



REAL PROPERTY RESEARCH GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

## Market Feasibility Analysis

# Covington Square Senior Apartments

Covington, Newton County, Georgia

Prepared for:

**Rebuild America**

Site Inspection: March 8, 2020

Effective Date: March 8, 2020



1905 Woodstock Road ■ Building 900, Suite 9100 ■ Roswell, Georgia 30075 ■ 770.517.2666 ■ Fax 866.243.5057

10400 Little Patuxent Parkway ■ Suite 450 ■ Columbia, Maryland 21044 ■ 410.772.1004 ■ Fax 866.243.5057



**TABLE OF CONTENTS**

**1. EXECUTIVE SUMMARY ..... 1**

**2. INTRODUCTION ..... 8**

A. Overview of Subject ..... 8

B. Purpose of Report ..... 8

C. Format of Report ..... 8

D. Client, Intended User, and Intended Use ..... 8

E. Applicable Requirements ..... 8

F. Scope of Work ..... 8

G. Report Limitations ..... 9

**3. PROJECT DESCRIPTION ..... 10**

A. Project Overview ..... 10

B. Project Type and Target Market ..... 10

C. Building Types and Placement ..... 10

D. Detailed Project Description ..... 11

    1. Project Description ..... 11

    2. Other Proposed Units ..... 11

    3. Scope of Rehabilitation ..... 12

    4. Current Property Conditions ..... 12

    5. Proposed Timing of Development ..... 12

**4. SITE EVALUATION ..... 13**

A. Site Analysis ..... 13

    1. Site Location ..... 13

    2. Existing and Proposed Uses ..... 14

    3. General Description of Land Uses Surrounding the Subject Site ..... 15

    4. Land Uses Surrounding the Subject Site ..... 16

B. Neighborhood Analysis ..... 17

    1. General Description of Neighborhood ..... 17

    2. Neighborhood Planning Activities ..... 17

    3. Public Safety ..... 17

C. Site Visibility and Accessibility ..... 18

    1. Visibility ..... 18

    2. Vehicular Access ..... 18

    3. Availability of Public Transit and Interregional Transit ..... 19

    4. Pedestrian Access ..... 19

    5. Accessibility Improvements under Construction and Planned ..... 19

D. Residential Support Network ..... 19

    1. Key Facilities and Services near the Subject Site ..... 19

    2. Essential Services ..... 21

    3. Commercial Goods and Services ..... 21

    4. Location of Low-Income Housing ..... 21

E. Site Conclusion ..... 21

**5. MARKET AREA ..... 22**

A. Introduction ..... 22

B. Delineation of Market Area ..... 22

**6. COMMUNITY DEMOGRAPHIC DATA ..... 24**

A. Introduction and Methodology ..... 24

B. Trends in Population and Households ..... 24

    1. Recent Past Trends ..... 24

    2. Projected Trends ..... 25

    3. Building Permit Trends ..... 25



4.	Trends in Older Adult Households .....	26
C.	Demographic Characteristics .....	26
1.	Age Distribution and Household Type .....	26
2.	Renter Household Characteristics .....	27
3.	Income Characteristics .....	29
<b>7.</b>	<b>EMPLOYMENT TREND .....</b>	<b>32</b>
A.	Introduction .....	32
B.	Labor Force, Resident Employment, and Unemployment.....	32
1.	Trends in County Labor Force and Resident Employment.....	32
2.	Trends in County Unemployment Rate .....	32
C.	Commutation Patterns .....	33
D.	At-Place Employment .....	33
1.	Trends in Total At-Place Employment.....	33
2.	At-Place Employment by Industry Sector.....	34
3.	Major Employers.....	36
4.	Recent Economic Expansions and Contractions .....	37
E.	Conclusions on Local Economics.....	37
<b>8.</b>	<b>PROJECT-SPECIFIC AFFORDABILITY &amp; DEMAND ANALYSIS .....</b>	<b>38</b>
A.	Affordability Analysis .....	38
1.	Methodology.....	38
2.	Affordability Analysis .....	39
3.	Conclusions of Affordability .....	41
B.	Demand Estimates and Capture Rates .....	41
1.	Methodology.....	41
2.	Demand Analysis.....	42
3.	DCA Demand Conclusions .....	45
<b>9.</b>	<b>COMPETITIVE RENTAL ANALYSIS .....</b>	<b>46</b>
A.	Introduction and Sources of Information .....	46
B.	Overview of Market Area Housing Stock.....	46
C.	Survey of Age-Restricted Rental Communities.....	47
1.	Introduction to the Age Restricted Rental Housing Survey .....	47
2.	Location.....	48
3.	Age-Restricted Rental Housing Characteristics .....	48
4.	Unit Distribution and Unit Size.....	48
5.	Vacancy Rates .....	49
6.	Recent Absorption History .....	49
7.	Rents .....	49
D.	Survey of Age-Restricted Rental Communities.....	49
1.	Payment of Utility Costs.....	49
2.	Unit Features and Services.....	49
3.	Parking .....	50
4.	Community Amenities.....	50
E.	Survey of General Occupancy Rental Communities .....	50
1.	Introduction to the Rental Housing Survey.....	50
2.	Vacancy Rates .....	51
3.	Effective Rents .....	52
4.	Scattered Site Rentals .....	52
5.	DCA Adjusted Market Rent .....	52
F.	Multi-Family Pipeline .....	53
G.	Housing Authority Data .....	54
H.	Existing Low-Income Rental Housing.....	54
I.	Impact of Abandoned, Vacant, or Foreclosed Homes .....	55
<b>10.</b>	<b>FINDINGS AND CONCLUSIONS .....</b>	<b>57</b>



A.	Key Findings .....	57
1.	Site and Neighborhood Analysis .....	57
2.	Economic Context .....	57
3.	Population and Household Trends .....	58
4.	Demographic Analysis .....	58
5.	Competitive Housing Analysis .....	59
B.	Product Evaluation .....	60
C.	Price Position .....	60
<b>11.</b>	<b>ABSORPTION AND STABILIZATION RATES .....</b>	<b>62</b>
A.	Absorption Estimate .....	62
B.	Impact on Existing and Pipeline Rental Market .....	62
<b>12.</b>	<b>INTERVIEWS.....</b>	<b>62</b>
<b>13.</b>	<b>CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>63</b>
	<b>APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS .....</b>	<b>64</b>
	<b>APPENDIX 2 ANALYST CERTIFICATIONS .....</b>	<b>66</b>
	<b>APPENDIX 3 NCHMA CERTIFICATION.....</b>	<b>67</b>
	<b>APPENDIX 4 ANALYST RESUMES .....</b>	<b>68</b>
	<b>APPENDIX 5 DCA CHECKLIST .....</b>	<b>71</b>
	<b>APPENDIX 6 RENTAL COMMUNITY PROFILES .....</b>	<b>76</b>

## TABLES, FIGURES AND MAPS

Table 1	Detailed Unit Mix and Rents, Covington Square .....	11
Table 2	Unit Features and Community Amenities .....	11
Table 3	Key Facilities and Services .....	20
Table 4	Population and Household Projections.....	24
Table 5	Persons per Household, Covington Square Market Area.....	25
Table 6	Building Permits by Structure Type, Bi-County Market Area .....	25
Table 7	Trends in Senior Households, Covington Square Market Area .....	26
Table 8	Age Distribution .....	27
Table 9	Households by Household Type.....	27
Table 10	Households by Tenure 2000 - 2022.....	28
Table 11	Senior Households by Tenure (62+) .....	28
Table 12	Renter Households by Age of Householder .....	29
Table 13	Renter Households by Household Size .....	29
Table 14	Household Income .....	30
Table 15	Senior Household Income, Households 62+ .....	30
Table 16	Senior Household Income by Tenure, Households 62+ .....	31
Table 17	Rent Burdened and Substandard Housing, Covington Square Market Area .....	31
Table 18	Labor Force and Unemployment Rates.....	32
Table 19	Commutation Data, Covington Square Market Area .....	33
Table 20	Major Employers, Newton County.....	36
Table 21	2022 Total and Renter Income Distribution (62+), Covington Square Market Area.....	38
Table 22	LIHTC Income and Rent Limits, Atlanta-Sandy Springs-Roswell MSA .....	39
Table 23	Affordability Analysis, Covington Square without PBRA .....	40
Table 24	Affordability Analysis, Covington Square with PBRA .....	41
Table 25	Homeownership to Rental Housing Conversion .....	42
Table 26	Overall Demand Estimates, Covington Square without PBRA .....	43
Table 27	Demand Estimates by Floor Plan, Covington Square without PBRA .....	44
Table 28	Overall Demand Estimates, Covington Square with PBRA.....	44
Table 29	Demand Estimates by Floor Plan, Covington Square with PBRA .....	45
Table 30	Occupied Units by Structure Type and Tenure .....	46



Table 31 Dwelling Units by Year Built and Tenure .....	47
Table 32 Value of Owner-Occupied Housing Stock .....	47
Table 33 Rental Summary, Senior Rental Communities .....	49
Table 34 Utility Arrangement and Unit Features.....	50
Table 35 Community Amenities .....	50
Table 36 Rental Summary, Unit Distribution, Size, and Pricing – Surveyed Communities .....	52
Table 37 Average Rents .....	53
Table 38 Adjusted Market Rent and Rent Advantage Summary .....	53
Table 39 Subsidized Communities, Covington Square Market Area.....	54
Table 40 Foreclosure Data, January 2020.....	56
Figure 1 Site Plan .....	10
Figure 2 Views of Subject Site.....	14
Figure 3 Satellite Image of Subject Site .....	15
Figure 4 Views of Surrounding Land Uses .....	16
Figure 5 At-Place Employment, Newton County .....	34
Figure 6 Total Employment by Sector.....	35
Figure 7 Employment Change by Sector, 2011-2019 Q2 .....	35
Figure 8 Price Position .....	61
Map 1 Site Location .....	13
Map 2 Crime Index.....	18
Map 3 Location of Key Facilities and Services .....	20
Map 4 Covington Square Market Area .....	23
Map 5 Major Employers, Newton County .....	36
Map 6 Covington Square Market Area .....	48
Map 7 Surveyed Rental Communities .....	51
Map 8 Subsidized Rental Communities .....	55



## 1. EXECUTIVE SUMMARY

Rebuild America has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis for Covington Square, a proposed renovation of Covington Square, an existing 113-unit, deeply subsidized, age-restricted rental community in Covington, Newton County, Georgia. As proposed, the subject property will be rehabilitated and will target households ages 62 and older earning up to 50 percent and 60 percent of the Area Median Income (AMI) under the Low Income Housing Tax Credit (LIHTC) program. All units will continue to benefit from Project Based Rental Assistance (PBRA) through the Section 8 program. The subject property will also offer one non-revenue manager’s unit. The following report is based on DCA’s 2020 market study requirements.

### 1. Project Description

- The subject property is bordered by Washington Street SW to the north, Brown Street SW to the east, Reynolds Street SW to the south, and Lee Street SW to the west in downtown Covington, Newton County, Georgia.
- Covington Square will offer 113 newly renovated age-restricted LIHTC units targeting households ages 62 and older earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. All units will continue to benefit from Project Based Rental Assistance (PBRA) through the Section 8 program. Covington Square will also offer one non-revenue unit designated for the property manager.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below. The rents shown will include all utilities.

Developer Proposed									
# Bed	# Bath	Building Type	Income Target	Units	Gross Sq Ft	Contract Rent	Net Rent	Utility Allowance	Gross Rent
Eff	1	Mid-Rise	50% AMI/PBRA	9	415	\$1,020	\$697	\$0	\$697
Eff	1	Mid-Rise	60% AMI/PBRA	20	415	\$1,020	\$837	\$0	\$837
<b>Eff Subtotal/Avg</b>				<b>29</b>	<b>415</b>	<b>\$794</b>			
1	1	Mid-Rise	50% AMI/PBRA	25	525	\$1,076	\$747	\$0	\$747
1	1	Mid-Rise	60% AMI/PBRA	59	525	\$1,076	\$897	\$0	\$897
<b>1 BR Subtotal/Avg</b>				<b>84</b>	<b>525</b>	<b>\$852</b>			
<b>Total</b>				<b>113</b>					

All utilities included in rent

Source: Rebuild America

Lesser of the proposed contract rent and maximum allowable LIHTC rent

- Covington Square will offer a microwave, grab bars, and emergency call system which is not as extensive as the features offered at Harristown Park (senior LIHTC community). The proposed unit features are acceptable given the continuation of PBRA on all units and the lack of affordable senior rental options in the market area; the lack of a dishwasher and washer and dryer connections would likely affect the subject property’s attainable rents without the inclusion of PBRA.
- Covington Square will offer a multi-purpose room, fitness center, community garden, and computer area which will be competitive with Harristown Park.

### 2. Site Description / Evaluation:



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

- The subject property is bordered by Washington Street SW to the north, Brown Street SW to the east, Reynolds Street SW to the south, and Lee Street SW to the west in downtown Covington. Surrounding land uses are compatible with senior rental housing including small business, churches, retailers, and municipal services in downtown and a senior LIHTC community (Harristown Park) directly southwest of the subject property. Modest to moderate value single-family detached homes are common outside of downtown within one-half mile of Covington Square.
- Neighborhood amenities and services are convenient to the subject property with grocery stores, medical facilities, pharmacies, banks, and a senior center within roughly one mile; Newton County Senior Services is one mile west of the subject property on Turner Lake Road. Shopping including Walmart Supercenter is within three miles of Covington Square while the city square is two blocks to the east offering many small retailers and restaurants.
- The subject property is roughly one mile southeast of access to Interstate 20 via U.S. Highway 278. Interstate 20 connects Covington to the Atlanta Metro Area to the west including Interstate 285 within 24 miles and downtown Atlanta within 35 miles. Several state highways connect Covington to the north and south while U.S. Highway 278 runs roughly parallel to Interstate 20 to the east.
- The subject property's census tract has a crime risk (200 to 299) above the national average (100) (Map 2). Much of the market area has an above average crime risk so 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. Furthermore, the subject will have controlled access entrances which will enhance overall security.
- Covington Square has excellent visibility from surrounding streets including Washington Street with moderate traffic. The subject property is also visible from the city square which is a heavily traveled area of Covington. The subject property has adequate visibility which is reflected by the 100 percent occupancy rate at Covington Square.
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace. As the subject property is an existing senior rental community, its proposed rehabilitation will not alter the land use characteristics of the immediate area.

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

- The Covington Square Market Area consists of all census tracts in Newton County including the city of Covington. Interstate 20 crosses through the northern portion of the market area while several state and U.S. Highways provide connectivity to the southern portions of the county/market area. The Covington Square Market Area includes the most comparable multi-family rental communities and senior residents of these areas would likely consider the subject site as an acceptable shelter location. The market area is bound by county lines in every direction.
- The boundaries of the Covington Square Market Area and their approximate distance from the subject site are Walton County to the north (8.6 miles), Morgan County to the east (10.1 miles), Butts County / Jasper County to the south (15.0 miles), and Rockdale County / Henry County to the west (7.7 miles).

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



- The Covington Square Market Area had significant senior household growth (62+) from 2010 to 2020 and growth is expected to remain strong through 2022. Senior household growth in the market area has outpaced total household growth significantly on a percentage basis since 2010 and is expected to continue this trend over the next two years.
  - The Covington Square Market Area’s annual average household growth is projected to accelerate to 488 households or 1.3 percent over the next two years; annual average household growth was 372 households of 1.0 percent over the past 10 years.
  - The Covington Square Market Area added 292 households with householder age 62+ (3.3 percent) per year from 2010 to 2020 and annual growth is projected at 282 households age 62+ (2.6 percent) from 2020 to 2022.
- Seniors (ages 62 and older) comprise 16.8 percent of the Covington Square Market Area’s population while Adults (age 35 to 61) are the most common at 34.5 percent. Children/Youth (under 20 years old) account for a significant percentage (28.2 percent) of the market area’s population. Among renter households, 28.9 percent are ages 55 and older and 18.9 percent are ages 45 to 54.
- Roughly 44 percent of Covington Square Market Area households contained children and 36.8 percent were multi-person households without children including 25.4 percent that were married which includes empty nesters. Single-person households accounted for 19.6 percent of Covington Square Market Area households.
- Roughly 29 percent of households in the Covington Square Market Area rent in 2020 compared to 28.1 percent in the Bi-County Market Area. The Covington Square Market Area’s renter percentage is expected to remain the same through 2022.
- The Covington Square Market Area’s 2020 renter percentage among householders age 62 and older is 19.9 percent compared to 17.7 percent in the Bi-County Market Area.
- The 2020 median income in the Covington Square Market Area is a moderate \$61,603 per year, \$2,901 or 4.5 percent below the \$64,503 median in the Bi-County Market Area. RPRG estimates the median income for senior households (age 62 or older) in the Covington Square Market Area is \$30,715 for renters and \$45,755 for owners. Approximately 36 percent of senior renter households (62+) earn less than \$25,000 and 38.0 percent earn \$25,000 to \$49,999.
- 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 age-restricted and affordable nature.

## 5. Economic Data:

Newton County’s economy is growing with significant job growth during the past eight years resulting in an all-time high At-Place-Employment and the county’s unemployment rate has dropped each year since 2010.

- The unemployment rate in Newton County decreased significantly to 4.5 percent in 2018 from a recession-era high of 12.7 percent in 2010; the county’s average unemployment rate dropped to 4.0 percent through November 2019 which is above state (3.5 percent) and national (3.7 percent) rates.
- Newton County added jobs each year since 2011 for a net increase of 5,643 jobs or 28.7 percent; the county lost 1,750 jobs during the recession-era in 2009-2010. Newton County’s



rate of job growth has eclipsed the national rate on a percentage basis in six of eight years since 2011 including each of the past five years.

- Newton County's economy is balanced and diverse with six sectors each accounting for at least 10 percent of the total jobs. Trade-Transportation-Utilities is the county's largest employment sector accounting for 19.9 percent of jobs compared to 18.5 percent of jobs nationally. Five sectors (Government, Manufacturing, Professional-Business, Education-Health, and Leisure-Hospitality) each account for roughly 10 to 18 percent of Newton County's jobs while the Construction sector accounts for 6.1 percent. The remaining four sectors account for roughly five percent of the county's jobs combined. The county has a significantly larger proportion of jobs in the Government and Manufacturing sectors when compared to the nation and a significantly smaller percentage of jobs in the Financial Activities and Education-Health sectors.
- Nine of 11 employment sectors added jobs in Newton County from 2011 to 2019 (Q2) indicating a healthy and balanced economy. The Professional-Business sector nearly tripled in size with net growth of 173.7 percent while five additional sectors grew by at least 26 percent; the county's largest sector (Trade-Transportation-Utilities) grew by 41.4 percent. The Manufacturing sector lost 8.7 percent of jobs while the Natural Resources-Mining sector lost 14.9 percent; however, the Natural Resources-Mining sector accounts for 0.2 percent of the county's jobs.
- Lidl announced in January 2020 plans to open a regional headquarters and distribution center in Covington and create 270 jobs. No major job contractions were identified.

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

- Covington Square will contain 113 LIHTC units reserved for households (62+) earning at or below 50 percent and 60 percent of the Area Median Income (AMI); all units will have Project Based Rental Assistance (PBRA) through the Section 8 program. We have evaluated the units without this additional assistance to test market conditions. The subject property will offer an additional non-revenue manager's unit which is not included in this analysis.
- Without PBRA, the proposed 50 percent AMI units will target renter householders earning from \$20,910 to \$31,900. The 34 proposed units at 50 percent AMI would need to capture 5.9 percent of the 578 age and income-qualified renter households in order to lease-up.
- Without PBRA, the proposed 60 percent AMI units will target renter householders earning from \$25,110 to \$38,280. The 79 proposed units at 60 percent AMI would need to capture 13.4 percent of the 590 age and income-qualified renter households in order to lease-up.
- The project's overall renter capture rates is 13.9 percent without accounting for PBRA. Removing the minimum income limit when accounting for PBRA decreases the project's renter capture rate to 8.2 percent.
- All renter affordability capture rates (with or without PBRA) are within acceptable levels for an age-restricted rental community indicating that sufficient age and income-qualified renter households exist in the market area to support the proposed units as proposed. The lack of directly comparable senior oriented units in the market area reinforce the ability of the subject property to achieve these capture rates.
- Without accounting for the proposed PBRA, the project's DCA demand capture rates by AMI level are 11.4 percent for 50 percent AMI units, 42.7 percent for 60 percent AMI units, and the project's overall capture rate is 37.7 percent. Capture rates by floor plan within each AMI target range from 4.7 to 43.3 percent and capture rates by floor plan are 8.5 percent for efficiency units and 32.5 percent for one-bedroom units. The 60 percent AMI capture rate of 43.3 percent and the overall capture rate of 37.7 percent are above DCA's threshold of 35 percent without accounting for the continuation of PBRA.



Accounting for the proposed PBRA, capture rates drop to 5.8 percent for 50 percent AMI units, 13.4 percent for 60 percent AMI units, and 19.1 percent for the project overall, all of which are well below DCA's threshold of 35 percent. Capture rates by floor plan within each AMI level when accounting for PBRA range from 1.9 to 10.0 percent and capture rates by floor plan are 4.6 percent for efficiency units and 14.2 percent for one-bedroom units.

- All capture rates are well below DCA thresholds when accounting for the continuation of PBRA and indicate more than sufficient demand in the market area to support the proposed Covington Square with PBRA. The capture rates assume all units must be re-leased post renovation, although all existing tenants are expected to remain given the continuation of PBRA. Without the continuation of PBRA, the 60 percent AMI and overall capture rates are above DCA's threshold of 35 percent.

## 7. Competitive Rental Analysis

RPRG surveyed one senior LIHTC community and 11 general occupancy communities including four LIHTC communities.

### Senior Rental Communities:

- Harristown Park is a four-story mid-rise community with interior hallways, secured entrances, and elevators. The community was built in 2012 and exteriors are a mixture of brick and siding.
- Harristown Park is fully occupied with a waiting list of more than 200 people.
- Effective rents, unit sizes, and rent per square foot at Harristown Park are as follows:
  - **One-bedroom units** are \$672 for 50 percent AMI units and \$701 for 60 percent AMI units. Based on a unit size of 671 square feet, rent per square foot is \$1.00 for 50 percent AMI units and \$1.04 for 60 percent AMI units.
  - **Two-bedroom units** are \$802 for 50 percent AMI units and \$814 for 60 percent AMI units. Based on a unit size of 950 square feet, rent per square foot is \$0.84 for 50 percent AMI units and \$0.86 for 60 percent AMI units.

### General Occupancy Rental Communities:

- The 11 surveyed general occupancy rental communities including four LIHTC communities have an aggregate vacancy rate of 2.9 percent among 2,133 combined units. LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 2.0 percent based on 14 of 702 units vacant.
- Among surveyed general occupancy rental communities, net rents, unit sizes, and rents per square foot are as follows:
  - **One-bedroom** rents average \$998 for 865 square feet or \$1.15 per square foot. The average one bedroom LIHTC rent is \$901.
  - **Two-bedroom** rents average \$1,161 for 1,090 square feet or \$1.07 per square foot. The average two bedroom LIHTC rent is \$1,080.
- The "adjusted market rent" was \$1,039 for one-bedroom units; none of the surveyed communities offer efficiency units. The proposed one-bedroom rents have rent advantages of 28.1 percent for 50 percent AMI units and 13.7 percent for 60 percent AMI units. Although none of the surveyed communities offer efficiency units, the proposed efficiency rents have



rent advantages of 32.9 percent for 50 percent AMI units and 19.4 percent for 60 percent AMI units compared to the one-bedroom adjusted market rent which is appropriate.

- RPRG identified one general occupancy (Arbours at Covington) and two age-restricted LIHTC communities (Harmony at Covington and Legends of Covington) under construction in the market area. None of these communities will be directly comparable to the subject property given a difference in age and/or income targeting given the continuation of PBRA at Covington Square. Despite this difference, both LIHTC communities have been accounted for in the LIHTC demand estimate and capture rates.

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

The projected absorption rate is based on projected senior household growth, age and income-qualified renter households, affordability/demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The Covington Square Market Area is projected to add 282 households with householders age 62+ per year from 2020 to 2022 for annual growth of 2.6 percent.
- The surveyed age-restricted LIHTC community, Harristown Park, is fully occupied with a waiting list of more than 200 households. General occupancy communities are also performing well with an aggregate vacancy rate of 2.9 percent among 2,133 combined units.
- Nearly 1,400 renter households will be age and income-qualified for one or more of the proposed units at the subject property with the continuation of PBRA. DCA capture rates are well below thresholds with the proposed PBRA. The 60 percent AMI and overall DCA demand capture rates are above DCA thresholds without the proposed PBRA.
- Post rehabilitation, Covington Square will offer an attractive and affordable product that will be well received by the target market in the Covington Square Market Area.
- As all current tenants are expected to be retained with the continuation of PBRA, the subject property will not need to lease any units post-renovation. Based on the factors noted above, we estimate Covington Square's units with PBRA will lease-up as quickly as units become available and applications can be processed; we estimate any vacant units to be leased within one to two months. Without the proposed PBRA, the project's overall DCA demand capture rate of 37.7 percent is above DCA's threshold of 35 percent.

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

Based on an analysis of projected senior household growth trends, affordability and demand estimates (with and without PBRA), current rental market conditions, and socio-economic and demographic characteristics of the Covington Square Market Area, RPRG believes that the subject property, with the inclusion of PBRA, 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 senior communities in the Covington Square Market Area and the units will be well received by the target market. Without PBRA, DCA demand capture rates are above DCA thresholds. We recommend proceeding with the project as planned with the continuation of PBRA.



**DCA Summary Table:**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rent	Market Rents Band	Proposed Rents*
<b>50% AMI</b>	<b>no min\$ - \$31,900</b>									
Efficiency Units		9	41.6%	481	0	481	1.9%			\$697
One Bedroom Units		25	51.0%	590	0	590	4.2%	\$1,039	\$891 - \$1,185	\$747
<b>60% AMI</b>	<b>no min\$ - \$38,280</b>									
Efficiency Units		20	54.7%	633	0	633	3.2%			\$837
One Bedroom Units		59	61.4%	710	120	590	10.0%	\$1,039	\$891 - \$1,185	\$897
<b>By Bedroom</b>										
Efficiency Units		29	54.7%	633	0	633	4.6%			
One Bedroom Units		84	61.4%	710	120	590	14.2%			
<b>Project Total</b>	<b>no min\$ - \$38,280</b>									
50% AMI	no min\$ - \$31,900	34	51.0%	590	0	590	5.8%			
60% AMI	no min\$ - \$38,280	79	61.4%	710	120	590	13.4%			
Total Units	no min\$ - \$38,280	113	61.4%	710	120	590	19.1%			

Lesser of the maximum allowable LIHTC rent and proposed contract rent utilized in this analysis\*

<b>SUMMARY TABLE:</b>	
Development Name:	Covington Square <span style="float: right;">Total # Units: 114</span>
Location:	2101 Washington St. SW, Covington, Newton County, GA <span style="float: right;"># LIHTC Units: 113</span>
PMA Boundary:	North: Walton County, East: Morgan County, South: Butts County / Jasper County, West: Rockdale County / Henry County
	Farthest Boundary Distance to Subject: 15.0 miles

<b>RENTAL HOUSING STOCK – (found on pages 11, 49, 52-53)</b>									
Type	# Properties	Total Units	Vacant Units	Average Occupancy					
All Rental Housing	12	2,193	62	97.2%					
Market-Rate Housing	7	1,431	48	96.7%					
Assisted/Subsidized Housing not to include LIHTC									
<b>LIHTC</b>	5	762	14	98.2%					
Stabilized Comps	12	2,193	62	97.2%					
Properties in construction & lease up									

<b>Subject Development</b>					<b>Adjusted Market Rent</b>			<b>Highest Unadjusted Comp Rent</b>	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent*	Per Unit	Per SF	Advantage	Per Unit	Per SF
9	Eff	1	415	\$697	-	-	-	-	-
20	Eff	1	415	\$837	-	-	-	-	-
25	1	1	525	\$747	\$1,039	\$1.22	28.1%	\$1,159	\$1.40
59	1	1	525	\$897	\$1,039	\$1.22	13.7%	\$1,159	\$1.40

All units will have Project Based Rental Assistance (PBRA) and rent is set at maximum allowable 60 percent AMI net rent\*

<b>CAPTURE RATES (found on page 44-45)</b>					
Targeted Population	50% with PBRA	60% with PBRA			Overall with PBRA
Capture Rate	5.8%	13.4%			19.1%



## 2. INTRODUCTION

### A. Overview of Subject

The subject of this report is the proposed renovation of Covington Square, an existing 113-unit, deeply subsidized, age-restricted rental community in Covington, Newton County, Georgia. As proposed, the subject property will be rehabilitated and will target households ages 62 and older earning up to 50 percent and 60 percent of the Area Median Income (AMI) under the Low Income Housing Tax Credit (LIHTC) program. All units will continue to benefit from Project Based Rental Assistance (PBRA) through the Section 8 program.

### 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 2020 Market Study Manual and Qualified Allocation Plan (QAP). 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 Rebuild America (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 2020 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.
- Brett Welborn (Analyst) conducted a site visit on March 8, 2020.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and planning officials with the City of Covington and Newton County.
- 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 actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

### 3. PROJECT DESCRIPTION

#### A. Project Overview

Covington Square is located at 2101 Washington Street SW in downtown Covington. The subject property will offer 113 newly renovated age-restricted LIHTC units targeting households ages 62 and older earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. All units will continue to benefit from Project Based Rental Assistance (PBRA) through the Section 8 program. Covington Square will also offer one non-revenue unit designated for the property manager.

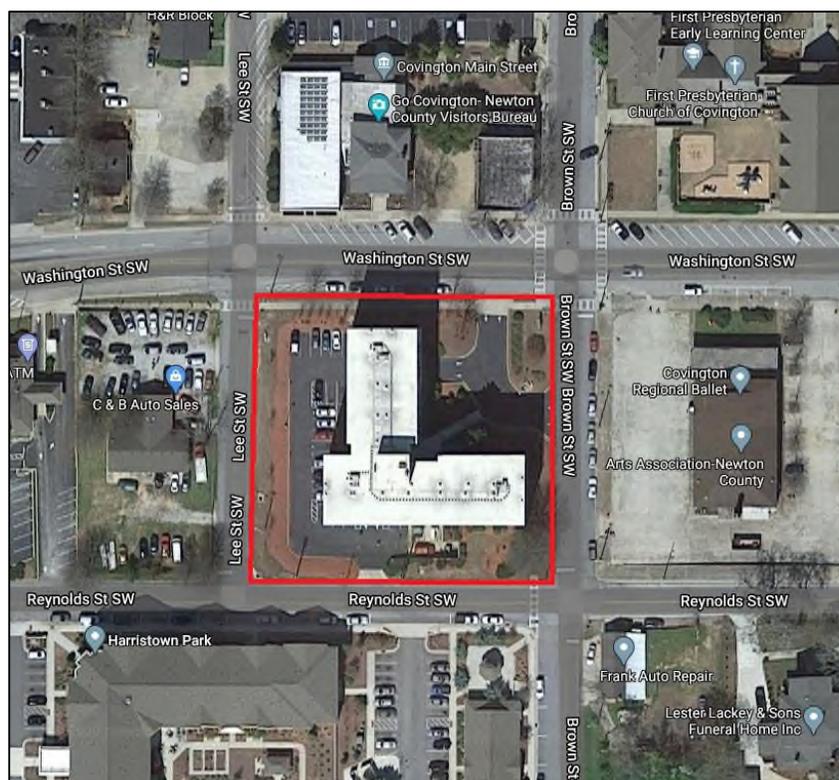
#### B. Project Type and Target Market

Covington Square will target very low to low income senior renter households (62+). The subject property will primarily target singles with a unit mix of efficiency and one bedroom units; some couples may consider the one bedroom units but the small unit size will limit this target market.

#### C. Building Types and Placement

Covington Square' 113 rental units are contained within a six-story mid-rise building with secured entrances, interior hallways, and elevator service. The building will have wood frames with a brick exterior and is "L" shaped with covered parking under the building as well as surface parking to the south and west (Figure 1). Covered parking and a pick-up/drop-off area are accessible via entrances on Brown Street SW to the east and Washington Street SW to the north while a third entrance is to the south on Reynolds Street SW. Community amenities are integrated into the building.

Figure 1 Site Plan





## D. Detailed Project Description

### 1. Project Description

- Covington Square will offer 113 units including 29 efficiency units (25.7 percent) and 54 one-bedroom units (74.3 percent). The subject property will also offer a non-revenue two-bedroom manager’s unit.
- Thirty-four units will target senior households (62+) earning up to 50 percent of the Area Median Income (AMI) and 79 units will target senior households (62+) earning up to 60 percent AMI.
- Efficiency units will have one bathroom and 415 heated square feet.
- One-bedroom units will have one bathroom and 525 heated square feet.
- Covington Square’s rents will include all utilities.
- All units will continue to benefit from PBRA and tenants in these units will pay a percentage of their income for rent; minimum income limits and tenant-paid rents will not apply. We utilize the lesser of the proposed contract rent and maximum allowable LIHTC rent (most that could be charged without PBRA) for this analysis.
- Proposed unit features and community amenities are detailed in Table 2.

**Table 1 Detailed Unit Mix and Rents, Covington Square**

Developer Proposed									
# Bed	# Bath	Building Type	Income Target	Units	Gross Sq Ft	Contract Rent	Net Rent	Utility Allowance	Gross Rent
Eff	1	Mid-Rise	50% AMI/PBRA	9	415	\$1,020	\$697	\$0	\$697
Eff	1	Mid-Rise	60% AMI/PBRA	20	415	\$1,020	\$837	\$0	\$837
<b>Eff Subtotal/Avg</b>				<b>29</b>	<b>415</b>	<b>\$794</b>			
1	1	Mid-Rise	50% AMI/PBRA	25	525	\$1,076	\$747	\$0	\$747
1	1	Mid-Rise	60% AMI/PBRA	59	525	\$1,076	\$897	\$0	\$897
<b>1 BR Subtotal/Avg</b>				<b>84</b>	<b>525</b>	<b>\$852</b>			
<b>Total</b>				<b>113</b>					

All utilities included in rent Source: Rebuild America  
 Lesser of the proposed contract rent and maximum allowable LIHTC rent

**Table 2 Unit Features and Community Amenities**

Unit Features	Community Amenities
<ul style="list-style-type: none"> <li>• Kitchens with a refrigerator, range/oven, and microwave.</li> <li>• Ceiling fans.</li> <li>• Grab bars and emergency call systems.</li> <li>• Window blinds.</li> <li>• PTAC heating and air-conditioning.</li> </ul>	<ul style="list-style-type: none"> <li>• Community room.</li> <li>• Computer area.</li> <li>• Fitness center.</li> <li>• Laundry facility.</li> <li>• Community garden.</li> <li>• Elevator.</li> </ul>

### 2. Other Proposed Units

None.



### **3. Scope of Rehabilitation**

The proposed rehabilitation cost for Covington Square is approximately \$210,526 per unit. The scope of the rehabilitation will be extensive and include upgrades to building exteriors, interior unit finishes and features, mechanical systems, HVAC units, and plumbing systems.

### **4. Current Property Conditions**

According to the property manager (March 10, 2020), the community was fully occupied with a waiting list of more than 30 people. All units at the property are deeply subsidized through the Section 8 program. Current contract rents are \$1,006 for efficiency units and \$1,061 for one-bedroom units. All residents are expected to remain income-qualified and be retained post renovation given the continuation of PBRA on all units.

Reflecting its age (built in 1985), the subject property is showing signs of deferred maintenance and needs repairs and upgrades.

### **5. Proposed Timing of Development**

Covington Square is expected to begin construction in August 2021 and will be completed in November 2022.

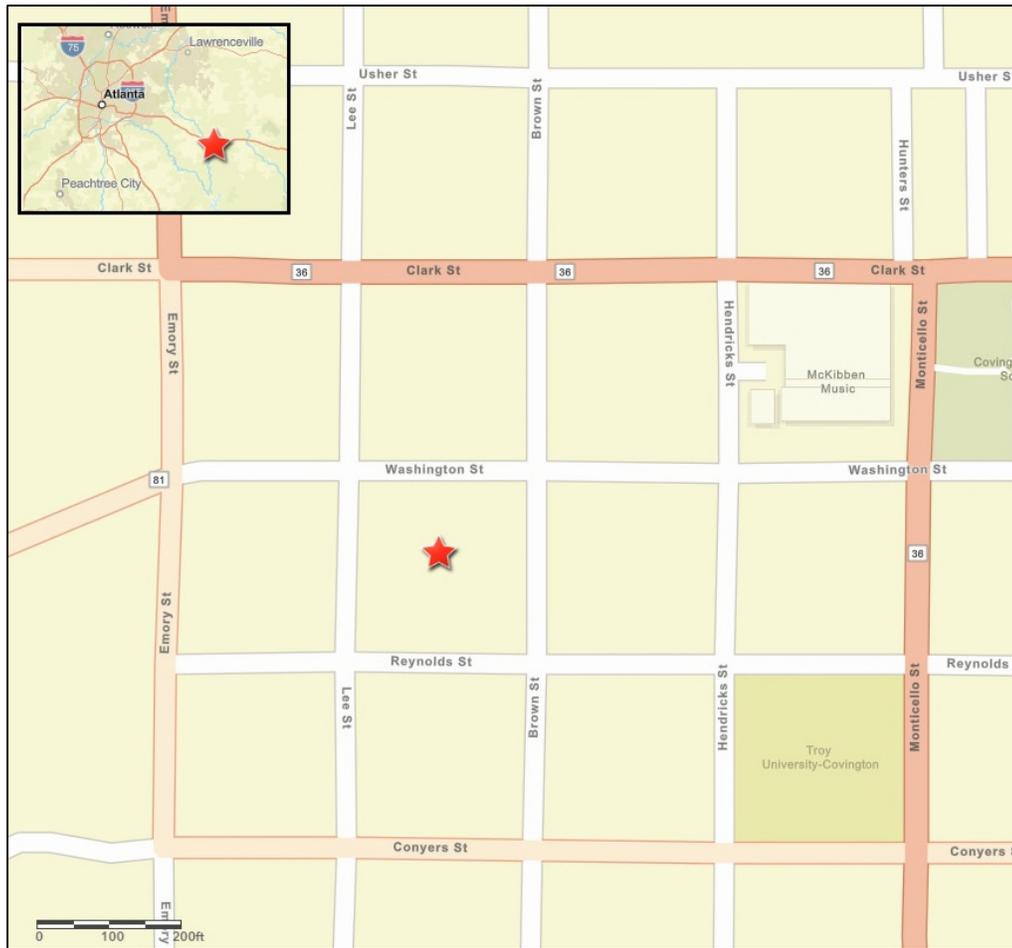
## 4. SITE EVALUATION

### A. Site Analysis

#### 1. Site Location

The subject property is bordered by Washington Street SW to the north, Brown Street SW to the east, Reynolds Street SW to the south, and Lee Street SW to the west in downtown Covington, Newton County, Georgia (Map 1).

Map 1 Site Location



## 2. Existing and Proposed Uses

The site includes the existing six-story age-restricted rental community Covington Square (Figure 2); the existing building will remain in place within the scope of the proposed rehabilitation and the community will continue to offer 113 affordable rental units and one non-revenue manager's unit.

**Figure 2 Views of Subject Site**



**Subject property facing southwest from Brown Street SW and Washington Street SW intersection.**



**Subject property facing south from Washington Street SW.**



**Subject property facing east from Lee Street SW.**



**Subject property facing northeast from Reynolds Street SW and Lee Street SW intersection.**

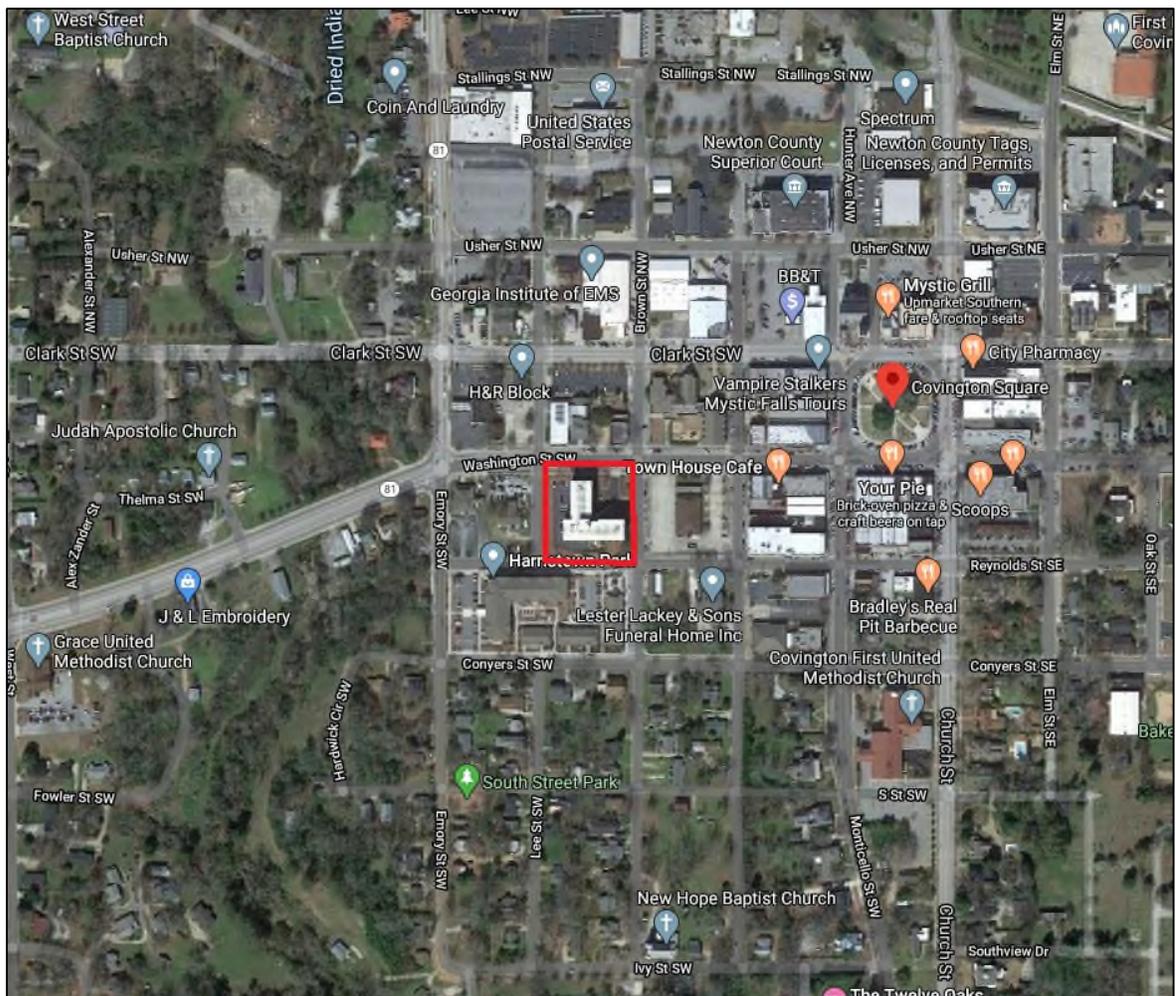


**Subject property facing west from Brown Street SW.**

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

The subject property is in the southwestern portion of downtown Covington and is surrounded by a mixture of land uses. Several small business and municipal offices are to the north and northwest while First Presbyterian Church of Covington is to the northeast across Washington Street (Figure 3). Arts Association-Newton County is directly east of the site while a small auto dealer (C & B Auto Sales) is to the west. Residential uses are common to the south and west including Harristown Park (Age-restricted LIHTC community) directly southwest of Covington Square while modest to moderate value single-family detached homes are common surrounding downtown within one-half mile. The city square is two blocks east of the subject property with many small retailers and restaurants.

**Figure 3 Satellite Image of Subject Site**



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

The land uses surrounding the subject site are as follows (Figure 4):

- **North:** First Presbyterian Church of Covington, Covington-Newton County Visitors Bureau, The Center for Community Preservation and Planning, and a small commercial building.
- **East:** Arts Association-Newton County/Covington Regional Ballet.
- **South:** Harristown Park Senior Apartments and single-family detached homes.
- **West:** C & B Auto Sales.

**Figure 4 Views of Surrounding Land Uses**



**Covington-Newton County Visitors Bureau to the north.**



**C & B Auto Sales to the west.**



**Arts Association-Newton County to the east.**



**First Presbyterian Church of Covington to the northeast.**



**Harristown Park Senior Apartments to the south.**

## **B. Neighborhood Analysis**

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

Covington is an exurban city roughly 35 miles east of downtown Atlanta along Interstate 20. The subject property is in the downtown district which is comprised primarily of small business, retailers, restaurants, and municipal services surrounding a city square. Commercial uses are concentrated along U.S. Highway 278 within one mile north of the site while residential uses including primarily modest to moderate value single-family detached homes and multi-family rental communities surround the downtown district and U.S. Highway 278 commercial thoroughfare. A concentration of industrial uses is in the northeastern portion of the city while additional commercial uses including Walmart Supercenter are in this portion of Covington near the Interstate 20 and State Highway 142 interchange.

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

A 170-acre mixed-use development (Town Center) is planned just over two miles northeast of the site at the Alcovy Road and City Pond Road intersection. Foxfield Company is the developer and the City of Covington approved in January 2020 the transfer of roughly 100 acres to the developer in exchange for road construction and infrastructure installments. The developer must acquire the rest of the land from private parties for the project to move forward and Foxfield Company has until October 2020 to back out of the land transfer with the city. The master plan includes retail outlets, a hotel, movie theater, restaurants, office space, and residential uses including apartments and townhomes. A timeline for the project was not identified but it is likely the project will be built in phases over several years.

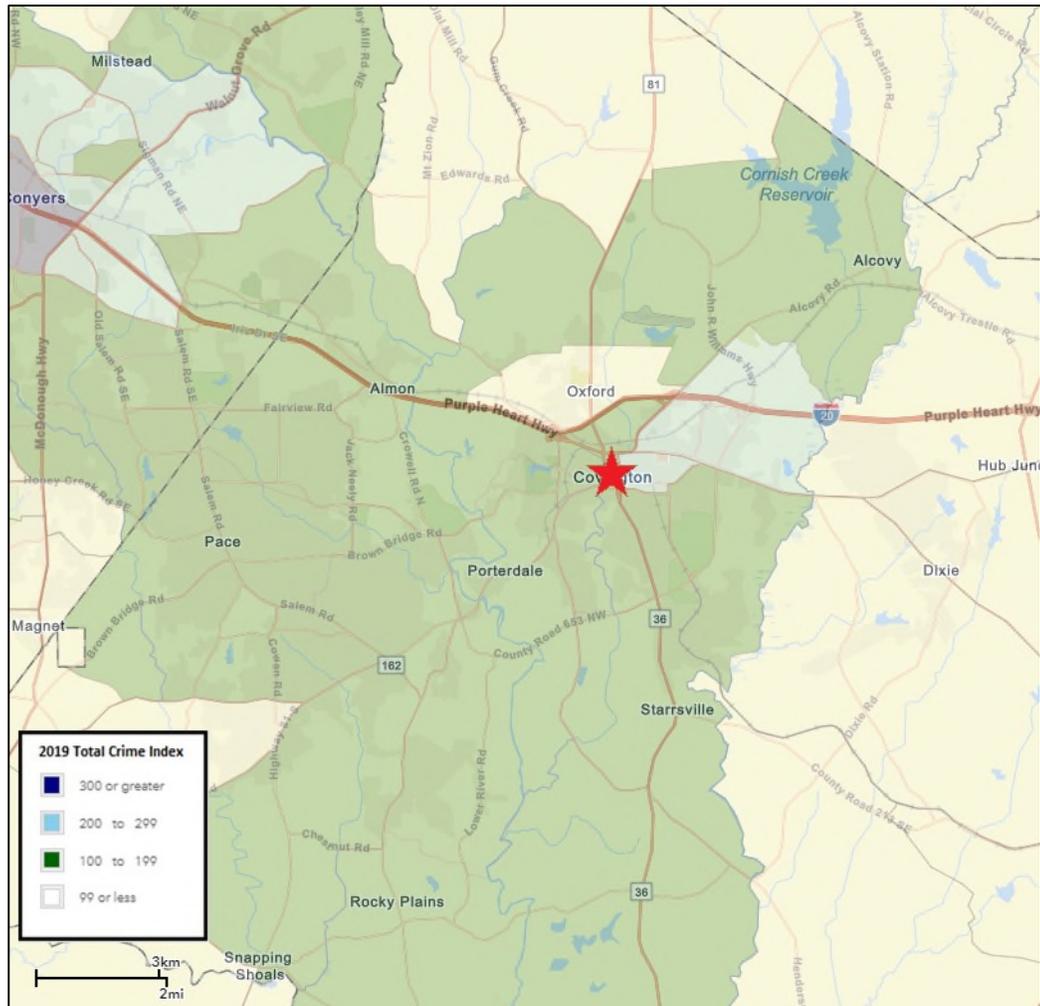
Several new for-sale single-family detached home neighborhoods are under construction in the Covington area with homes ranging from roughly \$200,000 to \$350,000. Additionally, three LIHTC rental communities (one general occupancy and two age-restricted) are under construction in Covington within three miles of the site (a description of these communities are in the Multi-Family Pipeline section of this report on page 53).

### **3. Public Safety**

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 2019 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 (200 to 299) above the national average (100) (Map 2). Much of the market area has an above average crime risk so 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. Furthermore, the subject will have controlled access entrances which will enhance overall security.

## Map 2 Crime Index



### C. Site Visibility and Accessibility

#### 1. Visibility

Covington Square has excellent visibility from surrounding streets and is visible from the city square two blocks to the east. Additionally, the subject property is one of the tallest buildings in downtown which enhances visibility.

#### 2. Vehicular Access

The subject property is accessible via three entrances. The two primary entrances are on Washington Street SW to the north and Brown Street SW to the east which provide access to the front of the building and parking. A secondary entrance is to the south on Reynolds Street SW providing access to parking adjacent and below the subject property. The surrounding streets have modest to moderate traffic with sufficient traffic breaks; RPRG does not expect any problems with site ingress/egress.



### **3. Availability of Public Transit and Interregional Transit**

Public transportation is not offered in Newton County. The closest public transportation option is a MARTA Park and Ride on Sigman Road in Conyers roughly 14 miles northwest of the subject property. MARTA provides rail lines and bus public transportation in the Atlanta Metro Area. Newton County Senior Services offers transportation to and from the senior center for \$2 per day.

From a regional perspective, the subject site is just over one mile south of access to Interstate 20 via U.S. Highway 278. Interstate 20 connects to the Atlanta Metro Area to the west including Interstate 285 and downtown Atlanta roughly 24 and 35 miles from the subject property, respectively. Interstate 20 also connects to Augusta and Columbia to the east. U.S. Highway 278 begins in Covington and runs roughly parallel to Interstate 20 to the east. Several state highways are also in Covington connecting the city to other municipalities to the north and south. Hartsfield-Jackson International Airport is roughly 38 miles west of the subject site via Interstate 20 to Interstate 285.

### **4. Pedestrian Access**

Neighborhood amenities and services in downtown Covington are walkable from the subject property including the city square less than one-quarter mile to the east.

### **5. Accessibility 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 this process. Through this research, RPRG did not identify any major roadway or transit improvements that would have a direct impact on the site.

## **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.

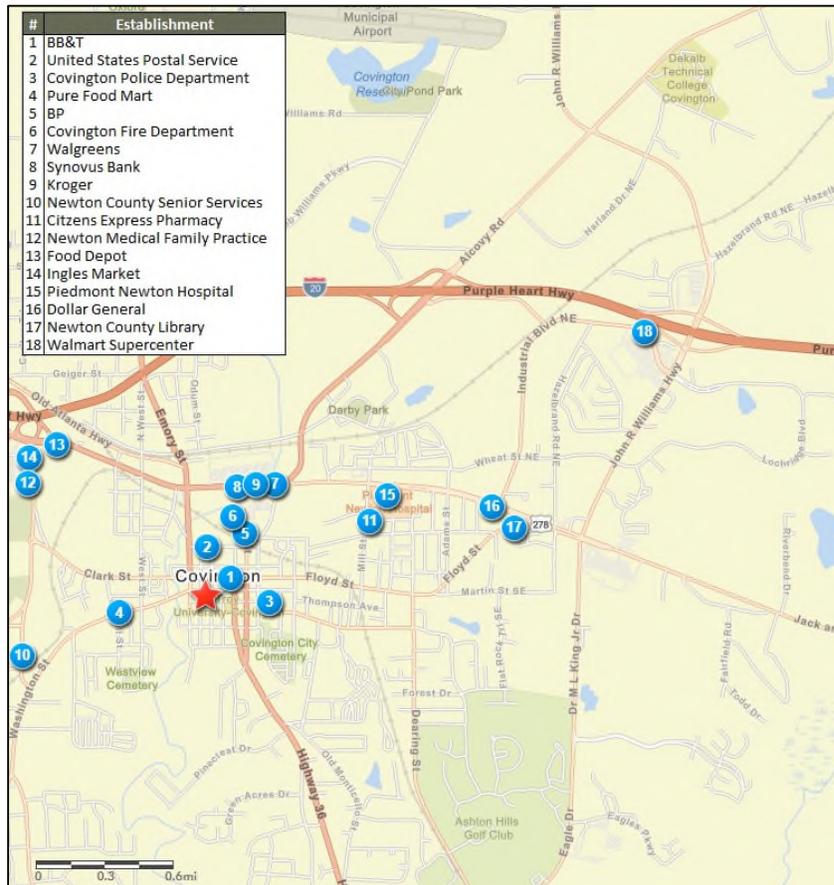


**Table 3 Key Facilities and Services**

Establishment	Type	Address	Driving Distance
BB&T	Bank	1134 Clark St. SW	0.2 mile
United States Postal Service	Post Office	2131 Stallings St. NW	0.2 mile
Covington Police Department	Police	1143 Oak St. SE	0.3 mile
Pure Food Mart	Convenience Store	4120 Washington St. SW	0.4 mile
BP	Convenience Store	2106 Pace St.	0.4 mile
Covington Fire Department	Fire	2101 Pace St.	0.4 mile
Walgreens	Pharmacy	3188 Hwy 278 NE	0.6 mile
Synovus Bank	Bank	3106 Hwy 278 NE NW	0.7 mile
Kroger	Grocery	3139 Hwy 278 NE	0.7 mile
Newton County Senior Services	Senior Center	6183 Turner Lake Rd.	1 mile
Citizens Express Pharmacy	Pharmacy	4104 Tate St. NE	1 mile
Newton Medical Family Practice	Doctor/Medical	7143 Turner Lake Rd. NW	1.1 miles
Food Depot	Grocery	6169 US-278	1.1 miles
Ingles Market	Grocery	7173 Turner Lake Rd. NW	1.1 miles
Piedmont Newton Hospital	Hospital	5126 Hospital Dr. NE	1.1 miles
Dollar General	General Retail	7118 Hwy 278 NE	1.4 miles
Newton County Library	Library	7116 Floyd St. NE	1.5 miles
Walmart Supercenter	General Retail	10300 Industrial Blvd.	2.7 miles

Source: Field and Internet Research, RPRG, Inc.

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



## 2. Essential Services

### *Health Care*

Piedmont Newton Hospital is roughly one mile northeast of the subject property on U.S. Highway 278. This 97-bed acute-care hospital offers many services including a 24-hour Emergency Room/Department, women's services, oncology, surgical, imaging, and general medicine.

Newton Medical Family Practice is roughly one mile east of the subject property near the hospital.

### *Senior Services*

Newton County Senior Services is one mile west of the subject property and offers recreation activities to older adult and seniors ages 55 and older. The center offers activities including driving classes, dancing, book club, wellness checks, nutrition classes, and computer classes. Breakfast and lunch are provided Monday through Friday for \$3 and transportation is provided to and from the senior center for \$2 per day.

## 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.

Three grocery stores (Kroger, Food Depot, and Ingles Market), pharmacies (Walgreens and Citizens Express), banks (BB&T and Synovus), and convenience stores (Pure Food Mart and BP) are within roughly one mile of Covington Square primarily near U.S. Highway 278.

### *Comparison Goods*

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

Dollar General is 1.4 miles northeast of the subject property near the U.S. Highway 278 and Industrial Boulevard intersection and Walmart Supercenter is 2.7 miles to the northeast near Interstate 20. The closest regional shopping mall is The Mall at Stonecrest roughly 16 miles to the northwest via Interstate 20. The mall is anchored by Macy's, JCPenney, and Dillard's and also offers many smaller retailers, a movie theater, and a food court.

## 4. Location of Low-Income Housing

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

## E. Site Conclusion

As the subject property is an existing and occupied affordable rental housing community, it is and will remain suitable for its intended use. Covington Square is in an appealing downtown location and is walkable to retailers and restaurants in or near the city square. Neighborhood amenities and major traffic arteries are convenient to the subject property and surrounding land uses are compatible with multi-family rental housing. RPRG did not identify negative attributes that would impact the ability of Covington Square to successfully lease its units.



## 5. MARKET AREA

### A. Introduction

The primary market area for Covington Square 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

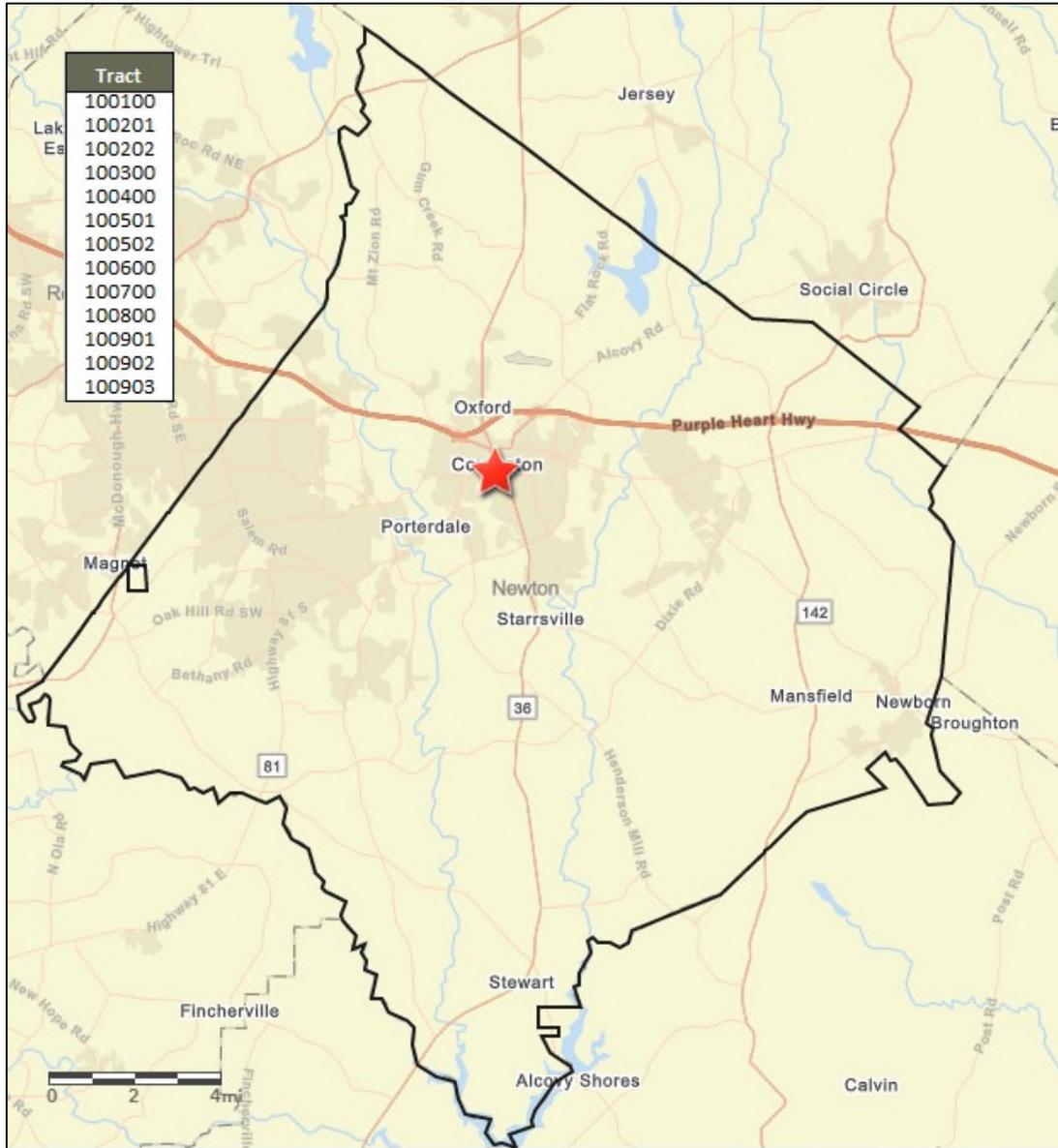
The Covington Square Market Area consists of all census tracts in Newton County including the city of Covington (Map 4). Interstate 20 crosses through the northern portion of the market area while several state and U.S. Highways provide connectivity to the southern portions of the county/market area. The Covington Square Market Area includes the most comparable multi-family rental communities and senior residents of these areas would likely consider the subject site as an acceptable shelter location. The market area is bound by county lines in every direction.

The boundaries of the Covington Square Market Area and their approximate distance from the subject site are:

<b>North:</b> Walton County .....	(8.6 miles)
<b>East:</b> Morgan County .....	(10.1 miles)
<b>South:</b> Butts County / Jasper County .....	(15.0 miles)
<b>West:</b> Rockdale County / Henry County .....	(7.7 miles)

The Covington Square Market Area is compared to a Bi-County Market Area comprised of Newton and Rockdale counties, which is presented as a secondary market area for demographic purposes. Demand estimates are based only on the Covington Square Market Area.

Map 4 Covington Square Market Area





## 6. COMMUNITY DEMOGRAPHIC DATA

### A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Covington Square 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. Demographic data is presented for 2010, 2020, and 2022 per DCA’s 2020 Market Study Guide.

### B. Trends in Population and Households

#### 1. Recent Past Trends

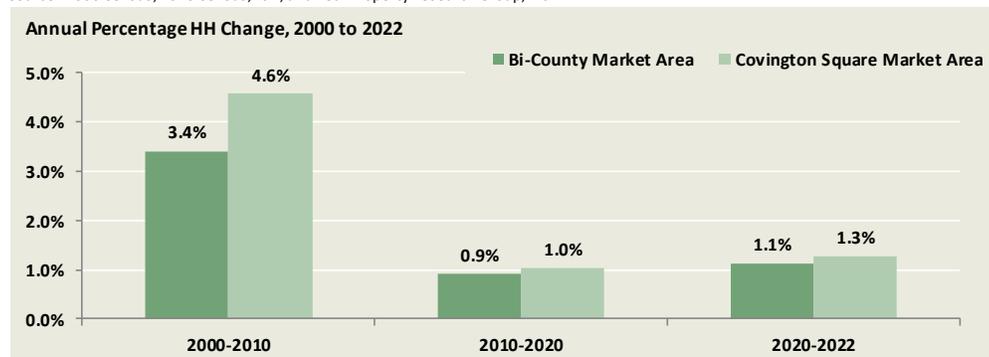
The Covington Square Market Area had strong population and household growth from 2000 to 2010 with the net addition of 37,957 people (61.2 percent) and 12,393 households (56.3 percent) between Census counts (Table 4); annual growth rates were 4.9 percent for population and 4.6 percent for households. Growth is estimated to have slowed over the past 10 years but remained steady with the net addition of 12,045 people (12.1 percent) and 3,720 households (10.8 percent) from 2010 to 2020; annual growth was 1,205 people (1.1 percent) and 372 households (1.0 percent) over this period.

Population and household growth rates in the Bi-County Market Area were slower over the past 20 years with annual average household growth of 3.4 percent from 2000 to 2010 and 0.9 percent from 2010 to 2020. The Bi-County Market Area’s net growth over the past 10 years was 18,533 people and 6,093 households.

**Table 4 Population and Household Projections**

	Bi-County Market Area					Covington Square Market Area				
	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
<b>Population</b>										
2000	132,112					62,001				
2010	185,173	53,061	40.2%	5,306	3.4%	99,958	37,957	61.2%	3,796	4.9%
2020	203,706	18,533	10.0%	1,853	1.0%	112,003	12,045	12.1%	1,205	1.1%
2022	208,511	4,806	2.4%	2,403	1.2%	115,092	3,088	2.8%	1,544	1.4%
<b>Households</b>										
2000	46,049					21,997				
2010	64,417	18,368	39.9%	1,837	3.4%	34,390	12,393	56.3%	1,239	4.6%
2020	70,510	6,093	9.5%	609	0.9%	38,110	3,720	10.8%	372	1.0%
2022	72,105	1,596	2.3%	798	1.1%	39,087	976	2.6%	488	1.3%

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





## 2. Projected Trends

Growth is expected to accelerate in the Covington Square Market Area over the next two years with the annual addition of 1,544 people (1.4 percent) and 488 households (1.3 percent) from 2020 to 2022. Annual growth rates in the Bi-County Market Area are projected to remain slower than in the Covington Square Market Area on a percentage basis at 1.2 percent among population and 1.1 percent households over the next two years.

The average household size in the market area of 2.89 persons per household in 2020 is expected to increase slightly to 2.90 persons in 2022 (Table 5).

**Table 5 Persons per Household, Covington Square Market Area**

Average Household Size			
Year	2010	2020	2022
Population	99,958	112,003	115,092
Group Quarters	1,792	1,731	1,597
Households	34,390	38,110	39,087
<b>Avg. HH Size</b>	<b>2.85</b>	<b>2.89</b>	<b>2.90</b>

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

## 3. Building Permit Trends

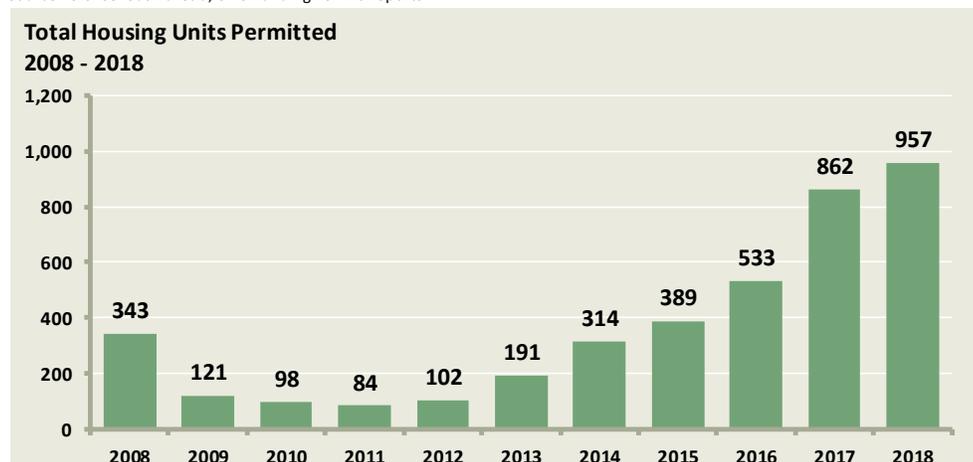
Permitted units in the Bi-County Market Area dropped from 343 in 2008 to a low of 84 in 2011 during the recession-era before steadily increasing to 533 permitted units in 2016 (Table 6). Permit activity over the past two years increased significantly to an annual average of 910 permitted units in 2017-2018 including 957 permitted units in 2018, nearly three times the permitted units in 2008 (343). The 1,819 combined units permitted over the past two years is roughly equal to the number of permitted units in the previous eight years combined (1,832).

Ninety-eight percent of permitted units in the Covington Square Market Area are single-family detached homes. Only two percent of permitted units have been in multi-family structures with at least five units with just 74 such units permitted in the past 11 years.

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

Bi-County Market Area													2008-2018	Annual Average
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018			
Single Family	341	113	98	84	102	163	309	389	527	831	953	3,910	355	
Two Family	2	0	0	0	0	0	0	0	0	0	0	2	0	
3 - 4 Family	0	0	0	0	0	0	0	0	0	4	4	8	1	
5+ Family	0	8	0	0	0	28	5	0	6	27	0	74	7	
<b>Total</b>	<b>343</b>	<b>121</b>	<b>98</b>	<b>84</b>	<b>102</b>	<b>191</b>	<b>314</b>	<b>389</b>	<b>533</b>	<b>862</b>	<b>957</b>	<b>3,994</b>	<b>363</b>	

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





#### 4. Trends in Older Adult Households

Senior householders (ages 62 and older) have increased significantly faster than total households on a percentage basis in the Covington Square Market Area; senior household growth includes both net migration and aging in place. The Covington Square Market Area had 7,735 households with householder age 62+ as of the 2010 Census and is estimated to have added 292 households with householder age 62+ per year from 2010 to 2020 (3.3 percent annual growth) (Table 7). Households with householder age 62+ are projected to increase at an annual rate of 2.6 percent or 282 households from 2020 to 2022. The rate of senior household growth is projected at double the total household growth rate over the next two years.

**Table 7 Trends in Senior Households, Covington Square Market Area**

Covington Square Market Area							Change 2010 to 2020				Change 2020 to 2022			
							Total		Annual		Total		Annual	
Age of HH	2010		2020		2022		#	%	#	%	#	%	#	%
55 to 61	4,178	35.1%	4,923	31.6%	5,026	30.9%	745	17.8%	74	1.7%	103	2.1%	52	1.0%
62-64	1,735	14.6%	2,110	13.5%	2,154	13.3%	375	21.6%	38	2.0%	44	2.1%	22	1.0%
65 to 74	3,667	30.8%	5,364	34.4%	5,549	34.2%	1,697	46.3%	170	3.9%	185	3.5%	93	1.7%
75 and older	2,333	19.6%	3,178	20.4%	3,513	21.6%	845	36.2%	85	3.1%	334	10.5%	167	5.1%
<b>Householders 62+</b>	<b>7,735</b>		<b>10,653</b>		<b>11,216</b>		<b>2,918</b>	<b>37.7%</b>	<b>292</b>	<b>3.3%</b>	<b>564</b>	<b>5.3%</b>	<b>282</b>	<b>2.6%</b>
<b>All Households</b>	<b>34,390</b>		<b>38,110</b>		<b>39,087</b>		<b>3,720</b>	<b>10.8%</b>	<b>372</b>	<b>1.0%</b>	<b>976</b>	<b>2.6%</b>	<b>488</b>	<b>1.3%</b>

Source: 2010 Census; Esri; RPRG

### C. Demographic Characteristics

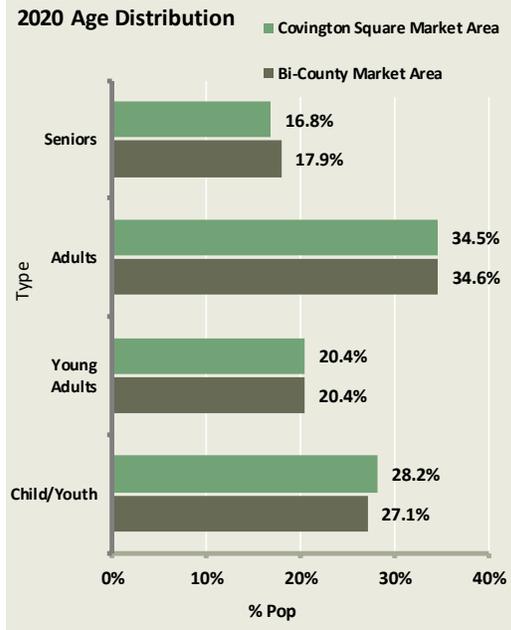
#### 1. Age Distribution and Household Type

The Covington Square Market Area is slightly younger than the Bi-County Market Area with median ages of 35 and 36, respectively. Reflecting its exurban location and large percentage of families, the Covington Square Market Area has a large proportion of Adults and Children/Youth. Adults age 35-61 comprise the largest percentage of the Covington Square Market Area's population at 34.5 percent and Children/Youth under the age of 20 account for 28.2 percent of the population (Table 8). Young Adults comprise 20.4 percent of the Covington Square Market Area's population while Seniors age 62 and older account for 16.8 percent. The Bi-County Market Area has a larger proportion of people ages 62 and older when compared to the Covington Square Market Area (17.9 percent versus 16.8 percent) and a smaller proportion of people under 20 years old (27.1 percent versus 28.2 percent).



**Table 8 Age Distribution**

2020 Age Distribution	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>55,136</b>	<b>27.1%</b>	<b>31,556</b>	<b>28.2%</b>
Under 5 years	13,294	6.5%	7,659	6.8%
5-9 years	13,786	6.8%	7,929	7.1%
10-14 years	14,310	7.0%	8,075	7.2%
15-19 years	13,746	6.7%	7,894	7.0%
<b>Young Adults</b>	<b>41,614</b>	<b>20.4%</b>	<b>22,902</b>	<b>20.4%</b>
20-24 years	12,565	6.2%	6,982	6.2%
25-34 years	29,050	14.3%	15,920	14.2%
<b>Adults</b>	<b>70,465</b>	<b>34.6%</b>	<b>38,673</b>	<b>34.5%</b>
35-44 years	25,690	12.6%	14,295	12.8%
45-54 years	26,907	13.2%	15,154	13.5%
55-61 years	17,868	8.8%	9,223	8.2%
<b>Seniors</b>	<b>36,490</b>	<b>17.9%</b>	<b>18,872</b>	<b>16.8%</b>
62-64 years	7,658	3.8%	3,953	3.5%
65-74 years	18,212	8.9%	9,355	8.4%
75-84 years	8,125	4.0%	4,291	3.8%
85 and older	2,495	1.2%	1,273	1.1%
<b>TOTAL</b>	<b>203,706</b>	<b>100%</b>	<b>112,003</b>	<b>100%</b>
<b>Median Age</b>	<b>36</b>		<b>35</b>	

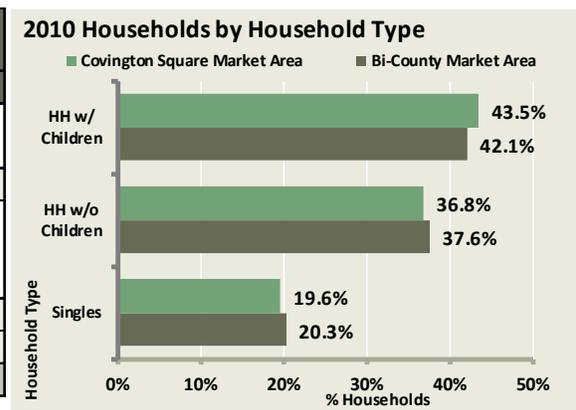


Source: Esri; RPRG, Inc.

Households with children were the most common household type in the Covington Square Market Area as of the 2010 Census at 43.5 percent. Over one-third (36.8 percent) of Covington Square Market Area households were multi-person households without children including 25.4 percent married households without children. Single-person households were the least common household type in both areas at 19.6 percent in the Covington Square Market Area and 20.3 percent in the Bi-County Market Area (Table 9). The Bi-County Market Area has a smaller proportion of households with children and a larger proportion of multi-person households without children when compared to the Covington Square Market Area.

**Table 9 Households by Household Type**

2010 Households by Household Type	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
Married w/Children	16,140	25.1%	8,985	26.1%
Other w/ Children	10,995	17.1%	5,978	17.4%
<b>Households w/ Children</b>	<b>27,135</b>	<b>42.1%</b>	<b>14,963</b>	<b>43.5%</b>
Married w/o Children	16,798	26.1%	8,736	25.4%
Other Family w/o Children	4,965	7.7%	2,595	7.5%
Non-Family w/o Children	2,445	3.8%	1,340	3.9%
<b>Households w/o Children</b>	<b>24,208</b>	<b>37.6%</b>	<b>12,671</b>	<b>36.8%</b>
<b>Singles</b>	<b>13,074</b>	<b>20.3%</b>	<b>6,756</b>	<b>19.6%</b>
<b>Total</b>	<b>64,417</b>	<b>100%</b>	<b>34,390</b>	<b>100%</b>



Source: 2010 Census; RPRG, Inc.

**2. Renter Household Characteristics**

Approximately 29 percent of households in the Covington Square Market Area rent in 2020, slightly higher than the 28.1 percent renter percentage in the Bi-County Market Area; renter households

increased significantly in both areas since 2000 (Table 10). The renter percentage in the Covington Square Market Area is projected to remain at 28.5 percent through 2022.

**Table 10 Households by Tenure 2000 - 2022**

Bi-County Market Area	2000		2010		2020		2022	
Housing Units	#	%	#	%	#	%	#	%
Owner Occupied	35,014	76.0%	46,970	72.9%	50,696	71.9%	52,162	72.3%
Renter Occupied	11,035	24.0%	17,447	27.1%	19,814	28.1%	19,943	27.7%
<b>Total Occupied</b>	<b>46,049</b>	<b>100%</b>	<b>64,417</b>	<b>100%</b>	<b>70,510</b>	<b>100%</b>	<b>72,105</b>	<b>100%</b>
Total Vacant	2,066		7,197		6,594		6,974	
<b>TOTAL UNITS</b>	<b>48,115</b>		<b>71,614</b>		<b>77,103</b>		<b>79,079</b>	

Covington Square Market Area	2000		2010		2020		2022	
Housing Units	#	%	#	%	#	%	#	%
Owner Occupied	17,090	77.7%	25,836	75.1%	27,238	71.5%	27,936	71.5%
Renter Occupied	4,907	22.3%	8,554	24.9%	10,872	28.5%	11,151	28.5%
<b>Total Occupied</b>	<b>21,997</b>	<b>100.0%</b>	<b>34,390</b>	<b>100.0%</b>	<b>38,110</b>	<b>100.0%</b>	<b>39,087</b>	<b>100.0%</b>
Total Vacant	1,036		3,952		3,873		4,159	
<b>TOTAL UNITS</b>	<b>23,033</b>		<b>38,342</b>		<b>41,983</b>		<b>43,246</b>	

Source: 2000 Census; 2010 Census; Esri; RPRG, Inc.

Renter percentages are lower among senior households in both the Covington Square Market Area and Bi-County Market Area. The Covington Square Market Area has an estimated 2,122 senior renter households with householder age 62+ as of 2020, 19.9 percent of the senior household base (Table 11). The Bi-County Market Area's senior renter percentage is lower at 17.7 percent.

**Table 11 Senior Households by Tenure (62+)**

Senior Households 62+	Bi-County Market Area		Covington Square Market Area	
2020 Households	#	%	#	%
Owner Occupied	16,992	82.3%	8,531	80.1%
Renter Occupied	3,656	17.7%	2,122	19.9%
<b>Total Occupied</b>	<b>20,648</b>	<b>100.0%</b>	<b>10,653</b>	<b>100.0%</b>

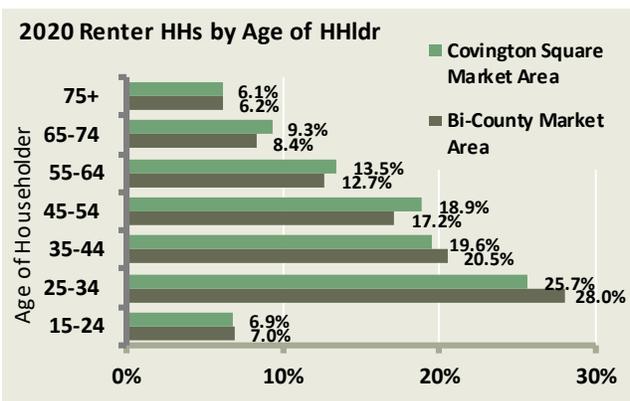
Source: 2000 Census; 2010 Census; ESRI; RPRG

Working age households (ages 25 to 54) form the core of renter households in the Covington Square Market Area at 64.2 percent of renter households including 45.3 percent ages 25-44. A significant percentage (28.9 percent) of Covington Square Market Area renters are ages 55 years and older and 6.9 percent are under the 25 years old (Table 12). The Bi-County Market Area has a larger proportion of renter households under 45 years old when compared to the Covington Square Market Area (55.5 percent versus 52.1 percent).



**Table 12 Renter Households by Age of Householder**

Renter Households	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	1,379	7.0%	748	6.9%
25-34 years	5,549	28.0%	2,790	25.7%
35-44 years	4,064	20.5%	2,129	19.6%
45-54 years	3,402	17.2%	2,058	18.9%
55-64 years	2,519	12.7%	1,464	13.5%
65-74 years	1,666	8.4%	1,015	9.3%
75+ years	1,235	6.2%	668	6.1%
<b>Total</b>	<b>19,814</b>	<b>100%</b>	<b>10,872</b>	<b>100%</b>

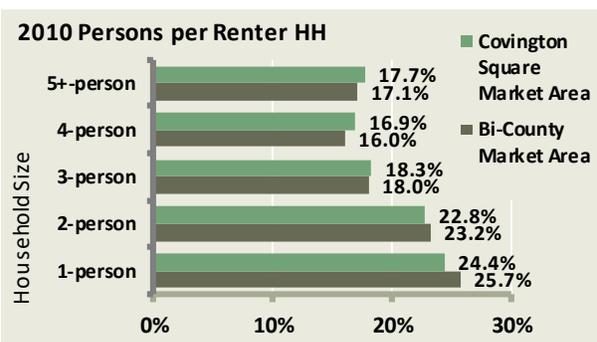


Source: Esri, Real Property Research Group, Inc.

The Covington Square Market Area contained significant proportions of all renter household sizes. Roughly 47 percent of Covington Square Market Area renter households had one or two people (24.4 percent were single-person households), 35.2 percent had three or four people, and 17.7 percent were larger households with five or more people (Table 13). The Bi-County Market Area had a larger proportion of small renter households with one or two people when compared to the Covington Square Market Area (48.9 percent versus 47.1 percent).

**Table 13 Renter Households by Household Size**

Renter Occupied	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
1-person hhld	4,483	25.7%	2,085	24.4%
2-person hhld	4,048	23.2%	1,947	22.8%
3-person hhld	3,138	18.0%	1,563	18.3%
4-person hhld	2,799	16.0%	1,446	16.9%
5+ person hhld	2,979	17.1%	1,513	17.7%
<b>TOTAL</b>	<b>17,447</b>	<b>100%</b>	<b>8,554</b>	<b>100%</b>



Source: 2010 Census

### 3. Income Characteristics

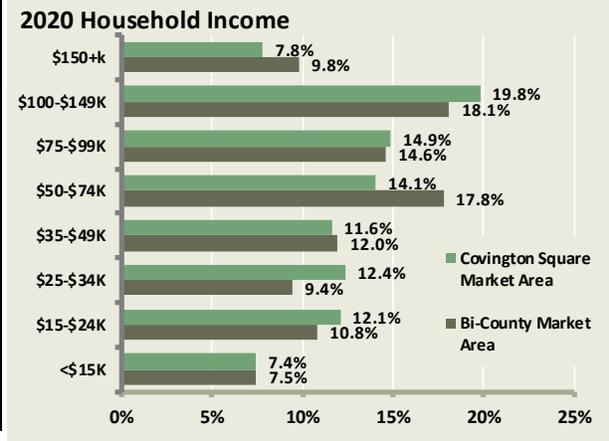
The 2020 median income in the Covington Square Market Area is a moderate \$61,603 per year, \$2,901 or 4.5 percent below the \$64,503 median in the Bi-County Market Area (Table 14). Roughly 20 percent of Covington Square Market Area households earn less than \$25,000, 24.0 percent earn \$25,000 to \$49,999, and 14.1 percent earn \$50,000 to \$74,999. Approximately 43 percent of Covington Square Market Area households earn upper incomes of at least \$75,000 including 27.6 percent earning \$100,000 or more. The Bi-County Market Area has a higher percentage of households earning moderate incomes of \$35,000 to \$74,999 and \$150,000 or more when compared to the Bi-County Market Area.



**Table 14 Household Income**

Estimated 2020 Household Income	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
less than \$15,000	5,255	7.5%	2,824	7.4%
\$15,000 \$24,999	7,636	10.8%	4,604	12.1%
\$25,000 \$34,999	6,657	9.4%	4,711	12.4%
\$35,000 \$49,999	8,433	12.0%	4,430	11.6%
\$50,000 \$74,999	12,539	17.8%	5,357	14.1%
\$75,000 \$99,999	10,300	14.6%	5,666	14.9%
\$100,000 \$149,999	12,776	18.1%	7,542	19.8%
\$150,000 Over	6,914	9.8%	2,976	7.8%
<b>Total</b>	<b>70,510</b>	<b>100%</b>	<b>38,110</b>	<b>100%</b>
<b>Median Income</b>	<b>\$64,503</b>		<b>\$61,603</b>	

Source: Esri; Real Property Research Group, Inc.

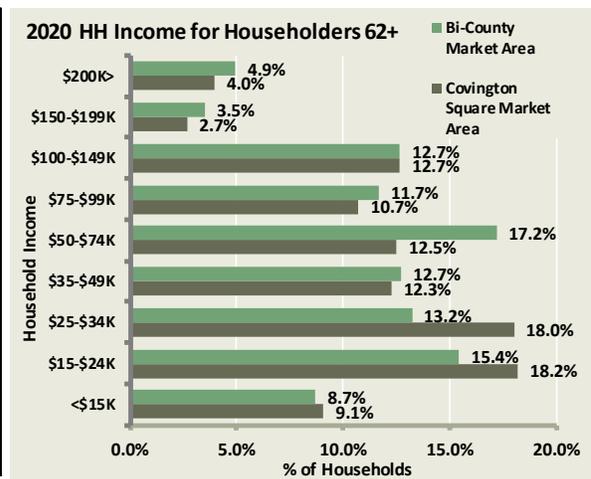


Senior households (62+) in the Covington Square Market Area have a 2020 median income of \$40,807 per year, 22.4 percent lower than the \$49,943 median in the Bi-County Market Area (Table 15). The Covington Square Market Area includes a significant proportion of modest to moderate income senior households (62+) with 45.3 percent earning less than \$35,000 (27.3 percent earn less than \$25,000) and 24.8 percent earning \$35,000 to \$74,999. Thirty percent of Covington Square Market Area senior households (62+) earn at least \$75,000.

**Table 15 Senior Household Income, Households 62+**

2020 HH Income for Householders 62+	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
less than \$15,000	1,797	8.7%	967	9.1%
\$15,000 \$24,999	3,186	15.4%	1,936	18.2%
\$25,000 \$34,999	2,727	13.2%	1,918	18.0%
\$35,000 \$49,999	2,624	12.7%	1,306	12.3%
\$50,000 \$74,999	3,547	17.2%	1,331	12.5%
\$75,000 \$99,999	2,409	11.7%	1,140	10.7%
\$100,000 \$149,999	2,614	12.7%	1,348	12.7%
\$150,000 \$199,999	724	3.5%	285	2.7%
\$200,000 over	1,021	4.9%	422	4.0%
<b>Total</b>	<b>20,648</b>	<b>100%</b>	<b>10,653</b>	<b>100%</b>
<b>Median Income</b>	<b>\$49,943</b>		<b>\$40,807</b>	

Source: American Community Survey 2014-2018 Estimates, RPRG, Inc.



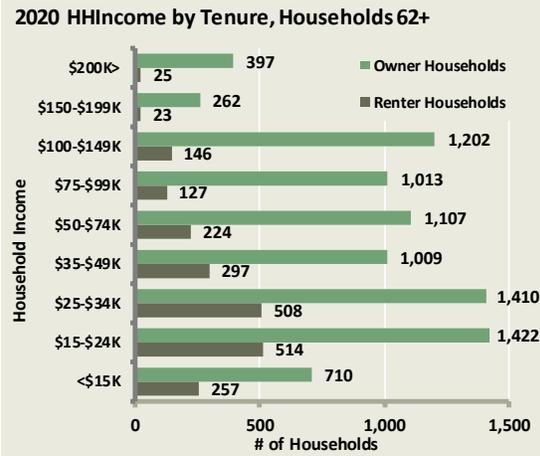
Based on the U.S. Census Bureau’s American Community Survey (ACS) data and breakdown of tenure and household estimates, the 2020 median income for senior householders (ages 62 and older) in the Covington Square Market Area is \$30,715 for renters and \$45,755 for owners (Table 16). More than one-third (36.3 percent) of senior renter households (62+) earn less than \$25,000, 38.0 percent earn \$25,000 to \$49,999, and 10.6 percent earn \$50,000 to \$74,999.



**Table 16 Senior Household Income by Tenure, Households 62+**

Covington Square Market Area		Renter Households		Owner Households	
Householders 62+		#	%	#	%
less than \$15,000		257	12.1%	710	8.3%
\$15,000 \$24,999		514	24.2%	1,422	16.7%
\$25,000 \$34,999		508	23.9%	1,410	16.5%
\$35,000 \$49,999		297	14.0%	1,009	11.8%
\$50,000 \$74,999		224	10.6%	1,107	13.0%
\$75,000 \$99,999		127	6.0%	1,013	11.9%
\$100,000 \$149,999		146	6.9%	1,202	14.1%
\$150,000 \$199,999		23	1.1%	262	3.1%
\$200,000 over		25	1.2%	397	4.7%
<b>Total</b>		<b>2,122</b>	<b>100%</b>	<b>8,531</b>	<b>100%</b>
<b>Median Income</b>		<b>\$30,715</b>		<b>\$45,755</b>	

Source: American Community Survey 2014-2018 Estimates, RPRG, Inc.



Approximately 40 percent of senior renter households (65+) in the Covington Square Market Area pay at least 40 percent of income for rent (Table 17). An estimated 3.4 percent of renter households are living in substandard conditions; this includes only overcrowding and incomplete plumbing.

**Table 17 Rent Burdened and Substandard Housing, Covington Square Market Area**

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	570	4.8%
10.0 to 14.9 percent	896	7.6%
15.0 to 19.9 percent	1,326	11.2%
20.0 to 24.9 percent	1,114	9.4%
25.0 to 29.9 percent	1,261	10.7%
30.0 to 34.9 percent	968	8.2%
35.0 to 39.9 percent	730	6.2%
40.0 to 49.9 percent	1,066	9.0%
50.0 percent or more	3,219	27.2%
Not computed	681	5.8%
<b>Total</b>	<b>11,831</b>	<b>100%</b>
<b>&gt; 40% income on rent</b>	<b>4,285</b>	<b>38.4%</b>

Households 65+		
	#	%
Less than 20.0 percent	366	26.1%
20.0 to 24.9 percent	84	6.0%
25.0 to 29.9 percent	70	5.0%
30.0 to 34.9 percent	167	11.9%
35.0 percent or more	602	43.0%
Not computed	112	8.0%
<b>Total</b>	<b>1,401</b>	<b>100%</b>
<b>&gt; 35% income on rent</b>	<b>602</b>	<b>46.7%</b>
<b>&gt; 40% income on rent</b>	<b>399</b>	<b>39.9%</b>

Source: American Community Survey 2014-2018

Substandardness	
Total Households	
<b>Owner occupied:</b>	
Complete plumbing facilities:	24,752
1.00 or less occupants per room	24,387
1.01 or more occupants per room	365
Lacking complete plumbing facilities:	43
Overcrowded or lacking plumbing	408
<b>Renter occupied:</b>	
Complete plumbing facilities:	11,826
1.00 or less occupants per room	11,429
1.01 or more occupants per room	397
Lacking complete plumbing facilities:	5
Overcrowded or lacking plumbing	402
<b>Substandard Housing</b>	<b>810</b>
<b>% Total Stock Substandard</b>	<b>2.2%</b>
<b>% Rental Stock Substandard</b>	<b>3.4%</b>



## 7. EMPLOYMENT TREND

### A. Introduction

This section of the report focuses primarily on economic trends and conditions in Newton County, Georgia, the county in which the subject site is located. Economic trends in Georgia and the nation are discussed for comparison purposes.

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

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

Newton County’s labor force remained relatively unchanged from 2008 to 2014 with a net increase of 78 workers (0.2 percent) before growing significantly over the past four years with net growth of 3,986 workers (8.3 percent) from 2014 to 2018 (Table 18). The employed portion of the labor force has grown much faster than the overall labor force with net growth of 8,141 employed workers (19.7 percent) since 2010; the number of workers classified as unemployed dropped by 62.1 percent from 6,078 in 2010 to 2,306 in 2018. Newton County’s labor force expanded by 126 workers through November of 2019 while the county’s employed portion of the labor force grew by 364 employed workers, decreasing the number of unemployed workers by 238.

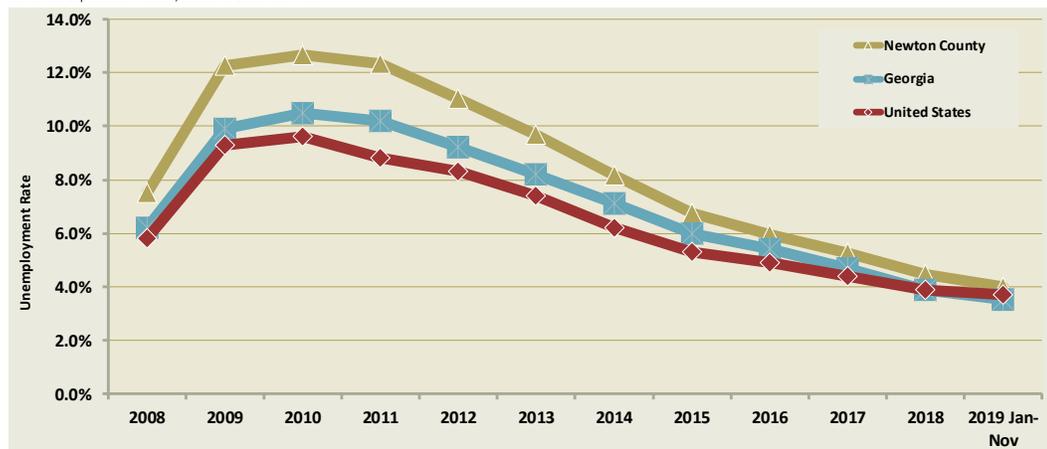
#### 2. Trends in County Unemployment Rate

Newton County’s unemployment rate has decreased significantly over the past eight years from a recession-era high of 12.7 percent in 2010 to 4.5 percent in 2018 which is above the state and national rate of 3.9 percent (Table 18). The county’s 2018 unemployment rate (4.5 percent) is the lowest level in at least 11 years and is roughly one-third the peak unemployment rate in 2010 (12.7 percent). Newton County’s average unemployment rate dropped significantly through November of 2019 to 4.0 percent compared to 3.5 percent in the state and 3.7 percent in the nation.

**Table 18 Labor Force and Unemployment Rates**

Annual Unemployment Rates - Not Seasonally Adjusted												
Annual Unemployment	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Jan-Nov
Labor Force	47,716	47,101	47,977	48,399	48,311	48,066	47,794	48,301	49,997	51,228	51,780	51,906
Employment	44,131	41,333	41,899	42,424	42,993	43,403	43,893	45,037	47,014	48,529	49,474	49,838
Unemployment	3,585	5,768	6,078	5,975	5,318	4,663	3,901	3,264	2,983	2,699	2,306	2,068
<b>Unemployment Rate</b>												
Newton County	7.5%	12.2%	12.7%	12.3%	11.0%	9.7%	8.2%	6.8%	6.0%	5.3%	4.5%	4.0%
Georgia	6.2%	9.9%	10.5%	10.2%	9.2%	8.2%	7.1%	6.0%	5.4%	4.7%	3.9%	3.5%
United States	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%

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





### C. Commutation Patterns

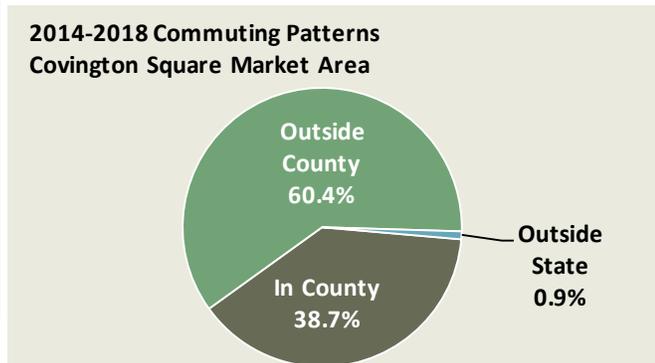
Reflecting the exurban location of the Covington Square Market Area, workers in the market area have a wide range of commute times. Roughly half (50.9 percent) of workers residing in the Covington Square Market Area commuted less than 30 minutes while 44.9 percent commuted at least 30 minutes including 27.0 percent commuting at least 45 minutes (Table 19).

The majority (60.4 percent) of workers residing in the Covington Square Market Area worked outside Newton County while 38.7 percent work in the county. Less than one percent of Covington Square Market Area workers were employed outside the state. The large proportion of workers commuting outside Newton County reflects the market area’s relative proximity/accessibility to employment concentrations in the region including the Atlanta Metro Area to the west.

**Table 19 Commutation Data, Covington Square Market Area**

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home	43,900	95.7%	Worked in state of residence:	45,424	99.1%
Less than 5 minutes	531	1.2%	Worked in county of residence	17,737	38.7%
5 to 9 minutes	1,930	4.2%	Worked outside county of residence	27,687	60.4%
10 to 14 minutes	5,356	11.7%	Worked outside state of residence	429	0.9%
15 to 19 minutes	7,101	15.5%	<b>Total</b>	<b>45,853</b>	<b>100%</b>
20 to 24 minutes	6,148	13.4%			
25 to 29 minutes	2,261	4.9%			
30 to 34 minutes	6,025	13.1%			
35 to 39 minutes	875	1.9%			
40 to 44 minutes	1,272	2.8%			
45 to 59 minutes	5,203	11.3%			
60 to 89 minutes	5,341	11.6%			
90 or more minutes	1,857	4.0%			
Worked at home	1,953	4.3%			
<b>Total</b>	<b>45,853</b>				

Source: American Community Survey 2014-2018



Source: American Community Survey 2014-2018

### D. At-Place Employment

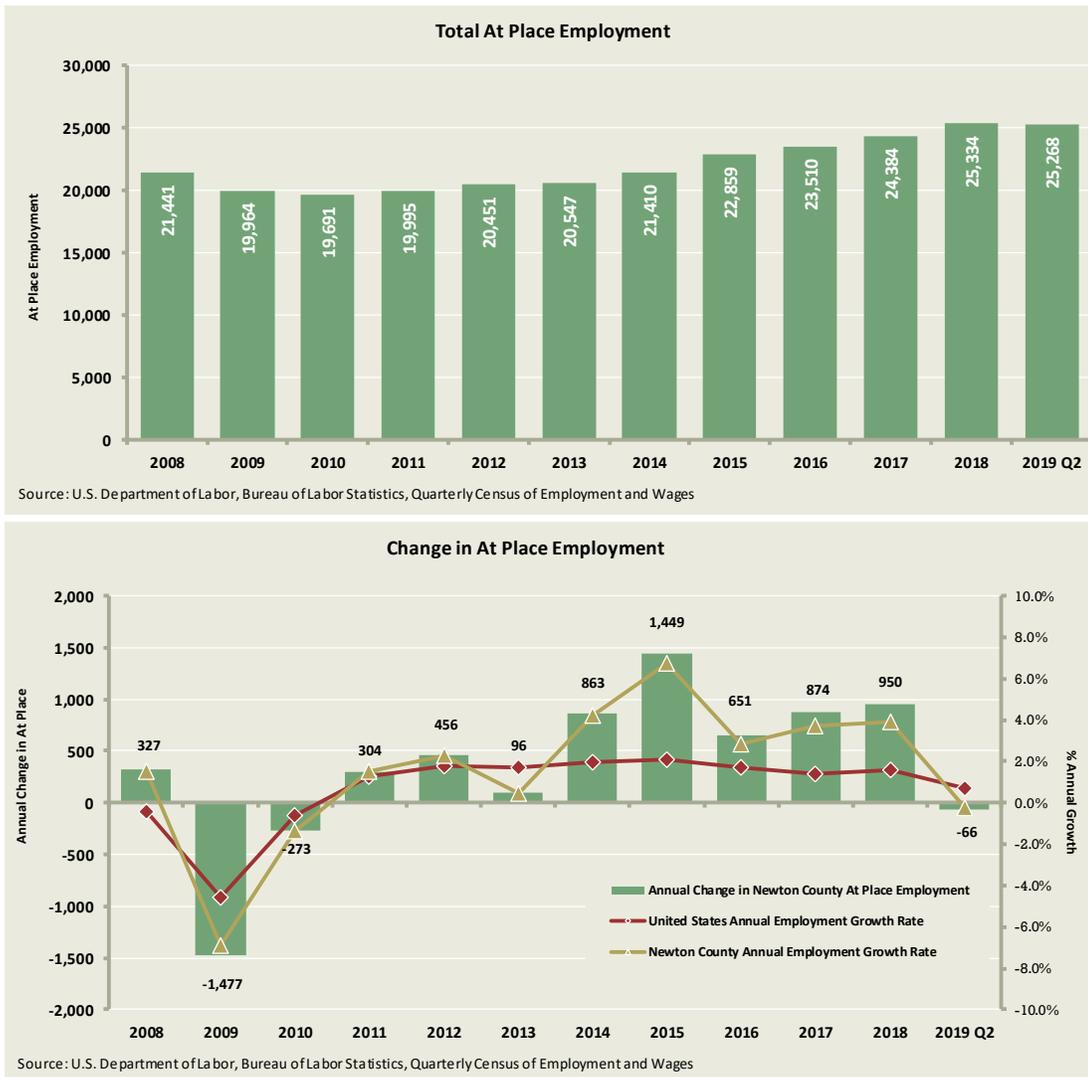
#### 1. Trends in Total At-Place Employment

Newton County added 5,643 net jobs (28.7 percent net growth) from 2011 to 2018 with job growth during each year. This job growth is more than three times the jobs lost in 2009 and 2010 during the recession-era, resulting in an all-time high annual average At-Place Employment of 25,334 jobs in 2018 (Figure 5). The county added at least 650 jobs in each of the past five years with an annual average of 957 new jobs each year. The county lost 66 jobs in the first half of 2019; partial year totals should not be compared to annual totals given seasonality of jobs.

As illustrated by the lines in the bottom portion of Figure 5, Newton County experienced a larger dip in jobs on a percentage basis during the recession when compared to the nation; however, the county rebounded with growth rates exceeding the nation’s on a percentage basis in six of the past eight years including each of the past five years.



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

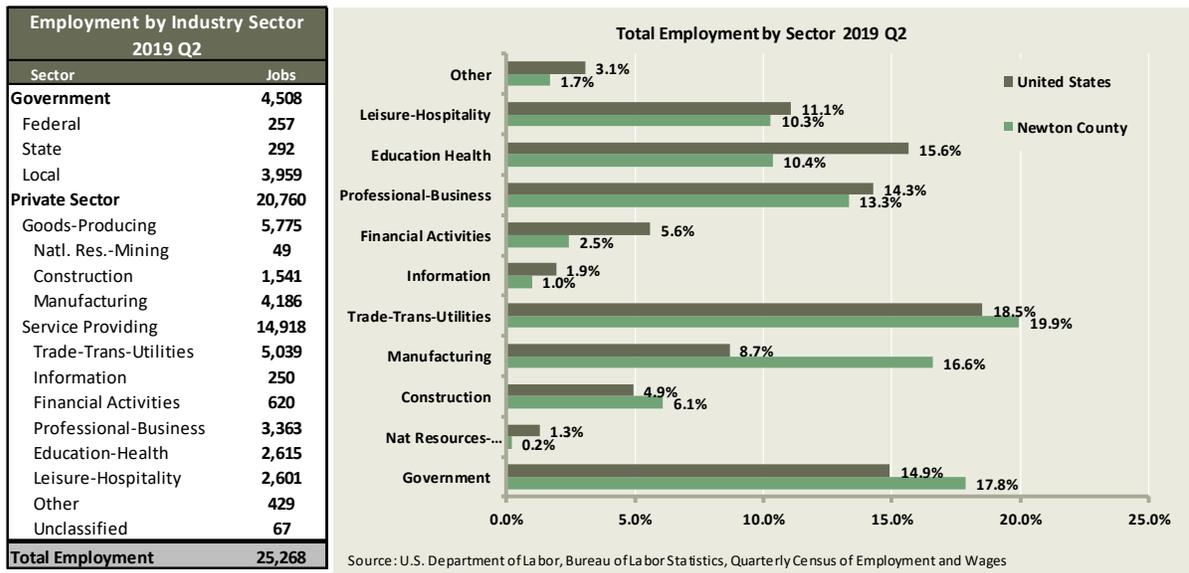


## 2. At-Place Employment by Industry Sector

Trade-Transportation-Utilities is the largest employment sector in Newton County at 19.9 percent of all jobs in 2019 Q2 compared to 18.5 percent of jobs nationally (Figure 6). Three sectors (Government, Manufacturing, and Professional-Business) each account for 13.3 percent to 17.8 percent of the county’s jobs while two sectors account for just over 10 percent (Leisure-Hospitality and Education-Health). The Government and Manufacturing sectors account for significantly larger proportions of the county’s jobs compared to jobs nationally with the largest discrepancy in the Manufacturing sector (16.6 percent versus 8.7 percent). Newton County has notably smaller percentages of jobs in the Financial Activities and Education-Health sectors; the Financial Activities sector accounts for less than three percent of the county’s jobs.

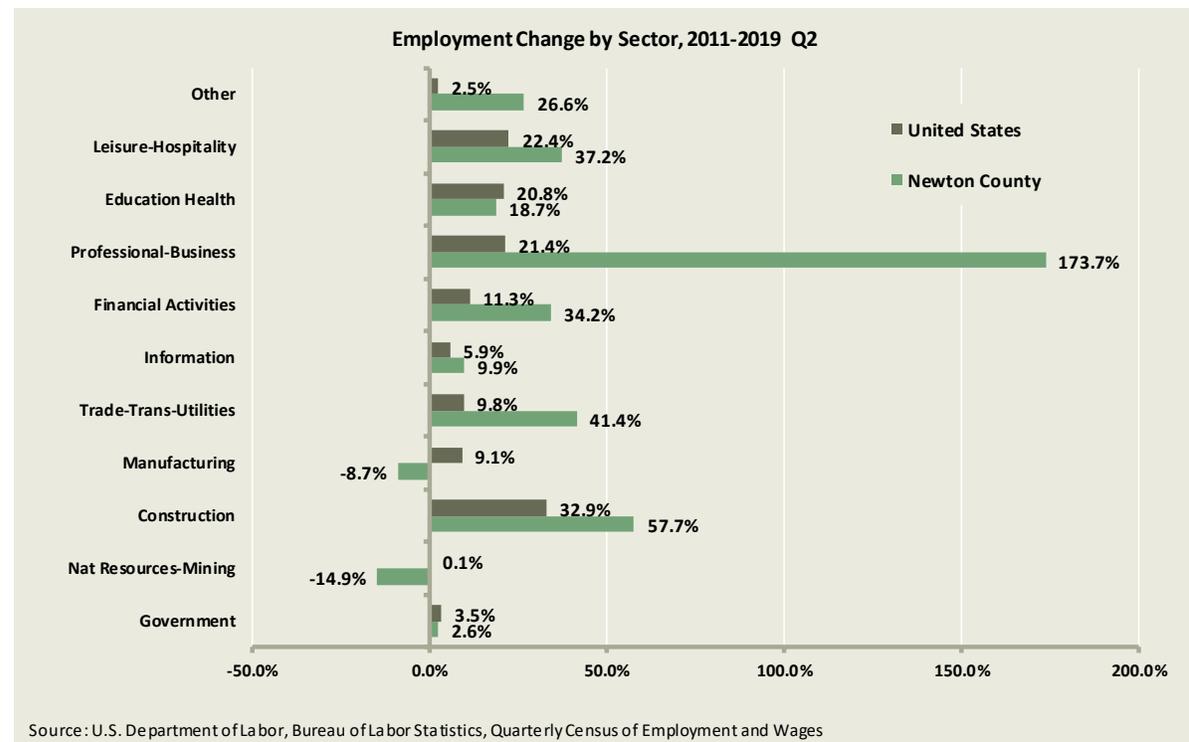


**Figure 6 Total Employment by Sector**



Nine of eleven employment sectors in Newton County added jobs from 2011 to 2019 Q2 (Figure 7). Five sectors grew by at least 34 percent including the largest sector (Trade-Transportation-Utilities) with growth of 41.4 percent while the largest growth rate was in the Professional-Business sector which nearly tripled in size with 173.7 percent net growth; the Professional-Business sector is the fourth largest sector in the county. Four sectors had net growth of 2.6 to 26.6 percent. The most notable job loss was 8.7 percent in the Manufacturing sector which accounts for 16.6 percent of the county’s jobs; the Natural Resources-Mining sector contracted by 14.9 percent but accounts for just 0.2 percent of Newton County’s jobs.

**Figure 7 Employment Change by Sector, 2011-2019 Q2**



### 3. Major Employers

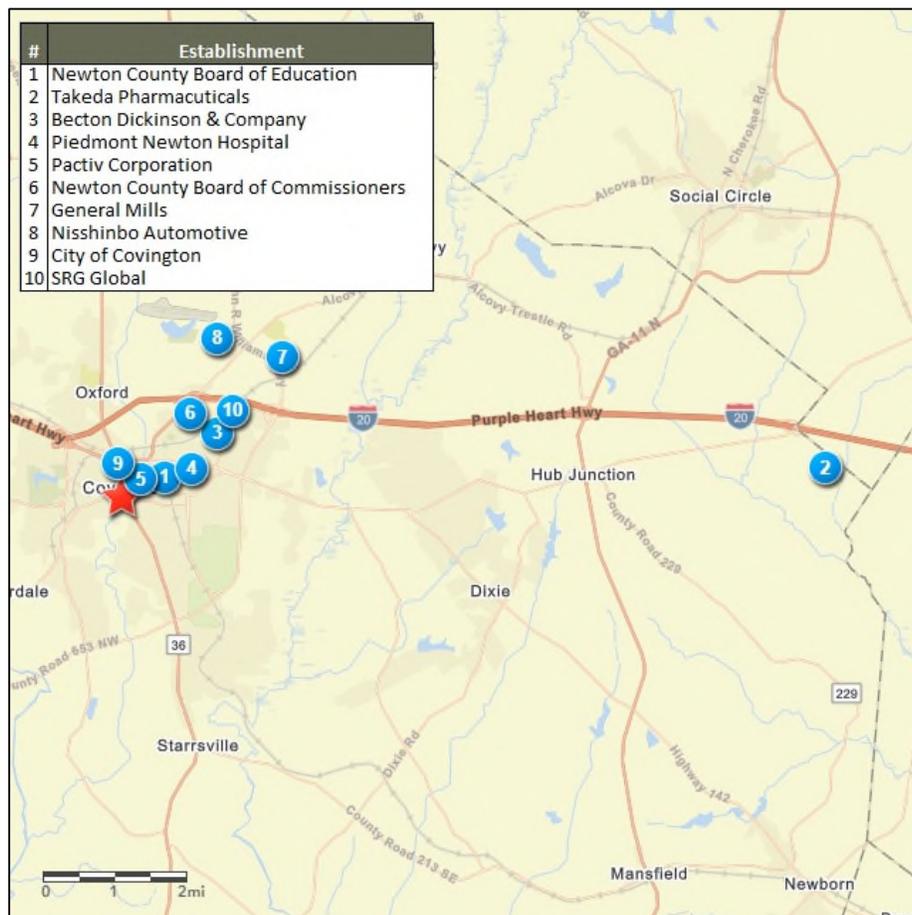
The local public school system is Newton County’s largest single employer with 2,324 employees. The remaining major employers have 310 to 900 employees each and include six manufacturers, Piedmont Newton Hospital, and two local government employers (Table 20). Most major employers are in Covington within three miles of the subject property (Map 5).

**Table 20 Major Employers, Newton County**

Rank	Name	Sector	Employment
1	Newton County Board of Education	Education	2,324
2	Takeda Pharmaceuticals	Manufacturing	900
3	Becton Dickinson & Company	Manufacturing	942
4	Piedmont Newton Hospital	Healthcare	671
5	Pactiv Corporation	Manufacturing	650
6	Newton County Board of Commissioners	Government	615
7	General Mills	Manufacturing	395
8	Nisshinbo Automotive	Manufacturing	373
9	City of Covington	Government	328
10	SRG Global	Manufacturing	310

Source: Newton Economic Development

**Map 5 Major Employers, Newton County**





#### **4. Recent Economic Expansions and Contractions**

Two major job expansions were identified in Newton County since 2018:

- Lidl announced in January 2020 plans to open a regional headquarters in Covington and create 270 jobs. The company plans to invest \$100 million in a 925,000 square foot facility that will serve as a regional headquarters and a distribution facility.
- Nisshinbo Automotive Manufacturing Inc. (brake pad manufacturer) announced in September 2018 plans to create 100 jobs in a \$73 million expansion of its facility in Covington.

No major job contractions were identified in the county since 2018.

#### **E. Conclusions on Local Economics**

Newton County's economy is growing with job growth in each of the past eight years for net growth of 5,643 jobs or 28.7 percent since 2011, resulting in an all-time high At-Place-Employment in 2018. The county's unemployment rate has decreased significantly from a recession-era high of 12.7 percent in 2010 to 4.5 percent in 2018; the average unemployment rate dropped further to 4.0 percent through November of 2019. The planned economic expansions suggest the county's economy will continue growing, fueling housing demand.



## 8. PROJECT-SPECIFIC AFFORDABILITY & DEMAND ANALYSIS

### A. Affordability Analysis

#### 1. Methodology

The Affordability Analysis tests the percentage of age (62+) and 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 primary market area households 62 and older for the target year of 2022. RPRG calculated the income distribution for both total households and renter households (62+) based on the relationship between owner and renter household incomes by income cohort from the 2014-2018 American Community Survey along with estimates and projected income growth by Esri (Table 21).

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 40 percent gross rent burden for seniors age 62 or older. This rent burden only applies for tenants who do not receive PBRA. As all units at the subject property will have PBRA and minimum income limits will not apply, the affordability analysis has been conducted without this additional subsidy. The maximum allowable LIHTC rent (the most that could be charged without PBRA) was utilized for this analysis as proposed contract rents were above maximum levels. We also performed an affordability analysis with the proposed PBRA on each unit.

HUD has computed a 2019 median household income of \$79,700 for the Atlanta-Sandy Springs-Roswell MSA. Based on that median income, adjusted for household size, the maximum income limit and minimum income requirements are computed for each floor plan (Table 22). The proposed units at Covington Square will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. The minimum income limits are calculated assuming up to 40 percent of income is spent on total housing cost (rent plus utilities). The maximum allowable incomes for LIHTC units are based on a maximum household size of one person for efficiency units and two people for one-bedroom units. Maximum gross rents, however, are based on the federal regulation of 1.0 person per household for efficiency units and 1.5 persons for one-bedroom units.

**Table 21 2022 Total and Renter Income Distribution (62+), Covington Square Market Area**

Covington Square Market Area		2022 Senior Householders aged 62+		2022 Senior Householders aged 62+	
		#	%	#	%
less than	\$15,000	923	8.2%	250	11.2%
	\$15,000 \$24,999	1,946	17.4%	527	23.6%
	\$25,000 \$34,999	1,946	17.4%	526	23.5%
	\$35,000 \$49,999	1,375	12.3%	320	14.3%
	\$50,000 \$74,999	1,421	12.7%	244	10.9%
	\$75,000 \$99,999	1,255	11.2%	143	6.4%
	\$100,000 \$149,999	1,537	13.7%	169	7.6%
	\$150,000 Over	814	7.3%	57	2.6%
<b>Total</b>		<b>11,216</b>	<b>100%</b>	<b>2,237</b>	<b>100%</b>
<b>Median Income</b>		<b>\$43,650</b>		<b>\$31,486</b>	

Source: American Community Survey 2014-2018 Projections, RPRG, Inc.



**Table 22 LIHTC Income and Rent Limits, Atlanta-Sandy Springs-Roswell MSA**

HUD 2019 Median Household Income										
Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area		\$79,700								
Very Low Income for 4 Person Household		\$39,850								
2019 Computed Area Median Gross Income		<b>\$79,700</b>								
Utility Allowance:		Efficiency		\$0						
		1 Bedroom		\$0						
Household Income Limits by Household Size:										
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%	
1 Person	\$16,740	\$22,320	\$27,900	\$33,480	\$44,640	\$55,800	\$66,960	\$83,700	\$111,600	
2 Persons	\$19,140	\$25,520	\$31,900	\$38,280	\$51,040	\$63,800	\$76,560	\$95,700	\$127,600	
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	\$16,740	\$22,320	\$27,900	\$33,480	\$44,640	\$55,800	\$66,960	\$83,700	\$111,600
2	1	\$19,140	\$25,520	\$31,900	\$38,280	\$51,040	\$63,800	\$76,560	\$95,700	\$127,600
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	\$418		\$558		\$697		\$837		\$1,116	
1 Bedroom	\$448		\$598		\$747		\$897		\$1,196	

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

## 2. Affordability Analysis

This analysis looks at the affordability of the proposed units at the subject property without accounting for the proposed PBRA (Table 23):

- Looking at the efficiency units at 50 percent AMI (upper left panel), the overall shelter cost of the proposed units would be \$697 (\$697 net rent and no utility allowance as all utilities are included in the rent).
- We determined that an efficiency unit at 50 percent AMI would be affordable to senior renter households (62+) earning at least \$20,910 per year by applying a 40 percent rent burden to this gross rent. A projected 1,675 senior renter households (62+) in the market area will earn at least this amount in 2022.
- The maximum income limit for an efficiency unit at 50 percent AMI is \$27,900 based on a household size of one person. According to the interpolated income distribution for 2022, 1,307 renter households (62+) in the Covington Square Market Area will have incomes exceeding this 50 percent LIHTC income limit.
- Subtracting the 1,307 renter households (62+) with incomes above the maximum income limit from the 1,675 renter households (62+) that could afford to rent this unit, RPRG computes that a projected 368 renter households (62+) in the Covington Square Market Area will fall within the band of affordability for the subject’s efficiency units at 50 percent AMI. The subject property would need to capture 2.4 percent of these age and income-qualified renter households to absorb the proposed nine efficiency units at 50 percent AMI.
- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and the subject property overall. Remaining capture rates by floorplan range from 4.5 percent to 11.9 percent.
- Capture rates by income target are 5.9 percent for 50 percent units and 13.4 percent for 60 percent units. The project’s overall capture rate is 13.9 percent.



- Removing the minimum income limits given the proposed PBRA on all units increases the number of age and income-qualified households to 1,373 and decreases the overall capture rate to 8.2 percent (Table 24).

**Table 23 Affordability Analysis, Covington Square without PBRA**

50% AMI	40% Rent Burden	Efficiency Units		One Bedroom Units	
		Min.	Max.	Min.	Max.
Number of Units		9		25	
Net Rent		\$697		\$747	
Gross Rent		\$697		\$747	
Income Range (Min, Max)		\$20,910	\$27,900	\$22,410	\$31,900
<b>Renter Households</b>					
Range of Qualified Hhlds		1,675	1,307	1,596	1,097
# Qualified Hhlds			368		499
<b>Renter HH Capture Rate</b>		<b>2.4%</b>		<b>5.0%</b>	

60% AMI	40% Rent Burden	Efficiency Units		One Bedroom Units	
Number of Units		20		59	
Net Rent		\$837		\$897	
Gross Rent		\$837		\$897	
Income Range (Min, Max)		\$25,110	\$33,480	\$26,910	\$38,280
<b>Renter Households</b>					
Range of Qualified Hhlds		1,454	1,013	1,359	864
# Qualified Hhlds			440		495
<b>Renter HH Capture Rate</b>		<b>4.5%</b>		<b>11.9%</b>	

Income Target	# Units	Renter Households = 2,237				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
50% AMI	34	<i>Income Households</i>	\$20,910 1,675	\$31,900 1,097	578	<b>5.9%</b>
60% AMI	79	<i>Income Households</i>	\$25,110 1,454	\$38,280 864	590	<b>13.4%</b>
<b>Total Units</b>	<b>113</b>	<i>Income Households</i>	\$20,910 1,675	\$38,280 864	<b>811</b>	<b>13.9%</b>

Source: Income Projections, RPRG, Inc.



**Table 24 Affordability Analysis, Covington Square with PBRA**

50% AMI		40% Rent Burden		Efficiency Units		One Bedroom Units	
		Min.	Max.	Min.	Max.		
Number of Units		9		25			
Net Rent		\$697		\$747			
Gross Rent		\$697		\$747			
Income Range (Min, Max)		no min\$	\$27,900	no min\$	\$31,900		
<b>Renter Households</b>							
Range of Qualified Hhlds		2,237	1,307	2,237	1,097		
# Qualified Hhlds			930		1,140		
<b>Renter HH Capture Rate</b>		<b>1.0%</b>		<b>2.2%</b>			

60% AMI		40% Rent Burden		Efficiency Units		One Bedroom Units	
		Min.	Max.	Min.	Max.		
Number of Units		20		59			
Net Rent		\$837		\$897			
Gross Rent		\$837		\$897			
Income Range (Min, Max)		no min\$	\$33,480	no min\$	\$38,280		
<b>Renter Households</b>							
Range of Qualified Hhlds		2,237	1,013	2,237	864		
# Qualified Hhlds			1,223		1,373		
<b>Renter HH Capture Rate</b>		<b>1.6%</b>		<b>4.3%</b>			

Income Target	# Units	Renter Households = 2,237				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
50% AMI	34	<i>Income Households</i>	no min\$ 2,237	\$31,900 1,097	1,140	<b>3.0%</b>
60% AMI	79	<i>Income Households</i>	no min\$ 2,237	\$38,280 864	1,373	<b>5.8%</b>
<b>Total Units</b>	<b>113</b>	<i>Income Households</i>	no min\$ 2,237	\$38,280 864	1,373	<b>8.2%</b>

Source: Income Projections, RPRG, Inc.

### 3. Conclusions of Affordability

All renter affordability capture rates (with or without PBRA) are within acceptable levels for an age-restricted rental community indicating that sufficient age and income-qualified renter households exist in the market area to support the proposed units as proposed. The lack of directly comparable senior oriented units in the market area reinforce the ability of the subject property to achieve these capture rates.

## B. Demand Estimates and Capture Rates

### 1. Methodology

DCA’s demand methodology for senior communities consists of four components:



- The first component of demand is household growth. This number is the number of income-qualified renter households (62+) projected to move into the Covington Square Market Area between the base year (2020) and the placed-in-service year of 2022.
- The next component of demand is income-qualified renter households (62+) 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, 3.4 percent of renter occupied are “substandard” (see Table 17 on page 31). This substandard percentage is applied to current senior households (62+).
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 40 percent of household income for housing costs. According to ACS data, 39.9 percent of Covington Square Market Area renter households (65+) are categorized as cost burdened (see Table 17 on page 31). This cost burdened percentage is applied to the current senior household base (62+).
- The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 2015, 5.4 percent of elderly households move each year in the United States. Of those moving within the past twelve months and reporting tenure, 11.5 percent moved from owned to rental housing (Table 25). This equates to 1.2 percent of all senior households converting from owners to renters. Given the lack of local information, this source is the most current and accurate. This component of demand is limited to two percent of total demand.

**Table 25 Homeownership to Rental Housing Conversion**

Homeownership to Rental Housing Conversion			
Tenure of Previous Residence - Renter Occupied Units Senior Households 65+	United States		
	#	%	Annual
Household Members Moving in Past Two Years	34,782,000		
<b>Total 65+ HH Members Moving within the Past Two Years</b>	<b>3,741,000</b>	<b>10.8%</b>	<b>5.4%</b>
<b>Moved from Owner Occupied Housing</b>	<b>1,846,000</b>	<b>49.3%</b>	<b>24.7%</b>
Moved from Renter Occupied Housing	1,895,000	50.7%	25.3%
<b>% of Senior Households Moving Within the Past Year</b>		<b>10.8%</b>	<b>5.4%</b>
<b>% of Senior Movers Converting from Owners to Renters</b>		<b>23.0%</b>	<b>11.5%</b>
<b>% of Senior Households Converting from Homeowners to Renters</b>		<b>2.5%</b>	<b>1.2%</b>

Source: American Housing Survey, 2015

DCA demand estimates are shown both without the proposed PBRA (Table 26, Table 27) and with the proposed PBRA on all units (Table 28, Table 29).

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 26 and Table 28. Income qualification percentages for demand estimates are derived by using the Affordability Analysis detailed in Table 23 (without accounting for PBRA) and Table 24 (with PBRA on all units).

## 2. Demand Analysis

According to DCA’s demand methodology, all comparable units recently funded by DCA, proposed for funding for a bond allocation from DCA, or any comparable units at communities undergoing lease-up are to be subtracted from the demand estimates to arrive at net demand. We subtract the 20 one-bedroom units under construction at Harmony at Covington and the 100 one-bedroom units under construction at Legends of Covington from demand estimates with and without PBRA.



In order to test market conditions, we calculated demand without the proposed PBRA. The project’s capture rates by AMI level are 11.4 percent for 50 percent AMI units, 42.7 percent for 60 percent AMI units, and the project’s overall capture rate is 37.7 percent (Table 26). Capture rates by floor plan within each AMI target range from 4.7 to 43.3 percent and capture rates by floor plan are 8.5 percent for efficiency units and 32.5 percent for one-bedroom units (Table 27). The 60 percent AMI capture rate of 43.3 percent and the overall capture rate of 37.7 percent are above DCA’s threshold of 35 percent without accounting for the continuation of PBRA.

Accounting for the proposed PBRA, capture rates drop to 5.8 percent for 50 percent AMI units, 13.4 percent for 60 percent AMI units, and 19.1 percent for the project overall, all of which are well below DCA’s threshold of 35 percent (Table 28). Capture rates by floor plan within each AMI level when accounting for PBRA range from 1.9 to 10.0 percent and capture rates by floor plan are 4.6 percent for efficiency units and 14.2 percent for one-bedroom units (Table 29).

**Table 26 Overall Demand Estimates, Covington Square without PBRA**

	Income Target	50% AMI	60% AMI	Total Units
	Minimum Income Limit	\$20,910	\$25,110	\$20,910
	Maximum Income Limit	\$31,900	\$38,280	\$38,280
<b>(A) Renter Income Qualification Percentage</b>		<b>25.9%</b>	<b>26.4%</b>	<b>36.3%</b>
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		29	30	41
<b>PLUS</b>				
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>		19	19	26
<b>PLUS</b>				
Demand from Existing Renter HHs (Overburdened) <i>Calculation B*E*F*A</i>		219	223	307
<b>PLUS</b>				
Secondary Market Demand Adjustment (10%)*		27	27	37
<b>SUBTOTAL</b>		<b>293</b>	<b>299</b>	<b>411</b>
<b>PLUS</b>				
Demand Elderly Homeowner Conversion* (Max. 2%)		6	6	8
<b>TOTAL DEMAND</b>		<b>299</b>	<b>305</b>	<b>420</b>
<b>LESS</b>				
Comparable Units		0	120	120
<b>Net Demand</b>		<b>299</b>	<b>185</b>	<b>300</b>
Proposed Units		34	79	113
<b>Capture Rate</b>		<b>11.4%</b>	<b>42.7%</b>	<b>37.7%</b>

\* Limited to 15% of Total Demand

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2020 Householders 62+	10,653
C). 2022 Householders 62+	11,216
D). Substandard Housing (% of Rental Stock)	3.4%
E). Rent Overburdened (% Senior Households)	39.9%
F). Renter Percentage (Senior Households)	19.9%
G). Elderly Homeowner Turnover	1.2%



**Table 27 Demand Estimates by Floor Plan, Covington Square without PBRA**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
<b>50% AMI</b>	<b>\$20,910 - \$31,900</b>						
Efficiency Units		9	16.5%	190	0	190	4.7%
One Bedroom Units		25	22.3%	258	0	258	9.7%
<b>60% AMI</b>	<b>\$25,110 - \$38,280</b>						
Efficiency Units		20	19.7%	228	0	228	8.8%
One Bedroom Units		59	22.1%	256	120	136	43.3%
<b>By Bedroom</b>							
Efficiency Units		29	29.6%	342	0	342	8.5%
One Bedroom Units		84	32.7%	379	120	259	32.5%
<b>Project Total</b>	<b>\$20,910 - \$38,280</b>						
50% AMI	\$20,910 - \$31,900	34	25.9%	299	0	299	11.4%
60% AMI	\$25,110 - \$38,280	79	26.4%	305	120	185	42.7%
Total Units	\$20,910 - \$38,280	113	36.3%	420	120	300	37.7%

**Table 28 Overall Demand Estimates, Covington Square with PBRA**

	Income Target Minimum Income Limit Maximum Income Limit	50% AMI no min\$ \$31,900	60% AMI no min\$ \$38,280	Total Units no min\$ \$38,280
<b>(A) Renter Income Qualification Percentage</b>		<b>51.0%</b>	<b>61.4%</b>	<b>61.4%</b>
Demand from New Renter Households <i>Calculation (C-B)*F*A</i>		57	69	69
<b>PLUS</b>				
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>		37	44	44
<b>PLUS</b>				
Demand from Existing Renter HHs (Overburdened) <i>Calculation B*E*F*A</i>		432	520	520
<b>PLUS</b>				
Secondary Market Demand Adjustment (10%)*		53	63	63
<b>SUBTOTAL</b>		<b>578</b>	<b>696</b>	<b>696</b>
<b>PLUS</b>				
Demand Elderly Homeowner Conversion* (Max. 2%)		12	14	14
<b>TOTAL DEMAND</b>		<b>590</b>	<b>710</b>	<b>710</b>
<b>LESS</b>				
Comparable Units		0	120	120
<b>Net Demand</b>		<b>590</b>	<b>590</b>	<b>590</b>
Proposed Units		34	79	113
<b>Capture Rate</b>		<b>5.8%</b>	<b>13.4%</b>	<b>19.1%</b>

\* Limited to 15% of Total Demand

Demand Calculation Inputs	
A). % of Renter HHlds with Qualifying Income	see above
B). 2020 Householders 62+	10,653
C). 2022 Householders 62+	11,216
D). Substandard Housing (% of Rental Stock)	3.4%
E). Rent Overburdened (% Senior Households)	39.9%
F). Renter Percentage (Senior Households)	19.9%
G). Elderly Homeowner Turnover	1.2%

**Table 29 Demand Estimates by Floor Plan, Covington Square with PBRA**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
<b>50% AMI</b>	<b>no min\$ - \$31,900</b>						
Efficiency Units		9	41.6%	481	0	481	1.9%
One Bedroom Units		25	51.0%	590	0	590	4.2%
<b>60% AMI</b>	<b>no min\$ - \$38,280</b>						
Efficiency Units		20	54.7%	633	0	633	3.2%
One Bedroom Units		59	61.4%	710	120	590	10.0%
<b>By Bedroom</b>							
Efficiency Units		29	54.7%	633	0	633	4.6%
One Bedroom Units		84	61.4%	710	120	590	14.2%
<b>Project Total</b>	<b>no min\$ - \$38,280</b>						
50% AMI	no min\$ - \$31,900	34	51.0%	590	0	590	5.8%
60% AMI	no min\$ - \$38,280	79	61.4%	710	120	590	13.4%
Total Units	no min\$ - \$38,280	113	61.4%	710	120	590	19.1%

### 3. DCA Demand Conclusions

All capture rates are well below DCA thresholds when accounting for the continuation of PBRA and indicate more than sufficient demand in the market area to support the proposed Covington Square with PBRA. The capture rates assume all units must be re-leased post renovation, although all existing tenants are expected to remain given the continuation of PBRA. Without the continuation of PBRA, the 60 percent AMI and overall capture rates are above DCA's threshold of 35 percent.

## 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 Covington Square Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the Covington Square Market Area. We contacted planning and zoning officials with the City of Covington and Newton County, and we reviewed LIHTC allocation lists provided by DCA. The rental survey was conducted in February 2020.

### B. Overview of Market Area Housing Stock

The renter occupied housing stock in both the Covington Square Market Area and the Bi-County Market Area include a large percentage of low-density structures including single-family detached homes at 61.1 percent in the market area and 52.2 percent in the region (Table 30); roughly seven percent of Covington Square Market Area renter-occupied units are mobile homes. Approximately 30 percent of renter occupied units in the Covington Square Market Area are contained within multi-family structures including 15.8 percent in structures with 5+ units compared to 21.8 percent of renter occupied units in the Covington Square Market Area. Roughly 94-95 percent of owner-occupied units in both areas are single-family detached homes with mobile homes accounting for most of the balance.

**Table 30 Occupied Units by Structure Type and Tenure**

Structure Type	Owner Occupied				Renter Occupied			
	Bi-County Market Area		Covington Square Market Area		Bi-County Market Area		Covington Square Market Area	
	#	%	#	%	#	%	#	%
1, detached	43,362	95.1%	23,364	94.2%	11,263	52.2%	7,229	61.1%
1, attached	602	1.3%	288	1.2%	799	3.7%	240	2.0%
2	91	0.2%	35	0.1%	1,791	8.3%	983	8.3%
3-4	78	0.2%	49	0.2%	1,710	7.9%	633	5.4%
5-9	26	0.1%	0	0.0%	1,825	8.5%	528	4.5%
10-19	0	0.0%	0	0.0%	1,519	7.0%	526	4.4%
20+ units	0	0.0%	0	0.0%	1,356	6.3%	815	6.9%
Mobile home	1,421	3.1%	1,059	4.3%	1,304	6.0%	877	7.4%
<b>TOTAL</b>	<b>45,580</b>	<b>100%</b>	<b>24,795</b>	<b>100%</b>	<b>21,567</b>	<b>100%</b>	<b>11,831</b>	<b>100%</b>

Source: American Community Survey 2014-2018

The housing stock in the Covington Square Market Area is slightly newer than in the Bi-County Market Area with a median year built among renter-occupied units of 1992 compared to 1991 in the Bi-County Market Area. More than one-quarter (25.7 percent) of renter occupied units in the Covington Square Market Area were built in the 1990's while 30.3 percent have been built since 2000. Approximately 26 percent of Covington Square Market Area renter households were built in the 1970's or 1980's and less than 20 percent were built prior to 1970 (Table 31). The Bi-County Market Area had a larger percentage of renter-occupied units built from 1970 to 1999 and a smaller percentage of newer rentals built since 2000 and older rentals built prior to 1970 when compared to the Covington Square Market Area. The median year built of owner occupied units is 1996 in the Covington Square Market Area and 1993 in the Bi-County Market Area. Roughly two-thirds (66.9 percent) of owner occupied units in the Covington Square Market Area have been built since 1990 including 42.6 percent built since 2000.



According to ACS data, the median value among owner-occupied housing units in the Covington Square Market Area as of 2014-2018 was \$139,886, \$8,453 or 5.7 percent lower than the Bi-County Market Area median of \$148,339 (Table 32). This data is a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight on relative housing values among two or more areas.

**Table 31 Dwelling Units by Year Built and Tenure**

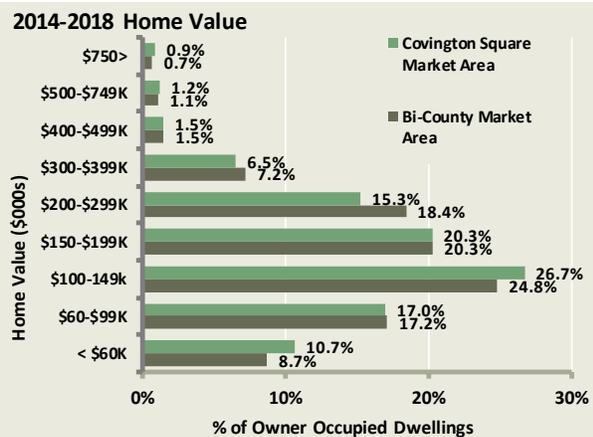
Year Built	Owner Occupied				Renter Occupied			
	Bi-County Market Area		Covington Square Market Area		Bi-County Market Area		Covington Square Market Area	
	#	%	#	%	#	%	#	%
2014 or later	611	1.3%	443	1.8%	1	0.0%	1	0.0%
2010 to 2013	443	1.0%	209	0.8%	469	2.2%	404	3.4%
2000 to 2009	14,910	32.7%	9,930	40.0%	4,523	21.0%	3,178	26.9%
1990 to 1999	10,928	24.0%	6,000	24.2%	6,204	28.8%	3,045	25.7%
1980 to 1989	7,889	17.3%	3,215	13.0%	4,428	20.5%	1,917	16.2%
1970 to 1979	5,977	13.1%	2,153	8.7%	3,013	14.0%	1,183	10.0%
1960 to 1969	2,321	5.1%	1,010	4.1%	1,375	6.4%	832	7.0%
1950 to 1959	1,185	2.6%	851	3.4%	676	3.1%	470	4.0%
1940 to 1949	329	0.7%	265	1.1%	272	1.3%	254	2.1%
1939 or earlier	987	2.2%	719	2.9%	606	2.8%	547	4.6%
<b>TOTAL</b>	<b>45,580</b>	<b>100%</b>	<b>24,795</b>	<b>100%</b>	<b>21,567</b>	<b>100%</b>	<b>11,831</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1993</b>		<b>1996</b>		<b>1991</b>		<b>1992</b>	

Source: American Community Survey 2014-2018

**Table 32 Value of Owner-Occupied Housing Stock**

2014-2018 Home Value	Bi-County Market Area		Covington Square Market Area	
	#	%	#	%
less than \$60,000	3,968	8.7%	2,642	10.7%
\$60,000 - \$99,999	7,822	17.2%	4,217	17.0%
\$100,000 - \$149,999	11,325	24.8%	6,623	26.7%
\$150,000 - \$199,999	9,266	20.3%	5,027	20.3%
\$200,000 - \$299,999	8,407	18.4%	3,789	15.3%
\$300,000 - \$399,999	3,283	7.2%	1,615	6.5%
\$400,000 - \$499,999	687	1.5%	360	1.5%
\$500,000 - \$749,999	506	1.1%	302	1.2%
\$750,000 over	316	0.7%	220	0.9%
<b>Total</b>	<b>45,580</b>	<b>100%</b>	<b>24,795</b>	<b>100%</b>
<b>Median Value</b>	<b>\$148,339</b>		<b>\$139,886</b>	

Source: American Community Survey 2014-2018



### C. Survey of Age-Restricted Rental Communities

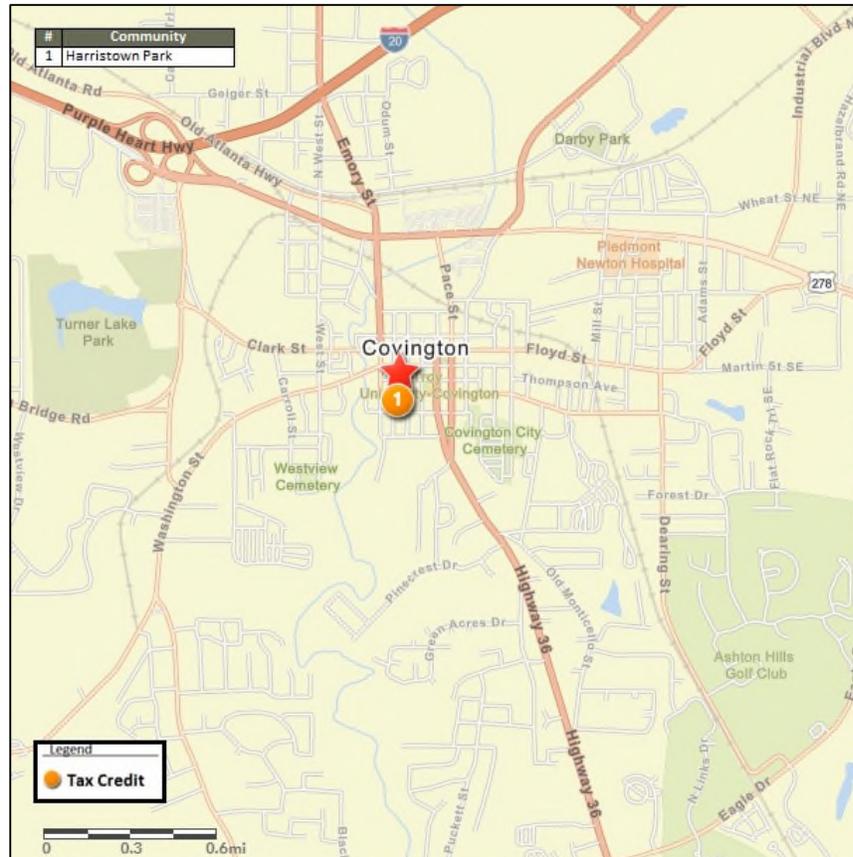
#### 1. Introduction to the Age Restricted Rental Housing Survey

RPRG surveyed the only age restricted LIHTC community in the market area (Harristown Park). A profile sheet with detailed information, including photographs, is attached as Appendix 6.

## 2. Location

Harristown Park is to the southwest across Reynolds Street SW from the subject property (Map 7).

### Map 6 Covington Square Market Area



## 3. Age-Restricted Rental Housing Characteristics

The surveyed community (Harristown Park) is a four-story mid-rise building with interior corridors, secured entrances, and elevators (Table 33). The community was built in 2012 and has a mixture of brick and siding exteriors with 60 total units.

## 4. Unit Distribution and Unit Size

The 60 units at Harristown Park include 12 one-bedroom units (20 percent) and 48 two-bedroom units (80 percent) (Table 33). One-bedroom units at this community have 671 square feet and two-bedroom units have 950 square feet.

**Table 33 Rental Summary, Senior Rental Communities**

Community	Type	Total Units	Vacant Units	Vacancy Rate	Efficiency Units				One Bedroom Units				Two Bedroom Units			
					Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
<b>Subject 50% AMI/PBRA</b>		34			9	\$697	415	\$1.68	25	\$747	525	\$1.42				
<b>Subject 60% AMI/PBRA</b>		79			20	\$837	415	\$2.02	59	\$897	525	\$1.71				
1. Harristown Park	Mid-Rise	60	0	0.0%					12	\$696	671	\$1.04	48	\$812	950	\$0.86
Year Built: 2012	50% Units	9	0	0.0%					2	\$672	671	\$1.00	7	\$802	950	\$0.84
	60% units	51	0	0.0%					10	\$701	671	\$1.04	41	\$814	950	\$0.86
Overall Total		60	0	0.0%					12	\$696	671	\$1.04	48	\$812	950	\$0.86
Total/Average		60							20.0%				80.0%			
% of Total		100.0%														

(1) Rent is adjusted to include all utilities and incentives

Source: Phone Survey, Real Property Research Group, Inc. February 2020

## 5. Vacancy Rates

Harristown Park is fully occupied with a long waiting list of more than 200 households reflecting the high demand and limited age-restricted rental options in the market area (Table 33).

## 6. Recent Absorption History

Harristown Park opened in 2012; absorption information is not available nor relevant to the current market.

## 7. Rents

Rents presented in Table 33 are net or effective rents, as opposed to street or advertised rents. The net rents reflect adjustments to street rents to equalize the impact of the utility policy at Harristown Park. Specifically, the net rents are adjusted to include all utilities as proposed at the subject property.

- **One-bedroom units** are \$672 for 50 percent AMI units and \$701 for 60 percent AMI units. Based on a unit size of 671 square feet, rent per square foot is \$1.00 for 50 percent AMI units and \$1.04 for 60 percent AMI units.
- **Two-bedroom units** are \$802 for 50 percent AMI units and \$814 for 60 percent AMI units. Based on a unit size of 950 square feet, rent per square foot is \$0.84 for 50 percent AMI units and \$0.86 for 60 percent AMI units.

## D. Survey of Age-Restricted Rental Communities

### 1. Payment of Utility Costs

Harristown Park includes trash removal in the rent (Table 34). Covington Square will include all utilities.

### 2. Unit Features and Services

Harristown Park offers a dishwasher, microwave, washer and dryer, grab bars, and an emergency call system (Table 34). Covington Square will offer a microwave, grab bars, and emergency call system which is not as extensive as the features offered at Harristown Park. The proposed unit features are acceptable given the continuation of PBRA on all units and the lack of affordable senior rental options in the market area; the lack of a dishwasher and washer and dryer connections would likely affect the subject property's attainable rents without the inclusion of PBRA.



**Table 34 Utility Arrangement and Unit Features**

Community	Utilities included in Rent					Dish-washer	Micro-Wave	In-Unit Laundry	Grab Bar	Emergency Pull
	Heat	Cooking	Electric	Water	Trash					
<b>Subject</b>	☒	☒	☒	☒	☒		STD		STD	STD
Harristown Park	☐	☐	☐	☐	☒	STD	STD	STD-Full	STD	STD

Source: Phone Survey, Real Property Research Group, Inc. February 2020

### 3. Parking

Harristown Park offers free surface parking.

### 4. Community Amenities

Harristown Park offers a multi-purpose room, fitness center, and business/computer center (Table 35). Covington Square will offer a multi-purpose room, fitness center, community garden, and computer area which will be competitive with Harristown Park.

**Table 35 Community Amenities**

Community	Multipurpose Room	Fitness Center	Community Garden	Business Center	Walking Paths	Library	Theatre
<b>Subject</b>	☒	☒	☒	☒	☐	☐	☐
Harristown Park	☒	☒	☐	☒	☐	☐	☐

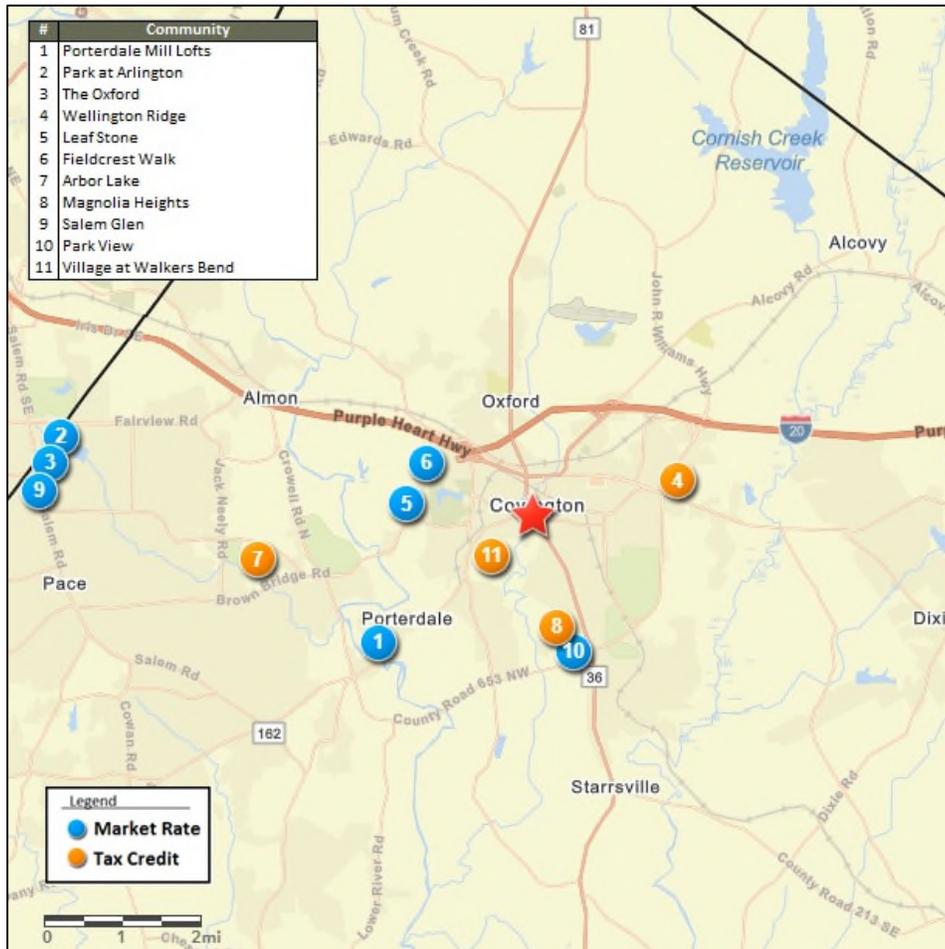
Source: Phone Survey, Real Property Research Group, Inc. February 2020

## E. Survey of General Occupancy Rental Communities

### 1. Introduction to the Rental Housing Survey

RPRG surveyed 11 general occupancy multi-family rental communities in the Covington Square Market Area including four LIHTC communities. Although not considered direct competition for the subject property, these general occupancy rental communities represent an alternative rental housing option for seniors in the Covington Square Market Area. Accordingly, we believe these communities can have some impact on the pricing and positioning of the subject community. Their performance also lends insight into the overall health and competitiveness of the rental environment in the market area. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 6. The location of each community relative to the subject site is shown on Map 7.

**Map 7 Surveyed Rental Communities**



**2. Vacancy Rates**

The general occupancy rental market is performing well with 62 vacancies among 2,133 combined units for an aggregate vacancy rate of 2.9 percent (Table 36). Eight of 11 surveyed communities have a vacancy rate of 3.2 percent or less including all LIHTC communities; the highest vacancy rate is 6.0 percent at Fieldcrest Walk. LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 2.0 percent among 702 combined units.



**Table 36 Rental Summary, Unit Distribution, Size, and Pricing – Surveyed Communities**

Map #	Community	Total Vacant Vacancy			One Bedroom Units			Two Bedroom Units			Three Bedroom Units					
		Units	Units	Rate	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
1	Porterdale Mill Lofts	165	3	1.8%												
2	Park at Arlington	188	5	2.7%												
3	The Oxford	240	12	5.0%	60	\$1,079	679	\$1.59	162	\$1,296	973	\$1.33	18	\$1,584	1,304	\$1.21
4	Wellington Ridge 60% AMI*	220	7	3.2%	70	\$971	760	\$1.28	122	\$1,159	1,182	\$0.98	28	\$1,336	1,389	\$0.96
5	Leaf Stone	232	12	5.2%	60	\$1,035	816	\$1.27	138	\$1,155	1,072	\$1.08	34	\$1,425	1,292	\$1.10
6	Fieldcrest Walk	250	15	6.0%												
7	Arbor Lake 60% AMI*	250	5	2.0%	36	\$925	975	\$0.95	166	\$1,110	1,150	\$0.97	48	\$1,289	1,181	\$1.09
8	Magnolia Heights	-	-	-												
9	Salem Glen	256	0	0.0%												
10	Park View	100	1	1.0%	10	\$891	736	\$1.21	45	\$1,034	880	\$1.17	45	\$1,131	1,152	\$0.98
8	Magnolia Heights 60% AMI*	200	2	1.0%		\$807	975	\$0.83		\$972	1,150	\$0.85		\$1,129	1,350	\$0.84
11	Village at Walkers Bend 60% AMI*	32	0	0.0%										\$984	1,303	\$0.76
11	Village at Walkers Bend 50% AMI*	-	-	-										\$895	1,303	\$0.69
Total/Average		2,133	62	2.9%		\$998	865	\$1.15		\$1,161	1,090	\$1.07		\$1,302	1,318	\$0.99
LIHTC Total/Average		702	14	2.0%		\$901	903	\$1.00		\$1,080	1,161	\$0.93		\$1,127	1,305	\$0.86
Unit Distribution		1,042			236			633			173					
% of Total		48.9%			22.6%			60.7%			16.6%					

(1) Rent is adjusted to include all utilities and incentives

(\*) Tax Credit Community

Source: Phone Survey, RPRG, Inc. February 2020

### 3. Effective Rents

Rents presented in Table 36 are net or effective rents, as opposed to street or advertised rents. The net rents reflect adjustments to street rents to equalize the impact of utility policies across complexes. Specifically, the net rents are adjusted to include all utilities. Average effective rents by floor plan are as follows:

- **One-bedroom** rents average \$998 for 865 square feet or \$1.15 per square foot. The average one-bedroom LIHTC rent is \$901.
- **Two-bedroom** rents average \$1,161 for 1,090 square feet or \$1.07 per square foot. The average two-bedroom LIHTC rent is \$1,080.

### 4. Scattered Site Rentals

Given the proposed income and age restrictions including PBRA on all units, scattered site rentals are not expected to be a significant source of competition for the proposed units at Covington Square. Foreclosure activity in the local area has been limited over the past year (see Table 40), which also limits the shadow rental market.

### 5. DCA Adjusted Market Rent

To determine the “adjusted market rents” as outlined in DCA’s 2020 Market Study Manual, all adjusted market rate rents in the market area were averaged. Rents at these communities are adjusted to account for incentives and utilities included in the rent. It is important to note, “adjusted market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property. LIHTC units are not used in this calculation.

The “adjusted market rent” was \$1,039 for one-bedroom units (Table 37); none of the surveyed communities offer efficiency units. The proposed one-bedroom rents have rent advantages of 28.1 percent for 50 percent AMI units and 13.7 percent for 60 percent AMI units (Table 38). Although none of the surveyed communities offer efficiency units, the proposed efficiency rents have rent advantages of 32.9 percent for 50 percent AMI units and 19.4 percent for 60 percent AMI units compared to the one-bedroom adjusted market rent which is appropriate.

**Table 37 Average Rents**

Community	One Bedroom Units		
	Rent(1)	SF	Rent/SF
Porterdale Mill Lofts	\$1,185	1,047	\$1.13
Park at Arlington	\$1,080	822	\$1.31
The Oxford	\$1,079	679	\$1.59
Leaf Stone	\$1,035	816	\$1.27
Fieldcrest Walk	\$998	864	\$1.16
Magnolia Heights	\$1,005	975	\$1.03
Park View	\$891	736	\$1.21
<b>Total/Average</b>	<b>\$1,039</b>	<b>848</b>	<b>\$1.22</b>

(1) Rent is adjusted to include all utilities and Incentives

Source: Phone Survey, RPRG, Inc. February 2020

**Table 38 Adjusted Market Rent and Rent Advantage Summary**

	Eff	1 BR
<b>Average Market Rent</b>	<b>\$1,039</b>	<b>\$1,039</b>
Maximum 50% AMI Rent	\$697	\$747
Advantage (\$)	\$342	\$292
Advantage (%)	32.9%	28.1%
Total Units	9	25
Maximum 60% AMI Rent	\$837	\$897
Advantage (\$)	\$202	\$142
Advantage (%)	19.4%	13.7%
Total Units	20	59

Source: Phone Survey, RPRG, Inc. February 2020

## F. Multi-Family Pipeline

According to DCA LIHTC allocation/application lists and interviews with planning officials, two age-restricted LIHTC communities are under construction in the Covington Square Market Area. Neither community will be directly comparable to the subject property given the continuation of PBRA at Covington Square. We also identified a general occupancy LIHTC community under construction:

- **Harmony at Covington** is under construction roughly two miles south of the subject property at approximately 11101 Covington Bypass Road. The community was allocated four percent Low Income Housing Tax Credits in 2018 and will offer 122 units targeting households ages 55 and older earning up to 60 percent of the Area Median Income (AMI) including 20 one-bedroom units and 102 two-bedroom units. Monarch Private Capital partnered with Hill Tide Development, Timshel Development, Gateway Development Corporation, and CRN Development to develop the project with a projected completion in late 2020.
- **Legends of Covington** is under construction roughly one mile west of the subject property near the Clark Street SW and Turner Lake Road N intersection. The community was allocated four percent Low Income Housing Tax Credits and will offer 198 units targeting households ages 55 and older earning up to 60 percent of the Area Median Income (AMI) including 100 one-bedroom units, 82 two-bedroom units, and 16 three-bedroom units. Dominion is the



developer and a timeline for the project was not identified; however, the project is expected to be completed by 2021 given it is under construction.

- **Arbours at Covington** is a 180-unit general occupancy LIHTC community under construction near the State Highway 36 and Piper Road intersection, 2.6 miles south of the site. This community will not compete with the subject property given a difference in age targeting. Merchants Capital is the developer and a timeline for the project was not identified; however, the project is expected to be completed in 2021 given it is under construction.

## G. Housing Authority Data

According to The Covington Housing Authority website, the authority owns and operates 280 public housing units; the waiting list has been closed since March 29, 2019. The Covington Housing Authority does not manage Section Housing Choice Vouchers.

## H. Existing Low-Income Rental Housing

Four general occupancy LIHTC communities and one age-restricted LIHTC community are in the Covington Square Market Area, all of which were included in our analysis (Table 39). The subject property (Covington Square) is deeply subsidized through the Section 8 program. Two age restricted LIHTC communities and one general occupancy LIHTC community are under construction in the market area. The location of these communities relative to the subject site is shown in Map 8.

**Table 39 Subsidized Communities, Covington Square Market Area**

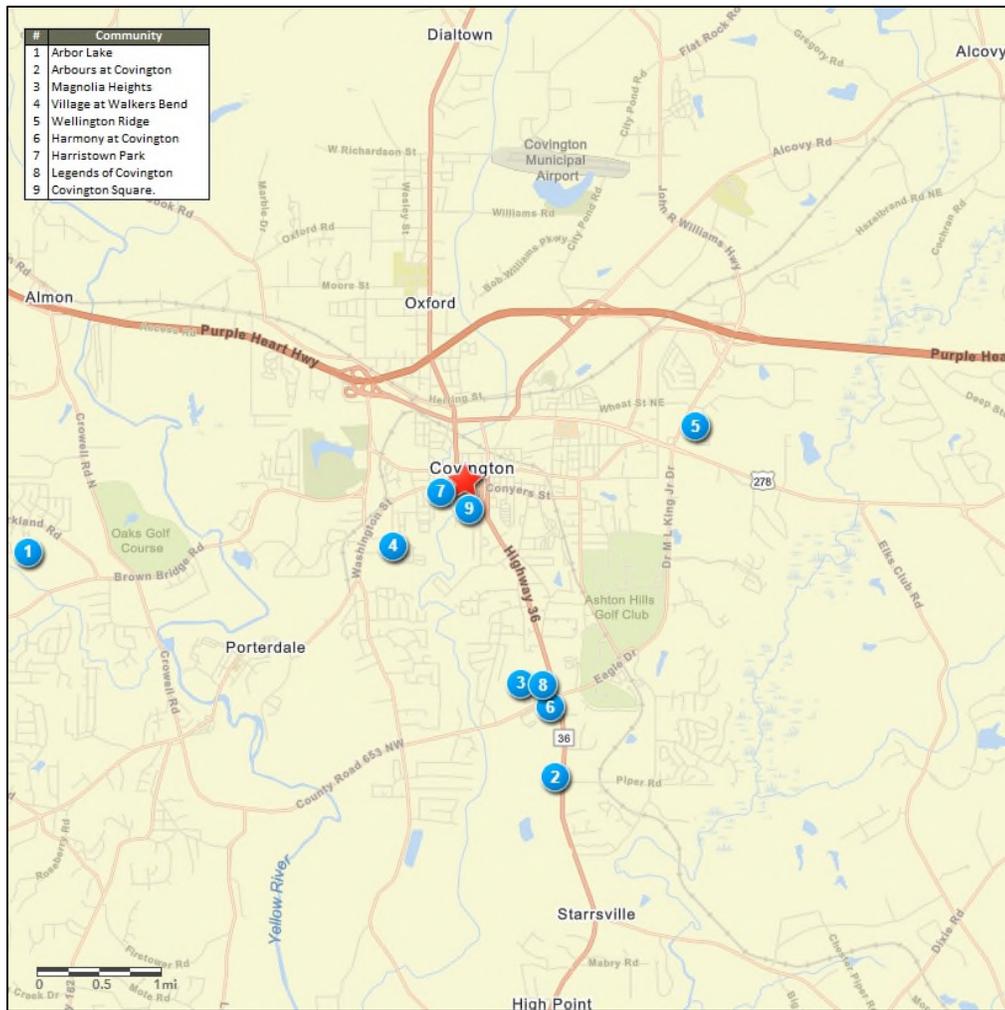
Community	Subsidy	Type	Address	Distance
Arbor Lake	LIHTC	Family	431 Kirkland Rd.	4.7 miles
Arbours at Covington	LIHTC	Family	State Highway 36	2.6 miles
Magnolia Heights	LIHTC	Family	10156 Magnolia Heights Cir.	2.1 miles
Village at Walkers Bend	LIHTC	Family	5978 Evertt St	1.5 miles
Wellington Ridge	LIHTC	Family	9145 Wellington Dr.	2.2 miles
Harmony at Covington	LIHTC	Senior	11101 Covington Bypass Rd.	2.1 miles
Harristown Park	LIHTC	Senior	2135 Reynolds St SW	0.1 mile
Legends of Covington	LIHTC	Senior	Turner Lake Rd. & Clark St. SW	1 mile
Covington Square.	Section 8	Senior	2101 Washington St SW	0.1 mile

Allotted Low Income Housing Tax Credits and Under Construction

Source: HUD, GA DCA



**Map 8 Subsidized Rental Communities**



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

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 30014 in which the subject property is located and the broader areas of Covington, Newton County, Georgia, and the United States for comparison purposes.

Our RealtyTrac search revealed January 2020 foreclosure rates of 0.03 percent in the subject property’s ZIP Code (30014), 0.06 percent in Covington, 0.05 percent in Newton County, and 0.04 percent in Georgia and the nation (Table 40). The monthly number of foreclosures in the subject site’s ZIP Code ranged from two to 15 per month over of the past twelve months.

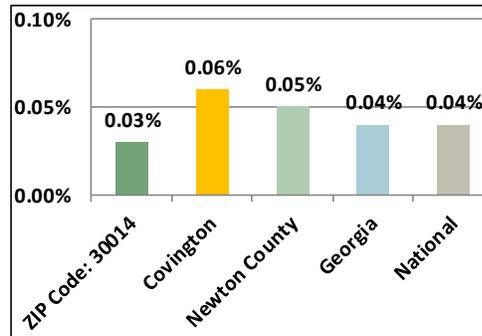


While the conversion of such properties can affect the demand for new multi-family rental housing in some markets, the impact on senior-oriented communities is typically limited especially among deeply subsidized communities. In many instances, senior householders “downsize” living accommodations (move from a larger unit to a smaller unit) due to the higher upkeep and long-term cost. As such, the convenience of on-site amenities at age restricted communities is preferable to lower density unit types, such as single-family detached homes, most common to abandonment and/or foreclosure. Furthermore, current foreclosure activity in the subject site’s ZIP Code was not significant over the past year. We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units.

**Table 40 Foreclosure Data, January 2020**

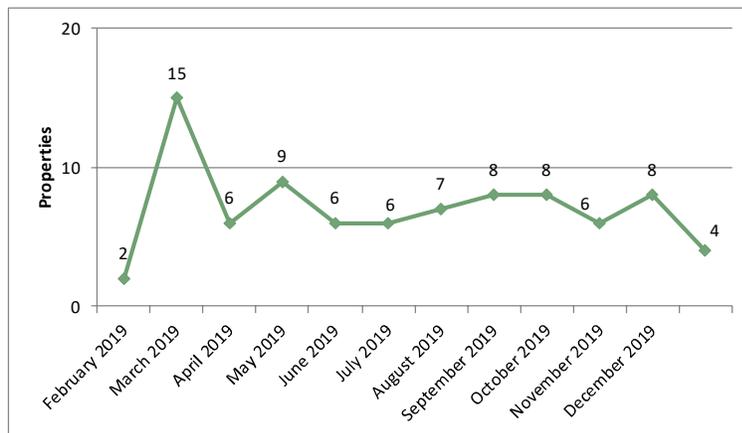
Geography	January 2020 Foreclosure Rate
ZIP Code: 30014	0.03%
Covington	0.06%
Newton County	0.05%
Georgia	0.04%
National	0.04%

Source: Realtytrac.com



ZIP Code: 30014	
Month	# of Foreclosures
February 2019	2
March 2019	15
April 2019	6
May 2019	9
June 2019	6
July 2019	6
August 2019	7
September 2019	8
October 2019	8
November 2019	6
December 2019	8
January 2020	4

Source: Realtytrac.com



## 10. FINDINGS AND CONCLUSIONS

### A. Key Findings

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

#### 1. Site and Neighborhood Analysis

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

- The subject property is bordered by Washington Street SW to the north, Brown Street SW to the east, Reynolds Street SW to the south, and Lee Street SW to the west in downtown Covington. Surrounding land uses are compatible with senior rental housing including small business, churches, retailers, and municipal services in downtown and a senior LIHTC community (Harristown Park) directly southwest of the subject property. Modest to moderate value single-family detached homes are common outside of downtown within one-half mile of Covington Square.
- Neighborhood amenities and services are convenient to the subject property with grocery stores, medical facilities, pharmacies, banks, and a senior center within roughly one mile; Newton County Senior Services is one mile west of the subject property on Turner Lake Road. Shopping including Walmart Supercenter is within three miles of Covington Square while the city square is two blocks to the east offering many small retailers and restaurants.
- The subject property is roughly one mile southeast of access to Interstate 20 via U.S. Highway 278. Interstate 20 connects Covington to the Atlanta Metro Area to the west including Interstate 285 within 24 miles and downtown Atlanta within 35 miles. Several state highways connect Covington to the north and south while U.S. Highway 278 runs roughly parallel to Interstate 20 to the east.
- Covington Square has excellent visibility from surrounding streets including Washington Street with moderate traffic. The subject property is also visible from the city square which is a heavily traveled area of Covington. The subject property has adequate visibility which is reflected by the 100 percent occupancy rate at Covington Square.
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace. As the subject property is an existing senior rental community, its proposed rehabilitation will not alter the land use characteristics of the immediate area.

#### 2. Economic Context

Newton County's economy is growing with significant job growth during the past eight years resulting in an all-time high At-Place-Employment and the county's unemployment rate has dropped each year since 2010.

- The unemployment rate in Newton County decreased significantly to 4.5 percent in 2018 from a recession-era high of 12.7 percent in 2010; the county's average unemployment rate dropped to 4.0 percent through November 2019 which is above state (3.5 percent) and national (3.7 percent) rates.
- Newton County added jobs each year since 2011 for a net increase of 5,643 jobs or 28.7 percent; the county lost 1,750 jobs during the recession-era in 2009-2010. Newton County's rate of job growth has eclipsed the national rate on a percentage basis in six of eight years since 2011 including each of the past five years.

- Newton County's economy is balanced and diverse with six sectors each accounting for at least 10 percent of the total jobs. Trade-Transportation-Utilities is the county's largest employment sector accounting for 19.9 percent of jobs compared to 18.5 percent of jobs nationally. Five sectors (Government, Manufacturing, Professional-Business, Education-Health, and Leisure-Hospitality) each account for roughly 10 to 18 percent of Newton County's jobs while the Construction sector accounts for 6.1 percent. The remaining four sectors account for roughly five percent of the county's jobs combined. The county has a significantly larger proportion of jobs in the Government and Manufacturing sectors when compared to the nation and a significantly smaller percentage of jobs in the Financial Activities and Education-Health sectors.
- Nine of 11 employment sectors added jobs in Newton County from 2011 to 2019 (Q2) indicating a healthy and balanced economy. The Professional-Business sector nearly tripled in size with net growth of 173.7 percent while five additional sectors grew by at least 26 percent; the county's largest sector (Trade-Transportation-Utilities) grew by 41.4 percent. The Manufacturing sector lost 8.7 percent of jobs while the Natural Resources-Mining sector lost 14.9 percent; however, the Natural Resources-Mining sector accounts for 0.2 percent of the county's jobs.
- Lidl announced in January 2020 plans to open a regional headquarters and distribution center in Covington and create 270 jobs. No major job contractions were identified.

### 3. Population and Household Trends

The Covington Square Market Area had significant senior household growth (62+) from 2010 to 2020 and growth is expected to remain strong through 2022. Senior household growth in the market area has outpaced total household growth significantly on a percentage basis since 2010 and is expected to continue this trend over the next two years.

- The Covington Square Market Area's annual average household growth is projected to accelerate to 488 households or 1.3 percent over the next two years; annual average household growth was 372 households of 1.0 percent over the past 10 years.
- The Covington Square Market Area added 292 households with householder age 62+ (3.3 percent) per year from 2010 to 2020 and annual growth is projected at 282 households age 62+ (2.6 percent) from 2020 to 2022.

### 4. Demographic Analysis

The population and household base of the Covington Square Market Area is slightly younger, less affluent, and includes a larger proportions of households with children when compared to the Bi-County Market Area. The Covington Square Market Area has large proportions of low to moderate-income senior renter households (621+).

- Seniors (ages 62 and older) comprise 16.8 percent of the Covington Square Market Area's population while Adults (age 35 to 61) are the most common at 34.5 percent. Children/Youth (under 20 years old) account for a significant percentage (28.2 percent) of the market area's population. Among renter households, 28.9 percent are ages 55 and older and 18.9 percent are ages 45 to 54.
- Roughly 44 percent of Covington Square Market Area households contained children and 36.8 percent were multi-person households without children including 25.4 percent that were married which includes empty nesters. Single-person households accounted for 19.6 percent of Covington Square Market Area households.
- Roughly 29 percent of households in the Covington Square Market Area rent in 2020 compared to 28.1 percent in the Bi-County Market Area. The Covington Square Market Area's renter percentage is expected to remain the same through 2022.

- The Covington Square Market Area’s 2020 renter percentage among householders age 62 and older is 19.9 percent compared to 17.7 percent in the Bi-County Market Area.
- The 2020 median income in the Covington Square Market Area is a moderate \$61,603 per year, \$2,901 or 4.5 percent below the \$64,503 median in the Bi-County Market Area. RPRG estimates the median income for senior households (age 62 or older) in the Covington Square Market Area is \$30,715 for renters and \$45,755 for owners. Approximately 36 percent of senior renter households (62+) earn less than \$25,000 and 38.0 percent earn \$25,000 to \$49,999.

## 5. Competitive Housing Analysis

RPRG surveyed one senior LIHTC community and 11 general occupancy communities including four LIHTC communities.

### Senior Rental Communities:

- Harristown Park is a four-story mid-rise community with interior hallways, secured entrances, and elevators. The community was built in 2012 and exteriors are a mixture of brick and siding.
- Harristown Park is fully occupied with a waiting list of more than 200 people.
- Effective rents, unit sizes, and rent per square foot at Harristown Park are as follows:
  - **One-bedroom units** are \$672 for 50 percent AMI units and \$701 for 60 percent AMI units. Based on a unit size of 671 square feet, rent per square foot is \$1.00 for 50 percent AMI units and \$1.04 for 60 percent AMI units.
  - **Two-bedroom units** are \$802 for 50 percent AMI units and \$814 for 60 percent AMI units. Based on a unit size of 950 square feet, rent per square foot is \$0.84 for 50 percent AMI units and \$0.86 for 60 percent AMI units.

### General Occupancy Rental Communities:

- The 11 surveyed general occupancy rental communities including four LIHTC communities have an aggregate vacancy rate of 2.9 percent among 2,133 combined units. LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 2.0 percent based on 14 of 702 units vacant.
- Among surveyed general occupancy rental communities, net rents, unit sizes, and rents per square foot are as follows:
  - **One-bedroom** rents average \$998 for 865 square feet or \$1.15 per square foot. The average one bedroom LIHTC rent is \$901.
  - **Two-bedroom** rents average \$1,161 for 1,090 square feet or \$1.07 per square foot. The average two bedroom LIHTC rent is \$1,080.
- The “adjusted market rent” was \$1,039 for one-bedroom units; none of the surveyed communities offer efficiency units. The proposed one-bedroom rents have rent advantages of 28.1 percent for 50 percent AMI units and 13.7 percent for 60 percent AMI units. Although none of the surveyed communities offer efficiency units, the proposed efficiency rents have rent advantages of 32.9 percent for 50 percent AMI units and 19.4 percent for 60 percent AMI units compared to the one-bedroom adjusted market rent which is appropriate.
- RPRG identified one general occupancy (Arbours at Covington) and two age-restricted LIHTC communities (Harmony at Covington and Legends of Covington) under construction in the market area. None of these communities will be directly comparable to the subject property given a difference in age and/or income targeting given the continuation of PBRA at Covington



Square. Despite this difference, both LIHTC communities have been accounted for in the LIHTC demand estimate and capture rates.

## B. Product Evaluation

Considered in the context of the competitive environment, the relative position of Covington Square is as follows:

- **Site:** The subject site is acceptable for a rental housing development targeting very low to low income senior renter households. Surrounding land uses are compatible with multi-family senior-oriented rental housing including a senior LIHTC community (Harristown Park) which is fully occupied with a long waiting list directly south of the subject property. Covington Square will be convenient to major thoroughfares and will have good visibility from surrounding streets in downtown Covington. The walkability to Covington's city square is appealing.
- **Unit Distribution:** Covington Square will offer 29 efficiency units (25.7 percent) and 84 one-bedroom units (74.3 percent). Efficiency and one-bedroom units are common at age-restricted rental communities and are appropriate for the target market of very low to low income senior renter households.
- **Unit Size:** The proposed unit sizes at Covington Square are 415 square feet for efficiency units and 525 square feet for one-bedroom units. The subject's efficiency units will be the smallest units among surveyed communities and the subject's one-bedroom units are roughly 150 square feet smaller than the one-bedroom units at Harristown Park (senior LIHTC community); Harristown Park is the only senior LIHTC community in the market area. The smaller unit sizes will have no impact on the subject property's marketability due to the continuation of PBRA on all units. The subject property is fully occupied with a waiting list of more than 30 people with these unit sizes.
- **Unit Features:** Covington Square will offer a microwave, grab bars, and emergency call system which is not as extensive as the features offered at Harristown Park (senior LIHTC community). The proposed unit features are acceptable given the continuation of PBRA on all units and the lack of affordable senior rental options in the market area; the lack of a dishwasher and washer and dryer connections would likely affect the subject property's attainable rents without the inclusion of PBRA.
- **Community Amenities:** Covington Square will offer a multi-purpose room, fitness center, community garden, and computer area which will be competitive with Harristown Park.
- **Marketability:** The rehabilitation of the subject property will help preserve an existing affordable senior housing resource and will meet the needs of its intended target market.

## C. Price Position

Given the proposed continuation of PBRA on all units at the subject property, tenants will pay a percentage of income and will not pay the proposed contract rent. Without the proposed PBRA, the maximum allowable LIHTC rents (most that could be charged without PBRA) would be roughly \$75-\$200 higher than rents at the surveyed senior community (Harristown Park); Harristown Park is fully occupied with a very long waiting list of more than 200 people which suggests room for rent growth. The maximum allowable 50 percent AMI rents would be the lowest rents in the market area among general occupancy communities and the maximum 60 percent AMI rents would be among the lowest general occupancy rents in the market area. Maximum allowable LIHTC rents all have rent advantages of at least 13 percent. The maximum allowable LIHTC rents are acceptable without the proposed PBRA given the limited age-restricted rental market at this time. Due to the expansion of the age-restricted rental market with two pipeline communities, rents may need to be lower than maximum allowable levels without the proposed PBRA given the small unit sizes and limited unit features at the subject property.



**Figure 8 Price Position**





## 11. ABSORPTION AND STABILIZATION RATES

### A. Absorption Estimate

The projected absorption rate is based on projected senior household growth, age and income-qualified renter households, affordability/demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The Covington Square Market Area is projected to add 282 households with householders age 62+ per year from 2020 to 2022 for annual growth of 2.6 percent.
- The surveyed age-restricted LIHTC community, Harristown Park, is fully occupied with a waiting list of more than 200 households. General occupancy communities are also performing well with an aggregate vacancy rate of 2.9 percent among 2,133 combined units.
- Nearly 1,400 renter households will be age and income-qualified for one or more of the proposed units at the subject property with the continuation of PBRA. DCA capture rates are well below thresholds with the proposed PBRA. The 60 percent AMI and overall DCA demand capture rates are above DCA thresholds without the proposed PBRA.
- Post rehabilitation, Covington Square will offer an attractive and affordable product that will be well received by the target market in the Covington Square Market Area.

As all current tenants are expected to be retained with the continuation of PBRA, the subject property will not need to lease any units post-renovation. Based on the factors noted above, we estimate Covington Square's units with PBRA will lease-up as quickly as units become available and applications can be processed; we estimate any vacant units to be leased within one to two months. Without the proposed PBRA, the project's overall DCA demand capture rate of 37.7 percent is above DCA's threshold of 35 percent.

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

Given the strong projected senior household growth and limited senior rental market with the only senior LIHTC community having a waiting list of more than 200 households, we do not expect the rehabilitation of Covington Square to have a negative impact on existing rental communities in the Covington Square Market Area including those with tax credits. Furthermore, the subject property is not an expansion of the market area's rental housing stock.

## 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 and planning officials with the City of Covington and Newton County.



### 13. CONCLUSIONS AND RECOMMENDATIONS

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rent	Market Rents Band	Proposed Rents*
<b>50% AMI</b>	<b>no min\$ - \$31,900</b>									
Efficiency Units		9	41.6%	481	0	481	1.9%			\$697
One Bedroom Units		25	51.0%	590	0	590	4.2%	\$1,039	\$891 - \$1,185	\$747
<b>60% AMI</b>	<b>no min\$ - \$38,280</b>									
Efficiency Units		20	54.7%	633	0	633	3.2%			\$837
One Bedroom Units		59	61.4%	710	120	590	10.0%	\$1,039	\$891 - \$1,185	\$897
<b>By Bedroom</b>										
Efficiency Units		29	54.7%	633	0	633	4.6%			
One Bedroom Units		84	61.4%	710	120	590	14.2%			
<b>Project Total</b>	<b>no min\$ - \$38,280</b>									
50% AMI	no min\$ - \$31,900	34	51.0%	590	0	590	5.8%			
60% AMI	no min\$ - \$38,280	79	61.4%	710	120	590	13.4%			
<b>Total Units</b>	<b>no min\$ - \$38,280</b>	<b>113</b>	<b>61.4%</b>	<b>710</b>	<b>120</b>	<b>590</b>	<b>19.1%</b>			

Lesser of the maximum allowable LIHTC rent and proposed contract rent utilized in this analysis\*

Based on an analysis of projected senior household growth trends, affordability and demand estimates (with and without PBRA), current rental market conditions, and socio-economic and demographic characteristics of the Covington Square Market Area, RPRG believes that the subject property, with the inclusion of PBRA, 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 senior communities in the Covington Square Market Area and the units will be well received by the target market. Without PBRA, DCA demand capture rates are above DCA thresholds. We recommend proceeding with the project as planned with the continuation of PBRA.

Brett Welborn  
Analyst

Tad Scepianiak  
Managing Principal



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

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

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



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

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



## APPENDIX 2 ANALYST 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 'Brett Welborn', is positioned above a horizontal line.

Brett Welborn  
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.



## 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 Scepaniak  
Name

\_\_\_\_\_  
Managing Principal  
Title

\_\_\_\_\_  
March 8, 2020  
Date



## APPENDIX 4 ANALYST RESUMES

### TAD SCEPANIAK Managing Principal

Tad Scepianiak 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 Immediate Past Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as National Chair, 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. Scepianiak 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. Scepianiak 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. Scepianiak 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.



**BRETT WELBORN**  
**Analyst**

Brett Welborn entered the field of Real Estate Market Research in 2008, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Brett's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Through his experience, Brett progressed to serve as Analyst for RPRG for the past five years and has conducted market studies for LIHTC and market rate communities.

**Areas of Concentration:**

- **Low Income Housing Tax Credit Rental Housing:** Brett has worked with the Low Income Housing Tax Credit program, evaluating general occupancy and senior oriented developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a range of project types, including newly constructed communities and rehabilitations.
- **Market Rate Rental Housing** – Brett has conducted projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

**Education:**

Bachelor of Business Administration – Real Estate; University of Georgia, Athens, GA



## 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)	3
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)	5
ii. Number of properties.....	Page(s)	5
iii. Rent bands for each bedroom type proposed. ....	Page(s)	5
iv. Adjusted market rents. ....	Page(s)	5
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)	6
ii. Number of months required for the project to stabilize at 93% occupancy. ....	Page(s)	6
9. Overall Conclusion:		
i. Overall conclusion regarding potential for success of the proposed development.....	Page(s)	6
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)	11
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)	11

**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)	18-21
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)	20
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)	17



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)	21
<b>D.</b>	<b>Market Area</b>		
1.	Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	22
2.	Map Identifying subject property's location within market area.....	Page(s)	23
<b>E.</b>	<b>Community Demographic Data</b>		
1.	Population Trends		
i.	Total Population.....	Page(s)	24
ii.	Population by age group.....	Page(s)	27
iii.	Number of elderly and non-elderly.....	Page(s)	26
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)	24-25
ii.	Household by tenure (If appropriate, breakout by elderly and non-elderly).....	Page(s)	28
iii.	Households by income. (Elderly proposals should reflect the income distribution of elderly households only).....	Page(s)	30-31
iv.	Renter households by number of persons in the household.....	Page(s)	29
<b>F.</b>	<b>Employment Trends</b>		
1.	Total jobs in the county or region.....	Page(s)	33
2.	Total jobs by industry – numbers and percentages.....	Page(s)	34
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)	36
4.	Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past 10 years.....	Page(s)	32
5.	Map of the site and location of major employment concentrations.....	Page(s)	36
6.	Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	37
<b>G.</b>	<b>Project-specific Affordability and Demand Analysis</b>		
1.	Income Restrictions / Limits.....	Page(s)	39
2.	Affordability estimates.....	Page(s)	40
3.	Demand		
i.	Demand from new households.....	Page(s)	43
ii.	Demand from existing households.....	Page(s)	43



iii. Elderly Homeowners likely to convert to rentership. ....	Page(s)	42
iv. Net Demand and Capture Rate Calculations .....	Page(s)	41-45

**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. 6
ii. Name, title, and phone number of contact person and date contact was made. ....	Page(s)	App. 6
iii. Description of property. ....	Page(s)	App. 6
iv. Photographs. ....	Page(s)	App. 6
v. Square footages for each competitive unit type. ....	Page(s)	49, 52, App. 5
vi. Monthly rents and the utilities included in the rents of each unit type. ....	Page(s)	49, 52, App. 5
vii. Project age and current physical condition.....	Page(s)	52, App. 8
viii. Concessions given if any.....	Page(s)	52
ix. Current vacancy rates, historic vacancy factors, waiting lists, and turnover rates, broken down by bedroom size and structure type.....	Page(s)	52
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)	55
4. An assessment as to the quality and compatibility of the proposed amenities to what is currently available in the market. ....	Page(s)	60
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)	53
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 adjusted market rent for each of the proposed unit types. ....	Page(s)	49, 53
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)	62
<b>I. Absorption and Stabilization Rates</b>		
1. Anticipated absorption rate of the subject property .....	Page(s)	62
2. Stabilization period.....	Page(s)	62
<b>J. Interviews</b> .....	Page(s)	62
<b>K. Conclusions and Recommendations</b> .....	Page(s)	63
<b>Signed Statement Requirements</b>	Page(s)	App 2



## APPENDIX 6 RENTAL COMMUNITY PROFILES

Community	Address	Date Surveyed	Phone Number	Contact
Arbor Lake	431 Kirkland Rd.	2/17/2020	833-442-3755	Property Manager
Fieldcrest Walk	10238 Fieldcrest Dr.	2/17/2020	770-786-0446	Property Manager
Harristown Park	2135 Reynolds St SW	2/19/2020	678-625-3235	Property Manager
Leaf Stone	10100 Brown Bridge Rd.	2/17/2020	844-881-4659	Property Manager
Magnolia Heights	10156 Magnolia Heights Cir.	2/19/2020	770-786-0458	Property Manager
Park at Arlington	30 Grosslake Pkwy.	2/19/2020	678-342-7144	Property Manager
Park View	10920 By Pass Rd	2/19/2020	770-786-8500	Property Manager
Porterdale Mill Lofts	2100 Main St	2/17/2020	470-327-1892	Property Manager
Salem Glen	100 Salem Glen Way	2/17/2020	770-787-0100	Property Manager
The Oxford	50 Greenleaf Rd.	2/17/2020	770-788-1165	Property Manager
Village at Walkers Bend	5978 Evertt St	2/17/2020	678-625-3235	Property Manager
Wellington Ridge	9145 Wellington Dr.	2/17/2020	678-625-2777	Property Manager

# Harristown Park

## Senior Community Profile

2135 Reynolds St SW  
Covington,GA

CommunityType: LIHTC - Elderly  
Structure Type: 4-Story Mid Rise

60 Units      0.0% Vacant (0 units vacant) as of 2/17/2020

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	\$582	671	\$0.87	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	--	\$678	950	\$0.71	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Grabbar; Emergency Response	
Select Units:	--
Optional(\$):	--
Security:	--
Parking:	Free Surface Parking

### Comments

Waitlist: 200-300 hhlds  
unit breakdown: 50%: 2 1/1, 7 2br  
Game room, outdoor pation with grills, picnic pavillion  
Property Manager: --      Owner: --

Floorplans (Published Rents as of 2/17/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	--	\$581	671	\$.87	LIHTC/ 60%	2/17/20	0.0%	\$582	\$678	--
Mid Rise - Elevator	--	1	1	--	\$552	671	\$.82	LIHTC/ 50%	4/5/19	0.0%	\$555	\$647	--
Mid Rise - Elevator	--	2	2	--	\$652	1,059	\$.62	LIHTC/ 50%					
Mid Rise - Elevator	--	2	2	--	\$664	1,059	\$.63	LIHTC/ 60%					
Mid Rise - Elevator	--	2	1	--	\$652	841	\$.78	LIHTC/ 50%					
Mid Rise - Elevator	--	2	1	--	\$664	841	\$.79	LIHTC/ 60%					

### Adjustments to Rent

Incentives:  
None

Utilities in Rent:      Heat Fuel: Electric

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

Harristown Park

GA217-030617

# Arbor Lake

## Multifamily Community Profile

431 Kirkland Rd.  
Covington, GA 30016

Community Type: LIHTC - General

Structure Type: 3-Story Garden

250 Units      2.0% Vacant (5 units vacant) as of 2/17/2020

Last Major Rehab in 2018      Opened in 2002



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$820	975	\$0.84	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$980	1,150	\$0.85	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,129	1,266	\$0.89	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

### Comments

Private lake stocked with fish.

36 1BR, 166 2BR, 48 3BR

Floorplans (Published Rents as of 2/17/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$795	975	\$.82	LIHTC/ 60%	2/17/20	2.0%	\$820	\$980	\$1,129
Garden	--	1	1	--	\$795	975	\$.82	LIHTC/ 60%	4/5/19	4.8%	\$861	\$1,040	\$1,185
Garden	--	2	2	--	\$950	1,150	\$.83	LIHTC/ 60%	4/19/18	2.8%	\$832	\$1,036	\$1,149
Garden	--	2	2	--	\$950	1,150	\$.83	LIHTC/ 60%					
Garden	--	3	2	--	\$1,094	1,181	\$.93	LIHTC/ 60%					
Garden	--	3	2	--	\$1,094	1,350	\$.81	LIHTC/ 60%					

#### Adjustments to Rent

Incentives:  
None

Utilities in Rent:      Heat Fuel: Electric

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

Arbor Lake

GA217-028041

# Fieldcrest Walk

## Multifamily Community Profile

10238 Fieldcrest Dr.  
Covington, GA 30014

Community Type: Market Rate - General

Structure Type: 2-Story Garden

250 Units      6.0% Vacant (15 units vacant) as of 2/17/2020

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$893	864	\$1.03	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$1,021	1,037	\$0.98	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input checked="" 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: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Cable TV; Broadband Internet; Carpet / Vinyl/Linoleum	
Select Units: Fireplace	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

### Comments

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

Floorplans (Published Rents as of 2/17/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$868	864	\$1.00	Market	2/17/20	6.0%	\$893	\$1,021	--
Garden	--	2	2	--	\$1,065	1,200	\$0.89	Market	3/9/19	1.6%	\$829	\$968	--
Garden	--	2	1	--	\$919	930	\$0.99	Market	4/19/18	2.0%	\$800	\$913	--
Garden	--	2	2	--	\$989	980	\$1.01	Market					

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

### Adjustments to Rent

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

# Leaf Stone

## Multifamily Community Profile

10100 Brown Bridge Rd.  
Covington, GA 30014

Community Type: Market Rate - General

Structure Type: 3-Story Garden

232 Units      5.2% Vacant (12 units vacant) as of 2/17/2020

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	25.9%	\$930	816	\$1.14	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	59.5%	\$1,025	1,072	\$0.96	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	14.7%	\$1,265	1,292	\$0.98	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Patio/Balcony; Storage (In Unit); Cable TV; Broadband Internet; Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$75
Property Manager:	--
Owner:	--

### Comments

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

Floorplans (Published Rents as of 2/17/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	60	\$905	816	\$1.11	Market	2/17/20	5.2%	\$930	\$1,025	\$1,265
Garden	--	2	2	138	\$995	1,072	\$0.93	Market	8/9/19	0.9%	\$1,015	\$1,150	\$1,310
Garden	--	3	2	34	\$1,230	1,292	\$0.95	Market	3/9/19	3.0%	\$995	\$1,095	\$1,345
									4/19/18	0.9%	\$959	\$1,050	\$1,120

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# Magnolia Heights

## Multifamily Community Profile

10156 Magnolia Heights Cir.  
Covington, GA 30014

Community Type: LIHTC - General

Structure Type: 3-Story Garden

200 Units      1.0% Vacant (2 units vacant) as of 2/19/2020

Opened in 2001



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$801	975	\$0.82	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	--	\$891	1,150	\$0.77	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	\$1,005	1,350	\$0.74	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					<input checked="" type="checkbox"/>	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Cable TV; Broadband Internet; Carpet / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	Gated Entry
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	--
Owner:	--

### Comments

Two to three month wait for LIHTC units.

### Floorplans (Published Rents as of 2/19/2020) (2)

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

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$702	975	\$.72	LIHTC/ 60%	2/19/20	1.0%	\$801	\$891	\$1,005
Garden	--	1	1	--	\$900	975	\$.92	Market	3/19/19	0.0%	\$754	\$813	\$947
Garden	--	2	2	--	\$842	1,150	\$.73	LIHTC/ 60%	4/19/18	2.0%	\$668	\$775	\$882
Garden	--	2	2	--	\$940	1,150	\$.82	Market					
Garden	--	3	2	--	\$969	1,350	\$.72	LIHTC/ 60%					
Garden	--	3	2	--	\$1,040	1,350	\$.77	Market					

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# Park at Arlington

## Multifamily Community Profile

30 Grosslake Pkwy.  
Covington, GA 30016

Community Type: Market Rate - General

Structure Type: 2-Story Garden

188 Units      2.7% Vacant (5 units vacant) as of 2/19/2020

Opened in 2001



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
One	--	\$975	822	\$1.19	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$1,180	1,148	\$1.03	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,285	1,343	\$0.96	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Storage (In Unit); Broadband Internet	
Select Units: --	
Optional(\$): --	
Security: Gated Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

### Comments

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

Floorplans (Published Rents as of 2/19/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$950	822	\$1.16	Market	2/19/20	2.7%	\$975	\$1,180	\$1,285
Garden	--	2	2	--	\$1,150	1,148	\$1.00	Market	3/11/19	2.1%	\$1,020	\$1,168	\$1,373
Garden	--	3	2	--	\$1,250	1,343	\$0.93	Market	4/19/18	6.9%	\$863	\$990	\$1,098

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

### Adjustments to Rent

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

# Park View

## Multifamily Community Profile

10920 By Pass Rd  
Covington, GA 30014

Community Type: Market Rate - General

Structure Type: 3-Story Garden

100 Units 1.0% Vacant (1 units vacant) as of 2/19/2020

Opened in 1994



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$786	736	\$1.07	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$904	880	\$1.03	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$971	1,152	\$0.84	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

### Comments

10 1br, 45 2br, & 45 3br

Floorplans (Published Rents as of 2/19/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$761	736	\$1.03	Market	2/19/20	1.0%	\$786	\$904	\$971
Garden	--	2	1	--	\$861	880	\$0.98	Market	8/9/19	0.0%	\$786	\$904	\$971
Garden	--	2	2	--	\$886	880	\$1.01	Market	3/28/19	0.0%	\$761	\$879	\$951
Garden	--	3	2	--	\$936	1,152	\$0.81	Market					

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat:  Cooking:  Wtr/Swr:

Hot Water:  Electricity:  Trash:

# Porterdale Mill Lofts

## Multifamily Community Profile

2100 Main St  
Porterdale, GA 30070

Community Type: **Market Rate - General**  
Structure Type: **2-Story Adaptive Reuse**

165 Units      1.8% Vacant (3 units vacant) as of 2/17/2020

Opened in 2006



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$1,080	1,047	\$1.03	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	--	\$1,330	1,205	\$1.10	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	\$1,835	1,694	\$1.08	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

### Comments

--

Floorplans (Published Rents as of 2/17/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Adaptive Reuse	--	1	1	--	\$1,159	1,239	\$0.94	Market	2/17/20	1.8%	\$1,080	\$1,330	\$1,835
Adaptive Reuse	--	1	1	--	\$950	854	\$1.11	Market	8/9/19	0.0%	\$1,048	\$1,304	\$1,735
Adaptive Reuse	--	2	1	--	\$1,190	1,130	\$1.05	Market					
Adaptive Reuse	--	2	2	--	\$1,410	1,280	\$1.10	Market					
Adaptive Reuse	--	3	2	--	\$1,800	1,694	\$1.06	Market					

### Adjustments to Rent

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

# Salem Glen

## Multifamily Community Profile

100 Salem Glen Way  
Conyers, GA 30013

Community Type: Market Rate - General

Structure Type: 2-Story Garden

256 Units      0.0% Vacant (0 units vacant) as of 2/17/2020

Opened in 1988



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$928	1,042	\$0.89	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,050	1,150	\$0.91	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

### Comments

--

Floorplans (Published Rents as of 2/17/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	--	\$885	1,033	\$.86	Market	2/17/20	0.0%	--	\$928	\$1,050
Garden	--	2	2.5	--	\$910	1,050	\$.87	Market	3/8/19	2.0%	--	--	--
Garden	--	3	2	--	\$1,015	1,150	\$.88	Market	4/19/18	0.0%	--	\$840	\$935

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# The Oxford

## Multifamily Community Profile

50 Greenleaf Rd.  
Conyers, GA 30013

Community Type: Market Rate - General

Structure Type: 3-Story Garden

240 Units      5.0% Vacant (12 units vacant) as of 2/17/2020

Opened in 1999



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$974	679	\$1.43	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$1,166	973	\$1.20	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	--	\$1,424	1,304	\$1.09	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit); Cable TV; Broadband Internet	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$100
Property Manager: -- Owner: --	

### Comments

60 1B units, 162 2B units, 18 3B units.

Floorplans (Published Rents as of 2/17/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$949	679	\$1.40	Market	2/17/20	5.0%	\$974	\$1,166	\$1,424
Garden	--	2	2	--	\$1,174	1,051	\$1.12	Market	5/28/19	1.7%	\$1,042	\$1,223	\$1,444
Garden	--	2	1	--	\$1,098	894	\$1.23	Market	3/9/19	1.7%	--	--	--
Garden	--	3	2	--	\$1,389	1,304	\$1.07	Market	4/19/18	0.8%	\$849	\$1,086	\$1,434

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# Village at Walkers Bend

## Multifamily Community Profile

5978 Evertt St  
Covington, GA

Community Type: LIHTC - General

Structure Type: Townhouse

32 Units      0.0% Vacant (0 units vacant) as of 2/17/2020

Opened in 2011



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	\$780	1,303	\$0.60	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	\$823	1,632	\$0.50	<input type="checkbox"/>	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Attached Garage Fee: \$0	Parking 2: -- Fee: --
Property Manager:	--
Owner:	--

### Comments

Waitlist: 300 hhlds  
walking path and picnic pavillion

Floorplans (Published Rents as of 2/17/2020) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	3	2	--	\$799	1,303	\$.61	LIHTC/ 60%	2/17/20	0.0%	--	--	\$780	
Garden	--	3	2	--	\$710	1,303	\$.54	LIHTC/ 50%	4/5/19	6.3%	--	--	\$744	
Garden	--	4	2	--	\$843	1,632	\$.52	LIHTC/ 60%						
Garden	--	4	2	--	\$742	1,632	\$.45	LIHTC/ 50%						

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

Village at Walkers Bend

GA217-030616

# Wellington Ridge

## Multifamily Community Profile

9145 Wellington Dr.  
Covington, GA 30014

CommunityType: LIHTC - General  
Structure Type: 3-Story Garden

220 Units      3.2% Vacant (7 units vacant) as of 2/17/2020

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	31.8%	\$866	760	\$1.14	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	55.5%	\$1,029	1,182	\$0.87	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	12.7%	\$1,176	1,389	\$0.85	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

### Comments

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

Floorplans (Published Rents as of 2/17/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	70	\$841	760	\$1.11	LIHTC/ 60%	2/17/20	3.2%	\$866	\$1,029	\$1,176
Garden	--	2	2	122	\$999	1,182	\$.85	LIHTC/ 60%	8/9/19	0.9%	\$866	\$1,029	\$1,176
Garden	--	3	2	28	\$1,141	1,389	\$.82	LIHTC/ 60%	3/11/19	4.5%	--	\$898	\$1,026
									4/19/18	0.0%	\$739	\$886	--

### Adjustments to Rent

Incentives:  
None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash: