



REAL PROPERTY **RESEARCH** GROUP

WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

Legacy at School Street Senior Apartments

Acworth, Cobb County, Georgia

Prepared for:

Walton Communities

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EXECUTIVE SUMMARY

Walton Communities has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis for Legacy at School Street, a proposed senior-oriented rental community in Acworth, Cobb County, Georgia. Legacy at School Street will be financed in part by Low Income Housing Tax Credits (LIHTC), allocated by the Georgia Department of Community Affairs (DCA). The following report, including the executive summary, is based on DCA's 2013 market study requirements.

1. Project Description

- Upon completion, Legacy at School Street will offer 100 newly constructed rental units reserved for households earning up to 50 and 60 percent of the Area Median Income (AMI), adjusted for household size. Sixty of the 100 proposed units will also contain Project Based Rental Assistance (PBRA) through the Marietta Housing Authority. Tenants of PBRA units will not be subject to minimum income limits.
- The 60 percent LIHTC units proposed at Legacy at School Street will be restricted to households with householders age 55 and older; however, HUD requirements stipulate all PBRA units must be restricted to households with householders age 62+.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below. The rents shown will include the cost of trash removal.

Legacy at School Street Senior Apartments									
School Street									
Acworth, GA 30101									
Unit Mix/Rents									
Type	Bed	Bath	Subsidy	AMI	Units	Size (sqft)	Net Rent	Utility	Gross Rent
Elevator	1	1	LIHTC/PBRA	50%	15	748	*\$750	\$115	\$915
Elevator	1	1	LIHTC/PBRA	60%	45	748	*\$750	\$115	\$915
Elevator	2	2	LIHTC	60%	20	1,050	\$640	\$148	\$788
Elevator	2	2	LIHTC	60%	20	1,154	\$640	\$148	\$788
Total					100				

- The newly constructed units at the subject property will offer kitchens with new energy star appliances including a refrigerator, range, garbage disposal, and dishwasher. Flooring will be a combination of wall-to-wall carpeting and vinyl tile in the kitchen / bathrooms. In addition, all units will include washer/dryer connections, high speed internet access, cable TV connections, emergency call systems, and window blinds. The proposed unit features at Legacy at School Street will be competitive with existing LIHTC and market rate rental communities in the School Street Market Area and will be well received by the target market.
- Legacy at School Street's community amenity package will include a multi-purpose room, fitness center, arts and crafts room, kitchen, indoor/outdoor sitting areas, covered patio with seating, and central laundry facility. These amenities will be competitive with the surveyed rental stock in the School Street Market Area and will be more appealing to senior householders over those offered at family targeted communities.

2. Site Description / Evaluation:



- The site for Legacy at School Street is situated on the north side of Moon Street, between its intersections with School Street in Acworth, Cobb County, Georgia. Bordering land uses include single-family detached homes, Logan Farm Park, commercial uses, and the Roberts School Community and Education Center.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity including both convenience and comparison shopping opportunities within two to three miles. A handful of shopping opportunities are also located within a short walking distance (one-half mile).
- Legacy at School Street will have sufficient visibility and accessibility from School Street, a residential side street connection to Northside Drive and Old Cherokee Street. From these roadways, residents of Legacy at School Street will have convenient access to downtown Acworth and Interstate 75 within one mile.
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would negatively affect the proposed development's viability in the marketplace.

3. Market Area Definition

- The School Street Market Area consists of twenty-one 2010 Census tracts in Cobb, Bartow, and Cherokee Counties and includes all or portions of three municipalities (Acworth, Emerson, and Kennesaw). The boundaries of the School Street Market Area and their approximate distance from the subject site are Kellogg Creek Road / Lake Altoona (4.5 miles to the north), Kennesaw Due West Road / Cherokee Street (6.1 miles to the east), Kennesaw Due West Road / Burnt Hickory Road (4.8 miles to the south), and Paulding County / Cartersville Highway (3.2 miles to the west).

4. Community Demographic Data

The School Street Market Area experienced significant population and household growth during the past decade. Growth is expected to continue at a steady pace through 2015, albeit at a slower rate than that experienced from 2000 to 2010. Over the next three years, senior household growth is expected to outpace total household growth on a percentage basis.

- Between 2000 and 2010 Census counts, the population of the School Street Market Area grew from 108,083 to 135,830 people, an annual increase of 2.3 percent or 2,775 people per year. During the same period, the number of households in the School Street Market Area increased from 37,719 to 47,636 households, a gain of 992 households or 2.4 percent annually. RPRG further projects that the market area will add 2,118 people and 757 households per year from 2013 to 2015 for a growth rate of 1.5 percent annually.
- From 2013 and 2015, households with householders age 55+ are projected to increase at an annual rate of 3.2 percent or 517 households. This would bring the total number of households with householders age 55+ in the School Street Market Area to 16,960. Households with a householder age 62+ will increase at an annual rate of 3.8 percent or 378 households per year.
- Older adults and seniors (persons age 55 and older) constitute 18.9 percent of the population in the School Street Market Area compared to 20.8 percent of the population in Cobb County. Adults age 35-61 comprise the largest percentage of the population in both regions at roughly 38 percent.



- Approximately 42 percent of all households in the School Street Market Area contain children compared to 36.7 percent in Cobb County. Over one-third (approximately 38 to 39 percent) of all households in both the School Street Market Area and Cobb County contain two adults but no children. Single persons account for 18.8 percent and 25.6 percent of households in the School Street Market Area and Cobb County, respectively.
- As of the 2010 Census, 22.4 percent of all households in the School Street Market Area were renters, compared to 33.1 percent in Cobb County. Based on 2000 and 2010 census data, School Street Market Area renter households accounted for 48.8 percent of the net household change for the decade, indicating a trend away from homeownership. Based on Esri estimates, the School Street Market Area's renter percentage is projected to increase to 23.1 percent and 23.2 percent in 2013 and 2015, respectively.
- Young working age households form the core of the market area's renters, as half (50.3 percent) of all renter householders are ages 25-44. Approximately 19 percent of market area renter householders are age 55 or older.
- As of 2010, 52.2 percent of all renter households in the School Street Market Area contained one or two persons compared to 62.3 percent in Cobb County.
- According to income distributions provided by Esri, the 2013 median income of households in the School Street Market Area is \$67,422, 3.2 percent higher than the Cobb County median household income of \$65,304.
- RPRG estimates the 2013 median income for senior renter householders (age 55 and older) in the School Street Market Area is \$29,532. Approximately 29 percent of all senior renter householders (55+) in the School Street Market Area have an income less than \$15,000 per year. Another 30.2 percent of senior renter households (55+) earn from \$15,000 to \$34,999 annually.
- The School Street Market Area contains a limited number of abandoned or vacant homes and has encountered modest foreclosures over the past year. While the conversion of such properties can affect the demand for new multi-family rental housing in some markets, we do not believe foreclosures will impact demand for the subject property given its senior-oriented design and affordable nature.

5. Economic Data:

Despite heavy job losses and high unemployment experienced during the most recent national recession, Cobb County appears stable as signs of post-recession recovery continue. Given senior oriented rental communities are generally less affected by downturns in the local economy and the majority of the subject property's units will be deeply subsidized, we do not expect current economic conditions in Cobb County to negatively impact the proposed development of Legacy at School Street.

- As the full effects of the recent national recession began to impact the local economy, Cobb County's unemployment rate surged to a high of 9.6 percent in 2010. Over the past two years, economic conditions have improved as the unemployment rate dropped to 8.9 percent in 2011 and 8.0 percent in 2012. Overall, the unemployment rate in Cobb County has fallen below state and national levels in all but one year since 2000.
- The recent national recession resulted in a loss of over 31,000 jobs or 9.8 percent of Cobb County's 2007 employment base; however, the county's economy has shown signs of



stabilization/recovery with the addition of 5,458 jobs in 2011 and over 9,300 jobs through the third quarter of 2012.

- Trade-Transportation-Utilities and Professional Business are the two largest employment sectors in Cobb County, accounting for a combined 44.9 percent of total employment in the third quarter of 2012. By comparison, these two sectors represent just 32.7 percent of jobs nationally. Relative to national figures, Cobb County has notably lower percent of jobs in Government (11.2 versus 16.0 percent), Education-Health (11.5 percent versus 14.7 percent), and Manufacturing (6.2 versus 9.1 percent).
- Between 2007 and the third quarter of 2012, Cobb County experienced employment declines in nine of eleven industry sectors. While not necessarily the highest on a percentage basis, the Construction, Manufacturing, Trade-Transportation-Utilities, and Leisure-Hospitality sectors were hit the hardest with annual declines of 40.2 percent, 9.2 percent, 6.6 percent, and 6.3 percent, respectively. The only two sectors to add jobs during this period were Education-Health (12.8 percent) and Professional Business (3.5 percent).

6. Project Specific Affordability and Demand Analysis:

- Legacy at School Street will offer 100 units reserved for households earning at or below 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Sixty of the 100 proposed LIHTC units will also benefit from Project Based Rental Assistance (PBRA).
- The 60 percent LIHTC units without PBRA will target renter householders earning from \$23,640 to \$31,860. The 40 proposed 60 percent units would need to capture 18.2 percent of the 220 age and income qualified renter households (55+) in order to lease-up.
- The 50 and 60 percent units with PBRA will target renter householders earning from \$0 to \$29,880. The 60 proposed PBRA units would need to capture 8.3 percent of the 726 age and income qualified renter households (62+) in order to lease-up.
- While the capture rate for two bedroom 60 percent units is somewhat high, all affordability capture rates are within acceptable and achievable levels for a senior-oriented rental community (generally 15 to 20 percent). Furthermore, senior LIHTC communities typically attract a significant number of tenants from other sources of demand including households living outside the market area and those converting from owners to renters.
- Based on DCA methodology, a net demand of 140 exists for 60 percent LIHTC units and a net demand of 304 exists for PBRA units in the School Street Market Area. These demand estimates result in capture rates of 28.6 percent and 19.7 percent, respectively. As both LIHTC and PBRA units only include one floor plan, capture rates by floor plan and income level are identical.
- All of the capture rates for Legacy at School Street are within DCA's threshold of 30 percent for rental communities located in urban/suburban counties. The overall capture rates and capture rates by floor plan indicate sufficient demand to support the proposed development.
- At present, the most comparable senior rental community to Legacy at School Street in the market maintains a waiting list of approximately 350 people for its 108 units. This includes potential applicants for both LIHTC and PBRA units.

7. Competitive Rental Analysis



RPRG surveyed two senior rental communities and ten general occupancy communities in the School Street Market Area for this report. Both senior communities and five of the ten general occupancy properties were funded by Low Income Housing Tax Credits (LIHTC). At the time of our survey, the overall senior rental market was stable with all vacancies occurring at one property on the edge of the market area. The most directly comparable senior community to the subject property, Legacy at Walton Overlook, was fully occupied with a waiting list. The general occupancy rental market was also stable, though some softness exists at three of the five LIHTC communities.

- The two senior LIHTC communities in the School Street Market Area combine to offer 228 units, of which 55 offer PBRA. Excluding deeply subsidized units, all of which are currently occupied, 11 of 173 unsubsidized units (LIHTC and Market) were reported vacant (6.4 percent). All eleven vacancies occurred at Highland Court, as Legacy at Walton Overlook reported a waiting list of approximately 350 people for all units.
- Overall, Legacy at Walton Overlook is a much better barometer for current senior rental market conditions than Highland Court, as Highland Court is located on the edge of the market area and serves a significant number of households in a different submarket. While technically inside School Street Market Area boundaries, Highland Court also competes with other senior LIHTC communities outside the School Street Market Area including Alta Ridenour in Kennesaw and Hearthside Towne Lake in Woodstock. Net rents, unit sizes, and rents per square foot for non-subsidized senior units are as follows:

One Bedroom Units:

- **60 percent LIHTC units** had an average effective rent of \$684. Based on an average unit size of 700 square feet, one bedroom 60 percent LIHTC units averaged \$0.98 per square foot.
- **Market rate units** reported an average effective rent of \$843, an average unit size of 700 square feet, and an average rent per square foot of \$1.20.

Two Bedroom Units:

- **60 percent LIHTC units** had an average effective rent of \$794. Based on an average unit size of 1,041 square feet, two bedroom 60 percent LIHTC units averaged \$0.76 per square foot.
- **Market rate units** reported an average effective rent of \$983, an average unit size of 1,041 square feet, and an average rent per square foot of \$0.94.
- The subject property's proposed 60 percent two bedroom rents will be priced \$125 to \$182 lower than 60 percent two bedroom units offered at both senior LIHTC communities in the School Street Market Area. As tenants of PBRA units will not actually pay the proposed contract rent of \$750 for one bedroom 60 percent units, we have evaluated to maximum tax credit rent of \$632 in the event the subject property were to operate without additional project based subsidies. This proposed rent would also be positioned at the bottom of the senior rental market.
- The "average market rent" among comparable communities is \$799 for one bedroom units and \$940 for two bedroom units. Compared to average market rents, the subject property's proposed two bedroom 60 percent units would have a rent advantage of 31.9 percent. In the event the subject property's one bedroom PBRA units operated as LIHTC units without additional subsidy, they would be restricted to a maximum tax credit rent of \$632. This maximum tax credit rent would have rent advantage of 20.9 percent.



- Two senior-oriented rental communities are planned/under construction in the School Street Market Area; however, neither community will compete with Legacy at School Street due to differences in services offered and income targeting.

8. Absorption/Stabilization Estimates

- Based on the product to be constructed, low proposed rent levels, reasonable affordability/demand estimates, senior rental market conditions, and PBRA on 60 of 100 units, we expect Legacy at School Street to lease-up at a pace of at least 18 units per month. At this rate, the 100 units proposed at the subject property would reach a stabilized occupancy of at least 93 percent within five to six months.
- Given the proposed project based subsidies on the majority of units and current market conditions, we do not believe the development of the subject property will have an adverse impact on existing rental communities in the School Street Market Area including those with tax credits. Limited senior rental housing options currently exist in the School Street Market Area, especially those serving very low income senior households. With continued strong senior household growth projected in the School Street Market Area, demand for affordable senior rental housing is also likely to increase over the next five years.

9. Overall Conclusion / Recommendation

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

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
60% Units - HH 55+	\$23,640 - \$31,860										
Two Bedroom Units	\$23,640 - \$31,860	40	9.6%	168	28	140	28.6%		\$940	\$800-\$1,120	\$640
50% Units (PBRA)	no min\$ - \$24,900										
One Bedroom Units	no min\$ - \$24,900	15	27.9%	317	17	300	5.0%		\$799	\$682-\$950	*\$750
60% Units (PBRA)	no min\$ - \$29,880										
One Bedroom Units	no min\$ - \$29,880	45	31.7%	359	38	321	14.0%		\$799	\$682-\$950	*\$750
Project Total	\$23,640 - \$31,860										
60% Units - HH 55+	\$23,640 - \$31,860	40	9.6%	168	28	140	28.6%	5-6 Months			
50% Units (PBRA)	no min\$ - \$24,900	15	27.9%	317	17	300	5.0%	5-6 Months			
60% Units (PBRA)	no min\$ - \$29,880	45	31.7%	359	38	321	14.0%	5-6 Months			
Total PBRA Units	no min\$ - \$31,860	60	31.7%	359	55	304	19.7%	5-6 Months			

*Contract Rent



10. DCA Summary Table:

SUMMARY TABLE:		
Development Name:	Legacy at School Street Senior Apartments	Total # Units: 100
Location:	School Street, Acworth GA 30101	# LIHTC Units: 100
PMA Boundary:	North: Kellogg Creek Road/Lake Altoona, East: Kennesaw Due West Road/Cherokee Street, South: Kennesaw Due West Road/Burnt Hickory Road, West: Paulding County/Cartersville Hwy.	
	Farthest Boundary Distance to Subject:	6.1 miles

RENTAL HOUSING STOCK – (found on pages 5, 38, 43-44)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	11	2,044	135	93.4%
Market-Rate Housing	4	820	37	95.5%
Assisted/Subsidized Housing not to include LIHTC				
LIHTC	7	1,224	98	92.0%
Stabilized Comps	2	228	11	95.2%
Properties in construction & lease up				

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
15	1	1	748	\$750 (PBRA)	\$799	\$0.89	N/A	\$1,045	\$1.27
45	1	1	748	\$750 (PBRA)	\$799	\$0.89	N/A	\$1,045	\$1.27
20	2	2	1,050	\$640	\$940	\$0.79	31.9%	\$1,120	\$1.10
20	2	2	1,154	\$640	\$940	\$0.79	31.9%	\$1,120	\$1.10

DEMOGRAPHIC DATA (found on pages 32, 55)						
	2010		2013		2015	
Renter Households (55+)	1,921	13.3%	2,139	13.4%	2,295	13.5%
Income-Qualified Renter HHs (LIHTC 55+)	282	14.6%	281	13.1%	220	9.5%
Income-Qualified Renter HHs (PBRA 62+)	680	57.1%	745	55.3%	726	49.7%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 58)					
Type of Demand	60%	50%/ PBRA	60%/ PBRA	Total PBRA	
Renter Household Growth	27	62	70	70	
Existing Households (Overburd + Substand)	112	202	228	228	
Homeowner Conversion (Seniors)	3	6	7	7	
Secondary Market Demand (15%)	25	47	54	54	
Total Primary Market Demand	168	317	359	359	
Less Comparable/Competitive Supply	28	17	38	55	
Adjusted Income-qualified Renter HHs	140	300	321	304	

CAPTURE RATES (found on page 58)				
Targeted Population	60%	50%/ PBRA	60%/ PBRA	Total PBRA
Capture Rate	28.6%	5.0%	14.0%	19.7%



1. INTRODUCTION

A. Overview of Subject

The subject of this report is Legacy at School Street, a proposed senior-oriented rental community in Acworth, Cobb County, Georgia. Legacy at School Street will be financed in part by Low Income Housing Tax Credits (LIHTC), allocated by the Georgia Department of Community Affairs (DCA). Upon completion, Legacy at School Street will offer 100 newly constructed rental units reserved for households earning up to 50 and 60 percent of the Area Median Income (AMI), adjusted for household size. Sixty of the 100 proposed units will also contain Project Based Rental Assistance (PBRA) through the Marietta Housing Authority. Tenants of PBRA units will not be subject to minimum income limits.

The 60 percent LIHTC units proposed at Legacy at School Street will be restricted to households with householders age 55 and older; however, HUD requirements stipulate all PBRA units must be restricted to households with householders age 62+. For the purposes of this analysis, demographic data provided for the School Street Market Area focuses on senior households (55+). Demographic data on senior households (62+) is provided in Appendix X for reference purposes. All affordability and DCA demand calculations are based on senior households 55+ and 62+ for LIHTC and PBRA units, respectively.

B. Purpose of Report

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

C. Format of Report

The report format is comprehensive and conforms to DCA's 2013 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is Walton Communities. Along with the Client, the Intended Users are DCA, The Marietta Housing Authority, potential lenders, and investors.

E. Applicable Requirements

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

- DCA's 2013 Market Study Manual and Qualified Allocation Plan (QAP).
- The National Council of Housing Market Analysts' (NCHMA) Model Content Standards and Market Study Index.

F. Scope of Work

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



- Please refer to Appendix 5 and 6 for a detailed list of DCA and NCHMA requirements as well as the corresponding pages of requirements within the report.
- Michael Riley (Analyst) conducted a site visit on April 26, 2013.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Christine Dobbs – Director of Community Development for the City of Acworth, Lamont Kiser – Director of Community Development for Bartow County, Darryl Simmons – Administrator for the Kennesaw Planning and Zoning Department, Dana Johnson – Planning Division Manager for Cobb County, and Rene Sims with the Marietta Housing Authority.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

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



2. PROJECT DESCRIPTION

A. Project Overview

Legacy at School Street will contain 100 senior-oriented rental units, all of which will benefit from Low Income Housing Tax Credits. The LIHTC units will be subject to maximum allowable rents and prospective renters will be subject to maximum income limits; however, minimum income limits will not apply to the sixty units with PBRA.

B. Project Type and Target Market

Legacy at School Street will offer units targeted to very low and moderate income senior households (55+ and 62+) earning at or below 50 percent and 60 percent of the AMI. The subject property will offer both one and two bedroom floor plans, which will appeal to a variety of senior household types. Potential renter households include single-persons, couples, and possibly some households with dependents.

C. Building Types and Placement

Legacy at School Street will consist of one four-story building with elevator service and interior access hallways. Construction characteristics will include a wood frame with a brick and HardiPlank siding exterior. The building will also feature front gables or dormers, wide banding or vertical/horizontal siding, and a covered and secured entrance. Surface parking will be available in an adjacent lot and free for all residents. The subject property will be positioned on the north end of the site, situated adjacent to a front parking lot that connects to School Street to the east and west.

D. Detailed Project Description

1. Project Description

- Legacy at School Street will offer 60 one bedroom units and 40 two bedroom units with unit sizes of 748 square feet and 1,050 to 1,154 square feet, respectively (Table 1).
- One bedroom units will contain one bathroom and two bedroom units will contain two bathrooms.
- All rents will include the cost of trash removal. Tenants will bear the cost of all other utilities.

The following **unit features** are planned:

- Kitchens with a refrigerator (including an icemaker), range, range hood, garbage disposal, and dishwasher.
- Central heat and air-conditioning
- Emergency pull-cords
- Walk-in closets
- Ceiling fans
- In-unit storage areas
- Mini-blinds



- High speed internet connections
- Washer/dryer connections

The following **community amenities** are planned:

- Fitness center
- Multi-purpose room
- Indoor/outdoor seating areas
- Arts and Crafts room
- Kitchen
- Covered porch and patio with seating
- Covered entranceway
- Central laundry area

2. Other Proposed Uses

None.

3. Pertinent Information on Zoning and Government Review

The subject site is zoned for a Senior Living Community. We are not aware of any other land use regulations that would impact the proposed development.

4. Proposed Timing of Development

RPRG estimates Legacy at School Street will begin construction in 2014 with a date of completion/first move-in in 2015; however, exact construction and pre-leasing dates were not provided. Based on this timeline, the subject property's anticipated placed-in-service year is 2015.



Table 1 Legacy at School Street Detailed Project Summary

Legacy at School Street Senior Apartments									
School Street Acworth, GA 30101									
Unit Mix/Rents									
Type	Bed	Bath	Subsidy	AMI	Units	Size (sqft)	Net Rent	Utility	Gross Rent
Elevator	1	1	LIHTC/PBRA	50%	15	748	*\$750	\$115	\$915
Elevator	1	1	LIHTC/PBRA	60%	45	748	*\$750	\$115	\$915
Elevator	2	2	LIHTC	60%	20	1,050	\$640	\$148	\$788
Elevator	2	2	LIHTC	60%	20	1,154	\$640	\$148	\$788
Total					100				
Project Information					Additional Information				
Number of Residential Buildings		One			Construction Start Date		2014		
Building Type		Elevator / Mid-Rise			Date of First Move-In		2015		
Number of Stories		Four			Construction Finish Date		2015		
Construction Type		New Const.			Parking Type		Surface		
Design Characteristics (exterior)		Brick, HardiPlank			Parking Cost		None		
Target Market		Senior 55+ and 62+			Site Acreage		3.59		
Community Amenities		Arts and Crafts Room, Fitness Center, Central Laundry Area, On-site Management Office, Indoor/Outdoor Sitting Areas, Multi-Purpose Room, Kitchen, Covered Patio with Seating, Covered Drop-off			Kitchen Amenities				
					Dishwasher		Yes		
					Disposal		Yes		
					Microwave		No		
					Range		Yes		
		Refrigerator		Yes					
Unit Features		Range/Oven, Refrigerator, Garbage Disposal, Carpet, Central A/C, Internet and TV Connections, Window Blinds, Emergency Pull-Cords, Ceiling Fans, Storage Areas, Walk-in Closets, Washer/Dryer Connections			Utilities Included				
					Water/Sewer		Tenant		
					Trash		Owner		
					Heat		Tenant		
					Heat Source		Elec		
					Hot/Water		Tenant		
					Electricity		Tenant		
		Other:							

*Contract Rent



3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The site for Legacy at School Street is situated on the north side of Moon Street, between its intersections with School Street in Acworth, Cobb County, Georgia (Map 1, Figure 1). Relative to the surrounding area, the subject site is located approximately one-quarter mile north of downtown Acworth and one mile south of Interstate 75.

2. Existing Uses

The subject site consists of vacant land, which was recently cleared for construction. Scattered mature trees line the northern border of the site, serving as a buffer between adjacent single-family detached homes (Figure 2).

3. Size, Shape, and Topography

Based on field observations and GIS data, the subject site encompasses 3.59 acres in an irregular shape. The subject site maintains a relatively flat topography throughout but is slightly above the grade of School Street to the east and west.

4. General Description of Land Uses Surrounding the Subject Site

The site for Legacy at School Street is located in an established residential area of downtown Acworth. Surrounding land uses primarily consist of old and new single-family detached homes, in good to fair condition, and commercial uses. Townhomes/duplexes and a handful of multi-family rental communities also exist within one mile of the subject site, the majority of which are located to the north between the subject site and Interstate 75. Other nearby land uses include Logan Farm Park, Roberts School Community and Education Center, Chattahoochee Technical College, and McCall Primary School.

5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows (Figure 3):

- **North:** Single-family detached homes / Logan Farm Park
- **East:** Single-family detached homes
- **South:** Single-family detached homes / Local businesses and service providers
- **West:** Single-family detached homes / Roberts School Community and Education Center



Map 1 Site Location

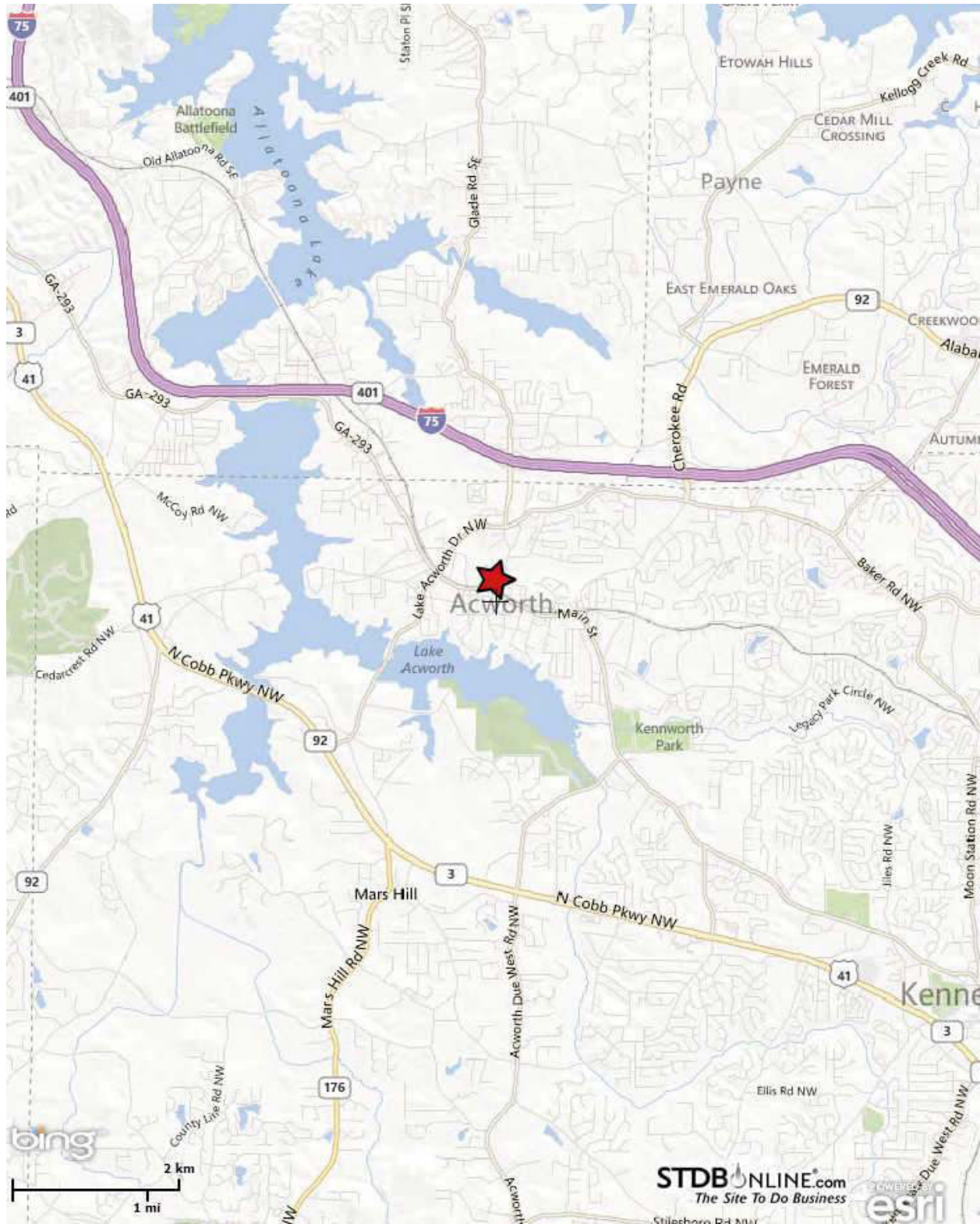


Figure 1 Satellite Image of Subject Site



Figure 2 Views of Subject Site



View of the site facing northwest from School Street



View of the site facing west from School Street



View of the site facing south from School Street



View of the site facing southwest from School Street



View of School Street facing north, site on left



View of School Street facing south, site on right

Figure 3 Views of Surrounding Land Uses



Single-family homes bordering the site to the east



Gallery 4463 Art Center just southeast of the site



Businesses in downtown Acworth just southeast of the site



Logan Farm Park just north of the site



Roberts School Community and Education Center bordering the site to the west



Single-family homes bordering the site to the northwest



B. Neighborhood Analysis

1. General Description of Neighborhood

Acworth is a growing suburban community in northwest Cobb County, situated between the cities of Kennesaw to the south and Cartersville to the north. Positioned along the Interstate 75 corridor, Acworth largely serves as a bedroom community for working households throughout the Metro Atlanta area. Over the past decade, the city has experienced significant growth, due to its more affordable housing options relative to eastern Cobb County and its proximity to major thoroughfares (Interstate 75 and U.S. Highway 41). The housing stock of Acworth primarily consists of lower density structures including single-family detached homes and townhome/duplex style units. A small number of multi-family rental communities also exist in and around the city, most of which were constructed in the late 1990's or early 2000's. Independent senior rental housing options in Acworth include two communities; one LIHTC property built in 2011 (Legacy at Walton Overlook) and one HUD Section 202 community (Barrington Square).

2. Neighborhood Planning Activities

Like many suburban communities in Metro Atlanta, Acworth's growth during the previous decade was primarily driven by newly constructed single-family neighborhoods on the periphery of the City; however, both public and private investment in and around downtown Acworth has increased over the past five years. Recent development activity in the subject site's immediate area include the construction of Legacy at School Street's sister LIHTC property Legacy at Walton Overlook in 2011, and infrastructure improvements (expansion and realignment) to School Street currently ongoing adjacent to the subject site. Two senior assisted living/memory care facilities are also in various stages of development near downtown, including one in the planning stages (Celebration Village) and one under construction (Dogwood Forest).

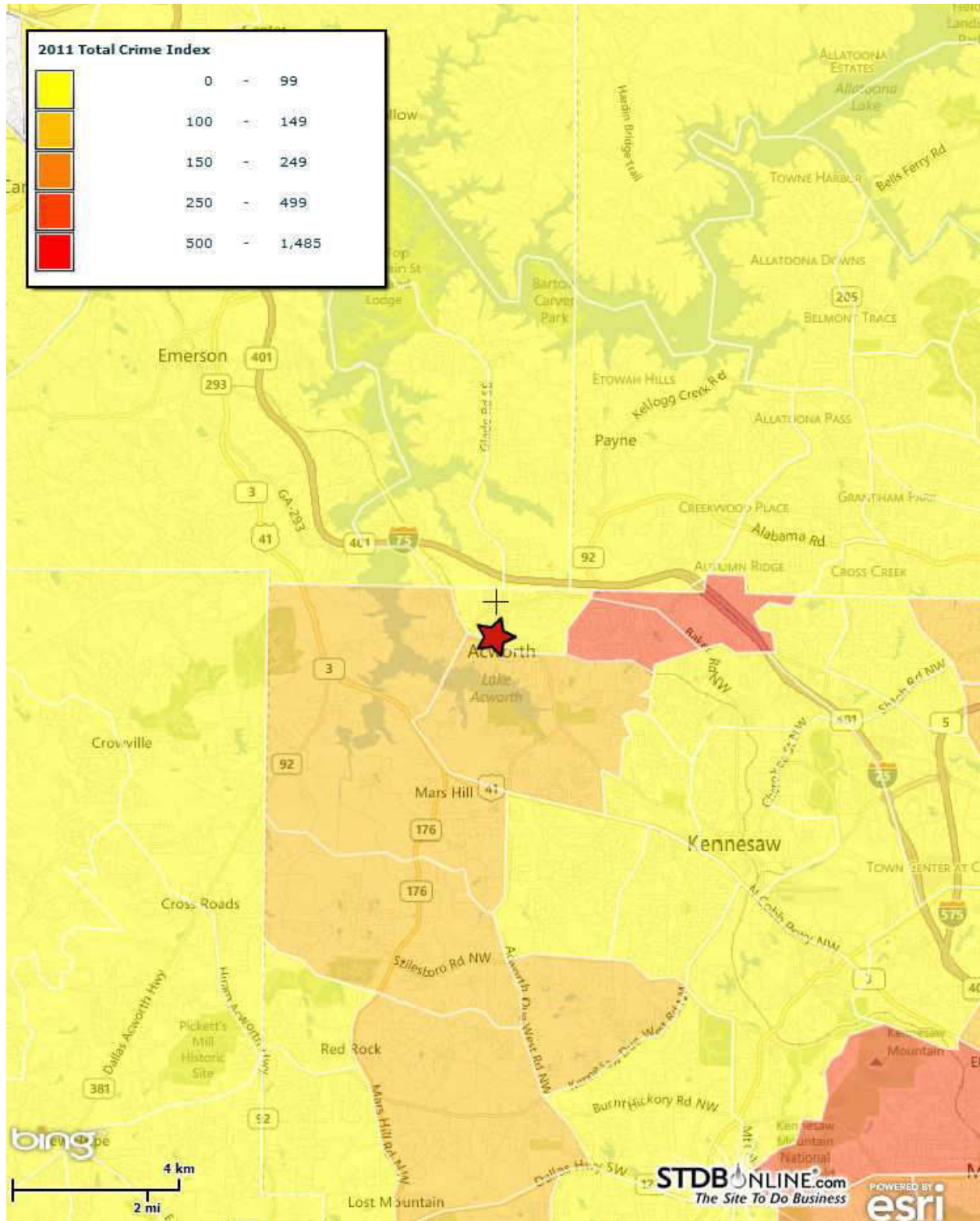
3. Public Safety

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

Map 2 displays the 2011 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The subject site's census tract and those in the immediately surrounding area to the north are light yellow, indicating they have a low crime risk (0-99) below the national average (100). This crime risk is comparable to areas throughout southern Bartow and Cherokee Counties to the north and lower than areas immediately south and east of the site in northwest Cobb County. Based on this data, field observations, we do not expect crime or the perception of crime to negatively impact the subject property's marketability.



Map 2 2011 CrimeRisk, Subject Site and Surrounding Areas





C. Site Visibility and Accessibility

1. Visibility

Legacy at School Street will have excellent visibility from its frontage along School Street (to the east and west), a two lane residential side street that connects to the more heavily traveled thoroughfares of Northside Drive and Old Cherokee Street. The subject property will also have partial visibility from portions of downtown Acworth due to the subject site's higher elevation and the subject property's proposed four-story design.

2. Vehicular Access

The subject property will contain two entrances/exits on School Street (at the eastern and western ends of the property), which connects to both Northside Drive and Old Cherokee Street. From these two thoroughfares, downtown Acworth and Interstate 75 are both easily accessible within one mile. Given the residential nature of development near the subject site, traffic at the proposed entry and exit points is typically light throughout the day. No problems with ingress or egress are anticipated.

3. Availability of Public Transit

Cobb County Transit (CCT) offers fixed-route bus service throughout the more densely populated portions of the county (Marietta, Kennesaw, and Smyrna) as well as park and ride facilities with express routes connecting to the Metro Atlanta Rapid Transit Authority (MARTA). The closest CCT access point to the proposed Legacy at School Street is the Acworth park and ride facility on Lake Acworth Drive, located 1.6 miles to the northeast. Most major employment nodes in Metro Atlanta, including Marietta, Kennesaw, Smyrna, downtown Atlanta, Sandy Springs, and Hartsfield-Jackson International Airport, can be reached by bus through CCT or a CCT connection to MARTA.

4. Availability of Inter-Regional Transit

From a regional perspective, the subject site is convenient to numerous major thoroughfares including Interstate 75 and U.S. Highway 41 within two miles. The closest major airport to Legacy at School Street is Hartsfield-Jackson International Airport, approximately 35 miles to the southeast.

5. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. As noted in the Neighborhood Planning Activities subsection on page 11, the only major road improvement project that would have a direct impact on the subject property is the expansion/realignment of School Street.

Transit and Other Improvements under Construction and/or Planned

None identified.

6. Environmental Concerns

No visible environmental or miscellaneous site concerns were identified.



D. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part on its proximity to those facilities and services required on a daily basis. Key facilities and services and their distances from the subject site are listed in Table 2. The location of those facilities is plotted on Map 3.

Table 2 Key Facilities and Services

Establishment	Type	Address	City	Distance
Post Office	Post Office	4915 N Main St.	Acworth	0.1 mile
Acworth Primary Healthcare	Doctor/Medical	4439 Carnes St. Nw	Acworth	0.2 mile
Lacey Drug Company	Pharmacy	4797 S Main St.	Acworth	0.2 mile
Acworth Public Library	Library	4569 Dallas St. Nw	Acworth	0.2 mile
Kennesaw Family Physicians	Doctor/Medical	4791 S Main St.	Acworth	0.3 mile
Hanna Foods	Convenience Store	4739 S Main St.	Acworth	0.3 mile
Ingles	Grocery	5055 Cherokee St.	Acworth	0.6 mile
Acworth Police Department	Police	4430 Acworth Industrial Blvd.	Acworth	1.1 miles
Cobb County Fire Department	Fire	4550 Old Cowan Rd.	Acworth	1.1 miles
CCT Park & Ride	Public Transit	6045 Lake Acworth Dr.	Acworth	1.6 miles
North Cobb Senior Center	Senior Center	4100 Highway 293	Acworth	1.7 miles
Wal-Mart	General Retail	3826 Cobb Pky. Nw	Acworth	1.9 miles
Target	General Retail	3378 Cobb Pky. Nw	Acworth	2.2 miles
Town Center Mall	Mall	2353 Barrett Creek Pky.	Marietta	8 miles
Kennestone Hospital	Hospital	677 Church St. Nw	Marietta	10 miles

Source: Field and Internet Survey, RPRG, Inc.

2. Essential Services

Health Care

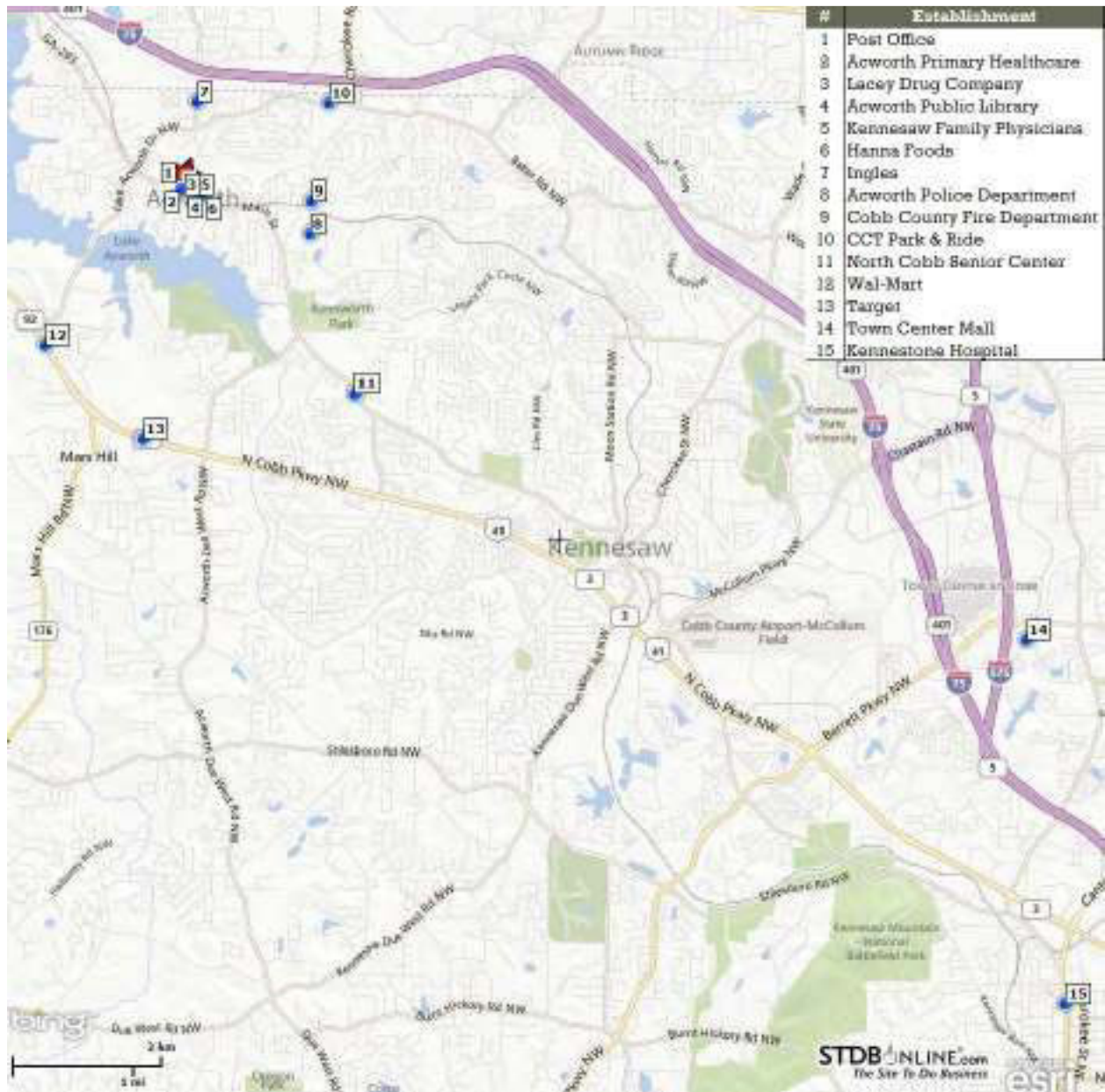
The closest major medical center to the subject site is Kennestone Hospital, a 633 bed full-service facility located in downtown Marietta ten miles to the southeast. Kennestone Hospital offers a variety of treatment options including 24 hour emergency medicine, intensive care, obstetrics, surgical services, rehabilitation, dialysis, neonatal intensive care, outpatient services, and general practice. Additionally, the hospital contains a range of specialized medical practices and health centers such as the Diabetes Center, Oncology Center, Bariatric Surgery, Cardiac Catheterization, Medical Imaging, Open Heart Surgery, Radiation Therapy, Senior Services, and wellness/prevention programs.

Outside of major healthcare providers, several smaller clinics and independent physicians are located within one to two miles of Legacy at School Street. The closest of these is Acworth Primary Healthcare, located just 0.2 miles from the subject site.

Senior Centers

The closest senior services facility to the subject site is the North Cobb Senior Center, located 1.7 miles to the southeast. Open to adult citizens ages 55 and older, the facility offers a wide variety of programs, classes, activities, social events, and trips.

Map 3 Location of Key Facilities and Services





3. Commercial Goods and Services

Convenience Goods

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

Legacy at School Street will be located within one to two miles of several retailers, most of which are located along U.S. Highway 41 approximately 1.5 miles southwest of the site. This area contains a multitude of big-box retailers, restaurants, and commercial services including both Wal-Mart and Target. Additional shopping opportunities are also located within walking distance (approximately one-half mile) south in downtown Acworth including the closest major-chain grocery store (Ingles) and pharmacy (Lacey Drugs).

Shoppers Goods

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called “comparison goods.” Examples of shoppers’ goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

The closest regional shopping area to the subject site is centered on Town Center at Cobb Mall, located approximately seven miles to the southeast on Earnest Barrett Parkway. This full service shopping mall, anchored by Sears, JC Penny, Belk, Macy’s, and Macy’s Furniture Gallery, features over 150 retailers and a food court. As part of a larger, more densely developed commercial corridor, numerous big-box retailers, including Wal-Mart, Target, Best Buy, Old Navy, Barnes and Noble, and Borders are also located in this area.

4. Recreational Amenities

The site for Legacy at School Street is convenient to a variety of recreational amenities, the closest of which is Logan Farm Park just one-tenth of a mile to the northeast. Logan Farm Park contains one baseball/softball diamond, a recreation field, playground, walking/jogging trail, picnic area, fishing pond, and hiking trail. Other notable recreational amenities in the immediate area (approximately five miles) include Dallas Landing Park, Cauble Park, Cobb County Regional Park, Newberry Park, Proctor’s Landing (boat launch and beach on Lake Acworth), Kenworth Park, the Acworth Sports Complex, the Old Highway 41 Recreation Area, Swift-Cantrell Park, the North Cobb Senior Center, and the Acworth Public Library. Kennesaw Mountain National Battlefield Park and Red Top Mountain State Park are also located within ten miles of the subject site.

5. Location of Low Income Housing

A list and map of existing low-income housing in the School Street Market Area are provided in the Existing Low Income Rental Housing Section of this report, starting on page 45

E. Site Conclusion

Overall, the site for Legacy at School Street is surrounded by a mixture residential and commercial land uses most of which are well maintained and compatible with the proposed development. The subject property will also be convenient to neighborhood amenities including shopping, healthcare facilities, and senior services most of which are common within one to two miles of the site. Based on the product to be constructed and income levels targeted, the site is suitable for the proposed development.



4. MARKET AREA DEFINITION

A. Introduction

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

B. Delineation of Market Area

The School Street Market Area consists of twenty-one 2010 Census tracts in Cobb, Bartow, and Cherokee Counties and includes all or portions of three municipalities (Acworth, Emerson, and Kennesaw). The boundaries of the School Street Market Area and their approximate distance from the subject site are:

- North:** Kellogg Creek Road / Lake Altoona (4.5 miles)
- East:** Kennesaw Due West Road / Cherokee Street (6.1 miles)
- South:** Kennesaw Due West Road / Burnt Hickory Road (4.8 miles)
- West:** Paulding County / Cartersville Highway (3.2 miles)

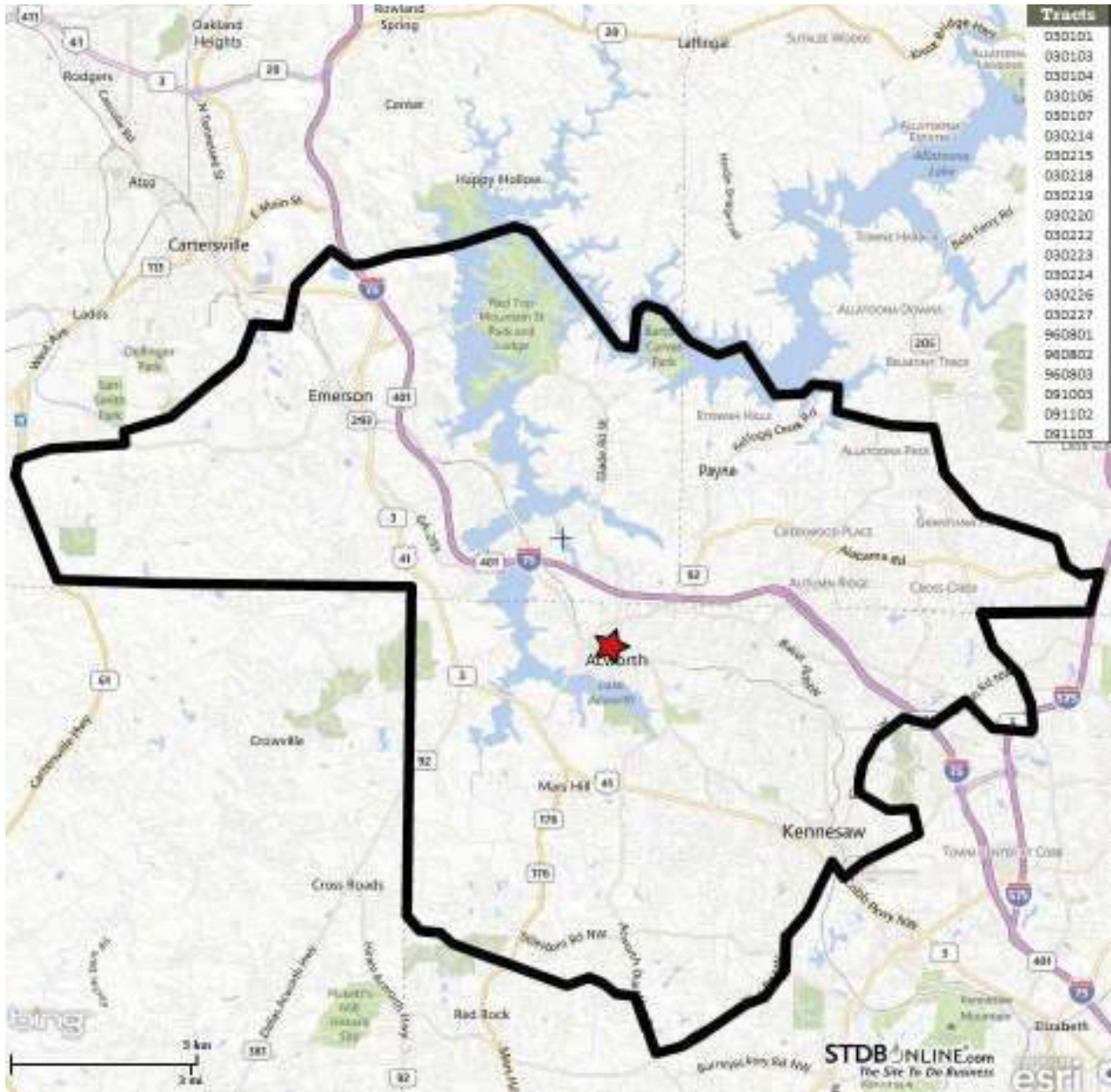
The School Street Market Area encompasses the suburban areas in and around the city of Acworth including unincorporated portions of northwest Cobb County, southeast Bartow County and southwest Cherokee County. Based on the consistency of the housing stock, limited affordable senior rental housing, and ease of access via Interstate 75 and U.S. Highway 41, we believe senior residents living throughout the School Street Market Area would consider Legacy at School Street as a potential shelter option.

The School Street Market Area does not include the more densely developed portions of eastern Cobb County or the City of Marietta, as these are distinct and separate submarkets and contain a significant number of renter households. While some tenants of Legacy at School Street may originate from these areas, their inclusion within the School Street Market Area would likely overstate demand.

Map 4 presents the outline of this market area along with a list of 2010 Census tracts that comprise the market. As appropriate for this analysis, the School Street Market Area is compared to Cobb County, which is considered the secondary market area. Demand estimates, however, are based solely on the School Street Market Area.



Map 4 School Street Market Area





5. ECONOMIC CONTENT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Cobb County, the jurisdiction in which Legacy at School Street will be located. For purposes of comparison, economic trends in the State of Georgia and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

Cobb County's labor force increased in eight of twelve years from 2001 to 2012, experiencing a net gain of 14,462 workers or 4.0 percent for the period (Table 3). After losing nearly 12,000 workers during the course of the recent national recession (2008 to 2010), Cobb County added 8,400 workers from 2011 to 2012. The employed portion of Cobb County's labor force also increased to 346,567 over the past two years following a 12-year low of 332,821 in 2010.

2. Trends in County Unemployment Rate

Following lows of 2.8 percent in 2000 and 3.3 percent in 2001, Cobb County's unemployment rate ranged from 4.1 to 4.7 percent from 2002 to 2007. As the full effects of the recent national recession began to impact the local economy, Cobb County's unemployment rate surged to a high of 9.6 percent in 2010. Over the past two years, economic conditions have improved as the unemployment rate dropped to 8.9 percent in 2011 and 8.0 percent in 2012. Overall, the unemployment rate in Cobb County has fallen below state and national levels in all but one year since 2000.

C. Commutation Patterns

According to 2007-2011 American Community Survey (ACS) data, 48.4 percent of workers residing in the School Street Market Area spent 30 minutes or more commuting to work (Table 4). Another 30.0 percent of workers spent 15-29 minutes commuting while 15.9 percent commuted less than 15 minutes.

Just over half (57.2 percent) of all workers residing in the School Street Market Area worked in the county in which they reside while 41.4 percent worked in another Georgia county. Approximately one percent of market area residents worked outside the state.



Table 3 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Labor Force	362,143	365,103	365,639	360,189	362,751	371,734	373,904	380,148	379,639	371,588	368,205	371,429	376,605
Employment	352,181	353,173	349,251	344,478	346,969	354,151	357,992	364,532	358,218	338,003	332,821	338,369	346,567
Unemployment	9,962	11,930	16,388	15,711	15,782	17,583	15,912	15,616	21,421	33,585	35,384	33,060	30,037
Unemployment Rate													
Cobb County	2.8%	3.3%	4.5%	4.4%	4.4%	4.7%	4.3%	4.1%	5.6%	9.0%	9.6%	8.9%	8.0%
Georgia	3.5%	4.0%	4.8%	4.8%	4.7%	5.2%	4.7%	4.6%	6.3%	9.8%	10.2%	9.9%	9.0%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%

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

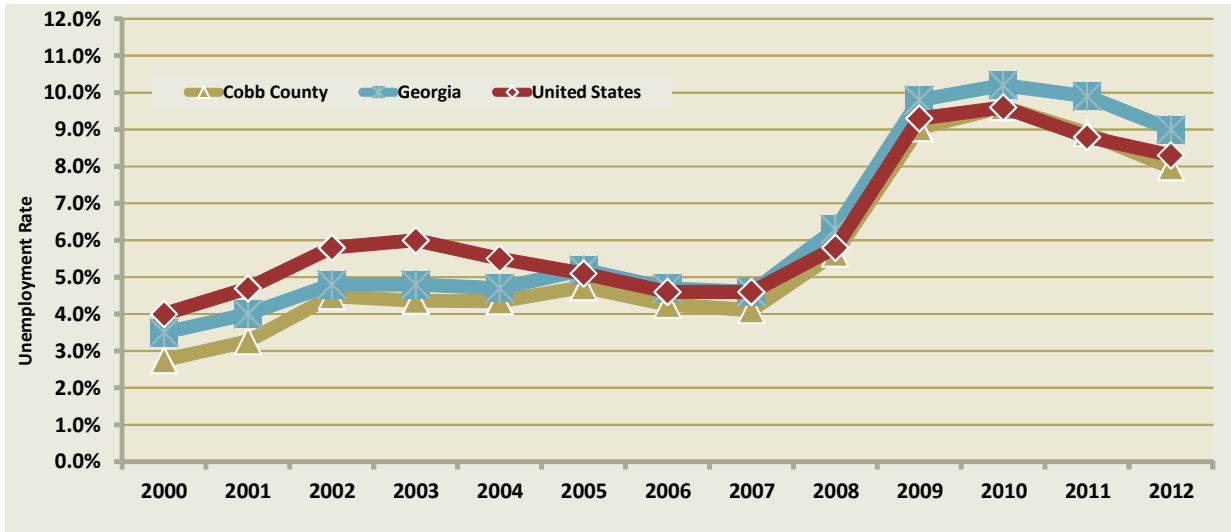


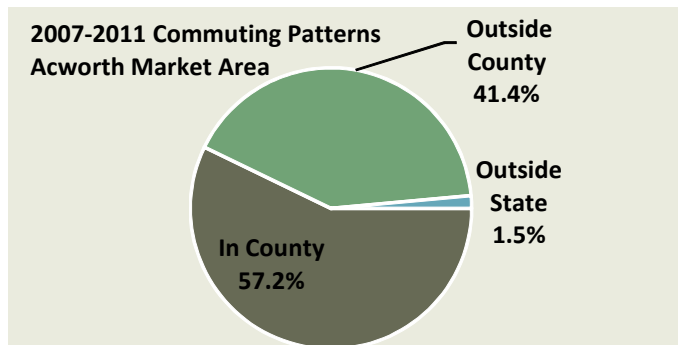
Table 4 2007-2011 Commuting Patterns, School Street Market Area

Travel Time to Work		
Workers 16 years+	#	%
Did not work at home:	60,507	94.3%
Less than 5 minutes	688	1.1%
5 to 9 minutes	3,252	5.1%
10 to 14 minutes	6,239	9.7%
15 to 19 minutes	7,914	12.3%
20 to 24 minutes	7,893	12.3%
25 to 29 minutes	3,437	5.4%
30 to 34 minutes	7,964	12.4%
35 to 39 minutes	2,338	3.6%
40 to 44 minutes	3,044	4.7%
45 to 59 minutes	8,006	12.5%
60 to 89 minutes	7,285	11.4%
90 or more minutes	2,447	3.8%
Worked at home	3,674	5.7%
Total	64,181	

Source: American Community Survey 2007-2011

Place of Work		
Workers 16 years and over	#	%
Worked in state of residence:	63,247	98.5%
Worked in county of residence	36,693	57.2%
Worked outside county of residence	26,554	41.4%
Worked outside state of residence	934	1.5%
Total	64,181	100%

Source: American Community Survey 2007-2011



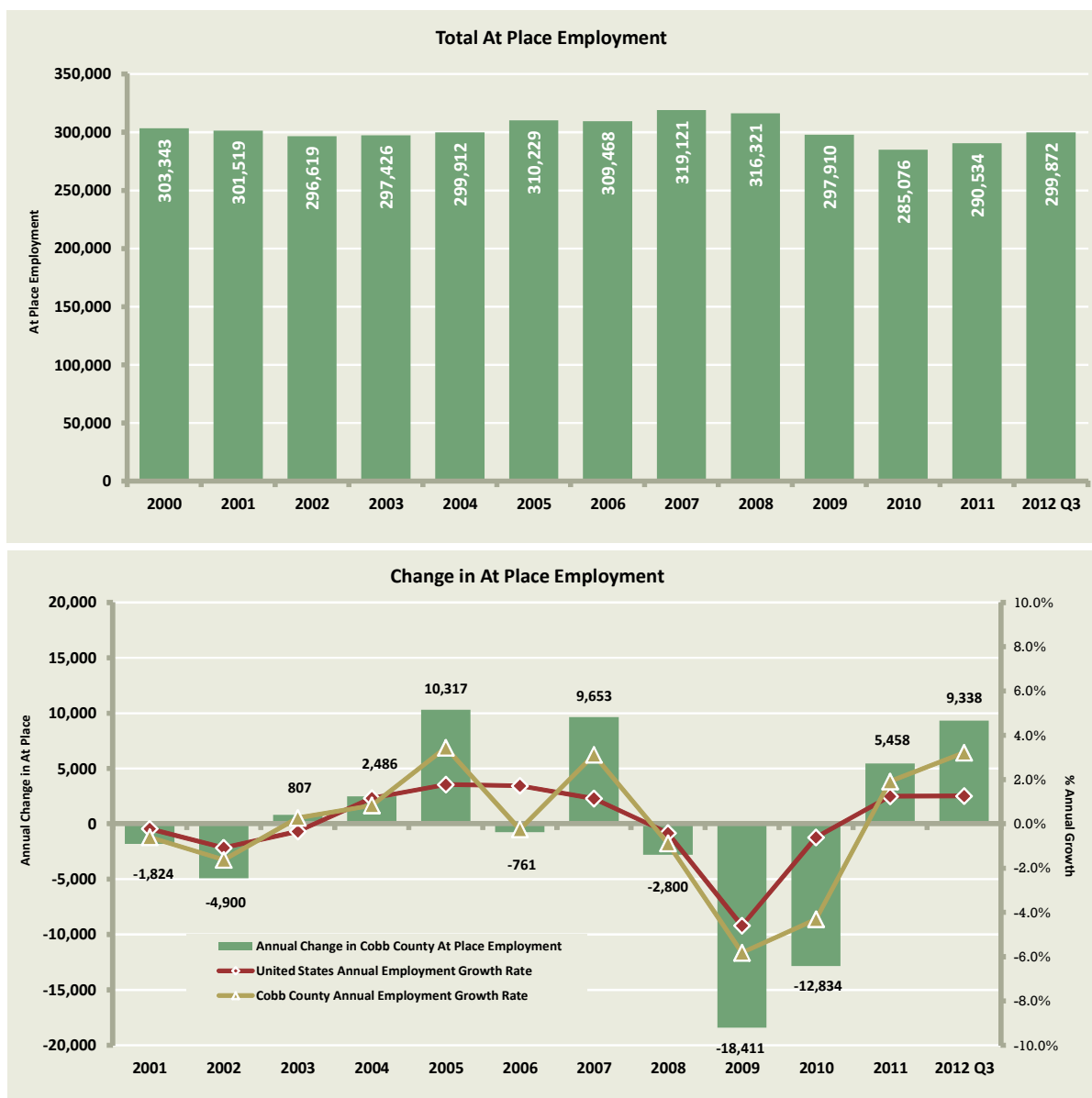


D. At-Place Employment

1. Trends in Total At-Place Employment

Cobb County’s at-place employment followed a cyclical trend from 2000 to 2012, as steady job growth of 22,502 (7.6 percent) from 2003 to 2007 was bookended by periods of heavy job loss during the course of two national recessions (2001 to 2002 and 2008 to 2010). The recent national recession was by far the most severe, resulting in a loss of over 31,000 jobs or 9.8 percent of the county’s 2007 employment base (Figure 4); however, the county’s economy has shown signs of stabilization/recovery with the addition of 5,458 jobs in 2011 and over 9,300 jobs through the third quarter of 2012. Overall, the county experienced a net loss of 3,471 jobs or 1.1 percent of total employment since 2000.

Figure 4 At-Place Employment



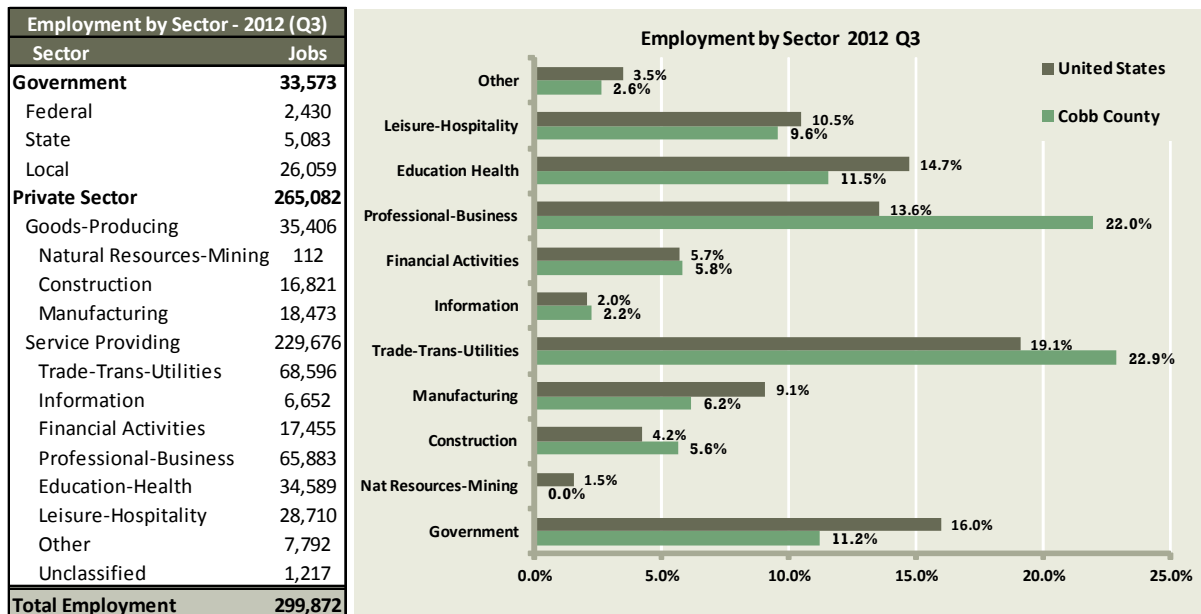
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



2. At-Place Employment by Industry Sector

Trade-Transportation-Utilities and Professional Business are the two largest employment sectors in Cobb County, accounting for a combined 44.9 percent of total employment in the third quarter of 2012. By comparison, these two sectors represent just 32.7 percent of jobs nationally (Figure 5). Relative to national figures, Cobb County has notably lower percent of jobs in Government (11.2 versus 16.0 percent), Education-Health (11.5 percent versus 14.7 percent), and Manufacturing (6.2 versus 9.1 percent).

Figure 5 Total Employment by Sector, 2012 Q3



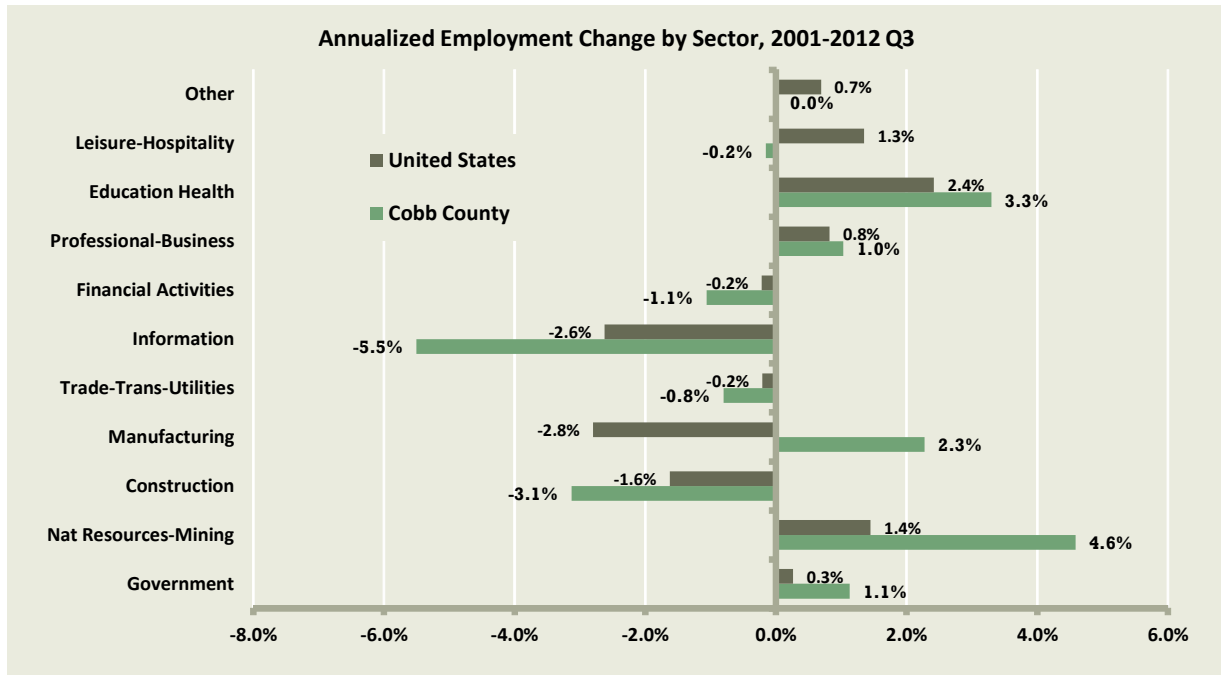
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Between 2001 and the third quarter of 2012, five of eleven industry sectors in Cobb County experienced annual job growth (Figure 6). Annual growth rates of 1.0 percent in Professional Business, 3.3 percent in Education-Health, and 1.1 percent in government had the greatest impact in terms of total jobs. Among the six sectors losing jobs during this period, the 0.8 percent annual decline in Trade-Transportation-Utilities was the most notable as the county’s largest industry. Natural Resources-Mining had the highest growth rate at 4.6 percent; however, this sectors for less than 0.1 percent of total employment

To gain insight on how the recent economic downturn has affected the local job base, we examined employment changes by sector from 2007 through 2012(Q3) (Figure 7). Over this approximate five year period, nine of eleven industry sectors in Cobb County reported a net loss in jobs. While not necessarily the highest on a percentage basis, the Construction, Manufacturing, Trade-Transportation-Utilities, and Leisure-Hospitality sectors were hit the hardest with annual declines of 40.2 percent, 9.2 percent, 6.6 percent, and 6.3 percent, respectively. The only two sectors to add jobs during this period were Education-Health (12.8 percent) and Professional Business (3.5 percent).

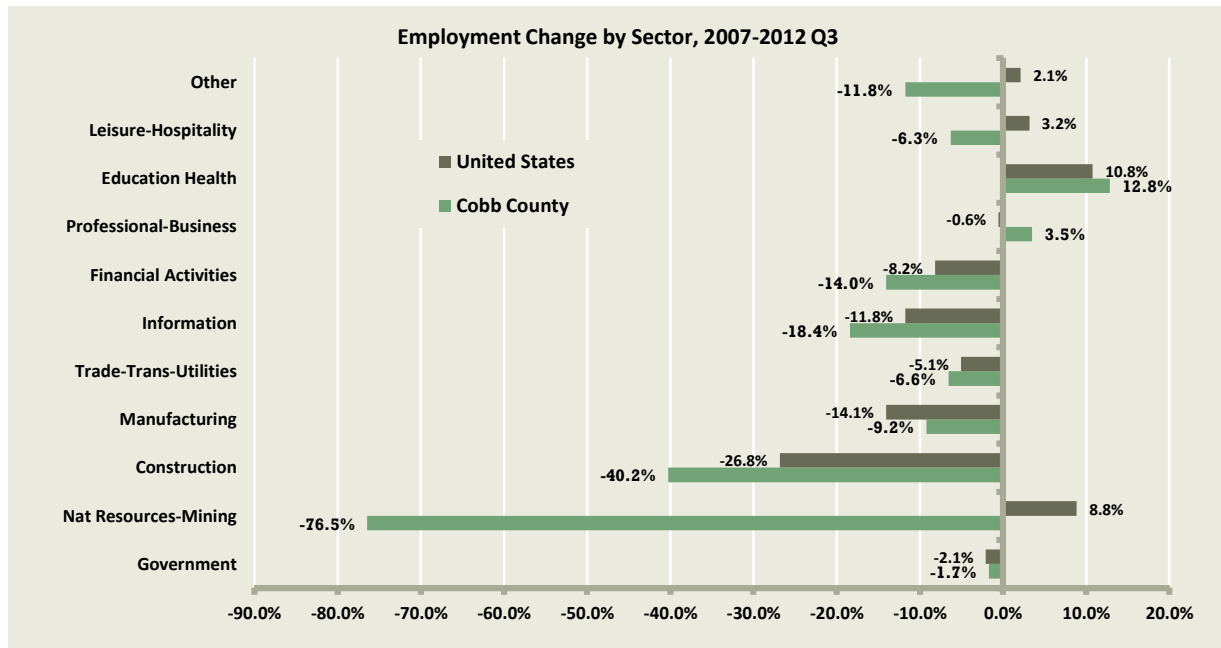


Figure 6 Change in Employment by Sector 2001-2012 Q3



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

Figure 7 Change in Employment by Sector 2007-2012 Q3



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



3. Major Employers

Four of the top ten major employers in Cobb County (as of 2011) are in the Trade-Transportation-Utilities sector, including the single largest employer (Home Depot) and three other national retail chains (Publix, Wal-mart, and Kroger). The Government sector is also well represented and includes the Cobb County Public School District, County workers, and a public university (Kennesaw State). The remaining major employers include the theme park Six Flags over Georgia (Leisure-Hospitality) and the largest healthcare provider in the county, Wellstar Health System (Education-Health). Overall, the subject site is conveniently located within five to ten miles of all these major area employers, in addition to several local retail outlets and service providers.

Table 5 2011 Major Employers, Cobb County

Rank	Name	Industry	Employment
1	The Home Depot	Trade-Transportation-Utilities	20,000
2	Cobb County Public Schools	Government	14,027
3	Wellstar Health System	Education-Health	11,785
4	Lockheed Martin Aeronautics	Manufacturing	7,568
5	Cobb County Government	Government	5,223
6	Kennesaw State University	Government	3,400
7	Publix Supermarkets	Trade-Transportation-Utilities	2,973
8	Six Flags Over Georgia	Leisure-Hospitality	2,386
9	Wal-Mart	Trade-Transportation-Utilities	2,750
10	The Kroger Company	Trade-Transportation-Utilities	2,150

Source: Cobb County Chamber of Commerce

4. Recent Economic Expansions and Contractions

Based on information provided the Development Authority of Cobb County and Georgia Trend Magazine, nine companies have announced major expansions or relocations in Cobb County since January 2012 (Table 6). Through 2017, these nine companies will add an estimated 2,701 new jobs. According to the Georgia Department of Labor's petitions under the Trade Act, no major business closures or layoffs were reported in 2012 or 2013 for Cobb County.

Table 6 Recent Economic Expansions, Cobb County

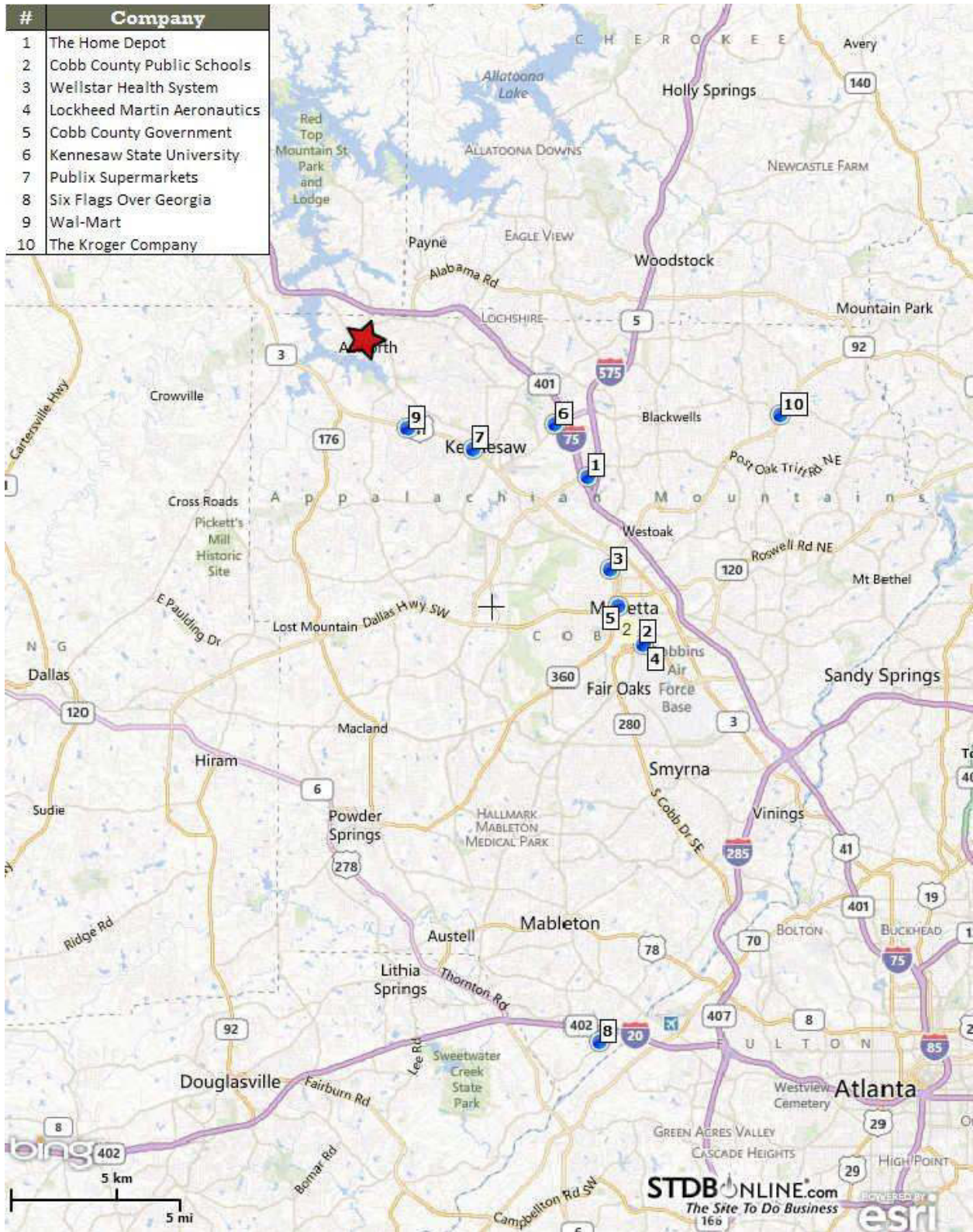
Recent Economic Expansions - Cobb County 2012-Present				
Announced	Planned	Company Name	City	Jobs
March 2013	2013-2014	Infosys	Marietta	200
October 2012	2012-2014	Home Depot	Kennesaw	700
August 2012	2012-2013	Talenti Gelato	Marietta	100
July 2012	Q4 2012	Alorica	Kennesaw	1,000
June 2012	June 2012	Novelis	Kennesaw	150
June 2012	Aug-12	Fabric.com	Kennesaw	200
February 2012	2012-2015	PointClear Solutions	Marietta	75
January 2012	Q4 2012	Fresenius Medical Care	Kennesaw	120
August 2011	2012-2017	Osmotica Pharmaceutical	Marietta	156
Total				2,701

Source: Development Authority of Cobb County; Georgia Trend



Map 5 Major Employers

#	Company
1	The Home Depot
2	Cobb County Public Schools
3	Wellstar Health System
4	Lockheed Martin Aeronautics
5	Cobb County Government
6	Kennesaw State University
7	Publix Supermarkets
8	Six Flags Over Georgia
9	Wal-Mart
10	The Kroger Company





5. Wages

The average annual wage for Cobb County in 2011 was \$49,400, \$4,310 or 8.7 percent higher than the Georgia average annual wage of \$45,090 (Table 7). The state’s average wage is \$2,950 or 6.5 percent below the national average. Cobb County’s average annual wage in 2011 represents an increase of \$9,226 or 23.0 percent since 2001. The average wage in Cobb County is higher than the national average for six of eleven economic sectors. The highest paying sectors in Cobb County are Manufacturing and Information.

Table 7 Average Annual Pay and Annualized Wage Data by Sector, Cobb County

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cobb County	\$40,174	\$40,679	\$41,856	\$43,144	\$44,222	\$45,778	\$47,490	\$47,951	\$48,216	\$48,505	\$49,400
Georgia	\$35,136	\$35,734	\$36,626	\$37,866	\$39,096	\$40,370	\$42,178	\$42,585	\$42,902	\$43,899	\$45,090
United States	\$36,219	\$36,764	\$37,765	\$39,354	\$40,677	\$42,535	\$44,458	\$45,563	\$45,559	\$46,751	\$48,040

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



6. Conclusions on Local Economics

Similar to most areas of the Metro Atlanta area, Cobb County’s economy suffered during the most recent national recession, with substantial job loss and high unemployment; however, the county has shown signs of stabilization over the past two years with declining unemployment rates and strong job growth. Given the senior-oriented nature of the subject property and its income restrictive nature, we do not expect current economic conditions in Cobb County to negatively impact the proposed development of Legacy at School Street.

When analyzing economic trends for Cobb County, it is also important to note the impact of the larger and more diverse economy of the Metro Atlanta region as a whole. As discussed in the previously, over half of workers living in the School Street Market Area travel outside the county in which they reside for work. Consequently, changes in the regional economy also have some impact on population and household trends in Cobb County.



6. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the School Street Market Area and the Cobb County using U.S. Census data and data from Esri, a national data vendor which prepares small area estimates and projections of population and households.

In comparing data sources for the School Street Market Area, ESRI annual growth projections are less than half of annual growth recorded between the 2000 and 2010 Census counts (Table 8). Based on this data, field observations, and our knowledge of the local area, we believe these ESRI projections to be overly conservative. Given current economic and housing market conditions are still in the early stages of recovery both locally and nationally, we also do not expect annual School Street Market Area growth to match that of the previous decade. As such, we have utilized annual growth rates equal to three-quarters of recent Census trends for 2013 to 2015. These growth rates are positioned between ESRI and Census figures and are more representative of expected growth in the School Street Market Area over the next three years. As Esri projections for Cobb County as a whole appear more reasonable, they are not adjusted. Table 8 present a series of panels that summarize these Census data, estimates, and projections.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the School Street Market Area increased by 25.7 percent, growing from 108,083 to 135,830 people. This equates to an annual growth rate of 2.3 percent or 2,775 people (Table 9). During the same period, the number of households in the School Street Market Area increased from 37,719 to 47,636 households (26.3 percent) or a gain of 992 households (2.4 percent) annually.

By comparison, the population of Cobb County expanded by 13.2 percent from 2000 to 2010 (1.2 percent annually), while the number of households in the county increased by 14.3 percent (1.3 percent annually).

2. Projected Trends

Based on RPRG projections, the School Street Market Area's population increased by 6,275 people from 2010 to 2013, while the number of households grew by 2,243. RPRG further projects that the market area's population will increase by 4,235 people between 2013 and 2015, bringing the total population to 146,340 people in 2015. This represents an annual gain of 1.5 percent or 2,118 persons. The household base is projected to gain 757 new households per annum resulting in 51,394 households in 2015.

For Cobb County, population and household growth rates are projected to remain below those of the School Street Market Area. The county's population and household base are both expected to increase at an annual rate of 0.7 percent through 2015.



Table 8 Population and Household Projection Sources

School Street Market Area						
Population	2000	2010	2013	2015	Ann. Change 2013-2015	
					#	%
US Census	108,083	135,830	144,154	149,704	2,775	1.9%
Esri			138,515	140,430	957	0.7%
RPRG			142,105	146,340	1,387	1.5%
RPRG Used in Analysis	108,083	135,830	142,105	146,340	2,118	1.5%
Households	2000	2010	2013	2015	Ann. Change 2013-2015	
					#	%
US Census	37,719	47,636	50,611	52,595	992	1.9%
Esri			48,603	49,312	354	0.7%
RPRG			49,879	51,394	496	1.5%
RPRG Used in Analysis	37,719	47,636	49,879	51,394	757	1.5%

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

Table 9 Population and Household Projections

		Cobb County				School Street Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	607,751					108,083				
2010	688,078	80,327	13.2%	8,033	1.2%	135,830	27,747	25.7%	2,775	2.3%
2013	701,245	13,167	1.9%	4,389	0.6%	142,105	6,275	4.6%	2,092	1.5%
2015	710,542	9,297	1.3%	4,648	0.7%	146,340	4,235	3.0%	2,118	1.5%
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	227,487					37,719				
2010	260,056	32,569	14.3%	3,257	1.3%	47,636	9,917	26.3%	992	2.4%
2013	264,832	4,776	1.8%	1,592	0.6%	49,879	2,243	4.7%	748	1.5%
2015	268,331	3,499	1.3%	1,750	0.7%	51,394	1,515	3.0%	757	1.5%

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





3. Building Permit Trends

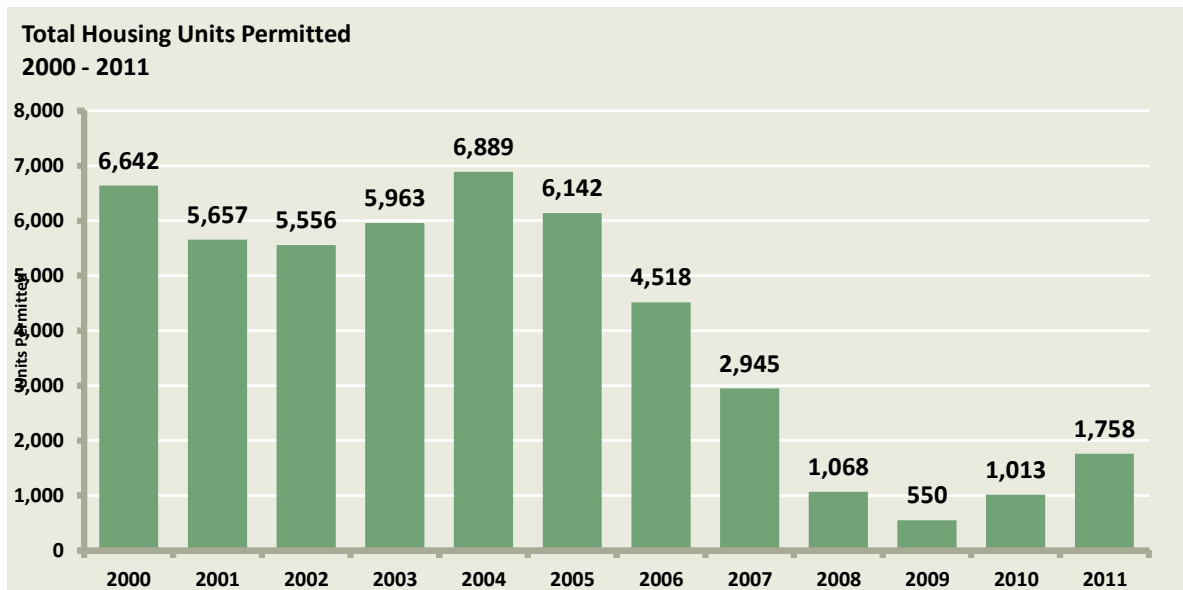
RPRG examines building permit trends to help determine if the housing supply is meeting demand, as measured by new households. From 2000 and 2009, an average of 4,593 new housing units was authorized annually in Cobb County compared to annual household growth of 3,257 between the 2000 and 2010 census counts (Table 10). This disparity in household growth relative to units permitted could indicate an overbuilt market; however, these figures also do not take the replacement of existing housing units into account.

Annual building permit activity in the Cobb County was relatively stable from 2000 to 2005, ranging from 5,556 to 6,889 units permitted per year. Beginning in 2006, building permit activity steadily declined during the recent national recession and housing market downturn. While building permit activity has slowly increased from a low point of 550 units in 2009, the county averaged just 1,107 permitted units annually from 2009 to 2011. By structure type, 78 percent of all residential permits issued in Cobb County were for single-family detached homes. Multi-family structures (5+ units) accounted for 20 percent of units permitted while buildings with 2-4 units comprised approximately one percent of permitted units.

Table 10 Building Permits by Structure Type, Cobb County

Cobb County														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2000-2011	Annual Average
Single Family	5,455	4,513	4,703	4,993	5,432	5,123	3,346	1,901	727	409	713	886	38,201	3,183
Two Family	4	6	0	2	2	2	40	64	8	0	10	22	160	13
3 - 4 Family	24	16	0	0	21	12	144	289	89	35	69	26	725	60
5+ Family	1,159	1,122	853	968	1,434	1,005	988	691	244	106	221	824	9,615	801
Total	6,642	5,657	5,556	5,963	6,889	6,142	4,518	2,945	1,068	550	1,013	1,758	48,701	4,058

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





4. Trends in Older Adult Households

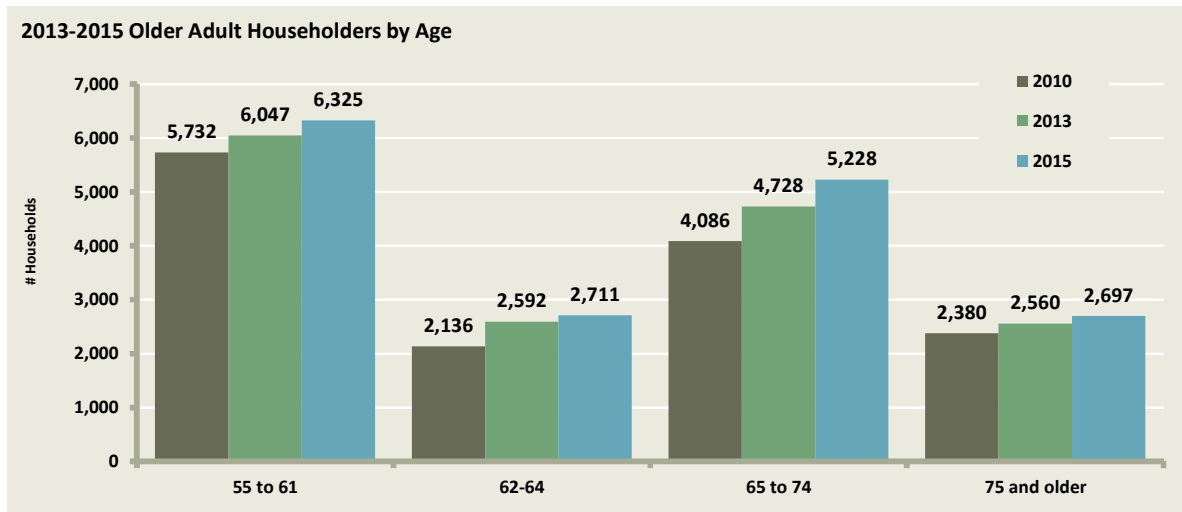
Table 11 details the age distribution and growth of older adult and senior households by age cohort in the School Street Market Area, with estimates as of the 2010 Census, 2013, and future projections (2015). Overall, older adult and senior households are expected to increase at a faster rate than that of total households in the School Street Market Area on a percentage basis. In 2010, the School Street Market Area had 14,334 households with a householder age 55+ and 8,602 households with a householder age 62+. Between 2010 and 2013, senior households increased by 3.6 percent among households with householders 55+ and 4.7 among households with householders 62+.

From 2013 and 2015, households with householders age 55+ are projected to increase at an annual rate of 3.2 percent or 517 households. This would bring the total number of households with householders age 55+ in the School Street Market Area to 16,960. Households with a householder age 62+ will increase at an annual rate of 3.8 percent or 378 households per year.

Table 11 Trends in Older Adult Householders, School Street Market Area

School Street Market Area							Change 2010 to 2013				Change 2013 to 2015			
							Total		Annual		Total		Annual	
Age of Householder	2010	2013	2015	#	%	#	%	#	%	#	%			
55 to 61	5,732	40.0%	6,047	38.0%	6,325	37.3%	315	5.5%	105	1.8%	278	4.6%	139	2.3%
62-64	2,136	14.9%	2,592	16.3%	2,711	16.0%	456	21.3%	152	6.7%	119	4.6%	60	2.3%
65 to 74	4,086	28.5%	4,728	29.7%	5,228	30.8%	642	15.7%	214	5.0%	500	10.6%	250	5.2%
75 and older	2,380	16.6%	2,560	16.1%	2,697	15.9%	180	7.6%	60	2.5%	136	5.3%	68	2.6%
Householders 55+	14,334	100.0%	15,927	100.0%	16,960	100.0%	1,593	11.1%	531	3.6%	1,033	6.5%	517	3.2%
Householders 62+	8,602		9,880		10,635		1,278	14.9%	426	4.7%	755	7.6%	378	3.8%

Source: 2010 Census; Esri; RPRG



C. Demographic Characteristics

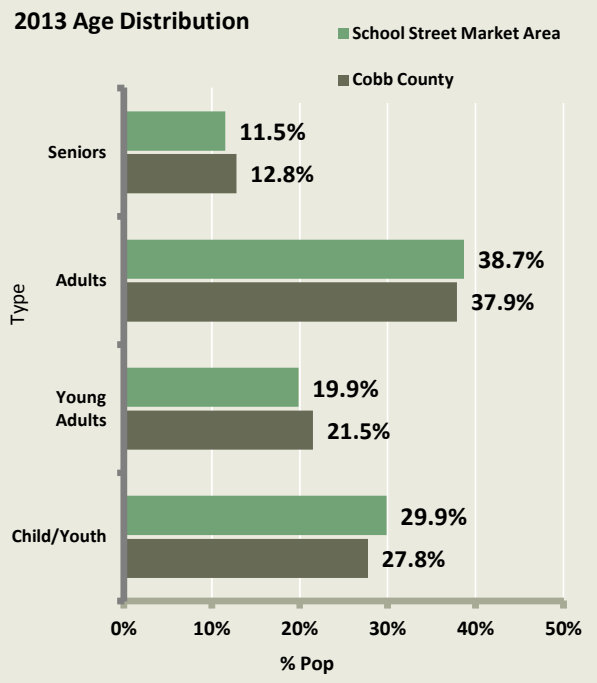
1. Age Distribution and Household Type

Based on Esri estimates for 2013, the population of the School Street Market Area has a similar age distribution to Cobb County with a median age of 34 in both geographies (Table 12). Older adults and seniors (persons age 55 and older) constitute 18.9 percent of the population in the School Street Market Area compared to 20.8 percent of the population in Cobb County. Adults age 35-61 comprise the largest percentage of the population in both regions at roughly 38 percent. Of the remaining age cohorts, the School Street Market Area contains a slightly higher percentage of children/youth (under the age of 20) and a lower percentage of young adults (age 20 to 34) relative to Cobb County.



Table 12 2013 Age Distribution

	Cobb County		School Street Market Area	
	#	%	#	%
Children/Youth	194,637	27.8%	42,478	29.9%
Under 5 years	49,214	7.0%	9,731	6.8%
5-9 years	50,153	7.2%	11,042	7.8%
10-14 years	48,937	7.0%	11,424	8.0%
15-19 years	46,333	6.6%	10,282	7.2%
Young Adults	150,898	21.5%	28,221	19.9%
20-24 years	45,979	6.6%	9,407	6.6%
25-34 years	104,920	15.0%	18,814	13.2%
Adults	265,743	37.9%	55,004	38.7%
35-44 years	107,593	15.3%	22,447	15.8%
45-54 years	101,998	14.5%	22,099	15.6%
55-61 years	56,152	8.0%	10,458	7.4%
Seniors	89,966	12.8%	16,402	11.5%
62-64 years	24,065	3.4%	4,482	3.2%
65-74 years	40,871	5.8%	7,742	5.4%
75-84 years	18,016	2.6%	3,177	2.2%
85 and older	7,015	1.0%	1,000	0.7%
TOTAL	701,245	100%	142,105	100%
Median Age	34		34	

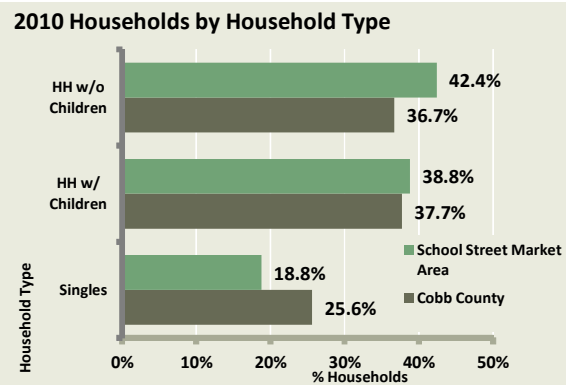


Source: Esri; RPRG, Inc.

Approximately 42 percent of all households in the School Street Market Area contain children compared to 36.7 percent in Cobb County (Table 13). Over one-third (approximately 38 to 39 percent) of all households in both the School Street Market Area and Cobb County contain two adults but no children. Single persons account for 18.8 percent and 25.6 percent of households in the School Street Market Area and Cobb County, respectively.

Table 13 2010 Households by Household Type

	Cobb County		School Street Market Area	
	#	%	#	%
Households by Household Type				
Married w/Children	65,646	25.2%	14,858	31.2%
Other w/ Children	29,729	11.4%	5,348	11.2%
Households w/ Children	95,375	36.7%	20,206	42.4%
Married w/o Children	64,868	24.9%	12,628	26.5%
Other Family w/o Children	15,815	6.1%	2,953	6.2%
Non-Family w/o Children	17,393	6.7%	2,899	6.1%
Households w/o Children	98,076	37.7%	18,480	38.8%
Singles	66,605	25.6%	8,944	18.8%
Total	260,056	100%	47,630	100%



Source: 2010 Census; RPRG, Inc.



2. Renter Household Characteristics

As of the 2010 Census, 22.4 percent of all households in the School Street Market Area were renters, compared to 33.1 percent in Cobb County. Based on 2000 and 2010 census data, School Street Market Area renter households accounted for 48.8 percent of the net household change for the decade (Table 14). This indicates a trend away from homeownership, which was likely influenced in part by the recent national recession and housing market downturn. Based on Esri estimates, the School Street Market Area’s renter percentage is projected to increase to 23.1 percent and 23.2 percent in 2013 and 2015, respectively.

Among householders age 55 and older, the renter percentages in both geographies are lower than for all households. The 2013 renter percentages for households with householders 55+ as estimated by Esri are 13.4 percent in the School Street Market Area and 17.3 percent in Cobb County (Table 15).

Table 14 Households by Tenure

Cobb County	2000		2010		Change 2000-2010		2013		2015	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	155,055	68.2%	173,965	66.9%	18,910	58.1%	175,565	66.3%	177,631	66.2%
Renter Occupied	72,432	31.8%	86,091	33.1%	13,659	41.9%	89,267	33.7%	90,700	33.8%
Total Occupied	227,487	100%	260,056	100%	32,569	100%	264,832	100%	268,331	100%
Total Vacant	10,035		26,434				24,436		24,759	
TOTAL UNITS	237,522		286,490				289,267		293,090	

School Street Market Area	2000		2010		Change 2000-2010		2013		2015	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	31,885	84.5%	36,966	77.6%	5,081	51.2%	38,382	76.9%	39,483	76.8%
Renter Occupied	5,834	15.5%	10,670	22.4%	4,836	48.8%	11,498	23.1%	11,911	23.2%
Total Occupied	37,719	100%	47,636	100%	9,917	100%	49,879	100%	51,394	100%
Total Vacant	1,634		3,674				3,572		3,680	
TOTAL UNITS	39,353		51,310				53,451		55,074	

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

Table 15 Senior Households by Tenure, Age 55+

Senior Households 55+	Cobb County		School Street Market Area	
2013 Households	Number	Percent	Number	Percent
Owner Occupied	72,274	82.7%	13,788	86.6%
Renter Occupied	15,083	17.3%	2,139	13.4%
Total Occupied	87,357	100.0%	15,927	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

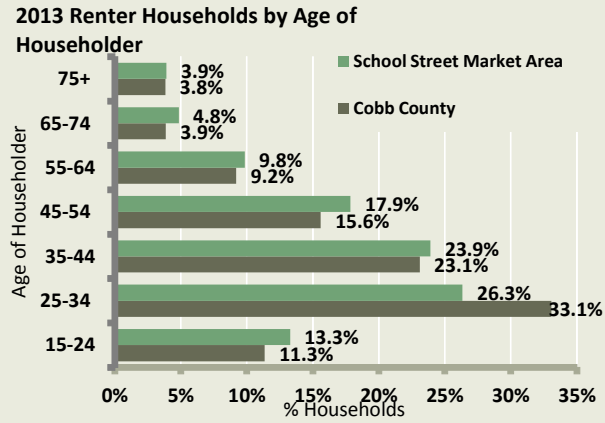


Young working age households form the core of the market area’s renters, as half (50.3 percent) of all renter householders are ages 25-44 (Table 16). Approximately 19 percent of market area renter householders are age 55 or older.

Table 16 Renter Households by Age of Householder

Renter Households	Cobb County		School Street Market Area	
Age of HHldr	#	%	#	%
15-24 years	10,130	11.3%	1,527	13.3%
25-34 years	29,518	33.1%	3,029	26.3%
35-44 years	20,619	23.1%	2,750	23.9%
45-54 years	13,917	15.6%	2,053	17.9%
55-64 years	8,212	9.2%	1,131	9.8%
65-74 years	3,457	3.9%	557	4.8%
75+ years	3,414	3.8%	451	3.9%
Total	89,267	100%	11,498	100%

Source: Esri, Real Property Research Group, Inc.

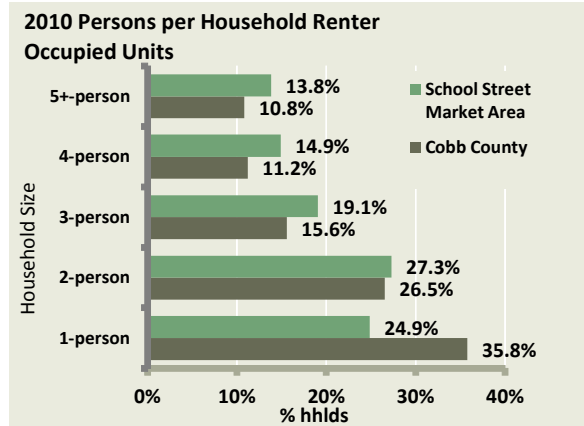


As of 2010, 52.2 percent of all renter households in the School Street Market Area contained one or two persons compared to 62.3 percent in Cobb County (Table 17). Thirty-four percent and 26.8 percent of renter households in the School Street Market Area and Cobb County contained three or four persons, respectively. Large households (5+ persons) accounted for 13.8 percent of renter households in the School Street Market Area and 10.8 percent of renter households in Cobb County.

Table 17 2010 Renter Households by Household Size

	Cobb County		School Street Market Area	
Renter Occupied	#	%	#	%
1-person household	30,818	35.8%	2,651	24.9%
2-person household	22,853	26.5%	2,912	27.3%
3-person household	13,420	15.6%	2,036	19.1%
4-person household	9,662	11.2%	1,591	14.9%
5+-person household	9,338	10.8%	1,477	13.8%
TOTAL	86,091	100%	10,667	100%

Source: 2010 Census





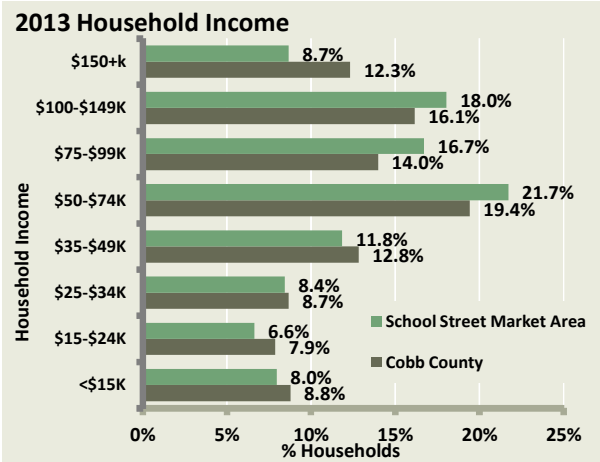
3. Income Characteristics

According to income distributions provided by Esri, the 2013 median income of households in the School Street Market Area is \$67,422, 3.2 percent higher than the Cobb County median household income of \$65,304 (Table 18). Eight percent of School Street Market Area households earn less than \$15,000 annually. Another quarter (15.1 percent) of School Street Market Area households earn from \$15,000 to \$34,999 per year.

Table 18 2013 Household Income

	Cobb County		School Street Market Area	
	#	%	#	%
less than \$15,000	23,234	8.8%	3,972	8.0%
\$15,000 - \$24,999	20,810	7.9%	3,302	6.6%
\$25,000 - \$34,999	22,923	8.7%	4,206	8.4%
\$35,000 - \$49,999	33,954	12.8%	5,909	11.8%
\$50,000 - \$74,999	51,447	19.4%	10,836	21.7%
\$75,000 - \$99,999	37,058	14.0%	8,332	16.7%
\$100,000 - \$149,999	42,767	16.1%	9,002	18.0%
\$150,000 Over	32,639	12.3%	4,322	8.7%
Total	264,832	100%	49,879	100%
Median Income	\$65,304		\$67,422	

Source: Esri; Real Property Research Group, Inc.

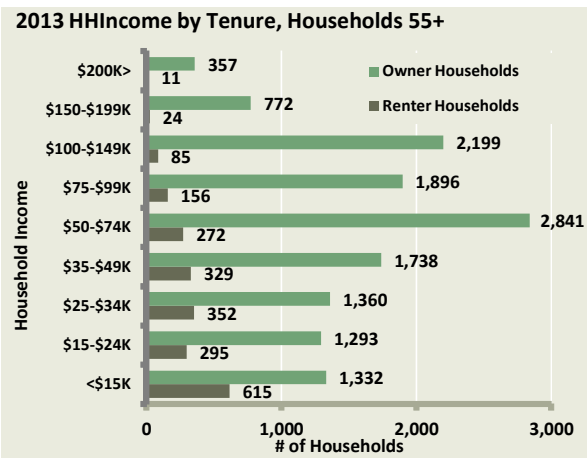


Based on the U.S. Census Bureau’s American Community Survey (ACS) data and breakdown of tenure and household estimates, the 2013 median income for senior renter householders (age 55 and older) in the School Street Market Area is \$29,532 (Table 19). Approximately 29 percent of all senior renter householders (55+) in the School Street Market Area have an income less than \$15,000 per year. Another 30.2 percent of senior renter households (55+) earn from \$15,000 to \$34,999 annually.

Table 19 2013 Senior Household Income by Tenure, Households 55+

	Renter Households		Owner Households	
	#	%	#	%
less than \$15,000	615	28.7%	1,332	9.7%
\$15,000 - \$24,999	295	13.8%	1,293	9.4%
\$25,000 - \$34,999	352	16.4%	1,360	9.9%
\$35,000 - \$49,999	329	15.4%	1,738	12.6%
\$50,000 - \$74,999	272	12.7%	2,841	20.6%
\$75,000 - \$99,999	156	7.3%	1,896	13.8%
\$100,000 - \$149,999	85	4.0%	2,199	15.9%
\$150,000 - \$199,999	24	1.1%	772	5.6%
\$200,000 over	11	0.5%	357	2.6%
Total	2,139	100%	13,788	100%
Median Income	\$29,532		\$60,307	

Source: American Community Survey 2007-2011 Estimates, RPRG, Inc.





7. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the School Street Market Area. We pursued several avenues of research in an attempt to identify multifamily rental projects that are in the planning stages or under construction in the School Street Market Area. We spoke to planning and zoning officials with Acworth, Kennesaw, Cobb County, Barrow County, and Cherokee County. We also reviewed the list of recent LIHTC awards from DCA. The rental survey was conducted in April 2013.

B. Overview of Market Area Housing Stock

Based on the 2007-2011 ACS survey, low-density unit types, such as single-family homes and mobile homes, comprised over half (57.8 percent) of the rental stock in the School Street Market Area compared to just 29.9 percent in Cobb County (Table 20). Multi-family structures (i.e., buildings with five or more units) accounted for 38.8 percent and 61.2 percent of rental units in the School Street Market Area and Cobb County, respectively. Nearly all (over 90 percent) of owner occupied units in both the School Street Market Area and the Cobb County consist of single-family detached homes.

The housing stock in the School Street Market Area is slightly newer than that of Cobb County’s, overall. Among rental units, the median year built was 1992 in the School Street Market Area and 1985 in Cobb County (Table 21). The School Street Market Area’s owner occupied housing stock had a median year built of 1993 versus 1987 in Cobb County. In the School Street Market Area, 25.2 percent of rental units were built since 2000 and 51.6 percent were built during the 1990s or 1980s. Approximately 23 percent of rental units in the School Street Market Area were built prior to 1980.

According to ACS data, the median value among owner-occupied housing units in the School Street Market Area from 2007 to 2011 was \$185,350, which is \$28,993 or 13.5 percent lower than the Cobb County wide median of \$214,343 (Table 22). It is important to note that ACS estimates home values based upon values from homeowners’ assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.

Table 20 Dwelling Units by Structure and Tenure

Renter Occupied	Cobb County		School Street Market Area	
	#	%	#	%
1, detached	18,393	23.5%	3,773	43.2%
1, attached	3,852	4.9%	306	3.5%
2	2,331	3.0%	157	1.8%
3-4	4,636	5.9%	181	2.1%
5-9	13,180	16.9%	504	5.8%
10-19	22,026	28.2%	1,841	21.1%
20+ units	12,593	16.1%	1,040	11.9%
Mobile home	1,087	1.4%	925	10.6%
Boat, RV, Van	37	0.0%	0	0.0%
TOTAL	78,135	100%	8,727	100%

Source: American Community Survey 2007-2011

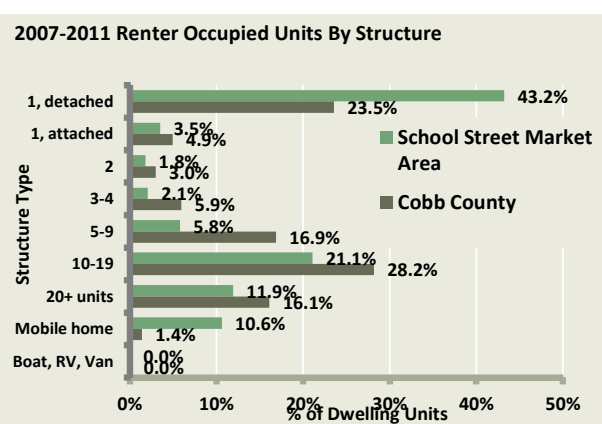




Table 21 Dwelling Units by Year Built and Tenure

	Cobb County		School Street Market Area	
	#	%	#	%
Owner Occupied				
2005 or later	10,258	5.7%	2,252	6.1%
2000 to 2004	24,290	13.6%	6,355	17.2%
1990 to 1999	42,851	24.0%	14,138	38.3%
1980 to 1989	46,473	26.0%	8,550	23.2%
1970 to 1979	27,492	15.4%	3,124	8.5%
1960 to 1969	15,359	8.6%	1,458	4.0%
1950 to 1959	8,237	4.6%	473	1.3%
1940 to 1949	2,222	1.2%	299	0.8%
1939 or earlier	1,424	0.8%	256	0.7%
TOTAL	178,606	100%	36,905	100%
MEDIAN YEAR BUILT	1987		1993	

Source: American Community Survey 2007-2011

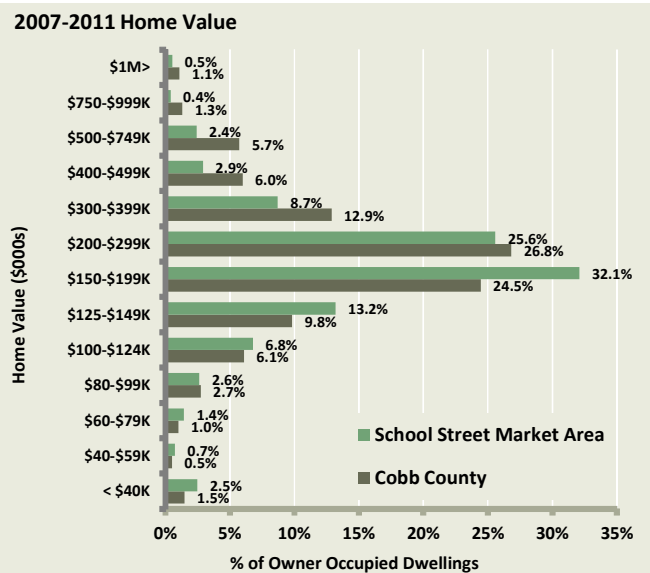
	Cobb County		School Street Market Area	
	#	%	#	%
Renter Occupied				
2005 or later	3,569	4.6%	580	6.6%
2000 to 2004	9,354	12.0%	1,620	18.6%
1990 to 1999	16,020	20.5%	2,716	31.1%
1980 to 1989	23,045	29.5%	1,785	20.5%
1970 to 1979	13,361	17.1%	1,188	13.6%
1960 to 1969	6,348	8.1%	380	4.4%
1950 to 1959	4,109	5.3%	269	3.1%
1940 to 1949	1,423	1.8%	89	1.0%
1939 or earlier	906	1.2%	100	1.1%
TOTAL	78,135	100%	8,727	100%
MEDIAN YEAR BUILT	1985		1992	

Source: American Community Survey 2007-2011

Table 22 Value of Owner Occupied Housing Stock

	Cobb County		School Street Market Area	
	#	%	#	%
less than \$40,000	2,664	1.5%	915	2.5%
\$40,000 \$59,000	905	0.5%	272	0.7%
\$60,000 \$79,999	1,821	1.0%	529	1.4%
\$80,000 \$99,999	4,878	2.7%	964	2.6%
\$100,000 \$124,999	10,811	6.1%	2,489	6.8%
\$125,000 \$149,999	17,444	9.8%	4,837	13.2%
\$150,000 \$199,999	43,422	24.5%	11,767	32.1%
\$200,000 \$299,999	47,613	26.8%	9,374	25.6%
\$300,000 \$399,999	22,881	12.9%	3,197	8.7%
\$400,000 \$499,999	10,638	6.0%	1,072	2.9%
\$500,000 \$749,999	10,186	5.7%	890	2.4%
\$750,000 \$999,999	2,347	1.3%	150	0.4%
\$1,000,000 over	1,939	1.1%	195	0.5%
Total	177,549	100%	36,651	100%
Median Value	\$214,343		\$185,350	

Source: American Community Survey 2007-2011





C. Survey of Age-Restricted Rental Communities

1. Introduction to the Age-Restricted Rental Housing Survey

Three independent senior rental communities were identified in the School Street Market Area, two of which were financed through the Low Income Housing Tax Credit program and surveyed for this report. The remaining senior rental community (Barrington Square) is a HUD section 202 community, which contains 50 deeply subsidized units targeted to elderly and disabled households. While the units offered at Barrington Square are comparable to the PBRA units proposed at the subject property, this community could not be reached at the time of our survey. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 7. The location of each senior community is shown on Map 6.

2. Location

Situated just one mile east of the subject site near downtown Acworth, the recently constructed Legacy at Walton Overlook is the closer of the two surveyed senior LIHTC communities and has the most directly comparable location. Highland Court is located roughly five miles to the east, on the edge of the market area, between the cities of Kennesaw and Woodstock. While the location of Highland Court is comparable in terms of surrounding land uses to both Legacy at Walton Overlook and the subject site, it serves households living in both the School Street Market Area and a separate submarket in eastern Cobb County generally delineated by Interstate 75.

3. Age-Restricted Rental Housing Characteristics

Both senior LIHTC communities offer rental units in three to four-story mid-rise buildings, with secured entrances and elevator access, and have been built within the last ten years. The two senior LIHTC communities also share similar design characteristics, features, and amenities while offering similarly targeted units. The only major difference between Legacy at Walton Overlook and Highland Court, outside of age and location, is the inclusion of PBRA units (Legacy at Walton Overlook) versus 50 percent LIHTC units (Highland Court). Overall, Legacy at Walton Overlook is the most directly comparable property to Legacy at School Street, as it is the newest community (built in 2012), is closest to the subject site, and was also developed by Walton Communities.

4. Vacancy Rates

The two senior LIHTC communities in the School Street Market Area combine to offer 228 units, of which 55 contain PBRA. Excluding deeply subsidized units, all of which are currently occupied, 11 of 173 unsubsidized units (LIHTC and Market) were reported vacant (6.4 percent). All eleven vacancies occurred at Highland Court, as Legacy at Walton Overlook reported a waiting list of approximately 350 people for all units. While the overall average unsubsidized senior vacancy rate is stable (within five to seven percent), Legacy at Walton Overlook is a much better barometer for current senior rental market conditions than Highland Court. As mentioned previously, Highland Court is located on the edge of the market area and serves a significant number of households in a different submarket. While technically inside market area boundaries, Highland Court also competes with senior LIHTC communities outside the School Street Market Area including Alta Ridenour in Kennesaw and Hearthside Towne Lake in Woodstock.

5. Unit Distribution

The two surveyed senior rental communities in the market area offer one and two bedroom units. On a percentage basis, 40.8 percent contain one bedroom and 59.2 percent contain two bedrooms.

6. Absorption History

The most recently constructed senior rental community in the market area, Legacy at Walton Overlook, leased its 108 units over an approximate five-month period from July to December of



2012. This equates to average absorption rate of 21.6 units per month. Neither of the senior rental communities are currently offering incentives.

7. Effective Rents

Effective rents, adjusted net of utilities and incentives, are shown in Table 23. For the purposes of this analysis, the net rents represent the hypothetical situation where trash removal utility costs are included in monthly rents at all communities, with tenants responsible for other utility costs (water/sewer, electricity, heat, hot water and cooking fuel). Net rents, unit sizes, and rents per square foot for non-subsidized senior units are as follows:

One Bedroom Units:

- **60 percent LIHTC units** had an average effective rent of \$684. Based on an average unit size of 700 square feet, one bedroom 60 percent LIHTC units averaged \$0.98 per square foot. One bedroom 60 percent rents ranged from \$675 to \$693.
- **Market rate units** reported an average effective rent of \$843, an average unit size of 700 square feet, and an average rent per square foot of \$1.20. One bedroom market rate rents ranged from \$735 to \$950.

Two Bedroom Units:

- **60 percent LIHTC units** had an average effective rent of \$794. Based on an average unit size of 1,041 square feet, two bedroom 60 percent LIHTC units averaged \$0.76 per square foot. Two bedroom 60 percent rents ranged from \$765 to \$822.
- **Market rate units** reported an average effective rent of \$983, an average unit size of 1,041 square feet, and an average rent per square foot of \$0.94. Two bedroom market rate rents ranged from \$915 to \$1,050.

The subject property’s proposed 60 percent two bedroom rents will be priced \$125 to \$182 lower than 60 percent two bedroom units offered at both senior LIHTC communities in the School Street Market Area. As tenants of PBRA units will not actually pay the proposed contract rent of \$750 for one bedroom 60 percent units, we have evaluated to maximum tax credit rent of \$632 in the event the subject property were to operate without additional project based subsidies. This proposed rent would also be positioned at the bottom of the senior rental market.

Table 23 Rental Summary, Senior LIHTC and Market Rate Communities

Community	Type	Total Units	Vacant Units	Vacancy Rate	One Bedroom Units			Two Bedroom Units				
					Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
Subject Property	Mid-Rise	100			60	\$632	748	\$0.84	40	\$640	1,102	\$0.58
	PBRA units	60			60	\$632	748	\$0.84				
	60% units	40							40	\$640	1,102	\$0.58
1. Legacy at Walton Overlook	Mid-Rise	108	0	0.0%	69	\$912	750	\$1.22	39	\$868	1,208	\$0.72
	PBRA units	55	0	0.0%	53	\$935	750	\$1.25	2	\$1,030	1,208	\$0.85
	60% units	38	0	0.0%	7	\$693	750	\$0.92	31	\$822	1,208	\$0.68
	Market	15	0	0.0%	9	\$950	750	\$1.27	6	\$1,050	1,208	\$0.87
2. Highland Court	Mid-Rise	120	11	9.2%	24	\$684	650	\$1.05	96	\$790	873	\$0.90
	50% units	7			2	\$600	650	\$0.92	5	\$705	873	\$0.81
	60% units	89			16	\$675	650	\$1.04	73	\$765	873	\$0.88
	Market	24			6	\$735	650	\$1.13	18	\$915	873	\$1.05
Overall Total		228										
Unsubsidized Total		173	11	6.4%								
60% Total/Average		127			23	\$684	700	\$0.98	104	\$794	1,041	\$0.76
Market Total/Average		39			15	\$843	700	\$1.20	24	\$983	1,041	\$0.94
% of Total		100.0%			40.8%				59.2%			

(1) Rent is adjusted, net of utilities and incentives.

Source: Phone Survey, Real Property Research Group, Inc. April, 2013.



8. Payment of Utility Costs

Highland Court includes the cost of water/sewer and trash removal in rent while Legacy at Walton Overlook includes just the cost of trash removal.

9. Unit Features

Both surveyed senior rental communities offer grab bars in the bathrooms, emergency pull-cord or response systems, dishwashers, and washer/dryer connections as standard unit features. Legacy at Walton Overlook also provides microwaves in each unit. Each property also provides central laundry areas, secured entrances, and management/leasing offices on-site.

Table 24 Utility Arrangement and Unit Features

Community	Heat Type	Heat Type	Utilities included in Rent					Dish-washer	Micro-wave	In-Unit Laundry	Grab Bar	Emerg. Pull
			Heat	Cooking	Electric	Water	Trash					
Subject Property	LIHTC	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Hook Ups	Std.	Std.
Highland Court	LIHTC	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Hook Ups	Std.	Std.
Legacy at Walton Overlook	LIHTC	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.	Std.	Hook Ups	Std.	Std.

Source: Phone Survey, Real Property Research Group, Inc. April, 2013.

10. Community Amenities

The surveyed senior rental stock offers a variety of community amenities the most common of which are a community/multi-purpose room (both properties), fitness center (both properties), computer center (both properties), library (both properties), arts and crafts room (both properties), and theater (both properties). Highland Court also offers exterior recreational amenities including a community garden and walking path. Legacy at School Street’s community amenities will include a multi-purpose room, fitness center, and arts and crafts room. These amenities will be competitive with the market area’s existing senior rental stock and are appropriate for the target market.

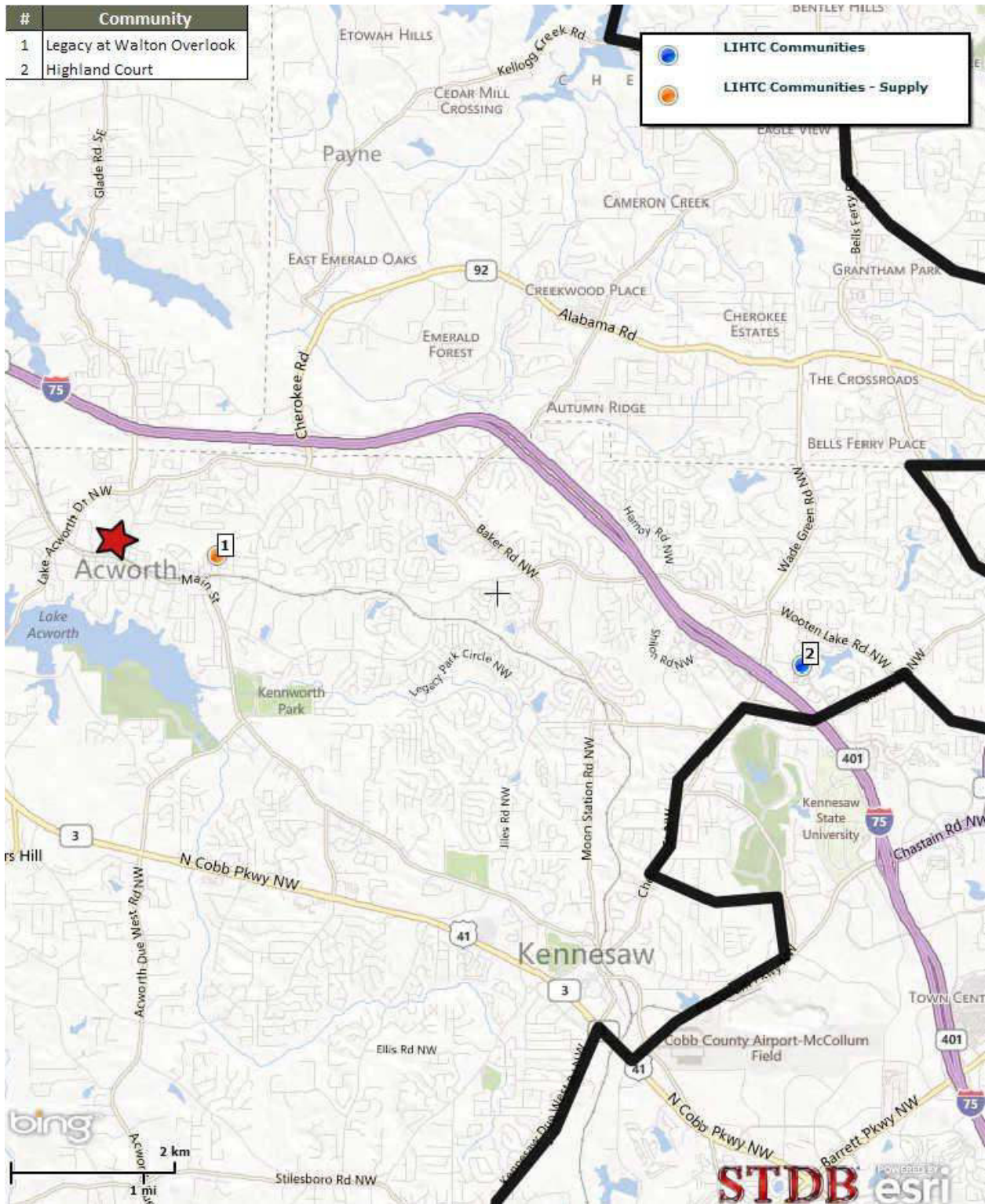
Table 25 Community Amenities

Community	Multipurpose Room	Gardening	Walking Paths	Library	Arts & Crafts	Theatre	Health Room	Conv. Store	Barber Shop	Computer Center	Fitness Center
Subject Property	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Highland Court	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legacy at Walton Overlook	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Source: Phone Survey, Real Property Research Group, Inc. April, 2013.



Map 6 Surveyed Senior Rental Communities





D. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

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

2. Location

Four surveyed rental communities are located in Acworth within one to two miles of the subject site. Of the remaining six communities, three are located in northern Kennesaw to the southeast and three are clustered in western Woodstock to the northeast.

3. Age of Communities

The ten rental communities reported an average year built of 1997 with five properties constructed since 2001. LIHTC communities are slightly newer overall with an average year built of 2000.

4. Structure Type

All ten surveyed general occupancy communities consist of two to four-story garden style buildings. Exterior features are generally dependent on the age and price point of the communities with the recently constructed LIHTC and market rate communities being the most attractive.

5. Vacancy Rates

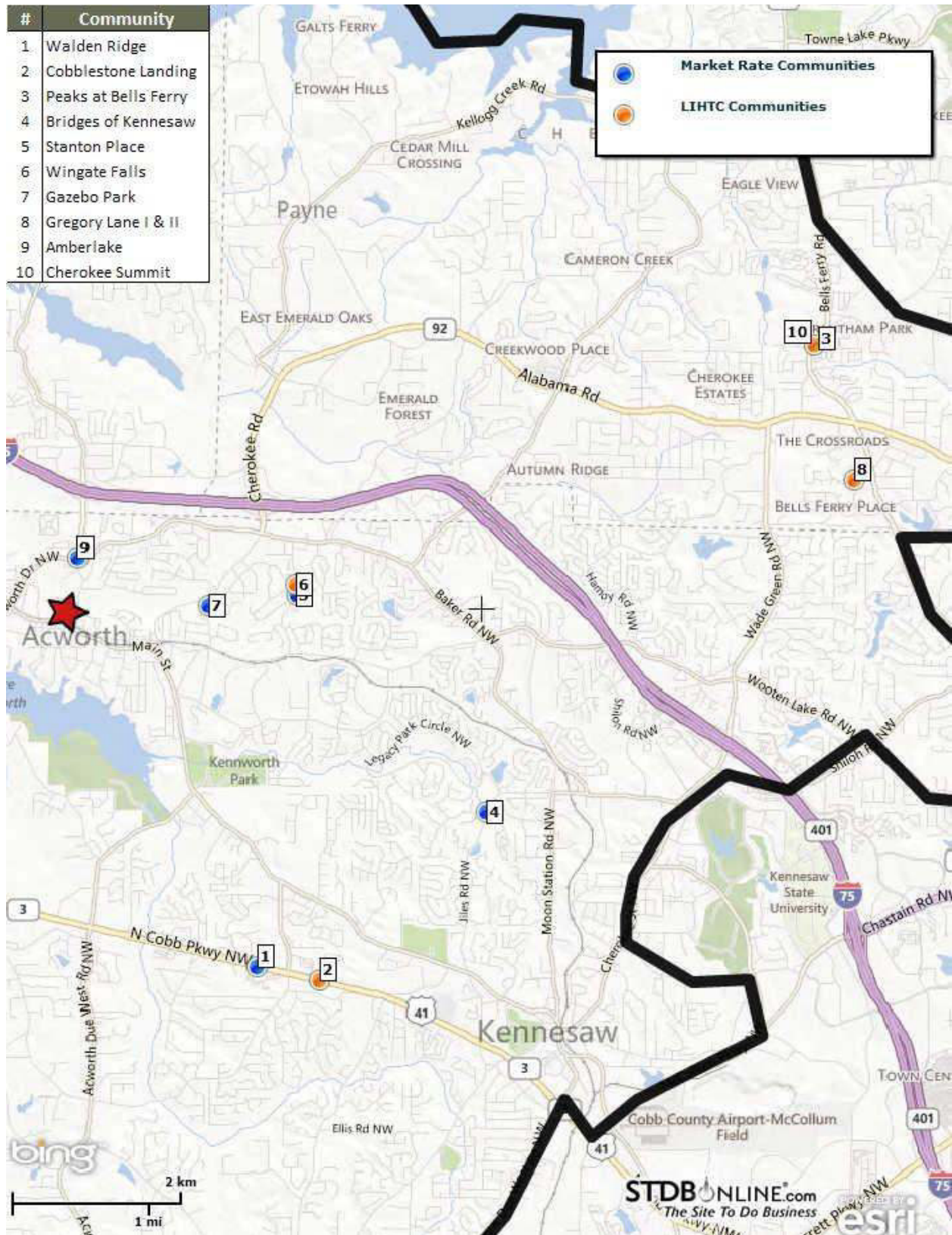
The ten rental communities surveyed combine to offer 2,026 units. Excluding Walden Ridge, which refused to provide occupancy, 124 of 1,816 units or 6.8 percent were reported vacant. Among LIHTC units, 87 of 996 units (8.7 percent) were available at the time of our survey. Overall, some softness exists among the School Street Market Area's general occupancy LIHTC stock, though two LIHTC properties reported vacancy rates of 3.1 percent or less. Given two of the three LIHTC communities with elevated vacancy rates have a higher price position, the elevated vacancy rates could be related to price or income qualification issues. Despite the elevated LIHTC vacancy rate among general occupancy communities, we do not believe the experiences of these properties are a good indication of market conditions for a senior-oriented LIHTC community.

6. Rent Concessions

Six of the ten rental communities surveyed are offering rent concessions/incentives including three LIHTC properties and three market rate communities.



Map 7 Surveyed Comparable General Occupancy Rental Communities





7. Effective Rents

Unit rents presented in Table 26 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents in order to control for current rental incentives and to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where trash removal utility costs are included in monthly rents at all communities, with tenants responsible for other utility costs (water/sewer, electricity, heat, hot water and cooking fuel). As the subject property will only offer one and two bedroom units, rental data for three bedroom units is not shown.

Among the ten rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:

- **One-bedroom** effective rents averaged \$671 per month. The average one bedroom square footage was 841 square feet, resulting in a net rent per square foot of \$0.80. The range for one bedroom effective rents was \$523 to \$961.
- **Two-bedroom** effective rents averaged \$780 per month. The average two bedroom square footage was 1,104 square feet, resulting in a net rent per square foot of \$0.71. The range for two bedroom effective rents was \$653 to \$1,120.

Legacy at School Street’s proposed 60 percent rents will be positioned at the bottom of the general occupancy rental market, well below the highest priced market rate and LIHTC communities in the School Street Market Area. Given the proposed two bedroom unit sizes will be just below overall averages among the surveyed rental stock, the subject property will also be competitive on a price per square foot basis.

Table 26 Rental Summary and Salient Characteristics, General Occupancy Communities

Map #	Community	Type	Total Units	Vacant Units	Vacancy Rate	One Bedroom Units				Two Bedroom Units			
						Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
1	Walden Ridge	Gar	210	N/A	N/A	78	\$961	879	\$1.09	104	\$1,120	1,252	\$0.89
2	Cobblestone Landing	Gar	138	18	13.0%	13	\$760	975	\$0.78	96	\$890	1,175	\$0.76
3	Peaks at Bells Ferry	Gar	248	31	12.5%		\$704	874	\$0.81		\$862	1,149	\$0.75
4	Bridges of Kennesaw	Gar	296	7	2.4%	40	\$753	876	\$0.86	196	\$825	1,179	\$0.70
5	Stanton Place	Gar	240	21	8.8%		\$682	844	\$0.81		\$800	1,158	\$0.69
6	Wingate Falls	Gar	106	4	3.8%	16	\$633	835	\$0.76	40	\$733	1,056	\$0.69
3	Peaks at Bells Ferry* 60% AMI	Gar					\$623	874	\$0.71		\$728	1,149	\$0.63
2	Cobblestone Landing* 60% AMI	Gar	34	4	11.8%	3	\$678	975	\$0.70	24	\$725	1,175	\$0.62
7	Gazebo Park	Gar	214	4	1.9%		\$590	574	\$1.03		\$723	1,014	\$0.71
6	Wingate Falls* 60% AMI	Gar	86	2	2.3%	16	\$608	835	\$0.73	40	\$718	1,056	\$0.68
8	Gregory Lane I & II* 60% AMI	Gar	112	3	2.7%						\$700	976	\$0.72
9	Amberlake	Gar	70	5	7.1%	56	\$543	576	\$0.94	14	\$662	864	\$0.77
10	Cherokee Summit* 60% AMI	Gar	272	25	9.2%		\$523	975	\$0.54		\$653	1,150	\$0.57
Total/Average			2,026				\$671	841	\$0.80		\$780	1,104	\$0.71
Reporting Total/Average			1,816	124	6.8%								
Unit Distribution			940			222				514			
% of Total			46.4%			23.6%				54.7%			

LIHTC Communities*

Management refused occupancy information

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

Source: Field Survey, Real Property Research Group, Inc. April 2013.



8. DCA Average Market Rent

To determine average “market rents” as outlined in DCA’s 2013 Market Study Manual, market rate rents were averaged at the most comparable communities to the proposed Legacy at School Street. These include two senior properties and four general occupancy properties in the School Street Market Area. It is important to note, “average market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property. As such, a negative rent differential does **not** necessarily indicate the proposed rents are unreasonable or unachievable in the market.

The “average market rent” among comparable communities is \$799 for one bedroom units and \$940 for two bedroom units (Table 27). Compared to average market rents, the subject property’s proposed two bedroom 60 percent units would have a rent advantage of 31.9 percent. In the event the subject property’s one bedroom PBRA units operated as LIHTC units without additional subsidy, they would be restricted to a maximum tax credit rent of \$632. This maximum tax credit rent would have rent advantage of 20.9 percent.

Table 27 Comparable Rental Communities, Average Market Rent

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units			
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Property - PBRA	Mid-Rise	60	60	\$632	748	\$1.07				
Subject Property - 60% AMI	Mid-Rise	40					40	\$640	1,102	\$0.63
Senior Properties:										
Legacy at Walton Overlook - Mkt	Mid-Rise	15	9	\$950	750	\$1.27	6	\$1,040	1,208	\$0.86
Highland Court - Mkt	Mid-Rise	24	6	\$735	650	\$1.13	18	\$915	873	\$1.05
General Occupancy Properties										
Walden Ridge	Gar	210	78	\$961	879	\$1.09	104	\$1,120	1,252	\$0.89
Cobblestone Landing	Gar	138	13	\$760	975	\$0.78	96	\$890	1,175	\$0.76
Peaks at Bells Ferry	Gar	248		\$704	874	\$0.81		\$872	1,149	\$0.76
Stanton Place	Gar	240		\$682	844	\$0.81		\$800	1,158	\$0.69
Total/Average		836		\$799	893	\$0.89		\$940	1,183	\$0.79

(1) Rent is adjusted to include only Water/Sewer and Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. April 2013.

Table 28 Average Market Rent and Rent Advantage Summary

	1 BR Units	2 BR Units
Average Market Rent	\$799	\$940
Max Tax Credit Rent	\$632	
Advantage (\$)	\$167	
Advantage (%)	20.9%	
Total Units	60	
Proposed 60% Rent		\$640
Advantage (\$)		\$300
Advantage (%)		31.9%
Total Units		40
Overall Rent Advantage		25.7%



E. Interviews

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Christine Dobbs – Director of Community Development for the City of Acworth, Lamont Kiser – Director of Community Development for Bartow County, Darryl Simmons – Administrator for the Kennesaw Planning and Zoning Department, Dana Johnson – Planning Division Manager for Cobb County, and Rene Sims with the Marietta Housing Authority.

F. Multi-Family Pipeline

According to DCA LIHTC allocations, one senior rental community (Legacy at Walton Overlook) was allocated or placed-in-service in the School Street Market Area. While Legacy at Walton Overlook has completed construction and is fully leased, comparable units at Legacy at Walton Overlook were subtracted from DCA demand estimates as required in the 2013 DCA Market Study Guide. Two additional senior rental communities, in various stages of development, were also identified in the School Street Market Area. Details on each project are provided below:

- **Celebration Village** is a proposed continuing-care retirement community (CCRC) that will include 28 independent living cottages and 257 assisted living/memory care units, all of which will be market rate and service-enriched. The proposed development will be located just north of U.S. 41 near Acworth Summit Boulevard and is expected to be completed in phases with the assisted living/memory care units constructed first. Plans for Celebration Village along with a rezoning request were submitted to Acworth planning officials on April 23, 2013 and are pending review/approval. Given the differences in income targeting and target market (active adults/younger seniors versus older seniors), Celebration Village will not compete with the proposed Legacy at School Street.
- **Dogwood Forest** is a 98-unit assisted living/memory care facility currently under construction at the intersection of Cowan Road and Northside Drive/Old U.S. Highway 41. Similar to Celebration Village, the market rate service enriched units at Dogwood Forest will not compete with the subject property due to differences in age and income targeting.

G. Housing Authority Data

The Marietta Housing Authority operates 164 public housing units, 50 of which are located in Acworth (Hull Homes). All of these public housing units are currently occupied and have a closed waiting list. The Marietta Housing Authority also operates 1,977 HUD Section 8 vouchers. The waiting list for Housing Choice Vouchers (HCV) contains 126 applicants and the waiting list for Project Based Vouchers (PBV) contains 1,039 applicants.

H. Existing Low Income Rental Housing

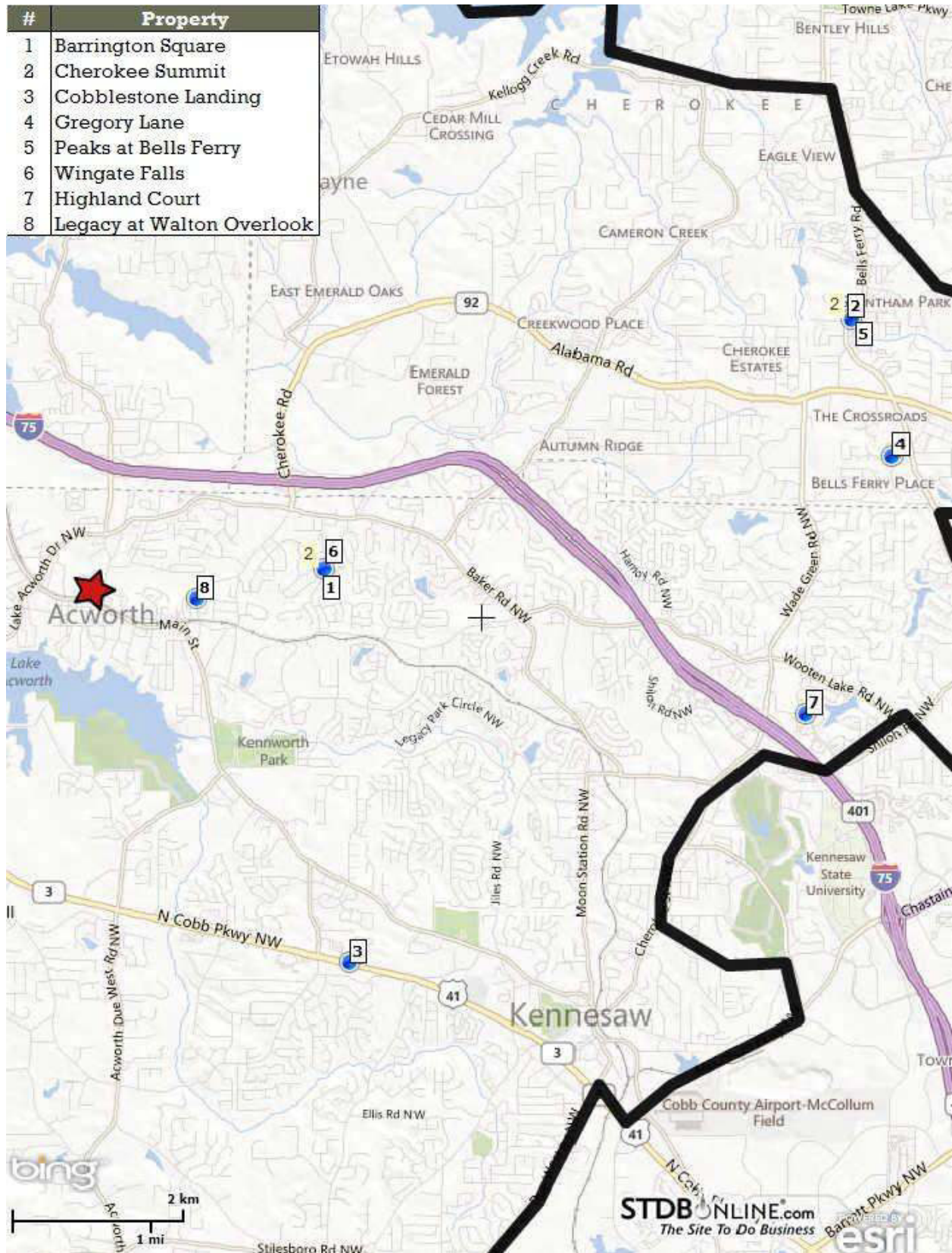
Table 29 and Map 8 show the location of the subject site in relation to existing low-income rental housing properties, including those with tax credits. All LIHTC communities were surveyed and included in this report; however, Barrington Square could not be reached at the time of our survey.

Table 29 Subsidized Communities, School Street Market Area

Property	Subsidy	Type	Address	City	Distance
Barrington Square	Section 8	Senior	4700 Baker Grove Rd.	Acworth	1 mile
Cherokee Summit	Tax Credit	Family	5920 Bells Ferry Rd.	Acworth	5.4 miles
Cobblestone Landing	Tax Credit	Family	3050 Cobb Pkwy.	Kennesaw	2.8 miles
Gregory Lane	Tax Credit	Family	466 Gregory Ln.	Acworth	5.2 miles
Peaks at Bells Ferry	Tax Credit	Family	100 Peaks Ridge	Acworth	5.3 miles
Wingate Falls	Tax Credit	Family	4801 Baker Grove Rd.	Acworth	1.1 miles
Highland Court	Tax Credit	Senior	4150 George Busbee Pkwy.	Kennesaw	4.6 miles
Legacy at Walton Overlook	Tax Credit / Section 8	Senior	4645 Spring St.	Acworth	0.8 mile



Map 8 Subsidized Rental Communities





I. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations and the age of the existing housing stock, limited abandoned / vacant single and multi-family homes exist in the School Street Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 30101 in which the subject property will be located and the broader areas of Acworth, Cobb County, Georgia, and the United States for comparison purposes.

Our RealtyTrac search revealed just one unit was in some state of foreclosure within the subject property’s ZIP code (30101) in March of 2013, the most recent month data was available. This results in a foreclosure rate of 0.16 percent, lower than the City of Acworth, equal to the State of Georgia, and higher than both Cobb County and the nation (Table 30). Over the past year, the number of foreclosures in the subject property’s ZIP Code ranged from 32 to 81 with a steady downward trend evident since April of 2012 (Table 31).

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

Table 30 Foreclosure Rate, ZIP CODE 30101, March 2013

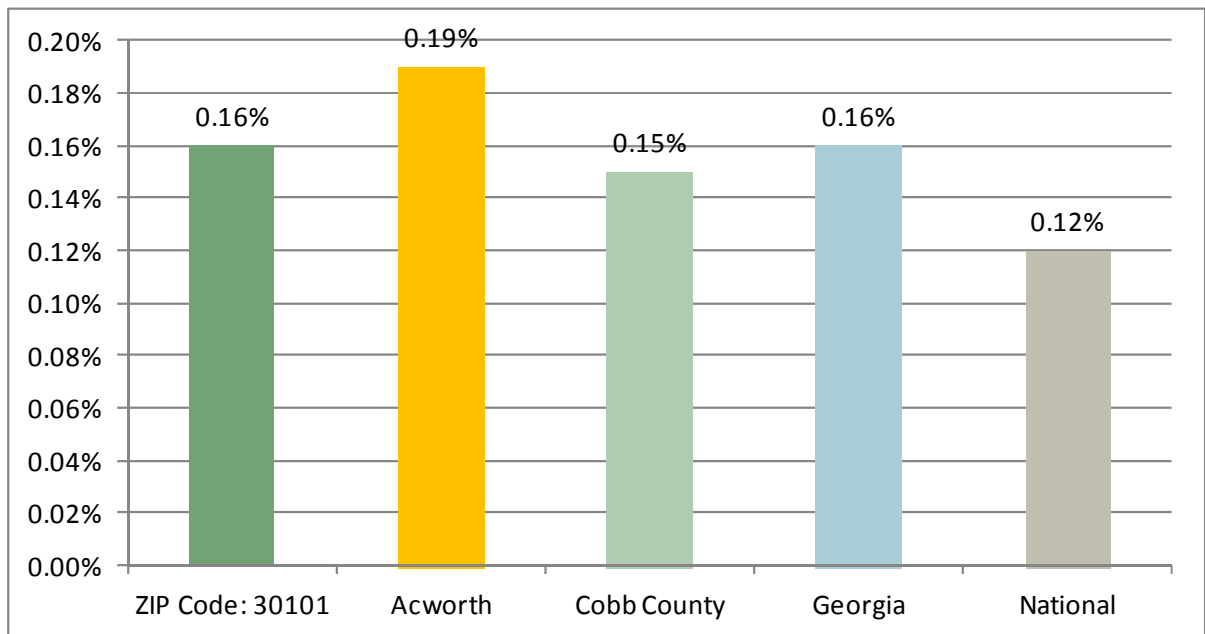
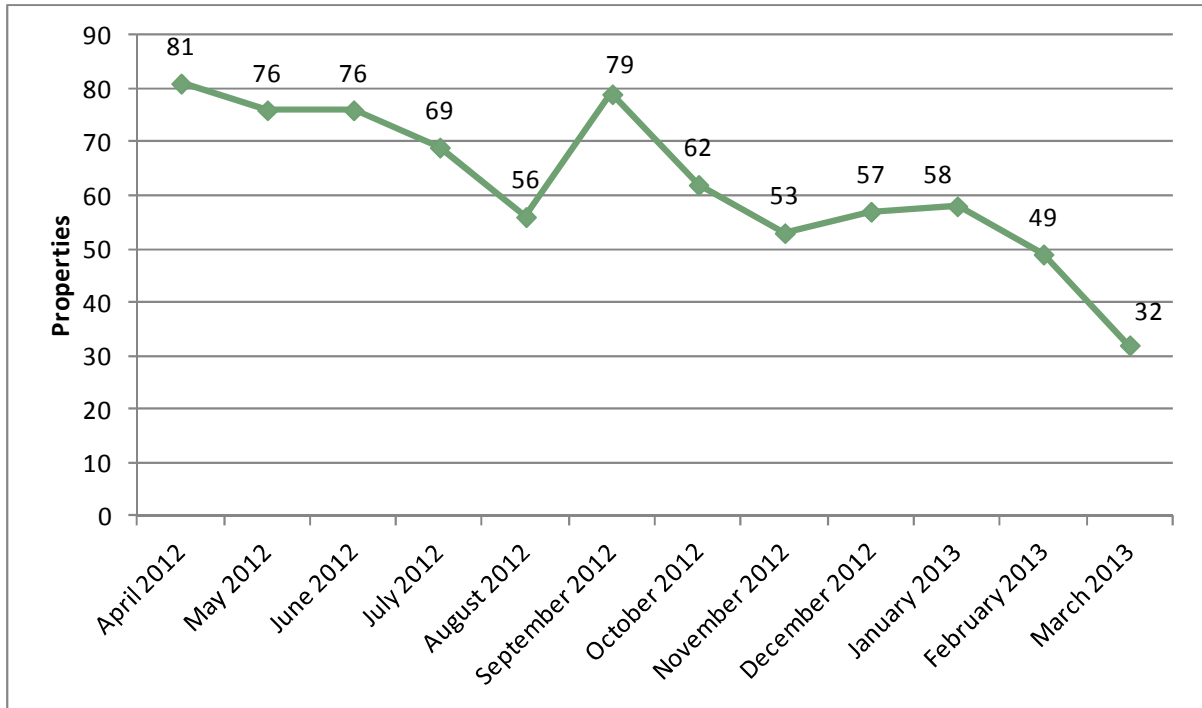




Table 31 Recent Foreclosure Activity, ZIP CODE 30101



8. FINDINGS AND CONCLUSIONS

A. Key Findings

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

1. Site and Neighborhood Analysis

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

- The site for Legacy at School Street is situated on the north side of Moon Street, between its intersections with School Street in Acworth, Cobb County, Georgia. Bordering land uses include single-family detached homes, Logan Farm Park, commercial uses, and the Roberts School Community and Education Center.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity including both convenience and comparison shopping opportunities within two to three miles. A handful of shopping opportunities are also located within a short walking distance (one-half mile).
- Legacy at School Street will have sufficient visibility and accessibility from School Street, a residential side street connection to Northside Drive and Old Cherokee Street. From these roadways, residents of Legacy at School Street will have convenient access to downtown Acworth and Interstate 75 within one mile.
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would negatively affect the proposed development's viability in the marketplace.

2. Economic Context

Despite heavy job losses and high unemployment experienced during the most recent national recession, Cobb County appears stable as signs of post-recession recovery continue. Given senior oriented rental communities are generally less affected by downturns in the local economy and the majority of the subject property's units will be deeply subsidized, we do not expect current economic conditions in Cobb County to negatively impact the proposed development of Legacy at School Street.

- As the full effects of the recent national recession began to impact the local economy, Cobb County's unemployment rate surged to a high of 9.6 percent in 2010. Over the past two years, economic conditions have improved as the unemployment rate dropped to 8.9 percent in 2011 and 8.0 percent in 2012. Overall, the unemployment rate in Cobb County has fallen below state and national levels in all but one year since 2000.
- The recent national recession resulted in a loss of over 31,000 jobs or 9.8 percent of Cobb County's 2007 employment base; however, the county's economy has shown signs of stabilization/recovery with the addition of 5,458 jobs in 2011 and over 9,300 jobs through the third quarter of 2012.
- Trade-Transportation-Utilities and Professional Business are the two largest employment sectors in Cobb County, accounting for a combined 44.9 percent of total employment in the third quarter of 2012. By comparison, these two sectors represent just 32.7 percent of jobs



nationally. Relative to national figures, Cobb County has notably lower percent of jobs in Government (11.2 versus 16.0 percent), Education-Health (11.5 percent versus 14.7 percent), and Manufacturing (6.2 versus 9.1 percent).

- Between 2007 and the third quarter of 2012, Cobb County experienced employment declines in nine of eleven industry sectors. While not necessarily the highest on a percentage basis, the Construction, Manufacturing, Trade-Transportation-Utilities, and Leisure-Hospitality sectors were hit the hardest with annual declines of 40.2 percent, 9.2 percent, 6.6 percent, and 6.3 percent, respectively. The only two sectors to add jobs during this period were Education-Health (12.8 percent) and Professional Business (3.5 percent).

3. Population and Household Trends

The School Street Market Area experienced significant population and household growth during the past decade. Growth is expected to continue at a steady pace through 2015, albeit at a slower rate than that experienced from 2000 to 2010. Over the next three years, senior household growth is expected to outpace total household growth on a percentage basis.

- Between 2000 and 2010 Census counts, the population of the School Street Market Area grew from 108,083 to 135,830 people, an annual increase of 2.3 percent or 2,775 people per year. During the same period, the number of households in the School Street Market Area increased from 37,719 to 47,636 households, a gain of 992 households or 2.4 percent annually. RPRG further projects that the market area will add 2,118 people and 757 households per year from 2013 to 2015 for a growth rate of 1.5 percent annually.
- From 2013 and 2015, households with householders age 55+ are projected to increase at an annual rate of 3.2 percent or 517 households. This would bring the total number of households with householders age 55+ in the School Street Market Area to 16,960. Households with a householder age 62+ will increase at an annual rate of 3.8 percent or 378 households per year.

4. Demographic Analysis

- Older adults and seniors (persons age 55 and older) constitute 18.9 percent of the population in the School Street Market Area compared to 20.8 percent of the population in Cobb County. Adults age 35-61 comprise the largest percentage of the population in both regions at roughly 38 percent.
- Approximately 42 percent of all households in the School Street Market Area contain children compared to 36.7 percent in Cobb County. Over one-third (approximately 38 to 39 percent) of all households in both the School Street Market Area and Cobb County contain two adults but no children. Single persons account for 18.8 percent and 25.6 percent of households in the School Street Market Area and Cobb County, respectively.
- As of the 2010 Census, 22.4 percent of all households in the School Street Market Area were renters, compared to 33.1 percent in Cobb County. Based on 2000 and 2010 census data, School Street Market Area renter households accounted for 48.8 percent of the net household change for the decade, indicating a trend away from homeownership. Based on Esri estimates, the School Street Market Area's renter percentage is projected to increase to 23.1 percent and 23.2 percent in 2013 and 2015, respectively.
- Young working age households form the core of the market area's renters, as half (50.3 percent) of all renter householders are ages 25-44. Approximately 19 percent of market area renter householders are age 55 or older.



- As of 2010, 52.2 percent of all renter households in the School Street Market Area contained one or two persons compared to 62.3 percent in Cobb County.
- According to income distributions provided by Esri, the 2013 median income of households in the School Street Market Area is \$67,422, 3.2 percent higher than the Cobb County median household income of \$65,304.
- RPRG estimates the 2013 median income for senior renter householders (age 55 and older) in the School Street Market Area is \$29,532. Approximately 29 percent of all senior renter householders (55+) in the School Street Market Area have an income less than \$15,000 per year. Another 30.2 percent of senior renter households (55+) earn from \$15,000 to \$34,999 annually.

5. Competitive Housing Analysis

RPRG surveyed two senior rental communities and ten general occupancy communities in the School Street Market Area for this report. Both senior communities and five of the ten general occupancy properties were funded by Low Income Housing Tax Credits (LIHTC). At the time of our survey, the overall senior rental market was stable with all vacancies occurring at one property on the edge of the market area. The most directly comparable senior community to the subject property, Legacy at Walton Overlook, was fully occupied with a waiting list for all units. The general occupancy rental market was also stable, though some softness exists at three of the five LIHTC communities.

- The two senior LIHTC communities in the School Street Market Area combine to offer 228 units, of which 55 offer PBRA. Excluding deeply subsidized units, all of which are currently occupied, 11 of 173 unsubsidized units (LIHTC and Market) were reported vacant (6.4 percent). All eleven vacancies occurred at Highland Court, as Legacy at Walton Overlook reported a waiting list of approximately 350 people for all units.
- Overall, Legacy at Walton Overlook is a much better barometer for current senior rental market conditions than Highland Court, as Highland Court is located on the edge of the market area and serves a significant number of households in a different submarket. While technically inside School Street Market Area boundaries, Highland Court also competes with other senior LIHTC communities outside the School Street Market Area including Alta Ridenour in Kennesaw and Hearthside Towne Lake in Woodstock.
- Net rents, unit sizes, and rents per square foot for non-subsidized senior units are as follows:

One Bedroom Units:

- **60 percent LIHTC units** had an average effective rent of \$684. Based on an average unit size of 700 square feet, one bedroom 60 percent LIHTC units averaged \$0.98 per square foot.
- **Market rate units** reported an average effective rent of \$843, an average unit size of 700 square feet, and an average rent per square foot of \$1.20.

Two Bedroom Units:

- **60 percent LIHTC units** had an average effective rent of \$794. Based on an average unit size of 1,041 square feet, two bedroom 60 percent LIHTC units averaged \$0.76 per square foot.
- **Market rate units** reported an average effective rent of \$983, an average unit size of 1,041 square feet, and an average rent per square foot of \$0.94.



- The subject property’s proposed 60 percent two bedroom rents will be priced \$125 to \$182 lower than 60 percent two bedroom units offered at both senior LIHTC communities in the School Street Market Area. As tenants of PBRA units will not actually pay the proposed contract rent of \$750 for one bedroom 60 percent units, we have evaluated to maximum tax credit rent of \$632 in the event the subject property were to operate without additional project based subsidies. This proposed rent would also be positioned at the bottom of the senior rental market.
- The “average market rent” among comparable communities is \$799 for one bedroom units and \$940 for two bedroom units. Compared to average market rents, the subject property’s proposed two bedroom 60 percent units would have a rent advantage of 31.9 percent. In the event the subject property’s one bedroom PBRA units operated as LIHTC units without additional subsidy, they would be restricted to a maximum tax credit rent of \$632. This maximum tax credit rent would have rent advantage of 20.9 percent.
- Two senior-oriented rental communities are planned/under construction in the School Street Market Area; however, neither community will compete with Legacy at School Street due to differences in services offered and income targeting.

B. Affordability Analysis

1. Methodology

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

The first component of the Affordability Analysis involves looking at the total household income distribution and renter household income distribution among primary market area households 55 and older for the target year of 2015. RPRG calculated the income distribution for both total households and renter households (55+) based on the relationship between owner and renter household incomes by income cohort from the 2007-2011 American Community Survey along with estimates and projected income growth as projected by Esri (Table 32).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For the Affordability Analysis of this age restricted community, RPRG employs a 40 percent gross rent burden.

The proposed LIHTC units at Legacy at School Street will target senior renter households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2013 HUD income limits for the Atlanta-Sandy Springs-Marietta MSA and are based on an average of 1.5 persons for one bedroom units and 2.0 persons for two bedroom units in accordance with DCA requirements. Rent and income limits are detailed in Table 33. For the purposes of this analysis, capture rates for LIHTC units and PBRA units are shown separately; however, as DCA considers all units with PBRA to be leasable in the market, capture rates showing all 100 units without PBRA are not provided. Please note, affordability capture rates for 60 percent LIHTC units are based on households with householders age 55+ while capture rates for PBRA units are based on households with householders age 62+ in accordance with DCA and HUD requirements.

Table 32 2015 Total and Renter Income Distribution, Households 55+

		Total Households		Renter Households	
		#	%	#	%
less than	\$15,000	1,991	11.7%	511	22.3%
	\$15,000 - \$24,999	1,504	8.9%	386	16.8%
	\$25,000 - \$34,999	1,612	9.5%	244	10.6%
	\$35,000 - \$49,999	2,041	12.0%	341	14.9%
	\$50,000 - \$74,999	3,353	19.8%	434	18.9%
	\$75,000 - \$99,999	2,522	14.9%	179	7.8%
	\$100,000 - \$149,999	2,603	15.3%	161	7.0%
	\$150,000 - Over	1,334	7.9%	38	1.7%
Total		16,960	100%	2,295	100%
Median Income		\$59,926		\$35,262	

Source: American Community Survey 2007-2011 Projections, RPRG, Inc.

Table 33 LIHTC Income and Rent Limits, Legacy at School Street

Unit Type	AMI	Units	Bed	Net Rent	Utility Allowance	Gross Rent	Max. Gross Rent	Max. Income	Min. Income
PBRA/LIHTC	50%	15	1	\$750	\$115	\$865	\$622	\$24,900	\$0
PBRA/LIHTC	60%	45	1	\$750	\$115	\$865	\$747	\$29,880	\$0
LIHTC	60%	40	2	\$640	\$148	\$788	\$895	\$31,860	\$23,640
Total		100							

2. Affordability Analysis

The steps in the affordability analysis (Table 34) are as follows:

- Looking at the one bedroom units, the overall shelter cost for a 60 percent two bedroom unit at the proposed rent would be \$788 (\$640 net rent plus \$148 allowance to cover all utilities except trash removal).
- By applying a 40 percent rent burden to this gross rent, we determined that the minimum income limit to afford a two bedroom 60 percent unit is \$23,640. The projected number of market area senior households (55+) earning at least this amount in 2015 is 13,669.
- The maximum income limit for a two bedroom unit at 60 percent AMI is \$29,880 based on a household size of 2.0 persons. According to the interpolated income distribution for 2015, the School Street Market Area will have 12,359 senior households (55+) with incomes above this maximum income.
- Subtracting the 12,359 senior households (55+) with incomes above the maximum income limit from the 13,669 senior households (55+) that could afford to rent this unit, RPRG computes that an estimated 1,311 senior households in the School Street Market Area will be within the target income segment for the two bedroom units at 60 percent AMI.
- The capture rate for the 40 two bedroom units at 60 percent AMI is 3.1 percent for all senior households (55+).
- We then determined that 220 senior renter households (55+) with incomes between the minimum income required and maximum income allowed will reside in the market in 2015. The community will need to capture 18.2 percent of these senior renter households to lease up the 40 sixty percent LIHTC units in this floor plan.
- While DCA considers LIHTC units with PBRA to be leasable in the market, capture rates for PBRA units are provided for reference purposes. Renter capture rates are 2.3 percent for 50 percent PBRA units, 6.2 percent for 60 percent PBRA units, and 8.3 percent for total PBRA units.

3. Conclusions of Affordability

While the capture rate for two bedroom 60 percent units is somewhat high, all affordability capture rates are within acceptable and achievable levels for a senior-oriented rental community (generally 15 to 20 percent). Furthermore, senior LIHTC communities typically attract a significant number of tenants from other sources of demand including households living outside the market area and those converting from owners to renters. As the affordability analysis looks strictly at age and income-qualified renter households within the market area, it is the most conservative measure of demand for the subject property.



Table 34 2015 Affordability Analysis, Legacy at School Street

60% Units - HH 55+		Two Bedroom	
Number of Units		Min.	Max.
Net Rent		40	
Gross Rent		\$640	
% Income for Shelter		\$788	
Income Range (Min, Max)		40%	
		\$23,640	\$31,860
Total Households			
Range of Qualified Hslds		13,669	12,359
# Qualified Households			1,311
Total HH Capture Rate			3.1%
Renter Households			
Range of Qualified Hhlds		1,450	1,230
# Qualified Hhlds			220
Renter HH Capture Rate			18.2%

50% Units (PBRA) - HH 62+		One Bedroom	
Number of Units		15	
Net Rent		\$750	
Gross Rent		\$865	
% Income for Shelter		40%	
Income Range (Min, Max)		no min\$	\$24,900
Total Households			
Range of Qualified Hslds		10,635	7,955
# Qualified Households			2,680
Unit Total HH Capture Rate			0.6%
Renter Households			
Range of Qualified Hhlds		1,459	818
# Qualified Hhlds			641
Renter HH Capture Rate			2.3%

60% Units (PBRA) - HH 62+		One Bedroom	
Number of Units		45	
Net Rent		\$750	
Gross Rent		\$865	
% Income for Shelter		40%	
Income Range (Min, Max)		no min\$	\$29,880
Total Households			
Range of Qualified Hslds		10,635	7,358
# Qualified Households			3,277
Unit Total HH Capture Rate			1.4%
Renter Households			
Range of Qualified Hhlds		1,459	732
# Qualified Renter			726
Renter HH Capture Rate			6.2%

Income Target	Units	All Households = 16,960					Renter Households = 2,295			
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
60% Units	40	<i>Income</i>	\$23,640	\$31,860			\$23,640	\$31,860		
		<i>Households</i>	13,669	12,359	1,311	3.1%	1,450	1,230	220	18.2%
50% Units (PBRA)	15	<i>Income</i>	no min\$	\$24,900			no min\$	\$24,900		
		<i>Households</i>	10,635	7,955	2,680	0.6%	1,459	818	641	2.3%
60% Units (PBRA)	45	<i>Income</i>	no min\$	\$29,880			no min\$	\$29,880		
		<i>Households</i>	10,635	7,358	3,277	1.4%	1,459	732	726	6.2%
Total PBRA Units	60	<i>Income</i>	no min\$	\$29,880			no min\$	\$29,880		
		<i>Households</i>	13,669	7,358	6,311	1.0%	1,459	732	726	8.3%

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.

C. Demand Estimates and Capture Rates

1. Methodology

DCA's demand methodology for senior-oriented developments consists of four components:

- The first component of demand is household growth. This number is the number of age and income qualified renter households projected to move into the School Street Market Area between the base year of 2011 and the year of market-entry of 2015.
- The next component of demand is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2007-2011 ACS data, the percentage of renter households in the primary market area that are "substandard" is 3.8 percent (Table 35). This substandard percentage is applied to current household numbers.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 40 percent of household income for housing costs. According to ACS data, 55.0 percent of the School Street Market Area's senior renter households (65+) are categorized as cost burdened (Table 35). This cost burdened percentage is applied to the current senior household base (55+).
- The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 2011, 3.0 percent of elderly households move each year in the Atlanta MSA. Of those moving within the past twelve months, 31.8 percent moved from owned to rental housing (Table 36). This equates to 1.0 percent of all senior households converting from owners to renters. Given the lack of local information, this source is considered to be the most current and accurate. This component of demand is limited to two percent of total demand per DCA's requirements.

The first three components of DCA demand are augmented by 15 percent to account for secondary market demand. While no longer specifically part of DCA's demand methodology, this component of demand is relevant for senior-oriented communities that often attract a significant proportion of tenants from well beyond primary market area boundaries.

Data assumptions used to calculate demand estimates are detailed at the bottom of Table 38. Income qualification percentages are derived using the Affordability Analysis detailed in Table 34. As with the affordability analysis, DCA demand capture rates for 60 percent LIHTC units are based on households with householders age 55+ while demand capture rates for PBRA units are based on households with householders age 62+.

2. Demand Analysis

According to DCA's demand methodology, all comparable units built or approved since the base year (2011) are to be subtracted from the demand estimates to arrive at net demand. One such community (Legacy at Walton Overlook) was identified in the School Street Market Area (Table 37). Twenty-eight two bedroom LIHTC units, 17 fifty percent PBRA units, and 38 sixty percent PBRA units at Legacy at Walton Overlook are directly comparable to those proposed at the subject property and are subtracted from demand estimates.

Legacy at School Street's capture rate for all 60 percent LIHTC units is 28.6 percent. Among PBRA units, capture rates are 5.0 percent for 50 percent units, 14.0 percent for 60 percent units, and 19.7 percent for all PBRA units. As all of the proposed units at the subject property only contain one



floor plan, capture rates by income level and floor plan are identical. All of these capture rates are within DCA’s threshold of 30 percent.

Table 35 Substandard and Cost Burdened Calculations

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	369	4.2%
10.0 to 14.9 percent	545	6.2%
15.0 to 19.9 percent	970	11.1%
20.0 to 24.9 percent	1,340	15.4%
25.0 to 29.9 percent	773	8.9%
30.0 to 34.9 percent	675	7.7%
35.0 to 39.9 percent	583	6.7%
40.0 to 49.9 percent	945	10.8%
50.0 percent or more	2,204	25.3%
Not computed	323	3.7%
Total	8,727	100%
> 35% income on rent	3,732	44.4%

Households 65+		
Total Households	#	%
Less than 20.0 percent	54	7.6%
20.0 to 24.9 percent	73	10.3%
25.0 to 29.9 percent	50	7.0%
30.0 to 34.9 percent	49	6.9%
35.0 percent or more	423	59.5%
Not computed	62	8.7%
Total	711	100%
> 35% income on rent	423	65.2%
> 40% income on rent		55.0%

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	36,759
1.00 or less occupants per room	36,280
1.01 or more occupants per room	479
Lacking complete plumbing facilities:	146
Overcrowded or lacking plumbing	625
Renter occupied:	
Complete plumbing facilities:	8,658
1.00 or less occupants per room	8,399
1.01 or more occupants per room	259
Lacking complete plumbing facilities:	69
Overcrowded or lacking plumbing	328
Substandard Housing	953
% Total Stock Substandard	2.1%
% Rental Stock Substandard	3.8%

Source: American Community Survey 2007-2011

Table 36 Homeownership to Rental Housing Conversion

Homeownership to Rental Housing Conversion		
Tenure of Previous Residence - Renter Occupied Units	Atlanta MSA	
	#	%
Senior Households 65+		
Total Households	293,600	
Total Households Moving within the Past Year	8,800	3.0%
Total Moved from Home, Apt., Mfg./Mobile Home	8,500	96.6%
Moved from Owner Occupied Housing	2,700	31.8%
Moved from Renter Occupied Housing	5,800	68.2%
Total Moved from Other Housing or Not Reported	300	3.4%
% of Senior Households Moving Within the Past Year		3.0%
% of Senior Movers Converting from Homeowners to Renters		31.8%
% of Senior Households Converting from Homeowners to Renters		1.0%

Source: American Housing Survey, 2011

Table 37 Comparable Supply, DCA Demand Estimates

Community	60% AMI LIHTC		50%/60% PBRA		Market	
	One BR	Two BR	One BR	Two BR	One BR	Two BR
Legacy at Walton Overlook	10	28	50	5	9	6
Total		38		55		15



Table 38 Overall Demand Estimates, Legacy at School Street

	Income Target	60% Units	50% Units (PBRA)	60% Units (PBRA)	Total PBRA Units
	Minimum Income Limit	\$23,640	no min\$	no min\$	no min\$
	Maximum Income Limit	\$31,860	\$24,900	\$29,880	\$31,860
(A) Renter Income Qualification Percentage		9.6%	27.9%	31.7%	31.7%
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		27	62	70	70
PLUS					
Demand from Existing Renter HHS (Substandard) <i>Calculation B*D*F*A</i>		7	13	15	15
PLUS					
Demand from Existing Renter HHS (Overburdened) <i>Calculation B*E*F*A</i>		105	189	214	214
PLUS					
Secondary Market Demand Adjustment (15%)*		25	47	54	54
SUBTOTAL		164	311	352	352
PLUS					
Demand Elderly Homeowner Conversion (2%)**		3	6	7	7
TOTAL DEMAND		168	317	359	359
LESS					
Comparable Units Built or Planned Since 2011		28	17	38	55
Net Demand		140	300	321	304
Proposed Units		40	15	45	60
Capture Rate		28.6%	5.0%	14.0%	19.7%

* Limited to 15% of Total Demand **Limited to 2% of Total Demand

Demand Calculation Inputs	55+	62+
A). % of Renter Hhlds with Qualifying Income	see above	see above
B). 2011 Senior Households	14,847	9,009
C). 2015 Senior Households	16,960	10,635
D). Substandard Housing (% of Rental Stock)	3.8%	3.8%
E). Rent Overburdened (% Senior Households)	55.0%	55.0%
F). Renter Percentage (Senior Households)	13.4%	13.6%
G). Elderly Homeowner Turnover	1.0%	1.0%

Table 39 Demand by Floor Plan, Legacy at School Street

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
60% Units	\$23,640 - \$31,860						
Two Bedroom Units	\$23,640 - \$31,860	40	9.6%	168	28	140	28.6%
50% Units (PBRA)	no min\$ - \$24,900						
One Bedroom Units	no min\$ - \$24,900	15	27.9%	317	17	300	5.0%
60% Units (PBRA)	no min\$ - \$29,880						
One Bedroom Units	no min\$ - \$29,880	45	31.7%	359	38	321	14.0%



D. Absorption Estimate

The only recently constructed senior LIHTC community in the School Street Market Area, Legacy at Walton Overlook, leased its 108 units within an approximate five month period from June to December of 2012. This equates to an average absorption rate of 21.6 units per month. This community is directly comparable to the proposed Legacy at School Street in terms of income targeting, design characteristics, and location.

In addition to the experiences of recently constructed rental communities, the projected absorption rate is based on projected household growth, age and income-qualified renter households, affordability/demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The population and household bases of the School Street Market Area are projected to grow at a steady pace, adding 2,118 people (1.5 percent) and 757 households (1.5 percent) per year through 2015.
- Overall, senior household growth is expected to outpace total household growth on a percentage basis over the next three years. From 2013 and 2015, older adult householders age 55 and older are projected to increase at an annual rate of 3.2 percent or 517 households per year.
- A total of 220 renter households age 55+ will be income qualified for the 40 proposed 60 percent LIHTC units at Legacy at School Street by its placed-in-service year of 2015. All 60 PBRA units proposed at the subject property are assumed to be leasable in the market in accordance with DCA requirements. The waiting list for Marietta public housing units exceeds 1,000 applicants.
- All DCA demand capture rates, both by income level and floor plan, are within the acceptable threshold of 30 percent. A total net demand of 140 exists for Legacy at School Street's 40 sixty percent LIHTC units, resulting in a capture rate of 28.6 percent.
- The two senior LIHTC communities in the School Street Market Area reported a combined vacancy rate of 6.4 percent, which is considered stable. The most directly comparable community to the subject property, Legacy at Walton Overlook, was 100 percent occupied with a waiting list of approximately 350 applicants for all units.
- The subject property's 60 percent LIHTC units will be priced below all 60 percent units offered at senior LIHTC communities in the market area and among the bottom half of surveyed general occupancy properties in the School Street Market Area for all floor plans.
- Upon completion, Legacy at School Street will offer an attractive product that will be among the nicest rental communities in the School Street Market Area.

Based on the product to be constructed, low proposed rent levels, reasonable affordability/demand estimates, senior rental market conditions, and PBRA on 60 of 100 units, we expect Legacy at School Street to lease-up at a pace of at least 18 units per month. At this rate, the 100 units proposed at the subject property would reach a stabilized occupancy of at least 93 percent within five to six months.



E. Target Markets

Legacy at School Street will target very low to moderate income senior renter households age 55+ and 62+. The subject property will offer both one and two bedroom floor plans, which will appeal to a variety of senior households. Potential renter households include single-persons, couples, and possibly some households with dependents.

F. Product Evaluation

Considered in the context of the competitive environment, the relative position of Legacy at School Street is as follows:

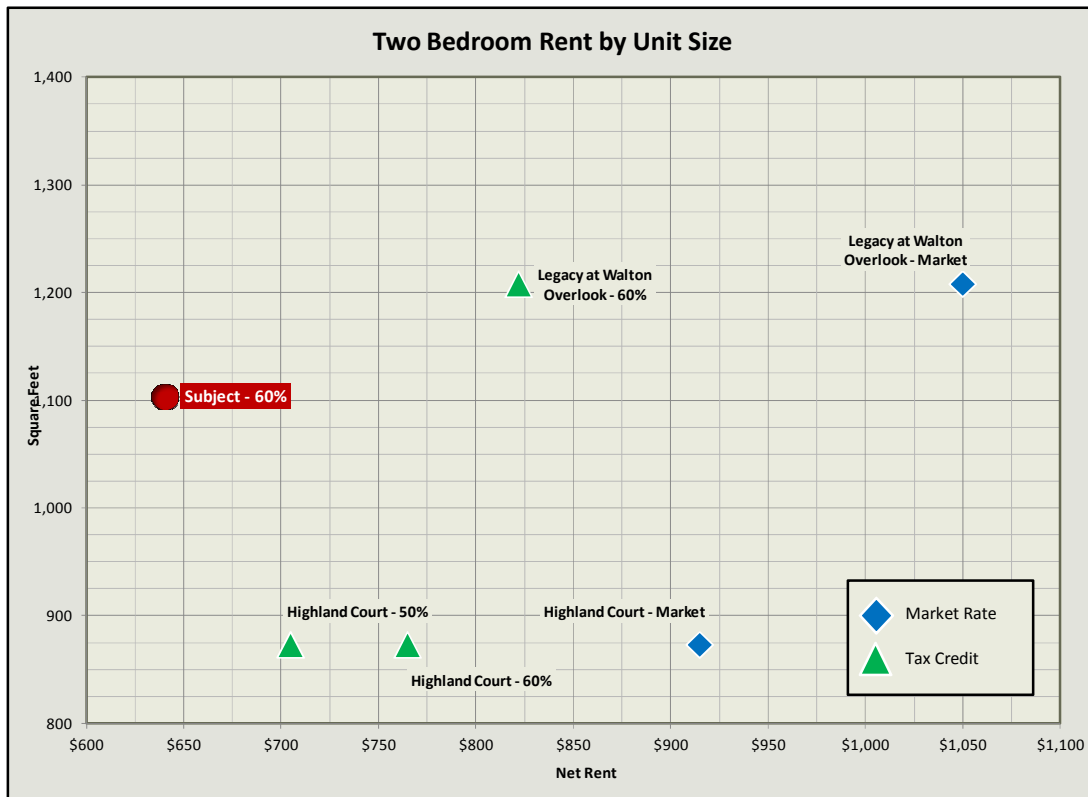
- **Site:** The subject site is acceptable for a rental housing development targeted to low and moderate income senior households. Surrounding land uses are compatible with multi-family development and are appropriate for senior-oriented housing. The subject site is also convenient to major thoroughfares and community amenities including healthcare facilities, retail centers, and recreational facilities.
- **Unit Distribution:** The proposed unit mix for Legacy at School Street includes 60 one bedroom units and 40 two bedroom units. Both one and two bedroom units are common among senior LIHTC rental communities and will be well received by the target market. The higher proportion of one bedroom units to two bedroom units is appropriate for the subject property given the PBRA on 60 of the 100 proposed units.
- **Unit Size:** The proposed unit sizes at Legacy at School Street are 748 square feet for one bedroom units and 1,050 to 1,154 square feet for two bedroom units. These unit sizes are comparable to or larger than overall averages among senior rental communities in the market area and will be competitive in the rental market.
- **Unit Features:** Unit features will include a range, refrigerator, dishwasher, garbage disposal, ceiling fans, walk-in closets, storage areas, washer/dryer connections, and emergency pull-cords. These unit features are comparable with surveyed rental communities in the School Street Market Area, including those with LIHTC units, and are appropriate for a senior-oriented community.
- **Community Amenities:** Amenities at the subject will consist of a multi-purpose room, fitness center, indoor/outdoor sitting areas, kitchen, covered patio with seating, and arts and crafts room. This amenity package will be competitive with senior and general occupancy rental communities in the School Street Market Area and will appeal to senior renters more than those amenities offered at family oriented communities.
- **Marketability:** The subject property will be located within a convenient walking/driving distance of community amenities and will offer features and amenities competitive in the School Street Market Area.

G. Price Position

As shown in Figure 8, the proposed 60 percent rents will be positioned below all two bedroom units offered at surveyed senior communities in the School Street Market Area. Based on larger than average unit sizes proposed at Legacy at School Street and its low proposed price position, the subject property will also be the lowest on a rent per square foot basis.



Figure 8 Price Position – Two Bedroom Units



H. Impact on Existing Market

Given the proposed project based subsidies on the majority of units and current market conditions, we do not believe the development of the subject property will have an adverse impact on existing rental communities in the School Street Market Area including those with tax credits. Limited senior rental housing options currently exist in the School Street Market Area, especially those serving very low income senior households. With continued strong senior household growth projected in the School Street Market Area, demand for affordable senior rental housing is also likely to increase over the next five years.

I. Final Conclusions and Recommendations

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

Michael Riley
Analyst

Tad Scepaniak
Principal



APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



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

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



APPENDIX 2 ANALYST CERTIFICATIONS

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- I affirm that I have made a physical inspection of the market area and the subject property and that Information has been used in the full study of the need and demand for the proposed units.
- To the best of my knowledge, the market can support the proposed 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.
- DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.

A handwritten signature in black ink, appearing to read 'Michael Riley', is positioned above a horizontal line.

Michael Riley
Analyst
Real Property Research Group, Inc.

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



I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- To the best of my knowledge, the market can support the proposed 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.
- DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.

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

Tad Scepianiak
Principal
Real Property Research Group, Inc.

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



APPENDIX 3 NCHMA CERTIFICATION

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

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

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

Real Property Research Group, Inc.



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

Tad Scepianiak
Name

Principal
Title

April 26, 2013
Date



APPENDIX 4 ANALYST RESUMES

ROBERT M. LEFENFELD

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

Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively on the subject of residential real estate market analysis. Bob serves as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He has served as National Chair of the National Council of Housing Market Analysts (NCHMA) and currently serves as Chair of the Organization's FHA Committee. Bob is also a member of the Baltimore chapter of Lambda Alpha Land Economics Society.

Areas of Concentration:

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

Education:

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



TAD SCEPANIAK

Tad Scepianiak directs the Atlanta office of Real Property Research Group and leads the firm's affordable housing practice. Tad directs the firm's efforts in the southeast and south central United States and has worked extensively in North Carolina, South Carolina, Georgia, Florida, Tennessee, Iowa, and Michigan. He specializes in the preparation of market feasibility studies for rental housing communities, including market-rate apartments developed under the HUD 221(d)(4) program and affordable housing built under the Low-Income Housing Tax Credit program. Along with work for developer clients, Tad is the key contact for research contracts with the North Carolina, South Carolina, Georgia, Michigan, and Iowa Housing Finance agencies. Tad is also responsible for development and implementation of many of the firm's automated systems.

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

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Student Housing: Tad has conducted market analyses of student housing solutions for small to mid-size universities. The analysis includes current rental market conditions, available on-campus housing options, student attitudes, and financial viability of proposed developments. Completed campus studies include Southern Polytechnic University, University of Illinois Champaign-Urbana, North Georgia State College and University, and Abraham Baldwin Agricultural College.

Education:

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

**MICHAEL RILEY**

Michael Riley entered the field of Real Estate Market Research in 2006, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Michael's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Since 2007, Michael has served as an Analyst for RPRG, conducting a variety of market analyses for affordable and market rate rental housing communities throughout the United States. In total, Michael has conducted work in eleven states and the District of Columbia with particular concentrations in the Southeast and Midwest regions.

Areas of Concentration:

- Low Income Housing Tax Credit Rental Housing – Michael has worked extensively with the Low Income Housing Tax Credit program, evaluating general occupancy, senior oriented, and special needs developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a wide range of project types, including newly constructed communities, adaptive reuses, and rehabilitations. Michael also has extensive experience analyzing multiple subsidy projects, such as those that contain rental assistance through the HUD Section 8/202 and USDA Section 515 programs.
- Market Rate Rental Housing – Michael has analyzed various projects for lenders and developers of market rate rental housing including those compliant with HUD MAP guidelines under the FHA 221(d)(4) program. The market rate studies produced are often used to determine the rental housing needs of a specific submarket and to obtain financing.

In addition to market analysis responsibilities, Michael has also assisted in the development of research tools for the organization, including a rent comparability table incorporated in many RPRG analyses.

Education:

Bachelor of Business Administration – Finance; University of Georgia, Athens, GA



APPENDIX 5 DCA CHECKLIST

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

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

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

Signed: _____

Date: April 26, 2013

Michael Riley

A. Executive Summary

1. Project Description:		
i. Brief description of the project location including address and/or position relative to the closest cross-street.....	Page(s)	v
ii. Construction and Occupancy Types	Page(s)	v
iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowance	Page(s)	v
iv. Any additional subsidies available, including project based rental assistance (PBRA)	Page(s)	v
v. Brief description of proposed amenities and how they compare with existing properties	Page(s)	v
2. Site Description/Evaluation:		
i. A brief description of physical features of the site and adjacent parcels.....	Page(s)	v
ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).....	Page(s)	v
iii. A discussion of site access and visibility	Page(s)	v
iv. Any significant positive or negative aspects of the subject site.....	Page(s)	v
v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc	Page(s)	v
vi. An overall conclusion of the site's appropriateness for the proposed development.....	Page(s)	v
3. Market Area Definition:		
i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site	Page(s)	vi
4. Community Demographic Data:		
i. Current and projected household and population counts for the PMA.....	Page(s)	vi
ii. Household tenure including any trends in rental rates	Page(s)	vi



iii.	Household income level.....	Page(s)	vi
iv.	Discuss Impact of foreclosed, abandoned / vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development.....	Page(s)	vi
5.	Economic Data:		
i.	Trends in employment for the county and/or region.....	Page(s)	vii
ii.	Employment by sector for the primary market area.....	Page(s)	vii
iii.	Unemployment trends for the county and/or region for the past five years.....	Page(s)	vii
iv.	Brief discussion of recent or planned employment contractions or expansions.....	Page(s)	vii
v.	Overall conclusion regarding the stability of the county's economic environment.....	Page(s)	vii
6.	Project Specific Affordability and Demand Analysis:		
i.	Number of renter households income qualified for the proposed development. For senior projects, this should be age and income qualified renter households.....	Page(s)	viii
ii.	Overall estimate of demand based on DCA's demand methodology.....	Page(s)	viii
iii.	Capture rates for the proposed development including the overall project, all LIHTC units (excluding any PBRA or market rate units), and a conclusion regarding the achievability of these capture rates.....	Page(s)	viii
7.	Competitive Rental Analysis		
i.	An analysis of the competitive properties in the PMA.....	Page(s)	viii
ii.	Number of properties.....	Page(s)	viii
iii.	Rent bands for each bedroom type proposed.....	Page(s)	viii
iv.	Average market rents.....	Page(s)	viii
8.	Absorption/Stabilization Estimate:		
i.	Expected absorption rate of the subject property (units per month).....	Page(s)	x
ii.	Expected absorption rate by AMI targeting.....	Page(s)	x
iii.	Months required for the project to reach a stabilized occupancy of 93 percent.....	Page(s)	x
9.	Overall Conclusion:		
i.	A narrative detailing key conclusions of the report including the analyst's opinion regarding the proposed development's potential for success.....	Page(s)	x
10.	Summary Table.....	Page(s)	xi

B. Project Description

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

C. Site Evaluation

1.	Date of site / comparables visit and name of site inspector.....	Page(s)	1
2.	Site description		
i.	Physical features of the site.....	Page(s)	6



ii. Positive and negative attributes of the site.....	Page(s)	6
iii. Detailed description of surrounding land uses including their condition.....	Page(s)	6
3. Description of the site's physical proximity to surrounding roads, transportation, amenities, employment, and community services.....	Page(s)	13-16
4. Color photographs of the subject property, surrounding neighborhood, and street scenes with a description of each vantage point.....	Page(s)	9-10
5. Neighborhood Characteristics		
i. Map identifying the location of the project.....	Page(s)	7
ii. List of area amenities including their distance (in miles) to the subject site.....	Page(s)	14
iii. Map of the subject site in proximity to neighborhood amenities.....	Page(s)	15
6. Map identifying existing low-income housing projects located within the PMA and their distance from the subject site.....	Page(s)	46
7. Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	13
8. Discussion of accessibility, ingress/egress, and visibility of the subject site.....	Page(s)	13
9. Visible environmental or miscellaneous site concerns.....	Page(s)	13
10. Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	16
D. Market Area		
1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	17
2. Map Identifying subject property's location within market area.....	Page(s)	18
E. Community Demographic Data		
1. Population Trends		
i. Total Population.....	Page(s)	28
ii. Population by age group.....	Page(s)	31
iii. Number of elderly and non-elderly.....	Page(s)	30
iv. Special needs population (if applicable).....	Page(s)	28
2. Household Trends		
i. Total number of households and average household size.....	Page(s)	28
ii. Household by tenure.....	Page(s)	32
iii. Households by income.....	Page(s)	34
iv. Renter households by number of persons in the household.....	Page(s)	33
F. Employment Trends		
1. Total jobs in the county or region.....	Page(s)	21
2. Total jobs by industry – numbers and percentages.....	Page(s)	21
3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area.....	Page(s)	24
4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past five years.....	Page(s)	20
5. Map of the site and location of major employment concentrations.....	Page(s)	25
6. Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	26
G. Project-specific Affordability and Demand Analysis		



1. Income Restrictions / Limits	Page(s)	54
2. Affordability estimates	Page(s)	55
3. Components of Demand		
i. Demand from new households.....	Page(s)	58
ii. Demand from existing households.....	Page(s)	58
iii. Elderly Homeowners likely to convert to rentership.	Page(s)	57, 58
iv. Other sources of demand (if applicable).	Page(s)	58
4. Net Demand, Capture Rate, and Stabilization Calculations		
i. Net demand		
1. By AMI Level	Page(s)	58
2. By floor plan	Page(s)	58
ii. Capture rates		
1. By AMI level	Page(s)	58
2. By floor plan	Page(s)	58
3. Capture rate analysis chart	Page(s)	x

H. Competitive Rental Analysis

1. Detailed project information for each competitive rental community surveyed		
i. Charts summarizing competitive data including a comparison of the proposed project's rents, square footage, amenities, to comparable rental communities in the market area.	Page(s)	37-44
2. Additional rental market information		
i. An analysis of voucher and certificates available in the market area.....	Page(s)	45
ii. Lease-up history of competitive developments in the market area.	Page(s)	37
iii. Tenant profile and waiting list of existing phase (if applicable)	Page(s)	N/A
iv. Competitive data for single-family rentals, mobile homes, etc. in rural areas if lacking sufficient comparables (if applicable).	Page(s)	N/A
3. Map showing competitive projects in relation to the subject property.	Page(s)	40, 42
4. Description of proposed amenities for the subject property and assessment of quality and compatibility with competitive rental communities.	Page(s)	60
5. For senior communities, an overview / evaluation of family properties in the PMA.	Page(s)	41
6. Subject property's long-term impact on competitive rental communities in the PMA.....	Page(s)	61
7. Competitive units planned or under construction the market area		
i. Name, address/location, owner, number of units, configuration, rent structure, estimated date of market entry, and any other relevant information.	Page(s)	45
8. Narrative or chart discussing how competitive properties compare with the proposed development with respect to total units, rents, occupancy, location, etc.....	Page(s)	60
i. Average market rent and rent advantage.....	Page(s)	44
9. Discussion of demand as it relates to the subject property and all comparable DCA funded projects in the market area.....	Page(s)	45
10. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years.	Page(s)	37
11. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.	Page(s)	47
12. Discussion of primary housing voids in the PMA as they relate to the subject property.	Page(s)	N/A

I. Absorption and Stabilization Rates

1. Anticipated absorption rate of the subject property	Page(s)	59
--	---------	----



2. Stabilization period.....	Page(s)	59
J. Interviews.....	Page(s)	45
K. Conclusions and Recommendations		
1. Conclusion as to the impact of the subject property on PMA.....	Page(s)	61
2. Recommendation as the subject property's viability in PMA.....	Page(s)	61
L. Signed Statement Requirements.....	Page(s)	App.



APPENDIX 6 NCHMA CHECKLIST

Introduction: Members of the National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

Component (*First occurring page is noted)		*Page(s)
Executive Summary		
1.	Executive Summary	
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	3,5
3.	Utilities (and utility sources) included in rent	3, 5
4.	Project design description	3,5
5.	Unit and project amenities; parking	3,5
6.	Public programs included	3
7.	Target population description	3
8.	Date of construction/preliminary completion	4
9.	If rehabilitation, existing unit breakdown and rents	N/A
10.	Reference to review/status of project plans	3
Location and Market Area		
11.	Market area/secondary market area description	17
12.	Concise description of the site and adjacent parcels	6
13.	Description of site characteristics	6
14.	Site photos/maps	7 - 10
15.	Map of community services	15
16.	Visibility and accessibility evaluation	13
17.	Crime information	11
Employment and Economy		
18.	Employment by industry	22
19.	Historical unemployment rate	20
20.	Area major employers	23
21.	Five-year employment growth	21



22.	Typical wages by occupation	26
23.	Discussion of commuting patterns of area workers	19
Demographic Characteristics		
24.	Population and household estimates and projections	27
25.	Area building permits	29
26.	Distribution of income	32
27.	Households by tenure	32
Competitive Environment		
28.	Comparable property profiles	77
29.	Map of comparable properties	42
30.	Comparable property photos	77
31.	Existing rental housing evaluation	35
32.	Comparable property discussion	35
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	37
34.	Comparison of subject property to comparable properties	60
35.	Availability of Housing Choice Vouchers	45
36.	Identification of waiting lists	41
37.	Description of overall rental market including share of market-rate and affordable properties	41
38.	List of existing LIHTC properties	77
39.	Discussion of future changes in housing stock	45
40.	Discussion of availability and cost of other affordable housing options, including homeownership	35
41.	Tax credit and other planned or under construction rental communities in market area	45
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	56
43.	Calculation and analysis of Penetration Rate	35
44.	Evaluation of proposed rent levels	60
45.	Derivation of Achievable Market Rent and Market Advantage	44
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	49
48.	Market strengths and weaknesses impacting project	60
49.	Recommendation and/or modification to project description	60, if applicable
50.	Discussion of subject property's impact on existing housing	60
51.	Absorption projection with issues impacting performance	59



52.	Discussion of risks or other mitigating circumstances impacting project	49, if applicable
53.	Interviews with area housing stakeholders	45
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	1
56.	Certifications	74
57.	Statement of qualifications	66
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



APPENDIX 7 62+ DEMOGRAPHIC DATA

Households by Tenure (62+), School Street Market Area

Senior Households 62+	Cobb County		School Street Market Area	
	Number	Percent	Number	Percent
2013 Households				
Owner Occupied	45,222	82.9%	8,533	86.4%
Renter Occupied	9,334	17.1%	1,347	13.6%
Total Occupied	54,557	100.0%	9,880	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

Senior Household Income by Tenure (62+), School Street Market Area

		Renter Households		Owner Households	
		#	%	#	%
less than	\$15,000	422	31.4%	1,027	12.0%
	\$15,000 - \$24,999	208	15.4%	1,004	11.8%
	\$25,000 - \$34,999	236	17.5%	1,008	11.8%
	\$35,000 - \$49,999	202	15.0%	1,170	13.7%
	\$50,000 - \$74,999	150	11.1%	1,712	20.1%
	\$75,000 - \$99,999	76	5.6%	998	11.7%
	\$100,000 - \$149,999	39	2.9%	1,095	12.8%
	\$150,000 - \$199,999	10	0.7%	351	4.1%
	\$200,000 over	5	0.4%	169	2.0%
Total		1,347	100%	8,533	100%
Median Income		\$26,827		\$50,843	

Source: American Community Survey 2007-2011 Estimates, RPRG, Inc.

Total Household and Renter Household Income Distribution (62+), School Street Market Area

		Total Households		Renter Households	
		#	%	#	%
less than	\$15,000	1,334	15.1%	367	30.8%
	\$15,000 - \$24,999	1,242	14.1%	201	16.9%
	\$25,000 - \$34,999	1,290	14.6%	231	19.4%
	\$35,000 - \$49,999	1,327	15.1%	184	15.4%
	\$50,000 - \$74,999	1,577	17.9%	120	10.1%
	\$75,000 - \$99,999	744	8.4%	49	4.1%
	\$100,000 - \$149,999	882	10.0%	29	2.4%
	\$150,000 Over	417	4.7%	11	0.9%
Total		8,812	100%	1,191	100%
Median Income		\$41,107		\$26,203	

Source: American Community Survey 2007-2011 Projections, RPRG, Inc.



APPENDIX 8 RENTAL COMMUNITY PROFILES

Highland Court

Senior Community Profile

4150 George Busbee Pkwy.
Kennesaw, GA 30144

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

120 Units 9.2% Vacant (11 units vacant) as of 4/26/2013

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	20.0%	\$699	650	\$1.08	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	80.0%	\$807	873	\$0.92	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Features

Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Grabbar; Emergency Response

Select Units: --

Optional(\$): --

Security: Gated Entry; Keyed Bldg Entry

Parking: Free Surface Parking

Comments

Property Manager: --

Owner: Norsouth

Floorplans (Published Rents as of 4/ 26/ 2013) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	2	\$615	650	\$0.95	LIHTC/ 50%	4/26/13	9.2%	\$699	\$807	--
Mid Rise - Elevator	--	1	1	16	\$690	650	\$1.06	LIHTC/ 60%	6/1/11	8.3%	\$665	\$764	--
Mid Rise - Elevator	--	1	1	6	\$750	650	\$1.15	Market	7/9/10	3.3%	\$692	\$799	--
Mid Rise - Elevator	--	2	1	3	\$720	860	\$0.84	LIHTC/ 50%	8/28/09	1.7%	\$692	\$797	--
Mid Rise - Elevator	--	2	1	57	\$775	860	\$0.90	LIHTC/ 60%					
Mid Rise - Elevator	--	2	1	8	\$875	860	\$1.02	Market					
Mid Rise - Elevator	--	2	2	2	\$730	904	\$0.81	LIHTC/ 50%					
Mid Rise - Elevator	--	2	2	16	\$795	904	\$0.88	LIHTC/ 60%					
Mid Rise - Elevator	--	2	2	10	\$995	904	\$1.10	Market					

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

Highland Court

GA067-012112

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management

Legacy at Walton Overlook

Senior Community Profile

4645 Spring St.
Acworth, GA

CommunityType: LIHTC - Elderly

Structure Type: Mid Rise

108 Units 0.0% Vacant (0 units vacant) as of 4/26/2013

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	63.9%	\$939	750	\$1.25	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	36.1%	\$889	1,208	\$0.74	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Features

Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit); Grabbar; Emergency Response

Select Units: --

Optional(\$): --

Security: Gated Entry

Parking: Free Surface Parking

Comments

Opened July 2012 and leased up on December 12, 2012.

Waitlist of 150 people for the PBRA units, 10 people for the LIHTC units, and 15 people for the market rate units

Community has 55 PBRA units, rent is contract rent

Property Manager: --

Owner: --

Floorplans (Published Rents as of 4/ 26/ 2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	7	\$693	750	\$0.92	LIHTC/ 60%	4/26/13	0.0%	\$939	\$889	--
Mid Rise - Elevator	--	1	1	53	\$950	750	\$1.27	Section 8/ 60%					
Mid Rise - Elevator	--	1	1	9	\$950	750	\$1.27	Market					
Mid Rise - Elevator	--	2	2	31	\$822	1,208	\$0.68	LIHTC/ 60%					
Mid Rise - Elevator	--	2	2	2	\$1,050	1,208	\$0.87	Section 8/ 60%					
Mid Rise - Elevator	--	2	2	6	\$1,050	1,208	\$0.87	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Amberlake

Multifamily Community Profile

4901 Cherokee St.
Acworth,GA

CommunityType: Market Rate - General

Structure Type: Garden

70 Units 7.1% Vacant (5 units vacant) as of 4/26/2013

Opened in 1984



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	80.0%	\$558	576	\$0.97	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	20.0%	\$682	864	\$0.79	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

Standard: Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: Dishwasher; Microwave; Ceiling Fan

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/ 26/ 2013) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	56	\$574	576	\$1.00	Market	4/26/13	7.1%	\$558	\$682	--	
Garden	--	2	1	7	\$699	864	\$0.81	Market	7/9/10	10.0%	\$508	\$647	--	
Garden	--	2	2	7	\$709	864	\$0.82	Market						

Adjustments to Rent

Incentives:

\$199 move-in

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Amberlake

GA067-014353

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management

Bridges of Kennesaw

Multifamily Community Profile

3840 Jiles Rd
Kennesaw, GA

Community Type: Market Rate - General

Structure Type: Garden

296 Units 2.4% Vacant (7 units vacant) as of 4/26/2013

Opened in 1996



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	13.5%	\$768	876	\$0.88	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	66.2%	\$845	1,179	\$0.72	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	20.3%	\$1,009	1,378	\$0.73	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet

Select Units: Fireplace

Optional(\$): --

Security: Unit Alarms; Gated Entry

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$100

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/26/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	20	\$750	810	\$0.93	Market	4/26/13	2.4%	\$768	\$845	\$1,009
Garden	--	1	1	20	\$755	941	\$0.80	Market	7/9/10	9.1%	\$690	\$770	\$1,073
Garden	--	2	2	196	\$825	1,179	\$0.70	Market	5/8/06	12.2%	\$689	\$809	\$929
Garden	--	3	2	30	\$973	1,365	\$0.71	Market	9/13/04	14.2%	\$755	\$719	\$955
Garden	--	3	2	30	\$995	1,390	\$0.72	Market					

Adjustments to Rent

Incentives:

Reduced rent

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Cherokee Summit

Multifamily Community Profile

5920 Bells Ferry Rd.
Acworth, GA

Community Type: LIHTC - General

Structure Type: 3-Story Garden

272 Units 9.2% Vacant (25 units vacant) as of 4/26/2013

Opened in 2001



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One	--	\$538	975	\$0.55	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$673	1,150	\$0.59	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$747	1,350	\$0.55	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: --

Optional(\$): --

Security: Gated Entry

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/ 26/ 2013) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$523	975	\$0.54	LIHTC/ 60%	4/26/13	9.2%	\$538	\$673	\$747
Garden	--	2	2	--	\$653	1,150	\$0.57	LIHTC/ 60%	7/12/10	1.5%	\$597	\$632	\$767
Garden	--	3	2	--	\$722	1,350	\$0.53	LIHTC/ 60%	8/28/09	12.9%	\$518	\$569	\$666
									4/14/09	25.7%	\$564	\$619	\$724

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Cobblestone Landing

Multifamily Community Profile

3050 Cobb Parkway
Kennesaw, GA

CommunityType: LIHTC - General

Structure Type: 3-Story Garden

172 Units 12.8% Vacant (22 units vacant) as of 4/26/2013

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	9.3%	\$760	975	\$0.78	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	69.8%	\$877	1,175	\$0.75	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	20.9%	\$992	1,350	\$0.73	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Features

Standard: Dishwasher; Disposal; Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet

Select Units: Microwave; Ceiling Fan

Optional(\$): --

Security: Gated Entry

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$75

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/ 26/ 2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	13	\$760	975	\$0.78	Market	4/26/13	12.8%	\$760	\$877	\$992
Garden	--	1	1	3	\$678	975	\$0.70	LIHTC/ 60%	7/9/10	15.1%	\$750	\$799	\$974
Garden	--	2	2	96	\$890	1,175	\$0.76	Market	8/28/09	4.7%	\$742	\$874	\$992
Garden	--	2	2	24	\$725	1,175	\$0.62	LIHTC/ 60%	4/14/09	7.0%	\$783	\$864	\$1,003
Garden	--	3	2	29	\$995	1,350	\$0.74	Market	* Indicates initial lease-up.				
Garden	--	3	2	7	\$850	1,350	\$0.63	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Gazebo Park

Multifamily Community Profile

4694 Old Cowan Rd.
Acworth,GA

CommunityType: Market Rate - General

Structure Type: Garden

214 Units 1.9% Vacant (4 units vacant) as of 4/26/2013

Opened in 1984



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$535	408	\$1.31	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$605	574	\$1.05	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$743	1,014	\$0.73	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: Fireplace

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$75

Property Manager: --
Owner: --

Comments

Pond, Tanning salon

Floorplans (Published Rents as of 4/ 26/ 2013) (2) Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	--	\$535	408	\$1.31	Market	4/26/13	1.9%	\$605	\$743	--
Garden	--	1	1	--	\$605	574	\$1.05	Market	7/9/10	2.8%	\$490	\$650	--
Garden	--	2	1.5	--	\$743	1,014	\$0.73	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Gazebo Park

GA067-014354

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management

Gregory Lane I & II

Multifamily Community Profile

466 Gregory Ln.
Acworth,GA

CommunityType: LIHTC - General

Structure Type: 3-Story Garden

112 Units 2.7% Vacant (3 units vacant) as of 4/26/2013

Opened in 1996



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$720	976	\$0.74	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$805	1,176	\$0.68	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: Ceiling Fan

Optional(\$): --

Security: Unit Alarms

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/ 26/ 2013) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	--	\$725	976	\$0.74	LIHTC/ 60%	4/26/13	2.7%	--	\$720	\$805
Garden	--	3	2	--	\$805	1,176	\$0.68	LIHTC/ 60%	7/12/10	22.3%	--	\$532	\$637
									8/28/09	30.4%	--	\$519	\$624
									4/14/09	18.8%	--	\$619	\$724

Adjustments to Rent

Incentives:

Reduced rent

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Peaks at Bells Ferry

Multifamily Community Profile

100 Peaks Ridge
Acworth, GA

Community Type: LIHTC - General

Structure Type: 3-Story Garden

248 Units 12.5% Vacant (31 units vacant) as of 4/26/2013

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$679	874	\$0.78	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	--	\$815	1,149	\$0.71	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Three	--	\$983	1,388	\$0.71	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					<input checked="" type="checkbox"/>	<input type="checkbox"/>

Features

Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: Unit Alarms

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/26/2013) (2) Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$650	874	\$0.74	LIHTC/ 60%	4/26/13	12.5%	\$679	\$815	\$983
Garden	--	1	1	--	\$735	874	\$0.84	Market	7/12/10	12.1%	\$702	\$825	\$975
Garden	--	2	2	--	\$760	1,149	\$0.66	LIHTC/ 60%	8/28/09	16.1%	\$702	\$825	\$975
Garden	--	2	2	--	\$900	1,149	\$0.78	Market	4/14/09	12.9%	\$606	\$714	\$912
Garden	--	3	2	--	\$900	1,388	\$0.65	LIHTC/ 60%					
Garden	--	3	2	--	\$1,100	1,388	\$0.79	Market					

Adjustments to Rent

Incentives:

1/2 month free

Utilities in Rent: Heat Fuel: Electric

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

Stanton Place

Multifamily Community Profile

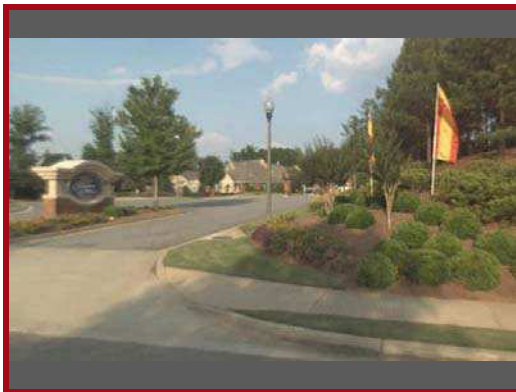
4710 Stanton Place Ln.
Acworth, GA

Community Type: Market Rate - General

Structure Type: Garden

240 Units 8.8% Vacant (21 units vacant) as of 4/26/2013

Opened in 2001



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$671	788	\$0.85	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	\$723	900	\$0.80	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$820	1,158	\$0.71	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: Fireplace; HighCeilings

Optional(\$): --

Security: Gated Entry

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$90

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/26/2013) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$673	788	\$0.85	Market	4/26/13	8.8%	\$697	\$820	--
Garden	Den	1	1	--	\$725	900	\$0.81	Market	7/9/10	9.2%	\$635	\$765	--
Garden	--	2	2	--	\$817	1,158	\$0.71	Market					

Historic Vacancy & Eff. Rent (1)

Adjustments to Rent

Incentives:

\$200 off the first month

Utilities in Rent: Heat Fuel: Electric

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

Walden Ridge

Multifamily Community Profile

3093 Cobb Pkwy NW
Kennesaw, GA

Community Type: Market Rate - General

Structure Type: Garden

210 Units

Occupancy data not currently available

Opened in 2001



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	37.1%	\$976	879	\$1.11	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Two	49.5%	\$1,140	1,252	\$0.91	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Three	13.3%	\$1,335	1,374	\$0.97	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Features

Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet

Select Units: --

Optional(\$): --

Security: Unit Alarms; Gated Entry

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$125

Property Manager: --
Owner: --

Comments

Management refused occupancy information

Floorplans (Published Rents as of 4/ 26/ 2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	Loft	1	1	16	\$1,045	1,013	\$1.03	Market	4/26/13	--	\$976	\$1,140	\$1,335
Garden	--	1	1	24	\$875	732	\$1.20	Market	7/9/10	1.9%	\$839	\$1,043	\$1,263
Garden	--	1	1	38	\$980	916	\$1.07	Market	5/8/06	9.0%	\$743	\$900	\$1,088
Garden	--	2	2	104	\$1,120	1,252	\$.89	Market	9/13/04	11.0%	\$713	\$825	\$1,043
Garden	--	3	2	28	\$1,310	1,374	\$.95	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

Walden Ridge

GA067-006187

Wingate Falls

Multifamily Community Profile

4801 Baker Grove Rd. NW
Acworth, GA

CommunityType: LIHTC - General

Structure Type: Garden

192 Units 3.1% Vacant (6 units vacant) as of 4/26/2013

Opened in 1996



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	16.7%	\$636	835	\$0.76	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	41.7%	\$746	1,056	\$0.71	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	41.7%	\$876	1,254	\$0.70	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: Unit Alarms

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/26/2013) (2) Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	16	\$625	835	\$0.75	LIHTC/ 60%	4/26/13	3.1%	\$636	\$746	\$876
Garden	--	1	1	16	\$650	835	\$0.78	Market	7/9/10	19.8%	\$605	\$720	\$799
Garden	--	2	2	40	\$735	1,056	\$0.70	LIHTC/ 60%	4/14/09	9.9%	\$614	\$719	\$824
Garden	--	2	2	40	\$750	1,056	\$0.71	Market					
Garden	--	3	2	30	\$855	1,254	\$0.68	LIHTC/ 60%					
Garden	--	3	2	50	\$875	1,254	\$0.70	Market					

Adjustments to Rent

Incentives:

\$200 off first month

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash: