

**PROFESSIONAL MARKET STUDY
FOR THE HEATHER HIGHLANDS APARTMENTS
A PROPOSED LIHTC FAMILY DEVELOPMENT**

**LOCATED IN:
FRANKLIN SPRINGS, FRANKLIN COUNTY, GA**

***PREPARED FOR:
HEATHER HIGHLANDS APARTMENTS, L.P.***

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SECTION A
EXECUTIVE SUMMARY

1. Project Description:

. Brief description of project location including address and/or position relative to the closet cross-street.

. The proposed LIHTC apartment development is located off US highway 29, 1.5 miles west of Downtown Royston and 1 mile east of Franklin Springs, within the Franklin Springs city limits.

. Construction and occupancy types.

. The proposed new construction project design will comprise 5 two-story walk-up, 8-plex dwellings. The project will include a separate community building comprising a manager's office, central laundry and community area. The project will provide 80-parking spaces.

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

. Unit mix including bedrooms, bathrooms, square footage, income targeting rents, utility allowance.

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	Na	850
2BR/2b	24	Na	1,100
3BR/2b	8	Na	1,250
Total	40*		

*1-unit will be set aside for management

Project Rents:

The proposed development will target 20% of the units at 50% or below of area median income (AMI), and 80% of the units at 60% AMI. Rent excludes all utilities, yet will include trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	2	\$308	\$125	\$433
2BR/2b	4	\$361	\$159	\$520
3BR/2b	2	\$400	\$200	\$600

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
1BR/1b	6	\$318	\$125	\$443
2BR/2b	20	\$396	\$159	\$555
3BR/2b	5	\$460	\$200	\$660

*Based upon GA-DCA North Region Utility Allowances.

. Any additional subsidies available including project based rental assistance (PBRA).

- . The proposed LIHTC development will not include any additional deep subsidy rental assistance, including PBRA. The proposed LIHTC development will accept deep subsidy Section 8 vouchers.

. Brief description of proposed amenities and how they compare to existing properties.

- . Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.

2. Site Description/Evaluation:

. A brief description of physical features of the site and adjacent parcels. In addition, a brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).

- . The approximately 8-acre, polygon shaped tract is mostly cleared and is undulating. At present, a vacant single-family home and a vacant produce stand are located on the tract. The development plan stipulated that these structures are to be demolished and removed from the site. The site is not located within a 100-year flood plain.
- . The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: commercial, vacant land

use, and nearby single-family residential use.

- Directly north of the tract is vacant land use. Directly south of the tract is US Highway 29, followed by a Ford Dealership. Directly west of the tract is vacant land, and low density single-family development along US Highway 29. Directly east of the tract is vacant land, and along US Highway 29, the Bar H Restaurant, the Franklin Springs Inn (a motel), and several single-family dwellings.

• ***A discussion of site access and visibility.***

- Access to the site is available off US Highway 29, via a short access way to the buildable area of the site. US Highway 29 is the major east-west connector in the market, linking the site to both Franklin Springs and Royston. It is a low to medium density traveled road, with a speed limit of 45 miles per hour in the immediate vicinity of the site. Also, the location of the site off US Highway 29 does not present problems of egress and ingress to the site.
- The site in relation to the subject and the surrounding roads is very agreeable to signage, and offers good visibility via nearby traffic along US Highway 29.

• ***Any significant positive or negative aspects of the subject site.***

- Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, major employment nodes and two grocery stores	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

• ***A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc...***

- Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, and local schools. All major facilities within Franklin Springs-Royston can be accessed within a 5-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

- **An overall conclusion of the site's appropriateness for the proposed development.**

- The site location is considered to be very marketable. In the opinion of the analyst, the proposed site location offers attributes that will greatly enhance the rent-up process of the proposed development.

3. Market Area Definition:

- **A brief definition of the primary market area including boundaries of the market area and their approximate distance from the subject property.**

- The Primary Market Area for the proposed LIHTC multi-family development consists of the following census tracts in Elbert, Franklin, Hart, and Madison Counties:

Elbert County

9901

Franklin County

8901 - 8904

Hart County

9602 & 9603

Madison County

202 & 206

- Franklin Springs is centrally located within the PMA. It is a small city with a 2010 population of 952, that has merged with nearby Royston along US 29. Together these two places comprise the largest populated area within the PMA with a 2010 population of 3,534.
- The Secondary Market Area (SMA) consists of that area beyond the PMA, principally from out of market, as well as from out of state. Note: The demand methodology **excluded** any potential demand from a SMA, as stipulated within the 2013 GA-DCA market study guidelines.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject
North	Toccoa PMA & Hartwell Lake	14 miles
East	Hartwell PMA	6 - 7 miles
South	Rural Madison County & Athens PMA	8 - 13 miles
West	Commerce PMA	8 - 14 miles

4. Community Demographic Data:

- **Current and projected household and population counts for the primary market area. For senior reports, data should be presented for both overall and senior households and populations/households.**
- Total population and household losses over the next several years, (2013-2015) are forecasted for the PMA at a decreased rate of decline, represented by a rate of change approximating -0.25% per year. In the PMA, in 2010, the total population count was 38,430 versus 37,608 in 2015.
- In the PMA, in 2010, the total household count was 14,927 versus 14,582 in 2015.
- **Households by tenure including any trends in rental rates.**
- The 2010 to 2015 tenure trend revealed a decrease in both owner-occupied and renter-occupied households within the PMA. The tenure trend is forecasted to have stabilized between 2013 and 2015.
- **Households by income level.**
- It is projected that in 2015, approximately **20%** of the renter-occupied households in the PMA were in the subject's 50% AMI LIHTC target income group of \$14,845 to \$25,650.
- It is projected that in 2015, approximately **26.5%** of the renter-occupied households in the PMA were in the subject's 60% AMI LIHTC target income group of \$15,190 to \$30,780.
- In order to adjust for income overlap between the targeted income segments, the following adjustment was made. The 60% income segment estimate was reduced in order to account for overlap with the 50% AMI income target group, but only moderately, given fact that only 8-units will target renters at 50% AMI.
- It is estimated that approximately **9.5%** of the overall income qualified range will target households at the 50% AMI segment, and approximately **18%** will target households at the 60% AMI segment.
- **Impact of foreclosed, abandoned and vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development should be discussed.**
- The foreclosure problem is still very much evident Nationwide, Statewide, and to a much lesser degree in Franklin Springs and Royston. ForeclosureListings.com is a nationwide data base with approximately 680,000 listings (53% foreclosures, 6% short sales, 39%

auctions, and 11% brokers listings). As of 6/5/13, there were 0 listings in Franklin Springs, and 25 in Royston.

- In the Franklin Springs PMA and Franklin County as a whole, the relationship between the local area foreclosure market and existing supply of program assisted (family) properties is not crystal clear. However, at the time of the survey, the existing program assisted properties located within the PMA were 95% occupied, and four of the five properties maintain a waiting list.
- Note: Recent anecdotal news information points to the fact that in Georgia the majority of the foreclosure problem is concentrated in the Atlanta Metro Region more so than in rural markets within the State. Still, there are other metro housing markets in the State, as well as some rural housing markets that are severely impacted by a significant amount of foreclosures. Based on available data at the time of the survey, Franklin Springs - Royston does not appear to be one of the semi-urban housing markets that have been placed in jeopardy due to the recent foreclosure phenomenon.

5. Economic Data:

- ***Trends in employment for the county and/or region. Employment should be based on the number of jobs in the county (i.e., covered employment).***
- As represented in Figure 1 (and Table 8), between 2005 and 2007, the average increase in employment was approximately 15 workers or approximately +.15% per year. The rate of employment loss between 2008 and 2009, was very significant at almost -7%, representing a net loss of -665 workers. The rate of employment gain between 2009 and 2011, was moderate at around 1.5% per year, represented by an increase of approximately 70 workers. The 2011 to 2012, rate of decline was significant at approximately 2%, or approximately -185 workers.
- The recent trends in covered employment in Franklin County between 2010 and the 3rd Quarter of 2012 have been comparable to the cyclical trends in CLF employment within Franklin County.
- ***Employment by sector for the county and/or region.***
- The top four employment sectors in Franklin County are: manufacturing, trade, government and service. The 2013 forecast, is for the manufacturing sector to decrease and the government and service sectors to stabilize.
- ***Unemployment trends for the county and/or region for the past 5 years.***

- Monthly unemployment rates in 2011 and 2012 were among the highest exhibited in over 10-years in Franklin County. Monthly unemployment rates have remained very high in 2013, ranging between 9.6% and 11.2%. The annual unemployment rate in 2013 in Franklin County is forecasted to remain high, in the vicinity of 9% to 9.5%, but improving on a relative year to year basis.
- ***A brief discussion of any recent or planned major employment contractions or expansions.***
- At one time the primary engine of the Franklin Springs-Royston-Franklin County local economy was textiles and apparel. Over the last decade (and more) the significance of the textile/apparel industry in the County has declined and the manufacturing base has become more diversified.
- For the most part the efforts to diversify have been on two primary tracks. One track is the I-85 corridor targeting firms related to the automobile manufacturing sector, specifically the Kia Plant in West Point, GA and the BMW Plant in Spartanburg, SC. Examples related to this track include Kautex-Textron a manufacturer of auto fuel tanks, Bosal Industries a manufacturer of mufflers and exhaust systems, and the Auto Zone Distribution Center (located in Lavonia). The second track is targeting high tech firms that have relationships with the University of Georgia in Athens, which is directly connected to the area via US 29.
- Agri-business is a major component of the Franklin County economy, with a total value of approximately \$400 million. It is estimated that around 97% of the area agri-businesses are concentrated within the poultry-egg sector.
- ***An overall conclusion regarding the stability of the county's overall economic environment. This conclusion should include an opinion if the current economic environment will negatively impact the demand for additional or renovated rental housing.***
- Overall, the 2013 economic forecast for Franklin County is for a stable economy with some beginning signs of growth. Like many locales in rural Georgia the Franklin County (and adjacent counties) local economy is presently participating in an on-going battle for growth, new employment prospects, and the retention of existing businesses.
- The Franklin Springs - Royston - Franklin County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the good location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters. Those renters would come

from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, while participating in the local labor market.

- The key factor to a successful LIHTC-family new construction development will be rent positioning. As presently structured the subject's proposed net rents by AMI and bedroom type are very competitive within the current local apartment market.

6. Project-Specific Affordability and Demand Analysis:

- **Number of renter households income qualified for the proposed development given the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households.**
- The forecasted number of income qualified renter households for the proposed LIHTC development is 637.
- **Overall estimate of demand based on DCA's demand methodology.**
- The overall forecasted number of income qualified renter households for the proposed LIHTC family development taking into consideration like-kind competitive supply introduced into the market since 2011 is 637.
- Capture Rates including: Overall, LIHTC, by AMI.

Proposed Project Capture Rate All Units	6.1%
Proposed Project Capture Rate LIHTC Units	6.1%
Proposed Project Capture Rate LIHTC Units @ 50% AMI	3.5%
Proposed Project Capture Rate LIHTC Units @ 60% AMI	7.6%
Proposed Project Capture Rate Market Rate Units	Na

- **A conclusion regarding the achievability of the above Capture Rates.**
- The above capture rates are well below the GA-DCA thresholds. They are considered to be a reliable quantitative indicator of market support for the proposed subject development.

7. Competitive Rental Analysis:

- **An analysis of the competitive properties in the PMA.**
- At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was approximately 5% (4.4%). Four of the five properties maintain a waiting list.

- At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was approximately 8.7%. The majority of the vacant units were from the surveyed properties located in Anderson SC, versus the properties in Commerce and Toccoa.

• **Number of properties.**

- Five program assisted family properties, representing 114 units, were surveyed within the competitive environment.
- Seven non-subsidized, that is, conventional properties were surveyed, representing 657 units.

• **Rent bands for each bedroom type proposed.**

Bedroom type	Rent Band (Subject)	Rent Band (Market Rate)
1BR/1b	\$308-\$318	\$381 - \$508
2BR/1b	Na	Na
2BR/2b	\$361-\$396	\$447 - \$629
3BR/2b	\$400-\$460	\$704 - \$706

• **Average Market rents.**

Bedroom type	Average Market Rent
1BR/1b	\$470
2BR/1b	Na
2BR/2b	\$575
3BR/2b	\$705

8. Absorption/Stabilization Estimate:

- **An estimate of the number of units to be leased at the subject property, on average.**
- The forecasted rent-up scenario suggests an average of 6 to 7-units being leased per month.
- **Number of units expected to be leased by AMI Targeting.**

AMI Target Group	Number of units Expected to be Leased*
50% AMI	8
60% AMI	31

* at the end of the 1 to 6-month absorption period

- **Number of months required for the project to reach stabilization of 93% occupancy.**
- A 93% occupancy rate is forecasted to occur within 6-months of the placed in service date. Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period.
- **The absorption rate should coincide with other key conclusions. For example, insufficient demand or unachievable rents should be reflected in the absorption rate.**
- A reconciliation of the proposed LIHTC net rents by bedroom type with current average market rate net rents by bedroom type are supportive of the forecasted absorption and stabilization periods.

9. Overall Conclusion:

- ***A narrative detailing the key conclusions of the report including the analyst's opinion regarding the potential for success of the proposed development.***
- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**
- At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was approximately 5% (4.4%).
- At the time of the survey, four of the five surveyed program assisted family properties had a waiting list, ranging in size between 1 and 6 applicants.
- In the area of unit size, by bedroom type, the subject will offer a competitive unit size, based on the proposed floor plans.
- The subject will be very competitive with the majority of the traditional market rate apartment properties in area competitive environment in relation to the proposed subject net rents by bedroom type.
- The proposed subject 1BR net rent at 50% AMI is approximately 34% less and at 60% AMI is approximately 32% less than the competitive 1BR market rate median net rent.
- The proposed subject 2BR/2b net rent at 50% AMI is approximately 37% less and at 60% AMI is approximately 31% less than the comparable/competitive 2BR/2b market rate median net rent.
- The proposed subject 3BR/2b net rent at 50% AMI is approximately 43% less and at 60% AMI is approximately 35% less than the comparable/competitive 3BR/2b market rate median net rent.
- The subject bedroom mix is considered to be very appropriate. In the opinion of the analyst, the market is in need of larger bedroom sizes, both in terms of square footage and number of bedrooms and bathrooms.
- The proposed bedroom mix will target the vast majority of the household sizes within the PMA, and both of the proposed 2BR and 3BR units will offer two bathrooms. Most of the apartment properties within the area competitive environment offering 2BR units only have 1 or 1.5 bathrooms.

Summary Table				
Development Name: Heather Highlands			Total Number of Units: 40	
Location: Franklin Springs, GA (Franklin Co)			# LIHTC Units: 39 (1 non rev)	
PMA Boundary: North 14 miles; East 6 - 7 miles South 8 - 13 miles; West 8 - 14 miles			Farthest Boundary Distance to Subject: 14 miles	
Rental Housing Stock (found on pages 63 - 83)				
Type	# Properties	Total Units	Vacant Units	Avg Occupancy
All Rental Housing	12	771	62	92.0%
Market Rate Housing	7	657	57	91.3%
Assisted/Subsidized Housing Ex LIHTC	5	114	5	95.6%
LIHTC	0	0	0	0.0%
Stabilized Comps	5	537	57	89.4%
Properties in Lease Up	Na	Na	Na	Na

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
Number Units	Number Bedrooms	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Adv (%)	Per Unit	Per SF
8	1	1	850	\$308-\$318	\$470	\$.69	32-34%	\$505	\$.63
24	2	2	1100	\$361-\$396	\$575	\$.61	31-37%	\$615	\$.65
7	3	2	1250	\$400-\$460	\$705	\$.56	35-43%	\$750	\$.52

Demographic Data (found on pages 35 & 58)						
	2010		2013		2015	
Renter Households	3,757	25.17%	3,681	25.12%	3,659	25.09%
Income-Qualified Renter HHs (LIHTC)	639	17.00%	635	17.25%	637	17.41%
Income-Qualified Renter HHs (MR) (if applicable)	Na	%	Na	%	Na	%

Targeted Income Qualified Renter Household Demand (found on pages 53 - 58)						
Type of Demand	30%	50%	60%	MR	Other	Overall
Renter Household Growth		-2	-4			-6
Existing Households		233	410			643
Homeowner Conversion (Seniors)		Na	Na			Na
Total Primary Market Demand		231	406			637
Less Comparable Supply		0	0			0
Adjusted Income-Qualified Renter HHs		231	406			637
Capture Rates (found on page 59 - 60)						
Targeted Population	30%	50%	60%	MR	Other	Overall
Capture Rate		3.5%	7.6%			6.1%

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT
DESCRIPTION

The proposed LIHTC multi-family development will target the general population in Franklin Springs and Franklin County, Georgia. The subject property is located off US highway 29, 1.5 miles west of Downtown Royston and 1 mile east of Franklin Springs.

Scope of Work

The market study assignment was to ascertain market demand for a proposed new construction multi-family LIHTC development to be known as the **Heather Highlands Apartments**, for the Heather Highlands Apartments, L.P., under the following scenario:

Project Description:

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	Na	850
2BR/2b	24	Na	1,100
3BR/2b	8	Na	1,250
Total	40*		

*1 3BR unit will be set aside for management

The proposed new construction development project design comprises 5 two-story, 8-plex residential buildings. The development design provides for 80-parking spaces. The development will include a separate building to be use as a clubhouse/community room, central laundry, and manager's office.

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

Project Rents:

The proposed development will target 20% of the units at 50% or below of area median income (AMI), and 80% of the units at 60% AMI. Rent excludes water, sewer and includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	2	\$308	\$125	\$433
2BR/2b	4	\$361	\$159	\$520
3BR/2b	2	\$400	\$200	\$600

*Based upon GA-DCA North Region Utility Allowances.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	6	\$318	\$125	\$443
2BR/2b	20	\$396	\$159	\$555
3BR/2b	5	\$460	\$200	\$660

*Based upon GA-DCA North Region Utility Allowances.

The proposed development will not have any project base rental assistant, nor private rental assistance.

Amenity Package

The proposed development will include the following amenity package:

Unit Amenities

- range
- disposal
- central air
- smoke alarms
- carpet
- microwave
- storage
- refrigerator
- dish washer
- cable ready
- washer/dryer hook-ups
- window coverings
- patio/balcony

Development Amenities

- manager's office
- laundry facility
- exercise room
- playground
- bus stop
- clubhouse
- activity center & resource room
- covered pavilion w/picnic, grill
- park benches & outdoor lighting
- gazebo

The estimated projected first full year that the **Heather Highlands Apartments** will be placed in service as a new construction property, is mid to late 2015. The first full year of occupancy is forecasted to be in 2015. Note: The 2013 GA QAP states that "owners of projects receiving credits in the 2013 round must place all buildings in the project in service by December 31, 2015.

The architectural firm for the proposed development is McKean & Associates Architects, LLC. At the time of the market study, the floor plans and elevations had been completed. The plans submitted to the market analyst were reviewed.

Utility estimated are based upon Georgia DCA utility allowances for the North Region. Effective date: June 1, 2013.

SECTION C
SITE & NEIGHBORHOOD

The site of the proposed LIHTC new construction apartment development is located off US Highway 29, in the extreme eastern portion of Franklin Springs, within the city limits, approximately .3 miles from the Royston city limits. Specifically, the site is located in Census Tract 8904 and Zip Code 30639.

Note: The site is not located within a Qualified Census Tract (QCT). However, it is eligible as a USDA Rural Development property.

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers, public schools, and area churches. All major facilities in Franklin Springs and Royston can be accessed within a 5-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

Site Characteristics

The approximately 8-acre, polygon shaped tract is mostly cleared and is undulating. At present, a vacant single-family home and a vacant produce stand are located on the tract. The development plan stipulated that these structures are to be demolished and removed from the site. The site is not located within a 100-year flood plain. Source: FEMA website (www.msc.fema.gov), Map Number 13119C0217C, Effective Date: September 26, 2008. All public utility services are available to the tract and excess capacity exists. However, these assessments are subject to both environmental and engineering studies.

The site is zoned R (Residential), which allows multi-family development. The surrounding land uses and zoning designations around the site are detailed below:

Direction	Existing Land Use	Zoning
North	Vacant	R
East	Vacant & Commercial	R
South	Commercial	C
West	Vacant & Single-family	R

R - Residential
C - Commercial

Source: Official Zoning Map of Franklin Springs, GA

Neighborhood Description / Characteristics

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

Directly north of the tract is vacant land use.

Directly south of the tract is US Highway 29, followed by a Ford Dealership.

Directly west of the tract is vacant land, and low density single-family development along US Highway 29.

Directly east of the tract is vacant land, and along US Highway 29, the Bar H Restaurant, the Franklin Springs Inn (a motel), and several single-family dwellings.

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

Crime Statistics

The overall setting of the site is considered to be one that is acceptable for continuing residential and commercial development within the present neighborhood setting. The immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. The most recent crime rate trend data for Franklin County reported by the Georgia Bureau of Investigation, in 2011 is exhibited below.

Type of Offence	Number of Offences	% of Total
Murder	2	0.30
Rape	2	0.30
Robbery	7	1.05
Assault	16	2.40
Burglary	158	23.72
Larceny	460	69.07
Vehicle Theft	21	3.15
Total	666	100%

Source: Georgia Bureau of Investigation



(1) Buildable area of site, south to north.



(2) Site to the right, off US 29, east to west.



(3) Entrance area into site, off US 29, south to north.



(4) Water Tower adjacent to site.

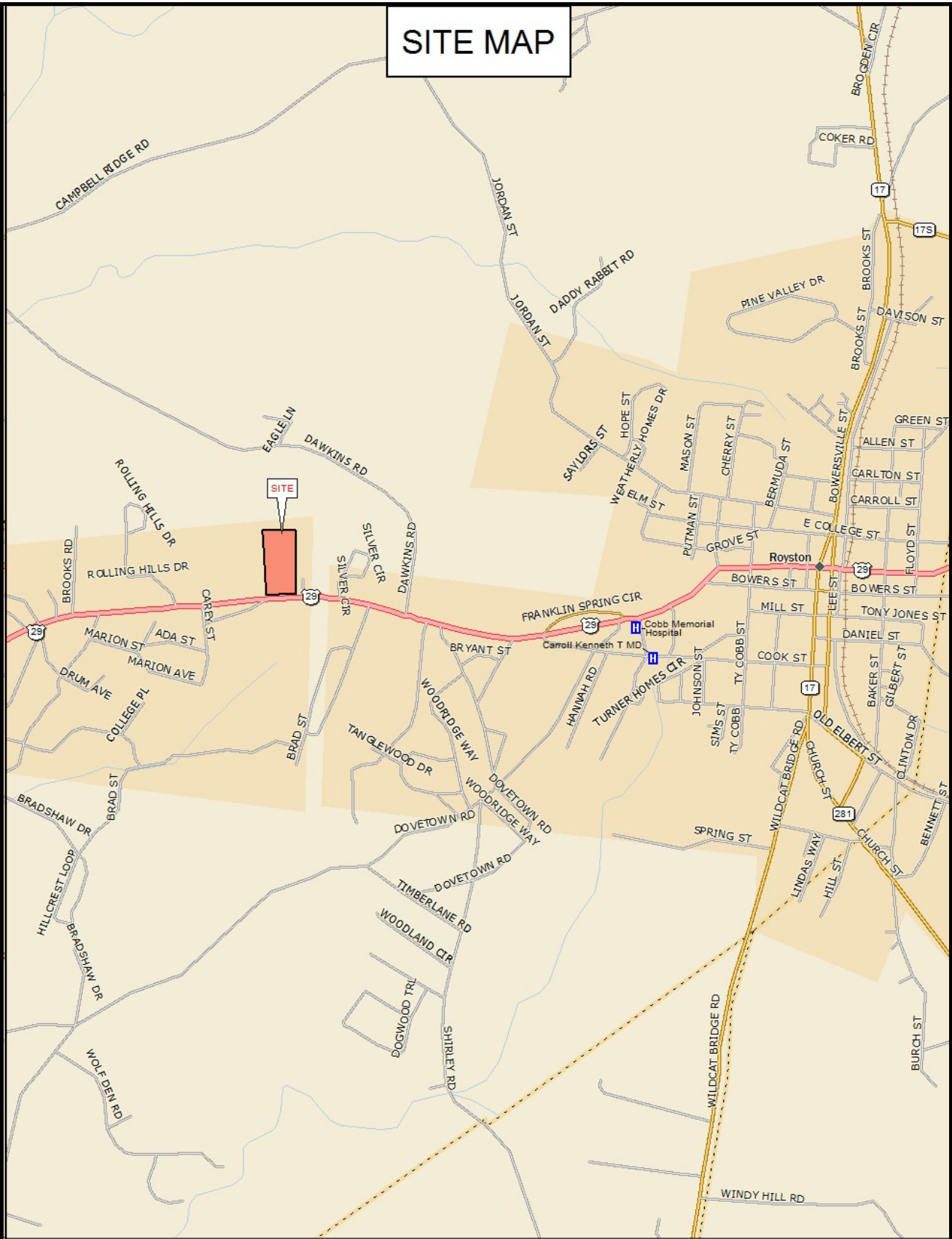


(5) Bar H Restaurant, off US 29, site to the left.

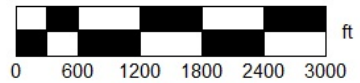
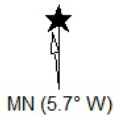


(6) Ford Dealership, across from site, off US 29.

SITE MAP



Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2010.
www.delorme.com



Data Zoom 13-3

Access to Services

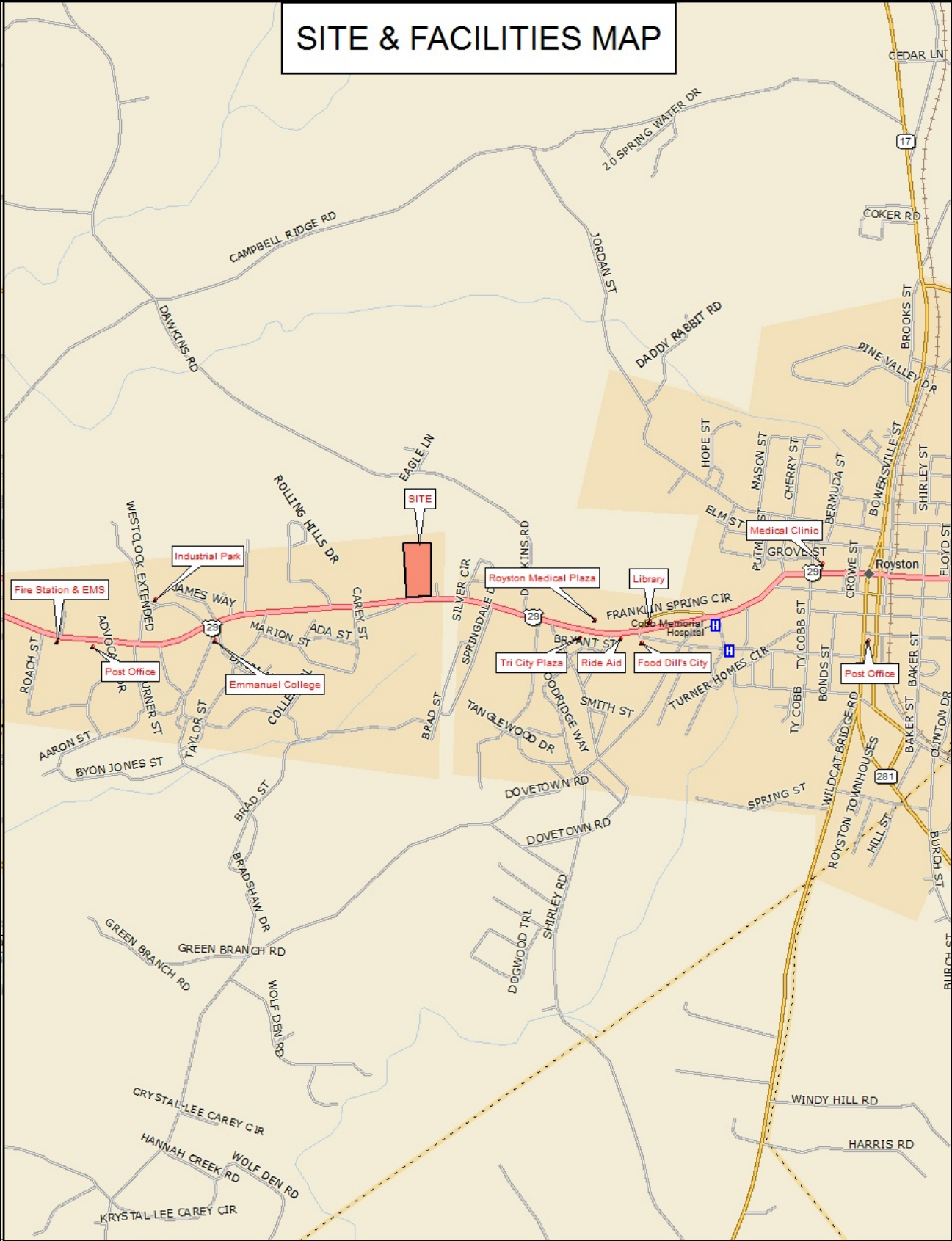
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

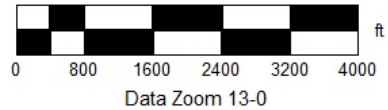
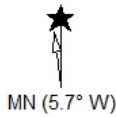
Points of Interest	Distance from Subject
Access to US 29	.1
Tri County Plaza (BILO grocery)	.3
Royston city limits	.4
Royston Medical Plaza	.5
Rite Aid Pharmacy	.5
Food Dill's City (grocery)	.6
Library	.7
Emmanuel College	.8
Franklin Industrial Park	1.0
Franklin Post Office	1.0
Franklin Fire Station & EMS	1.1
Royston Medical Clinic	1.3
Downtown Royston	1.4
Hart County line	1.7
Royston Community Park	2.1
Royston Industrial Park	2.8
Auto Zone Distribution Center	11.0
Access to I-85	14.0

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

SITE & FACILITIES MAP



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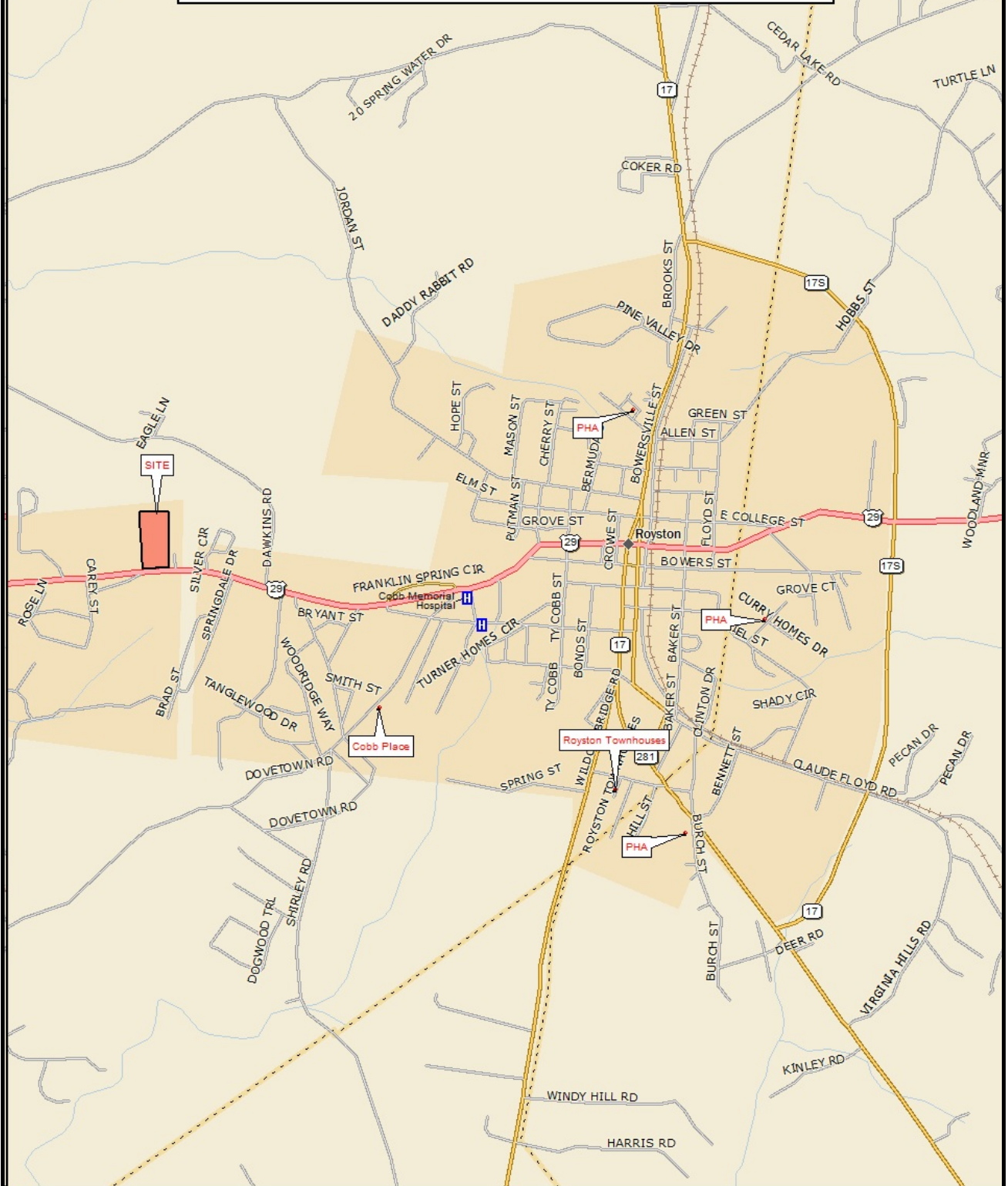
Family Program Assisted Apartments within the Franklin Springs & Royston

At present there are three program assisted family apartment complexes, including the Royston Housing Authority located within Franklin Springs and Royston. A map (on the next page) exhibits the competitive program assisted family properties located within both Franklin Springs and Royston in relation to the site.

Project Name	Program Type	Number of Units	Distance from Site
Cobb Place	USDA-RD fm	24	1.1
Royston Townhouses	USDA-RD fm	24	1.9
Royston PHA	PHA	185	scattered

Distance in tenths of miles

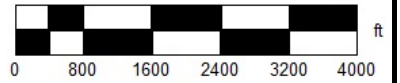
Family Program Assisted Properties Located w/in Franklin Springs & Royston



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MN (5.7° W)



Data Zoom 13-0

SUMMARY

The field visits for the site and surrounding market area were conducted on May 28, 2013. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: commercial, vacant land use, and nearby single-family residential use. The site is located in the extreme eastern portion of Franklin Springs, within the city limits, approximately .3 miles from the Royston city limits.

Access to the site is available off US Highway 29, via a short access way to the buildable area of the site. US Highway 29 is the major east-west connector in the market, linking the site to both Franklin Springs and Royston. It is a low to medium density traveled road, with a speed limit of 45 miles per hour in the immediate vicinity of the site. Also, the location of the site off US Highway 29 does not present problems of egress and ingress to the site.

The site offers very good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities, including: noxious odors, close proximity to cemeteries, high tension power lines, rail lines and junk yards.

The site in relation to the subject and the surrounding roads is very agreeable to signage, and offers very good visibility via nearby traffic along US Highway 29.

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

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, employment nodes and two grocery stores	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

SECTION D

MARKET AREA DESCRIPTION

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

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

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

Primary Market Area

Based upon field research in Franklin Springs, Royston, and Elbert, Franklin, Hart, and Madison Counties, along with an assessment of relevant items including: the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers, the Primary Market Area for the proposed LIHTC multi-family development consists of the following census tracts in Elbert, Franklin, Hart, and Madison Counties:

Elbert County

9901

Franklin County

8901 - 8904

Hart County

9602 & 9603

Madison County

202 & 206

Franklin Springs is centrally located within the delineated PMA. It is a small city with a 2010 population of 952, that has merged with nearby Royston along US Highway 29. Together these two places comprise the largest populated area within the PMA with a 2010 population of 3,534.

The Franklin Springs PMA also includes six other incorporated places:

Bowman: (2010 population - 862),
 Bowersville: (2010 population - 465),
 Canon: (2010 population - 804),
 Carnesville: (2010 population - 577),
 Danielsville: (2010 population - 560), and
 Lavonia: (2010 population - 2,156).

The Franklin Springs PMA excluded the Hartwell PMA in Hart County, the Toccoa PMA in Stephens County. In addition, it exclude the Athens and Commerce PMA's, south and southwest of Franklin Springs.

The PMA is bounded as follows:

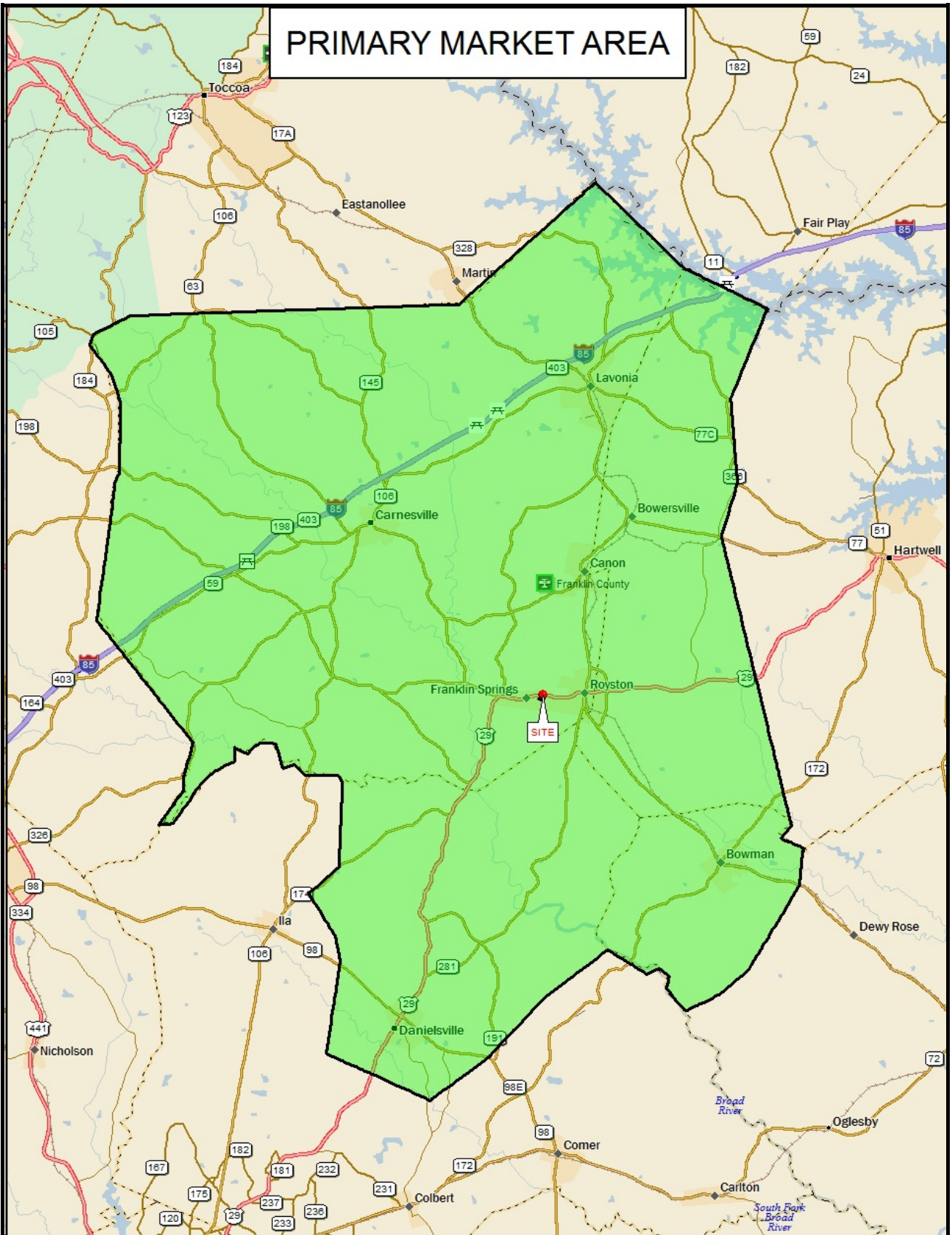
Direction	Boundary	Distance from Subject
North	Toccoa PMA & Hartwell Lake	14 miles
East	Hartwell PMA	6 - 7 miles
South	Rural Madison County & Athens PMA	8 - 13 miles
West	Commerce PMA	8 - 14 miles

Transportation access to the PMA and within the PMA is excellent. US Highway 29 and State Road 17 are the major connectors serving Franklin Springs and Royston. Access to I-85, is approximately 14 miles north of Franklin Springs and Royston.

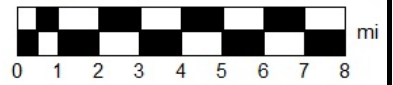
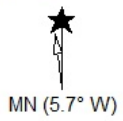
Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the PMA, principally from out of market, as well as from out of state. Note: The demand methodology **excluded** any potential demand from a SMA, as stipulated within the 2013 GA-DCA market study guidelines.

PRIMARY MARKET AREA



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Data Zoom 9-5

SECTION E
COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 6 exhibit indicators of trends in total population and household growth, for Franklin Springs, the Franklin Springs PMA, and Franklin County.

Population Trends

Table 1, exhibits the change in **total** population in Franklin Springs, Royston, the Franklin Springs PMA, and Franklin County between 2000 and 2018.

The year 2015 is estimated to be the first year of availability for occupancy of the subject property, as noted within the 2013 GA-DCA Market Study Manual. The year 2013 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure, in accordance with the 2013 GA-DCA Market Study Manual (page 8 of 16, Section 3, item a).

The PMA exhibited moderate to significant total population gains between 2000 and 2010, at approximately +.85% per year. Population losses over the next several years, (2010-2015) are forecasted for the PMA at a modest to moderate rate of decline, represented by a rate of change approximating -.25% to -.50% per year.

The projected change in population for both Franklin Springs and Royston is subject to local annexation policy and in-migration of rural county and surrounding county residents. However, recent indicators, including the 2010 US Census estimates (at the place level) suggest that the population trend of the early 2000's in both Franklin Springs and Royston has continued at a similar rate of gain.

Population Projection Methodology

The forecast for total population is based primarily upon the 2000 and 2010 census, as well as the Nielsen-Claritas 2013 and 2018 population projections.

- Sources: (1) 2000 and 2010 US Census.
(2) Nielsen Claritas 2013 and 2018 Projections.
(3) 2012 US Census population estimates.

Table 1					
Total Population Trends and Projections: Franklin Springs, Royston, Franklin Springs PMA and Franklin County					
Year	Population	Total Change	Percent	Annual Change	Percent
Franklin Springs					
2000	762	-----	-----	-----	-----
2010	952	+ 190	+ 24.93	+ 19	+ 2.49
Royston					
2000	2,493	-----	-----	-----	-----
2010	2,582	+ 89	+ 3.57	+ 9	+ 0.36
Franklin Springs PMA					
2000	35,327	-----	-----	-----	-----
2010	38,430	+ 3,103	+ 8.78	+ 310	+ 0.88
2013	37,780	- 650	- 1.69	- 217	- 0.56
2015*	37,608	- 172	- 0.46	- 86	- 0.23
2018	37,351	- 257	- 0.68	- 86	- 0.23
Franklin County					
2000	20,285	-----	-----	-----	-----
2010	22,084	+ 1,799	+ 8.87	+ 180	+ 0.89
2013	21,589	- 495	- 2.24	- 165	- 0.75
2015	21,425	- 164	- 0.76	- 82	- 0.38
2018	21,180	- 245	- 1.14	- 82	- 0.38

* 2015 - Estimated year that project is placed in service.

Calculations - Koontz and Salinger. June, 2013.

Table 2 exhibits the change in population by age group within the Franklin Springs PMA between 2010 and 2013.

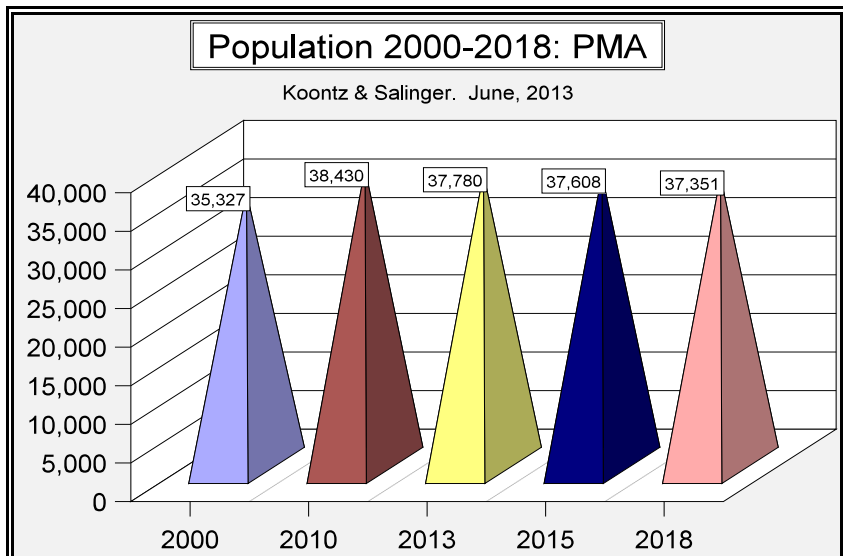
Table 2						
Population by Age Groups: Franklin Springs PMA, 2010 - 2013						
	2010 Number	2010 Percent	2013 Number	2013 Percent	Change Number	Change Percent
Age Group						
0 - 20	10,461	27.22	10,136	26.83	- 325	- 3.11
21 - 24	1,766	4.60	1,880	4.98	+ 114	+ 6.46
25 - 44	9,227	24.01	8,765	23.20	- 462	- 5.01
45 - 54	5,749	14.96	5,395	14.28	- 354	- 6.16
55 - 64	5,158	13.42	5,156	13.56	- 2	- 0.04
65 +	6,069	15.79	6,448	17.07	+ 379	+ 6.24

Sources: 2010 Census of Population, Georgia.
 Nielsen-Claritas 2013 Projections.
 Koontz and Salinger. June, 2013.

Table 2 revealed that population decreased in most of the displayed age groups within the Franklin Springs PMA between 2010 and 2013. The decrease was moderate in the primary renter age group: of 21 to 44, exhibiting a decline of approximately 3% between 2010 and 2013. Overall, a significant portion of the total countywide population is in the target property primary renter group of 21 to 44, representing slightly over 28% of the total population.

Between 2013 and 2015 total population is projected to decrease in the PMA at approximately -0.25% per year. It is estimated that most of the decline has been occurring in the rural areas of the PMA and also owing to out-migration of working class households seeking employment elsewhere.

The figure to the right presents a graphic display of the numeric change in population in the PMA between 2000 and 2018.



HOUSEHOLD TRENDS & CHARACTERISTICS

Table 3 exhibits the change in total households in the Franklin Springs PMA between 2000 and 2018. The modest decrease in household formations in the PMA has continued over a 10 year period. The overall rate of decline in household formations is approximately $-.50\%$ per year, between 2010 and 2015.

The increase in the rate of persons per household has continued over the last 10 years and is projected to continue at a much reduced rate of gain between 2010 and 2018 in the PMA. The change in the rate of decline is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecasted estimate in group quarters is based upon trends observed in the 2000 and 2010 US Censuses.

Table 3					
Household Formations: 2000 to 2018					
Franklin Springs PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
2000	35,327	620	34,707	2.5210	13,767
2010	38,430	663	37,767	2.5301	14,927
2013	37,780	650	37,130	2.5334	14,656
2015	37,608	650	36,958	2.5345	14,582
2018	37,351	645	36,706	2.5367	14,470

Sources: Nielsen Claritas Projections.
2000 and 2010 Census of Population, Georgia.

Calculations: Koontz & Salinger. June, 2013.

Table 4 exhibits households in the Franklin Springs PMA by owner-occupied and renter-occupied tenure. The 2013 to 2018 projected trend exhibits stabilization when compared to the 2000 and 2010 census based tenure ratios.

Overall, modest net numerical losses are forecasted for both owner-occupied and renter-occupied households in the PMA.

<p style="text-align: center;">Table 4</p> <p style="text-align: center;">Households by Tenure: 2000-2018</p> <p style="text-align: center;">Franklin Springs PMA</p>					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	13,767	11,106	80.67	2,661	19.33
2010	14,927	11,170	74.83	3,757	25.17
2013	14,656	10,975	74.88	3,681	25.12
2015	14,582	10,923	74.91	3,659	25.09
2018	14,470	10,846	74.96	3,624	25.04

Sources: 2000 & 2010 Census of Population, Georgia.
 Nielsen Claritas Projections.
 Koontz and Salinger. June, 2013.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

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

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

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

The estimate of the upper income limit is based on the most recent set of HUD Median Income Guidelines for five person households (the maximum household size for a 3BR unit, for the purpose of establishing income limits) in Franklin County, Georgia at 50% and 60% of the area median income (AMI).

Tables 5A and 5B exhibit renter households, by income group, in the Franklin Springs PMA estimated in 2010, and forecasted in 2013 and 2018.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2013 and 2018, with a base year data set comprising a 2010 average, based upon the 2006 to 2010 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2006 to 2010 American Community Survey.

Tables 5A and 5B exhibit renter-occupied households, by income in the Franklin Springs PMA in 2010, and projected in 2013 and 2018.

Table 5A				
Franklin Springs PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2010 Number	2010 Percent	2013 Number	2013 Percent
Under \$10,000	850	22.83	968	26.30
10,000 - 20,000	787	21.14	836	22.71
20,000 - 30,000	603	16.20	539	14.64
30,000 - 40,000	445	11.95	419	11.38
40,000 - 50,000	321	8.62	248	6.74
50,000 - 60,000	260	6.98	262	7.12
60,000 +	457	12.28	409	11.11
Total	3,723	100%	3,681	100%

Table 5B				
Franklin Springs PMA: Renter-Occupied Households, by Income Groups				
Households by Income	2013 Number	2013 Percent	2018 Number	2018 Percent
Under \$10,000	968	26.30	972	26.82
10,000 - 20,000	836	22.71	827	22.82
20,000 - 30,000	539	14.64	504	13.91
30,000 - 40,000	419	11.38	407	11.23
40,000 - 50,000	248	6.74	236	6.51
50,000 - 60,000	262	7.12	265	7.31
60,000 +	409	11.11	413	11.40
Total	3,681	100%	3,624	100%

Sources: 2006 - 2010 American Community Survey.
 Nielsen Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. June, 2013.

Table 6

**Households by Tenure, by Person Per Household
Franklin Springs PMA, 2013 - 2018**

Households	Owner				Renter			
	2013	2018	Change	% 2013	2013	2018	Change	% 2013
1 Person	2,434	2,410	- 24	22.22%	1,238	1,219	- 19	33.64%
2 Person	4,201	4,142	- 59	38.19%	941	922	- 19	25.44%
3 Person	1,897	1,877	- 20	17.31%	633	624	- 9	17.22%
4 Person	1,460	1,439	- 21	13.27%	447	439	- 8	12.11%
5 + Person	983	978	- 5	9.02%	422	420	- 2	11.59%
Total	10,975	10,846	- 129	100%	3,681	3,624	- 57	100%

Sources: 2010 American Community Survey, North Carolina.
Nielsen Claritas 2013 Projections.
Koontz and Salinger. June, 2013.

Table 6 indicates that in 2013 approximately 95% of the renter-occupied households within the Franklin Springs PMA contain 1 to 5 persons (the target group by household size).

The majority of these households are:

- singles,
- couples, roommates,
- single head of households with children, and
- families with children.

One person households are typically attracted to both 1 and 2 bedroom rental units and 2 and 3 person households are typically attracted to 2 bedroom units, and to a lesser degree three bedroom units. It is estimated that between 20% and 25% of the renter households in the PMA fit the bedroom profile for a 3BR unit. Given the proposed income targeting, rent positioning of the subject and 2013 to 2015 trends, the appropriate estimate is considered to be approximately 20%.

SECTION F
ECONOMIC & EMPLOYMENT
TRENDS

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net in-

migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 7 through 13 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Franklin County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 7			
Civilian Labor Force and Employment Trends, Franklin County: 2005, 2011 and 2012			
	2005	2011	2012
Civilian Labor Force	10,455	10,277	10,016
Employment	9,871	9,138	8,952
Unemployment	584	1,139	1,064
Rate of Unemployment	5.6%	11.1%	10.6%

Table 8				
Change in Employment, Franklin County				
Years	# Total	# Annual*	% Total	% Annual*
2005 - 2007	+ 46	+ 15	+ 0.47	+ 0.16
2008 - 2009	- 665	Na	- 6.88	Na
2009 - 2011	+ 142	+ 71	+ 1.58	+ 0.79
2011 - 2012	- 186	Na	- 2.04	Na

* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2005 - 2012. Georgia Department of Labor, Workforce Information Analysis. Koontz and Salinger. June, 2013.

Table 9 exhibits the annual change in civilian labor force employment in Franklin County between 2005 and 2013. Also, exhibited are unemployment rates for the County, State and Nation.

Table 9							
Change in Labor Force: 2005 - 2013							
	Franklin County					GA	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2005	10,455	9,871	-----	584	5.6%	5.2%	5.1%
2006	10,751	10,208	227	543	5.1%	4.7%	4.6%
2007	10,440	9,917	(291)	523	5.0%	4.6%	4.6%
2008	10,392	9,661	(256)	731	7.0%	6.3%	5.8%
2009	10,189	8,996	(665)	1,193	11.7%	9.8%	9.3%
2010	10,226	9,031	35	1,195	11.7%	10.2%	9.6%
2011	10,277	9,138	107	1,139	11.1%	9.8%	8.9%
2012	10,016	8,952	(186)	1,064	10.6%	9.0%	8.1%
Month							
1/2013	10,017	8,896	-----	1,121	11.2%	9.1%	8.5%
2/2013	9,727	8,728	(168)	999	10.3%	8.5%	8.1%
3/2013	9,697	8,768	40	929	9.6%	8.1%	7.6%

Sources: Georgia Labor Force Estimates, 2005 - 2013.
 Georgia Department of Labor, Workforce Information Analysis.
 Koontz and Salinger. June, 2013.

Table 10 exhibits the annual change in covered employment in Franklin County between 2000 and 2012. Covered employment data differs from civilian labor force data in that it is based on a place -of- service work basis within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers.

Table 10		
Change in Covered Employment: 2000 - 2012		
Year	Employed	Change
2000	75825	-----
2001	7,387	(195)
2002	7,604	217
2003	7,667	63
2004	7,816	149
2005	7,776	(40)
2006	8,004	228
2007	7,576	(428)
2008	7,318	(258)
2009	6,662	(656)
2010	6,548	(114)
2011	6,607	59
2012 1 st Q	6,685	-----
2012 2 nd Q	6,448	(237)
2012 3 rd Q	6,198	(250)

Sources: Georgia Department of Labor, Workforce Information Analysis, 2000 and 2012. Koontz and Salinger. June, 2013.

Commuting

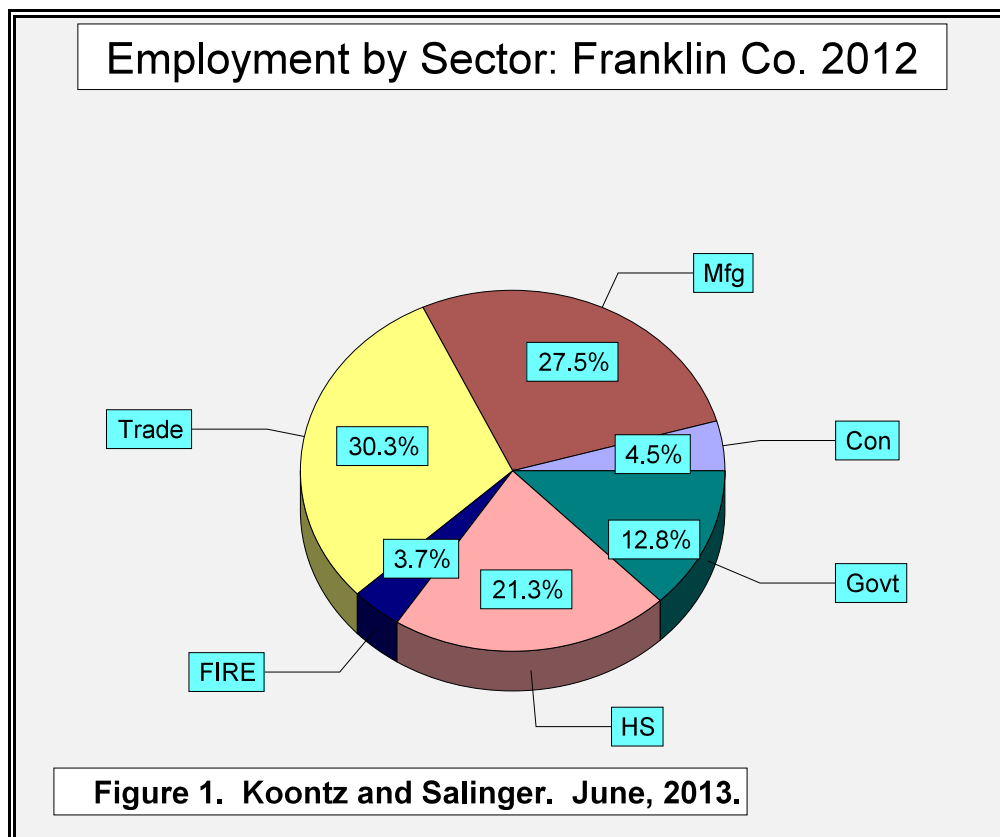
The majority of the workforce have relatively short commutes to work within Franklin Springs and Franklin County. Average commuting times range between 15 and 25 minutes. It is estimated that approximately 50% of the PMA workforce commutes out of county to work. The majority commute to the surrounding adjacent counties, in particular Clarke, Hart, Stephens County, as well as into South Carolina.

Source: 2007-2011 American Community Survey, US Census.

Table 11 Average Monthly Covered Employment by Sector, Franklin County, 3 rd Quarter 2011 and 2012							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2011	6,620	136	1,168	1,052	151	693	457
2012	6,198	159	972	1,071	132	753	452
11-12 # Ch.	- 422	+ 23	- 196	+ 19	- 19	+ 60	- 5
11-12 % Ch.	- 6.4	+16.9	-16.8	+ 1.8	-12.6	+ 8.7	-1.1

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

Figure 1 exhibits employment by sector in Franklin County in the 3rd Quarter of 2012. The top four employment sectors are: manufacturing, trade, government and service. The 2013 forecast, is for the manufacturing sector to decrease & the government sector to stabilize.



Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, 2010 and 2012.
Koontz and Salinger. June, 2013.

Table 12, exhibits average annual weekly wages in the 3rd Quarter of 2011 and 2012 in the major employment sectors in Franklin County. It is estimated that the majority of workers in the service and trade sectors in 2013 will have average weekly wages between \$300 and \$750.

Table 12				
Average 3 rd Quarter Weekly Wages, 2011 and 2012 Franklin County				
Employment Sector	2011	2012	% Numerical Change	Annual Rate of Change
Total	\$ 598	\$ 605	+ 7	+ 1.1
Construction	\$ 949	\$ 885	- 64	- 6.7
Manufacturing	\$ 797	\$ 765	- 32	- 4.0
Wholesale Trade	\$ 764	\$ 706	- 58	- 7.6
Retail Trade	\$ 444	\$ 456	+ 12	+ 2.7
Transportation & Warehouse	\$ 718	\$ 723	+ 5	+ 0.7
Finance & Insurance	\$ 698	\$ 710	+ 12	+ 1.7
Real Estate Leasing	\$ 257	\$ 443	+186	+72.4
Health Care Services	\$ 675	\$ 747	+ 72	+10.7
Hospitality	\$ 235	\$ 222	- 13	- 5.5
Federal Government	Na	Na	Na	Na
State Government	\$ 516	\$ 485	- 31	- 6.0
Local Government	\$ 576	\$ 519	- 57	- 9.9

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2011 and 2012.

Koontz and Salinger. June, 2013.

Major Employers

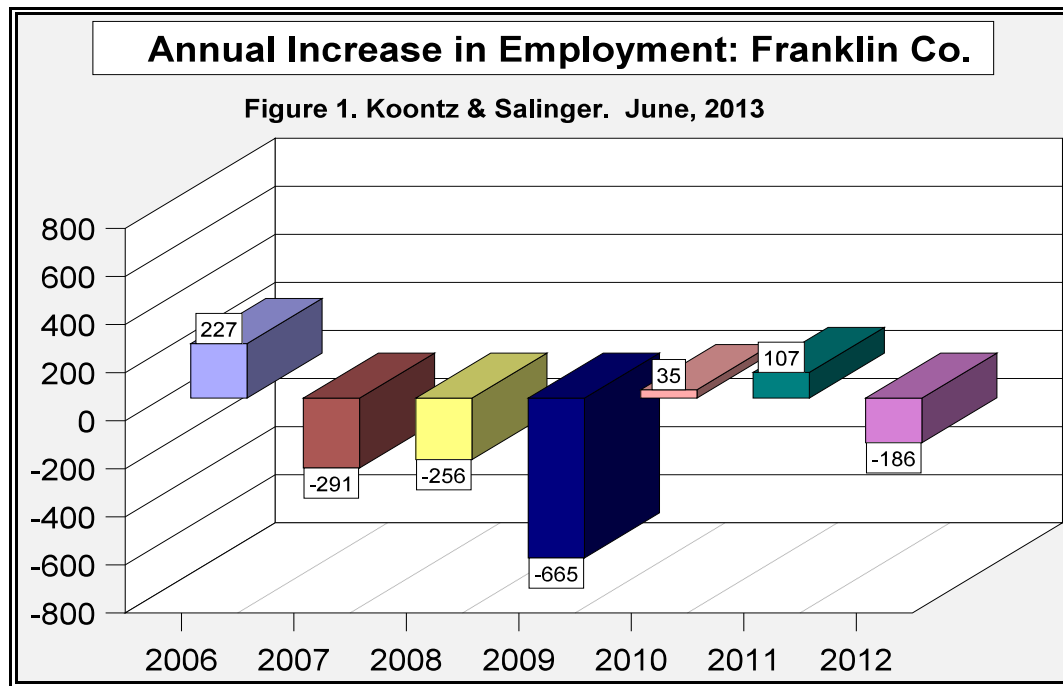
The major employers in Franklin Springs, Royston and Franklin County are listed in Table 13.

Table 13		
Major Employers		
Firm	Product/Service	Employees
Franklin County	School System	550+
Auto Zone	Distribution Center	540
Ty Cobb Health Care	Healthcare	500
Pharmatech	Pharmaceuticals	250+
Franklin County	Government	226
Carry-On-Trailers	Utility Trailers	225
Roycelon	Metal Fabrication	250
Kautex Textron	Auto Fuel Tanks	227
Tri-State Distributors	Distribution Center	115
Emmanuel College	Education	102
Fanello Industries	Tool & Die	122
Bosal Industries	Auto Exhaust Systems	76
Texco	Mattresses	40
Lodestar Inc.	Building Trusses	36
Ross Controls	Pneumatic Valves	49

Source: Franklin County Chamber of Commerce & Industrial Building Authority

SUMMARY

The economic situation for Franklin County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 7-13, Franklin County experienced moderate employment gains between 2005 and 2006. Between 2007 and 2009, in particular in 2009, the decrease in employment in Franklin County was moderate to very significant, owing to the recent "deep recession". The negative trend reversed in 2010, and continued into 2011, only to reverse again in 2012, and exhibited a decline. Early trend data thus far into 2013, provides no clear indication of the year as a whole regarding employment gains or losses.



As represented in Figure 1 (and Table 8), between 2005 and 2007, the average increase in employment was approximately 15 workers or approximately +.15% per year. The rate of employment loss between 2008 and 2009, was very significant at almost -7%, representing a net loss of -665 workers. The rate of employment gain between 2009 and 2011, was moderate at around 1.5% per year, represented by an increase of approximately 70 workers. The 2011 to 2012, rate of decline was significant at approximately 2%, or approximately -185 workers.

Monthly unemployment rates in 2011 and 2012 were among the highest exhibited in over 10-years in Franklin County. Monthly unemployment rates have remained very high in 2013, ranging between 9.6% and 11.2%. These rates of unemployment for the local economy are reflective of Franklin County participating in the last State, National, and Global recession and the subsequent period of slow to very slow recovery growth. The last recession was severe. The National forecast for 2013 (at present) is for the unemployment rate to approximate 7% to 7.5%, in the later portion of the year. Typically, during the last three years, the overall unemployment rate in Franklin County has been, on average, 1.5% greater than the state average unemployment rate, and 2% to 2.5%

greater than the national average. The annual unemployment rate in 2013 in Franklin County is forecasted to remain high, in the vicinity of 9% to 9.5%, but improving on a relative year to year basis.

At one time the primary engine of the Franklin Springs-Royston-Franklin County local economy was textiles and apparel. Over the last decade (and more) the significance of the textile/apparel industry in the County has declined and the manufacturing base has become more diversified.

For the most part the efforts to diversify have been on two primary tracks. One track is the I-85 corridor targeting firms related to the automobile manufacturing sector, specifically the Kia Plant in West Point, GA and the BMW Plant in Spartanburg, SC. Examples related to this track include Kautex-Textron a manufacturer of auto fuel tanks, Bosal Industries a manufacturer of mufflers and exhaust systems, and the Auto Zone Distribution Center (located in Lavonia). The second track is targeting high tech firms that have relationships with the University of Georgia in Athens, which is directly connected to the area via US Highway 29.

Agri-business is a major component of the Franklin County economy, with a total value of approximately \$400 million. It is estimated that around 97% of the area agri-businesses are concentrated within the poultry-egg sector.

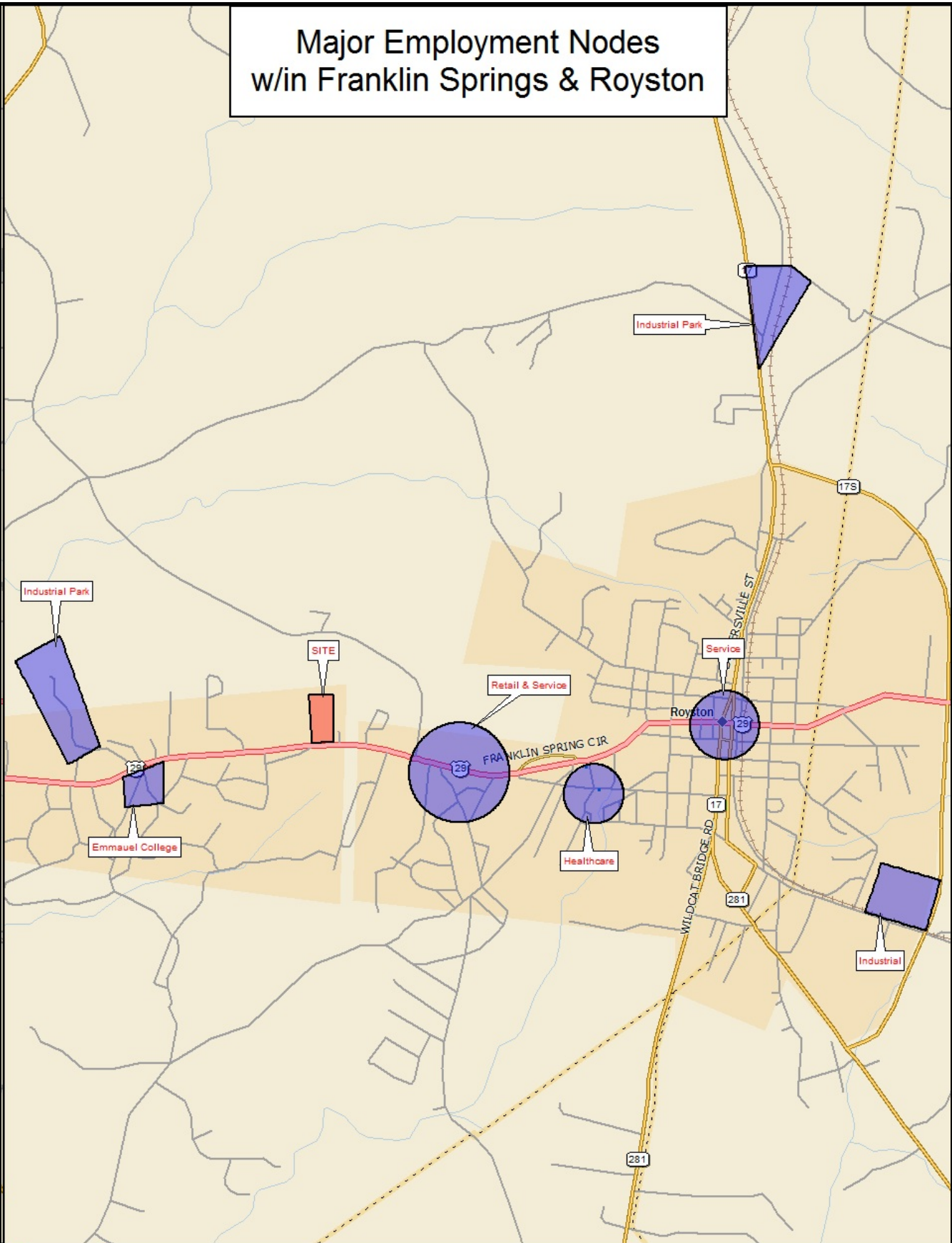
Local Economy - Relative to Subject & Impact on Housing Demand

Overall, the 2013 economic forecast for Franklin County is for a stable economy, with some beginning signs of growth. Like many locales in rural Georgia the Franklin County (and adjacent counties) local economy is presently participating in an on-going battle for growth, new employment prospects, and the retention of existing businesses. Source: Franklin County Chamber of Commerce & Industrial Building Authority, Ms Lynne Allen, Director of Economic Development, (706) 384-4659.

The Franklin Springs - Royston - Franklin County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the good location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters. The renters would come from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, while participating in the local labor market.

A map of the major employment concentrations in Franklin Springs and Royston is exhibited on the next page.

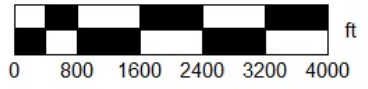
Major Employment Nodes w/in Franklin Springs & Royston



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MN (5.7° W)



Data Zoom 12-7

SECTION G

PROJECT-SPECIFIC DEMAND ANALYSIS

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

Springs market. In addition, given the amount of substandard housing that still exists in the PMA market, the potential demand from substandard housing will be examined.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units.

In this section, the effective project size is 40-units (1-unit is set aside for management as a non revenue unit). Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 5A and 5B from the previous section of the report.

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

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

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

Income Threshold Parameters

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

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2013 HUD Income Guidelines were used.
- (5) - 0% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 40 one, two and three bedroom units. The recommended maximum number of people per unit is:

- 1BR - 1 and 2 persons
- 2BR - 2, 3 and 4 persons
- 3BR - 3, 4, 5 and 6 persons

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

The proposed development will target 20% of the units at 50% or below of area median income (AMI), and 80% at 60% AMI.

The lower portion of the LIHTC target income ranges is set by the proposed subject 1BR, 2BR, and 3BR rents at 50% and 60% AMI.

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

The proposed 1BR net rent at 50% AMI is \$308. The estimated utility costs is \$125. The proposed 1BR gross rent at 50% AMI is \$433. Based on the proposed gross rents the lower income limits at 50% AMI was established at \$14,845.

The proposed 1BR net rent at 60% AMI is \$318. The estimated utility costs is \$125. The proposed 1BR gross rent at 60% AMI is \$443. Based on the proposed gross rent the lower income limits at 60% AMI was established at \$15,190.

The AMI at 50% and 60% for 1 to 5 person households in Franklin County follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$16,650	\$19,980
2 Person -	\$19,000	\$22,800
3 Person -	\$21,400	\$25,680
4 Person -	\$23,750	\$28,500
5 Person -	\$25,650	\$30,780

Source: 2013 HUD Median Income Guidelines.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The subject will position 8-units at 50% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$14,845 to \$25,650.

It is projected that in 2015, approximately **20%** of the renter households in the PMA were in the subject property 50% AMI LIHTC target income group.

60% AMI

The subject will position 31-units at 60% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$15,190 to \$30,780.

It is projected that in 2015, approximately **26.5%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group.

Adjustments

In order to adjust for income overlap between the targeted income segments, the following adjustment was made. The 50% and 60% income segment estimates were reduced in order to account for overlap with each other, but only moderately at 60%, given fact that only 8-units will target renters at 50% AMI.

Renter-Occupied

50% AMI	9.5%
60% AMI	18.0%

Reconciliation of Net Rents

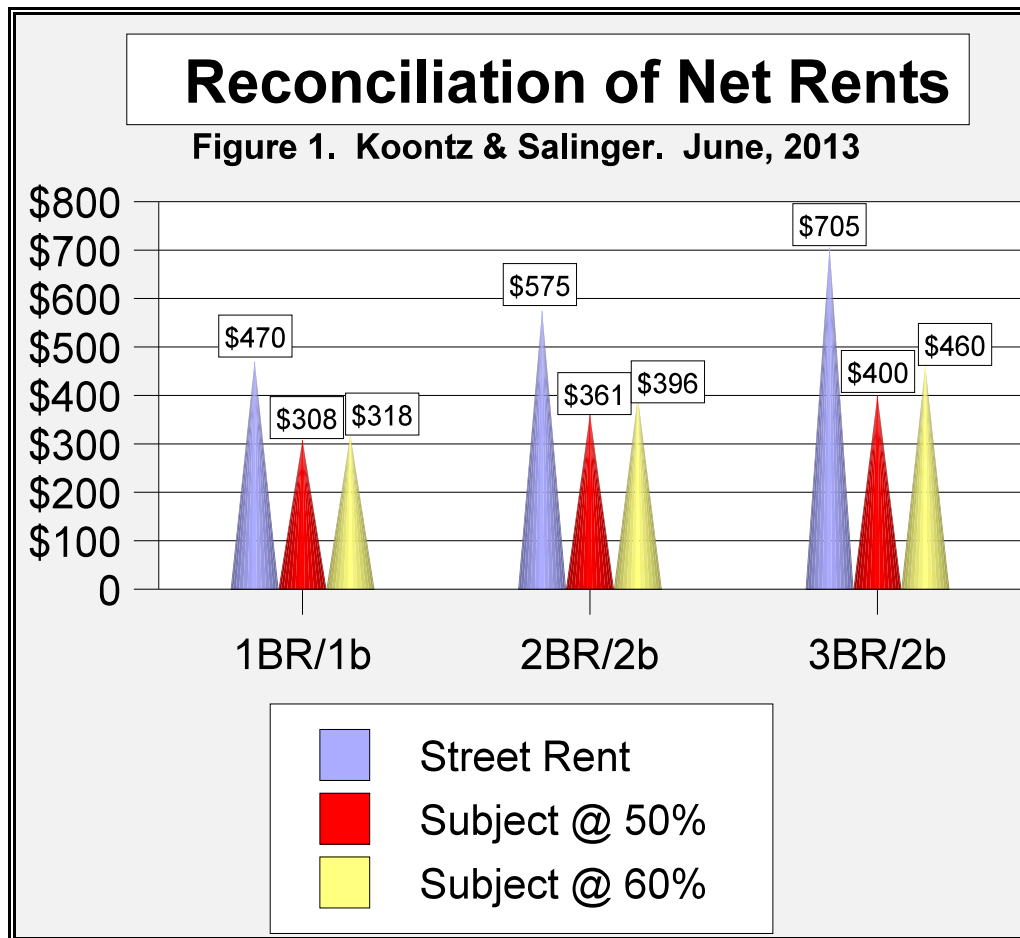
The survey of the competitive environment (which included local real estate professionals) revealed the following market based findings regarding net rents. Figure 1 below exhibits the estimated median conventional (street) net rents by bedroom type in relation to the proposed subject property net rents at 50% AMI, and 60% AMI.

Data Set

Bedroom Type	Street Rent*	Subject Rents at	
		50% AMI	60% AMI
1BR/1b	\$470	\$308	\$318
2BR/2b	\$575	\$361	\$396
3BR/2b	\$705	\$400	\$460

* median net rent

Figure 1, reveals that the proposed subject 1BR net rent at 50% AMI is approximately 34% less and at 60% AMI is approximately 32% less than the comparable/competitive 1BR market rate net rent. The proposed subject 2BR/2b net rent at 50% AMI is approximately 37% less and at 60% AMI is approximately 31% less than the comparable/competitive 2BR/2b market rate net rent. The proposed subject 3BR/2b net rent at 50% AMI is approximately 43% less and at 60% AMI is approximately 35% less than the comparable/competitive 3BR/2b market rate net rent.



Effective Demand Pool

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

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

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

(1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2013 to 2015 forecast period, and

(2) taking into consideration like-kind competition introduced into the market between 2011 and 2013.

Growth

During the 2013 to 2015, forecast period it is calculated that within the Franklin Springs PMA there will be -22 renter household formations, in particular should no new affordable rental supply be introduced within the PMA.

Based on 2015 income forecasts, -2 renter household formations fall into the 50% AMI target income segment of the proposed subject property, and -4 renter household formations fall into the 60% AMI target income segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2007-2011 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2007-2011 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 131 renter-occupied households were defined as residing in substandard housing. Based upon 2007-2011 American Community Survey data, 185 renter-occupied households were defined as residing in substandard housing. The forecast in 2015 was for 200 renter occupied households residing in substandard housing in the PMA.

Based on 2015 income forecasts, 19 substandard renter households fall into the target income segment of the proposed subject property at 50% AMI, and 36 are in the 60% AMI segment.

Demand from Existing Renters that are Rent Overburdened

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

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent *census based data* for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2007-2011 American Community Survey provides the most current *estimated* update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2015 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to the recent 2008-2010 national and worldwide recession since the report of the findings in the 2007-2011 American Community Survey. The 2007-2011, ACS indicates that approximately 78% of all renters (regardless of age) within the \$10,000 to \$19,999 income range are rent overburdened versus 44% in the \$20,000 to \$34,999 income range.

It is estimated that approximately 65% of the renters with incomes in the 50% AMI target income segment are rent overburdened, and 60% of the renters with incomes in the 60% AMI target income segment are rent overburdened.

In the PMA it is estimated that 214 existing renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property, and 374 are in the 60% AMI segment.

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

Total Effective Tenant Pool

The potential demand from all sources total 231 households/units at 50% AMI. The potential demand from these sources total 406 households/units at 60% AMI. This estimate comprises the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA, by income target group segment.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration.

A review of the 2010 to 2012 list of awards for both LIHTC & Bond applications made by the Georgia Department of Community Affairs revealed that no other awards were made for a LIHTC family development within the Franklin Springs PMA.

The segmented, effective demand pool for the proposed LIHTC new construction development is summarized in Table 14.

Table 14: LIHTC Family

Quantitative Demand Estimate: Franklin Springs PMA

	50%	60%
	<u>AMI</u>	<u>AMI</u>
● <u>Demand from New Growth - Renter Households</u>		
Total Projected Number of Households (2015)	3,659	3,659
Less: Current Number of Households (2013)	<u>3,681</u>	<u>3,681</u>
Change in Total Renter Households	- 22	- 22
% of Renter Households in Target Income Range	<u>9.5%</u>	<u>18%</u>
Total Demand from New Growth	- 2	- 4
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2010)	185	185
Number of Households in Substandard Housing(2015)	200	200
% of Substandard Households in Target Income Range	<u>9.5%</u>	<u>18%</u>
Number of Income Qualified Renter Households	19	36
● <u>Demand from Existing Renter Households</u>		
Number of Renter Households (2015)	3,659	3,659
Minus substandard housing segment	200	200
Net Number of Existing Renter Households	3,459	3,459
% of Households in Target Income Range	<u>9.5%</u>	<u>18%</u>
Number of Income Qualified Renter Households	329	623
Proportion Income Qualified (that are Rent Overburden)	<u>65%</u>	<u>60%</u>
Total	214	374
● <u>Net Total Demand</u>	231	406
Minus New Supply of Competitive Units (2011-2013)	<u>- 0</u>	<u>- 0</u>
● <u>Gross Total Demand</u>	231	406

Table 14 - Converted w/in GA-DCA Required Table

	HH @30% AMI xxxxxx to xxxxxx	HH @50% AMI \$14,845 to \$25,650	HH@ 60% AMI \$15,190 to \$30,780	HH @ Market \$xx,xxx to \$xx,xxx	All LIHTC Households
Demand from New Household (age & income appropriate)		-2	-4		-6
Plus					
Demand from Existing Renter Households - Substandard Housing		19	36		55
Plus					
Demand from Existing Renter Households - Rent Overburdened households		214	374		588
Sub Total		231	406		637
Demand from Existing Households - Elderly Homeowner Turnover (limited to 2%)		Na	Na		Na
Equals Total Demand		231	406		637
Less					
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the project market between 2011 and the present		0	0		0
Equals Net Demand		231	406		637

Capture Rate Analysis

Total Number of LIHTC Households Income Qualified = 637. For the subject 39 LIHTC units (1-unit of the overall 40-units will be set aside as a non revenue unit), this equates to an overall LIHTC Capture Rate of 6.1%.

	50%	60%
● <u>Capture Rate</u> (39 unit subject, by AMI)	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	8	31
Number of Income Qualified Households	231	406
Required Capture Rate	3.5%	7.6%

● Total Demand by Bedroom Mix

It is estimated that approximately 25% of the target group fits the profile for a 1BR unit, 50% for a 2BR unit, and 25% of the target group is estimated to fit a 3BR unit profile. Source: Table 6 and Survey of the Competitive Environment.

* At present, there are no LIHTC (family) like kind competitive properties either under construction or in the permitted pipeline for development, within the Franklin Springs PMA.

Total Demand by Bedroom Type (at 50% AMI)

1BR - 58
 2BR - 115
 3BR - 58
 Total - 231

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	58	0	58	2	3.5%
2BR	115	0	115	4	3.5%
3BR	58	0	58	2	3.5%

Total Demand by Bedroom Type (at 60% AMI)

1BR - 102
 2BR - 202
 3BR - 102
 Total - 406

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	102	0	102	6	5.9%
2BR	202	0	202	20	9.9%
3BR	102	0	102	5	4.9%

Capture Rate Analysis Chart

Income Targeting	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Abspt
30% AMI							
1BR							
2BR							
3BR							
4BR							
50% AMI							
1BR	\$14,845-\$19,000	2	58	0	58	3.5%	1 mo.
2BR	\$17,830-\$21,400	4	115	0	115	3.5%	1 mo.
3BR	\$20,570-\$25,650	2	58	0	58	3.5%	1 mo.
4BR							
60% AMI							
1BR	\$15,190-\$22,800	6	102	0	102	5.9%	2 mos.
2BR	\$19,030-\$25,680	20	202	0	202	9.9%	6 mos.
3BR	\$22,630-\$30,780	5	102	0	102	4.9%	1 mo.
4BR							
Market Rate							
1BR							
2BR							
3BR							
4BR							
Total 30%							
Total 50%	\$14,845-\$25,650	8	231	0	231	3.5%	1 mo.
Total 60%	\$22,630-\$30,780	31	406	0	406	7.6%	6 mos.
Total LIHTC	\$14,845-\$30,780	39	637	0	637	6.1%	6 mos.

- Penetration Rate:

The NCAHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

Rent Analysis Chart

Income Targeting	Average Market Rent	Market Rent Band Min-Max	Proposed Rents
30% AMI			
1BR			
2BR			
3BR			
4BR			
50% AMI			
1BR	\$470	\$381-\$508	\$308
2BR	\$575	\$447-\$629	\$361
3BR	\$705	\$704-\$706	\$400
4BR			
60% AMI			
1BR	\$580	\$381-\$508	\$318
2BR	\$625	\$447-\$629	\$396
3BR	\$750	\$704-\$706	\$460
4BR			
Market Rate			
1BR			
2BR			
3BR			
4BR			

* Source: Comparable properties

Overall Impact to the Rental Market

Given the current rental market vacancy rate for program assisted properties within the PMA, and the forecasted strength of demand for the expected entry of the subject in 2015, it is estimated that the introduction of the proposed development will probably have little to no long term negative impact on the PMA program assisted apartment market. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than / up to 1 year. (Note: This expectation is contingent upon neither catastrophic natural nor economic forces effecting the Franklin Springs-Royston, and Franklin County apartment market and local economy between 2013-2014.)

At the time of the survey, the existing program assisted USDA-RD and HUD developments located within the competitive environment were on average 95% occupied, and most of the properties maintain a waiting list. At the time of the survey, none of the surveyed contacts managing the area program assisted properties believed that the proposed subject development would present negative impact to the long term occupancy status of their respective properties.

Presently, there are no LIHTC family properties located within the Franklin Springs PMA.

SECTION H
COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS

This section of the report evaluates the general rental housing market conditions within the PMA and the adjacent competitive apartment market environments, for both program assisted family properties and market rate properties.

Part I of the survey focused upon the existing program assisted family properties within the Franklin Springs PMA. Part II consisted of a sample survey of conventional apartment properties in the competitive environment. Owing to the lack of conventional market rate properties of size (excluding rent houses and trailers) in Franklin County, several nearby, larger incorporated markets were surveyed, including: Anderson, SC, Commerce, Cornelia, and Toccoa. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Franklin Springs PMA apartment market is representative of a predominantly rural apartment market. The Franklin Springs PMA has several small USDA-RD Section 515 properties, as well as a local housing authorities in Lavonia and Royston. Most of the conventional rental properties within the PMA area are comprised of duplexes, single-family homes for rent, and single-wide and double-wide trailers for rent.

Part I - Survey of the Program Assisted Apartment Market

Five program assisted properties, representing 114 units, were surveyed in the subject's competitive environment, in detail. Four properties are USDA-RD family complexes and one property is a USDA/HUD development. In addition both the Lavonia and Royston Housing Authorities were surveyed. Several key findings in the local program assisted apartment market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was approximately 5% (4.4%).
- * At the time of the survey, four of the five surveyed program assisted family properties had a waiting list, ranging in size between 1 and 6 applicants.
- * The bedroom mix of the surveyed program assisted apartment properties is 23% 1BR, 63% 2BR, and 14% 3BR.
- * The Lavonia Housing Authority manages 180-units (located in Lavonia, Carnesville and Tanin). At the time of the survey, the housing authority stock was 100% occupied, and 47-applicants were on the waiting list. The Lavonia PHA does not manage Section 8 vouchers in Franklin County.
- * The Royston Housing Authority manages 185-units. At the time of the survey, the housing authority stock was 100% occupied, and 28-applicants were on the waiting list. The Royston PHA does not manage Section 8 vouchers in Franklin County.

Part II - Sample Survey of Market Rate Apartments

Seven market rate properties, representing 657 units, were surveyed in the subject's competitive environment, in detail. Several key findings in the local conventional apartment market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was approximately 8.7%. The majority of the vacant units were from the surveyed properties located in Anderson SC, versus the properties in Commerce and Toccoa.
- * Security deposits range between \$200 and \$600. The estimated median security deposit is \$250.
- * Thirty percent of the surveyed apartment properties exclude all utilities from the net rent. Forty percent include water, sewer, and trash removal, and 30% include only trash removal.
- * The bedroom mix of the surveyed apartment properties is 30% 1BR, 62% 2BR, and 8% 3BR.
- * A survey of the conventional apartment market exhibited the following average, median and range of net rents, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$486	\$495	\$375-\$520
2BR/1b & 1.5b	\$557	\$550	\$425-\$600
2BR/2b	\$590	\$585	\$565-\$630
3BR/2b	\$717	\$715	\$675-\$750

Source: Koontz & Salinger. June, 2013

- * A survey of the conventional apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Unit Size			
BR/Size	Average	Median	Range
1BR/1b	626	680	500-820
2BR/1b & 1.5b	911	900	860-1200
2BR/2b	995	975	870-1075
3BR/2b	1288	1300	1100-1434

Source: Koontz & Salinger. June, 2013

- * In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, by floor plan, with the existing market rate properties.

Comparable Properties

* The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Anderson Crossing	Anderson Crossing	Hamptons
Deer Creek	Cross Creek	Park Place
Hamptons	Deer Creek	
Park Place	Hamptons	
	Park Place	

Source: Koontz & Salinger. June, 2013

Fair Market Rents

The 2013 Fair Market Rents for Franklin County, GA are as follows:

- Efficiency = \$ 440
- 1 BR Unit = \$ 443
- 2 BR Unit = \$ 599
- 3 BR Unit = \$ 822
- 4 BR Unit = \$1061

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

Source: www.huduser.org

Note: The proposed subject property LIHTC one, two, and three-bedroom gross rents are set below (or very near) the maximum Fair Market Rent for a one, two, and three-bedroom unit at 50% and 60% AMI. Thus, the subject property LIHTC 1BR, 2BR, and 3BR units at 50% and 60% AMI will be readily marketable to Section 8 voucher holders in Franklin County.

Table 15 exhibits building permit data between 2000 and 2010. The permit data is for Franklin County.

Between 2000 and 2010, 244 permits were issued in Franklin County, of which, 30 or approximately 12.5% were multi-family units.

Table 15 New Housing Units Permitted: Franklin County, 2000-2013¹			
Year	Net Total ²	Single-Family Units	Multi-Family Units
2000	22	22	--
2001	25	25	--
2002	28	22	6
2003	24	20	4
2004	23	23	--
2005	36	36	--
2006	33	27	6
2007	29	22	7
2008	18	11	7
2009	5	5	--
2010	1	1	--
2011	Na	Na	Na
2012	Na	Na	Na
2013	Na	Na	Na
Total	244	214	30

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

Selig Center for Economic Growth.

²Net total equals new SF and MF dwellings units.

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

Table 16											
SURVEY OF CONVENTIONAL APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	40	8	24	8	Na	\$308-\$318	\$361-\$396	\$400-\$460	850	1100	1250
Anderson Crossing	152	80	72	--	4	\$495	\$595	--	640	860	--
Cross Creek	20	--	20	--	0	--	\$525-\$550	--	--	870-1050	--
D & D	17	--	17	--	0	--	\$550-\$600	--	--	1000-1200	--
Deer Creek	16	8	8	--	3	\$375	\$425	--	800	900	--
Hamptons	184	44	109	31	18	\$495-\$520	\$600-\$630	\$750	680-820	870-1000	1434
Mount Olive	103	--	103	--	12	--	\$575	--	--	1075	--
Park Place	165	63	78	24	20	\$475	\$505-\$565	\$675	500	900-950	1100
Total*	657	195	407	55	57						

* - Excludes the subject property

Comparable Properties are highlighted in red.

Source: Koontz and Salinger. June, 2013.

Table 17, exhibits the key amenities of the subject and the surveyed conventional apartment properties. Overall, the subject is competitive to very competitive with most of the existing conventional apartment properties in the competitive environment regarding the unit and development amenity package.

Table 17 SURVEY OF CONVENTIONAL APARTMENT COMPLEXES UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Anderson Crossing	x	x			x	s	s	x	x	x			
Cross Creek						x		x	x	x	x		
D&D		x				x	x	x	x	x	x		
Deer Creek		x							x		x		
Hamptons	x	x	x			x	x	x	x	x	x	x	x
Mount Olive					x	x	x	x	x	x	x		x
Park Place	x	x	x		x	x		x	x	x	x	x	x

Source: Koontz and Salinger. June, 2013.

s - some

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

Table 18, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed program assisted and LIHTC apartment properties within the Franklin Springs competitive environment.

Table 18											
SURVEY OF PROGRAM ASSISTED APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	40	8	24	8	Na	\$308-\$318	\$361-\$396	\$400-\$460	850	1100	1250
Cobb Place	24	12	12	--	2	\$390	\$405	--	920	970	--
Lavonia Vill	24	8	16	--	0	\$480	\$505	--	Na	Na	--
Ridgewood Hills	24	--	16	8	0	--	BOI	BOI	--	Na	Na
Royston Townhouses	24	--	16	8	2	--	\$495	\$520	--	850	1100
Willow Lane	18	6	12	--	1	\$370	\$405	--	Na	Na	--
Total*	114	26	72	16	5						

* - Excludes the subject property

BOI - Based On Income

Na - Not available

Note: basic rent is noted in the USDA-RD property

Source: Koontz and Salinger. June, 2013.

Table 19, exhibits the key amenities of the subject and the surveyed program assisted apartment properties. Overall, the subject is competitive to very competitive with all of the existing program assisted apartment family properties in the market regarding the unit and development amenity package.

Table 19													
SURVEY OF PROGRAM ASSISTED APARTMENT COMPLEXES													
UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Cobb Place	x	x							x	x	x		x
Lavonia Vill	x	x							x	x	x		x
Ridgewood Hills	x	x							x	x	x		
Royston Townhouses	x	x			x				x	x	x		
Willow Lane	x	x							x	x	x		x

Source: Koontz and Salinger. June, 2013.

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

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

A map showing the location of the surveyed Program Assisted (family) properties is provided on page 84. A map showing the location of the surveyed Market Rate properties is provided on page 85.

Survey of the Competitive Environment - USDA-RD/HUD: Family

1. Cobb Place Apartments, 124 Hospital Rd, Royston (404) 705-6501

Type: USDA-RD Section 515 family
Contact: Crimson Management
Date Built: 1986

Interview Date: 5/14/2013
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	12	\$390	\$526	\$111	920	0
2BR/1b	12	\$405	\$534	\$155	970	2
Total	24					2

Typical Occupancy Rate: 99%
Security Deposit: 1 month basic rent
Utilities Included: water, sewer, trash

Waiting List: Yes (1)
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Storage	No	Community Room	No

Design: 1 story

Additional Information: 12-units have RA; 1 Section 8 voucher holder; expects no negative impact



2. Lavonia Village Apartments, 120 Brickyard Rd, Lavonia (706) 356-1573

Type: USDA-RD Section 515 (family)

Contact: USDA District Office (Adrienne)

Date Built: 1986

Interview Date: 5/23/2013

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$480	\$620	\$120	Na	0
2BR/1b	16	\$505	\$660	\$152	Na	0
Total	24					0

Typical Occupancy Rate: 93%-95%

Security Deposit: 1 month basic rent

Utilities Included: water, sewer, trash

Waiting List: Yes

Concessions: No

Amenities - Unit

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

Amenities - Project

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

Project Design: one story

Additional Information: 24-units have RA; expects no negative impact



3. Ridgewood Hills Apartments, 106 Poole St, Lavonia (770) 984-2100

Type: USDA-RD Section 515 (family)
Contact: Hallmark Mgmt (Mr Doug Gable)
Date Built: 1982

Interview Date: 5/14/2013
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	16	\$650	\$139	Na	0
3BR/1.5b	8	\$935	\$174	Na	0
Total	24				0

Typical Occupancy Rate: 100%
Security Deposit: based on income
Utilities Included: water, sewer, trash

Waiting List: Yes (6)
Concessions: No

Amenities - Unit

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

Amenities - Project

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

Project Design: two story

Additional Information: 24-units have RA; expects no negative impact



4. Royston Townhouses, 135 Spring St, Royston

(706) 547-0028

Type: USDA-RD Section 515 (family)

Contact: W.T. Lamb Investments (Christy)

Date Built: 1980's

Interview Date: 5/14/2013

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	16	\$495	\$643	\$ 87	850	2
3BR/1.5b	8	\$520	\$729	\$127	1100	0
Total	24					2

Typical Occupancy Rate: 96%

Security Deposit: 1 month basic rent

Utilities Included: water, sewer, trash

Waiting List: "Usually"

Concessions: No

Amenities - Unit

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

Amenities - Project

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

Project Design: two story

Additional Information: 21-units have RA; 0 tenants have Section 8 vouchers; expects no negative impact



5. Willow Lane Apartments, 158 Adams Circle, Bowman (706) 245-0280

Type: USDA-RD Section 515 (family)

Contact: Boyd Management (Ms Julia Hohman)

Date Built: Na

Interview Date: 5/15/2013

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	6	\$370	\$385	\$123	Na	1
2BR/1b	12	\$405	\$420	\$195	Na	0
Total	18					1

Typical Occupancy Rate: 95%

Security Deposit: \$150

Utilities Included: water, sewer, trash

Waiting List: Yes (3)

Concessions: No

Amenities - Unit

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

Amenities - Project

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

Project Design: one & two story

Additional Information: 0-units have RA; 1 tenant has a Section 8 voucher; expects no negative impact



Survey of the Competitive Environment: Market Rate

1. Anderson Crossing, 320 E Beltline Dr, Anderson (864) 224-8304

Contact: Jackie, Manager (2/11/13)
Date Built: 1984

Type: Conventional
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	80	\$495	640	\$.77	4
2BR/1b	72	\$595	860	\$.69	0
Total	152				4

Typical Occupancy Rate: 95%+
Security Deposit: \$250-\$275
Utilities Included: water, trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Tennis Court	No
Clubhouse	No	Fitness Room	No
Storage	No	Picnic/Grill Area	No

Project Design: 2 story walk-up

Additional Info: cited that the property has a good location



2. Cross Creek Duplexes, Hospital Rd, Commerce 706) 886-3858

Contact: Karen Ragsdale, Mgr (5/15/13)
Date Built: 1995

Type: Conventional
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Unit Size sf</u>	<u>Vacant</u>
2BR/1b & 1.5b	20	\$525-\$550	875-1050	0
Total	20			0

Typical Occupancy Rate: 90%
Security Deposit: \$400
Normal Turnover: Low

Waiting List: No
Re-Lease: Na
Concessions: No

Utilities Included: None

Amenities - Unit

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

Amenities - Project

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

Design: townhouse



3. D & D Properties, Jefferson Road, Commerce (706) 335-2001

Contact: Mr Ron Bond, Owner (5/16/13)

Type: Conventional

Date Built: 1970/91

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	9	\$550	1000	0
2BR/1.5 TH	8	\$600	1200	0
Total	17			0

Typical Occupancy Rate: 95%-99%

Waiting List: No

Security Deposit: \$600

Concessions: "occasionally"

Utilities Included: water

Turnover: Na

Amenities - Unit

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

Amenities - Project

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

Design: 2 story & townhouse

Remarks: all townhouse units unit washer/dryer; new tenants pay \$45 per month for water



4. Deer Creek Apts, 47 Kirkwood Dr, Toccoa

(706) 779-0430

Contact: Rhonda Lockmiller
Date Built: 1990

Date: 5/16/13
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	8	\$375	800	\$.47	1
2BR/1.5b	8	\$425	900	\$.47	2
Total	16				3

Typical Occupancy Rate: Na
Security Deposit: \$250
Utilities Included: water, sewer, trash

Waiting List: Na
Concessions: No

Amenities - Unit

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

Amenities - Project

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

Design: two story walk-up

Additional Information: www.northeastgeorgiarentals.com; does not accept Section 8



5. Hamptons Apartments, 100 Hudson Cir, Anderson (864) 224-6811

Contact: Jessica (2/8/13)
Date Built: 2003

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	44	\$495-\$520	680-820	\$.63-\$.73	*
2BR/2b	109	\$600-\$630	870-1000	\$.63-\$.69	*
3BR/2b	31	\$750	1434	\$.52	*
Total	184				18

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

Waiting List: No
Concessions: Yes (2BR only)

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	No

Design: three story walk-up;

Remarks: security gate; movie theater, car care center; special rent for a 2BR unit: \$595 to \$640 (based on sunrooms)



6. Mount Olive Way, Mt Olive Rd, Commerce

(706) 336-8084

Contact: Cindy, Mgr (5/16/13)
Date Built: 1997-2001

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2.5b	103	\$575	1075	12
Total	103			12

Typical Occupancy Rate: 90%
Security Deposit: \$200
Utilities Included: trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	No	Clubhouse	No
Fitness Ctr	No	Recreation Area	Yes
Business Ctr	No	Tennis Court	No

Design: townhouse

Remarks:



7. Park Place, 153 Civic Center Blvd, Anderson

(864) 222-2333

Contact: Jennifer, Mgr (2/8/13)
Date Built: 1996

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	63	\$475	500	\$.95	*
2BR/1b	30	\$505	900	\$.56	*
2BR/2b	48	\$565	950	\$.59	*
3BR/2b	24	\$675	1100	\$.61	*
Total	165				20

Typical Occupancy Rate: 85%-90%
Security Deposit: \$250 or 1 month rent
Utilities Included: None

Waiting List: No
Concessions: No

Amenities - Unit

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

Amenities - Project

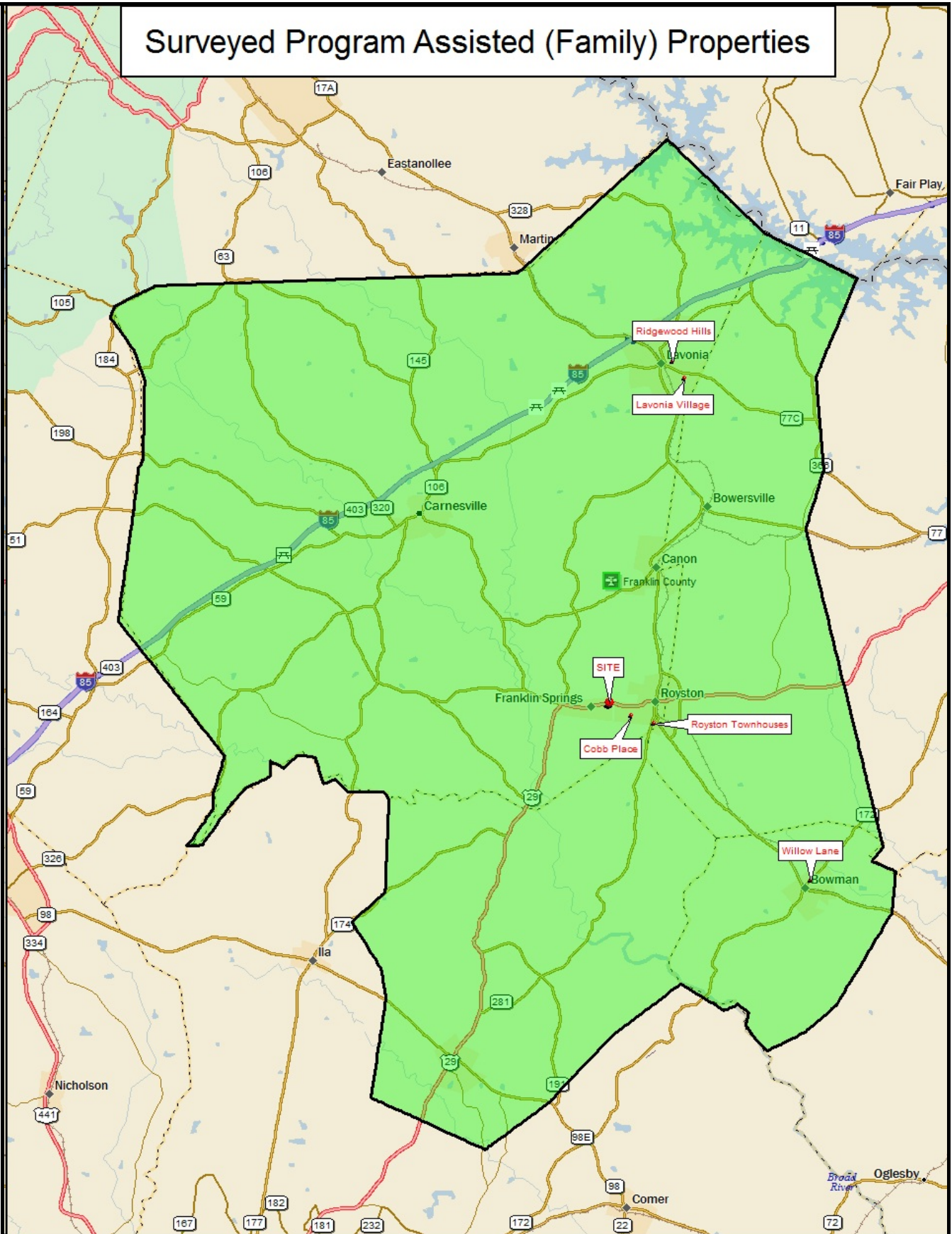
On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes

Design: three story walk-up

Remarks: most of the vacant units are 1BR owing to the size; rents based upon Yieldstar system



Surveyed Program Assisted (Family) Properties



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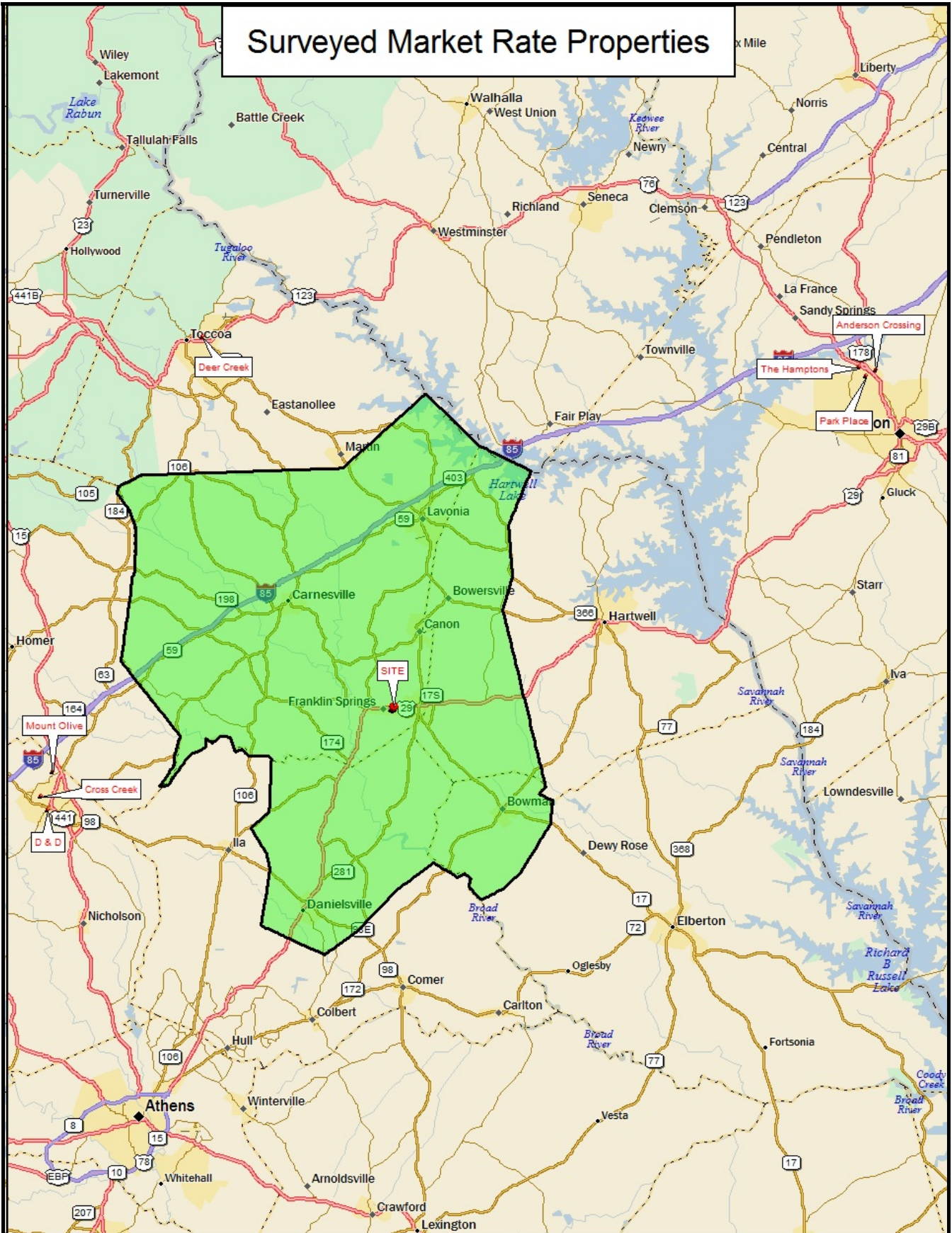
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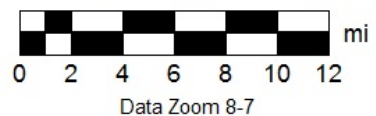
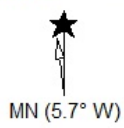
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Surveyed Market Rate Properties



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SECTION I
 ABSORPTION &
 STABILIZATION RATES

The Given the strength (or lack of strength) of the demand estimated in Table 14, the worst case scenario for 93% to 100% rent-up is estimated to be 9 months (at 4-units per month on average). The most likely/best case rent-up scenario suggests a 6-month rent-up time period (an average of 6 to 7-units per month).

The rent-up period estimate is based upon several recently built LIHTC-family developments located within Anderson, SC, and adjusted for the Franklin Springs-Royston PMA:

<u>LIHTC-family</u>		
Hampton Crest	64-units	6-months to attain 95% occupancy
Hampton Green	72-units	6-months to attain 95% occupancy
The Park on Market	56-units	7-months to attain 95% occupancy

Hampton Crest and Hampton Green opened in 2010. The rent-up period was estimated by management, as being "very quickly". The Park on Market opened in 2006. The rent-up period was estimated by the manager when the property was surveyed by Koontz and Salinger in 2007.

The absorption of the project is contingent upon an attractive product, professional management, and a strong marketing and pre-leasing program. In addition, the absorption period estimate is subject to the final recommendation (s) in this market study.

The absorption recommendation also takes into consideration the subject's site location, proposed unit and development amenity package, and rent positioning as compared with the area market rate supply of apartments.

Stabilized occupancy, subsequent to final segment of lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period.

SECTION J
INTERVIEWS

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

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

(1) - All of the managers and/or management companies of the surveyed program assisted family apartment properties located within the Franklin Springs PMA stated that the introduction of the proposed subject development **would not present negative impact** upon their properties.

(2) - Ms. Shelly Phillips of ReMax Classic, a local real estate firm based out of Royston was interviewed. She stated that the local area market was in need of both affordable housing such as the proposed development, and market rate conventional apartment housing. One reason for this assessment was that a lot of people in the area lost their homes as a result of the recent financial crisis, and while many are working once again, they are working for less money, and do not qualify as home buyers. In her opinion, many, most likely, will be long term renters. Also, based upon the firms knowledge of the area rental market she estimated that single-family homes for rent and small rental properties (such as duplexes, etc) rent for between \$500 and \$600 for a 2BR unit and \$650 to \$800+ for a 3BR unit. Contact Number: (706) 246-9697.

(3) - The Lavonia and Royston Housing Authorities were interviewed. The respondent for the Lavonia Housing Authority stated that all 180-units were occupied, and almost 50-applicants were on the waiting list. Turnover was reported to be "low". Source: Ms. Sabrina, (706) 356-8224. The respondent for the Royston Housing Authority stated that all 1850-units were occupied, and almost 30-applicants were on the waiting list. Turnover was reported to be "low" and when units are available "they fill quickly". The respondent stated that most of the tenants came from Franklin, Elbert, Hart, and Stephens Counties. Source: Ms. Christa, (706) 245-7277.

(4) - Ms. Jackie Yearwood, the City of Franklin Springs, City Clerk and Court Clerk was interviewed. She stated that the city is in very strong support of the proposed development, and had written a letter of support stating as much. Contact Number: (706) 245-6957.

(5) - Mr. Lee Moore, the Mayor of Franklin Springs, was interviewed. He stated that the city is in very strong support of the proposed development. He is of the opinion, that there is a "consistent need" in the local market for affordable, professionally managed, rental housing for both families and the elderly. Contact Number: (706) 245-6957.

SECTION K

CONCLUSIONS & RECOMMENDATION

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that the Heather Highlands Apartments (a proposed LIHTC property) targeting the general population should proceed forward with the development process.

Detailed Support of Recommendation

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC family development of **40**-units.

The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable**.

2. The current and program assisted apartment market is **not** representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was 5%. The current market rate apartment market is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties located within the competitive environment was approximately 9%.
3. The proposed complex amenity package is considered to be very competitive within the PMA apartment market for affordable properties. It will be competitive with older program assisted properties and older Class B market rate properties.
4. Bedroom Mix - The subject will offer 1BR, 2BR, and 3BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. All household sizes will be targeted, from single person household to large family households.
5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 50%, and 60% AMI. Market rent advantage is greater than 20% in all AMI segments, and by bedroom type. The table on the next page, exhibits the rent reconciliation of the proposed LIHTC property, by bedroom type, and income targeting, with comparable properties within the competitive environment.
6. Under the assumption that the proposed development will be: (1) built as described within this market study, (2) will be subject to professional management, and (3) will be subject to an extensive marketing and pre-leasing program, the subject is forecasted to be 93% to 100% absorbed within 6-months.

5. Stabilized occupancy, after the rehab process, and subsequent to residual lease-up, is forecasted to be 93% or higher.
6. The site location is considered to be very marketable.
7. The proposed development will not negatively impact the existing supply of program assisted LIHTC family properties within the subject PMA, as currently there is no LIHTC family development located within Franklin Springs.
8. No modifications to the proposed project development parameters as currently configured are recommended.

The table below exhibits the findings of the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

Market Rent Advantage

The rent reconciliation process exhibits a very significant subject property rent advantage by bedroom type at 50%, and 60% of AMI.

Percent Advantage:

	<u>50% AMI</u>	<u>60% AMI</u>
1BR/1b:	34%	32%
2BR/2b:	37%	31%
3BR/2b:	43%	35%

Rent Reconciliation				
50% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$308	\$361	\$400	---
Estimated Market net rents	\$470	\$575	\$705	---
Rent Advantage (\$)	+\$162	+\$214	+\$305	---
Rent Advantage (%)	34%	37%	43%	---
60% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$318	\$396	\$460	---
Estimated Market net rents	\$470	\$575	\$705	---
Rent Advantage (\$)	+\$152	+\$179	+\$245	---
Rent Advantage (%)	32%	31%	35%	---

Source: Koontz & Salinger. June, 2013

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that the Heather Highlands Apartments (a proposed LIHTC new construction family development) proceed forward with the development process.

Negative Impact

The proposed LIHTC family development **will not negatively impact** the existing supply of program assisted LIHTC family properties located within the Franklin Springs PMA competitive environment in the long term. At the time of the survey, the existing program assisted USDA-RD and HUD developments located within the competitive environment were on average 95% occupied, and most of the properties maintain a waiting list. At the time of the survey, none of the surveyed contacts managing the area program assisted properties believed that the proposed subject development would present negative impact to the long term occupancy status of their respective properties.

Still, some relocation of tenants in the area program assisted family properties could occur. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

Achievable Restricted (LIHTC) Rent

The proposed gross rents, by bedroom type at 50%, and 60% AMI are considered to be very competitively positioned within the market. In addition, they are appropriately positioned in order to attract income qualified Section 8 Housing Choice Voucher holders within Franklin Springs and Franklin County, for the proposed subject 1BR, 2BR, and 3BR units.

It is recommended that the proposed subject LIHTC net rents at 50%, and 60% AMI remain unchanged, neither increased nor decreased. The proposed LIHTC family development, and proposed subject net rents are in line with the other LIHTC and program assisted developments operating in the market without PBRA, deep subsidy USDA rental assistance (RA), or attached Section 8 vouchers, when taking into consideration differences in income restrictions, unit size and amenity package.

Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject net rents could be positioned at a higher level and still attain a rent advantage position greater than 10%. However, it is recommended that the proposed net rents remain unchanged. In addition, the subject's gross rents are already closely positioned to be under Fair Market Rents for Franklin County, while at the same time operating within a competitive environment.

The proposed project design, amenity package, location and net rents are very well positioned to be attractive to the local Section 8 voucher market. Increasing the gross rents to a level beyond the FMR's, even if rent advantage can be achieved, and maintained, is not recommended.

Mitigating Risks

The subject development is very well positioned to be successful in the market place. It will offer a product that will be very competitive regarding: rent positioning, project design, amenity package and professional management. The major unknown mitigating risk to the development process will be the status of the local economy during 2013-2014 and beyond.

Also, it is possible that the absorption rate could be extended by a few months if the rent-up process for the proposed subject development begins sometime between the Thanksgiving and Christmas holiday season, including the beginning of January.

Rent Reconciliation Process

Five market rate properties in the Heather Highlands competitive environment were used as comparables to the subject. The methodology attempts to quantify a number of subject variables regarding the features and characteristics of a target property in comparison to the same variables of comparable properties.

The comparables were selected based upon the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,
- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,
- no adjustment was made for the floor/level of the unit in the building; the subject is a two story walk-up, and the comparable properties are either two or three story walk-ups,
- no "time adjustment" was made; all of the comparable properties were surveyed between February and May, 2013,
- no "distance or neighborhood adjustment" was made; owing to the fact that comparisons are being made between similar properties in similar rural to semi-urban markets connected by shared highway corridors,
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,
- no specific adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout, however, the floor level does incorporate some project design factors,
- an adjustment was made for the age of the property; some of

the comparables were built in the 1980's and 1990's; this adjustment was made on a conservative basis in order to take into consideration the adjustment for condition of the property,

- no adjustment was made - Number of Rooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size),
- no adjustment is made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),
- an adjustment was made for storage,
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject excludes water and sewer in the net rent and includes trash removal. Two of the comparable properties include cold water, sewer, and trash removal within the net rent. Several include trash only and several exclude all utilities.

ADJUSTMENT ANALYSIS

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

Adjustments:

- Concessions: One of the 5 surveyed market rate properties offers a concession (2BR units only).
- Structure/Floors: No adjustment is made for building height.
- Year Built: Some of the comparable properties were built in the 1980's and 1990's, and will differ considerably from the subject (after new construction) regarding age. The age adjustment factor utilized is: a \$.50 adjustment per year differential between the subject and the comparable property. Note: Many market analyst's use an adjustment factor of \$.75 to \$1.00 per year. However, in order to remain conservative and allow for overlap when accounting for the adjustments to condition and location, the year built adjustment was kept constant at \$.50.

- Square Feet (SF) Area: An adjustment was made for unit size; the SF adjustment is based on a Matched Pair Data Set Analysis of comps, by bedroom type. On average, the rent per sf difference for the 1BR comps was .04, and .10 cents. The difference in the Matched Pair Data Set Analysis for the 2BR units was .03, .05 and .06. The difference in the Matched Pair Data Set Analysis for the 3BR units was .09. In order to allow for slight differences in amenity package the overall SF adjustment factor used is .05 per sf for a 1BR unit, .05 per sf for a 2BR unit, and .09 per sf for a 3BR unit.
- Number of Baths: An adjustment was made for the proposed 2BR/2b units owing to the fact that several of the comparable properties offered 2BR/1b and 2BR/1.5b units. The adjustment is \$15 for a ½ bath and \$30 for a full bath. The adjustment is based on a review of the comps.
- Balcony/Terrace/Patio: The subject will offer a traditional patio/balcony. The balcony/patio adjustment is based on an examination of the market rate comps. The balcony/patio adjustment resulted in a \$5 value for the balcony/patio.
- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$175; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$4.
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$600; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5.
- Washer/Dryer (w/d): The subject will offer a central laundry (CL), as well as w/d/ hook-ups. If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is \$40. The assumption is that at a minimum a household will need to set aside \$10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also \$40.
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15 , rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds.
- Pool/Recreation Area: The subject offers recreation space,

and a swimming pool, but not a tennis court. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of \$5 for a playground, \$15 for a tennis court and \$25 for a pool.

- **Water:** The subject excludes cold water and sewer in the net rent. Most of the comparable properties exclude water and sewer in the net rent. Note: The source for the utility estimates by bedroom type is based upon the Georgia Department of Community Affairs Utility Allowances - North Region (effective 6/1/2013). See Appendix.
- **Storage:** The dollar value for storage is estimated to be \$5.
- **Computer Room:** The dollar value for a computer room (with internet service) is estimated to be \$2.
- **Fitness Room:** The dollar value for an equipped fitness room is estimated to be \$2.
- **Clubhouse:** The dollar value for a clubhouse and/or community room is estimated to be \$2.
- **Location:** Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location was assigned a value of \$25. Note: None of the comparable properties are inferior to the subject regarding location.
- **Condition:** Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.
- **Trash:** The subject includes trash in the net rent. Two of the comparable properties exclude trash in the net rent. If required the adjustment was based upon the Georgia Department of Community Affairs Utility Allowances - North Region (effective 6/1/2013). See Appendix.

Adjustment Factor Key:

SF - .05 per sf for 1BR & 2BR units; .09 per sf for a 3BR unit

Patio/balcony - \$5

Storage - \$5

Computer Rm, Fitness Rm, Clubhouse - \$2 (each)

Disposal - \$4

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

W/D hook-ups or Central Laundry - \$40

Pool - \$25 Tennis Court - \$15

Playground - \$5 (Na for elderly) Craft/Game Room - \$2

Full bath - \$30; ½ bath - \$15

Location - Superior - \$25; Better - \$15; Marginally Better - \$10

Condition - Superior - \$15; Better - \$10; Marginally Better - \$5;
Inferior - minus \$10*

Water & Sewer - 1BR - \$33; 2BR - \$40; 3BR - \$54 (Source: GA-DCA North
Region)

Trash Removal - \$20 (Source: GA-DCA North Region)

Age - \$.50 per year (differential) Note: If difference is around 10
years, a choice is provided for no valuation adjustment.*

*Could be included with the year built (age) adjustment, thus in most
cases will not be double counted/adjusted. Also, the value of condition
is somewhat included within the Age adjustment. Thus, the value
adjustment applied to Condition is conservative.

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Heather Highlands		Anderson Crossing		Deer Creek		Hamptons	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$495		\$375		\$505	
Utilities	t	w,s,t	(\$33)	w,s,t	\$33)	t	
Concessions		No		No		No	
Effective Rent		\$462		\$342		\$505	
B. Design, Location, Condition							
Structures/Stories	2	2		2		3	
Year Built/Rehab	2015	1984	\$16	1990	\$12	2003	
Condition	Excell	Good		Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	850	640	\$10	800	\$2	800	\$2
Balcony/Patio/Stor	Y/Y	N/N	\$10	N/N	\$10	Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		N/N	\$9	Y/Y	
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$2	N	\$2	Y	
Pool/Tennis	N/N	N/N		N/N		Y/N	(\$25)
Recreation Area	Y	N	\$2	N	\$2	Y	
Computer/Fitness	N/Y	N/N	\$2	N/N	\$2	Y/Y	(\$2)
F. Adjustments							
Net Adjustment			+\$42		+\$39		-\$25
G. Adjusted & Achievable Rent		\$504		\$381		\$480	
Estimated Market Rent (Avg of 4 comps, rounded)		next page	Rounded to:		see Table	% Adv	

One Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Heather Highlands		Park Place					
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$475					
Utilities	t	None	\$20				
Concessions		No					
Effective Rent		\$495					
B. Design, Location, Condition							
Structures/Stories	2	3					
Year Built/Rehab	2015	1996	\$10				
Condition	Excell	V Good					
Location	Good	Good					
C. Unit Amenities							
# of BR's	1	1					
# of Bathrooms	1	1					
Size/SF	850	500	\$17				
Balcony-Patio/Stor	Y/Y	Y/N	\$5				
AC Type	Central	Central					
Range/Refrigerator	Y/Y	Y/Y					
Dishwasher/Disp.	Y/Y	Y/N	\$4				
W/D Unit	N	N					
W/D Hookups or CL	Y	Y					
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y					
Pool/Tennis	N/N	Y/N	(\$25)				
Recreation Area	Y	Y					
Computer/Fitness	N/Y	N/N	\$2				
F. Adjustments							
Net Adjustment			+\$13				
G. Adjusted & Achievable Rent		\$508					
Estimated Market Rent (Avg of 4 comps, rounded)		\$468	Rounded to: \$470		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Heather Highlands		Anderson Crossing		Cross Creek		Deer Creek	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$595		\$550		\$425	
Utilities	t	w,s,t	(\$40)	None	\$20	w,s,t	(\$40)
Concessions		No		No		No	
Effective Rent		\$555		\$570		\$385	
B. Design, Location, Condition							
Structures/Stories	2	2		2		2	
Year Built/Rehab	2015	1984	\$16	1995	\$10	1990	\$12
Condition	Excell	Good		Good		Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	1	\$30	1.5	\$15	1.5	\$15
Size/SF	1100	860	\$12	1050	\$2	900	\$10
Balcony-Patio/Stor	Y/Y	N/N	\$10	N/N	\$10	N/N	\$10
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$4	N/N	\$9
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$2	N	\$2	N	\$2
Pool/Tennis	N/N	N/N		N/N		N/N	
Recreation Area	Y	N	\$2	N	\$2	N	\$2
Computer/Fitness	N/Y	N/N	\$2	N/N	\$2	N/N	\$2
F. Adjustments							
Net Adjustment			+\$74		+\$47		+\$62
G. Adjusted & Achievable Rent		\$629		\$617		\$447	
Estimated Market Rent (Avg of 5 comps, rounded)		next page	Rounded to:		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Heather Highlands		Hamptons		Park Place			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$615		\$565			
Utilities	t	t		None	\$20		
Concessions		Yes	(\$5)	No			
Effective Rent		\$610		\$585			
B. Design, Location, Condition							
Structures/Stories	2	3		3			
Year Built/Rehab	2015	2003		1996	\$10		
Condition	Excell	V Good		V Good			
Location	Good	Good		Good			
C. Unit Amenities							
# of BR's	2	2		2			
# of Bathrooms	2	2		2			
Size/SF	1100	950	\$8	950	\$8		
Balcony-Patio/Stor	Y/Y	Y/Y		Y/N	\$5		
AC Type	Central	Central		Central			
Range/Refrigerator	Y/Y	Y/Y		Y/Y			
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$4		
W/D Unit	N	N		N			
W/D Hookups or CL	Y	Y		Y			
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y			
Pool/Tennis	N/N	Y/N	(\$25)	Y/N	(\$25)		
Recreation Area	Y	Y		Y			
Computer/Fitness	N/Y	Y/Y	(\$2)	N/N	\$2		
F. Adjustments							
Net Adjustment			-\$19		+\$4		
G. Adjusted & Achievable Rent		\$591		\$589			
Estimated Market Rent (Avg of 5 comps, rounded)		\$574	Rounded to: \$575		see Table	% Adv	

Three Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Heather Highlands		Hamptons		Park Place			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$750		\$675			
Utilities	t	t		None	\$20		
Concessions		No		No			
Effective Rent		\$750		\$695			
B. Design, Location, Condition							
Structures/Stories	2	3		3			
Year Built/Rehab	2015	2003		1996	\$10		
Condition	Excell	V Good		V Good			
Location	Good	Good		Good			
C. Unit Amenities							
# of BR's	3	3		3			
# of Bathrooms	2	2		2			
Size/SF	1250	1434	(\$17)	1100	\$13		
Balcony-Patio/Stor	Y/Y	Y/Y		Y/N	\$5		
AC Type	Central	Central		Central			
Range/Refrigerator	Y/Y	Y/Y		Y/Y			
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$4		
W/D Unit	N	N		N			
W/D Hookups or CL	Y	Y		Y			
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y			
Pool/Tennis	N/N	Y/N	(\$25)	Y/N	(\$25)		
Recreation Area	Y	Y		Y			
Computer/Fitness	N/Y	Y/Y	(\$2)	N/N	\$2		
F. Adjustments							
Net Adjustment			-\$44		+\$9		
G. Adjusted & Achievable Rent		\$706		\$704			
Estimated Market Rent (Avg of 2 comps, rounded)		\$705	Rounded to: \$705		see Table	% Adv	

Three Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Heather Highlands							
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent							
Utilities	t						
Concessions							
Effective Rent							
B. Design, Location, Condition							
Structures/Stories	2						
Year Built/Rehab	2015						
Condition	Excell						
Location	Good						
C. Unit Amenities							
# of BR's	3						
# of Bathrooms	2						
Size/SF	1250						
Balcony-Patio/Stor	Y/Y						
AC Type	Central						
Range/Refrigerator	Y/Y						
Dishwasher/Disp.	Y/Y						
W/D Unit	N						
W/D Hookups or CL	Y						
D. Development Amenities							
Clubhouse/Comm Rm	Y						
Pool/Tennis	N/N						
Recreation Area	Y						
Computer/Fitness	N/Y						
F. Adjustments							
Net Adjustment							
G. Adjusted & Achievable Rent							
Estimated Market Rent (Avg of x comps, rounded)			Rounded to:	see Table	% Adv		

SECTION L & M
IDENTITY OF INTEREST
&
REPRESENTATION STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property area and that information has been used in the full study of 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.

The report was written in accordance with my understanding of the 2013 GA-DCA Market Study Manual and 2013 GA-DCA Qualified Action Plan.

DCA may rely upon the representation made in the market study provided. In addition, the market study is assignable to other lenders that are parties to the DCA loan transaction.

CERTIFICATION

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MARKET ANALYST
QUALIFICATIONS

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

agencies.

JERRY M. KOONTZ

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

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

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

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

AREAS OF

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

WORK PRODUCT: Over last 29+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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

National Council of Housing Market Analysts (NCHMA)

NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number.

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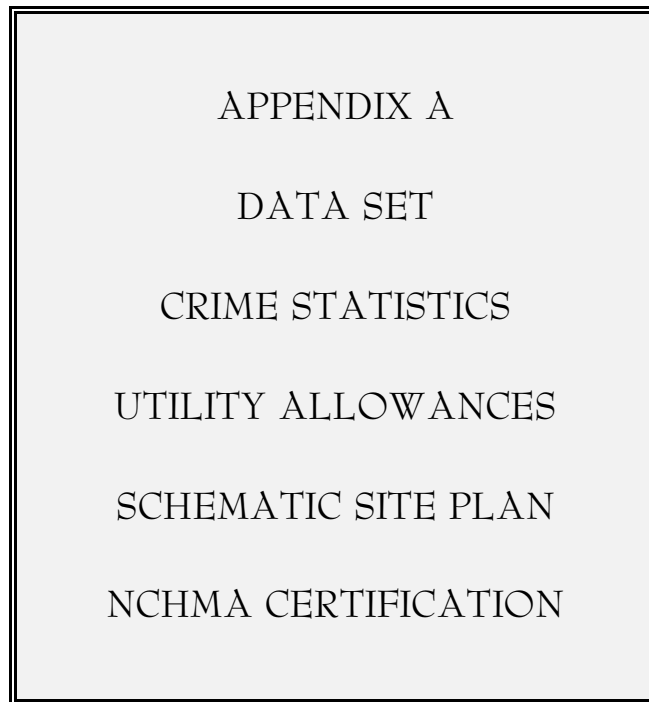
NA

10 - Subject is not a rehab development of an existing apt complex

34-36 - Not a senior development

45 -Today's home buying market requires that one meet a much higher standard of income qualification, credit standing, and a savings threshold. These are difficult hurdles for many LIHTC households to achieve in today's home buying environment.

47-48 - Presently no LIHTC properties w/in PMA



DATA SET

Population by Age & Sex
Franklin Springs-Royston, GA - PMA

Census 2010				Current Year Estimates - 2013				Five-Year Projections - 2018			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	1,196	1,116	2,312	0 to 4 Years	1,182	1,113	2,295	0 to 4 Years	1,192	1,137	2,329
5 to 9 Years	1,233	1,187	2,420	5 to 9 Years	1,183	1,124	2,307	5 to 9 Years	1,154	1,090	2,244
10 to 14 Years	1,297	1,181	2,478	10 to 14 Years	1,233	1,158	2,391	10 to 14 Years	1,159	1,102	2,261
15 to 17 Years	812	734	1,546	15 to 17 Years	766	702	1,468	15 to 17 Years	711	687	1,398
18 to 20 Years	888	817	1,705	18 to 20 Years	877	798	1,675	18 to 20 Years	849	775	1,624
21 to 24 Years	893	873	1,766	21 to 24 Years	973	907	1,880	21 to 24 Years	991	909	1,900
25 to 34 Years	2,125	2,102	4,227	25 to 34 Years	2,086	2,073	4,159	25 to 34 Years	2,204	2,118	4,322
35 to 44 Years	2,523	2,477	5,000	35 to 44 Years	2,317	2,289	4,606	35 to 44 Years	2,057	2,045	4,102
45 to 54 Years	2,881	2,868	5,749	45 to 54 Years	2,712	2,683	5,395	45 to 54 Years	2,435	2,420	4,855
55 to 64 Years	2,556	2,602	5,158	55 to 64 Years	2,552	2,604	5,156	55 to 64 Years	2,539	2,594	5,133
65 to 74 Years	1,674	1,844	3,518	65 to 74 Years	1,816	1,996	3,812	65 to 74 Years	2,049	2,252	4,301
75 to 84 Years	767	1,159	1,926	75 to 84 Years	792	1,155	1,947	75 to 84 Years	881	1,236	2,117
85 Years and Up	186	439	625	85 Years and Up	216	473	689	85 Years and Up	248	517	765
Total	19,031	19,399	38,430	Total	18,705	19,075	37,780	Total	18,469	18,882	37,351
62+ Years	n/a	n/a	7,551	62+ Years	n/a	n/a	7,923	62+ Years	n/a	n/a	8,685

Source: Nielsen Claritas; Ribbon Demographics

POPULATION DATA

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Population by Age & Sex
Franklin County, GA

Census 2010				Current Year Estimates - 2013				Five-Year Projections - 2018			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	678	613	1,291	0 to 4 Years	661	615	1,276	0 to 4 Years	660	630	1,290
5 to 9 Years	699	680	1,379	5 to 9 Years	668	625	1,293	5 to 9 Years	641	597	1,238
10 to 14 Years	758	658	1,416	10 to 14 Years	705	652	1,357	10 to 14 Years	650	608	1,258
15 to 17 Years	460	410	870	15 to 17 Years	441	396	837	15 to 17 Years	410	393	803
18 to 20 Years	534	504	1,038	18 to 20 Years	530	488	1,018	18 to 20 Years	507	473	980
21 to 24 Years	539	532	1,071	21 to 24 Years	581	533	1,114	21 to 24 Years	600	525	1,125
25 to 34 Years	1,212	1,195	2,407	25 to 34 Years	1,192	1,187	2,379	25 to 34 Years	1,248	1,206	2,454
35 to 44 Years	1,394	1,378	2,772	35 to 44 Years	1,270	1,270	2,540	35 to 44 Years	1,140	1,136	2,276
45 to 54 Years	1,627	1,568	3,195	45 to 54 Years	1,509	1,463	2,972	45 to 54 Years	1,328	1,324	2,652
55 to 64 Years	1,423	1,493	2,916	55 to 64 Years	1,422	1,468	2,890	55 to 64 Years	1,415	1,419	2,834
65 to 74 Years	1,017	1,124	2,141	65 to 74 Years	1,094	1,203	2,297	65 to 74 Years	1,206	1,335	2,541
75 to 84 Years	449	725	1,174	75 to 84 Years	460	711	1,171	75 to 84 Years	502	744	1,246
85 Years and Up	121	293	414	85 Years and Up	133	312	445	85 Years and Up	151	332	483
Total	10,911	11,173	22,084	Total	10,666	10,923	21,589	Total	10,458	10,722	21,180
62+ Years	n/a	n/a	4,589	62+ Years	n/a	n/a	4,755	62+ Years	n/a	n/a	5,117

Source: Nielsen Claritas; Ribbon Demographics

Owner Households						
Age 15 to 54 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	181	94	41	8	8	332
\$10,000-20,000	30	143	55	83	52	363
\$20,000-30,000	149	111	169	19	102	550
\$30,000-40,000	112	169	122	82	100	585
\$40,000-50,000	88	144	189	189	113	723
\$50,000-60,000	14	192	104	160	17	487
\$60,000-75,000	4	142	202	194	144	686
\$75,000-100,000	12	173	300	355	123	963
\$100,000-125,000	1	50	70	80	156	357
\$125,000-150,000	1	90	50	20	27	188
\$150,000-200,000	3	21	22	47	14	107
\$200,000+	2	33	20	8	19	82
Total	597	1,362	1,344	1,245	875	5,423

Owner Households						
Aged 55+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	298	183	11	11	3	506
\$10,000-20,000	620	332	70	16	15	1,053
\$20,000-30,000	359	431	67	10	17	884
\$30,000-40,000	166	408	55	24	23	676
\$40,000-50,000	104	424	84	35	9	656
\$50,000-60,000	51	212	91	24	8	386
\$60,000-75,000	100	277	45	9	6	437
\$75,000-100,000	67	269	48	30	6	420
\$100,000-125,000	28	139	30	30	1	228
\$125,000-150,000	18	72	19	4	3	116
\$150,000-200,000	17	48	10	2	1	78
\$200,000+	8	33	4	5	7	57
Total	1,836	2,828	534	200	99	5,497

Owner Households						
Aged 62+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	204	105	8	8	3	328
\$10,000-20,000	561	199	57	15	14	846
\$20,000-30,000	333	354	51	9	9	756
\$30,000-40,000	123	280	21	20	2	446
\$40,000-50,000	63	211	66	35	9	384
\$50,000-60,000	43	134	18	5	6	206
\$60,000-75,000	71	158	20	9	5	263
\$75,000-100,000	36	148	9	18	6	217
\$100,000-125,000	21	92	5	7	0	125
\$125,000-150,000	8	33	1	2	3	47
\$150,000-200,000	8	15	0	0	0	23
\$200,000+	5	16	1	3	1	26
Total	1,476	1,745	257	131	58	3,667

Owner Households						
All Age Groups						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	479	277	52	19	11	838
\$10,000-20,000	650	475	125	99	67	1,416
\$20,000-30,000	508	542	236	29	119	1,434
\$30,000-40,000	278	577	177	106	123	1,261
\$40,000-50,000	192	568	273	224	122	1,379
\$50,000-60,000	65	404	195	184	25	873
\$60,000-75,000	104	419	247	203	150	1,123
\$75,000-100,000	79	442	348	385	129	1,383
\$100,000-125,000	29	189	100	110	157	585
\$125,000-150,000	19	162	69	24	30	304
\$150,000-200,000	20	69	32	49	15	185
\$200,000+	10	66	24	13	26	139
Total	2,433	4,190	1,878	1,445	974	10,920

Renter Households						
Age 15 to 54 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ Person Household	Total
\$0-10,000	261	97	120	24	27	529
\$10,000-20,000	91	48	111	64	123	437
\$20,000-30,000	79	114	115	121	35	464
\$30,000-40,000	72	59	79	65	84	359
\$40,000-50,000	16	154	43	13	45	271
\$50,000-60,000	0	76	59	79	20	234
\$60,000-75,000	6	75	12	12	27	132
\$75,000-100,000	2	14	16	3	31	66
\$100,000-125,000	1	9	1	5	12	28
\$125,000-150,000	7	5	4	2	0	18
\$150,000-200,000	3	3	3	4	2	15
\$200,000+	25	1	0	4	1	31
Total	563	655	563	396	407	2,584

Renter Households						
Aged 55+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ Person Household	Total
\$0-10,000	251	56	2	10	2	321
\$10,000-20,000	268	56	18	8	0	350
\$20,000-30,000	61	64	0	13	1	139
\$30,000-40,000	44	32	2	6	2	86
\$40,000-50,000	16	21	7	4	2	50
\$50,000-60,000	7	5	9	2	3	26
\$60,000-75,000	10	9	8	1	0	28
\$75,000-100,000	13	27	25	6	0	71
\$100,000-125,000	7	5	2	2	2	18
\$125,000-150,000	7	1	2	2	1	13
\$150,000-200,000	6	17	2	0	1	26
\$200,000+	3	1	3	2	2	11
Total	693	294	80	56	16	1,139

Renter Households						
Aged 62+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ Person Household	Total
\$0-10,000	227	17	1	8	2	255
\$10,000-20,000	215	47	16	7	0	285
\$20,000-30,000	30	37	0	4	1	72
\$30,000-40,000	38	31	2	5	1	77
\$40,000-50,000	12	10	5	4	1	32
\$50,000-60,000	4	4	9	1	2	20
\$60,000-75,000	8	3	1	0	0	12
\$75,000-100,000	12	11	4	5	0	32
\$100,000-125,000	6	3	2	2	1	14
\$125,000-150,000	3	1	1	0	1	6
\$150,000-200,000	5	16	1	0	1	23
\$200,000+	0	0	2	1	2	5
Total	560	180	44	37	12	833

Renter Households						
All Age Groups						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+ Person Household	Total
\$0-10,000	512	153	122	34	29	850
\$10,000-20,000	359	104	129	72	123	787
\$20,000-30,000	140	178	115	134	36	603
\$30,000-40,000	116	91	81	71	86	445
\$40,000-50,000	32	175	50	17	47	321
\$50,000-60,000	7	81	68	81	23	260
\$60,000-75,000	16	84	20	13	27	160
\$75,000-100,000	15	41	41	9	31	137
\$100,000-125,000	8	14	3	7	14	46
\$125,000-150,000	14	6	6	4	1	31
\$150,000-200,000	9	20	5	4	3	41
\$200,000+	28	2	3	6	3	42
Total	1,256	949	643	452	423	3,723

Owner Households						
Age 15 to 54 Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	170	121	48	6	17	362
\$10,000-20,000	30	141	47	94	84	396
\$20,000-30,000	148	105	213	18	112	596
\$30,000-40,000	91	164	120	65	102	542
\$40,000-50,000	74	108	161	209	110	662
\$50,000-60,000	13	133	96	136	18	396
\$60,000-75,000	1	108	194	201	142	646
\$75,000-100,000	8	122	234	345	107	816
\$100,000-125,000	0	34	65	80	161	340
\$125,000-150,000	1	73	32	24	18	148
\$150,000-200,000	1	17	30	43	11	102
\$200,000+	1	28	11	7	8	55
Total	538	1,154	1,251	1,228	890	5,061

Owner Households						
Aged 55+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	351	239	20	25	1	636
\$10,000-20,000	630	390	95	12	17	1,144
\$20,000-30,000	376	469	73	12	23	953
\$30,000-40,000	179	431	59	41	16	726
\$40,000-50,000	92	406	112	40	10	660
\$50,000-60,000	52	214	89	32	5	392
\$60,000-75,000	87	314	51	9	2	463
\$75,000-100,000	61	291	70	26	8	456
\$100,000-125,000	29	149	35	29	4	246
\$125,000-150,000	14	69	25	2	1	111
\$150,000-200,000	20	53	12	2	1	88
\$200,000+	5	22	5	2	5	39
Total	1,896	3,047	646	232	93	5,914

Owner Households						
Aged 62+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	244	150	13	18	1	426
\$10,000-20,000	567	240	83	11	16	917
\$20,000-30,000	346	377	56	11	12	802
\$30,000-40,000	130	308	17	32	0	487
\$40,000-50,000	59	220	93	40	9	421
\$50,000-60,000	42	144	15	11	4	216
\$60,000-75,000	62	190	19	9	2	282
\$75,000-100,000	35	179	26	14	8	262
\$100,000-125,000	19	99	3	9	2	132
\$125,000-150,000	6	39	1	0	0	46
\$150,000-200,000	9	23	0	0	0	32
\$200,000+	3	11	2	1	1	18
Total	1,522	1,980	328	156	55	4,041

Owner Households						
All Age Groups						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	521	360	68	31	18	998
\$10,000-20,000	660	531	142	106	101	1,540
\$20,000-30,000	524	574	286	30	135	1,549
\$30,000-40,000	270	595	179	106	118	1,268
\$40,000-50,000	166	514	273	249	120	1,322
\$50,000-60,000	65	347	185	168	23	788
\$60,000-75,000	88	422	245	210	144	1,109
\$75,000-100,000	69	413	304	371	115	1,272
\$100,000-125,000	29	183	100	109	165	586
\$125,000-150,000	15	142	57	26	19	259
\$150,000-200,000	21	70	42	45	12	190
\$200,000+	6	50	16	9	13	94
Total	2,434	4,201	1,897	1,460	983	10,975

Renter Households						
Age 15 to 54 Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	254	112	118	33	34	551
\$10,000-20,000	78	47	118	71	138	452
\$20,000-30,000	59	96	115	108	26	404
\$30,000-40,000	40	61	79	57	75	312
\$40,000-50,000	6	119	29	9	43	206
\$50,000-60,000	1	63	60	89	21	234
\$60,000-75,000	6	70	9	13	17	115
\$75,000-100,000	0	9	13	3	40	65
\$100,000-125,000	0	9	0	3	13	25
\$125,000-150,000	2	1	2	1	1	7
\$150,000-200,000	3	1	1	2	2	9
\$200,000+	13	3	1	0	0	17
Total	462	591	545	389	410	2,397

Renter Households						
Aged 55+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	317	81	3	15	1	417
\$10,000-20,000	288	66	21	9	0	384
\$20,000-30,000	50	70	3	11	1	135
\$30,000-40,000	57	43	2	3	2	107
\$40,000-50,000	16	17	5	4	0	42
\$50,000-60,000	9	5	11	3	0	28
\$60,000-75,000	12	16	7	1	2	38
\$75,000-100,000	8	20	24	4	3	59
\$100,000-125,000	5	4	5	2	0	16
\$125,000-150,000	6	4	2	2	2	16
\$150,000-200,000	3	20	0	3	1	27
\$200,000+	5	4	5	1	0	15
Total	776	350	88	58	12	1,284

Renter Households						
Aged 62+ Years						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	292	30	3	14	1	340
\$10,000-20,000	244	60	19	8	0	331
\$20,000-30,000	20	42	3	3	1	69
\$30,000-40,000	52	41	1	2	2	98
\$40,000-50,000	13	9	4	4	0	30
\$50,000-60,000	5	4	11	2	0	22
\$60,000-75,000	9	6	1	0	2	18
\$75,000-100,000	8	12	1	3	2	26
\$100,000-125,000	4	3	5	2	0	14
\$125,000-150,000	2	0	2	1	2	7
\$150,000-200,000	2	19	0	2	1	24
\$200,000+	3	4	3	0	0	10
Total	654	230	53	41	11	989

Renter Households						
All Age Groups						
Year 2013 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	571	193	121	48	35	968
\$10,000-20,000	366	113	139	80	138	836
\$20,000-30,000	109	166	118	119	27	539
\$30,000-40,000	97	104	81	60	77	419
\$40,000-50,000	22	136	34	13	43	248
\$50,000-60,000	10	68	71	92	21	262
\$60,000-75,000	18	86	16	14	19	153
\$75,000-100,000	8	29	37	7	43	124
\$100,000-125,000	5	13	5	5	13	41
\$125,000-150,000	8	5	4	3	3	23
\$150,000-200,000	6	21	1	5	3	36
\$200,000+	18	7	6	1	0	32
Total	1,238	941	633	447	422	3,681

Owner Households						
Age 15 to 54 Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	145	117	43	6	18	329
\$10,000-20,000	25	125	43	98	86	377
\$20,000-30,000	131	95	214	16	93	549
\$30,000-40,000	69	132	99	60	105	465
\$40,000-50,000	49	89	148	205	99	590
\$50,000-60,000	10	111	87	123	18	349
\$60,000-75,000	0	81	171	193	139	584
\$75,000-100,000	6	92	219	317	101	735
\$100,000-125,000	1	27	60	75	172	335
\$125,000-150,000	0	75	30	33	19	157
\$150,000-200,000	1	14	29	37	14	95
\$200,000+	1	27	2	8	9	54
Total	438	985	1,152	1,171	873	4,619

Owner Households						
Aged 55+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	368	253	24	34	2	681
\$10,000-20,000	636	386	122	13	22	1,179
\$20,000-30,000	388	509	80	16	21	1,014
\$30,000-40,000	185	451	66	42	17	761
\$40,000-50,000	97	395	122	46	8	668
\$50,000-60,000	62	225	93	35	9	424
\$60,000-75,000	92	330	56	10	3	491
\$75,000-100,000	63	299	77	30	11	480
\$100,000-125,000	29	152	38	33	2	254
\$125,000-150,000	22	74	27	6	0	129
\$150,000-200,000	21	53	13	2	3	92
\$200,000+	9	30	7	1	7	54
Total	1,972	3,157	725	268	105	6,227

Owner Households						
Aged 62+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	267	169	16	28	2	482
\$10,000-20,000	576	244	111	11	21	963
\$20,000-30,000	357	413	62	14	11	857
\$30,000-40,000	143	339	22	30	1	535
\$40,000-50,000	68	227	101	46	8	450
\$50,000-60,000	52	154	17	12	7	242
\$60,000-75,000	67	205	22	10	3	307
\$75,000-100,000	39	191	31	14	11	286
\$100,000-125,000	21	106	4	10	1	142
\$125,000-150,000	11	46	0	1	0	58
\$150,000-200,000	6	21	0	1	3	31
\$200,000+	5	17	3	0	1	26
Total	1,612	2,132	389	177	69	4,379

Owner Households						
All Age Groups						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	513	370	67	40	20	1,010
\$10,000-20,000	661	511	165	111	108	1,556
\$20,000-30,000	519	604	294	32	114	1,563
\$30,000-40,000	254	583	165	102	122	1,226
\$40,000-50,000	146	484	270	251	107	1,258
\$50,000-60,000	72	336	180	158	27	773
\$60,000-75,000	92	411	227	203	142	1,075
\$75,000-100,000	69	391	296	347	112	1,215
\$100,000-125,000	30	179	98	108	174	589
\$125,000-150,000	22	149	57	39	19	286
\$150,000-200,000	22	67	42	39	17	187
\$200,000+	10	57	16	9	16	108
Total	2,410	4,142	1,877	1,439	978	10,846

Renter Households						
Age 15 to 54 Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	228	107	122	35	37	529
\$10,000-20,000	67	38	119	70	138	432
\$20,000-30,000	53	81	105	98	28	365
\$30,000-40,000	34	58	69	56	74	291
\$40,000-50,000	6	108	27	8	40	189
\$50,000-60,000	1	63	60	92	21	237
\$60,000-75,000	8	63	8	9	10	98
\$75,000-100,000	1	12	13	1	43	70
\$100,000-125,000	0	6	2	4	12	24
\$125,000-150,000	3	2	2	0	1	8
\$150,000-200,000	3	1	0	1	2	7
\$200,000+	15	2	5	0	0	22
Total	419	541	532	374	406	2,272

Renter Households						
Aged 55+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	336	88	2	17	0	443
\$10,000-20,000	290	69	23	11	2	395
\$20,000-30,000	46	82	2	8	1	139
\$30,000-40,000	58	46	7	2	3	116
\$40,000-50,000	17	23	4	0	3	47
\$50,000-60,000	9	5	11	3	0	28
\$60,000-75,000	10	13	8	6	1	38
\$75,000-100,000	11	18	22	7	1	59
\$100,000-125,000	6	10	5	3	1	25
\$125,000-150,000	8	8	3	3	0	22
\$150,000-200,000	3	15	2	2	2	24
\$200,000+	6	4	3	3	0	16
Total	800	381	92	65	14	1,352

Renter Households						
Aged 62+ Years						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	313	33	2	15	0	363
\$10,000-20,000	251	63	20	10	2	346
\$20,000-30,000	19	54	2	1	1	77
\$30,000-40,000	55	44	6	2	2	109
\$40,000-50,000	13	14	3	0	3	33
\$50,000-60,000	5	5	11	3	0	24
\$60,000-75,000	8	4	1	5	0	18
\$75,000-100,000	11	11	1	5	1	29
\$100,000-125,000	5	8	5	3	1	22
\$125,000-150,000	4	3	2	2	0	11
\$150,000-200,000	2	14	1	2	2	21
\$200,000+	4	3	3	2	0	12
Total	690	256	57	50	12	1,065

Renter Households						
All Age Groups						
Year 2018 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	564	195	124	52	37	972
\$10,000-20,000	357	107	142	81	140	827
\$20,000-30,000	99	163	107	106	29	504
\$30,000-40,000	92	104	76	58	77	407
\$40,000-50,000	23	131	31	8	43	236
\$50,000-60,000	10	68	71	95	21	265
\$60,000-75,000	18	76	16	15	11	136
\$75,000-100,000	12	30	35	8	44	129
\$100,000-125,000	6	16	7	7	13	49
\$125,000-150,000	11	10	5	3	1	30
\$150,000-200,000	6	16	2	3	4	31
\$200,000+	21	6	8	3	0	38
Total	1,219	922	624	439	420	3,624



B25074

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS

Universe: Renter-occupied housing units
2007-2011 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Franklin County, Georgia	
	Estimate	Margin of Error
Total:	2,472	+/-303
Less than \$10,000:	618	+/-149
Less than 20.0 percent	0	+/-98
20.0 to 24.9 percent	31	+/-30
25.0 to 29.9 percent	42	+/-40
30.0 to 34.9 percent	68	+/-53
35.0 percent or more	316	+/-108
Not computed	161	+/-79
\$10,000 to \$19,999:	725	+/-199
Less than 20.0 percent	74	+/-53
20.0 to 24.9 percent	41	+/-49
25.0 to 29.9 percent	25	+/-25
30.0 to 34.9 percent	92	+/-54
35.0 percent or more	402	+/-173
Not computed	91	+/-64
\$20,000 to \$34,999:	559	+/-156
Less than 20.0 percent	44	+/-32
20.0 to 24.9 percent	68	+/-42
25.0 to 29.9 percent	149	+/-79
30.0 to 34.9 percent	64	+/-56
35.0 percent or more	142	+/-102
Not computed	92	+/-73
\$35,000 to \$49,999:	218	+/-79
Less than 20.0 percent	97	+/-59
20.0 to 24.9 percent	60	+/-54
25.0 to 29.9 percent	21	+/-25
30.0 to 34.9 percent	2	+/-5
35.0 percent or more	0	+/-98
Not computed	38	+/-31
\$50,000 to \$74,999:	268	+/-111
Less than 20.0 percent	227	+/-108
20.0 to 24.9 percent	28	+/-35
25.0 to 29.9 percent	4	+/-6
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	0	+/-98

	Franklin County, Georgia	
	Estimate	Margin of Error
Not computed	9	+/-10
\$75,000 to \$99,999:	39	+/-31
Less than 20.0 percent	27	+/-32
20.0 to 24.9 percent	0	+/-98
25.0 to 29.9 percent	0	+/-98
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	0	+/-98
Not computed	12	+/-14
\$100,000 or more:	45	+/-38
Less than 20.0 percent	38	+/-35
20.0 to 24.9 percent	0	+/-98
25.0 to 29.9 percent	0	+/-98
30.0 to 34.9 percent	0	+/-98
35.0 percent or more	0	+/-98
Not computed	7	+/-12

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

While the 2007-2011 American Community Survey (ACS) data generally reflect the December 2009 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2000 data. Boundaries for urban areas have not been updated since Census 2000. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

CRIME STATISTICS



Crime Statistics

[georgia.gov](#) > [Agencies](#) > [Georgia Bureau of Investigations](#) > [Crime Statistics](#)

Georgia Crime Statistics

Results for All Months, 2011, Franklin County

Number of Crimes by Offense

Franklin County

Month	Murder	Rape	Robbery	Assault	Burglary	Larceny	Vehicle Theft
January	0	0	1	0	11	27	3
February	0	0	0	1	16	40	3
March	0	0	0	5	7	39	2
April	0	0	1	1	14	33	1
May	0	0	1	0	15	51	0
June	0	0	0	0	18	34	1
July	0	0	2	0	15	36	2
August	0	1	0	4	16	42	2
September	0	1	2	0	7	42	2
October	1	0	0	1	13	42	2
November	0	0	0	3	13	46	2
December	1	0	0	1	13	28	1
Total	2	2	7	16	158	460	21

SEARCH AGAIN

UTILITY ALLOWANCES

Georgia Department of Community Affairs
Office of Affordable Housing

UTILITY ALLOWANCES
Effective 6/1/2013

NORTHERN REGION

Unit Type	Use	Appliance Type	0 BR	1 BR	2 BR	3 BR	4 BR
MULTI-FAMILY	Heating	Natural Gas	24	34	43	53	68
		Electric	26	36	46	56	72
		Propane	51	71	91	110	142
		78%+ AFUE Gas	16	21	25	34	42
		Electric Heat Pump	9	10	13	18	22
		Electric Aquatherm	18	25	32	39	50
		Gas Aquatherm	16	24	30	37	48
	Cooking	Natural Gas	6	9	10	13	16
		Electric	6	9	11	13	17
		Propane	14	17	23	28	34
	Hot Water	Natural Gas	16	22	28	34	43
		Electric	19	26	34	41	53
		Propane	34	45	59	71	91
	Air Cond.	Electric	17	23	30	36	46
Lights/Refr.	Electric	17	24	31	38	49	
Sewer		15	20	24	32	39	
Water		10	13	16	22	28	
Trash Collection		20	20	20	20	20	
SINGLE FAMILY	Heating	Natural Gas	27	37	49	59	76
		Electric	28	40	51	62	80
		Propane	57	79	102	125	156
		78%+ AFUE Gas	25	33	42	49	62
		Electric Heat Pump	18	28	31	36	48
		Electric Aquatherm	20	28	36	44	56
		Gas Aquatherm	19	27	34	42	53
	Cooking	Natural Gas	6	9	10	13	16
		Electric	6	9	11	13	17
		Propane	14	17	23	28	34
	Hot Water	Natural Gas	16	22	28	34	43
		Electric	19	27	34	41	53
		Propane	34	45	59	71	91
	Air Cond.	Electric	18	26	33	40	51
Lights/Refr.	Electric	19	28	35	43	54	
Sewer		15	21	26	31	39	
Water		10	14	18	22	28	
Trash Collection		20	20	20	20	20	

PART FIVE - UTILITY ALLOWANCES - 2013-0 Heather Highlands, Franklin Springs, Franklin County

DCA Utility Region for project: **North**

I. UTILITY ALLOWANCE SCHEDULE #1

Utility	Fuel	Source of Utility Allowances		Georgia DCA			
		Tenant	Owner	September 1, 2012	Structure	MF	
Heat	Electric Heat Pump	X		10	13	18	
Air Conditioning	Electric	X		23	30	36	
Cooking	Electric	X		9	11	13	
Hot Water	Electric	X		26	34	41	
Lights	Electric	X		24	31	38	
Water & Sewer	Submetered? <input type="checkbox"/> No	X		33	40	54	
Refuse Collection							
Total Utility Allowance by Unit Size				0	125	159	200

II. UTILITY ALLOWANCE SCHEDULE #2

Utility	Fuel	Source of Utility Allowances		Georgia DCA			
		Tenant	Owner	September 1, 2012	Structure	MF	
Heat	<<Select Fuel >>						
Air Conditioning	Electric						
Cooking	<<Select Fuel >>						
Hot Water	<<Select Fuel >>						
Lights	Electric						
Water & Sewer	Submetered? <input type="checkbox"/> <Select>						
Refuse Collection							
Total Utility Allowance by Unit Size				0	0	0	0

*Elderly allowances cannot be used except at properties that have 100% HUD PBRA and satisfy the DCA definition of "elderly"

APPLICANT COMMENTS AND CLARIFICATIONS

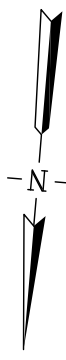
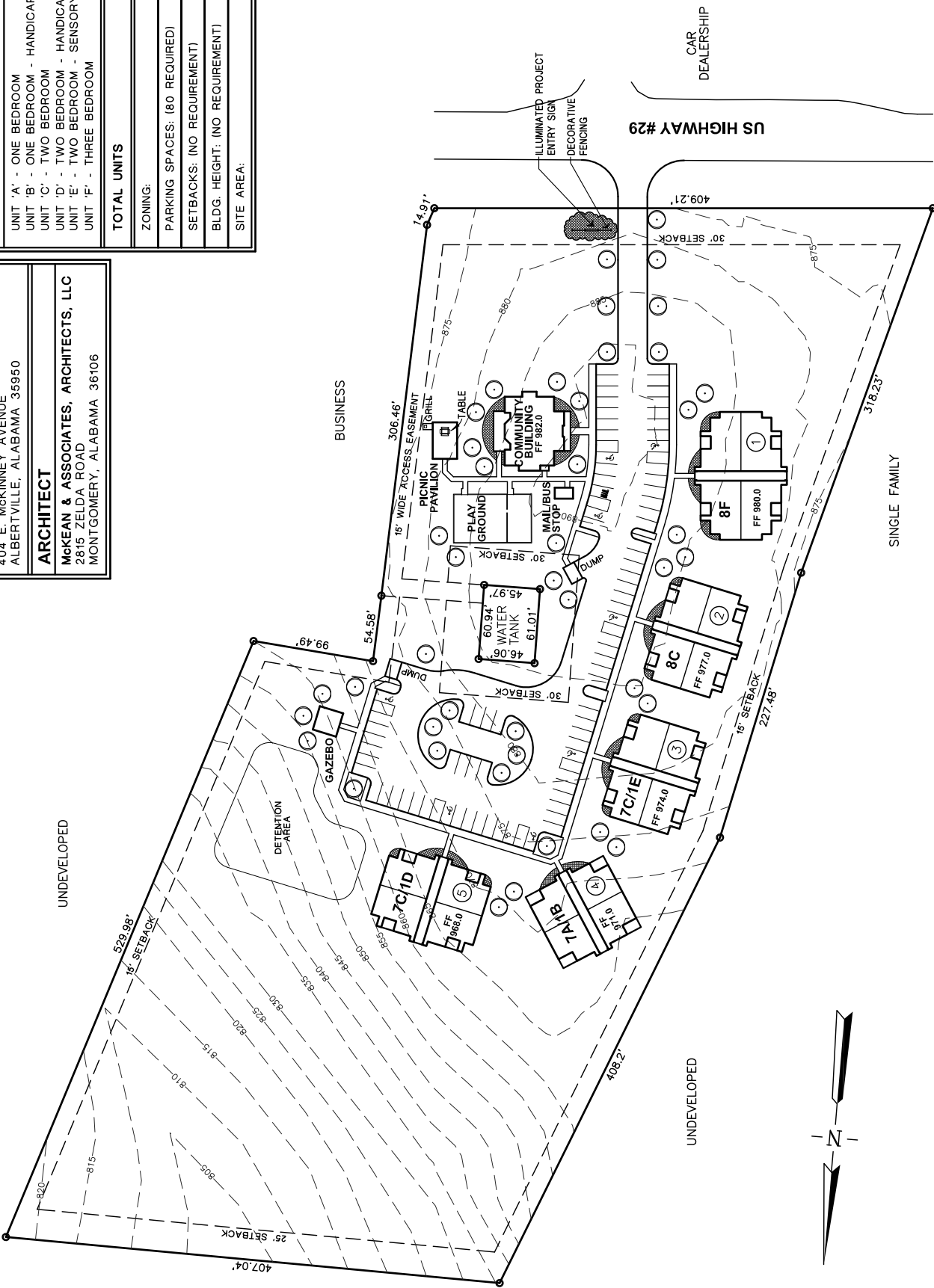
DCA COMMENTS

SCHEMATIC SITE PLAN

LEGEND		COUNT
UNIT TYPE		
UNIT 'A' - ONE BEDROOM		7 UNITS
UNIT 'B' - ONE BEDROOM - HANDICAP		1 UNIT
UNIT 'C' - TWO BEDROOM		22 UNITS
UNIT 'D' - TWO BEDROOM - HANDICAP		1 UNIT
UNIT 'E' - TWO BEDROOM - SENSORY		1 UNIT
UNIT 'F' - THREE BEDROOM		8 UNITS
TOTAL UNITS		40 UNITS
ZONING:		R-4
PARKING SPACES: (80 REQUIRED)		80
SETBACKS: (NO REQUIREMENT)		AS SHOWN
BLDG. HEIGHT: (NO REQUIREMENT)		33'-3"
SITE AREA:		8.06 ACRES±

OWNER
 HEATHER HIGHLANDS, L.P.
 404 E. MCKINNEY AVENUE
 ALBERTVILLE, ALABAMA 35950

ARCHITECT
 MCKEAN & ASSOCIATES, ARCHITECTS, LLC
 2815 ZELDA ROAD
 MONTGOMERY, ALABAMA 36106



SCHEMATIC SITE PLAN
 HEATHER HIGHLANDS
 FRANKLIN SPRINGS, GEORGIA

NCHMA CERTIFICATION

Certificate of Professional Designation

This certificate verifies that

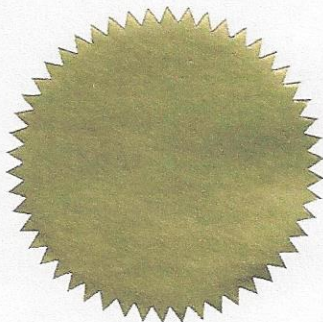
Jerry Koontz
Koontz & Salinger

*Has completed NCAHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



National Council of Affordable Housing Market Analysts

1400 16th St. NW, Suite 420
Washington, DC 200036
(202) 939-1750



Designation Term
7/1/2012 to 6/30/2013

Thomas Amdur
Executive Director, NCAHMA