacant land with trees, grassy fields, and vegetation as well as existing structures to be razed (Figure 2). Wisteria of Chatsworth Apartments will border Pine Street/First Avenue to the north, active railroad tracks to the east, residential uses (single-family homes and apartments) to the south, and Second Avenue to the west. The subject property will offer 82 general occupancy rental units in garden-style buildings.



View of site interior

### Figure 2 Views of Subject Site



Existing structure on site



Existing business (to be razed) on east side of Second Ave



View of site interior

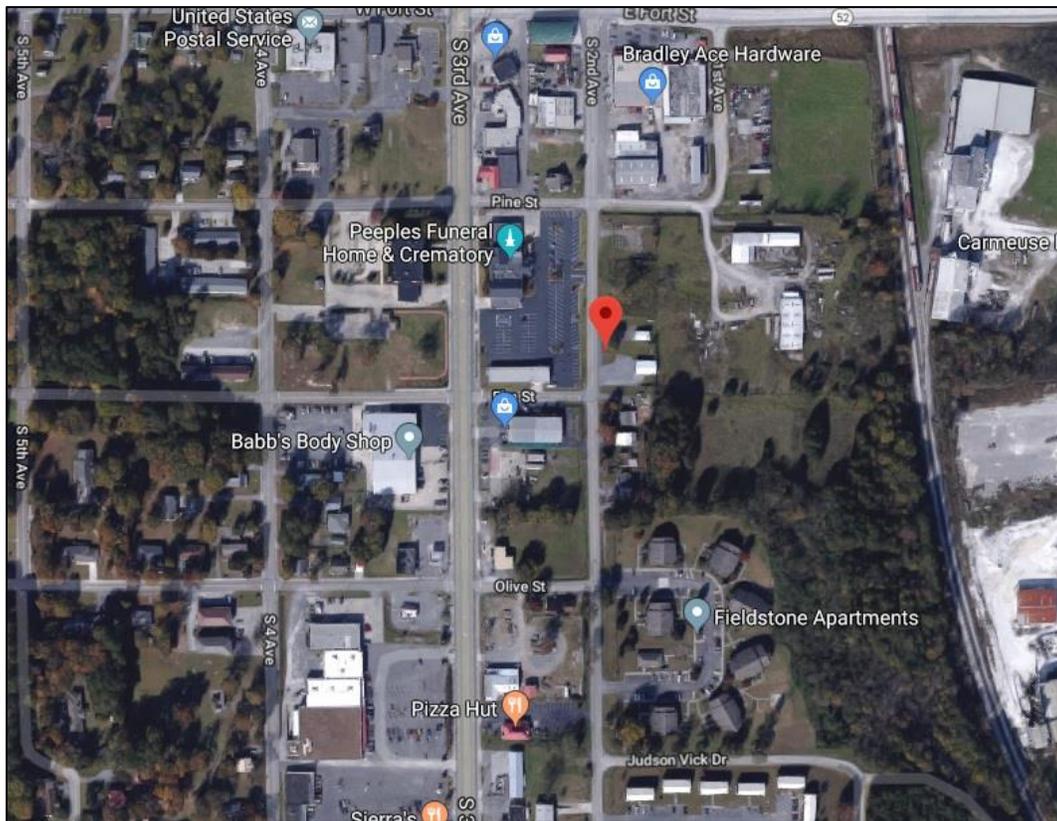


Looking at site's southern boundary from Fieldstone Apartments

### 3. General Description of Land Uses Surrounding the Subject Site

The site is in an area of mixed residential and commercial uses and in close proximity to one of the major intersections in Chatsworth, Third Avenue and Fort Street (aka US Highway 411 and State Highway 52). Surrounding land uses include residential to the south and a variety of commercial uses to the north and west. The east border of the site abuts active railroad tracks owned by CSX and utilized by the Appalachian Regional Port facility in Chatsworth to transport containers via rail to the Port of Savannah. Residential uses including single family homes and apartments abut the subject site from the south. Third Avenue is the primary retail corridor in Chatsworth, located one-quarter mile west of the site and directly accessible (and pedestrian friendly) via Elm Street across the street from the site. North of the site are commercial uses including an Ace Hardware and a fabrication facility. Along Second Avenue are a mix of commercial business, modest single family homes, and Class B/C apartments.

**Figure 3 Satellite Image of Subject Site**



#### 4. Land Uses Surrounding the Subject Site

Nearby land uses surrounding the subject site include (Figure 4):

- **North:** First Avenue, Quality Maintenance & Fabrication, Ace Hardware.
- **East:** Active railroad tracks owned by CSX.
- **South:** Single family homes and Fieldstone Apartments (LIHTC).
- **West:** Pet Crematory on east side of Second Ave in front of subject site; Peeples Funeral Home on west side of Second Ave.



Fieldstone Apartments to the south.

#### Figure 4 Views of Surrounding Land Uses



Quality Maintenance & Fabrication north of site.



Peeples Funeral Home across the street from site on Second Ave.



Ace Hardware north of site.



Single family homes south of site on Second Ave to remain.



## **B. Neighborhood Analysis**

### **1. General Description of Neighborhood**

The subject site is in close proximity to one of Chatsworth's primary intersections, Fort Street and Third Avenue. The immediate area surrounding the site is a mix of commercial and residential uses, with limited new development noted. Existing residential uses are older, modest single-family homes and Class B/C apartments, both affordable and market rate. The area is generally rural in nature, with most commercial activity along Third Avenue (aka US Highway 411), Fort Street (aka State Highway 52) and US Highway 76.

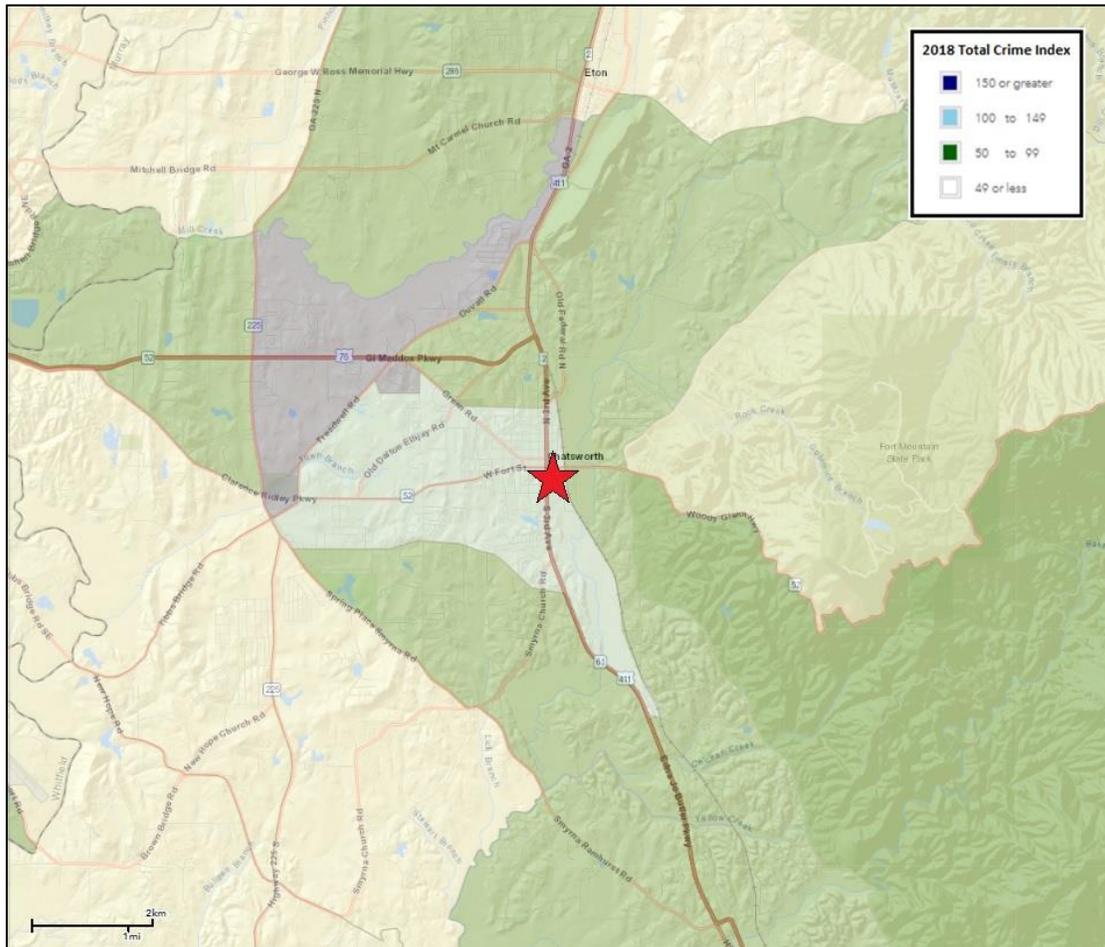
### **2. Neighborhood Planning Activities**

The cities of Chatsworth and Eton, the Murray County Industrial Development Authority, and the Murray County Chamber of Commerce formed a partnership to advocate for the businesses and citizens of Murray County. The most prominent planning activity underway in Murray County is the new Appalachian Regional Port, an inland port that opened in August 2018 and connects via rail to Georgia's primary seaport, the Port of Savannah, the second busiest port on the east coast. The Appalachian Regional Port, through CSX, provides a direct, 388-mile rail route to the Georgia Ports Authority's Garden City Terminal at Savannah and offers an efficient option to 355 truck miles to the deepwater port for target markets in Georgia, Alabama, Tennessee and Kentucky. The inland port is also expected to attract a broad array of jobs to Chatsworth, Eton and Murray County, from advanced manufacturing and logistics to the retail and support services necessary to supply new industries and their employees. The inland port is situated on 42 acres in Murray County in the town of Crandall, located eight miles north of Chatsworth with easy access to Highway 411, which is one block west of the subject site.

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2018 CrimeRisk Index for the census tracts in the general vicinity of the subject site are color coded with the site's census tract being light blue, indicating a crime risk (100 to 150) equal to the national average (100) (Map 2). Nearly all areas in the market area have an average crime risk and the subject's census tract's crime risk is generally comparable to all areas in the market area including the location of the comparable rental communities. Based on the above average crime risk throughout the market area, we do not expect crime or the perception of crime to negatively impact the subject property's marketability more so than existing multi-family communities. Most residents of the subject property are expected to originate from this immediate area of elevated crime risk.

**Map 2 Crime Index Map**



**C. Site Visibility and Accessibility**

**1. Visibility**

Wisteria of Chatsworth Apartments will have excellent visibility from Second Avenue which is a moderately travelled north/south road. Awareness for the subject will also come traffic generated from the Peoples Funeral Home and Crematory across from the subject site on Second Avenue and Fieldstone Apartments, located due south of the subject site.

**2. Vehicular Access**

Wisteria of Chatsworth Apartments will be accessible from an entrance on Second Avenue which has light traffic. Second Avenue intersects to the more heavily travelled E Fort Street (aka GA Highway 52) roughly one block north of the community entrance. E Fort Street intersects with S Third Avenue (aka US Highway 411) one block west of the subject; this is the main intersection in Chatsworth.

**3. Availability of Public Transit**

Murray County offers reservation-based demand/response local transit services that is open to the general public for non-emergency transportation. Murray County’s seven buses are all wheelchair



accessible. The cost of transportation services is graduated based on mileage, with a maximum one-way charge of \$3.00 and nominal fee for extra stops. National bus and rail transportation is available in Dalton, approximately 13 miles west of Chatsworth.

#### **4. Availability of Inter-Regional Transit**

US Highway 411 provides the primary means of north/south inter-region travel, following the western border of the Chattahoochee National Forest north to Tennessee and traveling south to intersect Interstate 75 just north of Cartersville. The site is also convenient to Interstate 75 from US Highway 76, which connects Chatsworth to Dalton. The closest major airports to Wisteria of Chatsworth Apartments are the Chattanooga Metropolitan Airport approximately 42 miles west, and Hartsfield-Jackson International Airport in metro Atlanta approximately 95 miles south.

#### **5. Accessibility Improvements under Construction and Planned**

##### ***Roadway Improvements under Construction and Planned***

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. RPRG did not identify any significant roadway projects as planned that would affect the subject site.

##### ***Transit and Other Improvements under Construction and/or Planned***

None.

#### **6. Environmental Concerns**

RPRG did not identify any visible environmental site concerns.

### **D. Residential Support Network**

#### **1. Key Facilities and Services near the Subject Site**

The appeal of any given community is often based in part to its proximity to those facilities and services required daily. Key facilities and services and their distances from the subject site are listed in Table 3 and their locations are plotted on Map 3.

**Table 3 Key Facilities and Services**

Establishment	Type	Address	City	Driving Distance
Synovus	Bank	211 S 3rd Avenue	Chatsworth	0.1 mile
Chatsworth-Murray County Library	Library	100 N 3rd Avenue	Chatsworth	0.2 mile
Kangaroo Express	Convenience Store	102 E Fort Street	Chatsworth	0.2 mile
Chatsworth Food & Tobacco	Convenience Store	318 3rd Avenue	Chatsworth	0.2 mile
Save a Lot	Grocery	500 S 3rd Avenue	Chatsworth	0.3 mile
Southgate Shopping Center	Shopping	500 S 3rd Ave	Chatsworth	0.3 mile
Family Dollar	Retail	500 S 3rd Ave	Chatsworth	0.3 mile
La Estrella	Restaurant	200 W Fort Street	Chatsworth	0.3 mile
United States Postal Service	Post Office	120 W Fort Street	Chatsworth	0.3 mile
Pizza Hut	Restaurant	430 US Highway #411 S	Chatsworth	0.4 mile
Carltons Pharmacy	Pharmacy	429 N 3rd Avenue	Chatsworth	0.6 mile
Chatsworth Police	Police	501 N 3rd Avenue	Chatsworth	0.6 mile
Chatsworth Fire	Fire	503 N 3rd Avenue	Chatsworth	0.6 mile
Chatsworth Elementary	Public School	500 Green Road	Chatsworth	0.9 mile
Georgia Mountain Health Services	Doctor / Medical	1008 N 3rd Avenue	Chatsworth	1.2 miles
Murray County Recreation Dept	Park / Community Center	745 W Chestnut Street	Chatsworth	1.5 miles
Murray County High	Public School	1001 Green Road	Chatsworth	1.7 miles
Advent Health Murray	Hospital	707 Old Dalton Ellijay Road	Chatsworth	1.9 miles
Gladden Middle	Public School	700 Old Dalton Ellijay Road	Chatsworth	2 miles

Source: Field and Internet Research, RPRG, Inc.

## 2. Essential Services

### *Health Care*

Advent Health (formally Murray Medical Center) is less than two miles northwest of the site in Chatsworth. This 34-bed rural hospital offers services including emergency and urgent care; primary care; imaging; surgical care; women's care; and laboratory services.

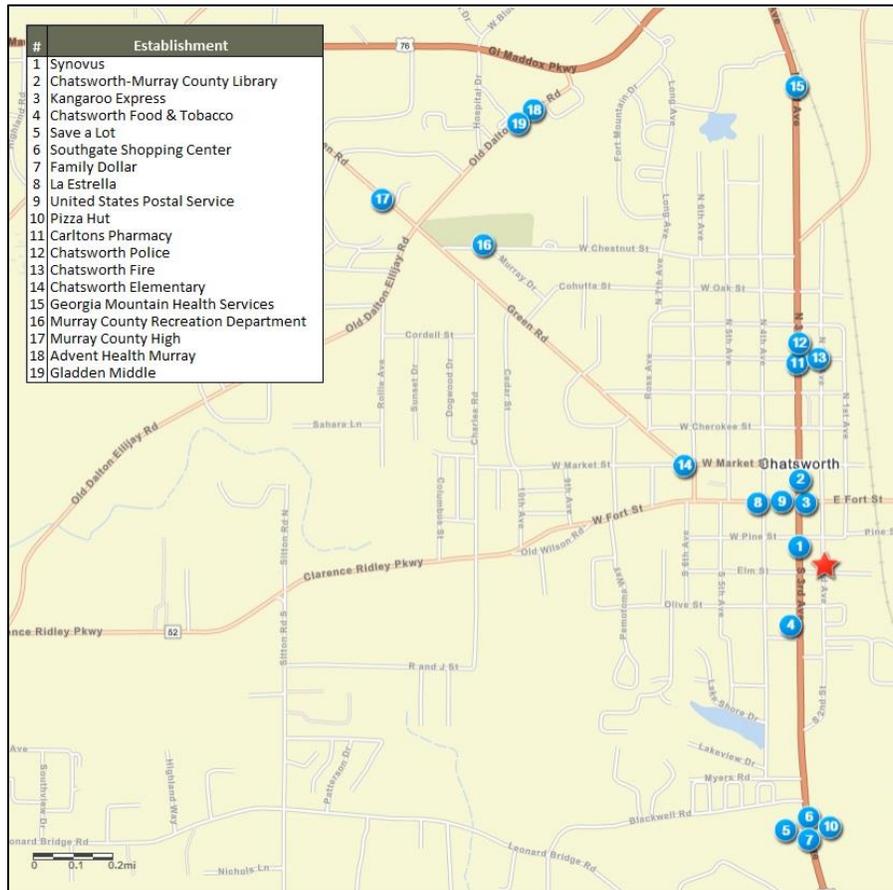
The closest family medicine provider is Georgia Mountain Health Services which is 1.2 miles north of the site on Third Avenue.

### *Education*

The Murray County School District is comprised of 11 schools and a PreK center, serving approximately 7,400 students. School age children residing at the subject property will attend Chatsworth Elementary (0.9 miles), Gladden Middle (2 miles), and Murray County High School (1.7 miles).

Within the North Georgia region, this closest university is the University of North Georgia in Dahlonega, 60 miles to the east. The university also has a campus in Blue Ridge, approximately 40 miles east. The University of Tennessee campus in Chattanooga is approximately 45 miles north. A large concentration of higher education is also located in the Atlanta Metro area, home to many colleges, universities, and vocational schools offering a wide variety of degree programs and educational opportunities. Notable institutions of higher education include The Georgia Institute of Technology, Georgia State University, Emory University, Morris Brown College, Morehouse College, Atlanta Metropolitan State College, Bauder College, and the Savannah College of Art and Design.

**Map 3 Location of Key Facilities and Services**



**3. Commercial Goods and Services**

**Convenience Goods**

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

Two convenience stores (Kangaroo Express and Chatsworth Food & Tobacco), grocery store (Save a Lot), pharmacy (Carlton’s Pharmacy), and bank (Synovus) are all within one mile of the subject site on S Third Avenue/US Highway 411.

**Shoppers Goods**

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop.

Family Dollar is 0.3 miles south of site on US Highway 411. The closest shopping center is Southgate Shopping Center, where Family Dollar and Sav A Lot grocery are located. Southgate Shopping Center offers a laundromat, nail salon, restaurants, and local service providers. The closest regional mall is Walton Square Mall, with 500,000 square feet of retail and restaurant space, anchored by Belk and AMC Theater. Walton Square Mall is located in Dalton, Georgia, approximately 12 miles west of the subject site.



#### **4. Location of Low Income Housing**

A list and map of existing low-income housing in the Wisteria of Chatsworth Market Area are provided in the Existing Low Income Rental Housing section of this report, starting on page 54.

#### **E. Site Conclusion**

The subject site is compatible with surrounding land uses and is convenient to major transportation arteries including US Highway 411 (aka Third Avenue in Chatsworth) which travels north to Tennessee and eventually intersects Interstate 75 going south; and US Highway 76, which runs east/west, and also intersects with Interstate 75 going west. Neighborhood amenities are convenient to the site with shopping, healthcare facilities, recreation, schools, pharmacies, banks, and grocery stores within roughly one mile. The site is suitable for the proposed development of affordable rental housing.



## 5. MARKET AREA

### A. Introduction

The primary market area for Wisteria of Chatsworth Apartments is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the market area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities and dynamics of the local rental housing marketplace.

### B. Delineation of Market Area

The Wisteria of Chatsworth Market Area includes the city of Chatsworth, which is situated on the western edge of the Chattahoochee National Forest, and includes areas east of Dalton and Interstate 75 (Map 4). The predominantly rural towns that comprise the market area share similar land use characteristics and contain the most comparable rental communities to the subject property; residents of this area would likely consider the subject site a suitable shelter location. This market area is the area from which the subject property is likely to draw most of its tenants. Nine census tracts in Murray County and eastern Whitfield County are included given proximity to the site and generally similar land uses and demographic characteristics. The Wisteria of Chatsworth Market Area does not include the city of Dalton as it is more densely developed and offers numerous intervening rental alternatives.

The boundaries of the Wisteria of Chatsworth Market Area and their approximate distance from the subject site are:

- North:** Halls Chapel Road ..... (9.3 miles)
- East:** Gordon County ..... (10.8 miles)
- South:** Gilmer County / National Forest ..... (11.5 miles)
- West:** E Walnut Avenue ..... (8.8 miles)

The Wisteria of Chatsworth Market Area is compared to a Bi-County Market Area comprised of Murray County and Whitfield County, which is presented as a secondary market area for demographic purposes. Demand estimates are based only on the Wisteria of Chatsworth Market Area.



## 6. COMMUNITY DEMOGRAPHIC DATA

### A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Wisteria of Chatsworth Market Area and Bi-County Market Area using several sources. For small area estimates, we examined projections of population and households prepared by Esri, a national data vendor. We compared and evaluated data in the context of decennial U.S. Census data from 2000 and 2010 as well as building permit trend information. Data is presented for 2018 and 2020 per DCA's Market Study Guidelines.

### B. Trends in Population and Households

#### 1. Recent Past Trends

The Wisteria of Chatsworth Market Area's household base grew at a very strong pace in the previous decade with the net addition of 1,322 households (9.1 percent) and 5,063 people (12.5 percent) between the 2000 and 2010 Census counts (Table 4). Lower growth rates followed in the market area from 2010 to 2019 with the net addition of 245 people (0.5 percent) and 93 households (0.6 percent); annual household growth over the past nine years declined to 10 households (0.1 percent) as compared to 132 households annually from 2000 to 2010 (0.9 percent).

The Bi-County Market Area added population and households at a faster pace from 2000 to 2010 when compared to the market area with the net addition of 22,244 people (18.5 percent) and 6,600 households (15.5 percent). Annual growth in the Bi-County Market Area was 408 people (0.3 percent) and 87 households (0.2 percent) from 2010 to 2019.

#### 2. Projected Trends

Based on Esri projections, RPRG projects growth to accelerate in the Wisteria of Chatsworth Market Area to 78 people (0.2 percent) and 26 households (0.2 percent) per year from 2019 to 2021. The market area will reach 45,867 people and 16,054 households by 2021. Annual growth rates in the Bi-County Market Area are projected to remain above rates in the market area at 0.4 percent among population and 0.3 percent among households.

The average household size in the market area of 2.84 persons per household in 2019 is expected to remain the same through 2021 (Table 5).

#### 3. Building Permit Trends –

RPRG examines building permit trends to help determine if the housing supply is meeting demand, as measured by new households. An average of 200 new housing units were authorized each year from 2007 to 2019 in the Bi-County Market Area compared to annual household growth of 87 households between the 2010 and 2019 Census counts (Table 6). It is important to note that the Bi-County Market Area includes areas well outside the Wisteria of Chatsworth Market Area.

Building permit activity in the Bi-County Market Area increased steadily from 63 units permitted in 2012 to 343 units permitted in 2017. Permit activity decreased significantly from 670 units permitted in 2007 to a low of 63 units permitted in 2011-2012 during the height of the economic recession and housing market slowdown. Permit activity increased to at least 121 permitted units in each of the past four years. In 2017, 343 units were permitted, the highest level since 2007.

Multi-family structures (5+ units) contain 14 percent of units permitted in the Bi-County Market Area and roughly 82 percent of residential permits were for single-family detached homes. Approximately



17.7 percent of all permitted units over the past four years were in multi-family structures with five or more units, including 116 units permitted in 2017.

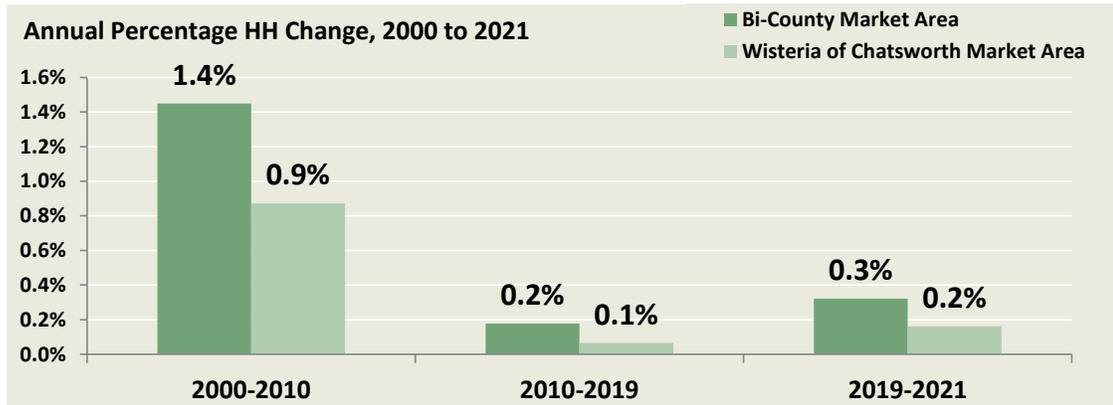
**Table 4 Population and Household Projections**

		Bi-County Market Area				Wisteria of Chatsworth Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	119,983					40,402				
2010	142,227	22,244	18.5%	2,224	1.7%	45,465	5,063	12.5%	506	1.2%
2019	145,898	3,671	2.6%	408	0.3%	45,710	245	0.5%	27	0.1%
2021	147,058	1,160	0.8%	580	0.4%	45,867	156	0.3%	78	0.2%

Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	42,660					14,588				
2010	49,260	6,600	15.5%	660	1.4%	15,910	1,322	9.1%	132	0.9%
2019	50,047	787	1.6%	87	0.2%	16,003	93	0.6%	10	0.1%
2021	50,370	322	0.6%	161	0.3%	16,054	52	0.3%	26	0.2%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.



**Table 5 Persons per Household, Wisteria of Chatsworth Market Area**

Average Household Size			
Year	2010	2019	2024
Population	45,465	45,710	46,101
Group Quarters	297	257	282
Households	15,910	16,003	16,132
<b>Avg. HH Size</b>	<b>2.84</b>	<b>2.84</b>	<b>2.84</b>

Source: 2010 Census; Esri; and RPRG, Inc.



**Table 6 Building Permits by Structure Type, Bi-County Market Area**

Bi-County Market Area													2007-2017	Annual Average
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017			
Single Family	522	208	129	90	63	63	69	115	149	164	227	1,799	164	
Two Family	24	14	0	0	0	0	0	0	0	0	0	38	3	
3 - 4 Family	33	15	3	0	0	0	0	0	0	0	0	51	5	
5+ Family	91	65	6	11	0	0	0	6	10	9	116	314	29	
<b>Total</b>	<b>670</b>	<b>302</b>	<b>138</b>	<b>101</b>	<b>63</b>	<b>63</b>	<b>69</b>	<b>121</b>	<b>159</b>	<b>173</b>	<b>343</b>	<b>2,202</b>	<b>200</b>	

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



### C. Demographic Characteristics

#### 1. Age Distribution and Household Type

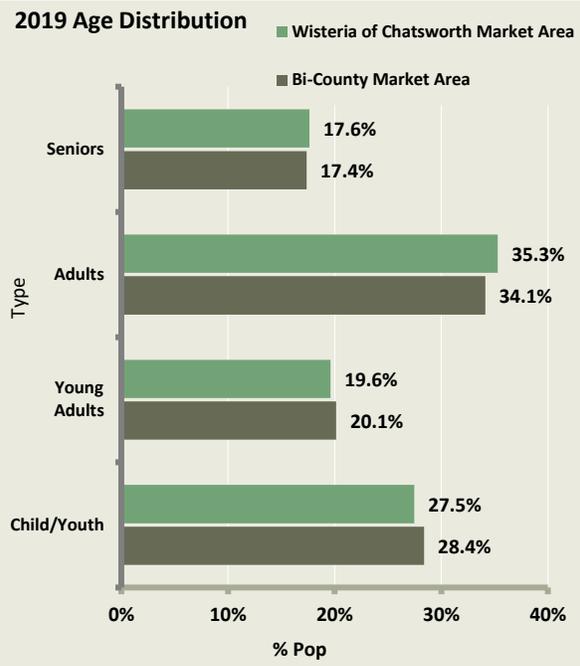
The population in the Wisteria of Chatsworth Market Area is slightly older than the Bi-County Market Area’s population with median ages of 36 and 35, respectively (Table 7). This disparity and the older median age of the Wisteria of Chatsworth Market Area is due to its smaller proportion of Young Adults and Children/Youth. Nearly 20 percent of the Wisteria of Chatsworth Market Area’s population is Young Adults ages 20 to 34 and roughly 35 percent are Adults ages 35 to 61. Children/Youth account for 27.5 percent of the Wisteria of Chatsworth Market Area’s population and Seniors age 62 and older comprise 17.6 percent of the population. The Bi-County Market Area has a higher percentage of Young Adults when compared to the market area (20.1 percent versus 19.6 percent) and a higher percentage of Children/Youth (28.4 percent versus 27.5 percent). Both the Bi-County Market Area and the Wisteria of Chatsworth Market Area have approximately 17 percent of the population that is Seniors age 62 and older.



**Table 7 Age Distribution**

2019 Age Distribution	Bi-County Market Area		Wisteria of Chatsworth Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>41,398</b>	<b>28.4%</b>	<b>12,553</b>	<b>27.5%</b>
Under 5 years	10,362	7.1%	3,046	6.7%
5-9 years	10,539	7.2%	3,222	7.0%
10-14 years	10,606	7.3%	3,249	7.1%
15-19 years	9,891	6.8%	3,037	6.6%
<b>Young Adults</b>	<b>29,392</b>	<b>20.1%</b>	<b>8,965</b>	<b>19.6%</b>
20-24 years	9,083	6.2%	2,762	6.0%
25-34 years	20,309	13.9%	6,203	13.6%
<b>Adults</b>	<b>49,772</b>	<b>34.1%</b>	<b>16,132</b>	<b>35.3%</b>
35-44 years	18,862	12.9%	5,902	12.9%
45-54 years	18,814	12.9%	6,182	13.5%
55-61 years	12,096	8.3%	4,047	8.9%
<b>Seniors</b>	<b>25,336</b>	<b>17.4%</b>	<b>8,060</b>	<b>17.6%</b>
62-64 years	5,184	3.6%	1,735	3.8%
65-74 years	12,514	8.6%	4,121	9.0%
75-84 years	5,783	4.0%	1,763	3.9%
85 and older	1,854	1.3%	441	1.0%
<b>TOTAL</b>	<b>145,898</b>	<b>100%</b>	<b>45,710</b>	<b>100%</b>
<b>Median Age</b>	<b>35</b>		<b>36</b>	

Source: Esri; RPRG, Inc.

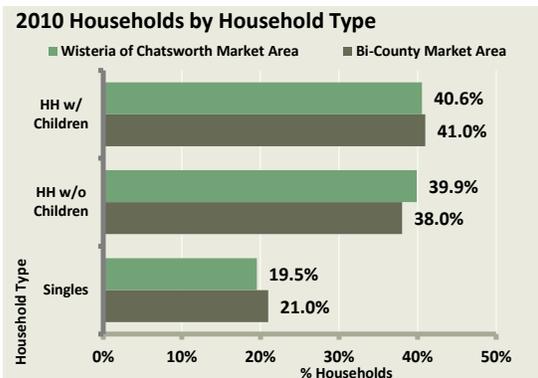


Multi-person households with children comprise 40.6 percent of the Wisteria of Chatsworth Market Area households as of the 2010 Census (Table 8). Multi-person households without children comprised roughly 39.9 percent of Wisteria of Chatsworth Market Area households and 19.5 percent of households were singles. The Wisteria of Chatsworth Market Area had a lower percentage of single person households when compared to the county (19.5 percent versus 21 percent). The Wisteria of Chatsworth and the Bi-County Market Area had a similar percentage of multi-person households with children (40.6 percent versus 41 percent). The Wisteria of Chatsworth Market Area had a slightly higher percentage of households without children (39.9 percent versus 38 percent) as well as married couples (56.7 percent versus 55 percent).

**Table 8 Households by Household Type**

2010 Households by Household Type	Bi-County Market Area		Wisteria of Chatsworth Market Area	
	#	%	#	%
Married w/Children	13,682	27.8%	4,374	27.5%
Other w/ Children	6,507	13.2%	2,079	13.1%
<b>Households w/ Children</b>	<b>20,189</b>	<b>41.0%</b>	<b>6,453</b>	<b>40.6%</b>
Married w/o Children	13,426	27.3%	4,640	29.2%
Other Family w/o Children	3,338	6.8%	1,088	6.8%
Non-Family w/o Children	1,972	4.0%	619	3.9%
<b>Households w/o Children</b>	<b>18,736</b>	<b>38.0%</b>	<b>6,347</b>	<b>39.9%</b>
<b>Singles</b>	<b>10,335</b>	<b>21.0%</b>	<b>3,110</b>	<b>19.5%</b>
<b>Total</b>	<b>49,260</b>	<b>100%</b>	<b>15,910</b>	<b>100%</b>

Source: 2010 Census; RPRG, Inc.



## 2. Renter Household Characteristics

The Wisteria of Chatsworth Market Area has a slightly lower propensity to rent when compared to the Bi-County Market Area with 2019 renter percentages of 35.3 percent and 36.2 percent,



respectively (Table 9). Renter households accounted for all net household growth in the Wisteria of Chatsworth Market Area from 2000 to 2019 with the net addition of 1,814 renter households. Renter households in the Bi-County Market Area contributed 69.2 percent of net household growth during this period, adding 269 renter households annually. Esri projects owner households will contribute all net household growth from 2019 to 2021, which is inconsistent with past trends and likely due to a recent change in Esri methodology. RPRG projects renter households will continue to contribute at least 75 percent of net household growth over the next two years, which is less than the 100 percent contribution to net household growth over the last 19 years.

**Table 9 Households by Tenure**

Bi-County Market Area	2000		2010		2019		Change 2000-2019				% of Change 2000 - 2019
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	29,638	69.5%	33,062	67.1%	31,911	63.8%	2,273	7.7%	120	0.4%	30.8%
Renter Occupied	13,022	30.5%	16,198	32.9%	18,136	36.2%	5,114	39.3%	269	1.8%	69.2%
<b>Total Occupied</b>	<b>42,660</b>	<b>100%</b>	<b>49,260</b>	<b>100%</b>	<b>50,047</b>	<b>100%</b>	<b>7,387</b>	<b>17.3%</b>	<b>389</b>	<b>0.8%</b>	<b>100%</b>
Total Vacant	2,372		6,618		6,960						
<b>TOTAL UNITS</b>	<b>45,032</b>		<b>55,878</b>		<b>57,008</b>						

Wisteria of Chatsworth Market Area	2000		2010		2019		Change 2000-2019				% of Change 2000 - 2019
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	10,756	73.7%	11,200	70.4%	10,357	64.7%	-399	-3.7%	-21	-0.2%	0.0%
Renter Occupied	3,832	26.3%	4,710	29.6%	5,646	35.3%	1,814	47.3%	95	2.1%	100.0%
<b>Total Occupied</b>	<b>14,588</b>	<b>100%</b>	<b>15,910</b>	<b>100%</b>	<b>16,003</b>	<b>100%</b>	<b>1,415</b>	<b>9.7%</b>	<b>74</b>	<b>0.5%</b>	<b>100%</b>
Total Vacant	971		2,112		2,354						
<b>TOTAL UNITS</b>	<b>15,559</b>		<b>18,022</b>		<b>18,357</b>						

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Wisteria of Chatsworth Market Area	2019		2021 Esri HH by Tenure		Esri Change by Tenure	
			#	%	#	%
<b>Housing Units</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Owner Occupied	10,357	64.7%	10,451	65.1%	94	100.0%
Renter Occupied	5,646	35.3%	5,603	34.9%	-42	0.0%
<b>Total Occupied</b>	<b>16,003</b>	<b>100%</b>	<b>16,054</b>	<b>100%</b>	<b>52</b>	<b>100%</b>
Total Vacant	2,393		2,556			
<b>TOTAL UNITS</b>	<b>18,396</b>		<b>18,610</b>			

Wisteria of Chatsworth Market Area	2019		2021 RPRG HH by Tenure		RPRG Change by Tenure	
			#	%	#	%
<b>Housing Units</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Owner Occupied	10,357	64.7%	10,370	64.6%	13	25.0%
Renter Occupied	5,646	35.3%	5,685	35.4%	39	75.0%
<b>Total Occupied</b>	<b>16,003</b>	<b>100%</b>	<b>16,054</b>	<b>100%</b>	<b>52</b>	<b>100%</b>
Total Vacant	2,393		2,556			
<b>TOTAL UNITS</b>	<b>18,396</b>		<b>18,610</b>			

Source: Esri, RPRG, Inc.

Young working age households (ages 25 to 44) form the core of Wisteria of Chatsworth Market Area renter households at 44.7 percent including nearly one-quarter (24.6 percent) ages 25 to 34 (Table 10). Older adult renter householders (ages 45 to 64 years) comprise 30.5 percent of market area renter households while roughly 16.1 percent are ages 65 and older and 8.8 percent are under the

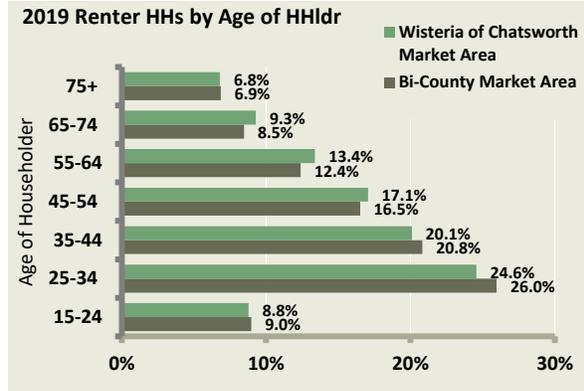


age of 25. The Bi-County Market Area has a larger proportion of working age households ages 25 to 44 when compared to the market area (46.8 percent versus 44.7 percent), and a smaller proportion of households age 45 and older (44.2 percent versus 46.5 percent).

**Table 10 Renter Households by Age of Householder**

Renter Households	Bi-County Market Area		Wisteria of Chatsworth Market Area	
Age of HHldr	#	%	#	%
15-24 years	1,627	9.0%	496	8.8%
25-34 years	4,710	26.0%	1,387	24.6%
35-44 years	3,777	20.8%	1,135	20.1%
45-54 years	2,996	16.5%	964	17.1%
55-64 years	2,248	12.4%	755	13.4%
65-74 years	1,535	8.5%	524	9.3%
75+ years	1,243	6.9%	384	6.8%
<b>Total</b>	<b>18,136</b>	<b>100%</b>	<b>5,646</b>	<b>100%</b>

Source: Esri, Real Property Research Group, Inc.

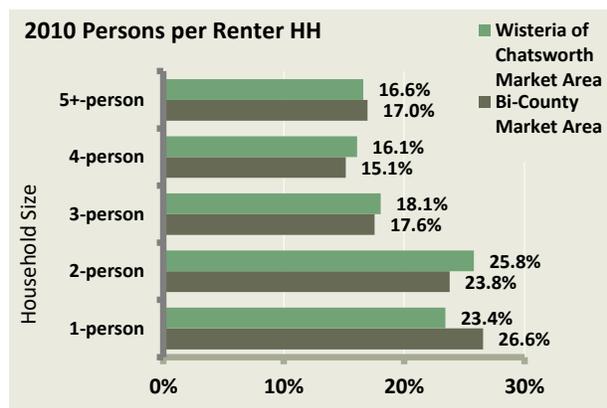


Reflecting the large proportion of younger renter households, almost half (49.2 percent) of renter households in the Wisteria of Chatsworth Market Area had one or two people including almost one-quarter (23.4 percent) with one person (Table 11). Over one-third (34.2 percent) of market area renter households had three or four people and 16.6 percent were large households with 5+ people. Bi-County Market Area renter households had a higher percentage of renter households with one or two people when compared to the market area (50.3 percent versus 49.2 percent), and also a higher percentage of large (5+ people) households (17 percent versus 16.6 percent).

**Table 11 Renter Households by Household Size**

Renter Occupied	Bi-County Market Area		Wisteria of Chatsworth Market Area	
	#	%	#	%
1-person hhld	4,302	26.6%	1,104	23.4%
2-person hhld	3,851	23.8%	1,215	25.8%
3-person hhld	2,844	17.6%	851	18.1%
4-person hhld	2,453	15.1%	758	16.1%
5+-person hhld	2,748	17.0%	782	16.6%
<b>TOTAL</b>	<b>16,198</b>	<b>100%</b>	<b>4,710</b>	<b>100%</b>

Source: 2010 Census



### 3. Income Characteristics

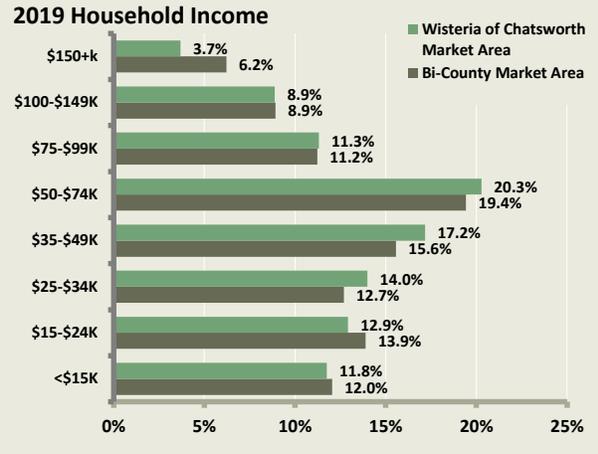
According to income distributions provided by Esri, households in the Wisteria of Chatsworth Market Area earn a median of \$44,893 per year, 2.3 percent lower than the \$45,952 median in the Bi-County Market Area (Table 12). Household incomes in the Wisteria of Chatsworth Market Area are reflect low to moderate incomes, with 38.7 percent earning less than \$35,000; 37.4 percent earning \$35,000 to \$74,999; and 23.9 percent earning \$75,000 or more including 12.6 percent earning at least \$100,000.



**Table 12 Household Income**

Estimated 2019 Household Income		Bi-County Market Area		Wisteria of Chatsworth Market Area	
		#	%	#	%
less than \$15,000		6,029	12.0%	1,881	11.8%
\$15,000 - \$24,999		6,954	13.9%	2,068	12.9%
\$25,000 - \$34,999		6,352	12.7%	2,239	14.0%
\$35,000 - \$49,999		7,790	15.6%	2,748	17.2%
\$50,000 - \$74,999		9,720	19.4%	3,245	20.3%
\$75,000 - \$99,999		5,621	11.2%	1,811	11.3%
\$100,000 - \$149,999		4,469	8.9%	1,420	8.9%
\$150,000 Over		3,112	6.2%	590	3.7%
<b>Total</b>		<b>50,047</b>	<b>100%</b>	<b>16,003</b>	<b>100%</b>
<b>Median Income</b>		<b>\$45,952</b>		<b>\$44,893</b>	

Source: Esri; Real Property Research Group, Inc.

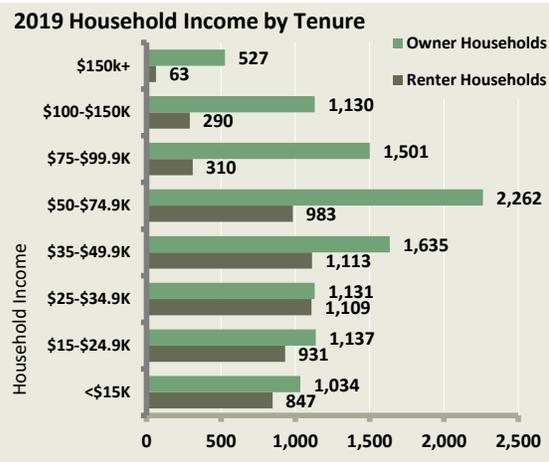


Based on the U.S. Census Bureau’s American Community Survey data, the breakdown of tenure, and household estimates, RPRG estimates that the median income of Wisteria of Chatsworth Market Area households by tenure is \$34,418 for renters and \$52,674 for owners (Table 13). Roughly half (51.1 percent) of Wisteria of Chatsworth Market Area renter households earn less than \$35,000 including 15 percent earning less than \$15,000. Approximately 37 percent of renter households earn moderate incomes of \$35,000 to \$74,999 and 11.7 percent earn upper incomes of \$75,000 or more, including 6.2 percent earning at least \$100,000.

**Table 13 Household Income by Tenure, Wisteria of Chatsworth Market Area**

Estimated 2019 HH Income		Renter Households		Owner Households	
		#	%	#	%
<b>Wisteria of Chatsworth Market</b>					
less than \$15,000		847	15.0%	1,034	10.0%
\$15,000 - \$24,999		931	16.5%	1,137	11.0%
\$25,000 - \$34,999		1,109	19.6%	1,131	10.9%
\$35,000 - \$49,999		1,113	19.7%	1,635	15.8%
\$50,000 - \$74,999		983	17.4%	2,262	21.8%
\$75,000 - \$99,999		310	5.5%	1,501	14.5%
\$100,000 - \$149,999		290	5.1%	1,130	10.9%
\$150,000 over		63	1.1%	527	5.1%
<b>Total</b>		<b>5,646</b>	<b>100%</b>	<b>10,357</b>	<b>100%</b>
<b>Median Income</b>		<b>\$34,418</b>		<b>\$52,674</b>	

Source: American Community Survey 2013-2017 Estimates, RPRG, Inc.



Roughly one-third (33 percent) of renter households in the Wisteria of Chatsworth Market Area pay at least 35 percent of income for rent (Table 14). Approximately 9.2 percent of renter households are living in substandard conditions which includes only overcrowding and incomplete plumbing.



**Table 14 Rent Burdened and Substandard Housing, Wisteria of Chatsworth Market Area**

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	357	6.7%
10.0 to 14.9 percent	664	12.4%
15.0 to 19.9 percent	553	10.4%
20.0 to 24.9 percent	484	9.1%
25.0 to 29.9 percent	467	8.7%
30.0 to 34.9 percent	722	13.5%
35.0 to 39.9 percent	274	5.1%
40.0 to 49.9 percent	429	8.0%
50.0 percent or more	895	16.8%
Not computed	493	9.2%
<b>Total</b>	<b>5,338</b>	<b>100.0%</b>
<b>&gt; 35% income on rent</b>	<b>1,598</b>	<b>33.0%</b>

Source: American Community Survey 2013-2017

Substandardness	
Total Households	
<b>Owner occupied:</b>	
Complete plumbing facilities:	10,886
1.00 or less occupants per room	10,570
1.01 or more occupants per room	316
Lacking complete plumbing facilities:	0
Overcrowded or lacking plumbing	316
<b>Renter occupied:</b>	
Complete plumbing facilities:	5,299
1.00 or less occupants per room	4,849
1.01 or more occupants per room	450
Lacking complete plumbing facilities:	39
Overcrowded or lacking plumbing	489
<b>Substandard Housing</b>	<b>805</b>
<b>% Total Stock Substandard</b>	<b>5.0%</b>
<b>% Rental Stock Substandard</b>	<b>9.2%</b>



## 7. EMPLOYMENT TRENDS

### A. Introduction

This section of the report discusses economic trends and conditions in Murray County, the jurisdiction in which Wisteria of Chatsworth Apartments is located. We have also presented economic trends in Georgia and the nation for comparison purposes.

### B. Labor Force, Resident Employment, and Unemployment

#### 1. Trends in County Labor Force and Resident Employment

Although the labor force has generally remained flat over the past four years, Murray County's labor force steadily declined most years from 2007 to 2018, reaching an all-time low of 15,659 workers in 2016 (Table 15). The employed portion of the county's labor force, however, increased by nearly 1,000 from 2013 to 2018 and has remained steady between 14,000 and 15,000 workers since 2010. The number of unemployed workers was more than halved (61.6 percent decrease) from a peak of 2,559 in 2009 to 982 in 2017.

#### 2. Trends in County Unemployment Rate

The unemployment rate in Murray County decreased significantly to 5.2 percent in 2018 from a recession-era high of 13.9 percent in 2011 (Table 15). The county's 2018 unemployment rate is a 10-year low but remains above the state and national rate of 3.9 percent. Murray County's unemployment rate has been above the state's rate since 2008.

### C. Commutation Patterns

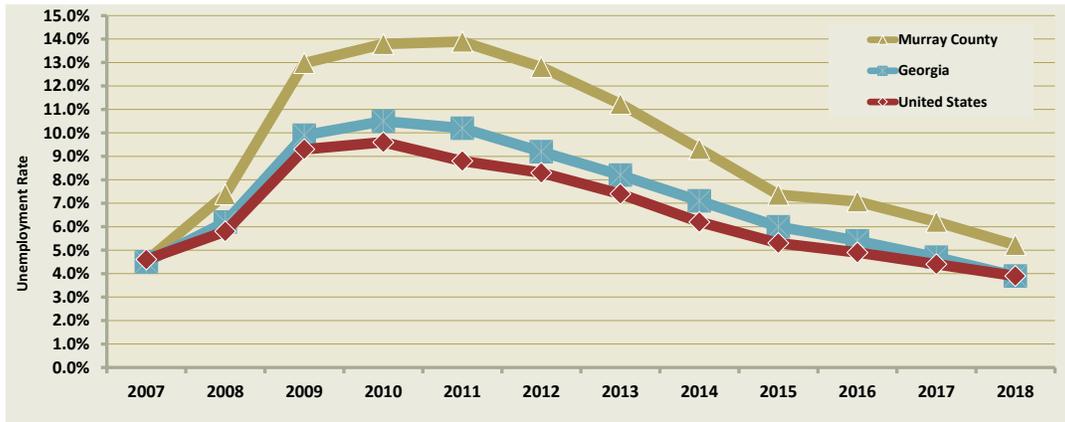
Roughly half (47.8 percent) of all workers residing in the Wisteria of Chatsworth Market Area worked in their county of residence and 48.1 percent worked in another Georgia county. Approximately four percent of market area workers were employed in another state, reflecting the close proximity of the Tennessee border. The relatively large percentage of workers employed outside their county of residence is influenced by the market area traversing two counties (Table 16).



**Table 15 Labor Force and Unemployment Rates**

Annual Unemployment	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Labor Force	21,072	20,422	19,722	17,181	17,062	16,406	15,887	15,866	16,070	15,659	15,815	16,015
Employment	20,115	18,915	17,163	14,812	14,692	14,306	14,102	14,388	14,887	14,551	14,833	15,179
Unemployment	957	1,507	2,559	2,369	2,370	2,100	1,785	1,478	1,183	1,108	982	836
<b>Unemployment Rate</b>												
Murray County	4.5%	7.4%	13.0%	13.8%	13.9%	12.8%	11.2%	9.3%	7.4%	7.1%	6.2%	5.2%
Georgia	4.5%	6.2%	9.9%	10.5%	10.2%	9.2%	8.2%	7.1%	6.0%	5.4%	4.7%	3.9%
United States	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%

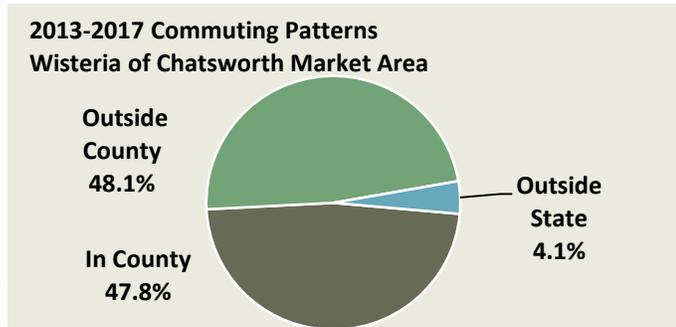
Source: U.S. Department of Labor, Bureau of Labor Statistics



**Table 16 Commutation Data, Wisteria of Chatsworth Market Area**

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	19,017	99.3%	Worked in state of residence:	18,352	95.9%
Less than 5 minutes	352	1.8%	Worked in county of residence	9,151	47.8%
5 to 9 minutes	1,282	6.7%	Worked outside county of residence	9,201	48.1%
10 to 14 minutes	1,825	9.5%	Worked outside state of residence	792	4.1%
15 to 19 minutes	3,266	17.1%	<b>Total</b>	<b>19,144</b>	<b>100%</b>
20 to 24 minutes	3,837	20.0%			
25 to 29 minutes	2,203	11.5%			
30 to 34 minutes	3,396	17.7%			
35 to 39 minutes	510	2.7%			
40 to 44 minutes	308	1.6%			
45 to 59 minutes	966	5.0%			
60 to 89 minutes	724	3.8%			
90 or more minutes	348	1.8%			
Worked at home	127	0.7%			
<b>Total</b>	<b>19,144</b>				

Source: American Community Survey 2013-2017



**D. At-Place Employment**

**1. Trends in Total At-Place Employment**

Murray County lost 1,125 net jobs (10.9 percent net loss) from 2010 to 2017 with further job losses through 3Q 2018. The all-time high annual At-Place Employment of 12,313 jobs in 2007 (Figure 5) has been stable and relatively flat with limited net growth since 2013.

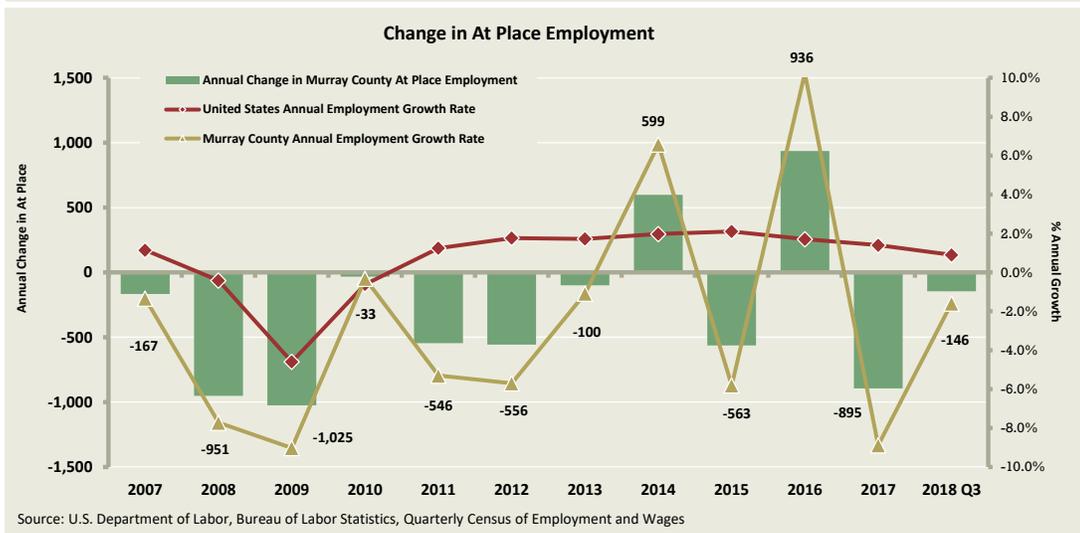


As illustrated by the lines in the bottom portion of Figure 5, Murray County experienced a larger dip in jobs on a percentage basis during the recession when compared to the nation. Additionally, the county rebounded much slower with job growth rates lagging the nation on a percentage basis in five of the past seven years. From 2014 through 3Q 2018, there has been no net job growth in Murray County.

**Figure 5 At-Place Employment, Murray County**



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



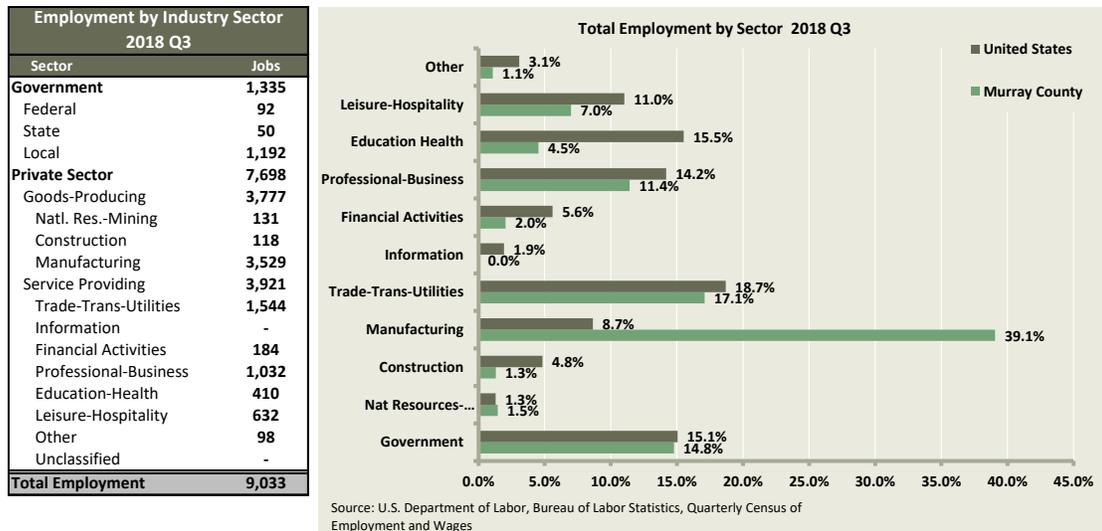
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



## 2. At-Place Employment by Industry Sector

Manufacturing is the largest employment sector in Murray County at 39.1 percent of all jobs in 2018 Q3 compared to 8.7 percent of jobs nationally (Figure 6). The Trade-Transportation-Utilities, Government, and Professional-Business sectors account for significant percentages of jobs in Murray County, with each accounting for at least 11 percent of the county’s jobs. Murray County has a significantly smaller percentage of jobs in the Leisure-Hospitality, Education-Health, Financial Activities, Information, and Construction sectors when compared to the nation.

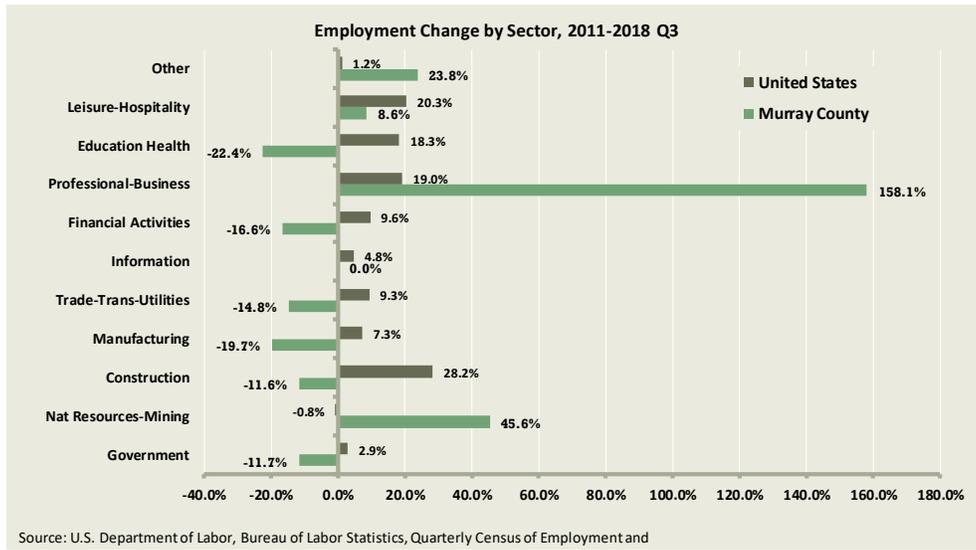
**Figure 6 Total Employment by Sector**



Four out of eleven sectors added jobs in Murray County from 2011 to 2018 Q3 with the largest percentage gains in Professional-Business (158.1 percent), and Natural Resources/Mining (45.6 percent) sectors (Figure 7). Two sectors in the county grew by at least 20 percent including one of the largest sectors, Professional-Business, with 158.1 percent growth. The majority of industry sectors contracted by at least ten percent, including Education-Health (22.4 percent); Financial Activities (16.6 percent); Trade-Transportation-Utilities (14.8 percent); Manufacturing (19.7 percent); Construction (11.6 percent); and Government (11.7 percent). Three contracting industries (Manufacturing, Trade-Transportation-Utilities, and Government) are Murray County’s largest business sectors.



**Figure 7 Employment Change by Sector, 2011-2018 Q3**



### 3. Major Employers

Most major employers fall in the Manufacturing industry sector, representing eight of the 13 largest employers in Murray County (Table 17). Education-Health employers are comprised of major medical providers in the region and the county school district. In addition, the Murray County government and retailer Food City employ 100 or more (Map 5).

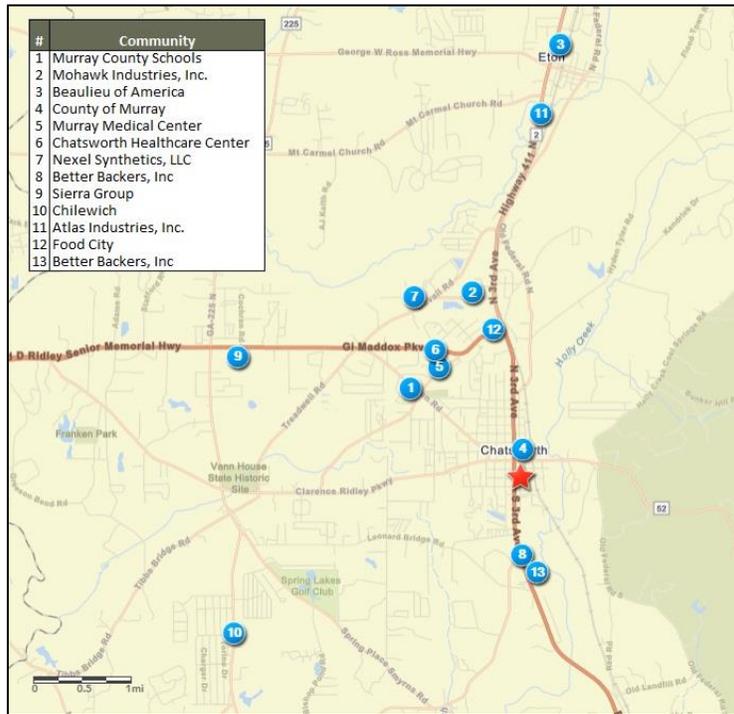
**Table 17 Major Employers, Murray County**

Rank	Name	Sector	Employment
1	Murray County Schools	Education	1,000
2	Mohawk Industries, Inc.	Manufacturing	500
3	Beaulieu of America	Manufacturing	500
4	County of Murray	Government	208
5	Murray Medical Center	Healthcare	200
6	Chatsworth Healthcare Center	Healthcare	200
7	Nexel Synthetics, LLC	Manufacturing	200
8	Better Backers, Inc	Manufacturing	160
9	Sierra Group	Manufacturing	160
10	Chilewich	Manufacturing	100
11	Atlas Industries, Inc.	Manufacturing	100
12	Food City	Retail	100
13	Better Backers, Inc	Manufacturing	100

Source: SEIDA



**Map 5 Major Employers, Atlanta Metro Area**



**4. Recent Economic Expansions and Contractions**

Murray County reported 150 new jobs created in 2018 with related capital investment of \$26 million (Table 18). New jobs created in 2018 were entirely offset by job losses in 2019. Effective January 2019, 140 jobs at Mattex USA Manufacturing in Chatsworth were eliminated and Shaw Industries is eliminating 260 jobs in Chatsworth effective mid-May 2019.

**Table 18 Economic Expansions and Contractions, Murray County**

Company	Type	Investment	Job Gain/Loss	Year	County
Advanced Machine Tech	New	\$3,000,000	20	2018	Murray
Appalachian Port Services	New	\$5,000,000	20	2018	Murray
Polytech Fibers	Expansion	\$18,000,000	110	2018	Murray
Shaw Industries	Layoff	-	-260	2019	Murray
Mattex USA Manufacturing LLC	Layoff	-	-140	2019	Murray

Source: Murray County Industrial Development Authority, Georgia 2018, 2019 WARN Lists

**E. Conclusions on Local Economics**

Murray County’s economy is stable limited job growth over the past eight years, reaching an all-time low At-Place-Employment in 2013. The economy has been stable over past 4 years with alternating years of gain and loss. The unemployment rate in the county has decreased significantly over the past seven years to 5.2 percent in 2018, which remains above the state and national rate of 3.9 percent. The recent announced job losses in Chatsworth suggests that the subject’s immediate area may see slow job growth in the near term, but the county will continue adding jobs over the next several years, further strengthening the economy and housing demand.

## 8. PROJECT-SPECIFIC AFFORDABILITY & DEMAND ANALYSIS

### A. Affordability Analysis

#### 1. Methodology

The Affordability Analysis tests the percentage of income-qualified households in the market area that the subject community must capture to achieve full occupancy.

The first component of the Affordability Analysis involves looking at the total household income distribution and renter household income distribution among Wisteria of Chatsworth Market Area households for the target year of 2021. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2012-2016 American Community Survey along with estimates and projected income growth by Esri (Table 19).

A housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For the Affordability Analysis, RPRG employs a 35 percent gross rent burden.

HUD has computed a 2018 median household income of \$48,900 for the Murray County, GA HUD Metro FMR Area. Based on that median income, adjusted for household size, the maximum income limit and minimum income requirements are computed for each floor plan (Table 20). Sixty-eight proposed units at Wisteria of Chatsworth Apartments will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI) adjusted for household size, and 14 will be market rate units. The minimum income limits are calculated assuming up to 35 percent of income is spent on total housing cost (rent plus utilities). The maximum allowable incomes are based on an average household size of 1.5 persons per bedroom rounded up to the nearest whole number per DCA requirements. Maximum gross rents, however, are based on the federal regulation of 1.5 persons per bedroom.

**Table 19 Total and Renter Income Distribution**

Chatsworth Market Area		2021 Total Households		2021 Renter Households	
2021 Income		#	%	#	%
less than	\$15,000	1,783	11.1%	806	14.4%
	\$15,000 - \$24,999	1,999	12.5%	903	16.1%
	\$25,000 - \$34,999	2,185	13.6%	1,086	19.4%
	\$35,000 - \$49,999	2,709	16.9%	1,101	19.6%
	\$50,000 - \$74,999	3,280	20.4%	997	17.8%
	\$75,000 - \$99,999	1,902	11.8%	326	5.8%
	\$100,000 - \$149,999	1,527	9.5%	313	5.6%
	\$150,000 - Over	668	4.2%	72	1.3%
<b>Total</b>		<b>16,054</b>	<b>100%</b>	<b>5,604</b>	<b>100%</b>
<b>Median Income</b>		<b>\$46,400</b>		<b>\$35,100</b>	

Source: American Community Survey 2013-2017 Projections, RPRG, Inc.



**Table 20 LIHTC Income and Rent Limits, Murray County, GA HUD Metro FMR Area**

HUD 2018 Median Household Income											
Murray County, GA HUD Metro FMR Area										\$48,100	
Very Low Income for 4 Person Household										\$24,450	
2018 Computed Area Median Gross Income										<b>\$48,900</b>	
Utility Allowance:											
										1 Bedroom	\$92
										2 Bedroom	\$115
										3 Bedroom	\$144
Household Income Limits by Household Size:											
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%		
1 Person	\$10,290	\$13,720	\$17,150	\$20,580	\$27,440	\$34,300	\$41,160	\$51,450	\$68,600		
2 Persons	\$11,760	\$15,680	\$19,600	\$23,520	\$31,360	\$39,200	\$47,040	\$58,800	\$78,400		
3 Persons	\$13,230	\$17,640	\$22,050	\$26,460	\$35,280	\$44,100	\$52,920	\$66,150	\$88,200		
4 Persons	\$14,670	\$19,560	\$24,450	\$29,340	\$39,120	\$48,900	\$58,680	\$73,350	\$97,800		
5 Persons	\$15,870	\$21,160	\$26,450	\$31,740	\$42,320	\$52,900	\$63,480	\$79,350	\$105,800		
6 Persons	\$17,040	\$22,720	\$28,400	\$34,080	\$45,440	\$56,800	\$68,160	\$85,200	\$113,600		
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):											
Persons	# Bed-rooms	30%	40%	50%	60%	80%	100%	120%	150%	200%	
1	0	\$10,290	\$13,720	\$17,150	\$20,580	\$27,440	\$34,300	\$41,160	\$51,450	\$68,600	
2	1	\$11,760	\$15,680	\$19,600	\$23,520	\$31,360	\$39,200	\$47,040	\$58,800	\$78,400	
3	2	\$13,230	\$17,640	\$22,050	\$26,460	\$35,280	\$44,100	\$52,920	\$66,150	\$88,200	
5	3	\$15,870	\$21,160	\$26,450	\$31,740	\$42,320	\$52,900	\$63,480	\$79,350	\$105,800	
6	4	\$17,040	\$22,720	\$28,400	\$34,080	\$45,440	\$56,800	\$68,160	\$85,200	\$113,600	
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):											
# Persons	30%		40%		50%		60%		80%		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Efficiency	\$257		\$343		\$428		\$514		\$686		
1 Bedroom	\$275	\$183	\$367	\$275	\$459	\$367	\$551	\$459	\$735	\$643	
2 Bedroom	\$330	\$215	\$441	\$326	\$551	\$436	\$661	\$546	\$882	\$767	
3 Bedroom	\$381	\$237	\$509	\$365	\$636	\$492	\$763	\$619	\$1,018	\$874	
4 Bedroom	\$426		\$568		\$710		\$852		\$1,136		

Source: U.S. Department of Housing and Urban Development

## 2. Affordability Analysis

The steps below look at the affordability of the proposed units at the subject property (Table 21):

- Looking at the one-bedroom units at 50 percent AMI (upper left panel), the overall shelter cost at the proposed rent would be \$447 (\$355 net rent plus a \$92 allowance to cover all utilities except trash removal).
- We determined that a 50 percent AMI one-bedroom unit would be affordable to households earning at least \$15,326 per year by applying a 35 percent rent burden to this gross rent. A projected 4,838 renter households in the market area will earn at least this amount in 2021.
- The maximum income limit for a one-bedroom unit at 50 percent AMI is \$19,600 based on a household size of two people. According to the interpolated income distribution for 2021, 4,446 renter households in the Wisteria of Chatsworth Market Area will have incomes exceeding this 50 percent AMI income limit.
- Subtracting the 4,446 renter households with incomes above the maximum income limit from the 4,838 renter households that could afford to rent this unit, RPRG computes that an estimated 392 renter households in the Wisteria of Chatsworth Market Area fall within the band of affordability for the subject's one-bedroom units at 50 percent AMI. The subject



- property would need to capture 1.8 percent of these income-qualified households to absorb the six proposed one-bedroom units at 50 percent AMI.
- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and income levels offered at the community. We also computed the capture rates for all units. The remaining renter capture rates by floor plan range from 0.2 percent to 6.9 percent.
  - By income level, renter capture rates are 2.0 percent for the 50 percent AMI units, 4.0 percent for the 60 percent AMI units, and 0.5 percent for the market rate units; the project's overall renter capture rate is 4.4 percent on LIHTC units and 2.5 percent for all units including market rate.



**Table 21 Affordability Analysis, Wisteria of Chatsworth Apartments**

50% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		7		10		4	
Net Rent		\$355		\$418		\$461	
Gross Rent		\$447		\$533		\$605	
Income Range (Min, Max)		\$15,326	\$19,600	\$18,274	\$22,050	\$20,743	\$26,450
<b>Renter Households</b>							
Range of Qualified Hhlds		4,838	4,446	4,567	4,221	4,341	3,791
# Qualified Hhlds		392		346		550	
<b>Renter HH Capture Rate</b>		<b>1.8%</b>		<b>2.9%</b>		<b>0.7%</b>	

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		20		25		6	
Net Rent		\$465		\$550		\$613	
Gross Rent		\$557		\$665		\$757	
Income Range (Min, Max)		\$19,097	\$23,520	\$22,800	\$26,460	\$25,954	\$31,740
<b>Total Households</b>							
Range of Qualified Hhlds		13,452	12,568	12,712	11,953	12,063	10,799
# Qualified Households		884		759		1,264	
<b>Unit Total HH Capture Rate</b>		<b>2.3%</b>		<b>3.3%</b>		<b>0.5%</b>	

<b>Renter Households</b>							
Range of Qualified Hhlds		4,492	4,087	4,153	3,790	3,846	3,209
# Qualified Hhlds		405		362		637	
<b>Renter HH Capture Rate</b>		<b>4.9%</b>		<b>6.9%</b>		<b>0.9%</b>	

100% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		3		5		2	
Net Rent		\$668		\$798		\$908	
Gross Rent		\$760		\$913		\$1,052	
Income Range (Min, Max)		\$26,057	\$39,200	\$31,303	\$44,100	\$36,069	\$52,900
<b>Total Households</b>							
Range of Qualified Hhlds		12,041	9,328	10,894	8,443	9,893	6,997
# Qualified Households		2,713		2,452		2,897	
<b>Total HH Capture Rate</b>		<b>0.1%</b>		<b>0.2%</b>		<b>0.1%</b>	

<b>Renter Households</b>							
Range of Qualified Hhlds		3,835	2,537	3,257	2,172	2,770	1,615
# Qualified Households		1,298		1,085		1,155	
<b>Renter HH Capture Rate</b>		<b>0.2%</b>		<b>0.5%</b>		<b>0.2%</b>	

Income Target	# Units	Renter Households = 5,685				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
50% AMI	21	Income Households	\$15,326 4,838	\$26,450 3,791	1,046	2.0%
60% AMI	51	Income Households	\$19,097 4,492	\$31,740 3,209	1,283	4.0%
LIHTC Units	72	Income Households	\$15,326 4,838	\$31,740 3,209	1,629	4.4%
100% AMI	10	Income Households	\$26,057 3,835	\$52,900 1,615	2,219	0.5%
Total Units	82	Income Households	\$15,326 4,838	\$52,900 1,615	3,222	2.5%

Source: Income Projections, RPRG, Inc.



### 3. Conclusions of Affordability

All affordability capture rates are low based on a significant number of income-qualified renter households. These capture rates indicate sufficient income-qualified households will exist in the market area to support the proposed units.

## B. Demand Estimates and Capture Rates

### 1. Methodology

DCA's demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of income-qualified renter households projected to move into the Wisteria of Chatsworth Market Area between the base year (2019) and the placed-in-service year of 2021, per Georgia DCA market study guidelines.
- The next component of demand is income-qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to ACS data, the percentage of renter households in the primary market area that are "substandard" is 9.2 percent (see Table 14 on page 32). This substandard percentage is applied to current household numbers.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 33 percent of Wisteria of Chatsworth Market Area renter households are categorized as cost burdened (see Table 14 on page 32).

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 22. Income qualification percentages for demand estimates are derived by using the Affordability Analysis detailed in Table 21.

### 2. Demand Analysis

According to DCA's demand methodology, all comparable units built or approved since 2017 are to be subtracted from the demand estimates to arrive at net demand. No such units exist in the market area.

Capture rates for the subject property are 4.7 percent for the 50 percent AMI units, 9.4 percent for the 60 percent AMI units, 1.1 percent for the market rate (100 percent AMI) units, and the project's overall capture rate is 6.0 percent (Table 22). Wisteria of Chatsworth Apartments' capture rates by floor plan within each income target range from 0.5 percent to 16.3 percent and the capture rates by floor plan are 3.4 percent for all one-bedroom units, 5.3 percent for all two-bedroom units, and 1.2 percent for all three-bedroom units (Table 23).



**Table 22 Overall Demand Estimates, Wisteria of Chatsworth Apartments**

	Income Target	50% AMI	60% AMI	LIHTC Units	Market	Total Units
	Minimum Income Limit	\$15,326	\$19,097	\$15,326	\$26,057	\$15,326
	Maximum Income Limit	\$26,450	\$31,740	\$31,740	\$52,900	\$52,900
<b>(A) Renter Income Qualification Percentage</b>		<b>18.4%</b>	<b>22.6%</b>	<b>28.7%</b>	<b>39.0%</b>	<b>56.7%</b>
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		5	6	8	11	15
<b>PLUS</b>						
Demand from Existing Renter HHS (Substandard) <i>Calculation B*D*F*A</i>		95	117	148	202	293
<b>PLUS</b>						
Demand from Existing Renter HHS (Overburdened) - <i>Calculation B*E*F*A</i>		343	420	534	727	1,055
<b>Total Demand</b>		<b>443</b>	<b>543</b>	<b>690</b>	<b>940</b>	<b>1,364</b>
<b>LESS</b>						
Comparable Units Built or Planned Since 2010		0	0	0	0	0
<b>Net Demand</b>		<b>443</b>	<b>543</b>	<b>690</b>	<b>940</b>	<b>1,364</b>
Proposed Units		21	51	72	10	82
<b>Capture Rate</b>		<b>4.7%</b>	<b>9.4%</b>	<b>10.4%</b>	<b>1.1%</b>	<b>6.0%</b>

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2019 Householders	16,003
C). 2022 Householders	16,080
D). Substandard Housing (% of Rental Stock)	9.2%
E). Rent Overburdened (% of Renter HHS at >35%)	33.0%
F). Renter Percentage (% of all 2019 HHS)	35.3%

**Table 23 Demand Estimates by Floor Plan, Wisteria of Chatsworth Apartments**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Large HH Size	Large HH Demand	Capture Rate
<b>50% AMI</b>	<b>\$15,326 - \$26,450</b>								
One Bedroom Units	\$16,697-\$19,600	7	6.9%	166	0	166			4.2%
Two Bedroom Units	\$20,091-\$22,050	10	6.1%	146	0	146			6.8%
Three Bedroom Units	\$23,040-\$26,450	4	9.7%	233	0	233	50.8%	118	3.4%
<b>60% AMI</b>	<b>\$19,097 - \$31,740</b>								
One Bedroom Units	\$18,549-\$23,520	20	7.1%	172	0	172			11.7%
Two Bedroom Units	\$23,794-\$26,460	25	6.4%	153	0	153			16.3%
Three Bedroom Units	\$27,394-\$31,470	6	11.2%	270	0	270	50.8%	137	4.4%
<b>Market</b>	<b>\$26,057 - \$52,900</b>								
One Bedroom Units	\$18,549-\$39,200	3	22.8%	549	0	549			0.5%
Two Bedroom Units	\$23,794-\$44,100	5	19.1%	459	0	459			1.1%
Three Bedroom Units	\$27,394-\$52,900	2	20.3%	489	0	489	50.8%	248	0.8%
<b>All Bedrooms</b>									
One Bedroom Units	\$16,697-\$39,200	30	36.8%	887	0	887			3.4%
Two Bedroom Units	\$20,091 - \$44,100	40	31.5%	759	0	759			5.3%
Three Bedroom Units	\$23,040 - \$52,900	12	41.2%	991	0	991			1.2%
<b>Project Total</b>	<b>\$15,326 - \$52,900</b>				<b>0</b>				
50% AMI	\$15,326 - \$26,450	21	18.4%	443	0	443			4.7%
60% AMI	\$19,097 - \$31,740	51	22.6%	543	0	543			9.4%
LIHTC Units	\$15,326 - \$31,740	72	28.7%	690	0	690			10.4%
Market	\$26,057 - \$52,900	10	39.0%	940	0	940			1.1%
<b>Total Units</b>	<b>\$15,326 - \$52,900</b>	<b>82</b>	<b>56.7%</b>	<b>1,364</b>	<b>0</b>	<b>1,364</b>			<b>6.0%</b>

**3. DCA Demand Conclusions**

All capture rates are very low and indicate more than enough demand in the market area to support the proposed Wisteria of Chatsworth Apartments.



## 9. COMPETITIVE RENTAL ANALYSIS

### A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Wisteria of Chatsworth Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the Wisteria of Chatsworth Market Area. We spoke with building and planning officials with Murray County and Whitfield County and reviewed the list of recent LIHTC awards from DCA. The rental survey was conducted in April 2019.

### B. Overview of Market Area Housing Stock

The renter-occupied housing stock in the Wisteria of Chatsworth Market Area is primarily contained in mobile homes, accounting for 40.7 percent of the rental housing stock, and single-family detached homes, accounting for 39 percent. Multi-family structures with five or more units account for only 7.5 percent of the rental housing stock in the Wisteria of Chatsworth Market Area and two to four unit structures account for 11.8 percent (Table 24). The Bi-County Market Area has a significantly larger proportion of renter-occupied units in multi-family structures with two or more units compared to the Wisteria of Chatsworth Market Area, and a significantly lower proportion of mobile homes.

Renter-occupied units in the Wisteria of Chatsworth Market Area are newer than in the Bi-County Market Area with a median year built of 1987 in the Wisteria of Chatsworth Market Area compared to 1985 in the Bi-County Market Area. The Wisteria of Chatsworth Market Area has a significantly larger proportion of renter-occupied units built since 1990 when compared to the Bi-County Market Area (46.5 percent versus 40 percent). In contrast, over 34 percent of Wisteria of Chatsworth Market Area renter-occupied units were built from 1970 to 1989 compared to 39 percent in the Bi-County Market Area. Approximately 19 percent of Wisteria of Chatsworth Market Area renter-occupied units were built prior to 1970, slightly less than the 21 percent seen in the Bi-County Market Area. Owner-occupied units in the Wisteria of Chatsworth Market Area are roughly the same age as owner-occupied units in the Bi-County Market Area, with a median year built of 1986 and 1985, respectively. Roughly 62 percent of owner-occupied units in the Wisteria of Chatsworth Market Area were built from 1980 to 2009 and 18.7 percent were built in the 2000's (Table 25).

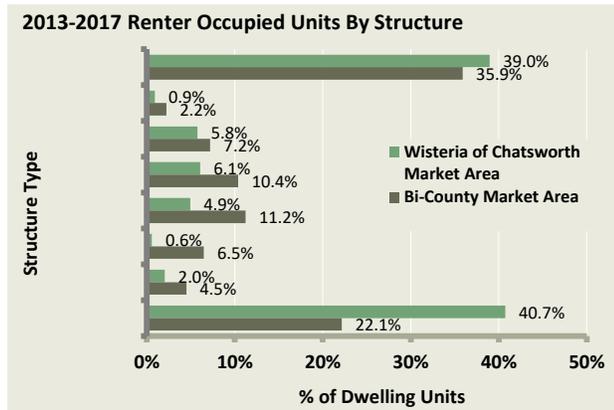
According to 2013-2017 ACS data, the median value among owner-occupied housing units in the Wisteria of Chatsworth Market Area was \$96,712, which is 16.8 percent or \$19,569 less than the \$116,280 median in the Bi-County Market Area (Table 26). ACS estimates home values based upon values from homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight of relative housing values among two or more areas.



**Table 24 Renter Occupied Units by Structure Type**

Structure Type	Renter Occupied			
	Bi-County Market Area		Wisteria of Chatsworth Market Area	
	#	%	#	%
1, detached	6,498	35.9%	2,080	39.0%
1, attached	401	2.2%	49	0.9%
2	1,304	7.2%	307	5.8%
3-4	1,880	10.4%	324	6.1%
5-9	2,030	11.2%	263	4.9%
10-19	1,170	6.5%	31	0.6%
20+ units	813	4.5%	109	2.0%
Mobile home	4,009	22.1%	2,175	40.7%
<b>TOTAL</b>	<b>18,105</b>	<b>100%</b>	<b>5,338</b>	<b>100%</b>

Source: American Community Survey 2013-2017



**Table 25 Dwelling Units by Year Built and Tenure**

Year Built	Owner Occupied				Renter Occupied			
	Bi-County Market Area		Wisteria of Chatsworth Market Area		Bi-County Market Area		Wisteria of Chatsworth Market Area	
	#	%	#	%	#	%	#	%
2014 or later	178	0.6%	58	0.5%	0	0.0%	0	0.0%
2010 to 2013	387	1.2%	176	1.6%	80	0.4%	21	0.4%
2000 to 2009	5,368	17.1%	1,804	16.6%	2,573	14.2%	779	14.6%
1990 to 1999	7,002	22.3%	2,615	24.0%	4,593	25.4%	1,684	31.5%
1980 to 1989	5,932	18.9%	2,311	21.2%	3,719	20.5%	1,044	19.6%
1970 to 1979	5,177	16.5%	1,625	14.9%	3,333	18.4%	792	14.8%
1960 to 1969	3,394	10.8%	1,092	10.0%	1,806	10.0%	461	8.6%
1950 to 1959	2,416	7.7%	654	6.0%	863	4.8%	161	3.0%
1940 to 1949	811	2.6%	299	2.7%	532	2.9%	155	2.9%
1939 or earlier	790	2.5%	252	2.3%	606	3.3%	241	4.5%
<b>TOTAL</b>	<b>31,455</b>	<b>100%</b>	<b>10,886</b>	<b>100%</b>	<b>18,105</b>	<b>100%</b>	<b>5,338</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1985</b>		<b>1986</b>		<b>1985</b>		<b>1987</b>	

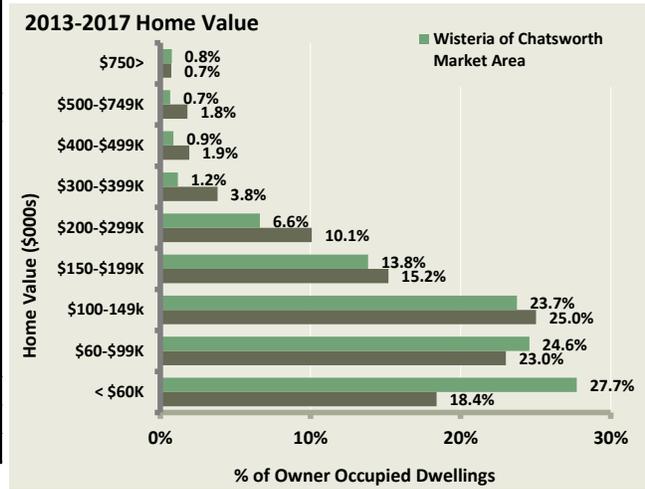
Source: American Community Survey 2013-2017



**Table 26 Value of Owner Occupied Housing Stock**

2013-2017 Home Value		Bi-County Market Area		Wisteria of Chatsworth Market Area	
		#	%	#	%
less than \$60,000	\$60,000	5,790	18.4%	3,019	27.7%
\$60,000	\$99,999	7,240	23.0%	2,675	24.6%
\$100,000	\$149,999	7,869	25.0%	2,585	23.7%
\$150,000	\$199,999	4,777	15.2%	1,507	13.8%
\$200,000	\$299,999	3,174	10.1%	722	6.6%
\$300,000	\$399,999	1,199	3.8%	127	1.2%
\$400,000	\$499,999	606	1.9%	96	0.9%
\$500,000	\$749,999	569	1.8%	72	0.7%
\$750,000	over	231	0.7%	83	0.8%
<b>Total</b>		<b>31,455</b>	<b>100%</b>	<b>10,886</b>	<b>100%</b>
<b>Median Value</b>		<b>\$116,280</b>		<b>\$96,712</b>	

Source: American Community Survey 2013-2017



## C. Survey of General Occupancy Rental Communities

### 1. Introduction to the Rental Housing Survey

The Wisteria of Chatsworth Market Area’s multi-family rental stock is fairly limited, as illustrated by the large percentage of scattered site rentals. RRRG surveyed four multi-family rental communities as part of this analysis, including two market rate, one tax credit, and one deeply subsidized community. The market rate and LIHTC communities are the most compare rental communities in the region. Profile sheets with detailed information on each surveyed community are attached as Appendix 6.

### 2. Location

Three surveyed non-PBRA communities surround the site, with two communities directly south of the subject site on the same street. A market rate property is within one mile of the site and the deeply subsidized USDA community is in the northeast area of Chatsworth approximately three miles from the subject site. (Map 6).

**Map 6 Surveyed Rental Communities**



### 3. Size of Communities

The surveyed non-PBRA communities range from 24 to 56 units and average 39 units (Table 27). The LIHTC community has 56 units and the market rate communities range from 24 to 36 units. The deeply subsidized USDA community (Cohutta View) has 52 units.

### 4. Age of Communities

The market area’s multi-family rental stock has a wide age range, with an average year built of 1993 for non-PRBA units. Tara (market rate) added eight townhome units in 2002, representing the most recent delivery to the market. The 16 garden units at Tara are older but the construction date is unknown. Fieldstone, the LIHTC community, is also relatively new, placed in service in 2000 (Table 27). Older communities include market rate Cohutta Shadows, built in 1978, and deeply subsidized Cohutta View was built in 1982.



### 5. Structure Type

All surveyed communities offer garden style buildings and Tara also offers townhome style buildings.

### 6. Vacancy Rates

The overall stabilized market is performing well with five vacancies among 116 combined non-PBRA units for an aggregate stabilized vacancy rate of 4.3 percent (Table 27). Vacancy rates range from 1.8 percent at Fieldstone (LIHTC) to a high of 8.3 percent at Tara (market rate); the high vacancy rate at Tara is due to the small number of units as this community has only two vacancies among 24 units. The USDA community with PBRA (Cohutta View) is fully occupied with a waiting list. None of the surveyed communities reported more than two vacancies.

### 7. Rent Concessions

No surveyed communities are offering rental incentives.

**Table 27 Rental Summary, Surveyed Communities**

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	Subject Property - 50% AMI		Gar	21			\$355	\$418	None
	Subject Property - 60% AMI		Gar	51			\$465	\$550	None
	Subject Property - Market		Gar	10			\$668	\$798	None
				82					
1	Cohutta Shadows	1978	Gar	36	2	5.6%		\$650	None
2	Tara	-	Gar/TH	24	2	8.3%	\$375	\$575	None
3	Fieldstone*	2000	Gar	56	1	1.8%	\$362	\$402	None
	<b>Total Average</b>	<b>1989</b>		<b>116</b>	<b>5</b>	<b>4.3%</b>	<b>\$369</b>	<b>\$542</b>	

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

Source: Phone Survey, RPRG, Inc. April 2019

(\*) Tax Credit Community

Map #	Community	Subsidy	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
4	Cohutta View	USDA	1982	Gar	52	0	0.0%	\$462	\$502	None

Source: Phone Survey, RPRG, Inc. April 2019

(\*) Deeply Subsidized Community

### 8. Absorption History

No surveyed community has experienced lease-up recently or is undergoing initial lease-up. Fieldstone is the newest LIHTC community in the market area and was built in 2000; absorption information for this 56-unit complex was not available.

## D. Analysis of Product Offerings

### 1. Payment of Utility Costs

Surveyed communities without PBRA all include trash in the rent; Tara (market rate) also includes water (Table 28). Wisteria of Chatsworth Apartments will include the cost of trash removal in the rent.



## 2. Unit Features

For communities without PBRA, only LIHTC community Fieldstone offers a dishwasher in each unit; the two market rate communities either do not offer a dishwasher or only offer them in select (Table 28). No surveyed community offers a microwave and all communities offer washer and dryer connections in at least some units.

Wisteria of Chatsworth Apartments will offer dishwasher, range/oven, refrigerator, garbage disposal, microwave, and washer and dryer connections; these features are superior to the surveyed LIHTC community as well as the market rate communities.

**Table 28 Utility Arrangement and Unit Features**

Community	Heat Type							Dish-washer	Micro-wave	Parking	In-Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
<b>Subject Property</b>	<b>Gas</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>STD</b>	<b>STD</b>	<b>Surface</b>	<b>In Unit W/D</b>				
Cohutta Shadows	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups				
Tara	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Select		Surface	Select Units
Fieldstone	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups				

Source: Phone Survey, RPRG, Inc. April 2019

## 3. Community Amenities

Among communities without PBRA, amenities are generally sparse in the Wisteria at Chatsworth Market Area. Of the two surveyed market rate communities, Tara offers no community amenities and Cohutta Shadows offers a central laundry facility. More extensive amenities are seen at LIHTC community Fieldstone, which offers a clubhouse/community room, central laundry, and playground.

Wisteria of Chatsworth Apartments will offer a computer/business room and playground. These amenities will be superior to surveyed market rate communities and comparable to the existing LIHTC community.

**Table 29 Community Amenities**

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Playground	Tennis Court	Business Center	Gated Entry
<b>Subject Property</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cohutta Shadows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fieldstone	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, RPRG, Inc. April 2019

## 4. Unit Distribution

One and two-bedroom units are the most common floor plans in the market area with two-bedroom units offered at all three surveyed communities; one-bedroom units offered at two communities; and



three-bedroom units offered at one. The majority (55.2 percent) of units have two bedrooms, 27.6 percent are one-bedroom units, and three-bedroom floorplans comprise 17.2 percent of units (Table 30).

### 5. Effective Rents

Unit rents presented in Table 30 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where rents include the cost of trash removal.

Among all surveyed rental communities without PBRA, net rents, unit sizes, and rents per square foot are as follows:

- **One-bedroom** effective rents average \$376 per month. The average one-bedroom unit size is 766 square feet resulting in a net rent per square foot of \$0.49.
- **Two-bedroom** effective rents average \$556 per month. The average two-bedroom unit size is 996 square feet resulting in a net rent per square foot of \$0.56.
- **Three-bedroom** effective rents average \$457 per month. The average three-bedroom unit size is 1,111 square feet resulting in a net rent per square foot of \$0.41. Average three-bedroom rents are lower than average two-bedroom rents due to only one LIHTC community offering a three-bedroom option.

The surveyed LIHTC community reported one-bedroom rents on par with market rate communities and two-bedroom rents lower than market rate communities. This LIHTC community is the only property in the survey that offers a three-bedroom floorplan.

**Table 30 Unit Distribution, Size, and Pricing**

Community	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Property - 50% AMI	21	7	\$355	700	\$0.51	10	\$418	1,005	\$0.42	4	\$461	1,175	\$0.39
Subject Property - 60% AMI	51	20	\$465	700	\$0.66	25	\$550	1,005	\$0.55	6	\$613	1,175	\$0.52
Subject Property - Market	10	3	\$668	700	\$0.95	5	\$798	1,005	\$0.79	2	\$908	1,175	\$0.77
Scattered Site Rentals													
Cohutta Shadows	36					36	\$670	900	\$0.74				
Tara	24	16	\$375	800	\$0.47	8	\$575	1,200	\$0.48				
Fieldstone 60% AMI**	56	16	\$382	749	\$0.51	20	\$422	889	\$0.47	20	\$457	1,111	\$0.41
Fieldstone 50% AMI*	-	-	\$372	749	\$0.50								
<b>Total/Average Unit Distribution</b>	<b>116</b>	<b>32</b>	<b>\$376</b>	<b>766</b>	<b>\$0.49</b>	<b>64</b>	<b>\$556</b>	<b>996</b>	<b>\$0.56</b>	<b>20</b>	<b>\$457</b>	<b>1,111</b>	<b>\$0.41</b>
<b>% of Total</b>	<b>100.0%</b>	<b>27.6%</b>				<b>55.2%</b>				<b>17.2%</b>			

(1) Rent is adjusted to include only trash and incentives

Source: Phone Survey, RPRG, Inc. April 2019

(\*\*) Tax Credit Community, 50/60% AMI have the same rents for 2/3BR

### 6. Scattered Site Rentals

The proposed unit mix of primarily one and two-bedroom units significantly reduces potential competition from low-density for-sale or scattered site rentals. Our search for scattered site rentals yielded four results in the vicinity of the subject, all single-family detached homes. We did not include mobile homes in our search (Table 31). Average rents for scattered site rentals include \$550 for one-bedroom units; \$663 for two-bedroom units; and \$750 for three-bedroom units.

Foreclosure activity in the local area has been limited with a 0.5 percent foreclosure rate in March 2019 for Zip Code 31525 which is below city, state, and national rates (see Table 37 and Table 38), limiting the shadow rental market.

**Table 31 Scattered Site Rentals**

Scattered Site Rentals				
#	Address	Rent	SF	Rent/SF
1	Sitton Road North	\$550	600	\$0.92
	<b>One Bedroom Average</b>	<b>\$550</b>	<b>600</b>	<b>\$0.92</b>
2	55 Magnolia Lane	\$725	1,100	\$0.66
3	1546 Eagle Rd	\$600	840	\$0.71
	<b>Two Bedroom Average</b>	<b>\$663</b>	<b>970</b>	<b>\$0.69</b>
4	1546 Eagle Rd	\$875	-	-
5	Bracket Ridge Road	\$625	-	-
	<b>Three Bedroom Average</b>	<b>\$750</b>	-	-

Source: zillow.com, rent.com, apartments.com

## 7. Dalton Area Rents

Given the limited number of market rate communities in the Wisteria of Chatsworth Market Area and the older age of those identified, RPRG researched current market rents in Dalton (Table 32). Dalton is a larger city of almost 34,000 residents approximately 15 miles west of Chatsworth. As a larger city with a more robust rental market, market rate rents achievable in Dalton would be a benchmark for market rate rents in Chatsworth for new construction units.

The subject's proposed market rate units are priced above scattered site rentals inside the Wisteria of Chatsworth Market Area but below market rents achievable in the Dalton area (Table 33). This data suggests for the subject's proposed market rents are appropriate, as new construction units would price above older scattered site stock but likely below rents achievable in a larger city with greater rental options.

**Table 32 Dalton, GA Area Rents**

Dalton Rentals			
Community	Rent	SF	Rent/SF
Legacy of Dalton	\$800	800	\$1.00
Crown Mill Village Lofts	\$780	900	\$0.87
Arbordale	\$745	780	\$0.96
Park Canyon	\$723	609	\$1.19
Mountain Woods	\$679	780	\$0.87
Dalton Village	\$623	800	\$0.78
<b>One Bedroom Average</b>	<b>\$725</b>	<b>778</b>	<b>\$0.94</b>
Crown Mill Village Lofts	\$1,065	1,200	\$0.89
Legacy of Dalton	\$965	1,100	\$0.88
Dalton Beach Club	\$895	1,150	\$0.78
Park Canyon	\$872	1,012	\$0.86
Arbordale	\$865	930	\$0.93
Mountain Woods	\$734	1,000	\$0.73
Dalton Village	\$718	1,200	\$0.60
<b>Two Bedroom Average</b>	<b>\$873</b>	<b>1,085</b>	<b>\$0.81</b>
Legacy of Dalton	\$1,100	1,300	\$0.85
Arbordale	\$975	1,080	\$0.90
Mountain Woods	\$818	1,215	\$0.67
Dalton Village	\$814	1,470	\$0.55
<b>Three Bedroom Average</b>	<b>\$927</b>	<b>1,266</b>	<b>\$0.74</b>

Source: apartments.com



**Table 33 Market Rent Comparison**

	One Bedroom			Two Bedroom			Three Bedroom		
	Rent	SF	Rent/SF	Rent	SF	Rent/SF	Rent	SF	Rent/SF
Dalton Area Rents	\$725	778	\$0.93	\$873	1,085	\$0.80	\$927	1,266	\$0.73
<b>Subject Proposed</b>	<b>\$668</b>	<b>700</b>	<b>\$0.95</b>	<b>\$798</b>	<b>1,005</b>	<b>\$0.79</b>	<b>\$908</b>	<b>1,175</b>	<b>\$0.77</b>
Scattered Site Rentals	\$550	600	\$0.92	\$663	970	\$0.68	\$750	-	-

Source: RPRG, Inc.

**8. DCA Average Market Rent**

To determine average “market rents” as outlined in DCA’s 2019 Market Study Manual, all market rate rents were averaged. It is important to note “average market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property and LIHTC units are not used in this calculation. Given the lack of market rate communities in the Wisteria of Chatsworth Market Area we also incorporated scattered site rentals to provide a benchmark for market rate rents.

The “average market rent” is \$463 for one-bedroom units, \$636 for two-bedroom units, and \$750 for three-bedroom units (Table 34). The subject property’s proposed 50 percent AMI LIHTC rents have market rent advantages of at least 30.3 percent. The proposed 60 percent rents result in market advantages of 15.6 percent for two bedroom units and 22.3 percent for three bedroom units. The only LIHTC rent without at least a 15.6 percent is the one bedroom rent at 60 percent AMI. The average market rent for one bedroom units is artificially low as only one of the market rate communities in the market area offers one bedroom units and this community is not representative of achievable rents for newly constructed communities. The overall weighted average market advantage for the proposed LIHTC units is 20.8 percent (Table 35).

Market rate rents are 17.4 percent to 30.8 percent above average market rents, reflecting the low number and lower quality of market rate units in the Wisteria of Chatsworth Market Area. As discussed above, the subject’s proposed market rate rents are priced above scattered site rentals in the Wisteria of Chatsworth Market Area and below market rents achievable in nearby Dalton. Even though higher than average market rents, the proposed market rate rents appear achievable and reasonable based on the product to be constructed; the market area has sufficient moderate income renter households to fill these units. The project’s overall market rent advantage is 15.5 percent including market rate units.

**Table 34 Average Market Rents**

Community	One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
	Rent(1)	SF	Rent/SF	Rent(1)	SF	Rent/SF	Rent(1)	SF	Rent/SF
<b>Subject Property - 50% AMI</b>	<b>\$355</b>	<b>700</b>	<b>\$0.51</b>	<b>\$418</b>	<b>1,005</b>	<b>\$0.42</b>	<b>\$461</b>	<b>1,175</b>	<b>\$0.39</b>
<b>Subject Property - 60% AMI</b>	<b>\$465</b>	<b>700</b>	<b>\$0.66</b>	<b>\$550</b>	<b>1,005</b>	<b>\$0.55</b>	<b>\$613</b>	<b>1,175</b>	<b>\$0.52</b>
<b>Subject Property - Market</b>	<b>\$668</b>	<b>700</b>	<b>\$0.95</b>	<b>\$798</b>	<b>1,005</b>	<b>\$0.79</b>	<b>\$908</b>	<b>1,175</b>	<b>\$0.77</b>
<b>Scattered Site Rentals</b>	<b>\$550</b>	<b>600</b>	<b>\$0.92</b>	<b>\$663</b>	<b>970</b>	<b>\$0.68</b>	<b>\$750</b>	<b>1,111</b>	<b>\$0.68</b>
Cohutta Shadows				\$670	900	\$0.74			
Tara	\$375	800	\$0.47	\$575	1,200	\$0.48			
<b>Total/Average</b>	<b>\$463</b>	<b>700</b>	<b>\$0.66</b>	<b>\$636</b>	<b>1,023</b>	<b>\$0.62</b>	<b>\$750</b>	<b>1,111</b>	<b>\$0.68</b>

(1) Rent is adjusted to include only trash and incentives

Source: Phone Survey, RPRG, Inc. April 2019

**Table 35 Average Market Rent and Rent Advantage Summary**

	1 BR	2 BR	3 BR	
<b>Average Market Rent</b>	<b>\$463</b>	<b>\$636</b>	<b>\$750</b>	
Proposed 50% AMI Rent	\$355	\$418	\$461	
Advantage (\$)	\$108	\$218	\$289	
Advantage (%)	30.3%	52.2%	62.7%	
Total Units	7	10	4	
Proposed 60% AMI Rent	\$465	\$550	\$613	
Advantage (\$)	-\$3	\$86	\$137	
Advantage (%)	-0.5%	15.6%	22.3%	
Total Units	20	25	6	
<b>Overall LIHTC Advantage</b>	<b>7.5%</b>	<b>26.1%</b>	<b>38.5%</b>	<b>20.8%</b> LIHTC
Proposed Market Rents	\$668	\$798	\$908	
Advantage (\$)	-\$206	-\$162	-\$158	
Advantage (%)	-30.8%	-20.3%	-17.4%	
Total Units	3	5	2	
<b>Market Advantage</b>	<b>-30.8%</b>	<b>-20.3%</b>	<b>-17.4%</b>	<b>15.5%</b> All

Source: Phone Survey, RPRG, Inc. April 2019

### E. Multi-Family Pipeline

Based on our research which included conversations with Murray County (Dick Barnes, Planning & Development) and Whitfield County (Greg Williams, Building Inspections) and DCA LIHTC allocations, no rental development activity was identified within the Wisteria of Chatsworth Market Area. Numerous attempts to reach officials with the city of Chatsworth were unsuccessful. No new LIHTC communities were allocated in the market area in the past three years and no existing deeply subsidized communities are undergoing rehabs following an allocation of Low Income Housing Tax Credits.

### F. Housing Authority Data

The Wisteria of Chatsworth Market Area is served by the City of Chatsworth Housing Authority. The city offers one public housing community with 68 units for families and senior/disabled individuals. The waiting list includes approximately 55 applicants and is closed from the 1<sup>st</sup> of the month through the 10<sup>th</sup> of the month. The City of Chatsworth Housing Authority does not participate in the Section 8 Housing Choice Voucher program.

### G. Existing Low Income Rental Housing

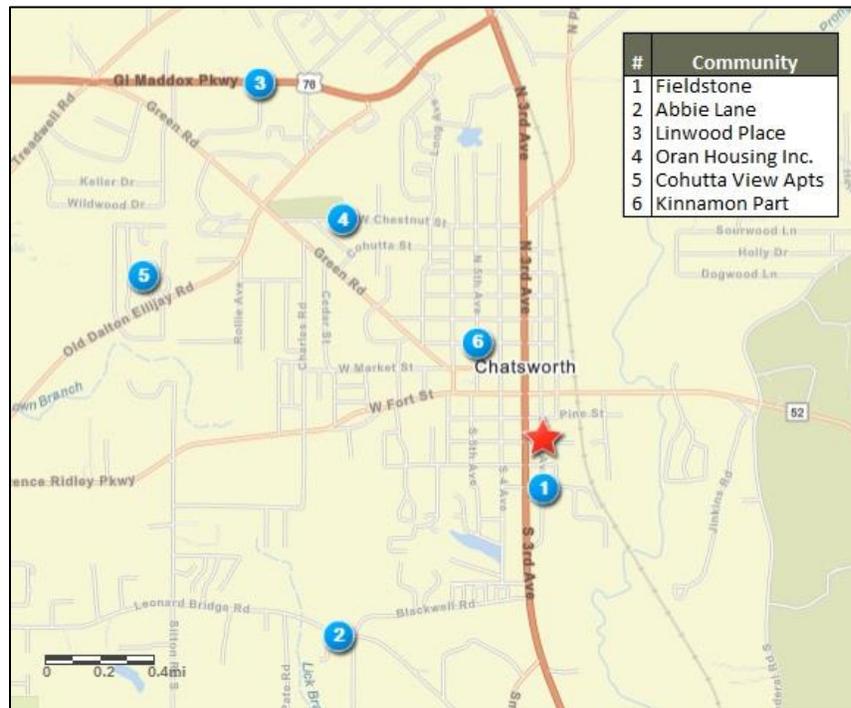
One family LIHTC community is in the market area; we included this community in our analysis given similar income and rent restrictions as those at the subject property (Table 36). Two age-restricted LIHTC communities in the market area were not included in our analysis given a difference in target market (general occupancy versus age-restricted). The remaining communities are deeply subsidized through the Section 8 or USDA program. The location of these communities relative to the subject site is shown in Map 7.



**Table 36 Subsidized Communities, Wisteria of Chatsworth Market Area**

Community	Subsidy	Type	Address	City	Distance
Fieldstone	LIHTC	Family	400 S 2nd Avenue	Chatsworth	0.1 mile
Abbie Lane	LIHTC	Senior	1060 Leonard Bridge Road	Chatsworth	1.4 miles
Linwood Place	LIHTC	Senior	300 Civic Drive	Chatsworth	2 miles
Oran Housing Inc.	Sec. 8	Disabled	735 W Chestnut Street	Chatsworth	1.5 miles
Cohutta View Apts	USDA	Family	1337 Old Dalton-Ellijay Road	Chatsworth	2.2 miles
Kinnamon Part	USDA	Family	300 N. 5th Avenue	Chatsworth	0.6 mile

**Map 7 Subsidized Rental Communities**



**H. Impact of Abandoned, Vacant, or Foreclosed Homes**

Based on field observations, limited abandoned / vacant single and multi-family homes exist in the Wisteria of Chatsworth Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 31525 in which the subject property will be located and the broader areas of Chatsworth, Murray County, Georgia, and the United States for comparison purposes.

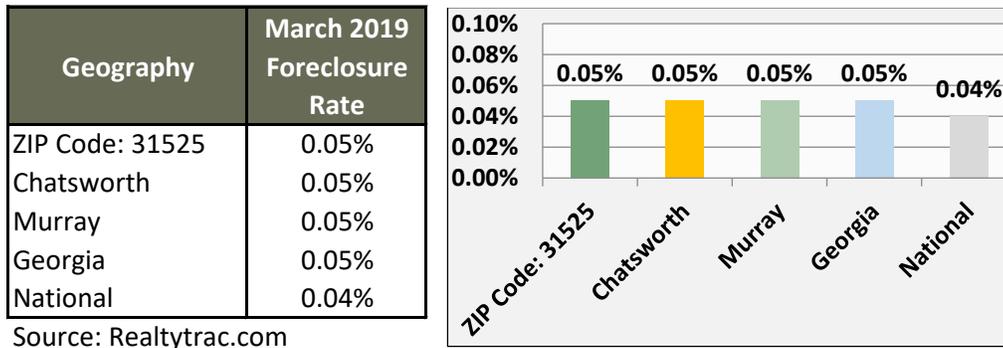
Our RealtyTrac search revealed March 2019 foreclosure rates of 0.05 percent in the subject property’s ZIP Code (31525), 0.05 percent in Chatsworth, Murray County, and Georgia, and 0.04 percent in the



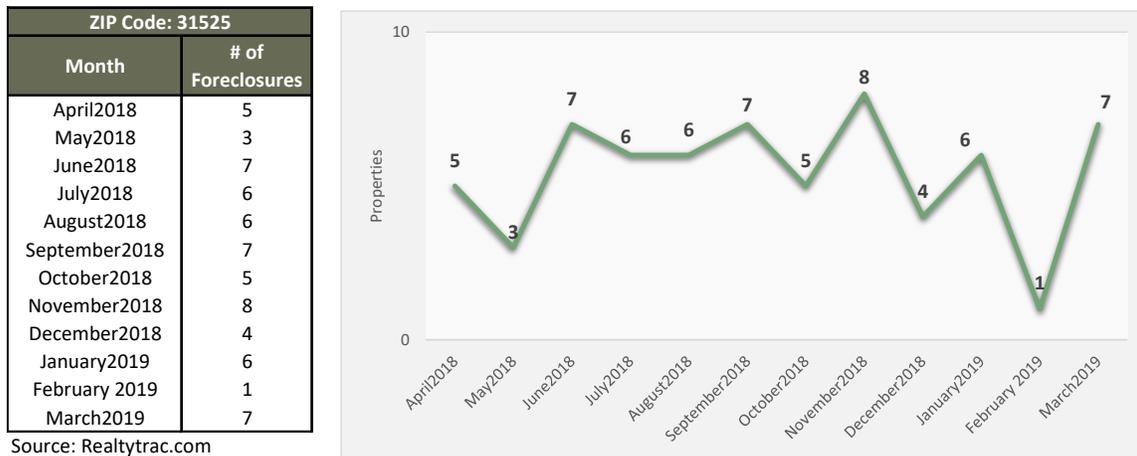
nation (Table 37). The monthly number of foreclosures in the subject site’s ZIP Code ranged from one to eight units over the past year.

While the conversion of foreclosure properties can affect the demand for new multi-family rental housing in some markets, the impact on an affordable housing community is typically limited due to their tenant rent and income restrictions. Furthermore, current foreclosure activity in the subject site’s ZIP Code was not significant over the past year. As such, we do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units.

**Table 37 Foreclosure Rate, ZIP Code 31525, May 2018**



**Table 38 Recent Foreclosure Activity, ZIP Code 31525**



## 10. FINDINGS AND CONCLUSIONS

### A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Wisteria of Chatsworth Market Area, RPRG offers the following key findings:

#### 1. Site and Neighborhood Analysis

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has access to amenities, services, employers, and transportation arteries.

- The subject site is located at 234 S. 2<sup>nd</sup> Avenue in Chatsworth, a small rural city of 4,000 residents that borders the Chattahoochee National Forest; Chatsworth is 13 miles east of Dalton and 92 miles north of Atlanta. Surrounding land uses include apartments, modest value single-family detached homes, active CSX rail lines serving the Appalachian Regional Port, and commercial uses along 3<sup>rd</sup> Avenue (aka US Highway 411) and Fort Street (aka State Highway 52).
- The site is within two miles of shopping, grocery stores, convenience stores, recreation, schools, pharmacies, banks, and medical facilities.
- Interstate 75 is roughly 15 miles west of the site and provides direct access to downtown Atlanta going south and travels to Chattanooga going north. Within Chatsworth, the subject site is in close proximity to one of its major intersections, 3<sup>rd</sup> Avenue (US Highway 411) and Fort Street (State Highway 52).
- Wisteria of Chatsworth Apartments will have excellent visibility from Second Avenue which has moderate traffic. Awareness for the project will be enhanced due to its location across the street from a prominent funeral home.
- The subject site is suitable for the proposed development. RPRG did identify active rail lines along the site's eastern border, operated by CSX and serving the Appalachian Regional Port that opened in August 2018 and is stationed in the town of Crandall, approximately eight miles due north of Chatsworth. The Regional Port serves a four state region and provides rail transportation to the Port of Savannah and is an alternative to trucking. According to the Port's website, the train runs every other day to and from the Appalachian Regional Port. Numerous residential dwellings in Chatsworth are in close proximity to the rail line and it is not considered a negative land use that would affect the proposed development's viability in the marketplace.

#### 2. Economic Context

Murray County's economy is stagnant with a generally flat labor force over the past four years, resulting in steady At-Place-Employment. The county's unemployment rate has dropped to a 10-year low.

- The unemployment rate in Murray County decreased significantly to 5.2 percent in 2018 from a recession-era high of 13.9 percent in 2011; the county's 2018 unemployment rate is above the state and national rate of 3.9 percent.
- Murray County lost 1,125 net jobs from 2010 to 2017 and losses continued through 3Q 2018. After a strong showing in 2016 (the best showing since 2010), total At Place Employment pulled back slightly in 2017 and 2018.
- The county's economy is heavily weighted towards manufacturing, with eight of the county's 10 largest employers in this sector; manufacturing represents almost 40 percent of total



employment in Murray County as compared to 8.7 percent nationally. Three additional sectors each account for at least 10 percent of the total jobs: Professional Business, Trade-Transportation-Utilities, and Government.

- Five of eleven employment sectors gained jobs in Murray County from 2011 to 3Q 2018, and job gains were predominantly in the county's smaller economic sectors, posting increases from 8.6 percent (Leisure Hospitality) to 45.6 percent (Natural Resources). Job losses primarily occurred in the county's large economic sectors including Manufacturing (19.7 percent loss), Trade-Transportation-Utilities (14.8 percent loss); and Government (11.7 percent loss). The bright spot was Professional Business, one of Murray County's largest sectors, which posted an increase of 158 percent.
- Job expansions in 2018 have been offset by job losses in 2019 due to layoffs or closures at manufacturing facilities in Murray County.

### 3. Population and Household Trends

The Wisteria of Chatsworth Market Area's household base saw very strong growth from 2000 to 2010, which moderated from 2010 to 2019, with continued growth expected over the next two years.

- The Wisteria of Chatsworth Market Area's population saw dramatic change from 2000 to 2010 with the net addition of 5,063 people (12.5 percent) and the household base grew rapidly as well with the net addition of 1,322 households (9.1 percent). Growth slowed from 2010 to 2019 with the net addition of 245 people (0.5 percent) and 93 households (0.6 percent); annual growth was 27 people (0.1 percent) and 10 households (0.1 percent) over the past nine years.
- Growth is expected to increase to 78 people (0.2 percent) and 26 households (0.2 percent) per year from 2019 to 2021. The Wisteria of Chatsworth Market Area is expected to contain 45,867 people and 16,054 households by 2021.

### 4. Demographic Analysis

The demographics of the Wisteria of Chatsworth Market Area reflect its location near downtown Atlanta with a younger population, few family households, and a higher renter percentage when compared to the Bi-County Market Area.

- More than one-third (35.3 percent) of the Wisteria at Chatsworth Market Area's population are Young Adults, followed by more than one-quarter (27.5 percent) under age 20. Young Adults age 20-34 and Seniors age 62+ have similar sized age distributions, at 19.6 percent and 17.6 percent, respectively.
- Roughly half (46.7 percent) of Wisteria at Chatsworth Market Area renter households are ages 25 to 44 including 24.6 percent ages 25 to 34. Approximately 30 percent of renter households in the Wisteria at Chatsworth Market Area are ages 45 to 64 and 8.8 percent are under 25 years old.
- Households with children accounted for 40.6 percent of households in the Wisteria at Chatsworth Market Area compared to 41 percent in the Bi-County Market Area. Roughly 40 percent of market area households were multi-person households without children including a large proportion (29.2 percent) of married couples. Almost 20 percent of households in the Wisteria at Chatsworth Market Area had children.
- Roughly 35 percent of households in the Wisteria of Chatsworth Market Area rent in 2019 compared to 36.2 percent in the Bi-County Market Area. Renter households accounted for all net household growth in the Wisteria at Chatsworth Market Area over the past 19 years. Due to a change in Esri methodology, Esri projects owner households will contribute all net household growth over the next two years, which is inconsistent with past performance.



RPRG projects renters will continue to contribute at least 75 percent of net household growth from 2019 to 2021; using this assumption, the Wisteria at Chatsworth Market Area is expected to add 39 net renter households over the next two years.

- The 2018 median household income in the Wisteria of Chatsworth Market Area is \$44,893, \$1,060 or 2.3 percent lower than the \$45,952 median in the Bi-County Market Area. RPRG estimates that the median income of renter households in the Wisteria of Chatsworth Market Area is \$34,418. Almost one-third (31.5 percent) of Wisteria of Chatsworth Market Area renter households earn incomes of less than \$35,000 and 37.1 percent earn moderate incomes of \$35,000 to \$74,999. Roughly 12 percent of renter households in the market area earn upper incomes of \$75,000 or more including 6.2 percent earning at least \$100,000.

## 5. Competitive Housing Analysis

RPRG surveyed four multi-family rental communities in the Wisteria of Chatsworth Market Area including one LIHTC community; two market rate communities, and one USDA property. The rental market is performing well with only one vacancy among LIHTC units.

- The market's overall stabilized vacancy rate is 4.3 percent among 116 combined units without PBRA. The two market rate communities have vacancies that range from 5.6 percent to 8.3 percent, although no property has more than two vacant units. The USDA community with PBRA (Cohutta View) is fully occupied with a waiting list.
- Among the surveyed communities without PBRA, net rents, unit sizes, and rents per square foot were as follows:
  - **One-bedroom** effective rents average \$376 per month. The average one-bedroom unit size is 766 square feet, resulting in a net rent per square foot of \$0.49.
  - **Two-bedroom** effective rents average \$556 per month. The average two-bedroom unit size is 996 square feet, resulting in a net rent per square foot of \$0.56.
  - **Three-bedroom** effective rents average \$457 per month. The average three-bedroom unit size is 1,111 square feet, resulting in a net rent per square foot of \$0.41. The average three-bedroom rent is skewed lower as all three-bedroom units in the market area are at LIHTC communities.
- The "average market rent" in the market area is \$463 for one-bedroom units, \$636 for two-bedroom units, and \$750 for three-bedroom units. All proposed LIHTC rents result in significant market advantages of at least 15.6 percent except the one bedroom units at 60 percent. The average market rent for one bedroom units is artificially low as only one old and inferior market rate community offers one bedroom units; the proposed 60 percent rent is \$3 or 0.5 percent higher than the average market rent. Even with this one floorplan close to the average market rent, the overall market advantage for LIHTC units is 20.8 percent.
- Market rate rents are 17.4 percent to 30.8 percent above average market rents, reflecting the low number and lower quality of market rate units in the Wisteria of Chatsworth Market Area. As detailed in the competitive section, these rents are positioned between scattered site rentals in the market area and market rate communities outside of the Wisteria of Chatsworth Market Area in Dalton. The proposed market rate rents are considered reasonable and appropriate based on our analysis of the project, site, existing competitive market, and demographics.
- RPRG did not identify any pipeline projects as proposed or under construction in the Wisteria at Chatsworth Market Area.

As the few market rate communities in the Wisteria of Chatsworth Market Area are generally older inferior properties, RPRG also surveyed market rents from single-family scattered site rentals in the Wisteria of Chatsworth Market Area and current market rents achievable in Dalton, a larger city of 34,000 residents approximately 15 miles west of Chatsworth. Dalton's rental stock and depth of



market is deemed superior to Chatsworth. The subject's proposed market rents are above scattered site rentals in the Wisteria of Chatsworth Market Area and below Dalton area market rents, providing support for the subject's proposed market rents for new construction units despite rent disadvantages.

## B. Product Evaluation

Considered in the context of the competitive environment, the relative position of Wisteria of Chatsworth Apartments is as follows:

- **Site:** The subject site is in east Chatsworth, one block off US Highway 411, in an established area of residential and commercial uses. The subject site is acceptable for an affordable rental housing development targeting low to moderate income renter households. Surrounding land uses are compatible with multi-family development and the site is convenient to Interstates 75 as well as local thoroughfares US Highway 411 and State Highway 52. An active rail line along the subject's eastern border is not deemed detrimental as two existing apartment communities south of the subject site, as well as numerous single family homes, are in close proximity to the rails lines. The site will compete well with all surveyed communities given its convenient access to traffic arteries and proximity to shopping and services.
- **Unit Distribution:** The proposed unit mix for Wisteria of Chatsworth Apartments includes 20 one-bedroom units (24.4 percent), 50 two-bedroom units (61.0 percent), and 12 three-bedroom units (14.6 percent). One and two-bedroom units are common in the market area and three-bedroom units are only offered at the surveyed LIHTC community. The subject property will offer primarily one and two-bedroom units (85.4 percent) which is comparable to the existing rental market at 82.8 percent. The subject's small number/proportion (12 units or 14.6 percent) of three-bedroom units is comparable to the LIHTC property which offers a similar percentage (17.2 percent) of three-bedroom units. The proposed unit mix is acceptable and will be well received by the target market.
- **Unit Size:** The proposed unit sizes at Wisteria of Chatsworth Apartments are 700 square feet for one-bedroom units, 1,005 square feet for two-bedroom units, and 1,175 square feet for three-bedroom units. The one-bedroom unit is 49 square feet smaller than the LIHTC property surveyed and 100 square feet smaller than one-bedroom market rate units. The subject's two-bedroom unit size is 116 square feet larger than the LIHTC community and between the two market rate size properties. The subject's proposed three-bedroom unit will be roughly 64 square feet larger than the LIHTC property. All proposed unit sizes are appropriate and will be competitive in the market at the proposed price points.
- **Unit Features:** Wisteria of Chatsworth Apartments will offer dishwasher, range/oven, microwave, refrigerator, garbage disposal, patio/balcony, and washer and dryer connections. These features are superior to the surveyed LIHTC and market rate communities.
- **Community Amenities:** Wisteria of Chatsworth Apartments will offer a computer/business, playground, park, and after school program for tenants. These amenities will be superior to existing Lower/Affordable communities in the Wisteria of Chatsworth Market Area including the surveyed LIHTC community.
- **Marketability:** The subject property will offer an attractive product superior to LIHTC and market rate communities in the Wisteria of Chatsworth Market Area. The proposed location, design, unit features/finishes, and community amenities result in a superior product to the surveyed LIHTC community in the market.

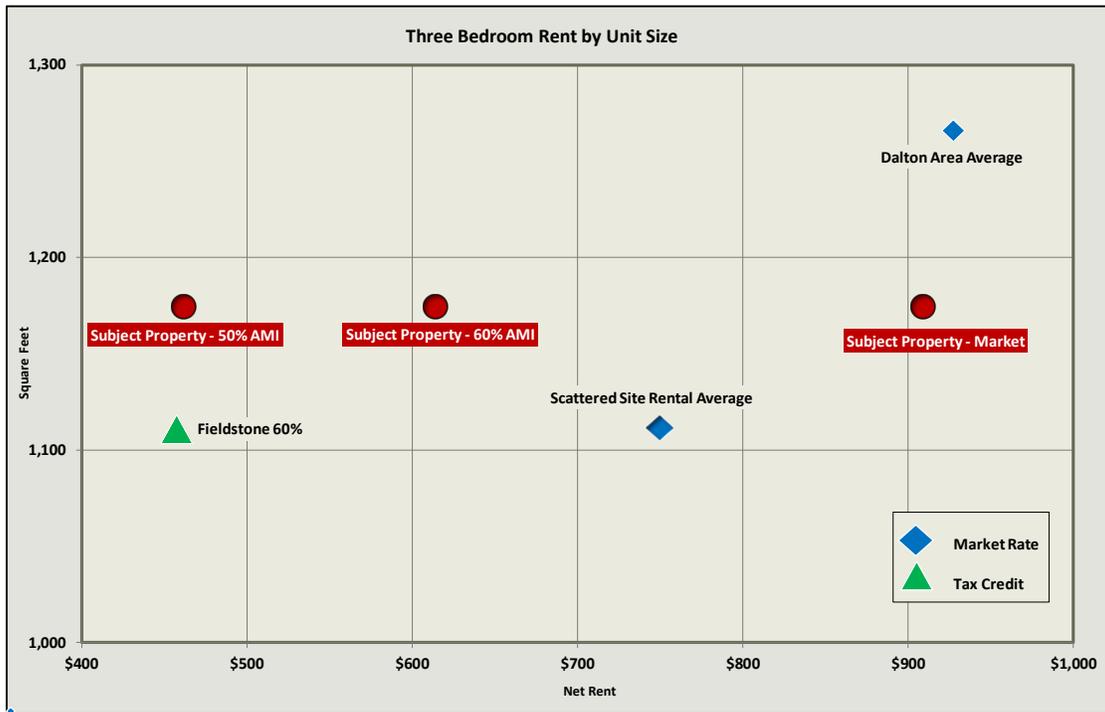
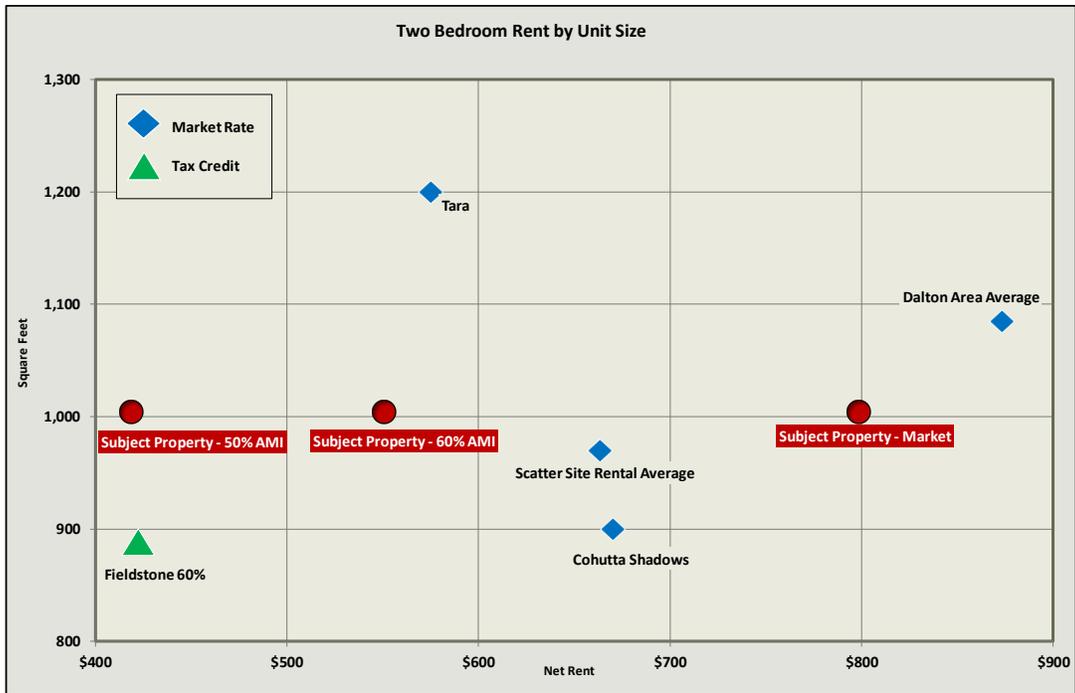


### C. Price Position

The subject's 50 percent LIHTC rent for one-bedroom units is priced at the bottom of the market, below other LIHTC units and market units in the Wisteria of Chatsworth Market Area (Figure 8). The subject's 60 percent LIHTC rent for one-bedroom units is priced above existing multi-family units in the Wisteria of Chatsworth Market Area, but below scattered site rentals. The subject's two-bedroom 50 percent rents are priced at the bottom of the market, below the existing LIHTC communities. The subject's two-bedroom 60 percent unit is priced below existing market rate units and above other 60 percent LIHTC rents. The subject's two-bedroom market rent is top of market, above scattered site rentals, but below market rents in nearby Dalton. For three-bedroom units, the subject's LIHTC rents are above the existing LIHTC community and below scattered site rentals. The three-bedroom market rent is top of market, but below rents in Dalton. All proposed rents are appropriate and will be competitive in the market.

**Figure 8 Price Position**







## 11. ABSORPTION AND STABILIZATION RATES

### A. Absorption Estimate

Absorption estimates are based on a variety of factors in addition to the experience of comparable communities including:

- The Wisteria of Chatsworth Market Area is projected to add 78 net households from 2019 to 2021 including 19 renter households.
- Roughly 3,200 renter households will be income-qualified for at least one of the proposed units at the subject property. The project's overall affordability renter capture rate is 2.5 percent.
- All DCA demand capture rates overall and by floor plan are very low including an overall demand capture rate of 6.0 percent, indicating significant demand for the units proposed at the subject property.
- The rental market in the Wisteria of Chatsworth Market Area is performing well with an overall stabilized vacancy rate of 4.3 percent. The surveyed LIHTC and USDA communities are outperforming the overall market with an aggregate vacancy rate of 0.9 percent, including the LIHTC community most comparable to the subject property with a vacancy rate of 1.8 percent.
- Wisteria of Chatsworth Apartments will offer new construction quality in a desirable location in central Chatsworth. Proposed unit features/finishes and community amenities will be superior to existing market rate and affordable communities in the Wisteria of Chatsworth Market Area. The proposed product will be well received at the proposed price points.

Based on the product to be constructed and the factors discussed above, we expect Wisteria of Chatsworth Apartments' 68 LIHTC units to lease-up at a rate of 17 units per month. We expect Wisteria of Chatsworth Apartments' 14 market rate units will lease-up at a rate of three units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within roughly four months.

### B. Impact on Existing and Pipeline Rental Market

Given the lack of affordable housing in the Wisteria of Chatsworth Market Area and projected renter household growth over the next two years, we do not expect Wisteria of Chatsworth Apartments to have a negative impact on existing rental communities in the Wisteria of Chatsworth Market Area including those with tax credits.



## **12. INTERVIEWS**

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, planning/building officials with Murray County and Whitfield County, and representatives from the City of Chatsworth Housing Authority.



## 13. CONCLUSIONS AND RECOMMENDATIONS

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Large HH Size	Large HH Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
<b>50% AMI</b>													
	<b>\$15,326 - \$26,450</b>												
One Bedroom Units	\$16,697-\$19,600	7	6.9%	166	0	166			4.2%	4 mos	\$463	\$375-\$550	\$ 355
Two Bedroom Units	\$20,091-\$22,050	10	6.1%	146	0	146			6.8%	4 mos	\$636	\$575-\$670	\$ 418
Three Bedroom Units	\$23,040-\$26,450	4	9.7%	233	0	233	50.8%	118	3.4%	4 mos	\$750	\$750	\$ 461
<b>60% AMI</b>													
	<b>\$19,097 - \$31,740</b>												
One Bedroom Units	\$18,549-\$23,520	20	7.1%	172	0	172			11.7%	4 mos	\$463	\$375-\$550	\$ 465
Two Bedroom Units	\$23,794-\$26,460	25	6.4%	153	0	153			16.3%	4 mos	\$636	\$575-\$670	\$ 550
Three Bedroom Units	\$27,394-\$31,470	6	11.2%	270	0	270	50.8%	137	4.4%	4 mos	\$750	\$750	\$ 613
<b>Market</b>													
	<b>\$26,057 - \$52,900</b>												
One Bedroom Units	\$18,549-\$39,200	3	22.8%	549	0	549			0.5%	5 mos	\$463	\$375-\$550	\$ 668
Two Bedroom Units	\$23,794-\$44,100	5	19.1%	459	0	459			1.1%	5 mos	\$636	\$575-\$670	\$ 798
Three Bedroom Units	\$27,394-\$52,900	2	20.3%	489	0	489	50.8%	248	0.8%	5 mos	\$750	\$750	\$ 908
<b>All Bedrooms</b>													
One Bedroom Units	\$16,697-\$39,200	30	36.8%	887	0	887			3.4%				
Two Bedroom Units	\$20,091 - \$44,100	40	31.5%	759	0	759			5.3%				
Three Bedroom Units	\$23,040 - \$52,900	12	41.2%	991	0	991			1.2%				
<b>Project Total</b>													
	<b>\$15,326 - \$52,900</b>				<b>0</b>								
50% AMI	\$15,326 - \$26,450	21	18.4%	443	0	443			4.7%				
60% AMI	\$19,097 - \$31,740	51	22.6%	543	0	543			9.4%				
LIHTC Units	\$15,326 - \$31,740	72	28.7%	690	0	690			10.4%				
Market	\$26,057 - \$52,900	10	39.0%	940	0	940			1.1%				
<b>Total Units</b>	<b>\$15,326 - \$52,900</b>	<b>82</b>	<b>56.7%</b>	<b>1,364</b>	<b>0</b>	<b>1,364</b>			<b>6.0%</b>				

Based on projected household growth trends, affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Wisteria of Chatsworth Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing rental communities in the Wisteria of Chatsworth Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

Leslie Burke  
Senior Market Analyst

Tad Scepianiak  
Managing Principal



## **14. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS**

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

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



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

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



## 15. APPENDIX 2 ANALYST CERTIFICATIONS

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

DCA may rely on the representation made in the market study. The document is assignable to other lenders.

A handwritten signature in black ink, appearing to read 'Leslie Burke', is written over a horizontal line.

Leslie Burke  
Senior Market Analyst  
Real Property Research Group, Inc.

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



## 16. APPENDIX 3 NCHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

**Real Property Research Group, Inc.**



Tad Scepianiak

Name

Managing Principal

Title

May 1, 2019

Date



## 17. APPENDIX 4 ANALYST RESUMES

### TAD SCEPANIAK Managing Principal

Tad Scepaniak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

#### Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

#### Education:

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



**ROBERT M. LEFENFELD**  
**Founding Principal**

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

**Areas of Concentration:**

- **Strategic Assessments:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- **Feasibility Analysis:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- **Information Products:** Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

**Education:**

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



**LESLIE BURKE**  
**Senior Market Analyst**

Ms. Burke has 30 years of institutional real estate experience in a wide variety of management roles and is well versed in accounting/reporting, asset and portfolio management, acquisitions, dispositions, underwriting, and finance. Ms. Burke's primary area of expertise is the development and execution of strategic plans for both asset-specific and portfolio level holdings for commercial real estate debt and equity. She is experienced in all property types, asset classes, and major U.S. markets. Areas of expertise include analyzing, evaluating, and underwriting investment strategies for both institutional owners and entrepreneurial ventures.

Ms. Burke spent over 13 years with MetLife in a variety of roles, including five years as a member of MetLife's Real Estate Investment Committee where she reviewed and approved debt and equity transactions. She also managed numerous enterprise-level special projects during her tenure at MetLife. Ms. Burke worked for Archon Group/Goldman Sachs as a Portfolio Manager where she was responsible for debt placement and leveraged returns for seventeen of Goldman's Whitehall Fund portfolios. As a Director at Prudential Mortgage Capital she was involved with underwriting both securitized conduit loans and balance sheet loans for Prudential Insurance Company. She has also been a consultant providing advisory services to institutional and private clients, using a national bench of commercial real estate professionals to provide tailored client solutions on an outsourced basis.

Ms. Burke is a non-practicing CPA and graduated with honors from SMU. She was the Graduate Assistant to Dr. Bill Bruggeman, renowned author and holder of the Clara and Leo F. Corrigan Chair in Real Estate at SMU since 1978.

Ms. Burke was a charter member of NAIOP's Asset Management Forum and is also active in CREW (Commercial Real Estate Women) at the Atlanta Chapter and National Network levels, holding numerous leadership positions over the past decade.

**Education:**

Master of Business Administration; Southern Methodist University  
Bachelor of Business Administration; Southern Methodist University



**18. APPENDIX 5 DCA CHECKLIST**

**A. Executive Summary**

1. Project Description:
  - i. Brief description of the project location including address and/or position relative to the closest cross-street..... Page(s) 1
  - ii. Construction and Occupancy Types ..... Page(s) 1
  - iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowance ..... Page(s) 1
  - iv. Any additional subsidies available, including project based rental assistance (PBRA) ..... Page(s) 1
  - v. Brief description of proposed amenities and how they compare with existing properties ..... Page(s) 1
2. Site Description/Evaluation:
  - i. A brief description of physical features of the site and adjacent parcels ..... Page(s) 1
  - ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural)..... Page(s) 1
  - iii. A discussion of site access and visibility ..... Page(s) 1
  - iv. Any significant positive or negative aspects of the subject site ..... Page(s) 1
  - v. A brief summary of the site’s proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc ..... Page(s) 1
  - vi. A brief discussion of public safety, including comments on local perceptions, maps, or statistics of crime in the area ..... Page(s) 1
  - vii. An overall conclusion of the site’s appropriateness for the proposed development..... Page(s) 1
3. Market Area Definition:
  - i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject property ..... Page(s) 2
4. Community Demographic Data:
  - i. Current and projected household and population counts for the PMA..... Page(s) 2
  - ii. Household tenure including any trends in rental rates. .... Page(s) 2
  - iii. Household income level. .... Page(s) 2
  - iv. Impact of foreclosed, abandoned / vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development..... Page(s) 2
5. Economic Data:
  - i. Trends in employment for the county and/or region..... Page(s) 3
  - ii. Employment by sector for the primary market area. .... Page(s) 3
  - iii. Unemployment trends for the county and/or region for the past five years..... Page(s) 4
  - iv. Brief discussion of recent or planned employment contractions or expansions..... Page(s) 3
  - v. Overall conclusion regarding the stability of the county’s economic environment. .... Page(s) 3
6. Project Specific Affordability and Demand Analysis:
  - i. Number of renter households income qualified for the proposed development given retention of current tenants (rehab only), the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households. .... Page(s) 4
  - ii. Overall estimate of demand based on DCA’s demand methodology..... Page(s) 4
  - iii. Capture rates for the proposed development including the overall project, all LIHTC units (excluding any PBRA or market rate units), by AMI, by bedroom type, and a conclusion regarding the achievability of these capture rates. .... Page(s) 4



7. Competitive Rental Analysis		
i. An analysis of the competitive properties in the PMA. ....	Page(s)	4
ii. Number of properties.....	Page(s)	4
iii. Rent bands for each bedroom type proposed. ....	Page(s)	4
iv. Average market rents. ....	Page(s)	4
8. Absorption/Stabilization Estimate:		
i. An estimate of the number of units expected to be leased at the subject property, on average, per month. ....	Page(s)	5
ii. Number of months required for the project to stabilize at 93% occupancy. ....	Page(s)	5
9. Overall Conclusion:		
i. Overall conclusion regarding potential for success of the proposed development. ....	Page(s)	5
10. Summary Table.....	Page(s)	7

**B. Project Description**

1. Project address and location. ....	Page(s)	10
2. Construction type. ....	Page(s)	10
3. Occupancy Type. ....	Page(s)	10
4. Special population target (if applicable). ....	Page(s)	N/A
5. Number of units by bedroom type and income targeting (AMI). ....	Page(s)	11
6. Unit size, number of bedrooms, and structure type. ....	Page(s)	11
7. Rents and Utility Allowances. ....	Page(s)	11
8. Existing or proposed project based rental assistance. ....	Page(s)	11
9. Proposed development amenities. ....	Page(s)	12
10. For rehab proposals, current occupancy levels, rents being charged, and tenant incomes, if available, as well as detailed information with regard to the scope of work planned. Scopes of work should include an estimate of the total and per unit construction cost. ....	Page(s)	N/A
11. Projected placed-in-service date. ....	Page(s)	12

**C. Site Evaluation**

1. Date of site / comparables visit and name of site inspector. ....	Page(s)	8
2. Physical features of the site and adjacent parcel, including positive and negative attributes. ....	Page(s)	13-16
3. The site's physical proximity to surrounding roads, transportation (including bus stops), amenities, employment, and community services. ....	Page(s)	18-22
4. Labeled photographs of the subject property (front, rear and side elevations, on- site amenities, interior of typical units, if available), of the neighborhood, and street scenes with a description of each vantage point. ....	Page(s)	14, 16
5. A map clearly identifying the project and proximity to neighborhood amenities. A listing of the closest shopping areas, schools, employment centers, medical facilities and other amenities that would be important to the target population and the proximity in miles to each. ....	Page(s)	21
6. The land use and structures of the area immediately surrounding the site including significant concentrations of residential, commercial, industrial, vacant, or agricultural uses; comment on the condition of these existing land uses. ....	Page(s)	15
7. Any public safety issues in the area, including local perceptions of crime, crime statistics, or other relevant information. ....	Page(s)	18



8. A map identifying existing low-income housing: 4% & 9% tax credit, tax exempt bond, Rural Development, Public Housing, DCA HOME funded, Sec. 1602 Tax Credit Exchange program, USDA financed, Georgia Housing Trust Fund of the Homeless financed properties, and HUD 202 or 811 and Project Based Rental Assistance (PBRA). Indicate proximity in miles of these properties to the proposed site.....	Page(s)	55
9. Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	19
10. Vehicular and pedestrian access, ingress/egress, and visibility of site.....	Page(s)	18-19
11. Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	22

**D. Market Area**

1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	23
2. Map Identifying subject property's location within market area.....	Page(s)	24

**E. Community Demographic Data**

1. Population Trends		
i. Total Population.....	Page(s)	25
ii. Population by age group.....	Page(s)	27
iii. Number of elderly and non-elderly.....	Page(s)	N/A
iv. If a special needs population is proposed, provide additional information on population growth patterns specifically related to the population.....	Page(s)	N/A
2. Household Trends		
i. Total number of households and average household size.....	Page(s)	25-26
ii. Household by tenure (If appropriate, breakout by elderly and non-elderly).....	Page(s)	29
iii. Households by income. (Elderly proposals should reflect the income distribution of elderly households only).....	Page(s)	31-31
iv. Renter households by number of persons in the household.....	Page(s)	30

**F. Employment Trends**

1. Total jobs in the county or region.....	Page(s)	34
2. Total jobs by industry – numbers and percentages.....	Page(s)	36
3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area.....	Page(s)	37
4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past 10 years.....	Page(s)	33
5. Map of the site and location of major employment concentrations.....	Page(s)	38
6. Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	38

**G. Project-specific Affordability and Demand Analysis**

1. Income Restrictions / Limits.....	Page(s)	40
2. Affordability estimates.....	Page(s)	40
3. Demand		
i. Demand from new households.....	Page(s)	44
ii. Demand from existing households.....	Page(s)	44



iii. Elderly Homeowners likely to convert to rentership. ....	Page(s)	N/A
iv. Net Demand and Capture Rate Calculations .....	Page(s)	44-44

**H. Competitive Rental Analysis (Existing Competitive Rental Environment)**

1. Detailed project information for each competitive rental community surveyed		
i. Name and address of the competitive property development .....	Page(s)	App. 8
ii. Name, title, and phone number of contact person and date contact was made. ....	Page(s)	App. 8
iii. Description of property. ....	Page(s)	App. 8
iv. Photographs. ....	Page(s)	App. 8
v. Square footages for each competitive unit type. ....	Page(s)	51, App. 8
vi. Monthly rents and the utilities included in the rents of each unit type. ....	Page(s)	50, 51, App. 8
vii. Project age and current physical condition.....	Page(s)	49, App. 8
viii. Concessions given if any.....	Page(s)	50
ix. Current vacancy rates, historic vacancy factors, waiting lists, and turnover rates, broken down by bedroom size and structure type.....	Page(s)	49
x. Number of units receiving rental assistance, description of assistance as project or tenant based. ....	Page(s)	App. 8
xi. Lease-up history .....	Page(s)	49

Additional rental market information

1. An analysis of the vouchers available in the Market Area, including if vouchers go unused and whether waitlisted households are income-qualified and when the list was last updated. ....	Page(s)	54
2. If the proposed development represents an additional phase of an existing housing development, include a tenant profile and information on a waiting list of the existing phase. ....	Page(s)	N/A
3. A map showing the competitive projects and all LIHTC and Bond proposed projects which have received tax credit allocations within the market area.....	Page(s)	48, 55
4. An assessment as to the quality and compatibility of the proposed amenities to what is currently available in the market. ....	Page(s)	61
5. Consider tenancy type. If comparable senior units do not exist in the PMA, provide an overview of family-oriented properties, or vice versa. Account for differences in amenities, unit sizes, and rental levels. ....	Page(s)	N/A
6. Provide the name, address/location, name of owner, number of units, unit configuration, rent structure, estimated date of market entry, and any other relevant market analysis information of developments in the planning, rehabilitation, or construction stages. If there are none, provide a statement to that effect.....	Page(s)	54
7. Provide documentation and diagrams on how the projected initial rents for the project compare to the rental range for competitive projects within the PMA and provide an average market rent for each of the proposed unit types. ....	Page(s)	53, 61
8. Comment on any other DCA funded projects located outside of the primary area, but located within a reasonable distance from the proposed project. ....	Page(s)	N/A
9. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years. ....		N/A
10. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.....	Page(s)	55



11. Note whether the proposed project would adversely impact the occupancy and health of existing properties financed by Credits, USDA, HUD 202, or 811 (as appropriate), DCA or locally financed HOME properties, Sec. 1602 Tax Credit Exchange program, HTF, and HUD 221(d)(3) and HUD 221 (d) (4) and other market rate FHA insured properties (not including public housing properties)..... Page(s) 63

**I. Absorption and Stabilization Rates**

1. Anticipated absorption rate of the subject property .....Page(s) 63

2. Stabilization period.....Page(s) 63

**J. Interviews.....Page(s) 64**

**K. Conclusions and Recommendations .....Page(s) 65**

**L. Signed Statement Requirements .....Page(s) App 2**



## 19. APPENDIX 6 RENTAL COMMUNITY PROFILES

Community	Address	City	Survey Date	Phone Number	Contact
Cohutta Shadows	506 S 2nd Ave	Chatsworth	4/10/2019	706-695-5977	Property Manager
Tara	1337 Old Dalton Ellijay Rd	Chatsworth	4/10/2019	706-695-0790	Property Manager
Fieldstone	400 S 2nd Ave	Chatsworth	4/10/2019	706-517-8625	Property Manager
Cohutta View	1663 Hwy 52a	Chatsworth	4/10/2019	706-517-8632	Property Manager

# Chatsworth Apts

## Multifamily Community Profile

506 S 2nd Ave  
Chatsworth, GA 30705

CommunityType: Market Rate - General  
Structure Type: Garden

36 Units 5.6% Vacant (2 units vacant) as of 4/10/2019

Opened in 1978



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	100.0%	\$670	900	\$0.74	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: In Unit Laundry (Hook-ups); Central A/C; Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

Bottom units an additional \$100. Rent shown is average.  
FKA Cohutta Shadows Former deeply subsidized community, MGR stimated SF

Floorplans (Published Rents as of 4/10/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	36	\$650	900	\$0.72	Market	4/10/19	5.6%	--	\$670	--

### Adjustments to Rent

Incentives:  
**None**

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

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

# Cohutta View

## Multifamily Community Profile

1337 Old Dalton Ellijay Rd  
Chatsworth, GA

CommunityType: Deep Subsidy-General  
Structure Type: Garden

52 Units 0.0% Vacant (0 units vacant) as of 4/10/2019

Opened in 1982



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	26.9%	\$462	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	73.1%	\$502	--	--	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

Rent shown is average of basic and note rent

Floorplans (Published Rents as of 4/10/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	14	\$462	--	--	USDA	4/10/19	0.0%	\$462	\$502	--
Garden	--	2	1	38	\$502	--	--	USDA					

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Electric
Heat:	<input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Cohutta View

GA213-008319

# Fieldstone

## Multifamily Community Profile

400 S 2nd Ave  
Chatsworth,GA

CommunityType: LIHTC - General  
Structure Type: Garden

56 Units 1.8% Vacant (1 units vacant) as of 4/10/2019

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$377	749	\$0.50	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	35.7%	\$422	889	\$0.47	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	35.7%	\$457	1,111	\$0.41	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

Price for 2 and 3 BRs 50/60% AMI is the same  
16 1BR units.  
Accepts Section 8 vouchers

### Floorplans (Published Rents as of 4/10/2019) (2)

### Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$357	749	\$.48	LIHTC/ 50%	4/10/19	1.8%	\$377	\$422	\$457
Garden	--	1	1	--	\$367	749	\$.49	LIHTC/ 60%					
Garden	--	2	2	20	\$402	889	\$.45	LIHTC/ 60%					
Garden	--	3	2	20	\$432	1,111	\$.39	LIHTC/ 60%					

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat:  Cooking:  Wtr/Swr:

Hot Water:  Electricity:  Trash:

Fieldstone

GA213-008317

**Tara**

**Multifamily Community Profile**

W Fort St  
Chatsworth,GA

CommunityType: **Market Rate - General**  
Structure Type: **Garden/TH**

24 Units      8.3% Vacant (2 units vacant) as of 4/10/2019



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	66.7%	\$375	800	\$0.47	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	33.3%	\$575	1,200	\$0.48	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: <b>Central A/C; Patio/Balcony; Carpet</b>	
Select Units: <b>Dishwasher; Disposal; In Unit Laundry</b>	
Optional(\$): --	
Security: --	
Parking 1: <b>Free Surface Parking</b>	Parking 2: --
Fee: --	Fee: --
Property Manager: --	
Owner: --	

**Comments**

Vacant are garden. Two phases, second phase are TH's  
TH's built 2002

**Floorplans (Published Rents as of 4/10/2019) (2)**

**Historic Vacancy & Eff. Rent (1)**

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	16	\$375	800	\$.47	Market	4/10/19	8.3%	\$375	\$575	--
Townhouse	--	2	1.5	8	\$575	1,200	\$.48	Market					

**Adjustments to Rent**

Incentives:

None

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

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

Tara

GA213-008324