



REAL PROPERTY RESEARCH GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

## Market Feasibility Analysis

# Magnolia Heights Apartments

Covington, Newton County, Georgia

Prepared for:

**Ambling Development**

Effective Date: March 17, 2021

Site Inspection: March 17, 2021



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# 1. EXECUTIVE SUMMARY

The subject of this report is the proposed renovation of Magnolia Heights, an existing 200-unit Low Income Housing Tax Credit (LIHTC) rental community in Covington, Newton County, Georgia. The subject property currently offers 136 income and rent restricted LIHTC units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size, and 64 unrestricted market rate units. As proposed, the subject property will be rehabilitated and will offer 199 income and rent restricted LIHTC rental units targeting renter households earning at or below 60 percent AMI; one additional unit will transition to a non-revenue unit. The following report, including the executive summary, is based on DCA’s 2021 market study requirements.

## 1. Project Description

- Magnolia Heights is located at 10156 Magnolia Heights Circle in Covington. The subject property will offer 199 newly renovated general occupancy rental units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. One additional unit will be a 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. Rents shown will include water/sewer and trash removal.

Developer Proposed								
# Bed	# Bath	Building Type	Income Target	Units	Gross Sq Ft	Net Rent	Utility Allowance	Gross Rent
1	1	Garden	60% AMI	19	975	\$739	\$60	\$799
1	1	Garden	60% AMI	13	975	\$904	\$60	\$964
<b>Total/Weighted Average</b>				<b>32</b>		<b>\$806</b>		<b>\$866</b>
2	2	Garden	60% AMI	105	1,150	\$858	\$77	\$935
2	2	Garden	60% AMI	38	1,150	\$1,068	\$77	\$1,145
2	2	Garden	Non-Revenue	1	1,150	-	-	-
<b>Total/Weighted Average</b>				<b>144</b>		<b>\$914</b>		<b>\$991</b>
3	2	Garden	60% AMI	16	1,350	\$1,014	\$98	\$1,112
3	2	Garden	60% AMI	8	1,350	\$1,242	\$98	\$1,340
<b>Total/Weighted Average</b>				<b>24</b>		<b>\$1,090</b>		<b>\$1,188</b>
<b>Total</b>				<b>200</b>				

Rent includes water/sewer and trash removal

Source: Ambling Development

- Magnolia Heights will offer a dishwasher, range/oven, refrigerator, and washer and dryer connections which is generally comparable to the surveyed communities except for a microwave which is offered at six of nine surveyed communities including two of three LIHTC communities. Several market rate communities offer select upscale finishes with one offering a washer and dryer in each unit; however, these communities have rents well above those proposed at the subject property. The proposed unit features will be competitive in the market at the proposed rents.
- Magnolia Heights will offer a community room, fitness center, swimming pool, sport court, and playground. The proposed amenities will be comparable or superior to the



surveyed LIHTC communities. The subject property's amenities will be competitive in the market area and will be appealing to low income renter households.

## **2. Site Description / Evaluation:**

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

- The subject property is in an established residential neighborhood in Covington. Surrounding land uses include residential uses (apartments and single-family detached homes) and commercial uses along Jackson Highway and Covington Bypass Road. Furthermore, Magnolia Heights is an existing fully occupied LIHTC rental community.
- Magnolia Heights is within one mile of convenience stores, banks, and restaurants while grocery stores, medical offices, and larger retail outlets are within four miles of the site.
- The subject property is on the west side of Jackson Highway which provides access to U.S. Highway 278 and Interstate 20, two major traffic arteries in the region.
- The 2020 CrimeRisk Index for the census tracts in the general vicinity of the subject site are color coded with the site's census tract being green, indicating a crime risk (100 to 199) above the national average (100). The site's crime risk is similar to the surrounding area. Based on this data and field observations, we do not expect crime or the perception of crime to negatively impact the subject property's marketability. Furthermore, the subject property is an existing community which is fully occupied.
- Magnolia Heights's has visibility from Jackson Highway which is a major traffic artery in Covington.
- The subject site is suitable for multifamily rental housing. As the subject property is an existing rental community, its proposed rehabilitation will not alter the land use characteristics of the immediate area.

## **3. Market Area Definition**

- The Magnolia Heights 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 Magnolia Heights Market Area includes the most comparable multifamily rental communities and 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 Magnolia Heights Market Area and their approximate distance from the subject site are Walton County (8.9 miles to the north), Morgan County (10.9 miles to the east), Butts County / Jasper County (13.4 miles to the south), and Rockdale County / Henry County (9.2 miles to the west).

## **4. Community Demographic Data**

- The Magnolia Heights Market Area had significant population and household growth from 2000 to 2010 with growth slowing but remaining steady over the past 11 years. Growth is expected to remain steady over the next two years.
  - The Magnolia Heights Market Area added 37,957 net people (61.2 percent) and 12,393 households (56.3 percent) from 2000 to 2010.



- Esri estimates the Magnolia Heights Market Area had net growth of 14,424 people (14.4 percent) and 4,756 households (13.8 percent) from 2010 to 2020; annual growth was 1,311 people (1.2 percent) and 432 households (1.2 percent) over this period. Based on Esri data, annual growth is projected to increase to 1,626 people (1.4 percent) and 543 households (1.4 percent) from 2021 to 2023 resulting in 117,635 people and 40,233 households in the Magnolia Heights Market Area in 2023.
- Adults ages 35 to 61 are the most common and account for 34.4 percent of the population in the Magnolia Heights Market Area. Children/Youth (ages 20 to 34) account for 27.9 percent in the market area while seniors (62+) account for roughly 17 percent.
- Roughly 44 percent of Magnolia Heights Market Area households contained children and 36.8 percent were multi-person households without children including 25.4 percent that were married which includes young couples. Single-person households accounted for 19.6 percent of Magnolia Heights Market Area households.
- Roughly 30 percent of households in the Magnolia Heights Market Area rent in 2021 compared to 30.4 percent in the Bi-County Market Area. The Magnolia Heights Market Area's renter percentage is expected to increase to 30.6 percent in 2023.
- Roughly 47 percent of Magnolia Heights Market Area renter households had one or two people, 35.2 percent had three or four people, and 17.7 percent were larger households with five or more people. The Bi-County Market Area had a larger proportion of small renter households with one or two people when compared to the Magnolia Heights Market Area.
- The 2021 median income in the Magnolia Heights Market Area is a moderate \$61,509 per year, \$2,299 or 3.6 percent below the \$63,808 median in the Bi-County Market Area. RPRG estimates the median income by tenure households in the Magnolia Heights Market Area is \$42,853 for renters and \$70,403 for owners. Approximately one quarter (26.2 percent) of renter households earn less than \$25,000 and 32.1 percent earn \$25,000 to \$49,999 while 20.6 percent earn \$50,000 to \$74,999 and 21.1 percent earn at least \$75,000.
- We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property's ability to lease its units given its affordable nature.

## **5. Economic Data:**

Newton County's economy has performed well over the past nine years with significant job growth resulting in an all-time high At-Place Employment in 2019 and declining unemployment prior to the onset of the COVID-19 pandemic.

- The county's unemployment rate steadily declined since 2010 to 3.9 percent in 2019, the lowest level in over 10 years with a significant improvement from the 2010 peak of 12.7 percent. Newton County's 2019 unemployment rate of 3.9 percent is just above the state rate (3.5 percent) and national rate (3.7 percent). Reflecting the impact of the COVID-19 pandemic, the county's unemployment spiked to 12.5 percent in April 2020 before stabilizing over the next eight months, decreasing to 6.0 percent in December which is between state (5.6 percent) and national (6.7 percent) rates.
- Newton County's economy expanded significantly from 2011 to 2019 with the net addition of 6,113 jobs (31.0 percent), reaching an all-time high At-Place Employment of 25,804 jobs in 2019; annual At-Place Employment growth has outpaced the national employment growth rate in each of the past six years. The county added an annual average of 876 jobs over the past six years. Reflecting the impact of the COVID-19 pandemic, the county lost 928 jobs in the first half of 2020 although most of these losses are expected to be temporary as reflected by the quick recovery of the unemployment rate, the leading economic indicator.



- Newton County's economy is diverse with six industry sectors representing at least 10 percent of total At-Place-Employment. Trade-Transportation-Utilities, Government, and Manufacturing are the county's largest employment sectors accounting for 16.8 to 19.8 percent of jobs; the Manufacturing sector accounts for 16.8 percent of the county's jobs compared to 8.8 percent of jobs nationally.
- Reflecting broad economic expansion, 10 of 11 sectors added jobs in Newton County from 2011 to 2020 Q2 even with the job loss in the first half of 2020. Six sectors grew by at least 25 percent including three sectors with growth of at least 47.2 percent. The Professional-Business sector more than doubled over this period with growth of 121.7 percent while the county's largest sector (Trade-Transportation-Utilities) grew by 29.0 percent.
- Four large job expansions were identified as announced in 2020 in Newton County with more than 500 combined jobs expected to be created over the next several years. In contrast, RPRG identified three WARN notices in 2020 with 28 jobs affected.

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

- Magnolia Heights will offer 199 rental units targeting households earning at or below 60 percent of the Area Median Income (AMI), adjusted for household size.
- The proposed units will target renter householders earning from \$29,693 to \$53,640. The 199 proposed units will need to capture 5.8 percent of the 3,455 income-qualified renter households.
- All affordability capture rates are acceptable indicating sufficient income-qualified households will exist in the market area to support the units at Magnolia Heights.
- Total income-qualified demand for the subject property is 1,544 households according to DCA demand methodology. The project's overall demand capture rate is 4.1 percent. Capture rates by floor plan are 1.3 percent for one-bedroom units, 6.6 percent for two-bedroom units, and 2.0 percent for three-bedroom units.
- All capture rates are below DCA thresholds and indicate sufficient demand in the market area to support the units at Magnolia Heights. Furthermore, at least 136 of the current tenants will stay income qualified and these tenants are expected to be retained upon the renovations given the income restrictions will not change for these units.

#### **7. Competitive Rental Analysis**

RPRG surveyed nine multi-family rental communities in the Magnolia Heights Market Area including three LIHTC communities. The rental market is performing well with limited vacancies among both market rate and LIHTC communities.

- The surveyed communities have 26 vacancies among 1,742 combined units for an aggregate vacancy rate of 1.5 percent. Eight surveyed communities have a vacancy rate of less than two percent. Among LIHTC communities, Arbor Lake has three vacancies while the other two LIHTC communities are both fully occupied.
- Among the surveyed communities, net rents, unit sizes, and rents per square foot were as follows:
  - **One-bedroom** effective rents average \$987 per month. The average one-bedroom unit size is 840 square feet, resulting in a net rent per square foot of \$1.18.
  - **Two-bedroom** effective rents average \$1,128 per month. The average two-bedroom unit size is 1,067 square feet, resulting in a net rent per square foot of \$1.06.



- **Three-bedroom** effective rents average \$1,224 per month. The average three-bedroom unit size is 1,317 square feet, resulting in a net rent per square foot of \$0.93.
- The “estimated market rent” is \$1,134 for one-bedroom units, \$1,278 for two-bedroom units, and \$1,447 for three-bedroom units. The proposed 60 percent AMI rents all have significant rent advantages of at least 24.7 percent.
- One LIHTC community is currently under construction in the market area. Arbours at Covington is a 180-unit LIHTC community that will target households earning up to 60 percent AMI. The proposed community will compete directly with the subject upon completion. Additionally, a 350-unit upscale market rate community (The Cove at Covington Town Center) just started construction in the market area, but this community will not compete with the subject property given a difference in income targeting.

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

- Based on the proposed product and the factors discussed above, we expect Magnolia Heights to retain all current tenants that are income qualified for the existing 60 percent AMI units. Due to the proposed transition of the existing 64 market rate units to LIHTC units, some current tenants in these units may not qualify for the 60 percent AMI and the community must lease these units. In the case where the community would need to lease all 64 of these units, we anticipate the community to lease up at a rate of approximately 15 units per month. At this rate, Magnolia Heights would reach 93 percent occupancy within three to four months.
- Given the well performing rental market in the Magnolia Heights Market Area and projected renter household growth over the next two years, we do not expect Magnolia Heights to have a negative impact on existing or pipeline rental communities in the Magnolia Heights Market Area including those with tax credits. The subject property does not represent an expansion of the multi-family rental stock.

## **9. 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.

## **10. Overall Conclusion / Recommendation**

Based on projected household growth trends, affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Magnolia Heights Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following the rehabilitation. The subject property will be competitively positioned with existing rental communities in the Magnolia Heights Market Area and the newly renovated units will be well received by the target market.

This market study was completed based on the most recent available data, which does not reflect the full impact of the COVID-19 pandemic on demographic and economic trends as well as housing demand. At this stage, we do not believe demand for affordable rental housing will be reduced in the long term due to economic losses related to COVID-19. Demand for rental housing, especially affordable housing, is projected to increase over the next several years.

We recommend proceeding with the project as planned.



**DCA Summary Table:**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large Household Size Adjustment (3+ Persons)	Adjusted Demand	Supply	Net Demand	Units To Be Leased	Capture Rate	Estimated Market Rent*	Market Rents Band	Proposed Rents**
<b>60% AMI</b>	<b>\$29,693 - \$53,640</b>												
One Bedroom Units		32	13.1%	807		807	30	777	10	1.3%	\$1,134	\$850 - \$1,158	\$770
Two Bedroom Units		143	12.7%	781		781	96	685	45	6.6%	\$1,278	\$961 - \$1,355	\$873
Three Bedroom Units		24	13.8%	845	52.9%	447	54	393	8	2.0%	\$1,447	\$770 - \$1,835	\$1,042
<b>Project Total</b>	<b>\$29,693 - \$53,640</b>												
Total Units	\$29,693 - \$53,640	199	28.1%	1,724			180	1,544	63	4.1%			

<b>SUMMARY TABLE:</b>	
Development Name:	Magnolia Heights <span style="float: right;">Total # Units: 200</span>
Location:	10156 Magnolia Heights Circle, Covington, Georgia <span style="float: right;"># LIHTC Units: 199</span>
PMA Boundary:	North: Morgan County, East: Morgan County, South: Butts County / Jasper County, West: Rockdale County / Henry County
	Farthest Boundary Distance to Subject: 13.4 miles

<b>RENTAL HOUSING STOCK – (found on pages 10, 47, 51-54)</b>				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	1,742	26	98.5%
Market-Rate Housing	6	1,240	23	98.1%
Assisted/Subsidized Housing not to include LIHTC				
<b>LIHTC</b>	3	502	3	99.4%
Stabilized Comps	9	1,742	26	98.5%
Properties in construction & lease up	1	180	N/A	N/A

<b>Subject Development</b>					<b>Achievable 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
32	1	1	975	<b>\$806</b>	<b>\$1,134</b>	<b>\$1.16</b>	<b>28.9%</b>	<b>\$1,133</b>	<b>\$1.67</b>
144	2	2	1,150	<b>\$914</b>	<b>\$1,278</b>	<b>\$1.11</b>	<b>28.5%</b>	<b>\$1,325</b>	<b>\$1.10</b>
24	3	2	1,350	<b>\$1,090</b>	<b>\$1,447</b>	<b>\$1.07</b>	<b>24.7%</b>	<b>\$1,800</b>	<b>\$1.06</b>

Proposed rent is a weighted average\*

**NOTE:** 70% or 80% unit designations are not allowed where 70% and 80% rents are at or above market rents.

<b>CAPTURE RATES (found on page 42-43)</b>				
Targeted Population	60% AMI			Overall
Capture Rate	4.1%			4.1%

## 2. INTRODUCTION

### A. Overview of Subject

The subject of this report is the proposed renovation of Magnolia Heights, an existing 200-unit Low Income Housing Tax Credit (LIHTC) rental community in Covington, Newton County, Georgia. The subject property currently offers 136 income and rent restricted LIHTC units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size, and 64 unrestricted market rate units. As proposed, the subject property will be rehabilitated and will offer 199 income and rent restricted LIHTC rental units targeting renter households earning at or below 60 percent AMI; one additional unit will transition to a non-revenue unit.

### 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 2021 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

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

The Client is Ambling Development (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 2021 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.
- Daniel Zeigler (Analyst) conducted a site visit on March 17, 2021.
- 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 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.

## **H. Other Remarks**

This market study was completed based on data collected in March 2021 during the national COVID-19 pandemic. Specific data on the recent and potential economic and demographic ramifications are not available at this time as projections were developed prior to the onset of the pandemic. This market study will comment on the potential impact of the evolving situation.

### 3. PROJECT DESCRIPTION

#### A. Project Overview

Magnolia Heights is located at 10156 Magnolia Heights Circle in Covington. The subject property will offer 199 newly renovated general occupancy rental units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. One additional unit will be a non-revenue unit designated for the property manager.

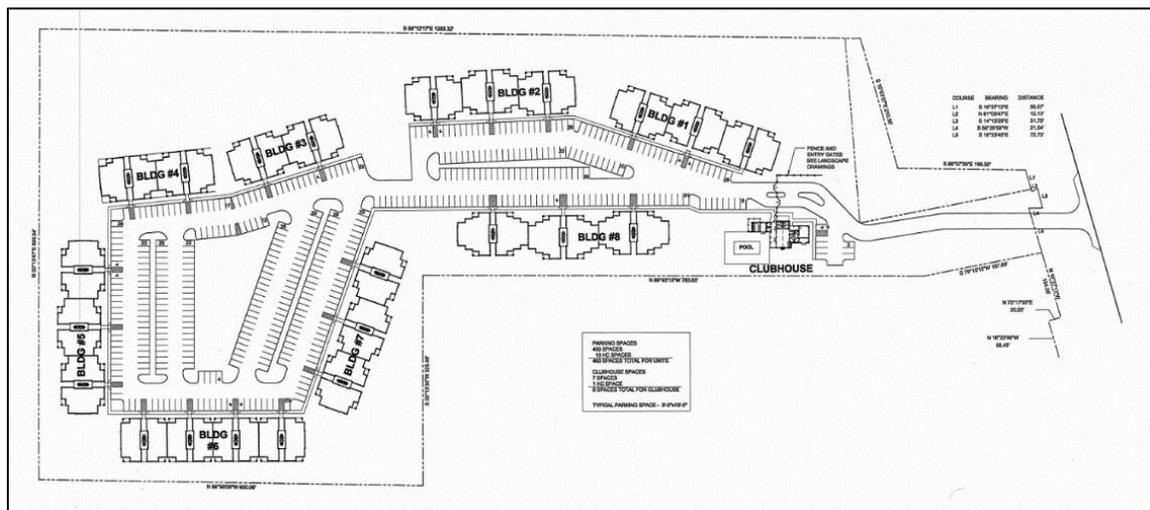
#### B. Project Type and Target Market

Magnolia Heights’ units will target low income renter households. The unit mix of one, two, and three-bedroom units will target a range of household types including singles, couples, roommates, and families with children.

#### C. Building Types and Placement

Magnolia Heights’ rental units are contained within eight garden-style buildings with two or three stories and brick/vinyl siding exteriors; a community building is near the entrance in the eastern portion of the site while three residential buildings are near the community building and five buildings are in the western portion of the site. An access road extends west from the entrance on Jackson Highway with a loop in the western portion of the site with five buildings along the exterior of the loop. Surface parking is along the access road, adjacent to all residential buildings and the community building. A playground and basketball court are in the northwestern portion of the site while a swimming pool and most other amenities are in or near the community building (Figure 1).

Figure 1 Site Plan, Magnolia Heights



Source: Ambling Development

## D. Detailed Project Description

### 1. Project Description

- Magnolia Heights will offer 32 one-bedroom units, 143 two-bedroom units, and 24 three-bedroom rental units (Table 1):
  - One-bedroom units have one bathroom and 975 square feet.
  - Two-bedroom units have two bathrooms and 1,150 square feet.
  - Three-bedroom units have two bathrooms and 1,350 square feet.
- The proposed rents will continue to include the cost water/sewer and trash removal. Tenants will bear the cost of all other utilities.
- One-hundred and forty units will target households earning up to 60 percent AMI but will have rents restricted to maximum 50 percent AMI allowable rents while the remaining units will have rents restricted to 60 percent AMI maximum rents.
- The subject property will also offer a two-bedroom non-revenue unit.
- Unit features and community amenities are detailed in Table 2.

**Table 1 Detailed Unit Mix and Rents, Magnolia Heights**

Developer Proposed								
# Bed	# Bath	Building Type	Income Target	Units	Gross Sq Ft	Net Rent	Utility Allowance	Gross Rent
1	1	Garden	60% AMI	19	975	\$739	\$60	\$799
1	1	Garden	60% AMI	13	975	\$904	\$60	\$964
<b>Total/Weighted Average</b>				<b>32</b>		<b>\$806</b>		
2	2	Garden	60% AMI	105	1,150	\$858	\$77	\$935
2	2	Garden	60% AMI	38	1,150	\$1,068	\$77	\$1,145
2	2	Garden	Non-Revenue	1	1,150	-	-	-
<b>Total/Weighted Average</b>				<b>144</b>		<b>\$914</b>		
3	2	Garden	60% AMI	16	1,350	\$1,014	\$98	\$1,112
3	2	Garden	60% AMI	8	1,350	\$1,242	\$98	\$1,340
<b>Total/Weighted Average</b>				<b>24</b>		<b>\$1,090</b>		
<b>Total</b>				<b>200</b>				

Rent includes water/sewer and trash removal

Source: Ambling Development

**Table 2 Unit Features and Community Amenities, Magnolia Heights**

Unit Features	Community Amenities
<ul style="list-style-type: none"> <li>• Kitchens with stove/oven, refrigerator, garbage disposal, and dishwasher</li> <li>• Ceiling fans</li> <li>• Washer and dryer connections</li> <li>• Central heating and air-conditioning</li> </ul>	<ul style="list-style-type: none"> <li>• Community room</li> <li>• Swimming pool</li> <li>• Playground</li> <li>• Sport court</li> <li>• Fitness center</li> <li>• Laundry facilities</li> </ul>



## **2. Other Proposed Uses**

None.

## **3. Scope of Rehabilitation**

The scope of the rehabilitation will be extensive including improvements to site utilities, road and walkways, signage, community amenities, landscaping, exteriors of buildings (roofing, gutters, siding, paint, and windows), interiors of units (new cabinets, countertops, appliances, kitchen backsplash, flooring, paint, light fixtures, and blinds), plumbing systems, and HVAC systems.

## **4. Current Property Conditions**

According to the property manager (March 15, 2021) for Magnolia Heights, the community is fully leased and has a waiting list of 10 people for the LIHTC units. The subject property is an existing LIHTC community offering 136 LIHTC units targeting households earning up to 60 percent of the Area Median Income (AMI) and 64 unrestricted market rate units; the market rate units will transition to LIHTC units post rehabilitation. Current market rate rents at Magnolia Heights are \$950 for one-bedroom units, \$1,050 for two-bedroom units, and \$1,150 for three-bedroom units. Current LIHTC rents are \$732 for one-bedroom units, \$877 for two-bedroom units, and \$1,089 for three-bedroom units. Proposed rents for 140 units post renovation will remain nearly the same as existing LIHTC rents thus tenants of the 136 existing LIHTC units are expected to remain income-qualified as income targeting will not change. Current market rate tenants may be income qualified upon the transition from market rate to LIHTC units; however, some of the current market rate tenants may not qualify post rehabilitation due to being over-income.

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

For the purposes of this report, the subject property's anticipated placed-in-service year is 2023.

## 4. SITE EVALUATION

### A. Site Analysis

#### 1. Site Location

The subject property is on the west side of State Highway 36 (Jackson Highway) in Covington; the physical address is 10156 Magnolia Heights Circle. The site is currently improved with Magnolia Heights Apartments which is an existing mixed-income LIHTC community built in 2001.

Map 1 Site Location



## 2. Existing and Proposed Uses

The subject property is an existing mixed-income LIHTC rental community with nine buildings (eight residential buildings and one community building), a playground, sport court, and adjacent parking lots (Figure 2). The property will be renovated; the existing land use will not change.

**Figure 2 Views of Subject Site**



**Existing community building.**



**Subject facing west on Magnolia Heights Circle.**



**Existing two-story building.**



**Existing three-story building.**

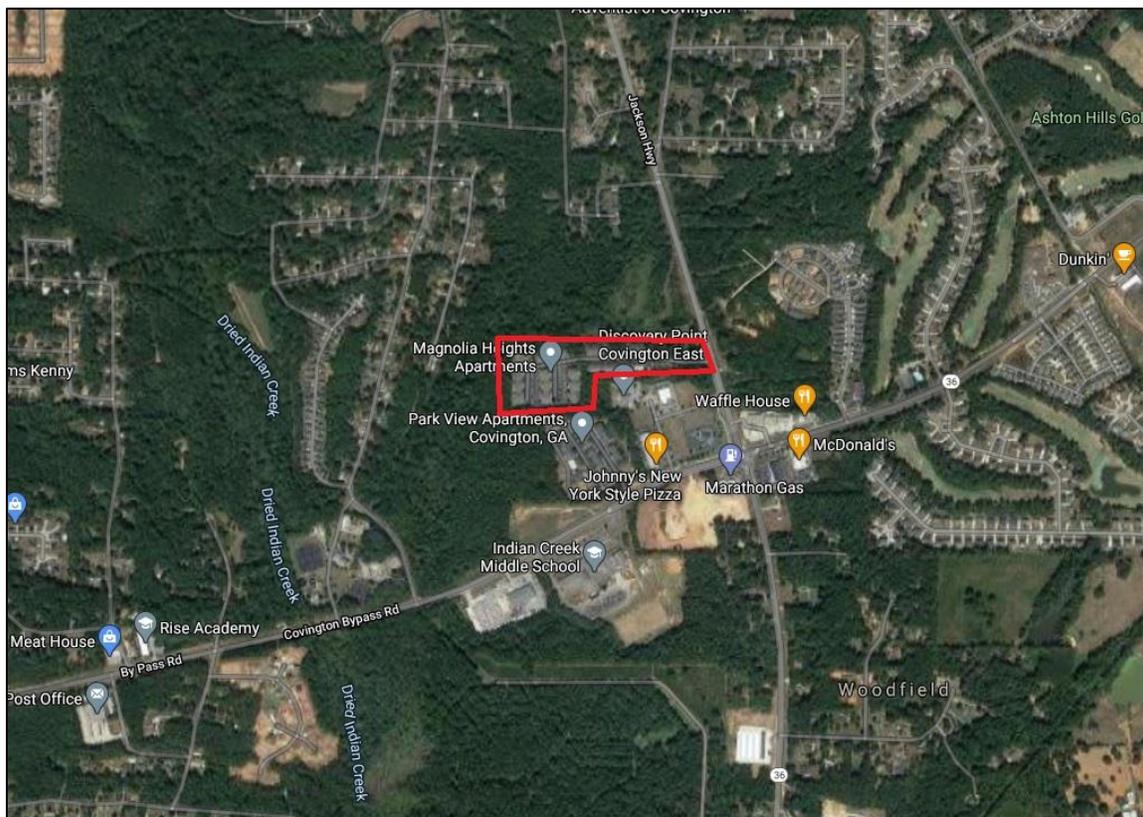


**Existing signage at site entrance.**

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

The subject site is in the southern portion of Covington near the intersection of Jackson Highway and Covington Bypass Road, two major thoroughfares in the city. Undeveloped land is directly east and west of the site with single family-detached homes on the other side of the undeveloped land (Figure 3). Single-family detached homes and undeveloped land are to the north while many commercial uses including a day care, two gas stations, several restaurants, retail outlets, a school, and two multifamily communities (Park View and Harmony at Covington) are to the south along Covington Bypass Road. Park View Apartments is a 100-unit general occupancy market rate community while Harmony at Covington is a newly built 122-unit age-restricted LIHTC community.

**Figure 3 Satellite Image of Subject Site**



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

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

- **North:** Undeveloped land and single-family detached homes.
- **East:** Undeveloped land and single-family attached and detached homes.
- **South:** Park View Apartments, Harmony at Covington Senior Apartments, commercial uses (a daycare, gas stations, a pharmacy, restaurants, a bank, and auto repair shops), and Indian Creek Middle School.
- **West:** Undeveloped land and single-family detached homes.

**Figure 4 Views of Surrounding Land Uses**



Shopping plaza to the south at the intersection of Jackson Highway and Covington Bypass Road.



Undeveloped land facing east from subject property entrance.



Discovery Point daycare south of site.



CVS Pharmacy south of site



Single-family detached home immediately north of the site.



## **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 roughly 1.5 miles south of the downtown district which is comprised primarily of small business, retailers, restaurants, and municipal services surrounding a city square. Residential uses including single-family detached homes and apartments are common surrounding the downtown district with the largest concentration of commercial uses along U.S. Highway 278 roughly two miles north of the site while some commercial uses are south of the subject property along Covington Bypass Road. 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 master plan includes retail outlets, hotels, a movie theater, restaurants, office space, and residential uses including apartments and townhomes. A timeline for the overall project was not identified but the project will be built in phases over several years. The first phase broke ground in December 2020 and will include a 350-unit upscale apartment community (The Cove at Covington Town Center) which is expected to be completed in 2022. Three hotels are in the final stages of city approval and are expected to move forward with construction in 2021.

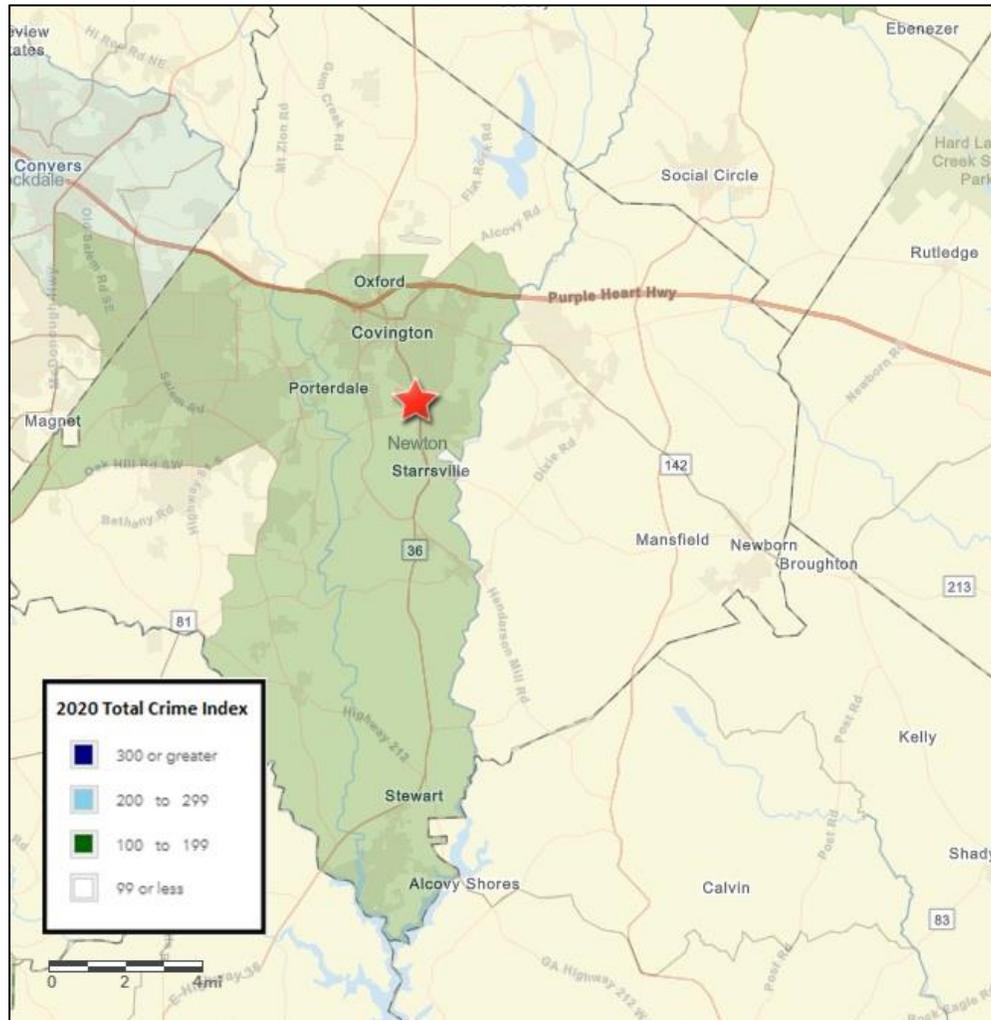
Several new for-sale single-family detached home neighborhoods are under construction in the Covington area with homes ranging from roughly \$200,000 to \$300,000. Additionally, two LIHTC rental communities (one general occupancy one age-restricted) are under construction in Covington within three miles of the site (a description of these communities are in the Multi-Family Pipeline section of this report on page 55) while an age restricted LIHTC community (Harmony at Covington) opened in March 2021 just south of the subject property on By Pass Road.

### **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 2020 CrimeRisk Index for the census tracts in the general vicinity of the subject site are color coded with the site's census tract being green, indicating a crime risk (100 to 199) above the national average (100) (Map 2). The site's crime risk is similar to areas surrounding the site. Based on this data and field observations, we do not expect crime or the perception of crime to negatively impact the subject property's marketability. Furthermore, the subject property is an existing fully leased community.

## Map 2 Crime Index Map



### C. Site Visibility and Accessibility

#### 1. Visibility

The subject property has visibility from Jackson Highway (State Highway 36) to the east which has moderate traffic. Magnolia Heights is an existing fully-leased community indicating visibility is adequate.

#### 2. Vehicular Access

The subject property has an entrance on Jackson Highway to the east which has moderate traffic with sufficient breaks; problems with accessibility were not witnessed during the site visit and are not anticipated following the proposed renovation.

#### 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 16 miles northwest of the subject property. MARTA provides rail lines and bus public transportation in the Atlanta Metro Area.

From a regional perspective, the subject site is roughly two miles 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 26 and 37 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 40 miles west of the subject site via Interstate 20 to Interstate 285.

#### 4. Pedestrian Access

Jackson Highway does not have sidewalks in front of the subject property for pedestrian access. The lack of pedestrian access is acceptable given the commuter nature of the area.

#### 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
Johnny's New York Style Pizza	Restaurant	10176 Carlin Dr	0.4 mile
CVS	Pharmacy	10267 GA-36	0.5 mile
Marathon	Convenience Store	10260 GA-36	0.5 mile
Shell	Convenience Store	10724 By Pass Rd	0.7 mile
Indian Creek Middle	Public School	11051 Covington Bypass Rd	0.9 mile
Eastside High	Public School	10245 Eagle Dr	1.6 miles
Middle Ridge Elementary	Public School	11649 By Pass Rd	2 miles
BB&T	Bank	1134 Clark St SW	2.1 miles
Covington Fire Department	Fire	2101 Pace St	2.2 miles
Newton County Sheriff's Office	Police	1154 Stallings St NW	2.3 miles
United States Postal Service	Post Office	2131 Stallings St. NW	2.3 miles
Kroger	Grocery	3139 U.S Hwy 278 NE	2.6 miles
Piedmont Newton Hospital	Hospital	5126 Hospital Dr NE	2.6 miles
East Metro Primary Care	Doctor/Medical	5211 Adams St	2.7 miles
Ingles Market	Grocery	9176 US-278	2.8 miles
Newton County Library	Library	7116 Floyd St NE	3.3 miles
Dollar General	General Retail	7164 Washington St SW	3.4 miles
Walmart	Supermarket	10300 Industrial Blvd	4 miles

Source: Field and Internet Research, RPRG, Inc.

## 2. Essential Services

### Health Care

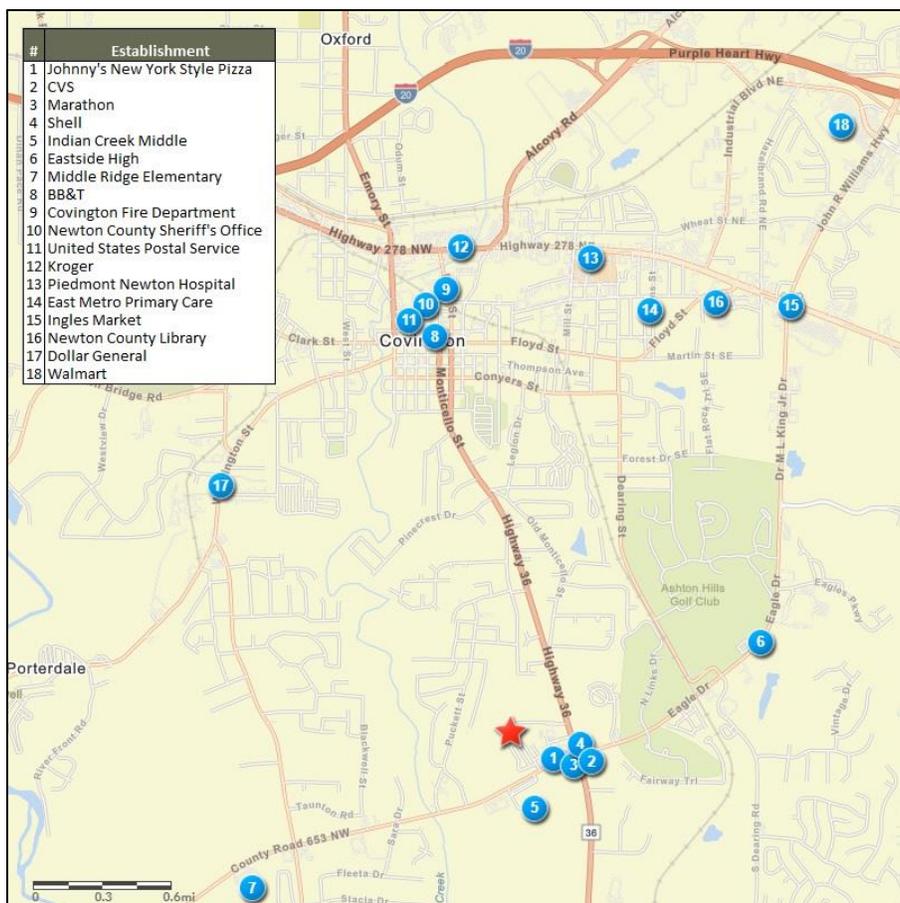
Piedmont Newton Hospital is 2.6 miles northeast of the subject property on U.S. Highway 278. This 97-bed acute-care hospital offers many services including a 24-hour Emergency Room/Department, women’s services, oncology, surgical, imaging, and general medicine.

Smaller clinics and independent physicians are within three miles of the subject site including East Metro Primary Care (2.7 miles northeast).

### Education

The Newton County School System serves the subject property and has 24 schools with an enrollment of roughly 20,000 students. School aged children residing at the subject property attend Middle Ridge Elementary School (2.0 miles), Indian Creek Middle School (0.9 miles), and Eastside High School (1.6 miles).

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





### **3. Commercial Goods and Services**

#### ***Convenience Goods***

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

Two convenience stores (Marathon and Shell) and CVS Pharmacy are less than one mile from the subject property while a Dollar General is 3.4 miles from the site.

#### ***Shoppers Goods***

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

Two grocery stores (Kroger and Ingles) are within three miles of the subject property along U.S. Highway 278 while Walmart Supercenter is four miles to the northeast on Industrial Boulevard. 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 Magnolia Heights Market Area are provided in Existing Low Income Rental Housing section of this report, starting on page 55.

### **E. Site Conclusion**

As the subject property is an existing and fully leased rental community, it is and will remain suitable for its intended use. The subject property’s neighborhood is primarily residential with access to many neighborhood amenities within three miles. Surrounding land uses are compatible with multifamily rental housing and traffic arteries are convenient to the subject property. RPRG did not identify any negative attributes that would impact Magnolia Heights ability to successfully lease its units.



## 5. MARKET AREA

### A. Introduction

The primary market area for Magnolia Heights 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 Magnolia Heights 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 Magnolia Heights Market Area includes the most comparable multi-family rental communities and 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.

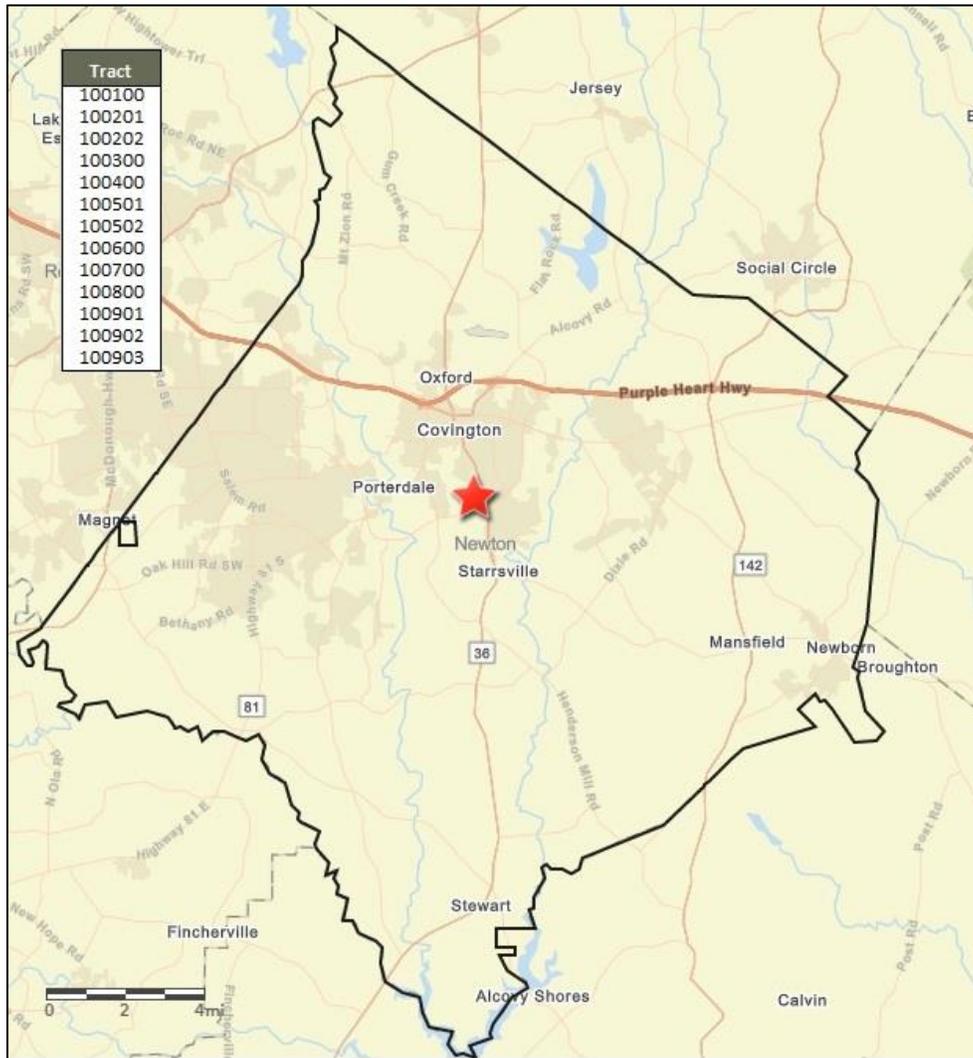
The boundaries of the Magnolia Heights Market Area and their approximate distance from the subject site are:

<b>North:</b> Walton County .....	(8.9 miles)
<b>East:</b> Morgan County .....	(10.9 miles)
<b>South:</b> Butts County / Jasper County .....	(13.4 miles)
<b>West:</b> Rockdale County / Henry County .....	(9.2 miles)

The Magnolia Heights 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 Magnolia Heights Market Area.



Map 4 Magnolia Heights Market Area





## 6. COMMUNITY DEMOGRAPHIC DATA

### A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Magnolia Heights Market Area and the 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, 2021, and 2023 per DCA's 2021 Market Study Guide.

It is important to note that all demographic data is based on historic Census data and the most recent local area projections available for the Magnolia Heights Market Area and the Bi-County Market Area. In this case, estimates and projections were derived by Esri in 2020 and trend forward by RPRG. We recognize that the current COVID-19 situation is likely to have an impact on short-term growth and demographic trends. The demographic projections have not been altered, but RPRG will discuss the impact of these potential changes as they relate to housing demand in the conclusions of this report.

### B. Trends in Population and Households

#### 1. Recent Past Trends

The Magnolia Heights 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 11 years but remained steady with the net addition of 14,424 people (14.4 percent) and 4,756 households (13.8 percent) from 2010 to 2021; annual growth was 1,311 people (1.2 percent) and 432 households (1.2 percent) over this period.

Population and household growth rates in the Bi-County Market Area were slower over the past 21 years with annual average household growth of 3.4 percent from 2000 to 2010 and 1.0 percent from 2010 to 2021. The Bi-County Market Area's net growth over the past 11 years was 21,793 people and 7,441 households.



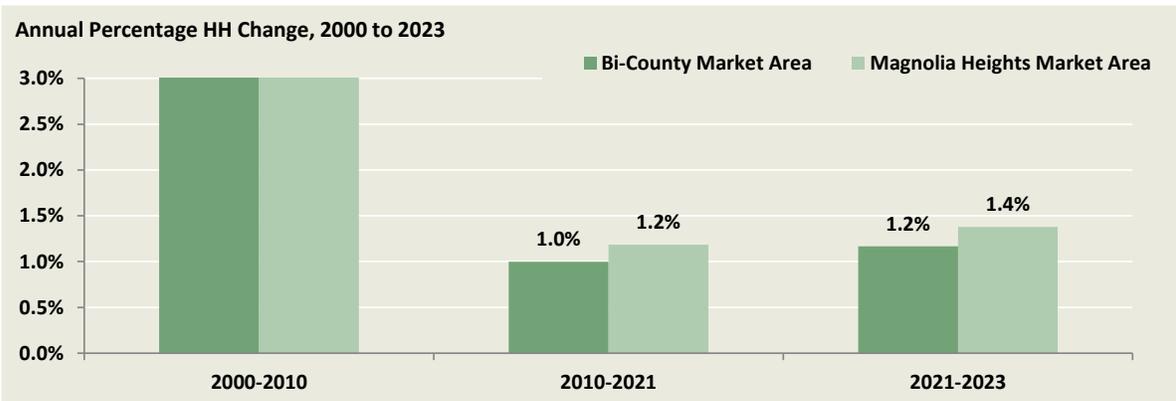
**Table 4 Population and Household Projections**

Bi-County Market Area						Magnolia Heights Market Area					
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
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%	
2021	206,966	21,793	11.8%	1,981	1.0%	114,382	14,424	14.4%	1,311	1.2%	
2023	211,893	4,928	2.4%	2,464	1.2%	117,635	3,253	2.8%	1,626	1.4%	

Bi-County Market Area						Magnolia Heights Market Area					
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
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%	
2021	71,858	7,441	11.6%	676	1.0%	39,146	4,756	13.8%	432	1.2%	
2023	73,544	1,686	2.3%	843	1.2%	40,233	1,087	2.8%	543	1.4%	

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



## 2. Projected Trends

Growth is expected to accelerate in the Magnolia Heights Market Area over the next two years with the annual addition of 1,626 people (1.4 percent) and 543 households (1.4 percent) from 2021 to 2023. Annual growth rates in the Bi-County Market Area are projected to remain slower than in the Magnolia Heights Market Area on a percentage basis at 1.2 percent among both population and households over the next two years.

The average household size in the market area of 2.88 persons per household in 2021 is expected to increase slightly to 2.89 persons in 2023 (Table 5).

**Table 5 Persons per Household, Magnolia Heights Market Area**

Average Household Size			
Year	2010	2021	2023
Population	99,958	114,382	117,635
Group Quarters	1,792	1,579	1,473
Households	34,390	39,146	40,233
<b>Avg. HH Size</b>	<b>2.85</b>	<b>2.88</b>	<b>2.89</b>

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

## 3. Building Permit Trends

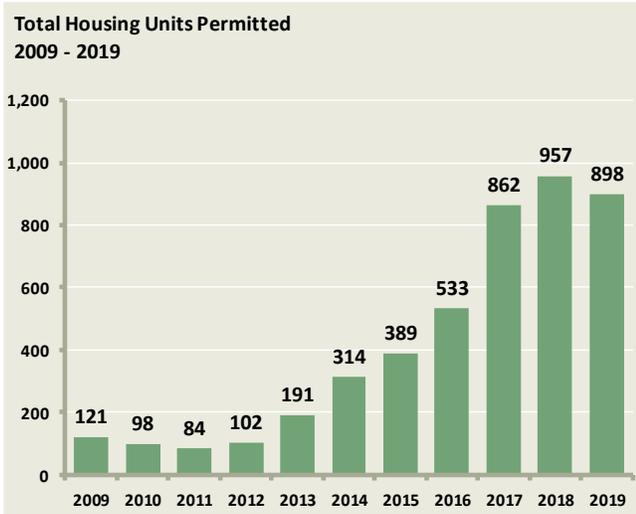
Permitted units in the Bi-County Market Area dropped to a low of 84 in 2011 during the previous recession-era before steadily increasing to 533 permitted units in 2016 (Table 6). Permit activity over the past three years increased significantly to an annual average of 906 permitted units from 2017 to 2019, roughly nine times the annual average from 2009 to 2012 (101 permitted units). The 2,717 combined units permitted over the past three years is much higher than the number of permitted units in the previous eight years combined (1,832).



Nearly all (98.1 percent) of permitted units in the Magnolia Heights Market Area are single-family detached homes. Less than two percent of permitted units have been in multi-family structures with at least five units with just 80 such units permitted in the past 11 years.

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

Bi-County Market Area					
Year	Single - Unit	Two Units	3-4 Units	5+ Units	Ann. Total
2009	113	0	0	8	121
2010	98	0	0	0	98
2011	84	0	0	0	84
2012	102	0	0	0	102
2013	163	0	0	28	191
2014	309	0	0	5	314
2015	389	0	0	0	389
2016	527	0	0	6	533
2017	831	0	4	27	862
2018	953	0	4	0	957
2019	892	0	0	6	898
<b>2009-2019</b>	<b>4,461</b>	<b>0</b>	<b>8</b>	<b>80</b>	<b>4,549</b>
<b>Ann. Avg.</b>	<b>406</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>414</b>



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

## C. Demographic Characteristics

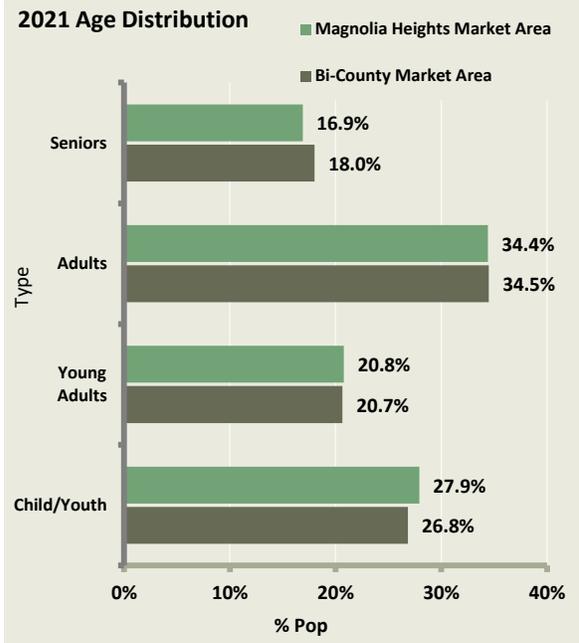
### 1. Age Distribution and Household Type

The Magnolia Heights 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 Magnolia Heights Market Area has a large proportion of Adults and Children/Youth. Adults age 35-61 comprise the largest percentage of the Magnolia Heights Market Area’s population at 34.4 percent and Children/Youth under the age of 20 account for 27.9 percent of the population (Table 7). Young Adults comprise 20.8 percent of the Magnolia Heights Market Area’s population while Seniors age 62 and older account for 16.9 percent. The Bi-County Market Area has a larger proportion of people ages 62 and older when compared to the Magnolia Heights Market Area (18.0 percent versus 16.9 percent) and a smaller proportion of people under 20 years old (26.8 percent 27.9 percent).



**Table 7 Age Distribution**

2021 Age Distribution	Bi-County Market Area		Magnolia Heights Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>55,551</b>	<b>26.8%</b>	<b>31,934</b>	<b>27.9%</b>
Under 5 years	13,391	6.5%	7,747	6.8%
5-9 years	13,959	6.7%	8,083	7.1%
10-14 years	14,344	6.9%	8,138	7.1%
15-19 years	13,857	6.7%	7,966	7.0%
<b>Young Adults</b>	<b>42,753</b>	<b>20.7%</b>	<b>23,772</b>	<b>20.8%</b>
20-24 years	12,761	6.2%	7,148	6.2%
25-34 years	29,992	14.5%	16,624	14.5%
<b>Adults</b>	<b>71,376</b>	<b>34.5%</b>	<b>39,356</b>	<b>34.4%</b>
35-44 years	25,609	12.4%	14,225	12.4%
45-54 years	27,564	13.3%	15,654	13.7%
55-61 years	18,203	8.8%	9,477	8.3%
<b>Seniors</b>	<b>37,286</b>	<b>18.0%</b>	<b>19,320</b>	<b>16.9%</b>
62-64 years	7,801	3.8%	4,062	3.6%
65-74 years	18,513	8.9%	9,542	8.3%
75-84 years	8,447	4.1%	4,420	3.9%
85 and older	2,525	1.2%	1,297	1.1%
<b>TOTAL</b>	<b>206,966</b>	<b>100%</b>	<b>114,382</b>	<b>100%</b>
<b>Median Age</b>	<b>36</b>		<b>35</b>	

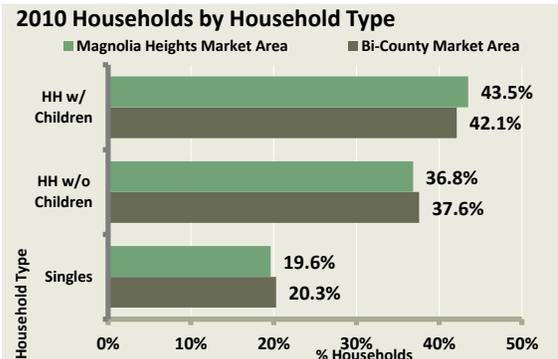


Source: Esri; RPRG, Inc.

Households with children were the most common household type in the Magnolia Heights Market Area as of the 2010 Census at 43.5 percent. Over one-third (36.8 percent) of Magnolia Heights 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 Magnolia Heights Market Area and 20.3 percent in the Bi-County Market Area (Table 8). 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 Magnolia Heights Market Area.

**Table 8 Households by Household Type**

2010 Households by Household Type	Bi-County Market Area		Magnolia Heights 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

The Magnolia Heights Market Area’s renter percentage of 30.3 percent in 2021 is slightly below the renter percentage of 30.4 percent in the Bi-County Market Area (Table 9). The Magnolia Heights Market Area added an annual average of 332 renter households (4.3 percent) over the past 21 years

which accounted for 40.6 percent of household growth. By comparison, renter households accounted for 41.9 percent of annual growth in the Bi-County Market Area over this period.

**Table 9 Households by Tenure, 2000-2021**

Bi-County Market Area	2000		2010		2021		Change 2000-2021				% of Change 2000 - 2021
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	35,014	76.0%	46,970	72.9%	50,004	69.6%	14,990	42.8%	714	1.7%	58.1%
Renter Occupied	11,035	24.0%	17,447	27.1%	21,854	30.4%	10,819	98.0%	515	3.3%	41.9%
<b>Total Occupied</b>	<b>46,049</b>	<b>100%</b>	<b>64,417</b>	<b>100%</b>	<b>71,858</b>	<b>100%</b>	<b>25,809</b>	<b>56.0%</b>	<b>1,229</b>	<b>2.1%</b>	<b>100%</b>
Total Vacant	2,066		7,197		6,371						
<b>TOTAL UNITS</b>	<b>48,115</b>		<b>71,614</b>		<b>78,229</b>						

Magnolia Heights Market Area	2000		2010		2021		Change 2000-2021				% of Change 2000 - 2021
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	17,090	77.7%	25,836	75.1%	27,275	69.7%	10,185	59.6%	485	2.3%	59.4%
Renter Occupied	4,907	22.3%	8,554	24.9%	11,872	30.3%	6,965	141.9%	332	4.3%	40.6%
<b>Total Occupied</b>	<b>21,997</b>	<b>100%</b>	<b>34,390</b>	<b>100%</b>	<b>39,146</b>	<b>100%</b>	<b>17,149</b>	<b>78.0%</b>	<b>817</b>	<b>2.8%</b>	<b>100%</b>
Total Vacant	1,036		3,952		3,564						
<b>TOTAL UNITS</b>	<b>23,033</b>		<b>38,342</b>		<b>42,711</b>						

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

**a. Projected Household Tenure Trends**

Esri's data suggests renter households will account for 23.5 percent of net household growth over the next two years which is lower than the long-term trend (40.6 percent) over the past 21 years. Based on our research including an analysis of demographic and multi-family trends, RPRG projects that renter households will continue to contribute 40.6 percent of net household growth in the market area over the next two years which is equal to the trend over the past 21 years. This results in annual growth of 221 renter households from 2021 to 2023 which is lower than the annual addition of 332 renter households in the market area over the past 21 due to slower projected household growth when compared to the 2000-2021 period.



**Table 10 Households by Tenure, 2021-2023**

Magnolia Heights Market Area	2021		2023 Esri HH by Tenure		Esri Change by Tenure		Annual Change by Tenure	
	#	%	#	%	#	%	#	%
Owner Occupied	27,275	69.7%	28,106	69.9%	831	76.5%	416	1.5%
Renter Occupied	11,872	30.3%	12,127	30.1%	256	23.5%	128	1.1%
<b>Total Occupied</b>	<b>39,146</b>	<b>100%</b>	<b>40,233</b>	<b>100%</b>	<b>1,087</b>	<b>100%</b>	<b>543</b>	<b>1.4%</b>
Total Vacant	3,564		3,767					
<b>TOTAL UNITS</b>	<b>42,711</b>		<b>44,000</b>					

Magnolia Heights Market Area	2021		2023 RPRG HH by Tenure		RPRG Change by Tenure		Annual Change by Tenure	
	#	%	#	%	#	%	#	%
Owner Occupied	27,275	69.7%	27,920	69.4%	646	59.4%	323	1.2%
Renter Occupied	11,872	30.3%	12,313	30.6%	441	40.6%	221	1.9%
<b>Total Occupied</b>	<b>39,146</b>	<b>100%</b>	<b>40,233</b>	<b>100%</b>	<b>1,087</b>	<b>100%</b>	<b>543</b>	<b>1.4%</b>
Total Vacant	3,564		3,767					
<b>TOTAL UNITS</b>	<b>42,711</b>		<b>44,000</b>					

Source: Esri, RPRG, Inc.

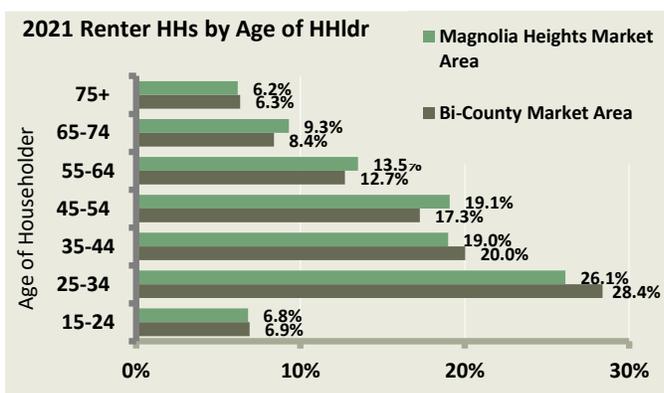
### 3. Renter Household Characteristics

Working age households (ages 25 to 54) form the core of renter households in the Magnolia Heights Market Area at 64.2 percent of renter households including 45.1 percent ages 25-44. A significant percentage (29.0 percent) of Magnolia Heights Market Area renters are ages 55 years and older and 6.8 percent are under the 25 years old (Table 11). The Bi-County Market Area has a larger proportion of renter households under 45 years old when compared to the Magnolia Heights Market Area (55.3 percent versus 51.9 percent).

**Table 11 Renter Households by Age of Householder**

Renter Households	Bi-County Market Area		Magnolia Heights Market Area	
	#	%	#	%
15-24 years	1,509	6.9%	810	6.8%
25-34 years	6,201	28.4%	3,101	26.1%
35-44 years	4,375	20.0%	2,254	19.0%
45-54 years	3,774	17.3%	2,266	19.1%
55-64 years	2,777	12.7%	1,604	13.5%
65-74 years	1,833	8.4%	1,104	9.3%
75+ years	1,386	6.3%	733	6.2%
<b>Total</b>	<b>21,854</b>	<b>100%</b>	<b>11,872</b>	<b>100%</b>

Source: Esri, Real Property Research Group, Inc.



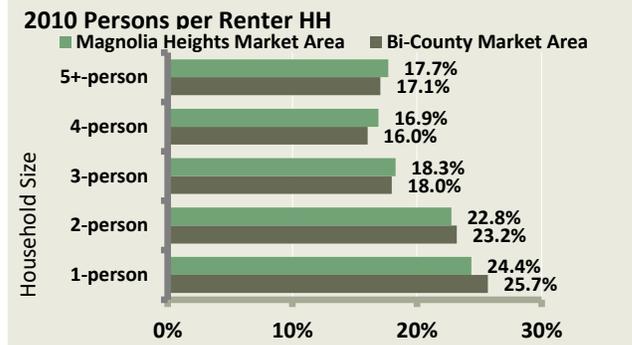
The Magnolia Heights Market Area contained significant proportions of all renter household sizes. Roughly 47 percent of Magnolia Heights Market Area renter households had one or two people (24.4 percent were single-person households), 35.2 percent had three or four people, and 17.7 percent were larger households with five or more people (Table 12). The Bi-County Market Area had a larger proportion of small renter households with one or two people when compared to the Magnolia Heights Market Area (48.9 percent versus 47.1 percent).



**Table 12 Renter Households by Household Size**

Renter Occupied	Bi-County Market Area		Magnolia Heights 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



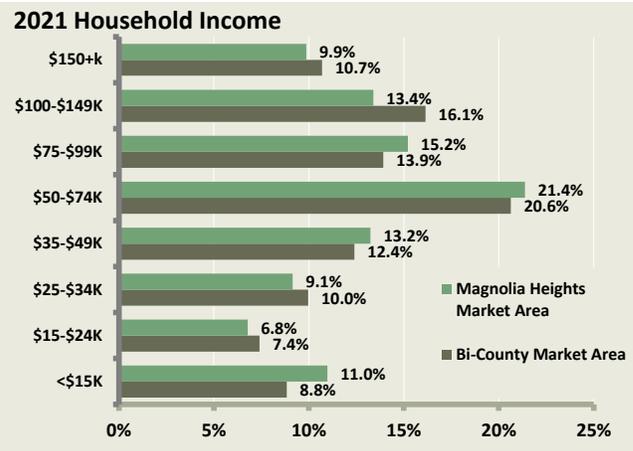
#### 4. Income Characteristics

The 2021 median income in the Magnolia Heights Market Area is a moderate \$61,509 per year, \$2,299 or 3.6 percent below the \$63,808 median in the Bi-County Market Area (Table 13). Roughly 18 percent of Magnolia Heights Market Area households earn less than \$25,000, 22.4 percent earn \$25,000 to \$49,999, and 21.4 percent earn \$50,000 to \$74,999. Approximately 39 percent of Magnolia Heights Market Area households earn upper incomes of at least \$75,000 including 23.3 percent earning \$100,000 or more. The Bi-County Market Area has a higher percentage of households earning incomes of \$15,000 to \$34,999 as well as \$100,000 or more when compared to the Magnolia Heights Market Area.

**Table 13 Household Income**

Estimated 2021 Household Income		Bi-County Market Area		Magnolia Heights Market Area	
		#	%	#	%
less than \$15,000		6,347	8.8%	4,297	11.0%
\$15,000 \$24,999		5,322	7.4%	2,655	6.8%
\$25,000 \$34,999		7,159	10.0%	3,582	9.1%
\$35,000 \$49,999		8,912	12.4%	5,187	13.2%
\$50,000 \$74,999		14,824	20.6%	8,369	21.4%
\$75,000 \$99,999		10,004	13.9%	5,955	15.2%
\$100,000 \$149,999		11,598	16.1%	5,243	13.4%
\$150,000 Over		7,691	10.7%	3,860	9.9%
<b>Total</b>		<b>71,858</b>	<b>100%</b>	<b>39,146</b>	<b>100%</b>
<b>Median Income</b>		<b>\$63,808</b>		<b>\$61,509</b>	

Source: Esri; Real Property Research Group, Inc.

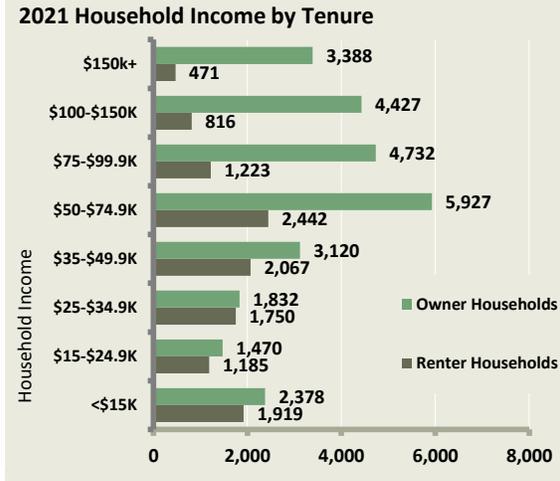


The 2021 median income by tenure in the Magnolia Heights Market Area is \$42,823 for renter households which is 39.1 percent lower than the \$70,403 median income of owner households (Table 14). Over one-quarter (26.2 percent) of renter households in the market area earn less than \$25,000, 32.1 percent earn \$25,000 to \$49,999, and 20.6 percent earn \$50,000 to \$74,999.



**Table 14 Household Income by Tenure, Magnolia Heights Market Area**

Estimated 2021 HH Income		Renter Households		Owner Households	
Magnolia Heights Market Area		#	%	#	%
less than \$15,000		1,919	16.2%	2,378	8.7%
\$15,000 \$24,999		1,185	10.0%	1,470	5.4%
\$25,000 \$34,999		1,750	14.7%	1,832	6.7%
\$35,000 \$49,999		2,067	17.4%	3,120	11.4%
\$50,000 \$74,999		2,442	20.6%	5,927	21.7%
\$75,000 \$99,999		1,223	10.3%	4,732	17.4%
\$100,000 \$149,999		816	6.9%	4,427	16.2%
\$150,000 over		471	4.0%	3,388	12.4%
<b>Total</b>		<b>11,872</b>	<b>100%</b>	<b>27,275</b>	<b>100%</b>
<b>Median Income</b>		<b>\$42,853</b>		<b>\$70,403</b>	



Source: American Community Survey 2015-2019 Estimates, RPRG, Inc.

Roughly 46 percent of renter households in the Magnolia Heights Market Area pay at least 35 percent of income for rent while 3.0 percent of renter households are living in substandard conditions (Table 15); this includes only overcrowding and incomplete plumbing.

**Table 15 Rent Burdened and Substandard Housing, Magnolia Heights Market Area**

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	688	5.7%
10.0 to 14.9 percent	855	7.1%
15.0 to 19.9 percent	1,353	11.3%
20.0 to 24.9 percent	1,112	9.3%
25.0 to 29.9 percent	1,347	11.2%
30.0 to 34.9 percent	829	6.9%
35.0 to 39.9 percent	713	5.9%
40.0 to 49.9 percent	984	8.2%
50.0 percent or more	3,557	29.7%
Not computed	546	4.6%
<b>Total</b>	<b>11,984</b>	<b>100.0%</b>
<b>&gt; 35% income on rent</b>	<b>5,254</b>	<b>45.9%</b>

Source: American Community Survey 2015-2019

Substandardness	
Total Households	
<b>Owner occupied:</b>	
Complete plumbing facilities:	24,955
1.00 or less occupants per room	24,594
1.01 or more occupants per room	361
Lacking complete plumbing facilities:	79
Overcrowded or lacking plumbing	440
<b>Renter occupied:</b>	
Complete plumbing facilities:	11,957
1.00 or less occupants per room	11,620
1.01 or more occupants per room	337
Lacking complete plumbing facilities:	27
Overcrowded or lacking plumbing	364
<b>Substandard Housing</b>	<b>804</b>
<b>% Total Stock Substandard</b>	<b>2.2%</b>
<b>% Rental Stock Substandard</b>	<b>3.0%</b>

## 7. EMPLOYMENT TRENDS

### 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.

It is important to note that the latest economic data available at the local level is reflected in this section. This data may not fully reflect the downturn associated with COVID-19 business closures and job losses. The exact economic impact on any specific market area or county will be dependent on the longevity and severity of the COVID-19 pandemic over the next several months which may be shortened with the availability of vaccines. RPRG provides the most recent data available and will provide an analysis and conclusion on the potential impact of COVID-19 in the conclusion section of this market study.

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

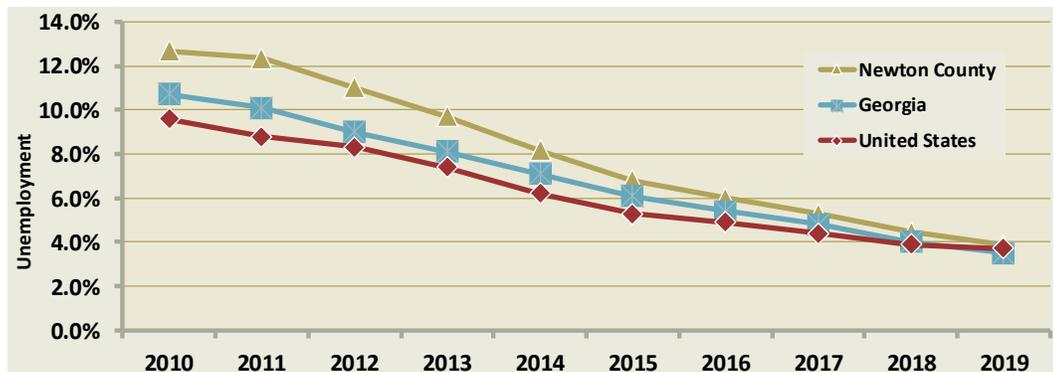
#### 5. Trends in Annual Average Labor Force and Unemployment Data

Newton County's labor force remained relatively unchanged from 2010 to 2014 with a decrease of 183 workers (0.4 percent) before growing significantly over the past five years with net growth of 4,403 workers (9.2 percent) from 2014 to 2019 (Table 16). The employed portion of the labor force has grown much faster than the overall labor force with net growth of 8,288 employed workers (19.8 percent) since 2010; the number of workers classified as unemployed dropped by 66.9 percent from 6,078 in 2010 to 2,010 in 2019.

**Table 16 Annual Average Labor Force and Unemployment Data**

Annual Average Unemployment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labor Force	47,977	48,399	48,311	48,066	47,794	48,236	49,918	51,125	51,666	52,197
Employment	41,899	42,424	42,993	43,403	43,893	44,962	46,931	48,427	49,358	50,187
Unemployment	6,078	5,975	5,318	4,663	3,901	3,274	2,987	2,698	2,308	2,010
<b>Unemployment Rate</b>										
Newton County	12.7%	12.3%	11.0%	9.7%	8.2%	6.8%	6.0%	5.3%	4.5%	3.9%
Georgia	10.7%	10.1%	9.0%	8.1%	7.1%	6.1%	5.4%	4.8%	4.0%	3.5%
United States	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



Newton County's unemployment rate decreased significantly over the past nine years from a recession-era high of 12.7 percent in 2010 to 3.9 percent in 2019 which is just above the state (3.5 percent) and national rate (3.7 percent) (Table 17). The county's 2019 unemployment rate (3.9



percent) is the lowest level in at least 10 years and is less than one-third the peak unemployment rate in 2010 (12.7 percent).

### 6. Trends in Recent Monthly Labor Force and Unemployment Data

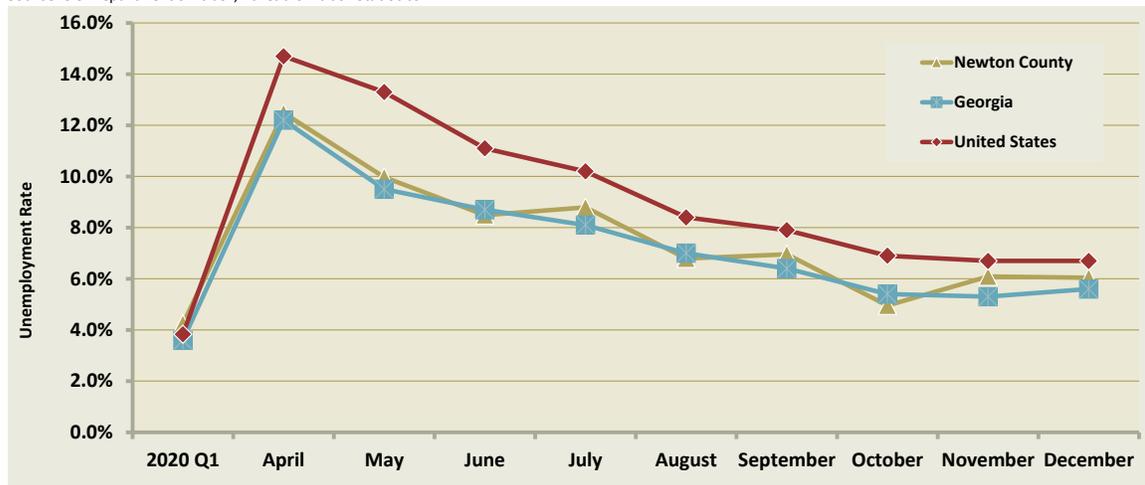
The total and employed labor force both increased in the first quarter of 2020 before decreasing significantly in April during the onset of the COVID-19 pandemic. The labor force decreased by 3,770 workers from 2020 (Q1) to April while the employed portion of the labor force decreased by 7,657 employed workers (15.1 percent) over this period; the number of unemployed workers nearly tripled from an average of 2,246 during the first quarter of 2020 to 6,133 in April (Table 17). The total and employed labor force rebounded over the past eight months with the net addition of 3,378 total workers, 6,338 employed workers, and a reduction of 2,960 unemployed workers from April to December. The county’s total labor force is greater in December 2020 than the 2019 annual average while the employed portion of the labor force is within two percentage points of the 2019 annual average.

Newton County’s unemployment rate increased slightly during the first quarter of 2020 with an average of 4.2 percent but spiked to 12.5 percent in April; this increase reflects the impact of business-related closures related to the COVID-19 pandemic. The county’s unemployment improved to 6.0 percent by December, between the state rate (5.6 percent) and national rate (6.7 percent).

**Table 17 Monthly Labor Force and Unemployment Data**

Annual Average Unemployment	2020									
	2020 Q1	April	May	June	July	August	September	October	November	December
Labor Force	52,920	49,150	49,542	50,196	51,365	50,100	50,560	51,969	52,739	52,528
Employment	50,674	43,017	44,601	45,934	46,847	46,695	47,043	49,393	49,526	49,355
Unemployment	2,246	6,133	4,941	4,262	4,518	3,405	3,517	2,576	3,213	3,173
<b>Unemployment Rate</b>										
Newton County	4.2%	12.5%	10.0%	8.5%	8.8%	6.8%	7.0%	5.0%	6.1%	6.0%
Georgia	3.6%	12.2%	9.5%	8.7%	8.1%	7.0%	6.4%	5.4%	5.3%	5.6%
United States	3.8%	14.7%	13.3%	11.1%	10.2%	8.4%	7.9%	6.9%	6.7%	6.7%

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



### C. Commutation Patterns

Reflecting the exurban location of the Magnolia Heights Market Area, workers in the market area have a wide range of commute times. Roughly half (49.7 percent) of workers residing in the Magnolia Heights Market Area commuted less than 30 minutes while 45.5 percent commuted at least 30 minutes including 26.9 percent commuting at least 45 minutes (Table 18).

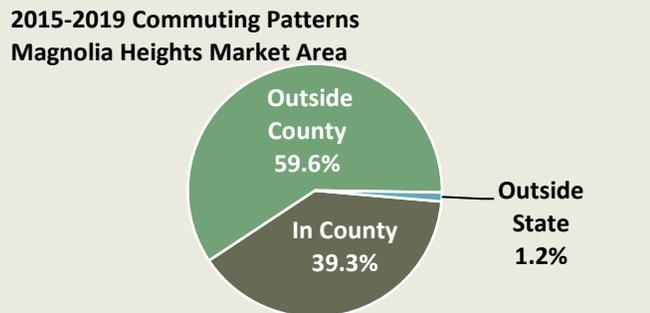


The majority (59.6 percent) of workers residing in the Magnolia Heights Market Area worked outside Newton County while 39.3 percent worked in the county. Roughly one percent of Magnolia Heights Market Area workers were employed outside the state. The large proportion of workers commuting outside Newton County reflects the market area’s relative proximity/accessibility to employment concentrations in the region including the Atlanta Metro Area to the west.

**Table 18 Commutation Data, Magnolia Heights Market Area**

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	45,518	95.3%	Worked in state of residence:	47,236	98.8%
Less than 5 minutes	768	1.6%	Worked in county of residence	18,775	39.3%
5 to 9 minutes	1,709	3.6%	Worked outside county of residence	28,461	59.6%
10 to 14 minutes	5,532	11.6%	Worked outside state of residence	551	1.2%
15 to 19 minutes	7,289	15.3%	<b>Total</b>	<b>47,787</b>	<b>100%</b>
20 to 24 minutes	6,096	12.8%			
25 to 29 minutes	2,376	5.0%			
30 to 34 minutes	6,491	13.6%			
35 to 39 minutes	773	1.6%			
40 to 44 minutes	1,637	3.4%			
45 to 59 minutes	4,879	10.2%			
60 to 89 minutes	5,727	12.0%			
90 or more minutes	2,241	4.7%			
Worked at home	2,269	4.7%			
<b>Total</b>	<b>47,787</b>				

Source: American Community Survey 2015-2019



Source: American Community Survey 2015-2019

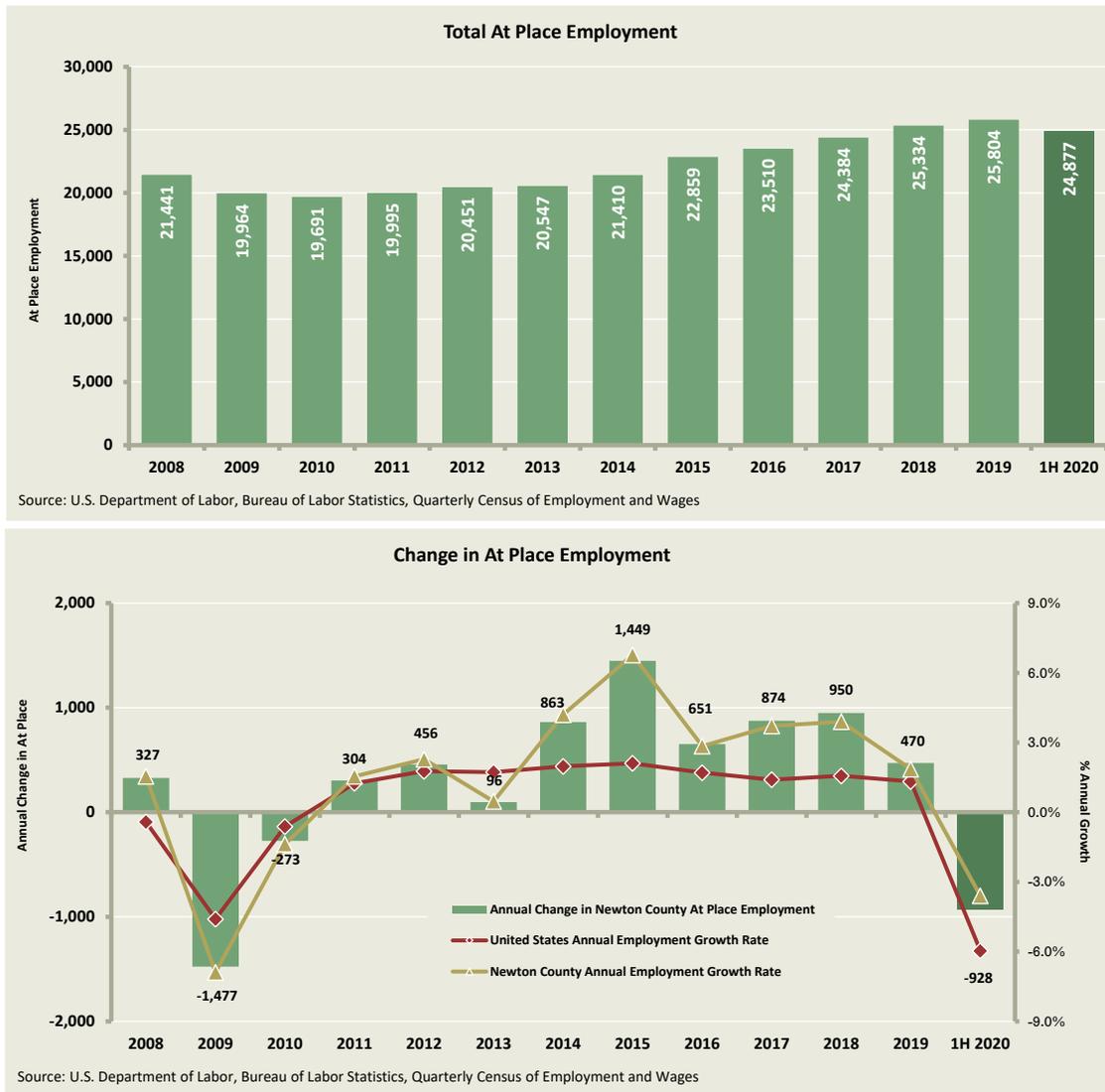
## D. At-Place Employment

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

Newton County has added jobs in nine consecutive years with net growth of 6,113 jobs or 31.0 percent, more than three times the recession-era loss of 1,750 total jobs in 2009 and 2010 (Figure 5). Job loss was limited to two years (2009-2010) during the previous recession-era compared to three years (2008-2010) of job loss nationally; however, nearly all job loss (1,477 jobs) in the county during this period was in 2009. Growth has been significant with the addition of at least 470 jobs in each of the past seven years. As illustrated in the line on the lower panel of Figure 5, growth rates in the county have outpaced the nation on a percentage basis each year since 2014. Reflecting the impact of the COVID-19 pandemic, the county lost 928 jobs during the first half of 2020 although most losses are expected to be temporary; Newton County’s job loss in the first half of the year was lower than the nation on a percentage basis at 3.6 percent versus 6.0 percent for the nation. As noted by labor force and unemployment data in Table 16 and Table 17, the county’s most recent unemployment data shows significant recovery over the second half of 2020 indicating these losses were largely temporary.



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

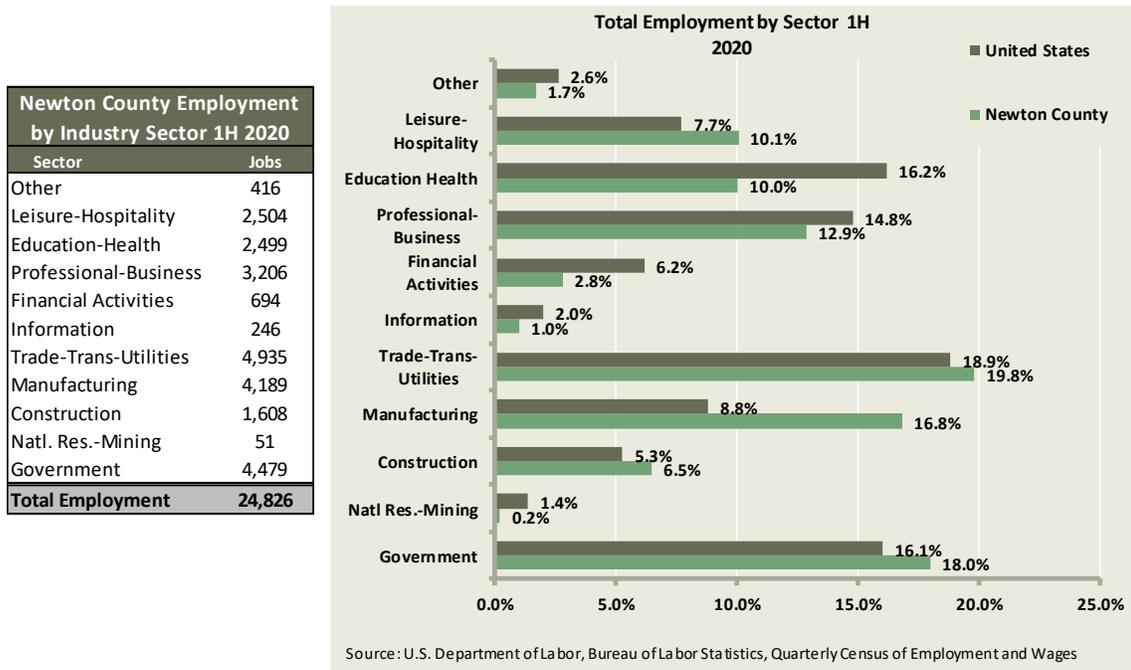


**2. At-Place Employment by Industry Sector**

Trade-Transportation-Utilities is the largest employment sector in Newton County at 19.8 percent of all jobs in 2020 1H compared to 18.9 percent of jobs nationally (Figure 6). Three sectors (Government, Manufacturing, and Professional-Business) each account for 12.9 percent to 18.0 percent of the county’s jobs while two sectors (Leisure-Hospitality and Education-Health) account for roughly 10 percent. The Government, Leisure-Hospitality, 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 (16.8 percent versus 8.8 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, Newton County 2020 (1H)**

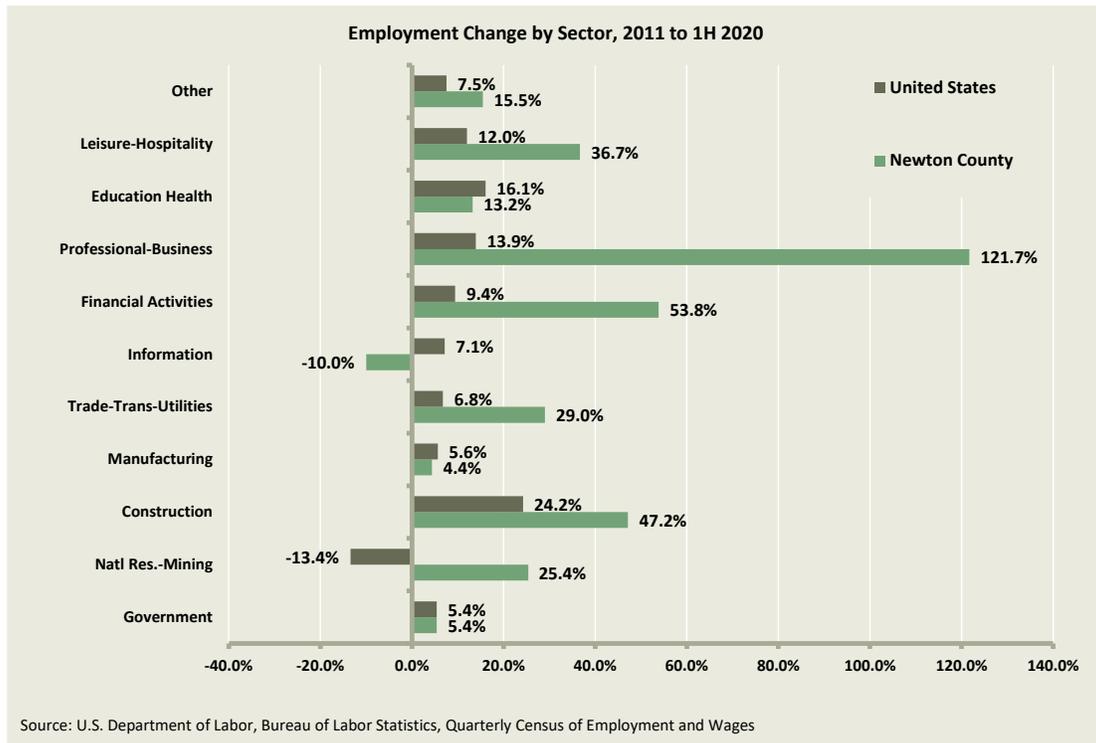


Ten of eleven employment sectors in Newton County added jobs from 2011 to 2020 1H (Figure 7). Six sectors grew by at least 25 percent including the largest sector (Trade-Transportation-Utilities) with growth of 29.0 percent while the largest growth rate was in the Professional-Business sector which more than doubled in size with 121.7 percent net growth even with the losses incurred in 2020; the Professional-Business sector is the fourth largest sector in the county. Four sectors had net growth of 4.4 to 15.5 percent. The only job loss was a 10.0 percent decline in the Information sector which accounts for just one percent of Newton County’s jobs.

Given the rapidly changing economic conditions in the latter part of 2020, we have isolated At-Place Employment change by sector from the first quarter of 2020 (Pre-Pandemic) to the second quarter of 2020 (most recent data available) (Figure 8). Over this period, nine of 11 sectors lost jobs in Newton County which is less than 10 sectors nationally. The largest declines were in the Leisure-Hospitality (19.0 percent), Professional-Business (10.2 percent), and Other (10.0 percent) sectors while all other sectors lost less than 10 percent of jobs. The Information and Construction sectors added jobs.

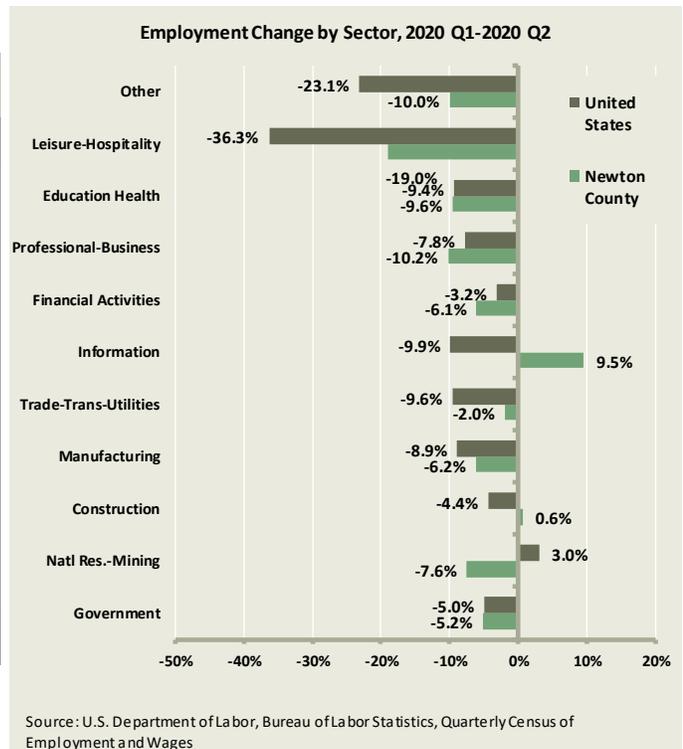


**Figure 7 Employment Change by Sector, Newton County 2011-2020 (1H)**



**Figure 8 Employment Change by Sector, 2020 (Q1-Q2)**

Sector	2020 Q1	2020 Q2	# Change	% Change
Other	438	394	-44	-10%
Leisure-Hospitality	2,766	2,242	-525	-19%
Education-Health	2,626	2,372	-253	-10%
Professional-Business	3,378	3,033	-345	-10%
Financial Activities	715	672	-43	-6%
Information	235	257	22	10%
Trade-Trans-Utilities	4,985	4,884	-101	-2%
Manufacturing	4,323	4,055	-269	-6%
Construction	1,603	1,612	10	1%
Natl. Res.-Mining	53	49	-4	-8%
Government	4,600	4,359	-241	-5%
<b>Total Employment</b>	<b>25,722</b>	<b>23,930</b>	<b>-1,792</b>	<b>-7%</b>



### 3. Major Employers

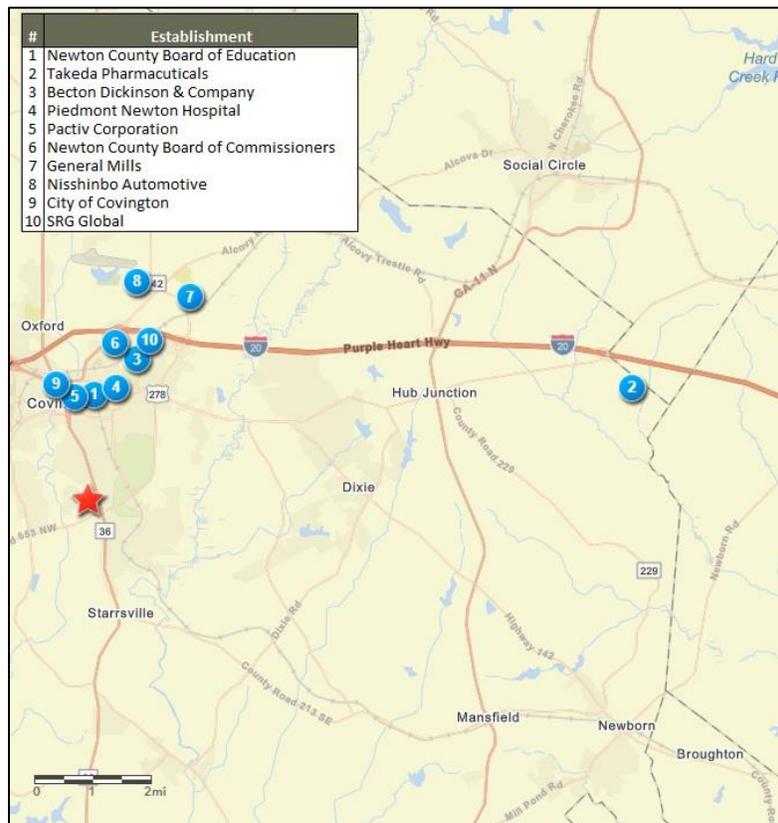
The local public school system is Newton County’s largest single employer with 2,324 employees. The remaining major employers have 310 to 900 employees each and include six manufacturers, Piedmont Newton Hospital, and two local government employers (Table 19). Most major employers are in Covington within three miles of the subject property.

**Table 19 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

Four major job expansions were identified in Newton County since 2020:



- 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. The headquarters is expected to be completed in late 2021 or early 2022.
- Facebook announced plans in September 2020 to invest an additional \$250 million in its data center campus in Covington. The company's total investment at the facility (which was originally announced in 2018) will total roughly \$1 billion and is expected to be completed in 2023. Facebook will employ roughly 200 people at the data center upon completion.
- General Mills expanded its Cinnamon Toast Crunch manufacturing operations in Covington in late 2020 and created 40 new jobs.
- FiberVisions (face mask manufacturer) announced in November 2020 plans to invest \$48 million and create 21 jobs with an expansion of its facility in Covington.

In contrast, the Worker Adjustment and Retraining Notification (WARN) Act helps ensure advance notice of qualified plant closings and mass layoffs. RPRG identified three WARN notices in 2020 with 28 jobs affected.

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

Newton County has experienced significant and steady economic growth since 2011, outperforming the national economy on a percentage basis during most years. The county added at least 470 new jobs each year since 2014. The county's 2019 At-Place Employment is at an all-time high of 25,804 jobs with the net addition of 6,113 jobs since 2011, more than three times the jobs lost during the recession-era (2009-2010). The county's most recent annual average unemployment rate of 3.9 percent is just above state (3.5 percent) and national (3.5 percent) rates but is less than one-third the peak of 12.7 percent in 2010. Newton County's economy is well diversified with six sectors each accounting for at least 10 percent of the county's job base. Prior to the COVID-19 pandemic, job growth was expected to continue given the consistent growth over the past 10 years. While the extent of the pandemic's impact on the local economy is uncertain, Newton County's strong recent track record of growth suggests the county will rebound following the COVID-19 related economic contraction. The county's unemployment rate has recovered significantly over the past eight months with a significant reduction of unemployed workers. The planned economic expansions suggest the county's economy will continue growing, fueling housing demand.

## 8. AFFORDABILITY & DEMAND ANALYSIS

### A. Affordability Analysis

#### 1. Methodology

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

The first component of the Affordability Analysis involves looking at the total household income distribution and renter household income distribution among Magnolia Heights Market Area households for the target year of 2023. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2015-2019 American Community Survey along with estimates and projected income growth by Esri (Table 20).

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

HUD has computed a 2020 median household income of \$82,700 for the Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area. Based on that median income, adjusted for household size, the maximum income limit and minimum income requirements are computed for each floor plan (Table 21). The proposed units at Magnolia Heights will target renter households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. The minimum income limits are calculated assuming up to 35 percent of income is spent on total housing cost (rent plus utilities). The maximum allowable incomes are based on an average household size of 1.5 persons per bedroom rounded up to the nearest whole number per DCA requirements. Maximum gross rents, however, are based on the federal regulation of 1.5 persons per bedroom.

**Table 20 Total and Renter Income Distribution, Magnolia Heights Market Area**

Magnolia Heights Market Area		2023 Total Households		2023 Renter Households	
2023 Income		#	%	#	%
less than	\$15,000	4,189	10.4%	1,896	15.5%
	\$15,000 \$24,999	2,637	6.6%	1,193	9.8%
	\$25,000 \$34,999	3,564	8.9%	1,764	14.5%
	\$35,000 \$49,999	5,244	13.0%	2,118	17.4%
	\$50,000 \$74,999	8,594	21.4%	2,541	20.8%
	\$75,000 \$99,999	6,186	15.4%	1,287	10.5%
	\$100,000 \$149,999	5,592	13.9%	882	7.2%
	\$150,000 Over	4,228	10.5%	523	4.3%
<b>Total</b>		<b>40,233</b>	<b>100%</b>	<b>12,204</b>	<b>100%</b>
<b>Median Income</b>		<b>\$63,040</b>		<b>\$43,844</b>	

Source: American Community Survey 2015-2019 Projections, RPRG, Inc.



**Table 21 LIHTC Income and Rent Limits, Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area**

HUD 2020 Median Household Income										
Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area		\$82,700								
Very Low Income for 4 Person Household		\$41,350								
2020 Computed Area Median Gross Income		<b>\$82,700</b>								
Utility Allowance:		1 Bedroom		\$60						
		2 Bedroom		\$77						
		3 Bedroom		\$98						
Household Income Limits by Household Size:										
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%	
1 Person	\$17,370	\$23,160	\$28,950	\$34,740	\$46,320	\$57,900	\$69,480	\$86,850	\$115,800	
2 Persons	\$19,860	\$26,480	\$33,100	\$39,720	\$52,960	\$66,200	\$79,440	\$99,300	\$132,400	
3 Persons	\$22,350	\$29,800	\$37,250	\$44,700	\$59,600	\$74,500	\$89,400	\$111,750	\$149,000	
4 Persons	\$24,810	\$33,080	\$41,350	\$49,620	\$66,160	\$82,700	\$99,240	\$124,050	\$165,400	
5 Persons	\$26,820	\$35,760	\$44,700	\$53,640	\$71,520	\$89,400	\$107,280	\$134,100	\$178,800	
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%
2	1	\$19,860	\$26,480	\$33,100	\$39,720	\$52,960	\$66,200	\$79,440	\$99,300	\$132,400
3	2	\$22,350	\$29,800	\$37,250	\$44,700	\$59,600	\$74,500	\$89,400	\$111,750	\$149,000
5	3	\$26,820	\$35,760	\$44,700	\$53,640	\$71,520	\$89,400	\$107,280	\$134,100	\$178,800
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
1 Bedroom	\$465	\$405	\$620	\$560	\$775	\$715	\$930	\$870	\$1,241	\$1,181
2 Bedroom	\$558	\$481	\$745	\$668	\$931	\$854	\$1,117	\$1,040	\$1,490	\$1,413
3 Bedroom	\$645	\$547	\$860	\$762	\$1,075	\$977	\$1,290	\$1,192	\$1,721	\$1,623

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

## 2. Affordability Analysis

The steps below look at the affordability of the proposed units at the subject property (Table 22):

- Looking at the one-bedroom units, the overall weighted average shelter cost at the proposed rents would be \$866 (\$806 net rent with a utility allowance of \$60 to cover all utilities except water/sewer and trash removal).
- We determined that one-bedroom units at 60 percent AMI would be affordable to households earning at least \$29,693 per year by applying a 35 percent rent burden to this gross rent. A projected 8,361 renter households in the market area will earn at least this amount in 2023.
- The maximum income limit for the one-bedroom unit at 60 percent AMI is \$39,720 based on a household size of two people. According to the interpolated income distribution for 2023, 6,744 renter households in the Magnolia Heights Market Area will have incomes exceeding this 60 percent AMI income limit.
- Subtracting the 6,744 renter households with incomes above the maximum income limit from the 8,361 renter households that could afford to rent this unit, RPRG computes that a projected 1,617 renter households in the Magnolia Heights Market Area will fall within the band of affordability for the subject’s one-bedroom units at the proposed weighted average rent. The subject property would need to capture 2.0 percent of these income-qualified renter households to absorb the 32 proposed one-bedroom units.
- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and the project overall. The renter capture for the remaining floor plans are 9.1 percent for the two-bedroom units, 1.4 percent for the three-bedroom units, and the project has an overall capture rate of 5.8 percent.



**Table 22 Affordability Analysis, Magnolia Heights**

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		32		143		24	
Net Rent		\$806		\$914		\$1,090	
Gross Rent		\$866		\$991		\$1,188	
Income Range (Min, Max)		\$29,693	\$39,720	\$33,970	\$44,700	\$40,731	\$53,640
<b>Renter Households</b>							
Range of Qualified Hhlds		8,361	6,744	7,600	6,035	6,600	4,907
# Qualified Hhlds			1,617		1,565		1,693
<b>Renter HH Capture Rate</b>			<b>2.0%</b>		<b>9.1%</b>		<b>1.4%</b>

Income Target	# Units	Renter Households = 12,313				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
60% AMI	199	Income Households	\$29,693	\$53,640	3,455	<b>5.8%</b>
			8,361	4,907		

Source: Income Projections, RPRG, Inc.

### 3. Conclusions of Affordability

All affordability capture rates are acceptable indicating sufficient income-qualified households will exist in the market area to support the proposed units at Magnolia Heights.

## B. Demand Estimates and Capture Rates

### 1. Methodology

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

- The first component of demand is household growth. This number is the number of income-qualified renter households projected to move into the Magnolia Heights Market Area between the base year (2021) and the placed-in-service year of 2023.
- The next component of demand is income-qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to ACS data, the percentage of renter households in the primary market area that are “substandard” is 3.0 percent (see Table 15 on page 30). This substandard percentage is applied to current household numbers.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 45.9 percent of Magnolia Heights Market Area renter households are categorized as cost burdened (see Table 15 on page 30).

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 23. Income qualification percentages for demand estimates are derived by using the Affordability Analysis detailed in Table 22.

### 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. RPRG identified one



comparable 180-unit general occupancy LIHTC community (Arbours at Covington) under construction in the market area that will target households earning up to 60 percent AMI, similar to the subject property. All units at this community are subtracted from demand estimates.

At least 136 current tenants are expected to remain income qualified and will be retained post rehabilitation. These 136 units are subtracted from the 199 proposed rental units which results in 63 units needing to be leased post renovation. The project’s overall demand capture rate is 4.1 percent (Table 23). Capture rates by floor plan are 1.3 percent for one-bedroom units, 6.6 percent for two-bedroom units, and 2.0 percent for three-bedroom units (Table 24).

**Table 23 Overall Demand Estimates, Magnolia Heights**

	Income Target	60% AMI
	Minimum Income Limit	\$29,693
	Maximum Income Limit	\$53,640
<b>(A) Renter Income Qualification Percentage</b>		<b>28.1%</b>
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		92
<b>PLUS</b>		
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>		101
<b>PLUS</b>		
Demand from Existing Renter HHs (Overburdened) - <i>Calculation B*E*F*A</i>		1,530
<b>Total Demand</b>		<b>1,724</b>
<b>LESS</b>		
Comparable Units		180
<b>Net Demand</b>		<b>1,544</b>
Proposed Units		199
<b>Tenant Retention</b>		<b>136</b>
Proposed Units to be Leased Following Rehabilitation		63
<b>Capture Rate</b>		<b>4.1%</b>

Demand Calculation Inputs	
A). % of Renter HHlds with Qualifying Income	see above
B). 2021 Householders	39,146
C). 2023 Householders	40,233
D). Substandard Housing (% of Rental Stock)	3.0%
E). Rent Overburdened (% of Renter HHs at >35%)	45.9%
F). Renter Percentage (% of all 2021 HHs)	30.3%

**Table 24 Demand Estimates by Floor Plan, Magnolia Heights**

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large Household Size Adjustment (3+ Persons)	Adjusted Demand	Supply	Net Demand	Units To Be Leased	Capture Rate
<b>60% AMI</b>	<b>\$29,693 - \$53,640</b>									
One Bedroom Units		32	13.1%	807		807	30	777	10	1.3%
Two Bedroom Units		143	12.7%	781		781	96	685	45	6.6%
Three Bedroom Units		24	13.8%	845	52.9%	447	54	393	8	2.0%
<b>Project Total</b>	<b>\$29,693 - \$53,640</b>									
Total Units	\$29,693 - \$53,640	199	28.1%	1,724			180	1,544	63	4.1%



### **3. DCA Demand Conclusions**

All capture rates are well below DCA thresholds and indicate sufficient demand in the market area to support the proposed Magnolia Heights.

## 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 Magnolia Heights Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the Magnolia Heights Market Area. We interviewed planners with the City of Covington and Newton County. We also reviewed LIHTC application/allocation lists provided by DCA. The rental survey was conducted in March 2021.

### B. Overview of Market Area Housing Stock

The renter occupied housing stock in both the Magnolia Heights Market Area and the Bi-County Market Area include a large percentage of low-density structures including single-family detached homes at 62.7 percent in the market area and 54.5 percent in the region (Table 25); roughly six percent of Magnolia Heights Market Area renter-occupied units are mobile homes. Approximately 29 percent of renter occupied units in the Magnolia Heights Market Area are contained within multi-family structures including 14.7 percent in structures with 5+ units compared to 20.2 percent of renter occupied units in the Bi-County Market Area. Roughly 95 percent of owner-occupied units in both areas are single-family detached homes with mobile homes accounting for most of the balance.

**Table 25 Dwelling Units by Structure and Tenure**

Structure Type	Owner Occupied				Renter Occupied			
	Bi-County		Magnolia Heights Market Area		Bi-County		Magnolia Heights Market Area	
	#	%	#	%	#	%	#	%
1, detached	43,292	95.0%	23,654	94.7%	12,219	54.5%	7,519	62.7%
1, attached	564	1.2%	256	1.0%	724	3.2%	280	2.3%
2	84	0.2%	3	0.0%	1,955	8.7%	1,098	9.2%
3-4	56	0.1%	29	0.1%	1,723	7.7%	636	5.3%
5-9	33	0.1%	0	0.0%	1,533	6.8%	318	2.7%
10-19	0	0.0%	0	0.0%	1,549	6.9%	668	5.6%
20+ units	0	0.0%	0	0.0%	1,445	6.4%	771	6.4%
Mobile home	1,561	3.4%	1,026	4.1%	1,290	5.7%	694	5.8%
<b>TOTAL</b>	<b>45,590</b>	<b>100%</b>	<b>24,968</b>	<b>100%</b>	<b>22,438</b>	<b>100%</b>	<b>11,984</b>	<b>100%</b>

Source: American Community Survey 2015-2019

The housing stock in the Magnolia Heights 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 1990 in the Bi-County Market Area. More than one-quarter (25.7 percent) of renter occupied units in the Magnolia Heights Market Area were built in the 1990's while 30.4 percent have been built since 2000. Approximately 24 percent of Magnolia Heights Market Area renter households were built in the 1970's or 1980's and less than 20 percent were built prior to 1970 (Table 26). 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 Magnolia Heights Market Area. The median year built of owner occupied units is 1997 in the Magnolia Heights Market Area and 1993 in the Bi-County Market Area. More than two-thirds (67.4



percent) of owner occupied units in the Magnolia Heights Market Area have been built since 1990 including 43.9 percent built since 2000.

According to ACS data, the median value among owner-occupied housing units in the Magnolia Heights Market Area as of 2015-2019 was \$152,564, \$6,655 or 4.2 percent lower than the Bi-County Market Area median of \$159,219 (Table 27). 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 26 Dwelling Units by Year Built and Tenure**

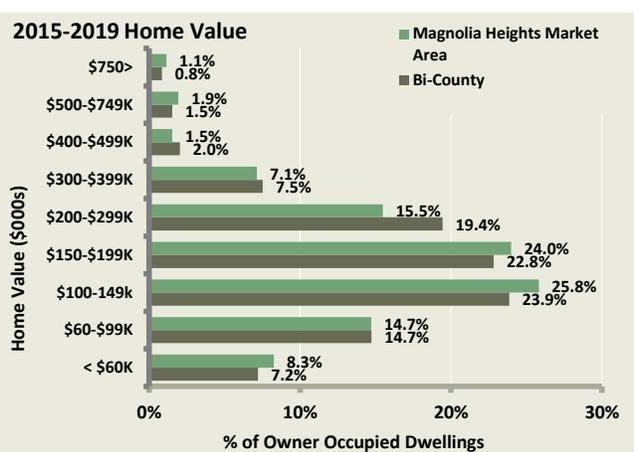
Year Built	Owner Occupied				Renter Occupied			
	Bi-County		Magnolia Heights Market Area		Bi-County		Magnolia Heights Market Area	
	#	%	#	%	#	%	#	%
2014 or later	1,011	2.2%	732	2.9%	1	0.0%	1	0.0%
2010 to 2013	553	1.2%	268	1.1%	578	2.6%	435	3.6%
2000 to 2009	14,905	32.6%	9,998	39.9%	4,716	21.0%	3,202	26.7%
1990 to 1999	10,369	22.7%	5,874	23.5%	6,067	27.0%	3,081	25.7%
1980 to 1989	7,492	16.4%	2,876	11.5%	4,230	18.9%	1,768	14.8%
1970 to 1979	6,221	13.6%	2,454	9.8%	3,233	14.4%	1,142	9.5%
1960 to 1969	2,356	5.2%	903	3.6%	1,536	6.8%	790	6.6%
1950 to 1959	1,360	3.0%	864	3.5%	883	3.9%	531	4.4%
1940 to 1949	415	0.9%	345	1.4%	359	1.6%	343	2.9%
1939 or earlier	974	2.1%	720	2.9%	835	3.7%	691	5.8%
<b>TOTAL</b>	<b>45,656</b>	<b>100%</b>	<b>25,034</b>	<b>100%</b>	<b>22,438</b>	<b>100%</b>	<b>11,984</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1993</b>		<b>1997</b>		<b>1990</b>		<b>1992</b>	

Source: American Community Survey 2015-2019

**Table 27 Value of Owner Occupied Housing Stock**

2015-2019 Home Value	Bi-County		Magnolia Heights Market Area	
	#	%	#	%
less than \$60,000	3,293	7.2%	2,066	8.3%
\$60,000 - \$99,999	6,724	14.7%	3,681	14.7%
\$100,000 - \$149,999	10,890	23.9%	6,462	25.8%
\$150,000 - \$199,999	10,418	22.8%	6,005	24.0%
\$200,000 - \$299,999	8,879	19.4%	3,877	15.5%
\$300,000 - \$399,999	3,433	7.5%	1,788	7.1%
\$400,000 - \$499,999	932	2.0%	385	1.5%
\$500,000 - \$749,999	702	1.5%	485	1.9%
\$750,000 over	385	0.8%	285	1.1%
<b>Total</b>	<b>45,656</b>	<b>100%</b>	<b>25,034</b>	<b>100%</b>
<b>Median Value</b>	<b>\$159,219</b>		<b>\$152,564</b>	

Source: American Community Survey 2015-2019



## C. Survey of General Occupancy Rental Communities

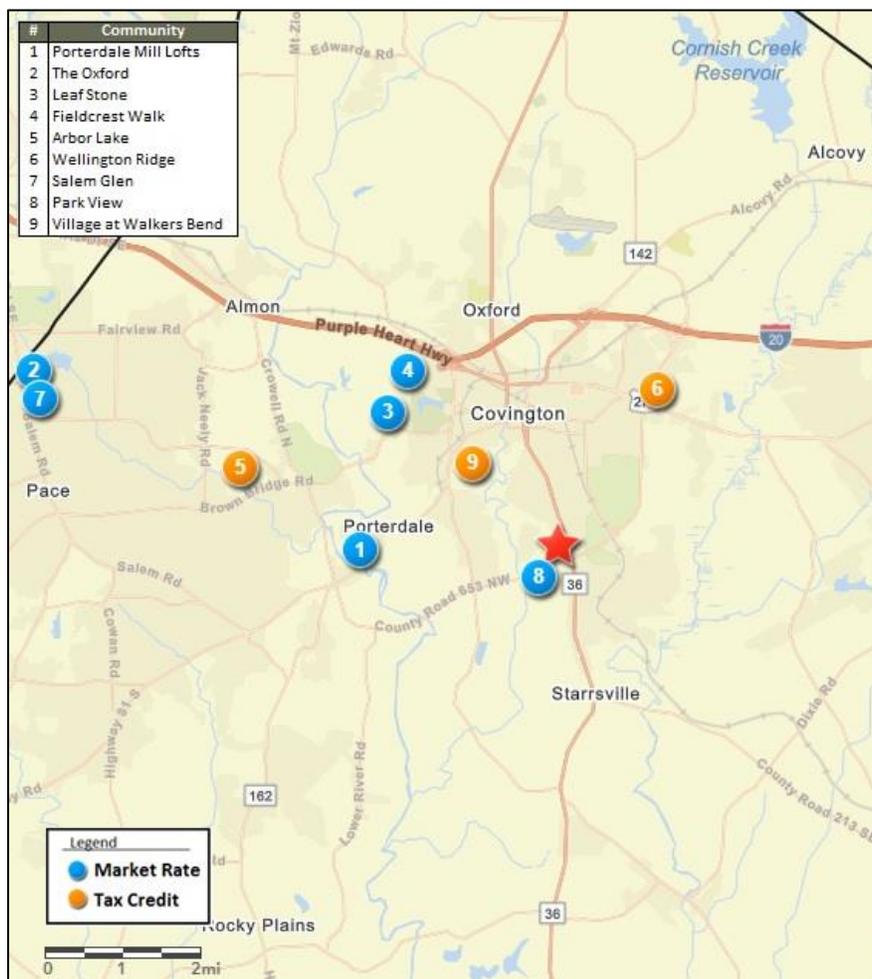
### 1. Introduction to the Rental Housing Survey

RPRG surveyed nine multi-family rental communities in the Magnolia Heights Market Area including six market rate communities and three Low Income Housing Tax Credit (LIHTC) communities. The LIHTC communities are considered most comparable to the subject property given similar income and rent restrictions. Profile sheets with detailed information on each surveyed community are attached as Appendix 6.

### 2. Location

One market rate community (Park View) is just south of the subject property on Covington Bypass Road. The highest-priced community (Porterdale Mill Lofts) is 2.4 miles west of the subject property while four additional communities are within five miles west/northwest of Magnolia Heights and two market rate communities (The Oxford and Salem Glen) are near the western boundary of the market area. Among LIHTC communities, Wellington Ridge is 3.3 miles to the northeast while Arbor Lake and Village at Walkers Bend are to the west/northwest, all in the Covington area (Map 6). The subject property's location is generally comparable to the location of all surveyed communities in the market area given similar access to major traffic arteries, neighborhood amenities, and employment.

**Map 6 Surveyed Rental Communities**





### 3. Size of Communities

The surveyed communities range in size from 32 to 256 units with an average of 194 units (Table 28). Six of nine surveyed communities have 220 to 256 units while two communities have 100 or less units. LIHTC communities have 250 units (Arbor Lake), 220 units (Wellington Ridge), and 32 units (Village at Walkers Bend) for an average of 167 units per community.

### 4. Age of Communities

The Magnolia Heights Market Area's multi-family rental stock has an average year built of 1999 with two market rate communities built since 2000 and the rest built from 1987 to 1999. LIHTC communities are newer with an average year built of 2005 including Village at Walkers Bend which was built in 2011 and the other two (Arbor Lake and Wellington Ridge) built in 2002-2003; Arbor Lake was rehabilitated in 2018.

### 5. Structure Type

Seven of nine surveyed communities offer garden apartments while Village at Walkers Bend (LIHTC) offers townhomes. The highest priced community (Porterdale Mill Lofts) is an adaptive reuse of a textile mill and cotton warehouse with an elevator and interior corridors (Table 28).

### 6. Vacancy Rates

The Magnolia Heights Market Area's rental market is performing well with 26 vacancies among 1,742 combined units for an aggregate vacancy rate of 1.5 percent (Table 28). Eight of nine surveyed communities have a vacancy rate less than two percent. LIHTC communities have three vacancies among 502 combined units for an aggregate vacancy rate of 0.6 percent; all three vacancies are at Arbor Lake while two LIHTC communities are fully occupied.

### 7. Rent Concessions

None of the surveyed communities were offering rental incentives at the time of our survey.

**Table 28 Rental Summary, Surveyed Communities**

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	<b>Subject - 60% AMI</b>			<b>Gar</b>	<b>199</b>			<b>\$806</b>	<b>\$914</b>	
1	Porterdale Mill Lofts	2006		Reuse	162	3	1.9%	\$1,115	\$1,325	None
2	The Oxford	1999		Gar	240	4	1.7%	\$1,133	\$1,255	None
3	Leaf Stone	2000		Gar	232	2	0.9%	\$1,080	\$1,245	None
4	Fieldcrest Walk	1987		Gar	250	4	1.6%	\$940	\$1,090	None
5	Arbor Lake*	2002	2018	Gar	250	3	1.2%	\$835	\$991	None
6	Wellington Ridge*	2003		Gar	220	0	0.0%	\$836	\$990	None
7	Salem Glen	1988		Gar	256	4	1.6%	\$987	\$987	None
8	Park View	1994		Gar	100	6	6.0%	\$826	\$931	None
9	Village at Walkers Bend*	2011		TH	32	0	0.0%			None
	<b>Total</b>				<b>1,742</b>	<b>26</b>	<b>1.5%</b>			
	<b>Average</b>	<b>1999</b>			<b>194</b>			<b>\$966</b>	<b>\$1,102</b>	
	<b>LIHTC Total</b>				<b>502</b>	<b>3</b>	<b>0.6%</b>			
	<b>LIHTC Average</b>	<b>2005</b>			<b>167</b>			<b>\$836</b>	<b>\$991</b>	

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

(\*) Tax Credit Community

Source: Phone Survey, RPRG, Inc. March 2021

### 8. Absorption History

Village at Walkers Bend opened in 2011; absorption information is not available nor relevant to the current market.



## D. Analysis of Product Offerings

### 1. Payment of Utility Costs

Four surveyed communities include the cost of trash removal in the rent including all three LIHTC communities (Table 29). The remaining communities do not include any utilities in the rent. Magnolia Heights will include the cost of water, sewer, and trash removal in the rent.

### 2. Unit Features

All surveyed communities offer a dishwasher and washer and dryer connections including a market rate community (The Oxford) which offers a washer and dryer in each unit (Table 29). Six of nine surveyed communities offer a microwave including two of three LIHTC Communities. The surveyed communities generally offer basic finishes including white/black appliances, laminate countertops, and carpet-vinyl tile flooring with few communities offering select upscale finishes including stainless appliances, granite countertops, or laminate hardwood flooring. Magnolia Heights will offer a dishwasher, range/oven, refrigerator, and washer and dryer connections which is generally comparable to the surveyed communities except for a microwave which is offered at six of nine surveyed communities including two of three LIHTC communities. Several market rate communities offer select upscale finishes with one offering a washer and dryer in each unit; however, these communities have rents well above those proposed at the subject property. The proposed unit features will be competitive in the market at the proposed rents.

**Table 29 Utility Arrangement and Unit Features**

Community	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry
	Heat	Hot Water	Cooking Electric	Water	Trash					
<b>Subject Property</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<b>STD</b>		<b>Surface</b>	<b>Hook up</b>
Porterdale Mill Lofts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	Hook up
The Oxford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	STD-Full
Leaf Stone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook up
Fieldcrest Walk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD		Surface	Hook up
Arbor Lake*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook up
Wellington Ridge*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook up
Salem Glen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD		Surface	Hook up
Park View	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	Hook up
Village at Walkers Bend*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Attached Garage	Hook up

Source: Phone Survey, RPRG, Inc. March 2021

### 3. Community Amenities

The surveyed communities generally offer extensive amenities with the most common amenities being a clubhouse/community room (all properties), swimming pool (eight properties), fitness center (seven properties), playground (seven properties), and business/computer center (five properties). Three communities offer tennis courts and one community is gated (Table 30). Six of nine surveyed

communities offer a clubhouse/community room, fitness center, and swimming pool with four of these communities also offering a business/computer center. Among LIHTC communities, all three offer a clubhouse/community room, fitness center, and playground while two offer a swimming pool and two offer a business/computer center.

**Table 30 Community Amenities**

Community	Clubhouse	Fitness Room	Pool	Playground	Tennis Court	Business Center	Gated Entry
<b>Subject Property</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Porterdale Mill Lofts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Oxford	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
Leaf Stone	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fieldcrest Walk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arbor Lake*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
Wellington Ridge*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Salem Glen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Park View	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Village at Walkers Bend*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, RPRG, Inc. March 2021

#### 4. Unit Distribution

Six of nine surveyed communities offer one, two, and three-bedroom units while Fieldcrest Walk (market rate) offers one and two-bedroom units, Salem Glen (market rate) offer two and three-bedroom units), and Village at Walkers Bend (LIHTC) offer three and four-bedroom units (Table 31). Unit distributions were available for six of nine communities, containing 60.7 percent of all surveyed units; three of the six communities are LIHTC communities. Among these communities, two-bedroom units are the most common accounting for 59.9 percent of units while one-bedroom units account for 22.3 percent and three-bedroom units account for 17.8 percent.

#### 5. Effective Rents

Unit rents presented in Table 31 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where base rents include the cost water, sewer, and trash removal.

Among all surveyed rental communities, net rents, unit sizes, and rents per square foot were as follows:

- **One-bedroom** effective rents average \$987 per month. The average one-bedroom unit size is 840 square feet, resulting in a net rent per square foot of \$1.18.
- **Two-bedroom** effective rents average \$1,128 per month. The average two-bedroom unit size is 1,067 square feet, resulting in a net rent per square foot of \$1.06.



- **Three-bedroom** effective rents average \$1,224 per month. The average three-bedroom unit size is 1,317 square feet, resulting in a net rent per square foot of \$0.93.

**Table 31 Unit Distribution, Size, and Pricing**

Community	Total Units	One Bedroom Units			Two Bedroom Units			Three Bedroom Units					
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
<b>Subject - 60% AMI</b>	<b>199</b>	<b>32</b>	<b>\$806</b>	<b>975</b>	<b>\$0.83</b>	<b>143</b>	<b>\$914</b>	<b>1,150</b>	<b>\$0.79</b>	<b>24</b>	<b>\$1,090</b>	<b>1,350</b>	<b>\$0.81</b>
Porterdale Mill Lofts	162		\$1,115	1,047	\$1.07		\$1,325	1,205	\$1.10		\$1,800	1,694	\$1.06
The Oxford	240	60	\$1,133	679	\$1.67	162	\$1,255	973	\$1.29	18	\$1,500	1,304	\$1.15
Leaf Stone	232	60	\$1,070	816	\$1.31	138	\$1,235	1,072	\$1.15	34	\$1,385	1,292	\$1.07
Fieldcrest Walk	250		\$940	864	\$1.09		\$1,090	1,037	\$1.05				
Salem Glen	256						\$987	1,042	\$0.95		\$1,150	1,150	\$1.00
Arbor Lake 60% AMI*	250	36	\$825	975	\$0.85	166	\$981	1,150	\$0.85	48	\$1,129	1,266	\$0.89
Wellington Ridge 60% AMI*	220	70	\$826	760	\$1.09	122	\$980	1,182	\$0.83	28	\$1,121	1,389	\$0.81
Park View	100	10	\$826	736	\$1.12	45	\$931	880	\$1.06	45	\$1,056	1,152	\$0.92
Village at Walkers Bend 60% AMI*	27									13	\$828	1,303	\$0.64
Village at Walkers Bend 50% AMI*	5									2	\$735	1,303	\$0.56
<b>Total/Average Unit Distribution</b>	<b>1,742</b>		<b>\$962</b>	<b>840</b>	<b>\$1.15</b>		<b>\$1,098</b>	<b>1,067</b>	<b>\$1.03</b>		<b>\$1,189</b>	<b>1,317</b>	<b>\$0.90</b>
<b>% of Total</b>	<b>60.7%</b>	<b>236</b>				<b>633</b>				<b>188</b>			
		<b>22.3%</b>				<b>59.9%</b>				<b>17.8%</b>			

(1) Rent is adjusted to include only incentives

Source: Phone Survey, RPRG, Inc. March 2021

(\*) Tax Credit Community

## 6. Scattered Site Rentals

Given the sufficient multi-family rental options in the market area and rent and income restrictions proposed at Magnolia Heights, scattered site rentals are not expected to be a significant source of competition for the subject property.

## 7. Estimate of Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. Three market rate communities are included in this analysis and adjustments made are broken down into four classifications. These classifications and an explanation of the adjustments made follows:



**Table 32 Estimate of Market Rent Adjustments**

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
  - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition.
  - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
  - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. An adjustment of \$20 per variance was applied for condition. Likewise, the neighborhood or location adjustment was \$20 per variance.
  - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$25 for each amenity. An adjustment of \$100 per bedroom and \$30 per bathroom were utilized where applicable.
- Site Amenities – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$15 for each amenity.

<b>Rent Adjustments Summary</b>	
<b>B. Design, Location, Condition</b>	
Structure / Stories	
Year Built / Condition	\$0.75
Quality/Street Appeal	\$20.00
Building Type	\$25.00
Location	\$20.00
<b>Unit Amenities</b>	
Number of Bedrooms	\$100.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
<b>Site Amenities</b>	
Community Room	\$10.00
Pool	\$15.00
Recreation Areas	\$5.00
Fitness Center	\$10.00

Based on our adjustment calculations, the estimated market rents for the units at Magnolia Heights are \$1,134 for one-bedroom units, \$1,278 for two-bedroom units, and \$1,447 for three-bedroom units. The proposed 60 percent AMI rents have significant rent advantages of at least 24.7 percent (Table 36).

**Table 33 Adjusted Rent Comparison, One-Bedroom**

One Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Magnolia Heights 10156 Magnolia Heights Circle Covington, Newton County	The Oxford		Leaf Stone		Fieldcrest Walk		
	50 Greenleaf Road		10100 Brown Bridge Road		10238 Fieldcrest Drive		
	Conyers	Newton	Covington	Newton	Covington	Newton	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60 percent AMI)	\$806	\$1,133	\$0	\$1,070	\$0	\$940	\$0
Utilities Included	W,S,T	None	\$25	T	\$15	None	\$25
Rent Concessions		None	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$806</b>	<b>\$1,158</b>		<b>\$1,085</b>		<b>\$965</b>	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2023	1999	\$18	2000	\$17	1987	\$27
Quality/Street Appeal	Above Average	Above Average	\$0	Above Average	\$0	Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	1	\$0	1	\$0
Number of Bathrooms	1	1	\$0	1	\$0	1	\$0
Unit Interior Square Feet	975	679	\$74	816	\$40	864	\$28
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	Yes / Yes	(\$5)	No / Yes	(\$5)
Washer / Dryer: In Unit	No	Yes	(\$25)	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Community Room	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		2	2	2	1	4	1
Sum of Adjustments B to D		\$92	(\$30)	\$57	(\$5)	\$85	(\$5)
F. Total Summary							
Gross Total Adjustment		\$122		\$62		\$90	
Net Total Adjustment		\$62		\$52		\$80	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,220		\$1,137		\$1,045	
% of Effective Rent		105.4%		104.8%		108.3%	
<b>Estimated Market Rent</b>	<b>\$1,134</b>						
<b>Rent Advantage \$</b>	<b>\$328</b>						
<b>Rent Advantage %</b>	<b>28.9%</b>						



Table 34 Adjusted Rent Comparison, Two-Bedroom

Two Bedroom Units							
Subject Property		Comparable Property #1		Comparable Property #2		Comparable Property #3	
Magnolia Heights		The Oxford		Leaf Stone		Fieldcrest Walk	
10156 Magnolia Heights Circle		50 Greenleaf Road		10100 Brown Bridge Road		10238 Fieldcrest Drive	
Covington, Newton County		Conyers	Newton	Covington	Newton	Covington	Newton
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60 percent AMI)	\$914	\$1,255	\$0	\$1,235	\$0	\$1,090	\$0
Utilities Included	W,S,T	None	\$30	T	\$20	None	\$30
Rent Concessions		None	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$914</b>	<b>\$1,285</b>		<b>\$1,255</b>		<b>\$1,120</b>	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2023	1999	\$18	2000	\$17	1987	\$27
Quality/Street Appeal	Above Average	Above Average	\$0	Above Average	\$0	Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	1.5	\$15	2	\$0	1.5	\$15
Unit Interior Square Feet	1,150	973	\$44	1,072	\$20	1,037	\$28
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	Yes / Yes	(\$5)	No / Yes	(\$5)
Washer / Dryer: In Unit	No	Yes	(\$25)	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Community Room	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		3	2	2	1	5	1
Sum of Adjustments B to D		\$77	(\$30)	\$37	(\$5)	\$100	(\$5)
F. Total Summary							
Gross Total Adjustment		\$107		\$42		\$105	
Net Total Adjustment		\$47		\$32		\$95	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,332		\$1,287		\$1,215	
% of Effective Rent		103.7%		102.5%		108.5%	
<b>Estimated Market Rent</b>	<b>\$1,278</b>						
<b>Rent Advantage \$</b>	<b>\$364</b>						
<b>Rent Advantage %</b>	<b>28.5%</b>						

**Table 35 Adjusted Rent Comparison, Three-Bedroom**

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Magnolia Heights 10156 Magnolia Heights Circle Covington, Newton County	The Oxford		Leaf Stone		Fieldcrest Walk		
	50 Greenleaf Road		10100 Brown Bridge Road		10238 Fieldcrest Drive		
	Conyers	Newton	Covington	Newton	Covington	Newton	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60 percent AMI)	\$1,090	\$1,500	\$0	\$1,385	\$0	\$1,090	\$0
Utilities Included	W,S,T	None	\$35	T	\$25	None	\$35
Rent Concessions		None	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$1,090</b>	<b>\$1,535</b>		<b>\$1,410</b>		<b>\$1,125</b>	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2023	1999	\$18	2000	\$17	1987	\$27
Quality/Street Appeal	Above Average	Above Average	\$0	Above Average	\$0	Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	3	\$0	2	\$100
Number of Bathrooms	2	2	\$0	2	\$0	1.5	\$15
Unit Interior Square Feet	1,350	1,304	\$12	1,292	\$15	1,037	\$78
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	Yes / Yes	(\$5)	No / Yes	(\$5)
Washer / Dryer: In Unit	No	Yes	(\$25)	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Community Room	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		2	2	2	1	6	1
Sum of Adjustments B to D		\$30	(\$30)	\$32	(\$5)	\$250	(\$5)
F. Total Summary							
Gross Total Adjustment		\$60		\$37		\$255	
Net Total Adjustment		\$0		\$27		\$245	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,535		\$1,437		\$1,370	
% of Effective Rent		100.0%		101.9%		121.8%	
<b>Estimated Market Rent</b>	<b>\$1,447</b>						
<b>Rent Advantage \$</b>	<b>\$357</b>						
<b>Rent Advantage %</b>	<b>24.7%</b>						

**Table 36 Market Rent and Rent Advantage Summary**

60% AMI Units	1 BR Units	2 BR Units	3 BR Units
Subject Rent	\$806	\$914	\$1,090
Estimated Market Rent	\$1,134	\$1,278	\$1,447
Rent Advantage (\$)	\$328	\$364	\$357
Rent Advantage (%)	28.9%	28.5%	24.7%

## E. Multi-Family Pipeline

According to DCA LIHTC allocation/application lists and interviews with planning officials, one project is in the pipeline that is expected to compete with the subject property. Arbours at Covington is a 180-unit general occupancy LIHTC community under construction near the State Highway 36 and Piper Road intersection, less than one mile south of the site. According to the market study submitted to DCA, the project will have 30 one-bedroom units, 96 two-bedroom units, and 54 three bedrooms units all of which will target households earning up to 60 percent AMI. These units will directly compete with the subject property given similar income and rent restrictions. Merchants Capital is the developer and timeline for the project was not identified; however, the project is expected to be completed in 2021 given the stage of construction.

One other general occupancy pipeline community was identified in the market area. The Cove at Covington Town Center broke ground in December 2020 just over three miles northeast of the subject property and will be the first phase of the master-planned Town Center development. The upscale market rate community will offer 350 units and is expected to be completed in 2022. This community will not compete with the subject property given a difference in income targeting.

RPRG also identified one age-restricted LIHTC community currently under construction in the market area. Legends of Covington (100 units) will target households ages 55 and older earning up to 60 percent of the Area Median Income (AMI). This community will not compete with the subject due to a difference in age targeting.

## F. 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.

## G. Existing Low Income Rental Housing

Four general occupancy LIHTC communities (including the subject property) and two age restricted LIHTC communities are in the Magnolia Heights Market Area (Table 37); the three comparable general occupancy LIHTC communities were included in our analysis. One age-restricted community (Covington Square) is deeply subsidized through the Section 8 program. An age restricted LIHTC community (Legends of Covington) and general occupancy LIHTC community (Arbours at Covington) are under construction in the market area. The location of these communities relative to the subject site is shown in Map 7.

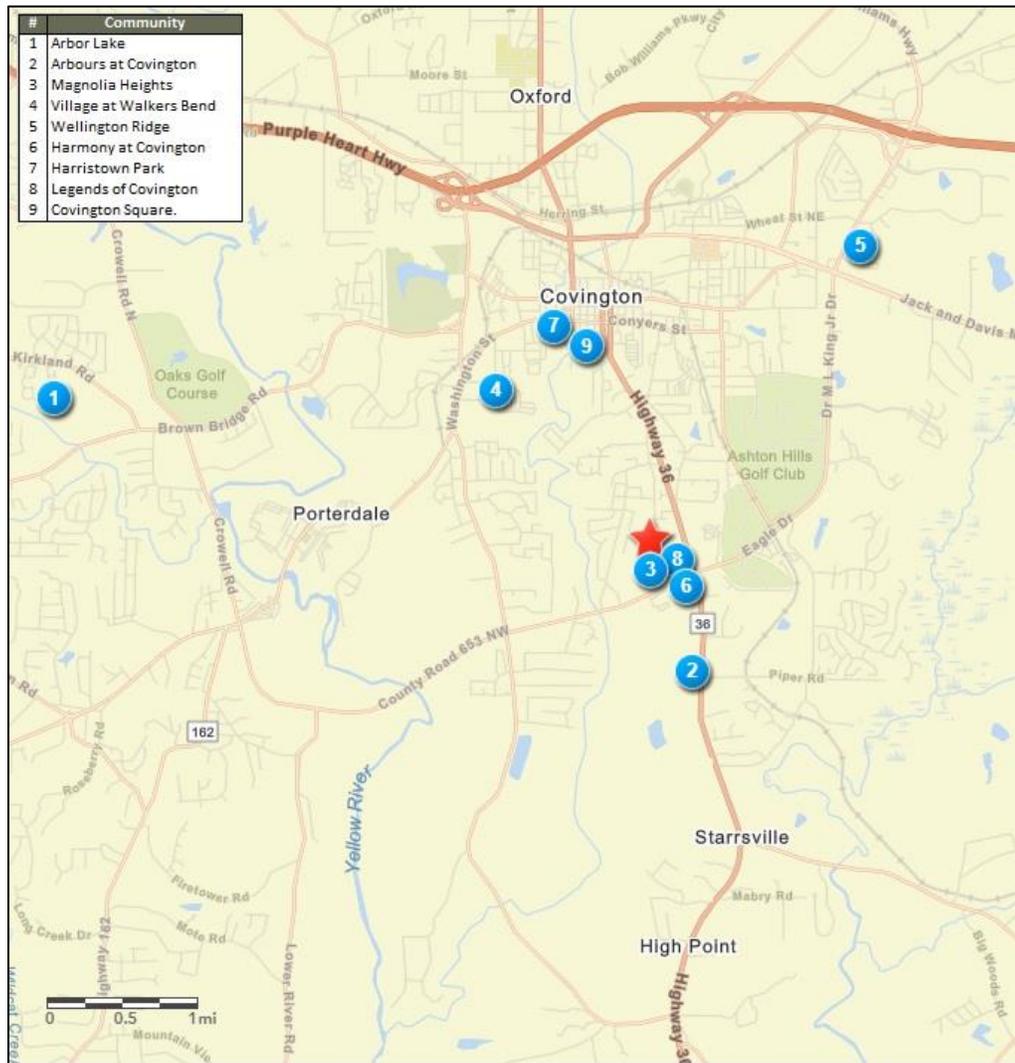
**Table 37 Affordable Communities, Magnolia Heights Market Area**

Community	Subsidy	Type	Address	Distance
Arbor Lake	LIHTC	Family	431 Kirkland Rd.	6.7 miles
Arbours at Covington	LIHTC	Family	State Highway 36	2.0 miles
Magnolia Heights (Subject)	LIHTC	Family	10156 Magnolia Heights Cir.	Subject
Village at Walkers Bend	LIHTC	Family	5978 Evertt St	3.6 miles
Wellington Ridge	LIHTC	Family	9145 Wellington Dr.	3.3 miles
Harmony at Covington	LIHTC	Senior	11101 Covington Bypass Rd.	1.8 miles
Harristown Park	LIHTC	Senior	2135 Reynolds St SW	2.1 miles
Legends of Covington	LIHTC	Senior	Turner Lake Rd. & Clark St. SW	3.3 miles
Covington Square	Section 8	Senior	2101 Washington St SW	2.1 miles

Allocated Low Income Housing Tax Credits and Under Construction

Source: HUD, GA DCA

**Map 7 Affordable Rental Communities**



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

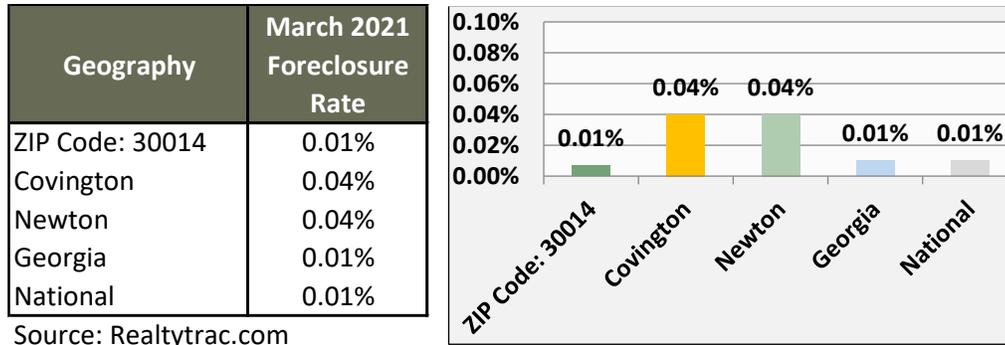
To understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies 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 March 2021 foreclosure rates of 0.01 percent in the subject property’s ZIP Code (30014), Georgia, and nation while Covington and Newton County have a foreclosure rate of 0.04 percent (Table 38). The monthly number of foreclosures in the subject site’s ZIP Code ranged from none to three per month over of the past twelve months.

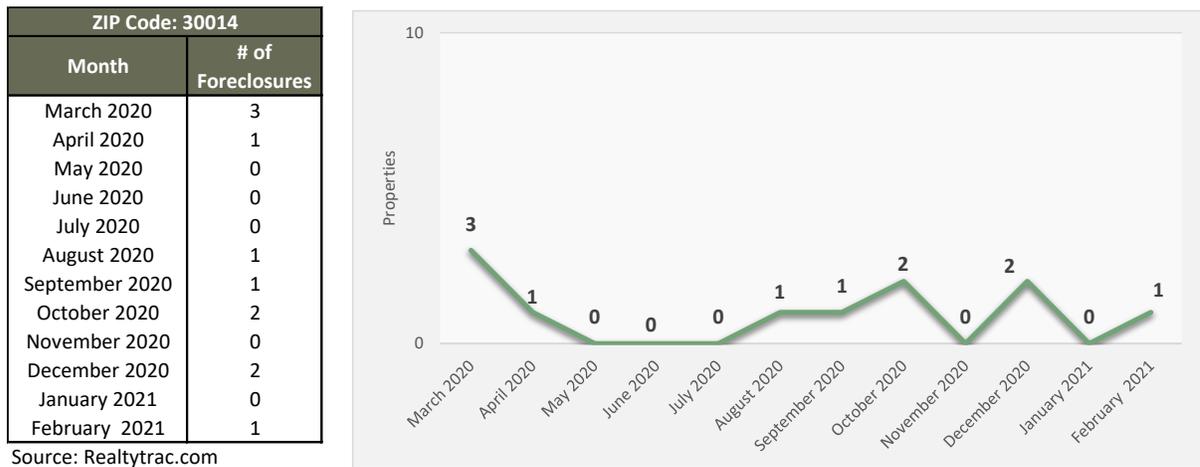


We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property's ability to lease its units.

**Table 38 Foreclosure Rates, March 2021**



**Table 39 Recent Foreclosure Activity, ZIP Code 30014**



## 10. FINDINGS AND CONCLUSIONS

### A. Key Findings

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

#### 1. Site and Neighborhood Analysis

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

- The subject property is in an established residential neighborhood in Covington. Surrounding land uses include residential uses (apartments and single-family detached homes) and commercial uses along Jackson Highway and Covington Bypass Road. Furthermore, Magnolia Heights is an existing fully occupied LIHTC rental community.
- Magnolia Heights is within one mile of convenience stores, banks, and restaurants while grocery stores, medical offices, and larger retail outlets are within four miles of the site.
- The subject property is on the west side of Jackson Highway which provides access to U.S. Highway 278 and Interstate 20, two major traffic arteries in the region.
- Magnolia Heights's has visibility from Jackson Highway which is a major traffic artery in Covington.
- The subject site is suitable for multifamily rental housing. As the subject property is an existing rental community, its proposed rehabilitation will not alter the land use characteristics of the immediate area.

#### 2. Economic Context

Newton County's economy has performed well over the past nine years with significant job growth resulting in an all-time high At-Place Employment in 2019 and declining unemployment prior to the onset of the COVID-19 pandemic.

- The county's unemployment rate steadily declined since 2010 to 3.9 percent in 2019, the lowest level in over 10 years with a significant improvement from the 2010 peak of 12.7 percent. Newton County's 2019 unemployment rate of 3.9 percent is just above the state rate (3.5 percent) and national rate (3.7 percent). Reflecting the impact of the COVID-19 pandemic, the county's unemployment spiked to 12.5 percent in April 2020 before stabilizing over the next eight months, decreasing to 6.0 percent in December which is between state (5.6 percent) and national (6.7 percent) rates.
- Newton County's economy expanded significantly from 2011 to 2019 with the net addition of 6,113 jobs (31.0 percent), reaching an all-time high At-Place Employment of 25,804 jobs in 2019; annual At-Place Employment growth has outpaced the national employment growth rate in each of the past six years. The county added an annual average of 876 jobs over the past six years. Reflecting the impact of the COVID-19 pandemic, the county lost 928 jobs in the first half of 2020 although most of these losses are expected to temporary as reflected by the quick recovery of the unemployment rate, the leading economic indicator.
- Newton County's economy is diverse with six industry sectors representing at least 10 percent of total At-Place-Employment. Trade-Transportation-Utilities, Government, and Manufacturing are the county's largest employment sectors accounting for 16.8 to 19.8 percent of jobs; the Manufacturing sector accounts for 16.8 percent of the county's jobs compared to 8.8 percent of jobs nationally.



- Reflecting broad economic expansion, 10 of 11 sectors added jobs in Newton County from 2011 to 2020 Q2 even with the job loss in the first half of 2020. Six sectors grew by at least 25 percent including three sectors with growth of at least 47.2 percent. The Professional-Business sector more than doubled over this period with growth of 121.7 percent while the county's largest sector (Trade-Transportation-Utilities) grew by 29.0 percent.
- Four large job expansions were identified as announced in 2020 in Newton County with more than 500 combined jobs expected to be created over the next several years. In contrast, RPRG identified three WARN notices in 2020 with 28 jobs affected.

### 3. Population and Household Trends

The Magnolia Heights Market Area had significant population and household growth from 2000 to 2010 with growth slowing but remaining steady over the past 11 years. Growth is expected to remain steady over the next two years.

- The Magnolia Heights Market Area added 37,957 net people (61.2 percent) and 12,393 households (56.3 percent) from 2000 to 2010.
- Esri estimates the Magnolia Heights Market Area had net growth of 14,424 people (14.4 percent) and 4,756 households (13.8 percent) from 2010 to 2020; annual growth was 1,311 people (1.2 percent) and 432 households (1.2 percent) over this period. Based on Esri data, annual growth is projected to increase to 1,626 people (1.4 percent) and 543 households (1.4 percent) from 2021 to 2023 resulting in 117,635 people and 40,233 households in the Magnolia Heights Market Area in 2023.

### 4. Demographic Analysis

The population and household base of the Magnolia Heights Market Area is slightly younger, less affluent, and includes a larger proportion of households with children when compared to the Bi-County Market Area. The Magnolia Heights Market Area has large proportions of low to moderate-income renter households.

- Adults ages 35 to 61 are the most common and account for 34.4 percent of the population in the Magnolia Heights Market Area. Children/Youth (ages 20 to 34) account for 27.9 percent in the market area while seniors (62+) account for roughly 17 percent.
- Roughly 44 percent of Magnolia Heights Market Area households contained children and 36.8 percent were multi-person households without children including 25.4 percent that were married which includes young couples. Single-person households accounted for 19.6 percent of Magnolia Heights Market Area households.
- Roughly 30 percent of households in the Magnolia Heights Market Area rent in 2021 compared to 30.4 percent in the Bi-County Market Area. The Magnolia Heights Market Area's renter percentage is expected to increase to 30.6 percent in 2023.
- Roughly 47 percent of Magnolia Heights Market Area renter households had one or two people, 35.2 percent had three or four people, and 17.7 percent were larger households with five or more people. The Bi-County Market Area had a larger proportion of small renter households with one or two people when compared to the Magnolia Heights Market Area.
- The 2021 median income in the Magnolia Heights Market Area is a moderate \$61,509 per year, \$2,299 or 3.6 percent below the \$63,808 median in the Bi-County Market Area. RPRG estimates the median income by tenure households in the Magnolia Heights Market Area is \$42,853 for renters and \$70,403 for owners. Approximately one quarter (26.2 percent) of renter households earn less than \$25,000 and 32.1 percent earn \$25,000 to \$49,999 while 20.6 percent earn \$50,000 to \$74,999 and 21.1 percent earn at least \$75,000.

## 5. Competitive Housing Analysis

RPRG surveyed nine multi-family rental communities in the Magnolia Heights Market Area including three LIHTC communities. The rental market is performing well with limited vacancies among both market rate and LIHTC communities.

- The surveyed communities have 26 vacancies among 1,742 combined units for an aggregate vacancy rate of 1.5 percent. Eight surveyed communities have a vacancy rate of less than two percent. Among LIHTC communities, Arbor Lake has three vacancies while the other two LIHTC communities are both fully occupied.
- Among the surveyed communities, net rents, unit sizes, and rents per square foot were as follows:
  - **One-bedroom** effective rents average \$987 per month. The average one-bedroom unit size is 840 square feet, resulting in a net rent per square foot of \$1.18.
  - **Two-bedroom** effective rents average \$1,128 per month. The average two-bedroom unit size is 1,067 square feet, resulting in a net rent per square foot of \$1.06.
  - **Three-bedroom** effective rents average \$1,224 per month. The average three-bedroom unit size is 1,317 square feet, resulting in a net rent per square foot of \$0.93.
- The “estimated market rent” is \$1,134 for one-bedroom units, \$1,278 for two-bedroom units, and \$1,447 for three-bedroom units. The proposed 60 percent AMI rents all have significant rent advantages of at least 28.0 percent.
- One LIHTC community is currently under construction in the market area. Arbours at Covington is a 180-unit LIHTC community that will target households earning up to 60 percent AMI. The proposed community will compete directly with the subject upon completion. Additionally, a 350-unit upscale market rate community (The Cove at Covington Town Center) just started construction in the market area, but this community will not compete with the subject property given a difference in income targeting.

## B. Product Evaluation

Considered in the context of the competitive environment, the relative position of Magnolia Heights is as follows:

- **Site:** The subject site is acceptable for a rental housing development targeting low income renter households. The proposed renovation of the subject property will not alter the land use composition of the immediate area and surrounding land uses are compatible with multi-family development and are appropriate for an affordable rental community. The subject property is convenient to neighborhood amenities and major traffic arteries connecting the subject to employers in the region. The subject property’s location is generally comparable to the location of all surveyed communities in the market area given similar access to major traffic arteries, neighborhood amenities, and employment.
- **Unit Distribution:** Magnolia Heights will offer 32 one-bedroom units (16.0 percent), 143 two-bedroom units (71.9 percent), and 24 three-bedroom units (12.1 percent); the subject property will also offer one non-revenue unit post rehabilitation. One, two, and three-bedroom floor plans are common in the market area with the majority of surveyed communities offering all three floor plans including two LIHTC communities. The surveyed rental stock offers 22.3 percent one-bedroom units, 59.9 percent two-bedroom units, and 17.8 percent three-bedroom units. The affordability analysis illustrates sufficient income-qualified households to support the subject’s unit distribution at the proposed price points and the subject property is currently fully occupied with this unit mix offering. The proposed unit mix will be well received in the market area and is not an alteration from the current configuration.

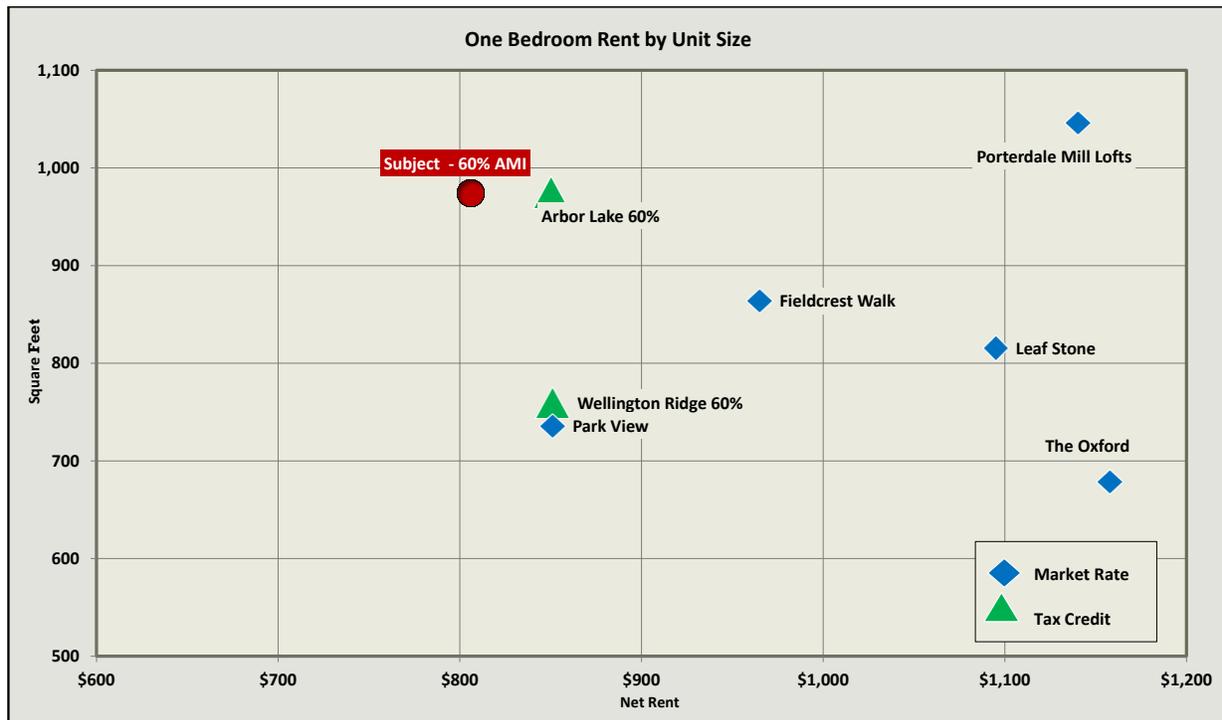


- Unit Size:** The unit sizes at Magnolia Heights are 975 square feet for one-bedroom units, 1,150 for two-bedroom units, and 1,350 square feet for three-bedroom units. The project’s unit sizes are all larger than market averages, comparable to existing LIHTC units in the market area. The unit sizes will be appealing to the target market of low-income renter households.
- Unit Features:** Magnolia Heights will offer a dishwasher, range/oven, refrigerator, and washer and dryer connections which is generally comparable to the surveyed communities except for a microwave which is offered at six of nine surveyed communities including two of three LIHTC communities. Several market rate communities offer select upscale finishes with one offering a washer and dryer in each unit; however, these communities have rents well above those proposed at the subject property. The proposed unit features will be competitive in the market at the proposed rents.
- Community Amenities:** Magnolia Heights will offer a community room, fitness center, swimming pool, sport court, and playground. The proposed amenities will be comparable or superior to the surveyed LIHTC communities. The subject property’s amenities will be competitive in the market area and will be appealing to low income renter households.
- Marketability:** The subject property will offer an attractive product that will be competitive in the market area. It will also improve the quality of the rental housing stock in the Magnolia Heights Market Area.

### C. Price Position

The proposed 60 percent AMI rents (weighted average) for the one- and two-bedroom units will be at or near the bottom of the market in terms of rent for each floorplan. All proposed rents are below rents at the market rate communities and the subject will have the lowest rents for one and two bedroom floorplans among all surveyed communities. All proposed rents are acceptable and will be competitive in the market given the scope of the proposed renovation.

**Figure 9 Price Position**







## 11. ABSORPTION AND STABILIZATION RATES

### A. Absorption Estimate

Absorption estimates are based on a variety of factors including:

- The Magnolia Heights Market Area is projected to add 1,087 net households from 2021 to 2023 including 441 renter households.
- Roughly 3,455 renter households will be income-qualified for at least one of the units at the subject property resulting in a project-wide affordability capture rate of 5.8 percent.
- All DCA demand capture rates overall and by floor plan are well below DCA thresholds with an overall demand capture rate of 4.1 percent indicating sufficient demand for the units at the subject property.
- The rental market in the Magnolia Heights Market Area is performing well with an overall vacancy rate of 1.5 percent. LIHTC communities are outperforming the overall market with three vacancies among 502 combined units for an aggregate vacancy rate of 0.6 percent. Two of three LIHTC communities are fully occupied.
- Magnolia Heights will offer a competitive product with extensive community amenities and large unit sizes. The proposed rents will be competitive in the market area.

Based on the proposed product and the factors discussed above, we expect Magnolia Heights to retain all current tenants that are income qualified for the existing 60 percent AMI units. Due to the proposed transition of the existing 64 market rate units to LIHTC units, some current tenants in these units may not qualify for the 60 percent AMI and the community must lease these units. In the case where the community would need to lease all 64 of these units, we anticipate the community to lease up at a rate of approximately 15 units per month. At this rate, Magnolia Heights would reach 93 percent occupancy within three to four months.

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

Given the well performing rental market in the Magnolia Heights Market Area and projected renter household growth over the next two years, we do not expect Magnolia Heights to have a negative impact on existing or pipeline rental communities in the Magnolia Heights Market Area including those with tax credits. The subject property does not represent an expansion of the multi-family rental 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 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	Large Household Size Adjustment (3+ Persons)	Adjusted Demand	Supply	Net Demand	Units To Be Leased	Capture Rate	Estimated Market Rent*	Market Rents Band	Proposed Rents**
<b>60% AMI</b>	<b>\$29,693 - \$53,640</b>												
One Bedroom Units		32	13.1%	807		807	30	777	10	1.3%	\$1,134	\$850 - \$1,158	\$770
Two Bedroom Units		143	12.7%	781		781	96	685	45	6.6%	\$1,278	\$961 - \$1,355	\$873
Three Bedroom Units		24	13.8%	845	52.9%	447	54	393	8	2.0%	\$1,447	\$770 - \$1,835	\$1,042
<b>Project Total</b>	<b>\$29,693 - \$53,640</b>												
Total Units	\$29,693 - \$53,640	199	28.1%	1,724			180	1,544	63	4.1%			

Based on projected household growth trends, affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Magnolia Heights Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following the rehabilitation. The subject property will be competitively positioned with existing rental communities in the Magnolia Heights Market Area and the newly renovated units will be well received by the target market.

This market study was completed based on the most recent available data, which does not reflect the full impact of the COVID-19 pandemic on demographic and economic trends as well as housing demand. At this stage, we do not believe demand for affordable rental housing will be reduced in the long term due to economic losses related to COVID-19. Demand for rental housing, especially affordable housing, is projected to increase over the next several years.

We recommend proceeding with the project as planned.

Daniel Zeigler  
Analyst

Brett Welborn  
Analyst

Tad Scepaniak  
Managing Principal



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

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

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



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

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



## 15. APPENDIX 2 ANALYST CERTIFICATIONS

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

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

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

A handwritten signature in cursive script, appearing to read 'Daniel Zeigler', is positioned above a horizontal line.

Daniel Zeigler  
Analyst

Real Property Research Group, Inc.

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



## 16. APPENDIX 3 NCHMA CERTIFICATION

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

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

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

**Real Property Research Group, Inc.**



\_\_\_\_\_  
Tad Scepaniak

Name

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

Title

\_\_\_\_\_  
March 17, 2021

Date



## 17. APPENDIX 4 ANALYST RESUMES

### TAD SCEPANIAK Managing Principal

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

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

#### Education:

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



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

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

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

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

**Areas of Concentration:**

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

**Education:**

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



**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 six 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



**DANIEL ZEIGLER**  
**Analyst**

Daniel joined RPRG in 2020 as an Analyst where he focuses on rental market studies and community and economic analyses for development projects. Throughout his career, Daniel has served in various analyst roles in the commercial real estate industry. Daniel's experience includes consulting developers, investors, and brands on market and financial feasibility, site selection, valuations, and investment analysis.

Prior to joining RPRG, Daniel served as an Analyst with Horwath HTL where he was involved in various strategic projects conducting market research, financial analysis, and asset management services for hotels and resorts.

**Areas of Concentration:**

- Low Income Housing Tax Credits: Daniel prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.
- FHA Section 221(d)(4): Daniel prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies

**Education:**

Master of Global Hospitality Management; Georgia State University  
Bachelor of Business Administration; Georgia State University



## 18. APPENDIX 5 DCA CHECKLIST

### B. Executive Summary

a. 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
b. Site Description/Evaluation:		
i. A brief description of physical features of the site and adjacent parcels.....	Page(s)	2
ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).....	Page(s)	2
iii. A discussion of site access and visibility .....	Page(s)	2
iv. Any significant positive or negative aspects of the subject site.....	Page(s)	2
v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc .....	Page(s)	2
vi. A brief discussion discussion of public safety, including comments on local perceptions, maps, or statistics of crime in the area .....	Page(s)	2
vii. An overall conclusion of the site's appropriateness for the proposed development.....	Page(s)	2
c. 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
d. 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
e. 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
f. 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)	3
ii. Overall estimate of demand based on DCA's demand methodology.....	Page(s)	3
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)	3



g.	Competitive Rental Analysis		
i.	An analysis of the competitive properties in the PMA. ....	Page(s)	4
ii.	Number of properties.....	Page(s)	4
iii.	Rent bands for each bedroom type proposed. ....	Page(s)	4
iv.	Average market rents.....	Page(s)	4
h.	Absorption/Stabilization Estimate:		
i.	An estimate of the number of units expected to be leased at the subject property, on average, per month.....	Page(s)	5
ii.	Number of months required for the project to stabilize at 93% occupancy. ....	Page(s)	5
iii.	Estimate of stabilization occupancy and number of months to achieve that occupancy rate .....	Page(s)	5
i.	Summary Table.....	Page(s)	6
j.	Overall Conclusion:		
i.	Overall conclusion regarding potential for success of the proposed development.....	Page(s)	5
k.	Summary Table.....	Page(s)	7
<b>C.</b>	<b>Project Description</b>		
a.	Project address and location.....	Page(s)	9
b.	Construction type.....	Page(s)	9
c.	Occupancy Type.....	Page(s)	9
d.	Special population target (if applicable).....	Page(s)	N/A
e.	Number of units by bedroom type and income targeting (AMI).....	Page(s)	10
f.	Unit size, number of bedrooms, and structure type.....	Page(s)	10
g.	Rents and Utility Allowances.....	Page(s)	10
h.	Existing or proposed project based rental assistance.....	Page(s)	10
i.	Proposed development amenities.....	Page(s)	10
j.	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)	11
k.	Projected placed-in-service date.....	Page(s)	11
<b>D.</b>	<b>Site Evaluation</b>		
a.	Date of site / comparables visit and name of site inspector.....	Page(s)	7
b.	Physical features of the site and adjacent parcel, including positive and negative attributes .....	Page(s)	12-15
c.	The site's physical proximity to surrounding roads, transportation (including bus stops), amenities, employment, and community services.....	Page(s)	17-20
d.	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)	13, 15
e.	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)	19



f.	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)	14
g.	Any public safety issues in the area, including local perceptions of crime, crime statistics, or other relevant information. ....	Page(s)	16
h.	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)	56
i.	Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	18
j.	Vehicular and pedestrian access, ingress/egress, and visibility of site.....	Page(s)	17-17
k.	Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	20
<b>E.</b>	<b>Market Area</b>		
a.	Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	21
b.	Map Identifying subject property's location within market area.....	Page(s)	22
<b>F.</b>	<b>Community Demographic Data</b>		
a.	Population Trends		
i.	Total Population.....	Page(s)	23
ii.	Population by age group.....	Page(s)	25
iii.	Number of elderly and non-elderly.....	Page(s)	N/A
iv.	If a special needs population is proposed, provide additional information on population growth patterns specifically related to the population.....	Page(s)	N/A
b.	Household Trends		
i.	Total number of households and average household size.....	Page(s)	23
ii.	Household by tenure (If appropriate, breakout by elderly and non-elderly).....	Page(s)	27-28
iii.	Households by income. (Elderly proposals should reflect the income distribution of elderly households only).....	Page(s)	29-29
iv.	Renter households by number of persons in the household.....	Page(s)	28
<b>G.</b>	<b>Employment Trends</b>		
a.	Total jobs in the county or region.....	Page(s)	33
b.	Total jobs by industry – numbers and percentages.....	Page(s)	34
c.	Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area.....	Page(s)	37
d.	Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past 10 years.....	Page(s)	31
e.	Map of the site and location of major employment concentrations.....	Page(s)	37
f.	Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	38
<b>H.</b>	<b>Project-specific Affordability and Demand Analysis</b>		



a. Income Restrictions / Limits .....	Page(s)	40
b. Affordability estimates .....	Page(s)	40
c. Demand		
i. Demand from new households.....	Page(s)	42
ii. Occupied households (deduct current tenants who are expected, as per Relocation Plan, to return from property unit count prior to determining capture rates) .....	Page(s)	42
iii. Demand from existing households.....	Page(s)	42
iv. Elderly Homeowners likely to convert to rentership.....	Page(s)	N/A
v. Net Demand and Capture Rate Calculations .....	Page(s)	42-42

**I. Competitive Rental Analysis (Existing Competitive Rental Environment**

a. 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)	50, App. 6
vi. Monthly rents and the utilities included in the rents of each unit type.....	Page(s)	48, 50, App. 8
vii. Project age and current physical condition.....	Page(s)	47, App. 8
viii. Concessions given if any.....	Page(s)	47
ix. Current vacancy rates, historic vacancy factors, waiting lists, and turnover rates, broken down by bedroom size and structure type.....	Page(s)	47
x. Number of units receiving rental assistance, description of assistance as project or tenant based.....	Page(s)	App. 6
xi. Lease-up history .....	Page(s)	47

Additional rental market information

2. 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)	55
3. 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
4. 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)	46, 56
5. An assessment as to the quality and compatibility of the proposed amenities to what is currently available in the market.....	Page(s)	61
6. 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
7. 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)	55



8. 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 achievable market rent and rent advantage for each of the proposed unit types .....	Page(s)	61
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)	56
11. 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
12. Note whether the proposed project would adversely impact the occupancy and health of existing properties financed by Credits, USDA, HUD 202, or 811 (as appropriate), DCA or locally financed HOME properties, Sec. 1602 Tax Credit Exchange program, HTF, and HUD 221(d)(3) and HUD 221 (d) (4) and other market rate FHA insured properties (not including public housing properties).....	Page(s)	63
 <b>J. Absorption and Stabilization Rates</b>		
a. Anticipated absorption rate of the subject property .....	Page(s)	63
b. Stabilization period.....	Page(s)	63
c. Projected stabilized occupancy rate and how many months to achieve it. ....	Page(s)	63
 <b>K. Interviews.....</b>		
	Page(s)	64
 <b>L. Conclusions and Recommendations .....</b>		
	Page(s)	65
 <b>M. Signed Statement Requirements.....</b>		
	Page(s)	App 2

**19. APPENDIX 6 RENTAL COMMUNITY PROFILES**

Community	Address	Date Surveyed	Phone Number
Arbor Lake	431 Kirkland Rd.	3/15/2021	833- 442-3755
Fieldcrest Walk	10238 Fieldcrest Dr.	3/15/2021	770-786-0446
Leaf Stone	10100 Brown Bridge Rd.	3/15/2021	844-881-4659
Park View	10920 By Pass Rd	3/15/2021	770-786-8500
Porterdale Mill Lofts	2100 Main St	3/15/2021	470-327-1892
Salem Glen	100 Salem Glen Way	3/15/2021	770-787-0100
The Oxford	50 Greenleaf Rd.	3/15/2021	770-788-1165
Village at Walkers Bend	5978 Evertt St	3/15/2021	678-625-3235
Wellington Ridge	9145 Wellington Dr.	3/15/2021	678-625-2777

# Arbor Lake

## Multifamily Community Profile

431 Kirkland Rd.  
Covington, GA 30016

CommunityType: LIHTC - General

Structure Type: 3-Story Garden

250 Units 1.2% Vacant (3 units vacant) as of 3/15/2021

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	--	\$850	975	\$0.87	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$1,011	1,150	\$0.88	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,164	1,266	\$0.92	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			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

### Comments

Private lake stocked with fish. White appl., laminate counters

36 1BR, 166 2BR, 48 3BR

No WL

Floorplans (Published Rents as of 3/15/2021) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$835	975	\$0.86	LIHTC/ 60%	3/15/21	1.2%	\$850	\$1,011	\$1,164
Garden	--	1	1	--	\$835	975	\$0.86	LIHTC/ 60%	9/4/20	0.0%	\$843	\$1,010	\$1,166
Garden	--	2	2	--	\$991	1,150	\$0.86	LIHTC/ 60%	8/13/20	0.0%	\$810	\$970	\$1,119
Garden	--	2	2	--	\$991	1,150	\$0.86	LIHTC/ 60%	3/16/20	0.0%	\$810	\$970	\$1,119
Garden	--	3	2	--	\$1,139	1,181	\$0.96	LIHTC/ 60%					
Garden	--	3	2	--	\$1,139	1,350	\$0.84	LIHTC/ 60%					

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat:  Cooking:  Wtr/Swr:

Hot Water:  Electricity:  Trash:

# Fieldcrest Walk

## Multifamily Community Profile

10238 Fieldcrest Dr.  
Covington, GA 30014

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

250 Units 1.6% Vacant (4 units vacant) as of 3/15/2021

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$965	864	\$1.12	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	--	\$1,120	1,037	\$1.08	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<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: TM Multifamily Owner: --	

### Comments

--

Floorplans (Published Rents as of 3/15/2021) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$940	864	\$1.09	Market	3/15/21	1.6%	\$965	\$1,120	--
Garden	--	2	2	--	\$1,190	1,200	\$0.99	Market	9/30/20	2.0%	\$908	\$1,044	--
Garden	--	2	1	--	\$990	930	\$1.06	Market	8/18/20	1.2%	\$908	\$1,044	--
Garden	--	2	2	--	\$1,090	980	\$1.11	Market	3/19/20	8.8%	\$893	\$1,029	--

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat:  Cooking:  Wtr/Swr:

Hot Water:  Electricity:  Trash:

# Leaf Stone

## Multifamily Community Profile

10100 Brown Bridge Rd.  
Covington, GA 30014

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

232 Units      0.9% Vacant (2 units vacant) as of 3/15/2021

Opened in 2000



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	25.9%	\$1,095	816	\$1.34	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	59.5%	\$1,265	1,072	\$1.18	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	14.7%	\$1,420	1,292	\$1.10	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

Laminate counters, black/ss appl.

### Floorplans (Published Rents as of 3/15/2021) (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	\$1,080	816	\$1.32	Market	3/15/21	0.9%	\$1,095	\$1,265	\$1,420
Garden	--	2	2	138	\$1,245	1,072	\$1.16	Market	9/30/20	0.0%	\$1,125	\$1,330	\$1,420
Garden	--	3	2	34	\$1,395	1,292	\$1.08	Market	8/13/20	2.2%	\$1,125	\$1,230	\$1,420
									3/16/20	4.3%	\$945	\$1,045	\$1,245

### 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: Garden

200 Units      0.0% Vacant (0 units vacant) as of 3/15/2021

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	--	\$841	975	\$0.86	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	--	\$964	1,150	\$0.84	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	\$1,120	1,350	\$0.83	<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; Carpet / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	Gated Entry
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	--
Owner:	--

### Comments

Laminate counters and white appliances.  
Waiting list of 10 households for LIHTC units.

Floorplans (Published Rents as of 3/15/2021) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$732	975	\$.75	LIHTC/ 60%	3/15/21	0.0%	\$841	\$964	\$1,120
Garden	--	1	1	--	\$950	975	\$.97	Market	9/30/20	1.0%	\$801	\$906	\$1,010
Garden	--	2	2	--	\$877	1,150	\$.76	LIHTC/ 60%	8/13/20	2.5%	\$801	\$891	\$1,005
Garden	--	2	2	--	\$1,050	1,150	\$.91	Market	3/16/20	4.0%	\$801	\$891	\$1,005
Garden	--	3	2	--	\$1,089	1,350	\$.81	LIHTC/ 60%					
Garden	--	3	2	--	\$1,150	1,350	\$.85	Market					

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

Magnolia Heights

GA217-028037

**Park View**

**Multifamily Community Profile**

10920 By Pass Rd  
Covington, GA 30014

CommunityType: Market Rate - General  
Structure Type: 3-Story Garden

100 Units 6.0% Vacant (6 units vacant) as of 3/15/2021

Opened in 1994



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	--	\$851	736	\$1.16	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$961	880	\$1.09	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,091	1,152	\$0.95	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 3/15/2021) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	--	\$826	736	\$1.12	Market	3/15/21	6.0%	\$851	\$961	\$1,091	
Garden	--	2	1	--	\$906	880	\$1.03	Market	9/4/20	0.0%	\$806	\$924	\$1,021	
Garden	--	2	2	--	\$956	880	\$1.09	Market	2/19/20	1.0%	\$786	\$904	\$971	
Garden	--	3	2	--	\$1,056	1,152	\$.92	Market	8/9/19	0.0%	\$786	\$904	\$971	

**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

CommunityType: Market Rate - General  
Structure Type: 2-Story Adaptive Reuse

162 Units 1.9% Vacant (3 units vacant) as of 3/15/2021

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	--	\$1,140	1,047	\$1.09	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,355	1,205	\$1.12	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,835	1,694	\$1.08	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input 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 3/15/2021) (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	--	\$1,250	1,239	\$1.01	Market	3/15/21	1.9%	\$1,140	\$1,355	\$1,835
Adaptive Reuse	--	1	1	--	\$980	854	\$1.15	Market	9/4/20	3.7%	\$1,105	\$1,270	\$1,835
Adaptive Reuse	--	2	1	--	\$1,300	1,130	\$1.15	Market	2/17/20	1.9%	\$1,080	\$1,330	\$1,835
Adaptive Reuse	--	2	2	--	\$1,350	1,280	\$1.05	Market	8/9/19	0.0%	\$1,048	\$1,304	\$1,735
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"/>													

Porterdale Mill Lofts

GA217-031671

# Salem Glen

## Multifamily Community Profile

100 Salem Glen Way  
Conyers, GA 30013

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

256 Units 1.6% Vacant (4 units vacant) as of 3/15/2021

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	--	\$1,017	1,042	\$0.98	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,185	1,150	\$1.03	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	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

Laminate counters and white appliances.

Floorplans (Published Rents as of 3/15/2021) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	--	\$975	1,033	\$0.94	Market	3/15/21	1.6%	--	\$1,017	\$1,185
Garden	--	2	2.5	--	\$999	1,050	\$0.95	Market	9/30/20	0.0%	--	\$928	\$1,050
Garden	--	3	2	--	\$1,150	1,150	\$1.00	Market	8/13/20	0.0%	--	\$928	\$1,050
									3/16/20	0.0%	--	\$928	\$1,050

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

GA247-028045

# The Oxford

## Multifamily Community Profile

50 Greenleaf Rd.  
Conyers, GA 30013

CommunityType: Market Rate - General  
Structure Type: 3-Story Garden

240 Units 1.7% Vacant (4 units vacant) as of 3/15/2021

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	--	\$1,158	679	\$1.70	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	--	\$1,285	973	\$1.32	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Three	--	\$1,535	1,304	\$1.18	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Playground: <input checked="" type="checkbox"/>						
Features						
Standard: Dishwasher; Microwave; Ceiling Fan; In Unit Laundry (Stacked); Central A/C; Patio/Balcony; Storage (In Unit); Cable TV; Broadband Internet						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: Detached Garage			
Fee: --			Fee: \$75			
Property Manager: --						
Owner: --						

### Comments

60 1B units, 162 2B units, 18 3B units.  
Laminate counters and black appliances.

Floorplans (Published Rents as of 3/15/2021) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$1,133	679	\$1.67	Market	3/15/21	1.7%	\$1,158	\$1,285	\$1,535
Garden	--	2	2	--	\$1,290	1,051	\$1.23	Market	9/30/20	5.0%	\$1,205	\$1,194	\$1,575
Garden	--	2	1	--	\$1,220	894	\$1.36	Market	8/13/20	2.5%	\$1,009	\$1,222	\$1,425
Garden	--	3	2	--	\$1,500	1,304	\$1.15	Market	3/16/20	5.8%	\$1,953	\$1,194	\$1,429

### 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 3/15/2021

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	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	46.9%	\$851	1,303	\$0.65	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	53.1%	\$896	1,632	\$0.55	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" 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			Parking 2: --			
Fee: \$0			Fee: --			
Property Manager: --						
Owner: --						

### Comments

Waitlist: 300 hhlds  
walking path and picnic pavillion

### Floorplans (Published Rents as of 3/15/2021) (2)

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

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	3	2	13	\$838	1,303	\$.64	LIHTC/ 60%	3/15/21	0.0%	--	--	\$851
Garden	--	3	2	2	\$745	1,303	\$.57	LIHTC/ 50%	9/4/20	0.0%	--	--	\$812
Garden	--	4	2	14	\$885	1,632	\$.54	LIHTC/ 60%	2/17/20	0.0%	--	--	\$812
Garden	--	4	2	3	\$779	1,632	\$.48	LIHTC/ 50%	4/5/19	6.3%	--	--	\$775

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# Wellington Ridge

## Multifamily Community Profile

9145 Wellington Dr.  
Covington, GA 30014

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

220 Units      0.0% Vacant (0 units vacant) as of 3/15/2021

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%	\$851	760	\$1.12	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%	\$1,010	1,182	\$0.85	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	12.7%	\$1,156	1,389	\$0.83	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

Granite counters in most units, white appliances, and lamainte hardwood flooring.  
No WL

### Floorplans (Published Rents as of 3/15/2021) (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	\$836	760	\$1.10	LIHTC/ 60%	3/15/21	0.0%	\$851	\$1,010	\$1,156
Garden	--	2	2	122	\$990	1,182	\$.84	LIHTC/ 60%	9/30/20	0.0%	\$818	\$970	\$1,109
Garden	--	3	2	28	\$1,131	1,389	\$.81	LIHTC/ 60%	8/13/20	0.5%	\$818	\$970	\$1,109
									3/16/20	3.2%	\$856	\$1,019	\$1,166

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash: