



**A MARKET CONDITIONS AND PROJECT  
EVALUATION SUMMARY OF**

**RENAISSANCE PARK  
NWC Bradwell Street & E Memorial Drive  
Hinesville, Liberty County, Georgia**

**Effective Date: May 7, 2013**

**Report Date: June 11, 2013**

*Prepared For*

**WH Gross Construction Company**

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June 11, 2013

WH Gross Construction Company

**Re: Market Study for Renaissance Park in Hinesville, Georgia**

Two Whom it May Concern:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Hinesville, Liberty County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Renaissance Park, a proposed Housing for Older Persons (HFOP) development consisting of 42 units. Units will be restricted to senior households ages 55 and older earning 50 and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



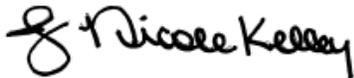
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## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSION**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Renaissance Park is a proposed senior, low-rise, LIHTC property to be located at the northwest corner of Bradwell Street and East Memorial Drive in Hinesville, Georgia. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

**PROPOSED RENTS**

Unit Type	Number of Units	Unit Size	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC	HUD Fair
						Maximum Allowable Gross Rent	Market Rents
<i>50% AMI</i>							
1BR	3	700	\$363	\$101	\$464	\$464	\$681
2BR	3	940	\$427	\$130	\$557	\$557	\$850
2BR	1	1,059	\$427	\$130	\$557	\$557	\$850
<i>60% AMI</i>							
1BR	13	700	\$456	\$101	\$557	\$557	\$681
2BR	15	940	\$539	\$130	\$669	\$669	\$850
2BR	7	1,059	\$539	\$130	\$669	\$669	\$850
<b>Total</b>	<b>42</b>						

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject will offer the following amenities: computer lab, community room, off-street parking, on-site management, central laundry, blinds, carpeting, balconies/patios, garbage disposal, refrigerator and oven. The Subject’s common area amenities are generally superior to the comparables, while the in-unit amenities are generally inferior.

**2. Site Description/Evaluation:**

The Subject site is vacant wooded land located along the north side of East Memorial Drive and the west side of Bradwell Street. The northern side of the site is bordered by Baytree Apartments, a family Section 8 property in poor to fair condition. The south side of the site is bordered by single-family homes, offices and other commercial uses. The eastern side of the site is bordered by wooded land. The western side of the site is bordered by North Main Street and retail uses.

Commercial uses at in the Subject’s neighborhood consist of the board of education, the county records center, medical offices, insurance offices, a small market and

several churches. Commercial occupancy in the Subject's neighborhood is approximately 85 percent. The Subject is located within 2.5 miles of all necessary locational amenities, including, bank, library, grocery store, post office, pharmacy and hospital. The Subject has a walk score of 58, meaning that some errands can be done on foot within the Subject's neighborhood.

Access and visibility are considered excellent from East Memorial Drive and North Main Street. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for a senior low-rise apartment building.

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

The Primary Market Area (PMA) encompasses portions of Liberty McIntosh, Tattnall and Long counties. The area is bound by Interstate 95 to the east, Fort Stewart Military Reservation to the north, State Route 301 to the west; and the Altamaha River to the South. The farthest boundary from the Subject site is located approximately 32.3 miles (driving distance) southeast of the Subject site. The Subject site is located within 15 miles east of Interstate 95, which provides excellent access north towards Pooler, Garden City, and Savannah as well as access south along the coast towards areas such as Brunswick. The PMA is an irregular shape. This is due to the natural/manmade boundaries that limit development. The property managers at the comparables reported that the non-military tenants primarily come from Hinesville and elsewhere in Liberty County such as Ludowici, which is included in the PMA. We have not included urban areas in Richmond Hill or Glennville as these areas do not directly compete with Hinesville. While some tenants may move to Hinesville for new senior housing, these are unique submarkets that have limited competition with each other.

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

The Subject is located in Hinesville in Liberty County, Georgia. Overall demographics are strong for the Subject's age-restricted units as the PMA has been an area of growth. Senior population in 2012 was 14,030 and is projected to increase to 17,036 by 2017. There were 8,761 senior households in 2012, which is expected to increase to 11,299 by 2017. Senior population in the PMA is projected to increase at a 4.3 percent annual rate over the next five years, a rate nearly double that of the nation during the

same period. This is a strong growth rate that suggests there is sufficient demand for the Subject.

In addition to the positive growth trends, the strong tenure patterns also demonstrate strong demand for the Subject. In 2012, approximately 18.1 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is significantly above the national average of 13 percent for seniors living in renter-occupied housing units. Among these renters, approximately 73 percent lived in one or two-person households. This trend supports the proposed one-bedroom and two-bedroom unit mix at the Subject.

The Subject will target households with income between \$13,920 and \$23,760. Approximately 29 percent of senior renters above the age of 55 earn incomes between \$10,000 and \$29,999. Households in these income cohorts are expected to create demand for the Subject.

The Subject is located in zip code 31313. According to RealtyTrac, this region experienced a high foreclosure rate in April 2013 with approximately one out of every 704 housing units filing for foreclosure in April 2013. Comparatively, Liberty County had a foreclosure rate of one in every 804 housing units; Georgia had a foreclosure rate of one in every 682 housing units; and the nation experienced a foreclosure rate of one in every 905 housing units. Therefore, Hinesville had a higher foreclosure rate than Liberty County and the nation, but lower than the state of Georgia. We anticipate that approximately two percent of the tenants will sell homes in order to move to the Subject. Based upon site inspection, the Subject's immediate neighborhood did not include any abandoned or vacant structures.

## **5. Economic Data:**

The Hinesville area is heavily reliant on the defense industry, with Fort Stewart employing approximately 15,000 military personnel as well as close to 3,000 civilian personnel. However, when excluding Fort Stewart, the largest employers represent a variety of industries. These industries include those that are considered to be historically stable such as education, healthcare, and public administration. The Hinesville MSA has historically posted strong annual employment growth and unemployment rates comparable to that of the nation. However, since 2008, the total employment level has only

experienced very moderate growth. The March 2013 year-over-year comparison shows that employment has decreased by 1.0 percent and unemployment has decreased 20 basis points. Historically, even during the recession, the MSA unemployment rate was lower than the nation. However, as of March 2013, the unemployment rate is 100 basis points higher in the MSA than the nation.

The coastal Georgia area lost 2,888 jobs from 2010 to year-to-date 2013. Of these losses, 425 are in Liberty County. Additionally, we spoke with Mr. Ryan Willett, of the Liberty County Chamber of Commerce. Mr. Willett reported that there have been no large scale expansions or lay-offs of late. Mr. Willett noted there have been layoffs of civilian workers at Fort Stewart, which is also located in Liberty County. Mr. Willett did not have specific numbers; however, there were 3,287 civilian workers at Fort Stewart in 2009 and there are currently 2,696 civilian workers. This is a decrease of 591 workers since 2009.

Hunter Army Airfield and Fort Stewart were unaffected by the 2005 Base Realignment and Closure (BRAC). However, the Department of the Army completed a Programmatic Environmental Assessment (PEA) in January 2013 that considers potential Army reductions and realignments at 21 bases. If implemented, the reductions may occur from 2013 to 2020. Per the Army's press release on January 18, 2013, "The Army's proposed action evaluated in the PEA is to reduce the Army's active duty end-strength from 562,000 at the end of Fiscal Year 2012 to 490,000 by Fiscal Year 2020. The implementation of Army force realignment will occur over the course of several years to arrive at an optimally configured force in 2020. Reductions in Army Soldiers will also be accompanied by some reduction in civil service employees." The expected reduction of personnel at each of these bases ranges from 2,400 to 8,000 people, including the military and their direct Army civilian support. Should these reductions occur gradually through 2020, the economic impact to local economies will be mitigated. However, it should be noted that Fort Stewart is among the bases that are considered for reductions or realignment.

## **6. Project-Specific Affordability And Demand Analysis:**

The following table illustrates the capture rates for the Subject.

## CAPTURE RATE ANALYSIS CHART

Unit Size	Units		Supply	Net	
	Proposed	Demand		Demand	Capture Rate
1BR at 50% AMI	3	62	0	62	4.9%
2BR at 50% AMI	3	64	0	64	4.7%
<b>All 50% AMI Units</b>	<b>6</b>	<b>126</b>	<b>0</b>	<b>126</b>	<b>4.8%</b>
1BR at 60% AMI	13	59	0	59	22.2%
2BR at 60% AMI	23	60	0	60	38.0%
<b>All 60% AMI Units</b>	<b>36</b>	<b>119</b>	<b>0</b>	<b>119</b>	<b>30.2%</b>
<b>1BR Overall</b>	<b>16</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>18.2%</b>
<b>2BR Overall</b>	<b>26</b>	<b>91</b>	<b>0</b>	<b>91</b>	<b>28.6%</b>
<b>All Units</b>	<b>42</b>	<b>179</b>	<b>0</b>	<b>179</b>	<b>23.5%</b>

The Subject's capture rates at the 50 percent AMI level will range from 4.7 to 4.9 percent, with an overall capture rate of 4.8 percent. The Subject's 60 percent AMI capture rates range from 22.2 to 38.0 percent, with an overall capture rate of 30.2 percent. The overall capture rate for the project's 50 and 60 percent units is 23.5 percent. We believe there is demand for the Subject as proposed given low vacancy in the market and the lack of LIHTC supply, particularly senior LIHTC supply in Hinesville. There are a total of 179 income qualified households in the PMA, the Subject would need to capture approximately 22 percent of these households to reach stabilized occupancy.

### 7. Competitive Rental Analysis:

The availability of both LIHTC and unrestricted data in Hinesville is limited. There are no senior LIHTC properties in the PMA; therefore we have included three family LIHTC properties. Our competitive survey includes nine comparable properties containing 697 units. In terms of market rate data, we have included the closest and newest unrestricted properties, the majority of which target general households. Overall, the Subject will face limited direct competition from properties in Hinesville. Further, as the demographic analysis will demonstrate, there is a large percentage of senior renters in the PMA, which is an area that offers limited senior rental supply, indicating that there is latent demand in the market.

When comparing the Subject's rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels,

we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Subject	Surveyed		Surveyed	Subject Rent Advantage
		Min	Surveyed Max	Average	
<i>50% AMI</i>					
1 BR	\$363	\$398	\$662	\$530	46%
2 BR	\$427	\$367	\$802	\$585	37%
<i>60% AMI</i>					
1 BR	\$456	\$415	\$662	\$633	39%
2 BR	\$539	\$555	\$802	\$731	36%

As the table above depicts, the Subject’s proposed rents are on the low end of the range of the rents surveyed in the market. Further, the Subject’s rents are at or below the minimum rents among the surveyed properties. Of the comparable properties that offer unrestricted units, Sheppard Station (senior LIHTC in Pooler) is achieving the lowest rents. Sheppard Station and Sustainable Fellwood III (senior LIHTC in Savannah) are achieving rents ranging from \$505 to \$601 for the one-bedroom units and \$555 to \$691 for the two-bedroom units. Ray Futch Apartments is the only family market rate property in Hinesville that is maintaining a stable occupancy rate and it is offering \$591 for its one-bedroom units and \$676 to \$776 for its two-bedroom units. Overall, the Subject will offer a positive price-value relationship as it will offer new construction with rents that are lower than the surveyed average market rents.

## 8. Absorption/Stabilization

### Estimate:

The following table illustrates absorption rates at the newest senior LIHTC properties in the Savannah and Pooler areas. These properties are 36-41 miles from the Subject and are outside the PMA. Due to their distance from the Subject they have not been used as comparables in our supply analysis. However, we have included them in the absorption discussion due to the lack of available absorption data at the comparables.

### ABSORPTION

Property name	Type	Location	Tenancy	Year Built	Units	
					Number of Units	Absorbed/ Month
Sheppard Station	@ 50%, @ 60%, Market	Pooler	Senior	2009	65	12
Sustainable Fellwood III	@ 60%, @ 60% (PBRA), Market	Savannah	Senior	2012	100	30

Sheppard Station is located in Pooler (outside of the PMA), opened in 2009, and reported an absorption pace of approximately 12 units per month. Sustainable Fellwood III (in Savannah) opened in 2012 and stabilized at a rate of 30 units per month. This property's rapid absorption pace is likely due to the PBRA units at the property as well as the fact that it is the third phase of an existing development. The Subject will not offer project-based rental assistance and is not part of a phased development. We have conservatively estimated that the Subject will lease approximately 10 units per month as the Subject will not have a waiting list at sister properties from which to draw tenants (as is the case with Sustainable Fellwood III). At this pace, the Subject will reach a stabilized occupancy of 93 percent within four to five months.

## 9. Overall Conclusion:

Based upon our market research, demand calculations and analysis, we believe there is adequate demand for a senior LIHTC property. Overall vacancy is low at approximately two percent among the LIHTC properties. Sustainable Fellwood III is a senior LIHTC property in Savannah that opened in 2012 and stabilized quickly while LIHTC vacancy remained low despite additions to supply in the market. The larger senior market is performing well and the Subject's proposed LIHTC rents are at or below the surveyed minimum unrestricted rents, which will attract seniors in a market with very limited multifamily supply that is targeted towards this demographic. An estimated 18 percent of senior households in the PMA are renters in a market with very limited multifamily supply that is targeted towards these households. Overall, we believe that there is

demand for the Subject as proposed in a market that lacks senior LIHTC housing. The Subject's strengths include its age, condition and its location within walking distance of commercial uses.

**Summary Table:**

Development Name:	<b>Renaissance Park</b>	Total # Units:	<b>42</b>
Location:	NWC Bradwell St & E Memorial Dr	# LIHTC Units:	<b>42</b>
	Hinesville, GA		
PMA Boundary:	North: Interstate 16; West: I-95/Hwy 17/Fort Stewart Military Reservation; South: Bryan-Liberty county line; East: Veterans Pky		
	Farthest Boundary Distance to Subject:		<b>23.7 miles</b>

**Rental Housing Stock** (found on pages 90)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	697	101	85.5%
Market-Rate Housing	6	529	88	83.4%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	3	168	13	92.3%
Stabilized Comps	9	697	101	85.5%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

\*Only includes properties in PMA

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
3	1BR at 50% AMI	1	700	\$363	\$530	\$0.76	46%	\$662	\$0.83
3	2BR at 50% AMI	2	940	\$427	\$585	\$0.62	37%	\$802	\$0.73
1	2BR at 50% AMI	2	1,059	\$427	\$585	\$0.55	37%	\$802	\$0.73
13	1BR at 60% AMI	1	700	\$456	\$633	\$0.90	39%	\$662	\$0.83
15	2BR at 60% AMI	2	940	\$539	\$731	\$0.78	36%	\$802	\$0.73
7	2BR at 60% AMI	2	1,059	\$539	\$731	\$0.69	36%	\$802	\$0.73

**Demographic Data** (found on page 34)

	2000		2012		2015	
Renter Households Seniors 55+	1,040	22.20%	1,587	18.10%	1,926	18.73%
Income-Qualified Renter HHs (LIHTC)	167	16.10%	256	16.10%	310	16.10%

**Targeted Income-Qualified Renter Household Demand** (found on pages 42-61 )

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	38	36	N/Ap	N/Ap	54
Existing Households (Overburdened + Substandard)	N/Ap	133	126	N/Ap	N/Ap	189
Homeowner conversion (Seniors)	N/Ap	4	3	N/Ap	N/Ap	5
<b>Total Primary Market Demand</b>	N/Ap	175	165	N/Ap	N/Ap	248
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	175	165	N/Ap	N/Ap	<b>248</b>

**Capture Rates** (found on page 60)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	4.80%	30.20%	N/Ap	N/Ap	23.50%

\*Includes LIHTC and unrestricted (when applicable)

\*\*May differ slightly from demand analysis due to rounding.

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject is located at the Northwest corner of Bradwell Street and East Memorial Drive in Hinesville, Liberty County, Georgia.

**Construction Type:**

The Subject will be newly constructed. The Subject will consist of one, three story elevator serviced brick and fiber façade apartment building and two four-plexes.

**Occupancy Type:**

HFOP.

**Special Population Target:**

None.

**Number of Units by Bedroom Type and AMI Level:**

See following property profile.

**Unit Size:**

See following property profile.

**Structure Type:**

See following property profile.

**Rents and Utility Allowances:**

See following property profile.

**Existing or Proposed**

**Project Based Rental Assistance:**

None of the units will operate with Project-Based Rental Assistance.

**Proposed Development Amenities:** See following property profile.

**Property Profile Report**

**Renaissance Park**

<b>Comp#</b>	Subject	
<b>Location</b>	NWC Bradwell St & E	
<b>Distance</b>	n/a	
<b>Units</b>	42	
<b>Vacant Units</b>	N/A	
<b>Vacancy Rate</b>	N/A	
<b>Type</b>	Lowrise (age-restricted)	
<b>Year Built / Renovated</b>	2015 / n/a	

**Market**

<b>Program</b>	@50%, @60%	<b>Leasing Pace</b>	n/a
<b>Annual Turnover Rate</b>	N/A	<b>Change in Rent (Past</b>	n/a
<b>Units/Month Absorbed</b>	n/a	<b>Concession</b>	
<b>Section 8 Tenants</b>	N/A		

**Utilities**

<b>A/C</b>	not included -- central	<b>Other Electric</b>	not included
<b>Cooking</b>	not included -- electric	<b>Water</b>	included
<b>Water Heat</b>	not included -- electric	<b>Sewer</b>	included
<b>Heat</b>	not included -- electric	<b>Trash Collection</b>	included

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (3 stories)	3	700	\$363	\$0	@50%	n/a	N/A	N/A	yes
1	1	Lowrise (3 stories)	13	700	\$456	\$0	@60%	n/a	N/A	N/A	yes
2	2	Lowrise (3 stories)	3	940	\$427	\$0	@50%	n/a	N/A	N/A	yes
2	2	Lowrise (3 stories)	1	1,059	\$427	\$0	@50%	n/a	N/A	N/A	yes
2	2	Lowrise (3 stories)	15	940	\$539	\$0	@60%	n/a	N/A	N/A	yes
2	2	Lowrise (3 stories)	7	1,059	\$539	\$0	@60%	n/a	N/A	N/A	yes

**Amenities**

<b>In-Unit</b>	Balcony/Patio	<b>Security</b>	none
<b>Property</b>	Business Center/Computer Lab	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	none

**Comments**

The current photo is the current improvements on the land and will be demolished to make way for the property. The developer has provided us with a utility allowance of \$101 for the one-bedroom units and \$130 for the two-bedroom units. The gross rents for the @50% units are \$464 and \$557 for the one and two-bedroom units respectively. The gross rents for the @60% units are \$557 and \$669 for the one and two-bedroom units respectively.

+

**Scope of Renovations:**

**The Subject will be new construction.**

**Current Rents:**

**The Subject will be new construction.**

**Current Occupancy:** The Subject will be new construction.

**Current Tenant Income:** The Subject will be new construction.

**Placed in Service Date:** The Subject is expected to be completed by second quarter 2015.

**Conclusion:** The Subject will be an excellent -quality brick and cement siding three-story elevator serviced, apartment complex, comparable to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**1. Date of Site Visit and Name of Site Inspector:**

Kristina Garcia visited the site on May 7, 2013.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

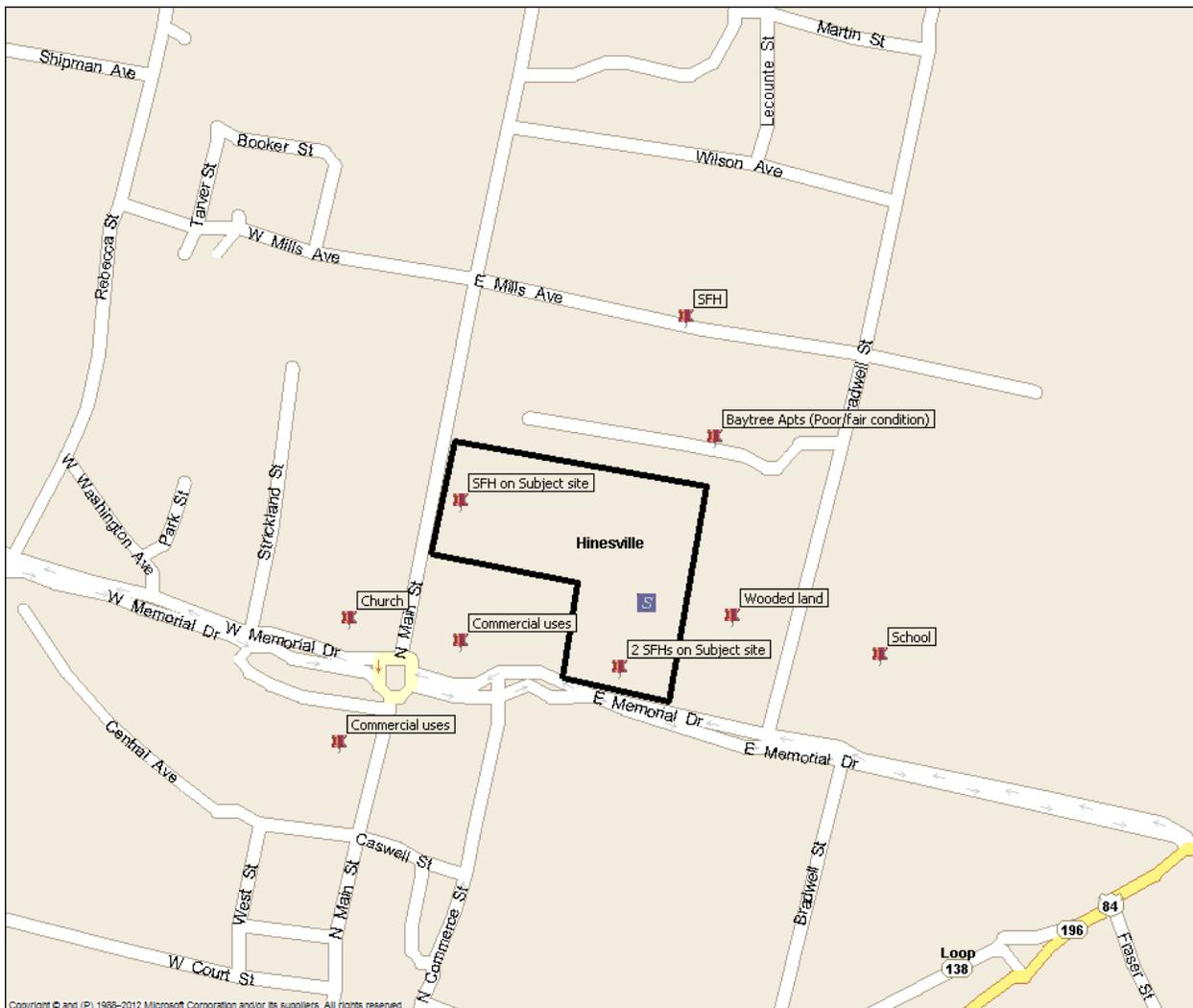
The Subject site has frontage along East Memorial Drive and North Main Street.

*Visibility/Views:*

The Subject site is located on the northern side of East Memorial Drive and the eastern side of North Main Street and will have good visibility and views.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject is located in a mixed-use neighborhood. To

the north of the site is the Baytree Apartments, a family Section 8 apartment complex in poor to fair condition further north, uses include single family homes in average condition. To the east of the Subject site is wooded land, and further east is the Board of Education and Pre-K Center. South of the Subject are commercial uses, including a small market, offices and a church. To the west of the Subject site uses include the county records center, offices and a church, as well as single family homes in average condition.

*Positive/Negative Attributes of Site:* Positive attributes of the site are that it is located in close proximity to a variety of local amenities important to seniors, including the library and the hospital. There do not appear to be any negative attributes of the site

### **3. Physical Proximity to Locational Amenities:**

The Subject site is located at the northwest corner of East Memorial Drive and Bradwell Street.

The site is conveniently located within walking distance of the Live Oaks Public Library. There are multiple groceries and pharmacies located within 2.2 miles or less. The local hospital is 1.1 miles from the Subject.

Liberty Transit is a fixed route public transit system that operates within the City of Hinesville, City of Flemington and Fort Stewart Military Installation, home of the 3rd Infantry Division. Regular fare is \$1.00, with senior citizens aged 65 and older and persons with disabilities receive a discounted fare of \$0.50. Monthly passes are also available. The closest stop to the Subject is located on East Memorial Drive, less than 0.1 miles away.

Demand response shuttle buses are also provided through Coastal Regional Coaches. Residents must call 24 hours prior to request a transit trip and it will take them anywhere within the 10 participating counties (Bryan, Bulloch, Camden, Chatham, Effingham, Glynn, Liberty, Long, McIntosh, and Screven). Round trip ventures within the same county average around six dollars and round trip ventures between counties average around 12 dollars.

4. Pictures of Site and Adjacent Uses:



Single-family home on the Subject site



Single-family home on the Subject site



View of Pre-K Center – Liberty County Schools (East of Subject site)



Single-family home on the Subject site



Baytree Apartments (Fair condition – North of Subject site)



Commercial uses on Memorial Drive



View of East Memorial Drive & North Main Street roundabout and church (West of Subject site)



Office and commercial uses on North Main Street (Good condition)



View north on Bradwell Street



View south on Bradwell Street



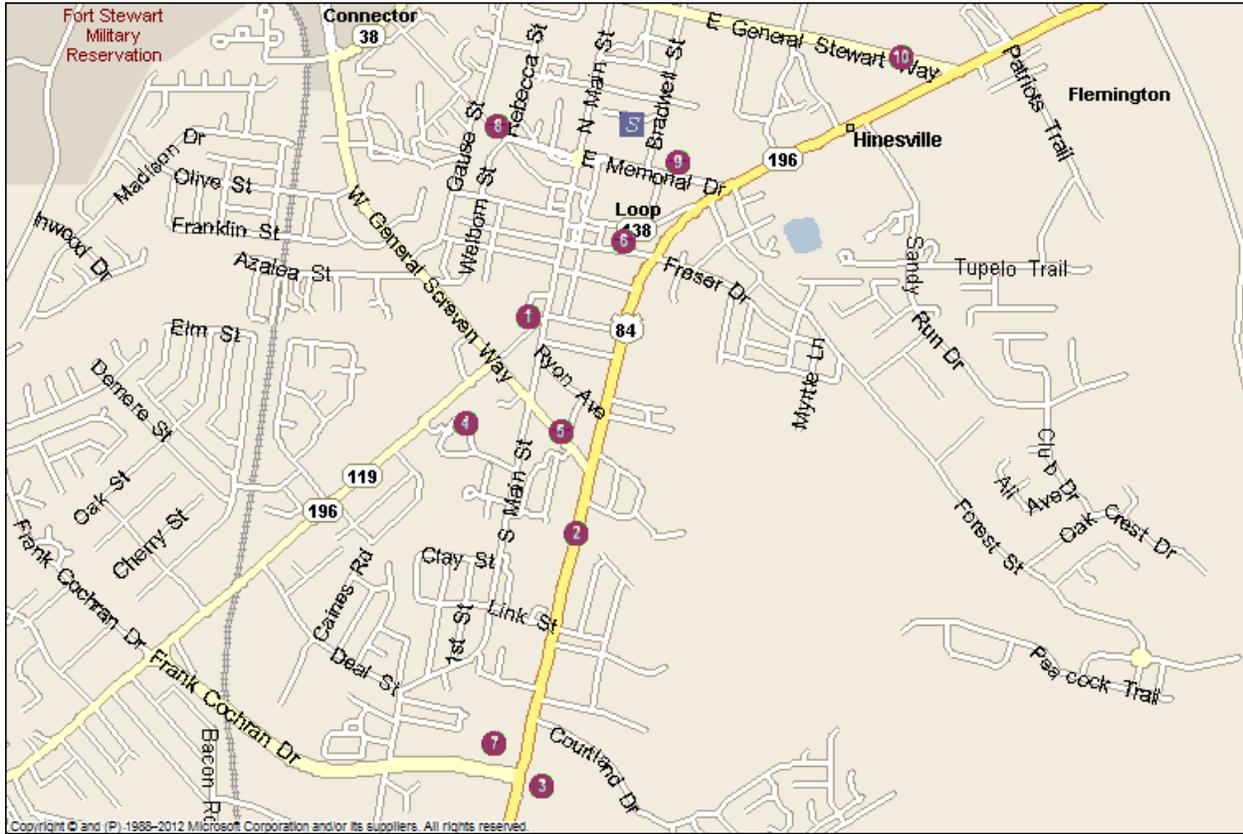
View of Memorial Drive



View of North Main Street

**5. Proximity to Locational Amenities:**

The following table details the Subject’s distance from key locational amenities.



**LOCALATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	Wells Fargo Bank	0.6 miles
2	Kroger Grocery Store	1.6 miles
3	Wal-Mart	2.2 miles
4	Liberty Regional Medical Center	1.1 miles
5	CVS Pharmacy	1.6 miles
6	Hinesville Police Department	0.2 miles
7	US Post Office	2.2 miles
8	Live Oak Public Library	<0.1 miles
9	Bus Stop	<0.1 miles
10	Employment Center	1.3 miles

**6. Description of Land Uses:**

To the north of the site is the Baytree Apartments, a family Section 8 apartment complex in poor to fair condition. To the east of the Subject site is wooded land. South of the Subject are commercial uses, including a small market, offices and a church. To the west of the Subject site uses include the county records center, offices and a church, as

well as single family homes in average condition. The Subject will be consistent with existing land uses within a mile of the site.

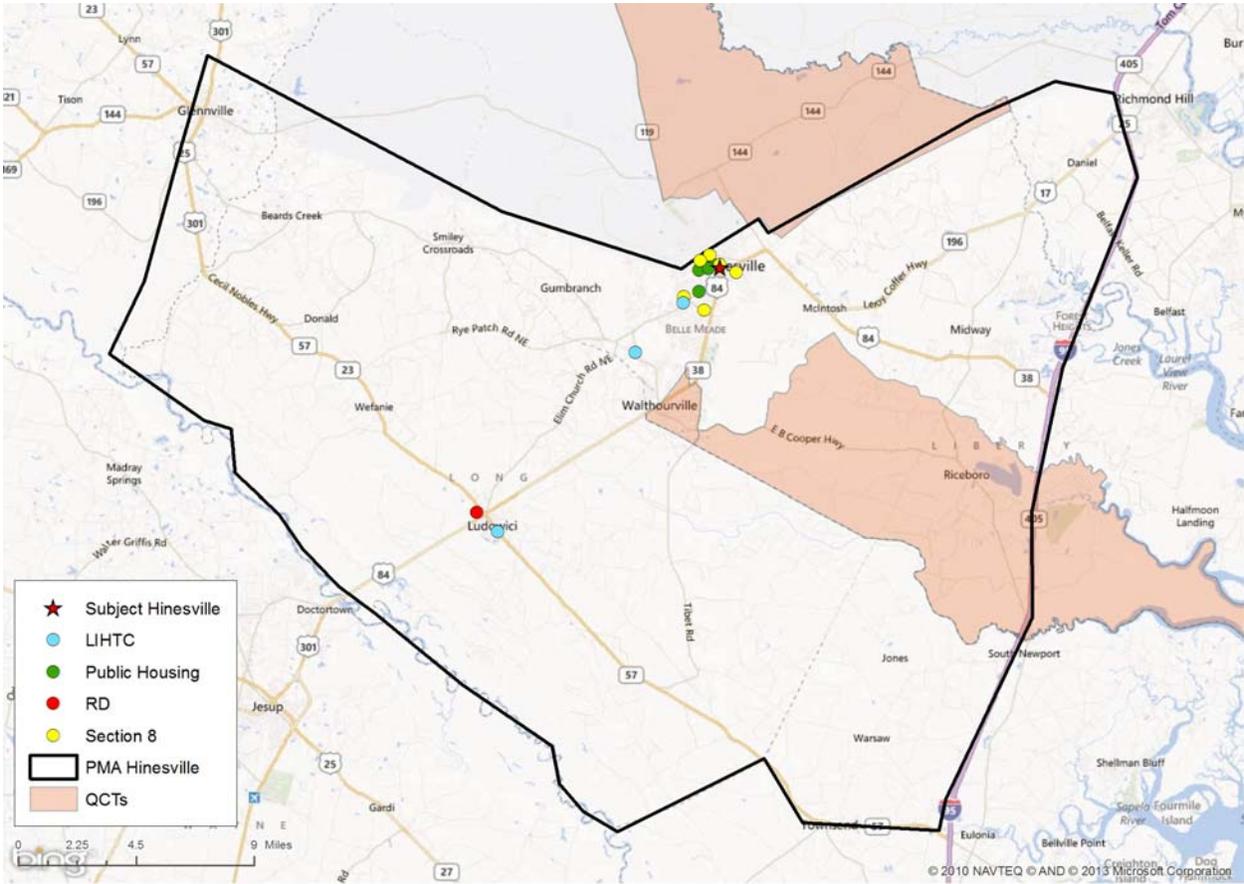
**7. Multifamily Residential within Two Miles:**

Baytree Apartments is located adjacent to the Subject site’s north, this is a family Section 8 property. The Hinesville Housing Authority oversees four public housing properties within two miles of the Subject site. There are a total of 77 units built between 1961 and 1971. The Housing Authority also manages Regency Park Apartments, a Section 8 property built in 1978 which is located 1.4 miles from the Subject site. This property targets families and offers one, two, three and four bedroom units. There is one other Section 8 properties within two miles of the Subject, Raintree Apartments which offers one, two, three and four bedroom units and targets families. All of these properties were excluded from our analysis as all units are subsidized and tenants are paying 30 percent of their income towards rent. Four market rate properties, Link Terrace, Stewart Way, Ray Futch and Treetop Apartments are also located within two miles of the Subject; we have used these properties in our analysis.

**8. Existing Assisted Rental Housing Property Map:**

The following map and list identifies all assisted rental housing properties in the PMA.

Property Name	City	Type	Tenancy	Included/ Excluded	Reason for Exclusion	Distance from Subject	Map Color
Welborn Homes	Hinesville	Public Housing	Family	Excluded	All units subsidized	1.4 miles	Green
Gause Homes	Hinesville	Public Housing	Family	Excluded	All units subsidized	0.2 miles	
Joseph B Fraser	Hinesville	Public Housing	Family	Excluded	All units subsidized	0.6 miles	
TH McDowell	Hinesville	Public Housing	Family	Excluded	All units subsidized	1.4 miles	
Raintree Apartments	Hinesville	Section 8	Family	Excluded	All units subsidized	1.0 miles	Yellow
Liberty Group Homes	Hinesville	Section 8	Senior	Excluded	All units subsidized	2.7 miles	
Northgate Apartments	Hinesville	Section 8	Family	Excluded	All units subsidized	3.5 miles	
Baytree Apartments	Hinesville	Section 8	Family	Excluded	All units subsidized	<0.1 miles	
Regency Park Apartments	Hinesville	Section 8	Family	Excluded	All units subsidized	1.4 miles	Red
Sandalwood Terrace	Ludowici	RD	Senior	Excluded	All units subsidized	15.5 miles	
Ashton Place Apartments	Hinesville	LIHTC	Family	Included	N/Ap	5.2 miles	Blue
The Pines at Willowbrook	Hinesville	LIHTC	Family	Included	N/Ap	2.2 miles	
Twin Oaks Apartments	Hinesville	LIHTC	Family	Included	N/Ap	15.4 miles	



Hinesville, GA



**9. Road/Infrastructure  
Proposed Improvements:**

We witnessed no road/infrastructure improvements during our site inspection.

**10. Access, Ingress/Egress and  
Visibility of site:**

Access to the Subject site is from East Memorial Drive which is a moderately trafficked roadway and a main thoroughfare through the City of Hinesville. Visibility is considered excellent from East Memorial Drive. Overall, access and visibility are considered excellent.

**11. Environmental Concerns:**

None visible upon site inspection.

**Detrimental Influences:**

There are no significant detrimental influences.

**12. Conclusion:**

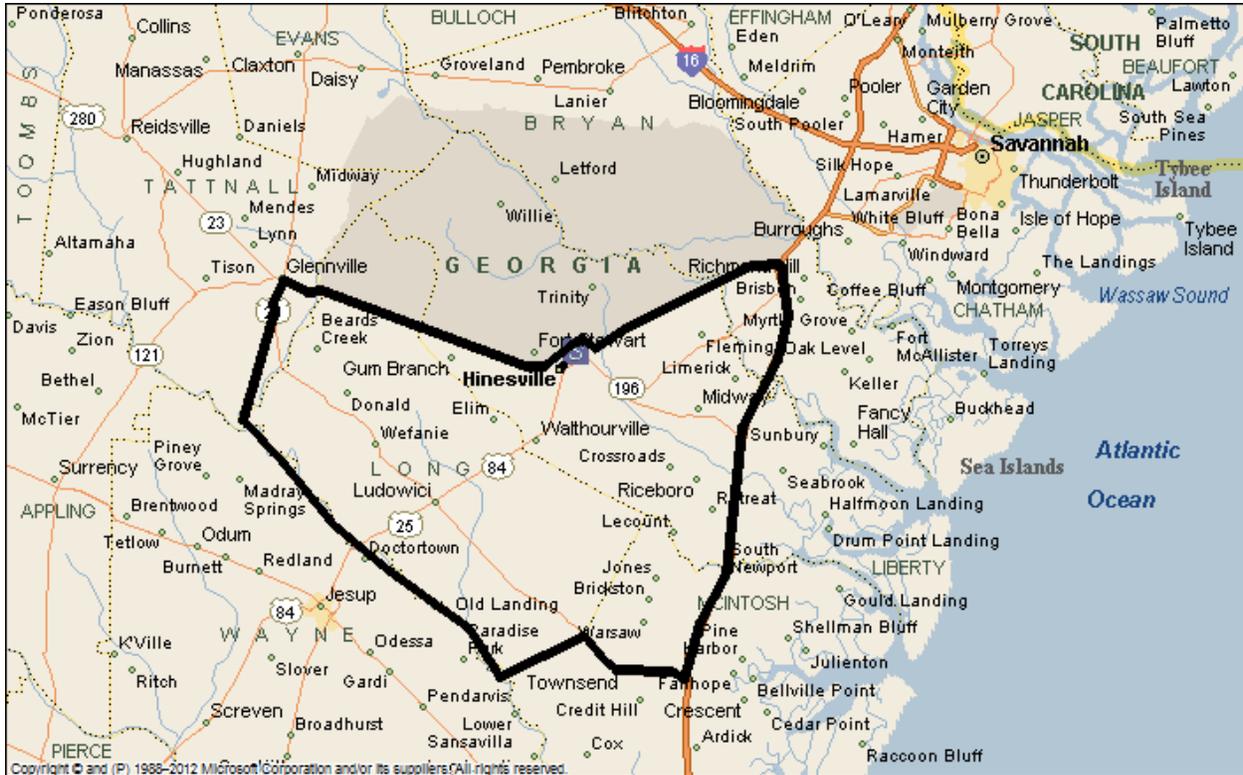
The Subject site is located on the north side of East Memorial Drive, a moderately trafficked roadway, and the east side of North Main Street, a residential street. The neighborhood composition includes a mix of vacant land, single-family residential, institutional and small-scale commercial uses. Single family homes vary from average to good condition and are well occupied. Commercial uses in the Subject's neighborhood are 85 percent occupied and in average condition. The Subject site has excellent access and exposure. The Subject will be a conforming use with in the neighborhood as the Subject will be in excellent condition.

## **D. MARKET AREA**

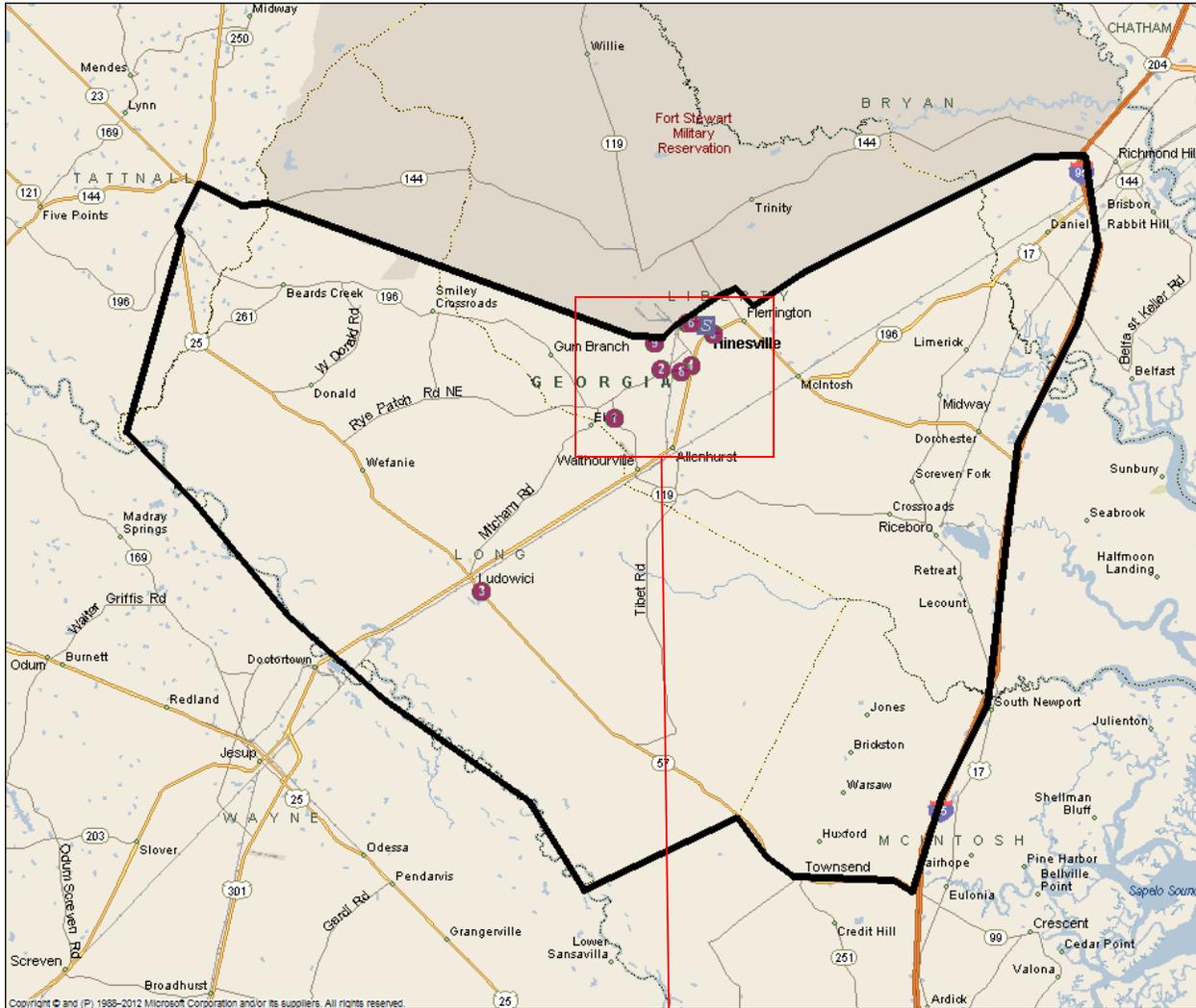
### PRIMARY MARKET AREA

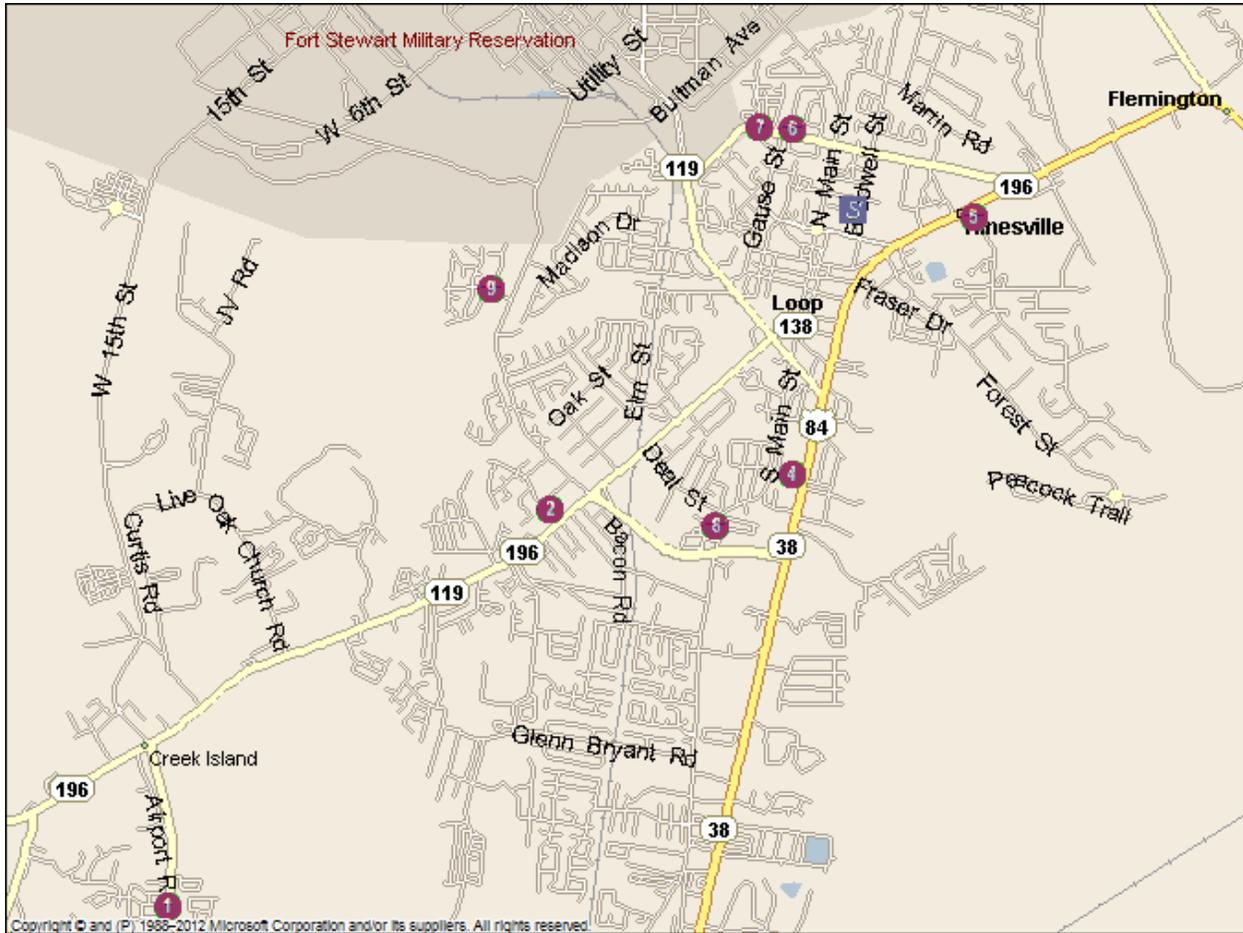
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

### Primary Market Area Map



### Primary Market Area Map - Comparable Properties

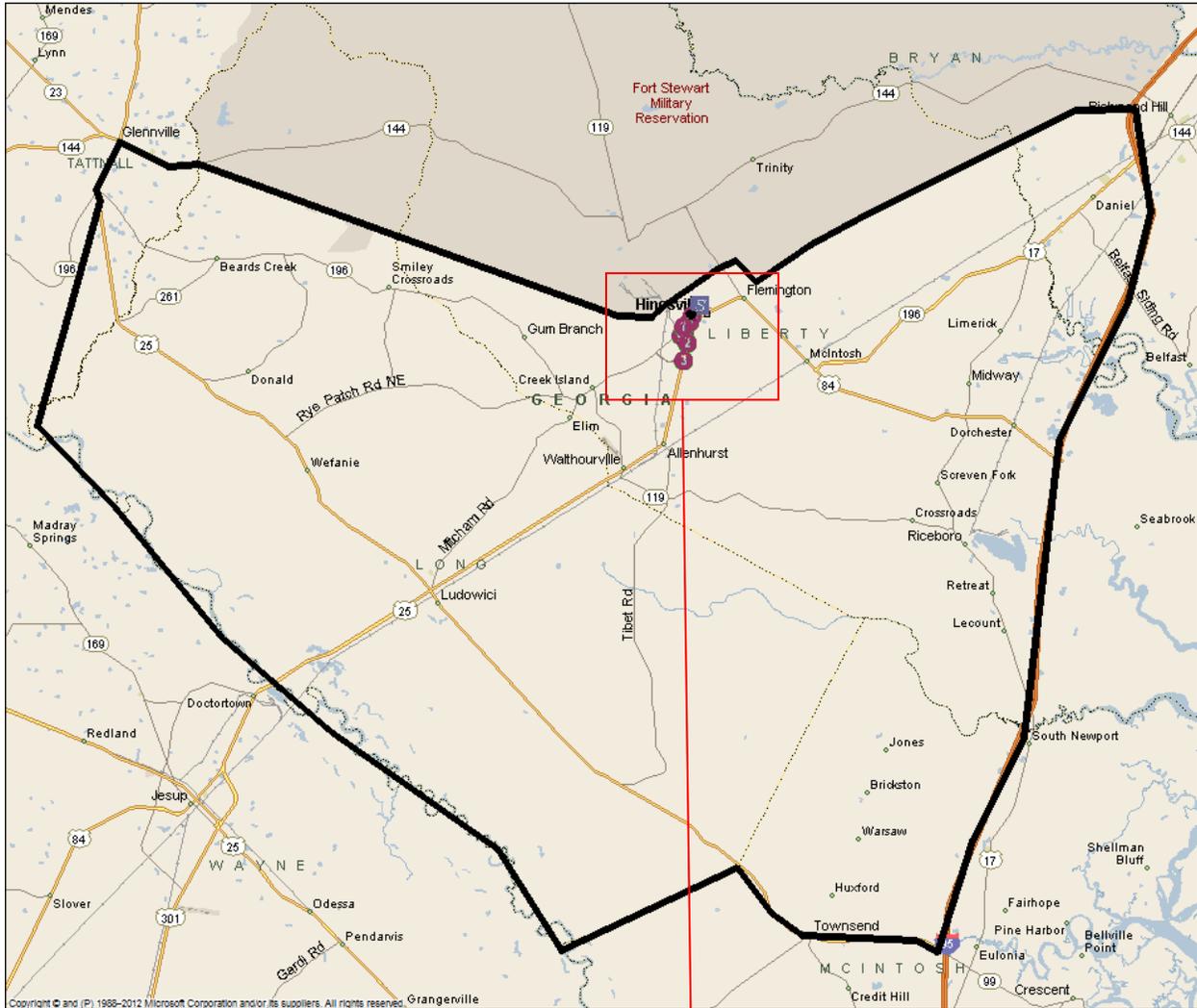


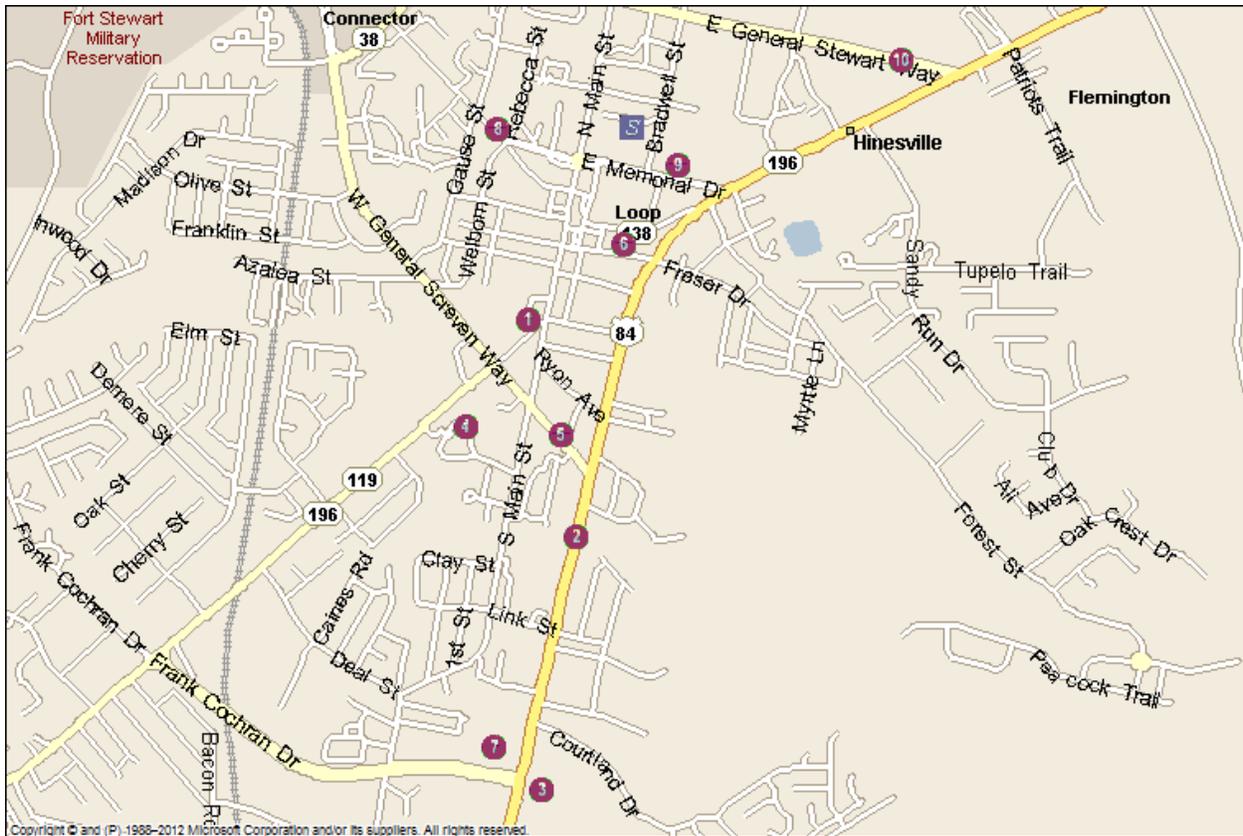


**COMPARABLE PROPERTIES**

#	Property Name	City	Type	Distance
1	Ashton Place Apartments	Hinesville	@ 30%, @ 50%, @ 60%	5.2 miles
2	The Pines At Willowbrook	Hinesville	50%, 60%, Market	2.2 miles
3	Twin Oaks Apartments	Ludowici	@ 45%, @ 50%	15.4 miles
4	Link Terrace Apartments	Hinesville	Market	1.9 miles
5	Ray Futch Apartments	Hinesville	Market	1.0 miles
6	Stewart Way Apartments	Hinesville	Market	0.8 miles
7	Treetop Apartments	Hinesville	Market	0.9 miles
8	Windover Apartments	Hinesville	Market	2.7 miles
9	Wyngrove Apartments	Hinesville	Market	4.5 miles

Primary Market Area Map - Locational Amenities





**LOCAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	Wells Fargo Bank	0.6 miles
2	Kroger Grocery Store	1.6 miles
3	Wal-Mart	2.2 miles
4	Liberty Regional Medical Center	1.1 miles
5	CVS Pharmacy	1.6 miles
6	Hinesville Police Department	0.2 miles
7	US Post Office	2.2 miles
8	Live Oak Public Library	<0.1 miles
9	Bus Stop	<0.1 miles
10	Employment Center	1.3 miles

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the MSA are areas of growth or contraction.

The Primary Market Area (PMA) encompasses portions of Liberty McIntosh, Tattnall and Long counties. The area is bound by Interstate 95 to the east, /Fort Stewart Military Reservation to the north, State Route 301 to the west; and the Altamaha River to the South. The farthest boundary from the Subject site is located approximately 32.3 miles (driving distance) southeast of the Subject site. The Subject site is located within 15 miles east of Interstate 95, which provides excellent access north towards Pooler, Garden City, and Savannah as well as access south along

the coast towards areas such as Brunswick. The PMA is an irregular shape. This is due to the natural/manmade boundaries that limit development. We have not included urban areas in Richmond Hill or Glennville as these areas do not directly compete with Hinesville. While some tenants may move to Hinesville for new senior housing, these are unique submarkets that have limited competition with each other. Overall, we anticipate that the Subject would experience leakage from the PMA as it will target seniors. However, per GA DCA's 2013 market study guidelines, GA DCA does not take into account leakage in the Demand Analysis.

## **E. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Hinesville-Fort Stewart, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 1990 through 2017.

#### TOTAL POPULATION

Year	PMA		Hinesville-Fort Stewart, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	46,777	-	58,946	-	248,709,873	-
2000	65,103	3.9%	71,913	2.2%	281,421,906	1.3%
2012	77,103	1.5%	81,437	1.1%	313,129,017	0.9%
Projected Mkt Entry July 2015	82,308	2.3%	86,994	2.3%	319,643,343	0.7%
2017	85,778	2.3%	90,699	2.3%	323,986,227	0.7%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

#### TOTAL SENIOR POPULATION (55+)

Year	PMA		Hinesville-Fort Stewart, GA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	5,611	-	4,581	-	52,389,754	-
2000	7,370	3.1%	6,246	3.6%	59,266,437	1.3%
2012	14,030	7.4%	12,794	8.6%	80,980,372	3.0%
Projected Mkt Entry July 2015	15,834	4.3%	14,514	4.5%	86,780,928	2.4%
2017	17,036	4.3%	15,660	4.5%	90,647,966	2.4%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

## POPULATION BY AGE IN 2012

Age Cohort	PMA		Hinesville-Fort Stewart, GA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	7,106	9.2%	8,264	10.1%	20,415,489	6.5%
5-9	5,954	7.7%	6,714	8.2%	20,496,335	6.5%
10-14	5,649	7.3%	5,912	7.3%	20,608,360	6.6%
15-19	5,637	7.3%	6,089	7.5%	21,328,197	6.8%
20-24	6,452	8.4%	8,226	10.1%	22,231,483	7.1%
25-29	6,517	8.5%	7,528	9.2%	21,411,989	6.8%
30-34	5,515	7.2%	6,003	7.4%	20,901,024	6.7%
35-39	4,815	6.2%	4,995	6.1%	19,629,034	6.3%
40-44	4,937	6.4%	4,922	6.0%	20,893,964	6.7%
45-49	5,290	6.9%	5,085	6.2%	21,716,328	6.9%
50-54	5,199	6.7%	4,905	6.0%	22,516,442	7.2%
55-59	4,410	5.7%	4,132	5.1%	20,601,036	6.6%
60-64	3,374	4.4%	3,143	3.9%	17,970,604	5.7%
65-69	2,438	3.2%	2,219	2.7%	13,541,826	4.3%
70-74	1,682	2.2%	1,465	1.8%	9,905,564	3.2%
75-79	938	1.2%	800	1.0%	7,436,063	2.4%
80-84	653	0.8%	573	0.7%	5,709,226	1.8%
85+	535	0.7%	462	0.6%	5,816,053	1.9%
<b>Total</b>	<b>77,101</b>	<b>100.0%</b>	<b>81,437</b>	<b>100.0%</b>	<b>313,129,017</b>	<b>100.0%</b>

Source: ESRI Demographics 2012, Novogradac &amp; Company LLP, May 2013

## NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Hinesville-Fort Stewart, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
1990	46,777	41,166	5,611	58,947	54,366	4,581
2000	65,102	57,732	7,370	71,914	65,668	6,246
2012	77,101	63,071	14,030	81,437	68,643	12,794
Projected Mkt Entry July 2015	82,308	66,474	15,834	86,994	72,481	14,514
2017	85,779	68,743	17,036	90,699	75,039	15,660

Source: ESRI Demographics 2012, Novogradac &amp; Company LLP, May 2013

From 2000 through 2012, the general population in the PMA and MSA increased at a faster rate than the nation and this trend is expected to continue though, market entry and 2017. The senior population in the PMA and MSA grew at pace more than double that of the nation from 2000 to 2012. Through market entry and 2017, the growth of the senior population in the PMA and MSA are expected to continue to outpace the nation. In 2012 18.2 percent of the population in the PMA was 55 and older, compared to 15.7 percent of the population MSA, and 25.9 percent of the population nationwide.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

#### TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Hinesville-Fort Stewart, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	16,361	-	17,332	-	91,947,410	-
2000	22,611	3.8%	23,191	3.4%	105,991,193	1.5%
2012	27,977	1.9%	28,123	1.7%	118,208,713	0.9%
Projected Mkt Entry July 2015	30,168	2.6%	30,419	2.7%	120,882,784	0.8%
2017	31,628	2.6%	31,949	2.7%	122,665,498	0.8%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

#### TOTAL NUMBER OF SENIOR HOUSEHOLDS (55+)

Year	PMA		Hinesville-Fort Stewart, GA MSA	
	Number	Annual Change	Number	Annual Change
1990	-	-	-	-
2000	4,687	-	4,113	-
2012	8,761	7.1%	8,000	7.7%
Projected Mkt Entry July 2015	10,283	5.8%	10,601	10.8%
2017	11,299	5.8%	12,335	10.8%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		Hinesville-Fort Stewart, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.80	-	2.89	-	2.58	-
2012	2.72	-0.2%	2.79	-0.3%	2.58	0.0%
Projected Mkt Entry July 2015	2.70	-0.3%	2.77	-0.3%	2.58	0.0%
2017	2.68	-0.3%	2.75	-0.3%	2.58	0.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

Similar to the population growth, the number of households in the PMA and MSA grew at a faster rate than the nation from 2000 to 2012. This trend is expected to continue through market entry and 2017. The number of senior households in the PMA and MSA is expected to outpace the growth in general households through market entry and 2017, with the MSA growing at a pace almost double the PMA.

### 2b. Households by Tenure

The following table depicts household growth by tenure from 2000 through 2017.

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-Occupied		Renter-Occupied	
	Units	Percentage Owner-Occupied	Units	Percentage Renter-Occupied
2000	3,647	77.8%	1,040	22.2%
2012	7,174	81.9%	1,587	18.1%
Projected Mkt Entry July 2015	8,357	81.32%	1,926	18.7%
2017	9,147	81.0%	2,152	19.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, June 2013

As the table above indicates, the majority of households in the Subject's PMA are owner-occupied. The percentage and number of renter-occupied units is expected to increase slightly through market entry and 2017. As of 2012, the percentage of renter-occupied households in the PMA was greater than that of the national average, with approximately 13 percent of the nation residing in renter-occupied units. This bodes well with the Subject's units.

**2c. Households by Income**

The following table depicts household income in 2012, 2015 and 2017 for the PMA.

**HOUSEHOLD INCOME DISTRIBUTION - PMA (AGE 55+)**

Income Cohort	2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	908	10.4%	1,008	9.8%	1,075	9.5%
\$10,000-19,999	1,476	16.9%	1,572	15.3%	1,635	14.5%
\$20,000-29,999	1,093	12.5%	1,238	12.0%	1,335	11.8%
\$30,000-39,999	870	9.9%	1,078	10.5%	1,217	10.8%
\$40,000-49,999	889	10.2%	959	9.3%	1,006	8.9%
\$50,000-59,999	674	7.7%	791	7.7%	869	7.7%
\$60,000-74,999	897	10.2%	1,039	10.1%	1,133	10.0%
\$75,000-99,999	955	10.9%	1,173	11.4%	1,319	11.7%
\$100,000-124,999	516	5.9%	706	6.9%	833	7.4%
\$125,000-149,999	150	1.7%	285	2.8%	375	3.3%
\$150,000-199,999	201	2.3%	238	2.3%	263	2.3%
\$200,000+	132	1.5%	196	1.9%	239	2.1%
<b>Total</b>	<b>8,761</b>	<b>100.0%</b>	<b>10,283</b>	<b>100.0%</b>	<b>11,299</b>	<b>100.0%</b>

Source: Ribbon Demographics 2013, Novogradac & Company LLP, May 2013

Approximately 50 percent of the households with seniors 55 and older are in the four lowest income cohorts. This amount is expected to decrease slightly at market entry and 2017. The Subject will target households with income between \$13,920 and \$23,760.

**2d. Renter Households by Number of Persons in the Household**

The following table illustrates the number of persons per household among renter households.

**RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA (AGE 55+)**

	2000		2012		Projected Mkt Entry July 2015		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	416	40.0%	757	47.7%	902	46.8%	998	46.4%
With 2 Persons	483	46.5%	398	25.1%	488	25.3%	548	25.5%
With 3 Persons	56	5.3%	267	16.8%	340	17.6%	388	18.0%
With 4 Persons	48	4.6%	41	2.6%	51	2.7%	58	2.7%
With 5+ Persons:	38	3.6%	125	7.9%	146	7.6%	159	7.4%
Total Renter Households	1,040	100.0%	1,587	100.0%	1,926	100.0%	2,152	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, May 2013

As shown in previous table, over 70 percent of the renter household with seniors aged 55 and older are one and two-person households. This trend is expected to continue through market entry and 2017. The Subject will offer one- and two-bedroom units and will accommodate senior HHs with one to two persons.

### **2e and f. Elderly and HFOP**

Per DCA's guidelines, elderly households populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

### **CONCLUSION**

The Subject is located in Hinesville in Liberty County, Georgia. Overall demographics are strong for the Subject's age-restricted units as the PMA has been an area of growth. Senior population in 2012 was 14,030 and is projected to increase to 17,036 by 2017. There were 8,761 senior households in 2012, which is expected to increase to 11,299 by 2017. Senior population in the PMA is projected to increase at a 4.3 percent annual rate over the next five years, a rate nearly double that of the nation during the same period. This is a strong growth rate that suggests there is sufficient demand for the Subject.

In addition to the positive growth trends, the strong tenure patterns also demonstrate strong demand for the Subject. In 2012, approximately 18.1 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is significantly above the national average of 13 percent for seniors living in renter-occupied housing units. Among these renters, approximately 73 percent lived in one or two-person households. This trend supports the one-bedroom and two-bedroom unit mix at the Subject.

The Subject will target households with income between \$13,920 and \$23,760. Approximately 29 percent of senior renters above the age of 55 earn incomes between \$10,000 and \$29,999. Households in these income cohorts are expected to create demand for the Subject.

The Subject is located in zip code 31313. According to RealtyTrac, this region experienced a high foreclosure rate in April 2013 with approximately one out of every 704 housing units filing for foreclosure in April 2013. Comparatively, Liberty County had a foreclosure rate of one in every 804 housing units; Georgia had a foreclosure rate of one in every 682 housing units; and the nation experienced a foreclosure rate of one in every 905 housing units. Therefore, Hinesville had a higher foreclosure rate than Liberty County and the nation, but lower than the state of Georgia. Based upon site inspection, the Subject's immediate neighborhood did not include any abandoned or vacant structures.

## **F. EMPLOYMENT TRENDS**

## Employment Trends

In this section of the report we will provide an assessment of current and forecasted economic conditions and employment characteristics, including an analysis of recent trends and how they relate to demand for additional new rental housing. Economic data will focus on the Hinesville-Fort Stewart, Georgia Metropolitan Statistical Area and Liberty County, Georgia. Examining economic data will provide a picture of the general health of the community and its ability to support new multifamily construction.

Unlike national trends the greater MSA did not undergo major economic contractions in 2009; total employment decreased slightly in 2009 and 2012, but has increased steadily since 2002. According to the Georgia Department of Labor's profile on Liberty County, 77 percent of Liberty County residents work in Liberty County and 15 percent work in Chatham County. Of those working in Liberty County, 71 percent are from Liberty County and nine percent are from Long County. Therefore, there is cross commuting occurring among Liberty, Chatham, and Long counties, indicating that general employment trends in the MSA affect those in Hinesville.

### 1. Total Jobs

The following table illustrates the total jobs (also known as "covered employment") in Liberty County.

COVERED EMPLOYMENT		
Liberty County		
Year	Total Employment	% Change
2002	14,624	
2003	14,842	1.47%
2004	15,764	5.85%
2005	16,055	1.81%
2006	16,766	4.24%
2007	16,712	-0.32%
2008	17,685	5.50%
2009	17,637	-0.27%
2010	18,108	2.60%
2011	18,525	2.25%
2012 YTD Average*	18,252	-1.49%
Sep-11	18,322	-
Sep-12	18,236	-0.47%

Source: U.S. Bureau of Labor Statistics

\*YTD as of Sept 11

Liberty County posted strong employment growth from 2002 to 2011 with only slight decreased in 2007 and 2009; year to date 2012 data also reflected a decrease. Average annual employment estimates roughly reflect the year-over-year change in total employment, which decreased by 0.47 percent from September 2011 to September 2012. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the County as of September 2012.

### SEPT 2012 EMPLOYMENT JOBS BY INDUSTRY

Liberty County		
Industry	Number Employed	Percent Employed
Trade, Transportation, and Utilities	2,902	27.84%
Leisure and Hospitality	1,891	18.14%
Manufacturing	1,822	17.48%
Professional and Business Services	1,191	11.43%
Education and Health Services	1,119	10.74%
Financial Activities	695	6.67%
Other Services	660	6.33%
Information	98	0.94%
Unclassified	44	0.42%
Public Administration*	-	-
Natural Resources and Mining	-	0.00%
Construction	-	0.00%
<b>Total Employment</b>	<b>10,422</b>	<b>100.00%</b>

\*Monthly data is not available

Source: U.S. Bureau of Labor Statistics 2012. Covered Employment

The largest sector in Liberty County, according to the Bureau of Labor Statistics, is the trade/transportation/utilities industry, followed by the Leisure and Hospitality, Manufacturing and Professional and Business Services. Professional and Business Services are historically considered to be stable employers and could provide some additional stability to the local economy during a recession. The Leisure/Hospitality and trade-transportation/utilities industry are historically unstable sectors and have suffered several layoffs and closures from the nationwide recession as illustrated in the expansions/contractions section. However, due to the close proximity to Savannah, a major tourism spot in southern Georgia and the fourth largest port in the United States, these industries like Trade/Transportation and Leisure/Hospitality continue to prosper. It should be noted that differences in the total jobs and total jobs by industry are due to rounding.

The following table illustrates employment by industry in the PMA.

2010 EMPLOYMENT BY INDUSTRY				
Occupation	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Retail Trade	4,062	13.11%	15,464,986	11.37%
Health Care/Social Assistance	4,024	12.99%	18,891,157	13.89%
Public Administration	3,753	12.11%	6,916,821	5.09%
Educational Services	3,455	11.15%	14,168,096	10.42%
Accommodation/Food Services	2,522	8.14%	9,114,767	6.70%
Construction	2,215	7.15%	8,872,843	6.52%
Other Services (excl Publ Adm)	1,982	6.40%	6,679,783	4.91%
Manufacturing	1,914	6.18%	13,047,475	9.59%
Transportation/Warehousing	1,366	4.41%	5,487,029	4.03%
Admin/Support/Waste Mgmt Svcs	1,100	3.55%	5,114,479	3.76%
Agric/Forestry/Fishing/Hunting	976	3.15%	1,790,318	1.32%
Finance/Insurance	856	2.76%	6,883,526	5.06%
Prof/Scientific/Tech Services	789	2.55%	8,520,310	6.26%
Real Estate/Rental/Leasing	680	2.19%	2,825,263	2.08%
Wholesale Trade	419	1.35%	4,407,788	3.24%
Information	382	1.23%	3,158,778	2.32%
Arts/Entertainment/Recreation	332	1.07%	2,628,374	1.93%
Utilities	131	0.42%	1,115,793	0.82%
Mining	25	0.08%	723,991	0.53%
Mgmt of Companies/Enterprises	0	0.00%	202,384	0.15%
<b>Total Employment</b>	<b>30,983</b>	<b>100.0%</b>	<b>136,013,961</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2013

The largest industry in the PMA is retail trade followed by healthcare/social assistance, public administration, and educational services. The local economy's reliance on retail will be affected by a decrease in military and civilian personnel at Fort Stewart.

Hunter Army Airfield and Fort Stewart were unaffected by the 2005 Base Realignment and Closure (BRAC). However, the Department of the Army completed a Programmatic Environmental Assessment (PEA) in January 2013 that considers potential Army reductions and realignments at 21 bases. If implemented, the reductions may occur from 2013 to 2020. Per the Army's press release on January 18, 2013, "The Army's proposed action evaluated in the PEA is to reduce the Army's active duty end-strength from 562,000 at the end of Fiscal Year 2012 to 490,000 by Fiscal Year 2020. The implementation of Army force realignment will occur over the course of several years to arrive at an optimally configured force in 2020. Reductions in Army Soldiers will also be accompanied by some reduction in civil service employees." The expected reduction of personnel at each of these bases ranges from 2,400 to 8,000 people, including the military and their direct Army civilian support. Should these reductions occur gradually through 2020, the economic impact to local economies will be mitigated. However, it should be noted that Fort Stewart is among the bases that are considered for reductions or realignment.

### 3. Major Employers

The following table details the largest employers in Liberty County.

#### LIBERTY COUNTY MAJOR EMPLOYERS

#	Employer	Industry	Number Employed
1	Fort Stewart (Military Employees)	Defense	14,689
2	Fort Stewart (Civilian Employees)	Defense	2,696
3	Liberty County Board of Education	Education	1,493
4	SNF Chemical Group	Manufacturing	936
5	Liberty Regional Medical Center	Healthcare	525
6	Wal-Mart Super Center	Retail	475
7	Target	Retail Distribution	470
8	Liberty County Board of Commissioners	Public Administration	333
9	Interstate Paper	Manufacturing	230
10	The Heritage Bank	Finance	220
11	City of Hinesville	Public Administration	211

Source: Liberty County Chamber of Commerce, 5/2013

As illustrated, Hinesville's economy is heavily reliant on the defense industry. However, when excluding Fort Stewart, the largest employers represent a variety of industries. These industries include those that are considered to be historically stable such as education, healthcare, and public administration.

#### *Expansions/Contractions*

The following table lists the layoffs and closures in the coastal Georgia area that have been registered with the Georgia Department of Labor (GA DOL) from 2010 to 2012 through the Worker Adjustment and Retraining Notification (WARN) act.

## 2010-2013 COASTAL GEORGIA LAYOFFS AND CLOSURES

Year	Type	Company Name	City	County	Estimated Number Affected
2010	Closure	Cahaba Government Benefit Administration, LLC	Savannah	Chatham	155
2010	Closure	Midcoast Aviation DBA Savannah Air Center	Savannah	Chatham	359
2010	Closure	Decrane Aerospace Precision Patterns	Savannah	Chatham	90
2010	Non-Substantial Layoff	Electric Boat Corp	Kings Bay	Camden	10
2011	Closure	Kelloggs Distribution Center	Brunswick	Glynn	23
2011	Closure	VT Group	Kings Bay	Camden	381
2011	Non-Substantial Layoff	Lockheed Martin Corp	Kings Bay	Camden	16
2011	Closure	Wackenhut Services, Inc.	Fort Stewart	Liberty	45
2011	Substantial Layoff	Memorial Health	Savannah	Chatham	228
2011	Substantial Layoff	CSC Applied Technology Group	Savannah	Chatham	444
2011	Closure	Citi Trends, Inc.	Savannah	Chatham	107
2011	Substantial Layoff	Lockheed Martin Corp	Fort Stewart	Liberty	270
2011	Closure	Bayer Cropscience	Woodbine	Camden	40
2011	Closure	Premier Warehousing Ventures, LLC	Savannah	Chatham	108
2011	Substantial Layoff	Lockheed Martin Corp	Fort Stewart	Liberty	110
2012	Closure	Sodexo, Inc.	Savannah	Chatham	214
2013	Non-Substantial Layoff	L3 Communications	Hunter Army Airfield	Chatham	41
2013	Closure	Veolia Transportation	Savannah	Chatham	205
2013	Non-Substantial Layoff	Roadlink Workforce Solutions	Savannah	Chatham	42
<b>Total</b>					<b>2,888</b>

Source: Georgia Department of Labor, 5/2013

The Coastal Georgia region according to the GA DOL includes the following counties: Bryan, Bulloch, Camden, Chatham, Effingham, Glynn, and Liberty (Subject's county), Long, and McIntosh. As illustrated in the previous table, the coastal Georgia area lost 2,888 jobs from 2010 to year-to-date 2013. Of these losses, 425 are in Liberty County. Additionally, we spoke with Mr. Ryan Willett, of the Liberty County Chamber of Commerce. Mr. Willett reported that there have been no large scale expansions or lay-offs of late. Mr. Willett noted there have been layoffs of civilian workers at Fort Stewart, which is also located in Liberty County. Mr. Willett did not have specific numbers; however, there were 3,287 civilian workers at Fort Stewart in 2009 and there are currently 2,696 civilian workers. This is a decrease of 591 workers since 2009. As mentioned previously, Hunter Army Airfield and Fort Stewart were unaffected by the 2005 Base Realignment and Closure (BRAC). However, the Department of the Army completed a Programmatic Environmental Assessment (PEA) in January 2013 that considers potential Army reductions and realignments at 21 bases. If implemented, the reductions may occur from 2013 to 2020.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Hinesville-Fort Stewart, GA MSA and nation from 2002 to 2013 (through March).

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	<u>Hinesville-Fort Stewart, GA MSA</u>				<u>USA</u>			
	Total	%	Unemployment	Change	Total	%	Unemployment	Change
2002	23,844	-	5.3%	-	136,485,000	-	5.8%	-
2003	24,508	2.8%	4.8%	-0.5%	137,736,000	0.9%	6.0%	0.2%
2004	26,040	6.3%	5.1%	0.3%	139,252,000	1.1%	5.5%	-0.5%
2005	27,291	4.8%	5.4%	0.3%	141,730,000	1.8%	5.1%	-0.4%
2006	28,146	3.1%	5.4%	0.0%	144,427,000	1.9%	4.6%	-0.5%
2007	28,654	1.8%	5.0%	-0.4%	146,047,000	1.1%	4.6%	0.0%
2008	29,973	4.6%	5.7%	0.7%	145,362,000	-0.5%	5.8%	1.2%
2009	29,862	-0.4%	8.0%	2.3%	139,877,000	-3.8%	9.3%	3.5%
2010	30,116	0.9%	9.0%	1.0%	139,064,000	-0.6%	9.6%	0.3%
2011	30,633	1.7%	9.2%	0.2%	139,869,000	0.6%	8.9%	-0.7%
2012	30,390	-0.8%	9.1%	-0.1%	142,469,000	1.9%	8.1%	-0.8%
2013 YTD Average*	30,447	0.2%	9.0%	-0.1%	142,180,000	-0.2%	8.1%	0.0%
Mar-2012	30,812	-	8.8%	-	141,412,000	-	8.4%	-
Mar-2013	30,493	-1.0%	8.6%	-0.2%	142,698,000	0.9%	7.6%	-0.8%

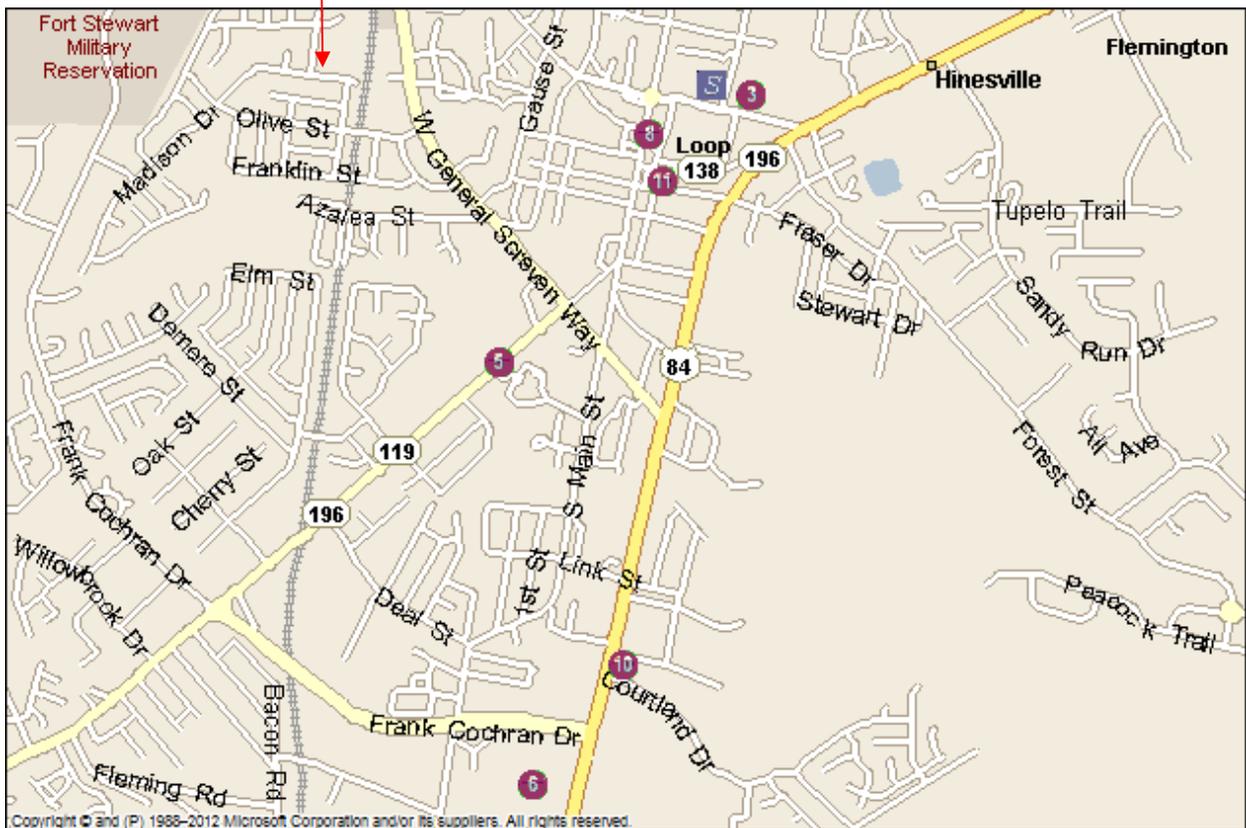
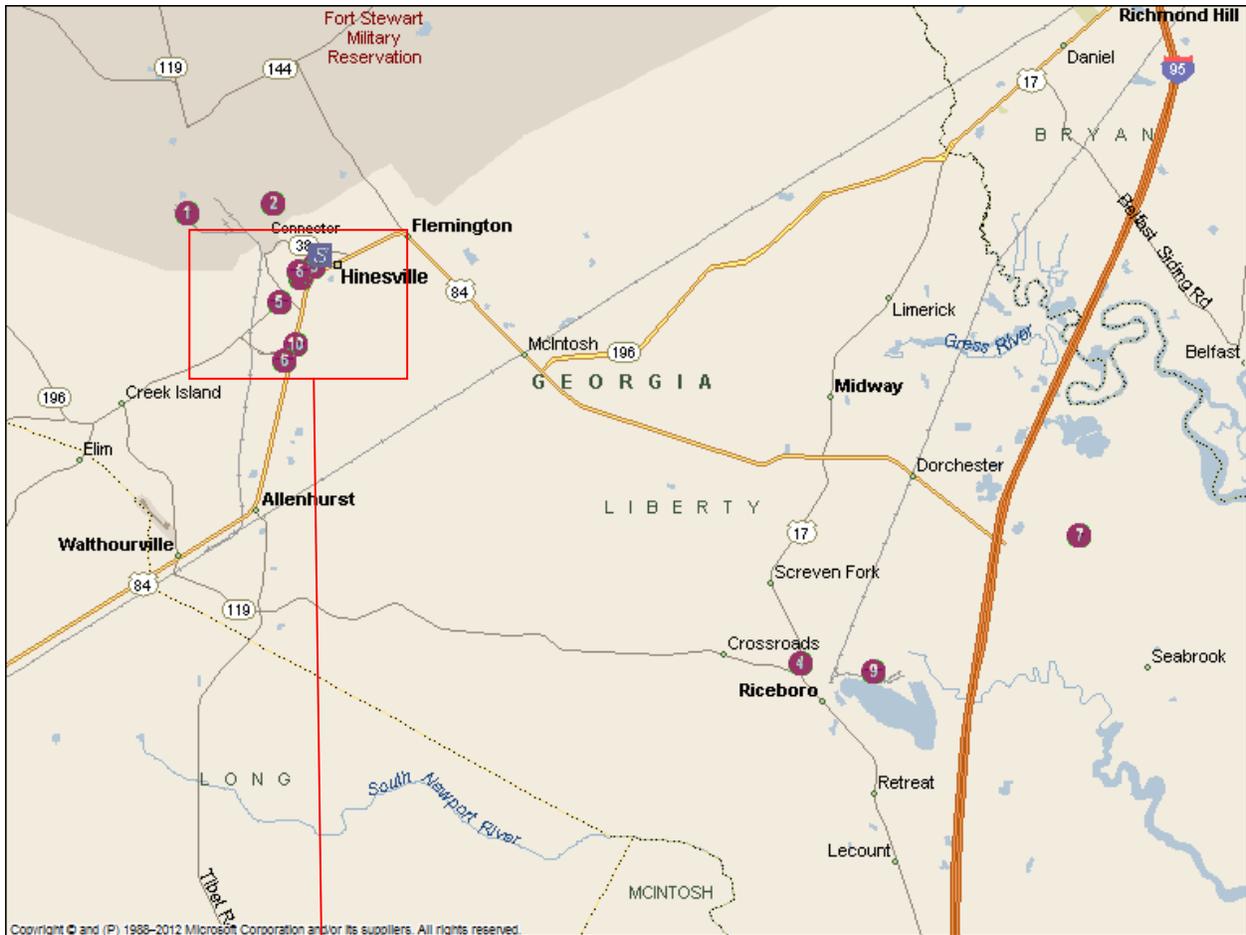
Source: U.S. Bureau of Labor Statistics December 2012

\*2013 data is through Mar

The Hinesville-Fort Stewart, GA MSA experienced its strongest employment growth rate from 2003 to 2005, while there was another steady increase in employment in 2008. However, since then the total employment level has only experienced very moderate growth. The March 2013 year-over-year comparison shows that employment has decreased by 1.0 percent, but unemployment has decreased 20 basis points. Historically, even during the recession, the MSA unemployment rate was lower than the nation. However, unemployment exceeded the nation in 2011. As of March 2013, the unemployment rate is 100 basis points higher in the MSA than the nation. Overall, it appears that the local economy is recovering yet at a slower rate than the nation a whole.

**5. Map of Site and Major Employment Concentrations**

The following map and table details the largest employers in Liberty County.



## LIBERTY COUNTY MAJOR EMPLOYERS

#	Employer	Industry	Number Employed
1	Fort Stewart (Military Employees)	Defense	14,689
2	Fort Stewart (Civilian Employees)	Defense	2,696
3	Liberty County Board of Education	Education	1,493
4	SNF Chemical Group	Manufacturing	936
5	Liberty Regional Medical Center	Healthcare	525
6	Wal-Mart Super Center	Retail	475
7	Target	Retail Distribution	470
8	Liberty County Board of Commissioners	Public Administration	333
9	Interstate Paper	Manufacturing	230
10	The Heritage Bank	Finance	220
11	City of Hinesville	Public Administration	211

Source: Liberty County Chamber of Commerce, 5/2013

### Conclusion

The Hinesville area is heavily reliant on the defense industry, with Fort Stewart employing approximately 15,000 military personnel as well as close to 3,000 civilian personnel. While Hunter Army Airfield and Fort Stewart were unaffected by the 2005 Base Realignment and Closure (BRAC), the Department of the Army completed a Programmatic Environmental Assessment (PEA) in January 2013 that considers potential Army reductions and realignments at 21 bases. If implemented, the reductions may occur from 2013 to 2020. The implementation of Army force realignment will occur over the course of several years to arrive at an optimally configured force in 2020. Reductions in Army Soldiers will also be accompanied by some reduction in civil service employees. The expected reduction of personnel at each of these bases ranges from 2,400 to 8,000 people, including the military and their direct Army civilian support. Should these reductions occur gradually through 2020, the economic impact to local economies will be mitigated.

The Hinesville MSA has historically posted strong annual employment growth and unemployment rates comparable to that of the nation. However, since 2008, the total employment level has only experienced very moderate growth. The March 2013 year-over-year comparison shows that employment has decreased by 1.0 percent and unemployment has decreased 20 basis points. Historically, even during the recession, the MSA unemployment rate was lower than the nation. However, as of March 2013, the unemployment rate is 100 basis points higher in the MSA than the nation. Overall, it appears that the local economy is recovering yet at a slower rate than the nation a whole.

## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

### **1. INCOME RESTRICTIONS**

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

### **2. AFFORDABILITY**

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

### **3. DEMAND**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

#### **3A. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized 2015, the anticipated date of market entry, as the base year for the analysis. Therefore, 2012 household population estimates are inflated to 2015 by interpolation of the difference between 2012 estimates and 2017 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2015. This number takes the overall growth from 2012 to 2017 and applies it

to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. DEMAND FROM EXISTING HOUSEHOLDS**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (**2a.**) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

### **3C. SECONDARY MARKET AREA**

Per the 2013 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

### **3D. OTHER**

DCA does not consider household turnover to be a source of market demand. Therefore, we have not accounted for household turnover in our demand analysis.

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed from 2011 to the present.

### **ADDITIONS TO SUPPLY**

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2011 and 2012.
- Vacancies in projects placed in service prior to 2011 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market in 2011 or 2012. As the following discussion

will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

There have been no senior LIHTC allocations in the PMA. Therefore, we have not deducted any units from the Demand Analysis.

**PMA OCCUPANCY**

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

**PMA Occupancy**

Property Name	City	Type	Tenancy	Occupancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Welborn Homes	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.4 miles
Gause Homes	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	0.2 miles
Joseph B Fraser	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	0.6 miles
TH McDowell	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.4 miles
Regency Park Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.4 miles
Sandalwood Terrace	Ludowici	RD	Senior	N/Av	Excluded	All units subsidized	15.5 miles
Raintree Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.0 miles
Liberty Group Homes	Hinesville	Section 8	Senior	N/Av	Excluded	All units subsidized	2.7 miles
Northgate Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	3.5 miles
Baytree Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	<0.1 miles
Ashton Place Apartments	Hinesville	LIHTC	Family	91.7%	Included	N/Ap	5.2 miles
The Pines at Willowbrook	Hinesville	LIHTC	Family	98.7%	Included	N/Ap	2.2 miles
Twin Oaks Apartments	Ludowici	LIHTC	Family	100%	Included	N/Ap	15.4 miles
Link Terrace Apartments	Hinesville	Market	Family	85%	Included	N/Ap	1.9 miles
Ray Futch Apartments	Hinesville	Market	Family	100%	Included	N/Ap	1.0 miles
Stewart Way Apartments	Hinesville	Market	Family	72%	Included	N/Ap	0.8 miles
Treetop Apartments	Hinesville	Market	Family	87%	Included	N/Ap	0.9 miles
Windover Apartments	Hinesville	Market	Family	75%	Included	N/Ap	2.7 miles
Wyngrove Apartments	Hinesville	Market	Family	84%	Included	N/Ap	4.5 miles
<b>Overall</b>				<b>88.2%</b>			

The LIHTC comparable properties are outperforming the market with a 97 percent occupancy rate versus 82 percent among the market rate properties. Management at these properties attributed the high vacancy rate to military deployments. The property managers at Stewart Way and Treetop Apartments estimated that 85 to 90 percent of the properties’ tenants are military personnel and that turnover rates range from 50 to 100 percent per year. In contrast, the LIHTC properties are maintaining low vacancy rates and waiting lists. We believe that the overall occupancy is in PMA is 90 percent.

**Rehab Developments and PBRA**

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

The Subject will be new construction and will not operate with project-based rental assistance. Therefore, we have calculated the capture rates based upon the Subject having to lease 95 percent of its units.

### **Capture Rates**

The above calculations and derived capture rates are illustrated in the following tables.

Renter Household Income Distribution 2012 to Projected Market Entry July 2015						
Renaissance Park						
PMA						
	2012		Projected Mkt Entry July 2015		Percent Growth	
	#	%	#	%		
\$0-9,999	247	15.5%	282	14.7%	12.7%	
\$10,000-19,999	333	21.0%	370	19.2%	10.2%	
\$20,000-29,999	194	12.2%	224	11.6%	13.3%	
\$30,000-39,999	161	10.2%	200	10.4%	19.4%	
\$40,000-49,999	160	10.1%	197	10.2%	18.5%	
\$50,000-59,999	98	6.2%	120	6.2%	17.9%	
\$60,000-74,999	140	8.8%	167	8.7%	16.2%	
\$75,000-99,999	116	7.3%	149	7.8%	22.1%	
\$100,000-124,999	76	4.8%	111	5.8%	31.6%	
\$125,000-149,999	20	1.3%	40	2.1%	49.4%	
\$150,000-199,999	28	1.8%	38	2.0%	26.1%	
\$200,000+	13	0.8%	27	1.4%	51.9%	
Total	1,587	100.0%	1,926	100.0%	17.6%	

Renter Household Income Distribution Projected Market Entry July 2015			
Renaissance Park			
	PMA		
	Projected Mkt Entry July 2015		Change 2012 to Prj Mrkt Entry July 2015
	#	%	#
\$0-9,999	282	14.7%	50
\$10,000-19,999	370	19.2%	65
\$20,000-29,999	224	11.6%	39
\$30,000-39,999	200	10.4%	35
\$40,000-49,999	197	10.2%	35
\$50,000-59,999	120	6.2%	21
\$60,000-74,999	167	8.7%	29
\$75,000-99,999	149	7.8%	26
\$100,000-124,999	111	5.8%	20
\$125,000-149,999	40	2.1%	7
\$150,000-199,999	38	2.0%	7
\$200,000+	27	1.4%	5
Total	1,926	100.0%	339

Tenure Prj Mrkt Entry July 2015	
Renter	18.7%
Owner	81.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2015		
Size	Number	Percentage
1 Person	902	46.8%
2 Person	488	25.3%
3 Person	340	17.6%
4 Person	51	2.7%
5+ Person	146	7.6%
Total	1,926	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,052	22.0%
2 Person	2,684	28.8%
3 Person	1,879	20.1%
4 Person	1,498	16.0%
5+ Person	1,221	13.1%
Total	9,333	100.0%

50% AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$13,920		
Maximum Income Limit			\$19,800 2		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	49.67			
\$10,000-19,999	65.15	19.2%	5,880	58.8%	38
\$20,000-29,999	39.47	11.6%		0.0%	0
\$30,000-39,999	35.22	10.4%		0.0%	0
\$40,000-49,999	34.61	10.2%		0.0%	0
\$50,000-59,999	21.04	6.2%		0.0%	0
\$60,000-74,999	29.46	8.7%		0.0%	0
\$75,000-99,999	26.27	7.8%		0.0%	0
\$100,000-124,999	19.59	5.8%		0.0%	0
\$125,000-149,999	6.98	2.1%		0.0%	0
\$150,000-199,999	6.68	2.0%		0.0%	0
\$200,000+	4.77	1.4%		0.0%	0
	339	100.0%			38
Percent of renter households within limits versus total number of renter households					11.30%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			50%		
Minimum Income Limit			\$13,920		
Maximum Income Limit			\$19,800 \$2		
Income Category	Total Renter Households PMA Pj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	282			
\$10,000-19,999	370	19.2%	\$5,880	59%	218
\$20,000-29,999	224	11.6%	\$0	0%	0
\$30,000-39,999	200	10.4%	\$0	0%	0
\$40,000-49,999	197	10.2%	\$0	0%	0
\$50,000-59,999	120	6.2%	\$0	0%	0
\$60,000-74,999	167	8.7%	\$0	0%	0
\$75,000-99,999	149	7.8%	\$0	0%	0
\$100,000-124,999	111	5.8%	\$0	0%	0
\$125,000-149,999	40	2.1%	\$0	0%	0
\$150,000-199,999	38	2.0%	\$0	0%	0
\$200,000+	27	1.4%	\$0	0%	0
	1,926	100.0%			218
Percent of renter households within limits versus total number of renter households					11.30%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2012 Median Income

Change from 2012 to Pj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Senior
Urban
40%
\$33,556
\$44,241
\$10,685
31.8%
5.3%
5.3%
Two year adjustment
1,0000
\$19,800
\$19,800
2
50%
\$464
\$464.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	65%	35%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	0%	60%	40%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	0%	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2012 to Prj Mrkt Entry July 2015

Income Target Population		50%
New Renter Households PMA		339
Percent Income Qualified		11.3%
New Renter Income Qualified Households		38

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		1,926
Income Qualified		11.3%
Income Qualified Renter Households		218
Percent Rent Overburdened Prj Mrkt Entry July 2015		60.0%
Rent Overburdened Households		131

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		218
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		8357
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		4

Total Demand

Total Demand from Existing Households		136
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		136
Total New Demand		38
Total Demand (New Plus Existing Households)		174

Demand from Seniors Who Convert from Homeownership		4
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	46.8%	81
Two Persons	25.3%	44
Three Persons	17.6%	31
Four Persons	2.7%	5
Five Persons	7.6%	13
Total	100.0%	174

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	65%	53
Of two-person households in 1BR units	20%	9
Of one-person households in 2BR units	35%	29
Of two-person households in 2BR units	80%	35
Of three-person households in 3BR units	60%	18
Of four-person households in 3BR units	80%	4
Of three-person households in 4BR units	40%	12
Of four-person households in 4BR units	20%	1
Of five-person households in 4BR units	100%	13
Total Demand		174

Total Demand by Bedroom		50%
1 BR		62
2 BR		64
Total Demand		126

Additions To Supply 2012 to Prj Mrkt Entry July 2015		50%
1 BR		0
2 BR		0
Total		0

Net Demand		50%
1 BR		62
2 BR		64
Total		126

Developer's Unit Mix		50%
1 BR		3
2 BR		3
Total		6

Capture Rate Analysis		50%
1 BR		4.9%
2 BR		4.7%
Total		4.8%

60%AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level				60%	
Minimum Income Limit				\$16,710	
Maximum Income Limit				\$23,760	2
Income Category	New Renter Households - Total Change in Households		Income Brackets	Percent within Cohort	Renter Households within Bracket
	PMA 2012 to Proj Mrkt Entry July 2015				
\$0-9,999	49.67	14.7%		0.0%	0
\$10,000-19,999	65.15	19.2%	3,289	32.9%	21
\$20,000-29,999	39.47	11.6%	3,760	37.6%	15
\$30,000-39,999	35.22	10.4%		0.0%	0
\$40,000-49,999	34.61	10.2%		0.0%	0
\$50,000-59,999	21.04	6.2%		0.0%	0
\$60,000-74,999	29.46	8.7%		0.0%	0
\$75,000-99,999	26.27	7.8%		0.0%	0
\$100,000-124,999	19.59	5.8%		0.0%	0
\$125,000-149,999	6.98	2.1%		0.0%	0
\$150,000-199,999	6.68	2.0%		0.0%	0
\$200,000+	4.77	1.4%		0.0%	0
339		100.0%			36
Percent of renter households within limits versus total number of renter households					10.70%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level				60%	
Minimum Income Limit				\$16,710	
Maximum Income Limit				\$23,760	\$2
Income Category	Total Renter Households PMA Proj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	282			
\$10,000-19,999	370	19.2%	\$3,289	33%	122
\$20,000-29,999	224	11.6%	\$3,760	38%	84
\$30,000-39,999	200	10.4%	\$0	0%	0
\$40,000-49,999	197	10.2%	\$0	0%	0
\$50,000-59,999	120	6.2%	\$0	0%	0
\$60,000-74,999	167	8.7%	\$0	0%	0
\$75,000-99,999	149	7.8%	\$0	0%	0
\$100,000-124,999	111	5.8%	\$0	0%	0
\$125,000-149,999	40	2.1%	\$0	0%	0
\$150,000-199,999	38	2.0%	\$0	0%	0
\$200,000+	27	1.4%	\$0	0%	0
1,926		100.0%			206
Percent of renter households within limits versus total number of renter households					10.70%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2012 Median Income

Change from 2012 to Proj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No							
Senior							
Urban							
40%							
\$33,556							
\$44,241							
\$10,685							
31.8%							
5.3%							
5.3%	Two year adjustment						1.0000
\$23,760							
\$23,760							
\$2							
60%							
\$557							
\$557.00							
Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	65%	35%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	0%	60%	40%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	0%	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2012 to Prj Mrkt Entry July 2015

Income Target Population		60%
New Renter Households PMA		339
Percent Income Qualified		10.7%
New Renter Income Qualified Households		36

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		1,926
Income Qualified		10.7%
Income Qualified Renter Households		206
Percent Rent Overburdened Prj Mrkt Entry July 2015		60.0%
Rent Overburdened Households		124

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		206
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		8357
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		3

Total Demand

Total Demand from Existing Households		129
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		129
Total New Demand		36
Total Demand (New Plus Existing Households)		165

Demand from Seniors Who Convert from Homeownership		3
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	46.8%	77
Two Persons	25.3%	42
Three Persons	17.6%	29
Four Persons	2.7%	4
Five Persons	7.6%	12
Total	100.0%	165

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	65%	50
Of two-person households in 1BR units	20%	8
Of one-person households in 2BR units	35%	27
Of two-person households in 2BR units	80%	33
Of three-person households in 3BR units	60%	17
Of four-person households in 3BR units	80%	4
Of three-person households in 4BR units	40%	12
Of four-person households in 4BR units	20%	1
Of five-person households in 4BR units	100%	12
Total Demand		165

Total Demand by Bedroom

1 BR		59
2 BR		60
Total Demand		119

Additions To Supply 2012 to Prj Mrkt Entry July 2015

1 BR		0
2 BR		0
Total		0

Net Demand

1 BR		59
2 BR		60
Total		119

Developer's Unit Mix

1 BR		13
2 BR		23
Total		36

Capture Rate Analysis

1 BR		22.2%
2 BR		38.0%
Total		30.2%

Overall

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$13,920		
Maximum Income Limit			\$23,760		
			2		
Income Category	New Renter Households - Total Change in Households PMA 2012 to Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	49.67	14.70%		0.00%	0
\$10,000-19,999	65.15	19.20%	6,079	60.80%	40
\$20,000-29,999	39.47	11.60%	3,760	37.60%	15
\$30,000-39,999	35.22	10.40%		0.00%	0
\$40,000-49,999	34.61	10.20%		0.00%	0
\$50,000-59,999	21.04	6.20%		0.00%	0
\$60,000-74,999	29.46	8.70%		0.00%	0
\$75,000-99,999	26.27	7.80%		0.00%	0
\$100,000-124,999	19.59	5.80%		0.00%	0
\$125,000-149,999	6.98	2.10%		0.00%	0
\$150,000-199,999	6.68	2.00%		0.00%	0
\$200,000+	4.77	1.40%		0.00%	0
	339	100.00%			54
Percent of renter households within limits versus total number of renter households					16.07%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$13,920		
Maximum Income Limit			\$23,760		
			\$2		
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2015		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	282	14.70%	\$0	0%	0
\$10,000-19,999	370	19.20%	\$6,079	61%	225
\$20,000-29,999	224	11.60%	\$3,760	38%	84
\$30,000-39,999	200	10.40%	\$0	0%	0
\$40,000-49,999	197	10.20%	\$0	0%	0
\$50,000-59,999	120	6.20%	\$0	0%	0
\$60,000-74,999	167	8.70%	\$0	0%	0
\$75,000-99,999	149	7.80%	\$0	0%	0
\$100,000-124,999	111	5.80%	\$0	0%	0
\$125,000-149,999	40	2.10%	\$0	0%	0
\$150,000-199,999	38	2.00%	\$0	0%	0
\$200,000+	27	1.40%	\$0	0%	0
	1,926	100.00%			309
Percent of renter households within limits versus total number of renter households					16.07%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2012 Median Income

Change from 2012 to Prj Mrkt Entry July 2015

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No	
Senior	
Urban	
40%	
\$33,556	
\$44,241	
\$10,685	
31.80%	
5.30%	
5.30%	Two year adjustment
\$23,760	
\$23,760	
2	
Overall	
\$464	
\$464.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	65%	35%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	0%	60%	40%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	0%	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2012 to Prj Mrkt Entry July 2015

Income Target Population		Overall
New Renter Households PMA		339
Percent Income Qualified		16.1%
New Renter Income Qualified Households		54

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2012

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		1,926
Income Qualified		16.1%
Income Qualified Renter Households		309
Percent Rent Overburdened Prj Mrkt Entry July 2015		60.0%
Rent Overburdened Households		186

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		309
Percent Living in Substandard Housing		0.9%
Households Living in Substandard Housing		3

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		8357
Rural Versus Urban	0.058%	
Senior Demand Converting from Homeownership		5

Total Demand

Total Demand from Existing Households		193
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		193
Total New Demand		54
Total Demand (New Plus Existing Households)		248

Demand from Seniors Who Convert from Homeownership		5
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	46.8%	116
Two Persons	25.3%	63
Three Persons	17.6%	44
Four Persons	2.7%	7
Five Persons	7.6%	19
Total	100.0%	248

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	65%	75
Of two-person households in 1BR units	20%	13
Of one-person households in 2BR units	35%	41
Of two-person households in 2BR units	80%	50
Of three-person households in 3BR units	60%	26
Of four-person households in 3BR units	80%	5
Of three-person households in 4BR units	40%	17
Of four-person households in 4BR units	20%	1
Of five-person households in 4BR units	100%	19
Total Demand		248

Total Demand by Bedroom	Overall
1 BR	88
2 BR	91
Total Demand	179

Additions To Supply 2012 to Prj Mrkt Entry July 2015	Overall
1 BR	0
2 BR	0
Total	0

Net Demand	Overall
1 BR	88
2 BR	91
Total	179

Developer's Unit Mix	Overall
1 BR	16
2 BR	26
Total	42

Capture Rate Analysis	Overall
1 BR	18.2%
2 BR	28.6%
Total	23.5%

### **Conclusions**

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market	Market Rents	Proposed Rents
1BR at 50% AMI	3	62	0	62	4.9%	4-5 months	\$530	\$398-\$662	\$363
2BR at 50% AMI	3	64	0	64	4.7%	4-5 months	\$585	\$367-\$802	\$427
<b>All 50% AMI Units</b>	<b>6</b>	<b>126</b>	<b>0</b>	<b>126</b>	<b>4.8%</b>	<b>4-5 months</b>	--	--	--
1BR at 60% AMI	13	59	0	59	22.2%	4-5 months	\$633	\$415-\$7662	\$456
2BR at 60% AMI	23	60	0	60	38.0%	4-5 months	\$731	\$555-\$802	\$539
<b>All 60% AMI Units</b>	<b>36</b>	<b>119</b>	<b>0</b>	<b>119</b>	<b>30.2%</b>	<b>4-5 months</b>	--	--	--
<b>1BR Overall</b>	<b>16</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>18.2%</b>	<b>4-5 months</b>	--	--	--
<b>2BR Overall</b>	<b>26</b>	<b>91</b>	<b>0</b>	<b>91</b>	<b>28.6%</b>	<b>4-5 months</b>	--	--	--
<b>All Units</b>	<b>42</b>	<b>179</b>	<b>0</b>	<b>179</b>	<b>23.5%</b>	<b>4-5 months</b>	--	--	--

**Demand and Net Demand**

	HH at 50% AMI (\$13,920 to \$19,800)	HH at 60% AMI (\$16,710 to \$23,760)	All Tax Credit Households
Demand from New Households (age and income appropriate)	38	36	54
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	2	3
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	131	124	186
=			
<b>Sub Total</b>	<b>171</b>	<b>162</b>	<b>243</b>
Demand from Existing Households - Elderly Homeowner Turnover	4	3	5
<b>Equals Total Demand</b>	<b>174</b>	<b>165</b>	<b>248</b>
<b>Less</b>	-	-	-
New Supply	0	0	0
<b>Equals Net Demand</b>	<b>174</b>	<b>165</b>	<b>248</b>

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 4.7 to 4.9 percent, with an overall capture rate of 4.8 percent. The Subject's 60 percent AMI capture rates range from 22.2 to 38.0 percent, with an overall capture rate of 30.2 percent. The overall capture rate for the project's 50 and 60 percent units is 23.5 percent. Therefore, we believe there is adequate demand for the Subject.

## **H. COMPETITIVE RENTAL ANALYSIS**

### Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. To evaluate the competitive position of the proposed Subject, 697 units in nine rental properties were surveyed in depth. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities; tenant profiles; and market trends in general. The availability of family LIHTC data in the PMA is adequate; however, there are no senior LIHTC properties in the PMA. Therefore, we have supplemented the rent discussion with three senior LIHTC properties in Pooler and Savannah, which are located 36 to 41 miles east of the Subject site. There is one multifamily property in the Subject’s immediate neighborhood, Baytree Apartments, we have excluded this property because it is Section 8, and tenants pay 30 percent of their income to rent.

### General Market Overview/Included/Excluded Properties

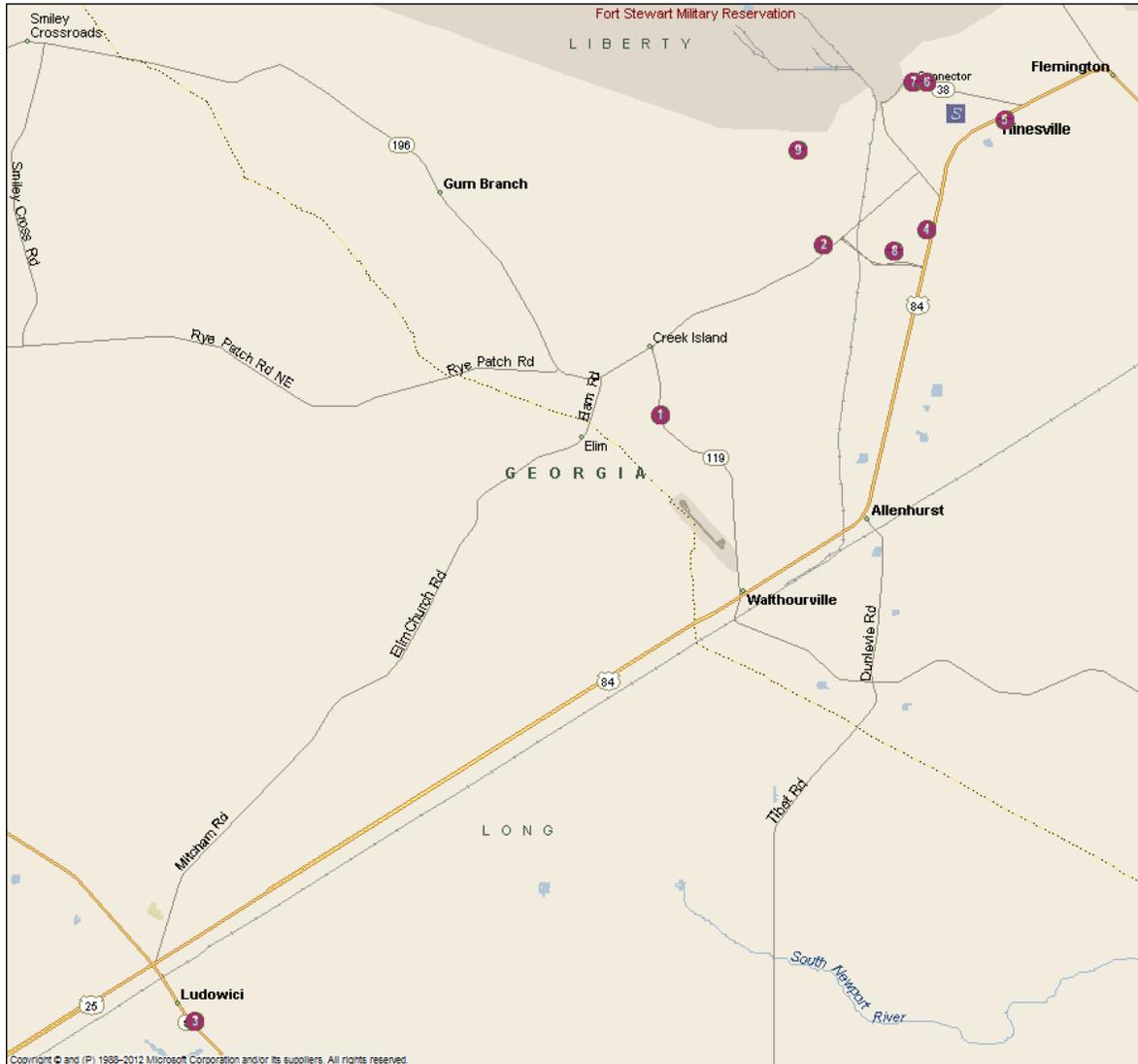
The following table illustrates properties that are within the PMA or a similar market areas. The table highlights vacancy. Some of these properties have been included as “true comparables.”

General Market Overview

Property Name	City	Type	Tenancy	Occupancy	Included/ Excluded	Reason for Exclusion	Distance from Subject
Welbom Homes	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.4 miles
Gause Homes	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	0.2 miles
Joseph B Fraser	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	0.6 miles
TH McDowell	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.4 miles
Regency Park Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.4 miles
Sandalwood Terrace	Ludowici	RD	Senior	N/Av	Excluded	All units subsidized	15.5 miles
Raintree Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	1.0 miles
Liberty Group Homes	Hinesville	Section 8	Senior	N/Av	Excluded	All units subsidized	2.7 miles
Northgate Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	3.5 miles
Baytree Apartments	Hinesville	Section 8	Family	N/Av	Excluded	All units subsidized	<0.1 miles
Ashton Place Apartments	Hinesville	LIHTC	Family	91.7%	Included	N/Ap	5.2 miles
The Pines at Willowbrook	Hinesville	LIHTC	Family	98.7%	Included	N/Ap	2.2 miles
Twin Oaks Apartments	Ludowici	LIHTC	Family	100%	Included	N/Ap	15.4 miles
Link Terrace Apartments	Hinesville	Market	Family	85%	Included	N/Ap	1.9 miles
Ray Futch Apartments	Hinesville	Market	Family	100%	Included	N/Ap	1.0 miles
Stewart Way Apartments	Hinesville	Market	Family	72%	Included	N/Ap	0.8 miles
Treetop Apartments	Hinesville	Market	Family	87%	Included	N/Ap	0.9 miles
Windover Apartments	Hinesville	Market	Family	75%	Included	N/Ap	2.7 miles
Wyngrove Apartments	Hinesville	Market	Family	84%	Included	N/Ap	4.5 miles
<b>Overall</b>				<b>88.2%</b>			

As the previous table demonstrates, there is limited multifamily rental housing in the PMA. Overall occupancy at these properties is 88 percent, which indicates a relatively healthy rental market.

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashton Place Apartments	Hinesville	@ 30%, @ 50%, @ 60%	5.2 miles
2	The Pines At Willowbrook	Hinesville	50%, 60%, Market	2.2 miles
3	Twin Oaks Apartments	Ludowici	@ 45%, @ 50%	15.4 miles
4	Link Terrace Apartments	Hinesville	Market	1.9 miles
5	Ray Futch Apartments	Hinesville	Market	1.0 miles
6	Stewart Way Apartments	Hinesville	Market	0.8 miles
7	Treetop Apartments	Hinesville	Market	0.9 miles
8	Windover Apartments	Hinesville	Market	2.7 miles
9	Wyngrove Apartments	Hinesville	Market	4.5 miles

1. The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

## SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate		
Subject	Renaissance Park	n/a	Lowrise (age-restricted) (3 stories)  2015 / n/a	@50%, @60%	1BR / 1BA	3	7.10%	@50%	\$363	700	yes		N/A	N/A		
	NWC Bradwell St & E Memorial Dr Hinesville, GA 31313 Liberty County	1BR / 1BA			13	31.00%	@60%	\$456	700	yes		N/A	N/A			
		2BR / 2BA			3	7.10%	@50%	\$427	940	yes		N/A	N/A			
		2BR / 2BA			1	2.40%	@50%	\$427	1,059	yes		N/A	N/A			
		2BR / 2BA			15	35.70%	@60%	\$539	940	yes		N/A	N/A			
		2BR / 2BA			7	16.70%	@60%	\$539	1,059	yes		N/A	N/A			
42	100%										N/A	N/A				
1	Ashton Place Apartments	5.2 miles	Garden  (2 stories) 1993 / n/a	@30%, @50%, @60%	1BR / 1BA	10	20.80%	@30%	\$192	708	yes	Yes	1	10.00%		
	634 Airport Road Hinesville, GA 31313 Liberty County	2BR / 2BA			7	14.60%	@50%	\$440	912	yes	Yes	1	14.30%			
		2BR / 2BA			12	25.00%	@60%	\$525	912	yes	Yes	1	8.30%			
		3BR / 2BA			7	14.60%	@50%	\$508	1,134	yes	Yes	1	14.30%			
		3BR / 2BA			12	25.00%	@60%	\$610	1,134	yes	Yes	0	0.00%			
		48			100%									4	8.30%	
2	The Pines At Willowbrook 841 Willowbrook Drive Hinesville, GA 31313 Liberty County	2.2 miles	Garden  (2 stories) 2003 / n/a	50%, 60%, Market	1BR / 1BA	2	2.50%	@50%	\$398	703	yes	Yes	0	0.00%		
					1BR / 1BA	4	5.00%	@60%	\$491	703	yes	Yes	0	0.00%		
					1BR / 1BA	2	2.50%	Market	\$650	703	n/a	Yes	0	0.00%		
					2BR / 1BA	7	8.70%	@50%	\$468	923	yes	Yes	0	0.00%		
					2BR / 1BA	3	3.80%	@60%	\$579	923	yes	Yes	1	33.30%		
					2BR / 1BA	5	6.20%	Market	\$780	923	n/a	Yes	0	0.00%		
					2BR / 2BA	5	6.20%	@50%	\$468	960	yes	Yes	0	0.00%		
					2BR / 2BA	24	30.00%	@60%	\$579	960	yes	Yes	0	0.00%		
					2BR / 2BA	4	5.00%	Market	\$820	960	n/a	Yes	0	0.00%		
					3BR / 2BA	4	5.00%	@50%	\$537	1,150	yes	Yes	0	0.00%		
					3BR / 2BA	15	18.80%	@60%	\$665	1,150	yes	Yes	0	0.00%		
					3BR / 2BA	5	6.20%	Market	\$900	1,150	n/a	Yes	0	0.00%		
					80	100%									1	1.30%
					3	Twin Oaks Apartments 158 Twin Oaks Dr Ludowici, GA 31316 Long County	15.4 miles	Garden  (2 stories) 1996 / n/a	@45%, @50%	1BR / 1BA	12	30.00%	@45%	\$313	596	yes
2BR / 1.5BA	20	50.00%	@45%	\$367						806	yes	Yes	0	0.00%		
3BR / 2BA	8	20.00%	@50%	\$422						990	yes	Yes	0	0.00%		
40	100%													0	0.00%	
4	Link Terrace Apartments  110 Link St Hinesville, GA 31313 Liberty County	1.9 miles	One-story  1980s / n/a	Market	Studio / 1BA	7	13.00%	Market	\$579	288	n/a	None	0	0.00%		
					1BR / 1BA	29	53.70%	Market	\$687	576	n/a	None	6	20.70%		
					2BR / 1BA	9	16.70%	Market	\$813	864	n/a	None	2	22.20%		
					2BR / 2BA	9	16.70%	Market	\$823	864	n/a	None	0	0.00%		
					54	100%								8	14.80%	
5	Ray Futch Apartments 111 Sandy Run Drive Hinesville, GA 31313  Liberty County	1 miles	Garden  (2 stories) 1970s/2009 / n/a	Market	1BR / 1BA	7	11.70%	Market	\$650	750	n/a	No	0	0.00%		
					2BR / 1BA	23	38.30%	Market	\$750	950	n/a	No	0	0.00%		
					2BR / 2BA	30	50.00%	Market	\$850	973	n/a	No	0	0.00%		
					60	100%								0	0.00%	
6	Stewart Way Apartments  302 W General Stewart Way Hinesville, GA 31313 Liberty County	0.8 miles	One-story  1970s / n/a	Market	Studio / 1BA	36	18.80%	Market	\$565	288	n/a	None	N/A	N/A		
					1BR / 1BA	129	67.50%	Market	\$673	576	n/a	None	N/A	N/A		
					2BR / 1BA	9	4.70%	Market	\$813	864	n/a	None	N/A	N/A		
					2BR / 2BA	17	8.90%	Market	\$823	864	n/a	None	N/A	N/A		
					191	100%								54	28.30%	
7	Treetop Apartments 600 Taylor Road Hinesville, GA 31313 Liberty County	0.9 miles	Garden  (2 stories) 1983 / n/a	Market	1BR / 1BA	16	21.10%	Market	\$600	634	n/a	None	1	6.20%		
					2BR / 1BA	44	57.90%	Market	\$675	830	n/a	None	8	18.20%		
					3BR / 2BA	16	21.10%	Market	\$710	925	n/a	None	1	6.20%		
					76	100%								10	13.20%	
8	Windover Apartments 107 Gilbert Street Hinesville, GA 31313 Liberty County	2.7 miles	One-story n/a / n/a	Market	2BR / 1.5BA	8	100.00%	Market	\$700	1,000	n/a	No	2	25.00%		
					8	100%								2	25.00%	
9	Wyngrave Apartments 942 Grove Point Drive Hinesville, GA 31313 Liberty County	4.5 miles	Garden 2004 / n/a	Market	1BR / 1BA	60	42.90%	Market	\$700	800	n/a	None	N/A	N/A		
					2BR / 2BA	66	47.10%	Market	\$825	1,106	n/a	None	N/A	N/A		
					3BR / 2BA	14	10.00%	Market	\$925	1,318	n/a	None	N/A	N/A		
					140	100%								22	15.70%	

**RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.**

Effective Rent Date:	Feb-13	Units Surveyed:	697	Weighted Occupancy:	85.50%
		Market Rate	529	Market Rate	81.90%
		Tax Credit	168	Tax Credit	97.00%

**One Bedroom One Bath**

**Two Bedrooms Two Bath**

-

	Property	Average	Property	Average	Property	Average
<b>RENT</b>	Wyngrove Apartments	\$700	Ray Futch Apartments	\$850		
	Link Terrace Apartments	\$687	Wyngrove Apartments	\$825		
	Stewart Way Apartments	\$673	Link Terrace Apartments	\$823		
	The Pines At Willowbrook * (M)	\$650	Stewart Way Apartments	\$823		
	Ray Futch Apartments	\$650	The Pines At Willowbrook * (M)	\$820		
	Treetop Apartments	\$600	Windover Apartments (1.5BA)	\$700		
	The Pines At Willowbrook * (60%)	\$491	Treetop Apartments (1BA)	\$675		
	<b>Renaissance Park * (60%)</b>	<b>\$456</b>	The Pines At Willowbrook * (60%)	\$579		
	The Pines At Willowbrook * (50%)	\$398	<b>Renaissance Park * (60%)</b>	<b>\$539</b>		
	<b>Renaissance Park * (50%)</b>	<b>\$363</b>	<b>Renaissance Park * (60%)</b>	<b>\$539</b>		
	Twin Oaks Apartments * (45%)	\$313	Ashton Place Apartments * (60%)	\$525		
	Ashton Place Apartments * (30%)	\$192	The Pines At Willowbrook * (50%)	\$468		
			Ashton Place Apartments * (50%)	\$440		
			<b>Renaissance Park * (50%)</b>	<b>\$427</b>		
			<b>Renaissance Park * (50%)</b>	<b>\$427</b>		
		Twin Oaks Apartments * (1.5BA 45%)	\$367			
<b>SQUARE FOOTAGE</b>	Wyngrove Apartments	800	Wyngrove Apartments	1,106		
	Ray Futch Apartments	750	<b>Renaissance Park * (50%)</b>	<b>1,059</b>		
	Ashton Place Apartments * (30%)	708	<b>Renaissance Park * (60%)</b>	<b>1,059</b>		
	The Pines At Willowbrook * (50%)	703	Windover Apartments (1.5BA)	1,000		
	The Pines At Willowbrook * (60%)	703	Ray Futch Apartments	973		
	The Pines At Willowbrook * (M)	703	The Pines At Willowbrook * (50%)	960		
	<b>Renaissance Park * (50%)</b>	<b>700</b>	The Pines At Willowbrook * (60%)	960		
	<b>Renaissance Park * (60%)</b>	<b>700</b>	The Pines At Willowbrook * (M)	960		
	Treetop Apartments	634	<b>Renaissance Park * (50%)</b>	<b>940</b>		
	Twin Oaks Apartments * (45%)	596	<b>Renaissance Park * (60%)</b>	<b>940</b>		
	Link Terrace Apartments	576	Ashton Place Apartments * (50%)	912		
	Stewart Way Apartments	576	Ashton Place Apartments * (60%)	912		
			Link Terrace Apartments	864		
			Stewart Way Apartments	864		
			Treetop Apartments (1BA)	830		
		Twin Oaks Apartments * (1.5BA 45%)	806			
<b>RENT PER SQUARE FOOT</b>	Link Terrace Apartments	\$1.19	Link Terrace Apartments	\$0.95		
	Stewart Way Apartments	\$1.17	Stewart Way Apartments	\$0.95		
	Treetop Apartments	\$0.95	Ray Futch Apartments	\$0.87		
	The Pines At Willowbrook * (M)	\$0.92	The Pines At Willowbrook * (M)	\$0.85		
	Wyngrove Apartments	\$0.88	Treetop Apartments (1BA)	\$0.81		
	Ray Futch Apartments	\$0.87	Wyngrove Apartments	\$0.75		
	The Pines At Willowbrook * (60%)	\$0.70	Windover Apartments (1.5BA)	\$0.70		
	<b>Renaissance Park * (60%)</b>	<b>\$0.65</b>	The Pines At Willowbrook * (60%)	\$0.60		
	The Pines At Willowbrook * (50%)	\$0.57	Ashton Place Apartments * (60%)	\$0.58		
	Twin Oaks Apartments * (45%)	\$0.53	<b>Renaissance Park * (60%)</b>	<b>\$0.57</b>		
	<b>Renaissance Park * (50%)</b>	<b>\$0.52</b>	<b>Renaissance Park * (60%)</b>	<b>\$0.51</b>		
	Ashton Place Apartments * (30%)	\$0.27	The Pines At Willowbrook * (50%)	\$0.49		
			Ashton Place Apartments * (50%)	\$0.48		
			Twin Oaks Apartments * (1.5BA 45%)	\$0.46		
			<b>Renaissance Park * (50%)</b>	<b>\$0.45</b>		
		<b>Renaissance Park * (50%)</b>	<b>\$0.40</b>			

# PROPERTY PROFILE REPORT

## Ashton Place Apartments

<b>Effective Rent Date</b>	1/21/2013
<b>Location</b>	634 Airport Road Hinesville, GA 31313 Liberty County
<b>Distance</b>	5.2 miles
<b>Units</b>	48
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	8.3%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1993 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Pines at Willowbrook, Twin Oaks
<b>Tenant Characteristics</b>	Majority of tenants come from Hinesville 20% Senior
<b>Contact Name</b>	Martina
<b>Phone</b>	(912) 876-8762



### Market Information

<b>Program</b>	@30%, @50%, @60%
<b>Annual Turnover Rate</b>	21%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	13%
<b>Leasing Pace</b>	preleased to a few weeks
<b>Annual Chg. in Rent</b>	N/A
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	708	\$192	\$0	@30%	Yes	1	10.0%	yes	None
2	2	Garden (2 stories)	7	912	\$440	\$0	@50%	Yes	1	14.3%	yes	None
2	2	Garden (2 stories)	12	912	\$525	\$0	@60%	Yes	1	8.3%	yes	None
3	2	Garden (2 stories)	7	1,134	\$508	\$0	@50%	Yes	1	14.3%	yes	None
3	2	Garden (2 stories)	12	1,134	\$610	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$192	\$0	\$192	\$0	\$192	2BR / 2BA	\$440	\$0	\$440	\$0	\$440
						3BR / 2BA	\$508	\$0	\$508	\$0	\$508

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$525	\$0	\$525	\$0	\$525
3BR / 2BA	\$610	\$0	\$610	\$0	\$610

## Ashton Place Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Oven  
Walk-In Closet

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking  
Playground

**Premium**

None

**Other**

Gazebo

### Comments

Management indicated an extensive wait list that they estimated to be in the hundreds and stated they still have people from 2011 waiting. Their four vacancies can be attributed to the fact that their maintenance staff has been very ill and out for a while, and they have not been able to turn the vacant units over for new residents. They are currently looking for intermittent maintenance staff to help them while their staff is out sick. Management stated they are typically occupied at 98 percent.

Management indicated that there is a demand for LIHTC housing for both family and seniors. Management indicated there was certainly demand for senior LIHTC properties, and that they estimated a property their size (48) or larger than theirs would fare well including a property up to 75 units. They were unsure of how many 50 and 60 percent units the senior complex should have, but stated that they have no problem leasing their 50 or 60 units, so any mix would probably fare well. Management further indicated that seniors prefer the one-bedroom units over two-bedrooms almost always as far as price goes, but some do request for a second bedroom should family visit, or for storage. Management was unsure of where the the senior tenancy would come from, as they stated their tenancy was from Hinesville and the outskirts of Hinesville. Management stated the did not believe seniors living in Savannah or the Richmond Hill area would relocated to Hinesville. Management estimated there to be approximately 10 units, or 20 percent of their tenancy that are seniors 55+.

# Ashton Place Apartments, continued

## Trend Report

### Vacancy Rates

4Q07	2Q09	4Q11	1Q13
N/A	2.1%	0.0%	8.3%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$179	\$0	\$179	\$179
2011	4	0.0%	\$182	\$0	\$182	\$182
2013	1	10.0%	\$192	\$0	\$192	\$192

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$403	\$0	\$403	\$403
2011	4	0.0%	\$428	\$0	\$428	\$428
2013	1	14.3%	\$440	\$0	\$440	\$440

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	14.3%	\$470	\$0	\$470	\$470
2011	4	0.0%	\$500	\$0	\$500	\$500
2013	1	14.3%	\$508	\$0	\$508	\$508

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	N/A	\$0	N/A	N/A

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	N/A	\$0	N/A	N/A
2009	2	0.0%	\$487	\$0	\$487	\$487
2011	4	0.0%	\$510	\$0	\$510	\$510
2013	1	8.3%	\$525	\$0	\$525	\$525

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	N/A	N/A	\$0	N/A	N/A
2009	2	0.0%	\$566	\$0	\$566	\$566
2011	4	0.0%	\$595	\$0	\$595	\$595
2013	1	0.0%	\$610	\$0	\$610	\$610

### Trend: Comments

- 4Q07** Our phone calls to Ambling Management were not returned nor were we able to contact the property manager by phone or by site visit during regular office hours. The property manager's hours are Tuesdays and Thursdays from 9:00am to 6:00pm. Verify whether units offered are one-, two-, and three- or two-, three-, and four-bedroom units.
- 2Q09** The property offers LIHTC and HOME units that are restricted to various income levels: 30, 49, 50, 57, and 58 percent of AMI. The contact was unable to provide the rents for each AMI level; therefore, we have illustrated the rents to be set at the 30 percent AMI level, 50 percent AMI rent level for units restricted with 49 and 50 percent income levels, and 60 percent AMI rent level for units restricted with 57 and 58 percent income levels. The contact reported that the property typically remains full and is currently 100 percent leased. Management is only on-site for a few days out of the week. The contact also confirmed that the property does not offer a clubhouse.
- 4Q11** Twin Oaks is no longer a sister property as it is under new management. Some residents also come from Savannah and Brunswick.
- 1Q13** Management indicated an extensive wait list that they estimated to be in the hundreds and stated they still have people from 2011 waiting. Their four vacancies can be attributed to the fact that their maintenance staff has been very ill and out for a while, and they have not been able to turn the vacant units over for new residents. They are currently looking for intermittent maintenance staff to help them while their staff is out sick. Management stated they are typically occupied at 98 percent.
- Management indicated that there is a demand for LIHTC housing for both family and seniors. Management indicated there was certainly demand for senior LIHTC properties, and that they estimated a property their size (48) or larger than theirs would fare well including a property up to 75 units. They were unsure of how many 50 and 60 percent units the senior complex should have, but stated that they have no problem leasing their 50 or 60 units, so any mix would probably fare well. Management further indicated that seniors prefer the one-bedroom units over two-bedrooms almost always as far as price goes, but some do request for a second bedroom should family visit, or for storage. Management was unsure of where the the senior tenancy would come from, as they stated their tenancy was from Hinesville and the outskirts of Hinesville. Management stated the did not believe seniors living in Savannah or the Richmond Hill area would relocated to Hinesville. Management estimated there to be approximately 10 units, or 20 percent of their tenancy that are seniors 55+.

# PROPERTY PROFILE REPORT

## The Pines At Willowbrook

**Effective Rent Date** 1/23/2013

**Location** 841 Willowbrook Drive  
Hinesville, GA 31313  
Liberty County

**Distance** 2.2 miles

**Units** 80

**Vacant Units** 1

**Vacancy Rate** 1.3%

**Type** Garden (2 stories)

**Year Built/Renovated** 2003 / N/A

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Wyngrove(Mkt); Ashton Place; Twin Oaks(Ludowici)

**Tenant Characteristics** 60% Liberty Cty, 40% from other military bases including Richmond Hill & Ludowici

**Contact Name** Cynthia

**Phone** (912) 877-2162



### Market Information

**Program** 50%, 60%, Market

**Annual Turnover Rate** 20%

**Units/Month Absorbed** N/A

**HCV Tenants** 9%

**Leasing Pace** preleased to a couple weeks

**Annual Chg. in Rent** None

**Concession** None

### Utilities

**A/C** not included -- central

**Cooking** not included -- electric

**Water Heat** not included -- gas

**Heat** not included -- gas

**Other Electric** not included

**Water** included

**Sewer** included

**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	703	\$398	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	703	\$491	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	2	703	\$650	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	7	923	\$468	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	3	923	\$579	\$0	@60%	Yes	1	33.3%	yes	None
2	1	Garden (2 stories)	5	923	\$780	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	960	\$468	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	24	960	\$579	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	4	960	\$820	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	4	1,150	\$537	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	15	1,150	\$665	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	5	1,150	\$900	\$0	Market	Yes	0	0.0%	N/A	None

## The Pines At Willowbrook, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$398	\$0	\$398	\$0	\$398	1BR / 1BA	\$491	\$0	\$491	\$0	\$491
2BR / 1BA	\$468	\$0	\$468	\$0	\$468	2BR / 1BA	\$579	\$0	\$579	\$0	\$579
2BR / 2BA	\$468	\$0	\$468	\$0	\$468	2BR / 2BA	\$579	\$0	\$579	\$0	\$579
3BR / 2BA	\$537	\$0	\$537	\$0	\$537	3BR / 2BA	\$665	\$0	\$665	\$0	\$665

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$0	\$650
2BR / 1BA	\$780	\$0	\$780	\$0	\$780
2BR / 2BA	\$820	\$0	\$820	\$0	\$820
3BR / 2BA	\$900	\$0	\$900	\$0	\$900

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Ceiling Fan  
Oven  
Walk-In Closet

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab  
Exercise Facility  
Off-Street Parking  
Picnic Area  
Recreation Areas

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground

#### Premium

None

#### Other

Gazebo

### Comments

Management indicated that there is demand for senior housing from their experience but it would have to be at the 30 to 50 percent AMI levels. Management indicated that they have some senior tenancy but not sure on the exact figure. They reported that generally the senior tenancy is from out of town who moved here to be close to their families associated with the military. Management was reluctant to think tenancy would come from the Richmond Hill/Savannah area unless it was somehow associated with the military or family. Management could not provide an estimated number of units that the market needed for senior units as they only deal with family tax credit units and market units.

# The Pines At Willowbrook, continued

## Trend Report

### Vacancy Rates

2Q09	4Q11	3Q12	1Q13
3.8%	1.3%	2.5%	1.3%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$320	\$0	\$320	\$320
2011	4	0.0%	\$398	\$0	\$398	\$398
2012	3	0.0%	\$398	\$0	\$398	\$398
2013	1	0.0%	\$398	\$0	\$398	\$398

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$375	\$0	\$375	\$375
2011	4	0.0%	\$468	\$0	\$468	\$468
2012	3	0.0%	\$468	\$0	\$468	\$468
2013	1	0.0%	\$468	\$0	\$468	\$468

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$375	\$0	\$375	\$375
2011	4	0.0%	\$468	\$0	\$468	\$468
2012	3	0.0%	\$468	\$0	\$468	\$468
2013	1	0.0%	\$468	\$0	\$468	\$468

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$423	\$0	\$423	\$423
2011	4	0.0%	\$537	\$0	\$537	\$537
2012	3	0.0%	\$537	\$0	\$537	\$537
2013	1	0.0%	\$537	\$0	\$537	\$537

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$408	\$0	\$408	\$408
2011	4	0.0%	\$491	\$0	\$491	\$491
2012	3	0.0%	\$491	\$0	\$491	\$491
2013	1	0.0%	\$491	\$0	\$491	\$491

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$482	\$0	\$482	\$482
2011	4	0.0%	\$579	\$0	\$579	\$579
2012	3	0.0%	\$579	\$0	\$579	\$579
2013	1	33.3%	\$579	\$0	\$579	\$579

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$482	\$0	\$482	\$482
2011	4	0.0%	\$579	\$0	\$579	\$579
2012	3	0.0%	\$579	\$0	\$579	\$579
2013	1	0.0%	\$579	\$0	\$579	\$579

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	13.3%	\$546	\$0	\$546	\$546
2011	4	0.0%	\$665	\$0	\$665	\$665
2012	3	0.0%	\$665	\$0	\$665	\$665
2013	1	0.0%	\$665	\$0	\$665	\$665

## The Pines At Willowbrook, continued

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$550	\$0	\$550	\$550
2011	4	0.0%	\$650	\$0	\$650	\$650
2012	3	0.0%	\$650	\$0	\$650	\$650
2013	1	0.0%	\$650	\$0	\$650	\$650

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$680	\$0	\$680	\$680
2011	4	0.0%	\$780	\$0	\$780	\$780
2012	3	0.0%	\$780	\$0	\$780	\$780
2013	1	0.0%	\$780	\$0	\$780	\$780

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$720	\$0	\$720	\$720
2011	4	0.0%	\$820	\$0	\$820	\$820
2012	3	0.0%	\$820	\$0	\$820	\$820
2013	1	0.0%	\$820	\$0	\$820	\$820

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	20.0%	\$800	\$0	\$800	\$800
2011	4	20.0%	\$900	\$0	\$900	\$900
2012	3	40.0%	\$900	\$0	\$900	\$900
2013	1	0.0%	\$900	\$0	\$900	\$900

### Trend: Comments

- 2Q09** Management indicated a significant demand for additional LIHTC housing in the market and that the LIHTC rents are set at the maximum allowable for both AMI levels. The greatest demand is for two-bedroom units which has the longest waiting list. This is a result of single-parent households. Additionally, there is demand for at least 12 to 15 more one-bedroom units. Demand for one-bedroom units comes from elderly/disabled residents many of whom live on fixed incomes. There are approximately six seniors at the property. Approximately 90 percent of the market rate units are occupied by military households. The property competes primarily with Ashton Place in Hinesville, but also with Twin Oaks in Ludowici which is slightly more affordable than housing in Hinesville. Management also indicated that the two LIHTC properties in Richmond Hill are minimally competitive with the property; Richmond Hill is more expensive than Hinesville and is more of a secondary market area of Savannah. Management indicated that the majority of the LIHTC residents are from the Liberty County area. Currently, there are three vacancies. One is preleased and the property manager is currently processing applications for the two remaining vacant units. The property manager indicated that unit mix by AMI level can vary based on demand from prospective tenants; however, 64 units must be LIHTC units and of those, 17 must be set at 50 percent AMI. The contact indicated that leasing 60 percent units can be difficult because the property has received tenants that are income overqualified and for those that do qualify, the rent may be too high. The majority of persons on the waiting list are tenants who qualify at the 50 percent AMI level and need 50 percent AMI rents.
- 4Q11** Management indicated a significant demand for additional LIHTC housing in the market and that the LIHTC rents are set at the maximum allowable for both AMI levels. The greatest demand is for two-bedroom units which has the longest waiting list. This is a result of single-parent households. Additionally, there is demand for at least 12 to 15 more one-bedroom units. Demand for one-bedroom units comes from elderly/disabled residents many of whom live on fixed incomes. There are approximately six seniors at the property. Approximately 90 percent of the market rate units are occupied by military households. The property competes primarily with Ashton Place in Hinesville, but also with Twin Oaks in Ludowici which is slightly more affordable than housing in Hinesville. Management also indicated that the two LIHTC properties in Richmond Hill are minimally competitive with the property; Richmond Hill is more expensive than Hinesville and is more of a secondary market area of Savannah. Management indicated that the majority of the LIHTC residents are from the Liberty County area. Rents have increased by about 3% for LIHTC units and they remain at the maximum allowable level. Rents for market units have increased between 6-10% over the last year.
- 3Q12** The contact indicated that the two vacancies have already been leased, as they work from their waiting list. The contact noted that the combined waiting list consists of approximately 100 households. The contact also stated that demand is strong for affordable housing units.
- 1Q13** Management indicated that there is demand for senior housing from their experience but it would have to be at the 30 to 50 percent AMI levels. Management indicated that they have some senior tenancy but not sure on the exact figure. They reported that generally the senior tenancy is from out of town who moved here to be close to their families associated with the military. Management was reluctant to think tenancy would come from the Richmond Hill/Savannah area unless it was somehow associated with the military or family. Management could not provide an estimated number of units that the market needed for senior units as they only deal with family tax credit units and market units.

# PROPERTY PROFILE REPORT

## Twin Oaks Apartments

<b>Effective Rent Date</b>	1/23/2013
<b>Location</b>	158 Twin Oaks Dr Ludowici, GA 31316 Long County
<b>Distance</b>	15.4 miles
<b>Units</b>	40
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1996 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	The Pines at Willowbrook, Ashton Place
<b>Tenant Characteristics</b>	Tenants come from Ludowici, Hinesville, Jesup, Glenville
<b>Contact Name</b>	Takara
<b>Phone</b>	(912) 545-3161



### Market Information

<b>Program</b>	@45%, @50%
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	preleased to a couple weeks
<b>Annual Chg. in Rent</b>	Increased
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	12	596	\$275	\$0	@45%	Yes	0	0.0%	yes	None
2	1.5	Garden (2 stories)	20	806	\$319	\$0	@45%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	8	990	\$422	\$0	@50%	Yes	0	0.0%	yes	None

### Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$275	\$0	\$275	\$38	\$313	3BR / 2BA	\$422	\$0	\$422	\$0	\$422
2BR / 1.5BA	\$319	\$0	\$319	\$48	\$367						

## Twin Oaks Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Exterior Storage  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Playground

Central Laundry  
On-Site Management

**Premium**

None

**Other**

None

### Comments

The property is located in Ludowici, but stated that of their senior tenancy, tenants come from Hinesville, Glenville, Ludowici, and Jesup. Twin Oaks is a family property, but management stated that they have a decent senior tenancy, and a wait list currently of eight to twelve months and have seniors on this wait list. Management was unsure of a specific HFOP figure for their tenancy but stated that because they have seniors on their wait list and see a decent amount of senior traffic, that there is demand at least within Ludowici for affordable senior housing. Management stated that seniors prefer two-bedroom units for at the very least additional storage room. Management was unsure if seniors would move from Richmond Hill/Savannah to Hinesville for housing. Management stated their AMI levels seem to suit seniors so would recommend 45 and 50 percent AMI rents.

# Twin Oaks Apartments, continued

## Trend Report

### Vacancy Rates

2Q09	4Q11	1Q13
2.5%	7.5%	0.0%

### Trend: @45%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	8.3%	\$267	\$0	\$267	\$305
2013	1	0.0%	\$275	\$0	\$275	\$313

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$319	\$0	\$319	\$367
2011	4	10.0%	\$311	\$0	\$311	\$359
2013	1	0.0%	\$319	\$0	\$319	\$367

### Trend: @50%

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$420	\$0	\$420	\$420
2011	4	0.0%	\$411	\$0	\$411	\$411
2013	1	0.0%	\$422	\$0	\$422	\$422

## Trend: Comments

- 2Q09** Rents for tenants with Housing Choice Vouchers are \$10 less than the rents listed because the utility allowance that applies to voucher tenants differs from non-voucher tenants.
- 4Q11** Rents for tenants with Housing Choice Vouchers are \$10 less than the rents listed because the utility allowance that applies to voucher tenants differs from non-voucher tenants. Vacant units have been preleased.
- 1Q13** The property is located in Ludowici, but stated that of their senior tenancy, tenants come from Hinesville, Glenville, Ludowici, and Jesup. Twin Oaks is a family property, but management stated that they have a decent senior tenancy, and a wait list currently of eight to twelve months and have seniors on this wait list. Management was unsure of a specific HFOP figure for their tenancy but stated that because they have seniors on their wait list and see a decent amount of senior traffic, that there is demand at least within Ludowici for affordable senior housing. Management stated that seniors prefer two-bedroom units for at the very least additional storage room. Management was unsure if seniors would move from Richmond Hill/Savannah to Hinesville for housing. Management stated their AMI levels seem to suit seniors so would recommend 45 and 50 percent AMI rents.

# PROPERTY PROFILE REPORT

## Link Terrace Apartments

<b>Effective Rent Date</b>	1/22/2013
<b>Location</b>	110 Link St Hinesville, GA 31313 Liberty County
<b>Distance</b>	1.9 miles
<b>Units</b>	54
<b>Vacant Units</b>	8
<b>Vacancy Rate</b>	14.8%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1980s / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Wyn Grove (Dryden Props), Stewart Way (sister prop)
<b>Tenant Characteristics</b>	Majority Military, minimal senior tenancy
<b>Contact Name</b>	Danielle
<b>Phone</b>	(912) 368-3555



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	67%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	preleased to a month
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- wall
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	One-story	7	288	\$533	\$0	Market	None	0	0.0%	N/A	None
1	1	One-story	29	576	\$633	\$0	Market	None	6	20.7%	N/A	None
2	1	One-story	9	864	\$749	\$0	Market	None	2	22.2%	N/A	None
2	2	One-story	9	864	\$759	\$0	Market	None	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$533	\$0	\$533	\$46	\$579
1BR / 1BA	\$633	\$0	\$633	\$54	\$687
2BR / 1BA	\$749	\$0	\$749	\$64	\$813
2BR / 2BA	\$759	\$0	\$759	\$64	\$823

## Link Terrace Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

Blinds  
Coat Closet  
Ceiling Fan  
Microwave  
Refrigerator  
Wall A/C

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

None

### Comments

Management indicated that they experience seasonality in vacancies as it is contingent upon military personnel activity on base. They were not familiar with demand for senior units on any level in the area, as they stated they only have two senior households and don't see much senior traffic. They stated that when they do see senior tenancy, they are looking for one-bedrooms over two-bedrooms. All of their senior tenancy comes from Hinesville.

Management does accept housing choice vouchers but does not have any tenants utilizing them currently. Management attributed their high turnover to military deployments every couple of months.

## Link Terrace Apartments, continued

### Trend Report

#### Vacancy Rates

2Q09	4Q11	3Q12	1Q13
3.3%	6.6%	6.6%	14.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	5.6%	\$620	\$0	\$620	\$674
2011	4	5.6%	\$633	\$0	\$633	\$687
2012	3	5.6%	\$633	\$0	\$633	\$687
2013	1	20.7%	\$633	\$0	\$633	\$687

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$749	\$0	\$749	\$813
2011	4	22.2%	\$749	\$0	\$749	\$813
2012	3	22.2%	\$749	\$0	\$749	\$813
2013	1	22.2%	\$749	\$0	\$749	\$813

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$759	\$0	\$759	\$823
2011	4	0.0%	\$759	\$0	\$759	\$823
2012	3	0.0%	\$759	\$0	\$759	\$823
2013	1	0.0%	\$759	\$0	\$759	\$823

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$480	\$0	\$480	\$526
2011	4	0.0%	\$525	\$0	\$525	\$571
2012	3	0.0%	\$525	\$0	\$525	\$571
2013	1	0.0%	\$533	\$0	\$533	\$579

### Trend: Comments

- 2Q09** The contact reported that the property typically remains 98 to 100 percent occupied. Rents have increased significantly since the last interview in October 2007. The contact estimated the unit mix.
- 4Q11** Management noted there have been about four vacants for at least three months. Rents have increased nine percent and two percent on studios and one-bedrooms, respectively. Rents have not changed in the last year on two-bedrooms.
- 3Q12** The contact stated that the demand, turnover, and leasing pace depend on the military personnel activity on base.
- 1Q13** Management indicated that they experience seasonality in vacancies as it is contingent upon military personnel activity on base. They were not familiar with demand for senior units on any level in the area, as they stated they only have two senior households and don't see much senior traffic. They stated that when they do see senior tenancy, they are looking for one-bedrooms over two-bedrooms. All of their senior tenancy comes from Hinesville.
- Management does accept housing choice vouchers but does not have any tenants utilizing them currently. Management attributed their high turnover to military deployments every couple of months.



## Ray Futch Apartments, continued

### Comments

Management had no comment on senior demand of any level. Management strictly would provide rents, vacancy, and annual turnover. They have no vacancies currently, but one units that is set to move out in a few weeks. Management does not accept housing choice vouchers.

## Ray Futch Apartments, continued

### Trend Report

#### Vacancy Rates

4Q11	3Q12	1Q13
0.0%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$650	\$0	\$650	\$650
2012	3	0.0%	\$650	\$0	\$650	\$650
2013	1	0.0%	\$650	\$0	\$650	\$650

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$800	\$0	\$800	\$800
2012	3	0.0%	\$750	\$0	\$750	\$750
2013	1	0.0%	\$750	\$0	\$750	\$750

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$850	\$0	\$850	\$850
2012	3	0.0%	\$850	\$0	\$850	\$850
2013	1	0.0%	\$850	\$0	\$850	\$850

### Trend: Comments

- 4Q11** Some units have exterior storage and some units have fireplace. There is no community room or recreation area on site, however management said a large amount of the population uses a local community center located less than a mile from the site. The wait list is approximately 11 households. Of the 60 units in the property, 30 units were built in the 1970s and 30 units were built in 2008 and 2009.
- 3Q12** No additional comments.
- 1Q13** Management had no comment on senior demand of any level. Management strictly would provide rents, vacancy, and annual turnover. They have no vacancies currently, but one units that is set to move out in a few weeks. Management does not accept housing choice vouchers.

# PROPERTY PROFILE REPORT

## Stewart Way Apartments

<b>Effective Rent Date</b>	1/22/2013
<b>Location</b>	302 W General Stewart Way Hinesville, GA 31313 Liberty County
<b>Distance</b>	0.8 miles
<b>Units</b>	191
<b>Vacant Units</b>	54
<b>Vacancy Rate</b>	28.3%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1970s / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Wyngrove, Link Terrace (sister property)
<b>Tenant Characteristics</b>	85 % military
<b>Contact Name</b>	Sharon
<b>Phone</b>	(912) 368-3777



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	75%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	preleased or a month or so
<b>Annual Chg. in Rent</b>	stable
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- wall
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	One-story	36	288	\$519	\$0	Market	None	N/A	N/A	N/A	None
1	1	One-story	129	576	\$619	\$0	Market	None	N/A	N/A	N/A	None
2	1	One-story	9	864	\$749	\$0	Market	None	N/A	N/A	N/A	None
2	2	One-story	17	864	\$759	\$0	Market	None	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$519	\$0	\$519	\$46	\$565
1BR / 1BA	\$619	\$0	\$619	\$54	\$673
2BR / 1BA	\$749	\$0	\$749	\$64	\$813
2BR / 2BA	\$759	\$0	\$759	\$64	\$823

## Stewart Way Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Ceiling Fan  
Microwave  
Refrigerator  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Dishwasher  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Wall A/C

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

Courtesy officer

### Comments

The property currently has 72 percent occupancy and management estimated turnover to be between 50 and 75 percent. This is due to the fact that Hinesville is a military town in which deployments occur every couple months. They attributed this to military being extremely transition tenancy, and management stated that their property is contingent upon this military tenancy which makes up of 85 percent of their tenancy. The property does not have many tenants 55 years of age or older, and management was unable to comment on the demand for senior units on any level.

# Stewart Way Apartments, continued

## Trend Report

### Vacancy Rates

4Q07	2Q09	4Q11	1Q13
27.2%	4.2%	17.8%	28.3%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	31.0%	\$429	\$18	\$411	\$465
2009	2	N/A	\$620	\$0	\$620	\$674
2011	4	N/A	\$619	\$0	\$619	\$673
2013	1	N/A	\$619	\$0	\$619	\$673

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	22.2%	\$719	\$30	\$689	\$753
2009	2	N/A	\$749	\$0	\$749	\$813
2011	4	N/A	\$749	\$0	\$749	\$813
2013	1	N/A	\$749	\$0	\$749	\$813

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	5.9%	\$729	\$30	\$699	\$763
2009	2	N/A	\$759	\$0	\$759	\$823
2011	4	N/A	\$759	\$0	\$759	\$823
2013	1	N/A	\$759	\$0	\$759	\$823

### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	4	25.0%	\$409	\$17	\$392	\$438
2009	2	N/A	\$480	\$0	\$480	\$526
2011	4	N/A	\$519	\$0	\$519	\$565
2013	1	N/A	\$519	\$0	\$519	\$565

## Trend: Comments

- 4Q07** The contact attributed the high vacancy rate to a deployment from Fort Stewart. The concession began October 15th and will run for an indefinite length of time. The turnover listed does not account for deployments. The contact stated that most of the properties in the area are Section 8. None of the utilities are included in the rent but if tenants would like to include utilities, the rates are: \$60, \$120, and \$180 for one-, two-bedroom one-bath, and two-bedroom two-bath units. Most tenants choose to not include utilities in the rent. The property's management company is Empirian Management.
- 2Q09** Occupancy and rents have increased significantly since the last interview in October 2007, which is likely due to the timing of military deployments.
- 4Q11** Rents for studios increased 8% over the last year. Rents for all other unit types have remained the same. Management could not break down number of vacant units by unit type. Vacancy is the highest it has been in at least a year as of October 2011, however management could not say why this was the case.
- 1Q13** The property currently has 72 percent occupancy and management estimated turnover to be between 50 and 75 percent. This is due to the fact that Hinesville is a military town in which deployments occur every couple months. They attributed this to military being extremely transition tenancy, and management stated that their property is contingent upon this military tenancy which makes up of 85 percent of their tenancy. The property does not have many tenants 55 years of age or older, and management was unable to comment on the demand for senior units on any level.

# PROPERTY PROFILE REPORT

## Treetop Apartments

**Effective Rent Date** 1/22/2013  
**Location** 600 Taylor Road  
 Hinesville, GA 31313  
 Liberty County  
**Distance** 0.9 miles  
**Units** 76  
**Vacant Units** 10  
**Vacancy Rate** 13.2%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1983 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Stewart  
**Tenant Characteristics** 85% military tenants  
**Contact Name** Ashley  
**Phone** (912) 369-8211



### Market Information

**Program** Market  
**Annual Turnover Rate** 100%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** preleased to a couple months  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- gas  
**Water Heat** not included -- gas  
**Heat** not included -- gas  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	634	\$600	\$0	Market	None	1	6.2%	N/A	None
2	1	Garden (2 stories)	44	830	\$675	\$0	Market	None	8	18.2%	N/A	None
3	2	Garden (2 stories)	16	925	\$710	\$0	Market	None	1	6.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$0	\$600
2BR / 1BA	\$675	\$0	\$675	\$0	\$675
3BR / 2BA	\$710	\$0	\$710	\$0	\$710

### Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Garbage Disposal		
Refrigerator		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		

## **Treetop Apartments, continued**

### **Comments**

Management estimated their annual turnover rate to be 100 percent due to their reliance on military tenancy which is extremely transitional, incurring deployments every couple months. Management estimated that 85 to 90 percent of their tenancy was military, with a very nominal HFOP population. Management was not able to provide any insight on the need for LIHTC senior housing.

# Treetop Apartments, continued

## Trend Report

### Vacancy Rates

3Q10	4Q11	3Q12	1Q13
19.7%	6.6%	9.2%	13.2%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$575	\$0	\$575	\$575
2011	4	N/A	\$575	\$0	\$575	\$575
2012	3	25.0%	\$575	\$0	\$575	\$575
2013	1	6.2%	\$600	\$0	\$600	\$600

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$630	\$0	\$630	\$630
2011	4	N/A	\$630	\$0	\$630	\$630
2012	3	6.8%	\$630	\$0	\$630	\$630
2013	1	18.2%	\$675	\$0	\$675	\$675

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$675	\$0	\$675	\$675
2011	4	N/A	\$675	\$0	\$675	\$675
2012	3	0.0%	\$675	\$0	\$675	\$675
2013	1	6.2%	\$710	\$0	\$710	\$710

## Trend: Comments

- 3Q10** The property is very close to Fort Stewart and therefore approximately 65 percent of the tenants are in the military. High vacancies at this time are due to military deployment. Management noted that 16 units are set aside for Project Based Voucher residents. They stated that the presence of the voucher residents has not been detrimental to leasing market rate units at the property. Management stated that the rental assistance is able to be used on any units which helps with the dynamic at the property. Typically there is an extensive waiting list for both market and subsidized units. Management noted that the property typically disperses the vouchers throughout the property so that there is not one section designated for subsidized units.
- 4Q11** The property is very close to Fort Stewart and therefore approximately 85 percent of the tenants are in the military. Management noted that 16 units are set aside for Project Based Voucher residents. They stated that the presence of the voucher residents has not been detrimental to leasing market rate units at the property. Management stated that the rental assistance is able to be used on any units which helps with the dynamic at the property. The wait list for market units is 4 HH. The wait list for the Project Based Section 8 units lasts four to five years. Typically there is an extensive waiting list for both market and subsidized units. All five vacant units are preleased.
- 3Q12** The contact said that new management took over the property in January 2012 and converted all Section 8 units to market rate. Management reported that recent turnover has been high due to military deployment and that this is not unusual; vacancy at the property has been averaging approximately five percent.
- 1Q13** Management estimated their annual turnover rate to be 100 percent due to their reliance on military tenancy which is extremely transitional, incurring deployments every couple months. Management estimated that 85 to 90 percent of their tenancy was military, with a very nominal HFOP population. Management was not able to provide any insight on the need for LIHTC senior housing.



## Windover Apartments, continued

### Comments

Management indicated they have two vacancies currently and with the recent deployment they have been vacant for a few months now. Management indicated they do not see much senior traffic at all, and would not be able to provide any insight into senior demand as they do not see much. Management stated they would accept housing choice vouchers, but they are just not really familiar with the process and rarely get asked.

Management estimated their turnover was really high, above 50 percent.

## Windover Apartments, continued

### Trend Report

#### Vacancy Rates

4Q11	1Q13
37.5%	25.0%

### Trend: Market

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	37.5%	\$630	\$0	\$630	\$630
2013	1	25.0%	\$700	\$0	\$700	\$700

### Trend: Comments

**4Q11** The manager purchased the property about a month ago. There were three vacants, all recent move-outs, and one unit is preleased. Management stated the rents had increased over the last year under the previous owner, but was unable to provide the amount of the increase. Management stated rents are \$600 plus a \$30 fee for water/sewer/trash. Rents in the system reflect this total, with water/sewer/trash paid for by management.

**1Q13** Management indicated they have two vacancies currently and with the recent deployment they have been vacant for a few months now. Management indicated they do not see much senior traffic at all, and would not be able to provide any insight into senior demand as they do not see much. Management stated they would accept housing choice vouchers, but they are just not really familiar with the process and rarely get asked.

Management estimated their turnover was really high, above 50 percent.

# PROPERTY PROFILE REPORT

## Wyngrove Apartments

<b>Effective Rent Date</b>	1/23/2013
<b>Location</b>	942 Grove Point Drive Hinesville, GA 31313 Liberty County
<b>Distance</b>	4.5 miles
<b>Units</b>	140
<b>Vacant Units</b>	22
<b>Vacancy Rate</b>	15.7%
<b>Type</b>	Garden
<b>Year Built/Renovated</b>	2004 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Liberty Court, Liberty Place (sister properties)
<b>Tenant Characteristics</b>	Majority military
<b>Contact Name</b>	Property Manager
<b>Phone</b>	(912) 368-6105



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Varies with deployment
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	60	800	\$700	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden	66	1,106	\$825	\$0	Market	None	N/A	N/A	N/A	None
3	2	Garden	14	1,318	\$925	\$0	Market	None	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$700	\$0	\$700	\$0	\$700
2BR / 2BA	\$825	\$0	\$825	\$0	\$825
3BR / 2BA	\$925	\$0	\$925	\$0	\$925

### Amenities

#### In-Unit

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Washer/Dryer hookup

Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator

#### Security

Limited Access  
Perimeter Fencing

#### Services

None

#### Property

Off-Street Parking

#### Premium

None

#### Other

None

## Wyngrove Apartments, continued

### Comments

Management indicated that they do not look at annual turnover, just current occupancy, so was not able to provide annual turnover figures. Management stated that they see high turnover figures though due to the tenancy being almost all military and there are deployments every couple months which affect occupancy tremendously.

Management stated they maybe have two senior tenants of a total 300 units throughout Hinesville and stated they did not see or know of demand for HFOP tenancy or AMI level structure.

## Wyn Grove Apartments, continued

### Trend Report

#### Vacancy Rates

2Q09	4Q11	3Q12	1Q13
2.9%	2.9%	5.0%	15.7%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$700	\$0	\$700	\$700
2011	4	3.3%	\$700	\$0	\$700	\$700
2012	3	5.0%	\$700	\$0	\$700	\$700
2013	1	N/A	\$700	\$0	\$700	\$700

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$825	\$0	\$825	\$825
2011	4	3.0%	\$825	\$0	\$825	\$825
2012	3	4.5%	\$825	\$0	\$825	\$825
2013	1	N/A	\$825	\$0	\$825	\$825

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$925	\$0	\$925	\$925
2011	4	0.0%	\$925	\$0	\$925	\$925
2012	3	7.1%	\$925	\$0	\$925	\$925
2013	1	N/A	\$925	\$0	\$925	\$925

### Trend: Comments

**2Q09** Occupancy has improved since the last interview in October 2007, which was likely due to the schedule of military deployments since the property has a large military population. The contact could not report the property's absorption pace or the unit breakdown for the one- and two-bedroom units.

**4Q11** No additional comments.

**3Q12** N/A

**1Q13** Management indicated that they do not look at annual turnover, just current occupancy, so was not able to provide annual turnover figures. Management stated that they see high turnover figures though due to the tenancy being almost all military and there are deployments every couple months which affect occupancy tremendously.

Management stated they maybe have two senior tenants of a total 300 units throughout Hinesville and stated they did not see or know of demand for HFOP tenancy or AMI level structure.

## 2. The following information is provided as required by DCA:

### Housing Choice Vouchers

#### TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Ashton Place Apartments	LIHTC	13%
The Pines At Willowbrook	LIHTC	9%
Twin Oaks Apartments	LIHTC	10%
Link Terrace Apartments	Market	0%
Ray Futch Apartments	Market	0%
Stewart Way Apartments	Market	0%
Treetop Apartments	Market	0%
Windover Apartments	Market	0%
Wyngrove Apartments	Market	0%
<b>Average</b>		<b>4%</b>

As illustrated in the table, all of the LIHTC properties reported having voucher tenants. The average number of voucher tenants at the LIHTC properties is 11 percent and the overall market average is four percent. The local market does not appear to be dependent on voucher tenants.

### Lease Up History

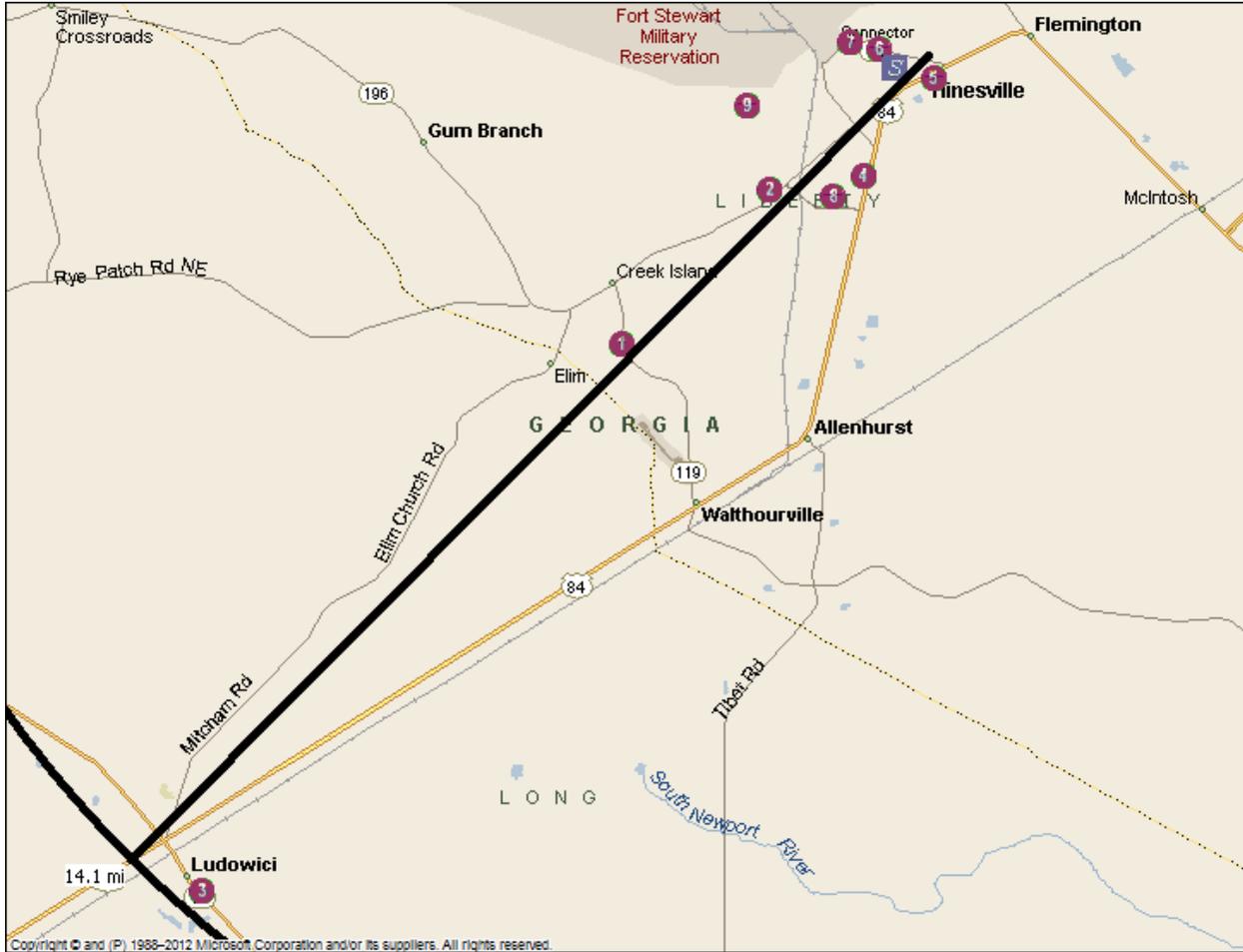
The newest of the LIHTC comparable properties are Sheppard Station in Pooler and Sustainable Fellwood III in Savannah. These properties are located 36-41 miles from the Subject and therefore have not been used as comps because they will not directly compete with the Subject. However, given the lack of absorption info at the comparables, we have utilized them in our absorption discussion.

Sheppard Station, a senior property, opened in 2009 and offers 65 one and two-bedroom units that are restricted at 50 and 60 percent AMI as well as market rate units. The property stabilized at a rate of 12 units per month.

Sustainable Fellwood III, a senior property, opened in 2012 and offers 100 one and two bedroom units that are restricted at 60 percent AMI as well as PBRA units and unrestricted units. This property stabilized at a rapid rate of 45 units per month due to preleasing of units at its existing family LIHTC sister properties, Sustainable Fellwood I and II.

The Subject will be new construction without sister phases and will not offer PBRA units. Therefore, we anticipate that the Subject will stabilize at a slower rate than Sheppard Station and Sustainable Fellwood III. We anticipate that the Subject would stabilize at 93 percent occupancy within four to five months at a rate of nine to 10 units per month.

3. COMPETITIVE PROJECT MAP



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance
1	Ashton Place Apartments	Hinesville	@ 30%, @ 50%, @ 60%	5.2 miles
2	The Pines At Willowbrook	Hinesville	50%, 60%, Market	2.2 miles
3	Twin Oaks Apartments	Ludowici	@ 45%, @ 50%	15.4 miles
4	Link Terrace Apartments	Hinesville	Market	1.9 miles
5	Ray Futch Apartments	Hinesville	Market	1.0 miles
6	Stewart Way Apartments	Hinesville	Market	0.8 miles
7	Treetop Apartments	Hinesville	Market	0.9 miles
8	Windover Apartments	Hinesville	Market	2.7 miles
9	Wyngrove Apartments	Hinesville	Market	4.5 miles

#### 4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

AMENITY MATRIX

Comp #	Renaissance Park Subject	Ashton Place Apartments 1	The Pines At Willowbrook 2	Twin Oaks Apartments 3	Link Terrace Apartments 4	Ray Futch Apartments 5	Stewart Way Apartments 6	Treetop Apartments 7	Windover Apartments 8	Wyngrove Apartments 9
<b>Property Information</b>										
Property Type	Lowrise (age-restricted) (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	One-story	Garden (2 stories)	One-story	Garden (2 stories)	One-story	Garden
Year Built / Renovated	2015 / n/a	1993 / n/a	2003 / n/a	1996 / n/a	1980s / n/a	1970s/2009 / n/a	1970s / n/a	1983 / n/a	n/a / n/a	2004 / n/a
Market (Conv./Subsidy Type)	@50%, @60%	@30%, @50%, @60%	50%, 60%, Market	@45%, @50%	Market	Market	Market	Market	Market	Market
<b>In-Unit Amenities</b>										
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	no	yes	no	yes	no	yes
Coat Closet	yes	no	yes	no	yes	no	no	no	no	yes
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	yes	no	no	no	no	no	yes
Ceiling Fan	no	no	yes	no	yes	yes	yes	no	yes	yes
Garbage Disposal	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	no	no	no	yes	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	yes	no	yes	no	no	no
Walk-In Closet	no	yes	yes	no	no	no	yes	no	yes	no
Wall A/C	no	no	no	no	yes	no	yes	no	no	no
Washer/Dryer	no	no	no	no	no	no	no	no	yes	no
Washer/Dryer hookup	no	yes	yes	yes	yes	yes	yes	no	yes	yes
<b>Property Amenities</b>										
Business Center/Computer Lab	yes	no	yes	no	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	no	yes	yes	no	no	no	no	no	no
Elevators	yes	no	no	no	no	no	no	no	no	no
Exercise Facility	yes	no	yes	no	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Picnic Area	no	no	yes	no	no	no	no	no	yes	no
Playground	no	yes	yes	yes	no	no	no	no	no	no
Recreation Areas	no	no	yes	no	no	no	no	no	yes	no
Swimming Pool	no	no	no	no	no	no	no	yes	no	no
<b>Security</b>										
Limited Access	no	no	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	no	no	no	yes
Video Surveillance	no	no	no	no	no	yes	no	no	no	no
<b>Other Amenities</b>										
Other	n/a	Gazebo	Gazebo	n/a	n/a	n/a	Courtesy officer	n/a	n/a	n/a

The Subject will offer a variety of amenities including a business center/computer lab, and central laundry. However, the Subject will be at a disadvantage in terms of in-unit amenities as it

will lack amenities such as washer/dryer connections, however, the Subject will offer a central laundry and that it will target senior HHs, the lack of W/D connections should not negatively impact the Subject's ability to lease unit

**5. Tenant Characteristics**

The Subject will target senior households aged 55 and older. Due to the lack of senior properties, we have also included family properties. The following table illustrates the tenant characteristics at the family properties included.

**TENANT CHARACTERISTICS**

Comparable Property	Type	Tenant Characteristics
Ashton Place Apartments	LIHTC	Majority of tenants come from Hinesville 20% Senior
The Pines At Willowbrook	LIHTC	60% Liberty Cty, 40% from other military bases including Richmond Hill & Ludowici
Twin Oaks Apartments	LIHTC	Tenants come from Ludowici, Hinesville, Jesup, Glenville
Link Terrace Apartments	Market	Majority Military, minimal senior tenancy
Ray Futch Apartments	Market	Military personnel
Stewart Way Apartments	Market	85 % military
Treetop Apartments	Market	85% military tenants
Windover Apartments	Market	Basically 100% military residents
Wyngrove Apartments	Market	Majority military

As illustrated in the previous table there are a minimal amount of seniors at the comparable properties, as the majority of the tenants are military personnel. Ashton Place is the only property that reported a high senior tenancy.

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

**OVERALL VACANCY**

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Place Apartments	@ 30% , @ 50% , @ 60%	48	4	8.3%
The Pines At Willowbrook	50% , 60% , Market	80	1	1.3%
Twin Oaks Apartments	@ 45% , @ 50%	40	0	0.0%
Link Terrace Apartments	Market	54	8	14.8%
Ray Futch Apartments	Market	60	0	0.0%
Stewart Way Apartments	Market	191	54	28.3%
Treetop Apartments	Market	76	10	13.2%
Windover Apartments	Market	8	2	25.0%
Wyngrove Apartments	Market	140	22	15.7%
<b>Total</b>		<b>697</b>	<b>101</b>	<b>14.5%</b>

The LIHTC comparable properties are outperforming the market with a 3.0 percent vacancy rate versus 18.1 percent among the market rate properties. Management at these properties attributed the high vacancy rate to military deployments. The property managers at Stewart Way and Treetop Apartments estimated that 85 to 90 percent of the properties' tenants are military personnel and that turnover rates range from 50 to 100 percent per year. In contrast, the LIHTC properties are maintaining low vacancy rates and waiting lists. While Ashton Place is

maintaining an eight percent vacancy rate, the property only has four vacant units. Management at Ashton Place and The Pines at Willowbrook indicated that they do receive traffic from seniors who are moving to Hinesville to be closer to their adult children, indicating that there is demand for senior housing in the market. The Subject will be the only senior LIHTC property in a market where the existing LIHTC supply is performing well with low vacancy rates and waiting lists. Further, the Subject will be on the low end of the range in terms of total number of units at the LIHTC properties. We believe that the Subject should maintain a vacancy rate of five percent, or less, once stabilized.

Senior Comparable Properties in Savannah Area

SENIOR LIHTC IN SAVANNAH AREA														
Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Renaissance Park NWC Bradwell St & E Hinesville, GA 31313 Liberty County	n/a	Lowrise (age- 3 stories) 2015 / n/a	@50% , @60%	1BR / 1BA	3	7.10%	@50%	\$363	700	yes		N/A	N/A
					1BR / 1BA	13	31.00%	@60%	\$456	700	yes	N/A	N/A	
					2BR / 2BA	3	7.10%	@50%	\$427	940	yes	N/A	N/A	
					2BR / 2BA	1	2.40%	@50%	\$427	1,059	yes	N/A	N/A	
					2BR / 2BA	15	35.70%	@60%	\$539	940	yes	N/A	N/A	
					2BR / 2BA	7	16.70%	@60%	\$539	1,059	yes	N/A	N/A	
						42	100%							
1	Rose Of Sharon 322 East Taylor Street Savannah, GA 31401 Chatham County	41.2 miles	Highrise (age- 12 stories) 1972 / 2007	@60%	Studio / 1BA	44	21.40%	@60%	\$421	418	n/a	23	3	6.80%
					1BR / 1BA	140	68.00%	@60%	\$466	602	n/a	23	4	2.90%
					1BR / 1BA	22	10.70%	@60%	\$466	627	n/a	23	2	9.10%
						206	100%							
2	Sheppard Station 215 Brighton Woods Dr Pooler, GA 31322 Chatham County	36.4 miles	Lowrise (age- 2009 / n/a)	@50% , @60% , Market	1BR / 1BA	25	38.50%	@50%	\$481	815	n/a	Yes	0	0.00%
					1BR / 1BA	1	1.50%	@60%	\$481	815	no	Yes	0	0.00%
					1BR / 1BA	7	10.80%	Market	\$543	815	n/a	Yes	0	0.00%
					2BR / 1BA	24	36.90%	@50%	\$526	1,000	n/a	Yes	0	0.00%
					2BR / 1BA	2	3.10%	@60%	\$526	1,000	no	Yes	0	0.00%
					2BR / 1BA	6	9.20%	Market	\$603	1,000	n/a	Yes	0	0.00%
						65	100%							
3	Sister's Court 222 E 37th St Savannah, GA 31401 Chatham County	40.8 miles	Conversion (age- 3 stories) 1900s / 1999	@50% , @60%	1BR / 1BA	28	35.90%	@50%	\$405	500	no	No	0	0.00%
					1BR / 1BA	37	47.40%	@60%	\$415	500	no	No	0	0.00%
					1BR / 1BA	8	10.30%	@60%	\$220	500	no	No	0	0.00%
					2BR / 1BA	2	2.60%	@50%	\$455	650	no	No	0	0.00%
					2BR / 1BA	2	2.60%	@60%	\$485	750	no	No	0	0.00%
					2BR / 1BA	1	1.30%	Non-Rental	N/A	650	n/a		0	0.00%
						78	100%							
4	Sustainable Fellwood III Exley Street Savannah, GA 31415 Chatham County	41.3 miles	Lowrise (age- 4 stories) 2012 / n/a	@60% , @60% (Project Based Rental Assistance - PBRA), Market	1BR / 1BA	41	41.00%	@60%	\$583	732	no	Yes	0	0.00%
					1BR / 1BA	37	37.00%	@60%	N/A	732	n/a	Yes	0	0.00%
					1BR / 1BA	7	7.00%	Market	\$639	732	n/a	Yes	0	0.00%
					2BR / 2BA	5	5.00%	@60%	\$702	951	no	Yes	0	0.00%
					2BR / 2BA	7	7.00%	@60%	N/A	951	n/a	Yes	0	0.00%
					2BR / 2BA	3	3.00%	Market	\$739	951	n/a	Yes	0	0.00%
						100	100%							

The senior LIHTC properties in Savannah and Pooler reported vacancy rates ranging from zero to 4.4 percent and an overall vacancy rate of two percent. Management at these properties reported that the majority of senior tenants in Savannah would not likely move to Hinesville for affordable housing; however, the performance of the senior LIHTC properties in Savannah and Pooler indicate demand for senior housing in the region. Property managers with experience in the Hinesville market reported that demand for senior housing in Hinesville would come from retired personnel from Fort Stewart who income-qualify.

### 7. Properties Under Construction and Proposed

There are no new senior LIHTC or market rate properties that have been proposed or under construction in the PMA.

### 8. Rental Advantage

The following table illustrates the Subject’s similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report

Similarity Matrix

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashton Place Apartments	@ 30%, @ 50%, @ 60%	Inferior	Superior	Similar	Inferior	Similar	-10
2	The Pines At Willowbrook	50%, 60%, Market	Similar	Superior	Similar	Slightly Inferior	Similar	5
3	Twin Oaks Apartments	@ 45%, @ 50%	Slightly Inferior	Superior	Slightly Inferior	Inferior	Slightly Inferior	-15
4	Link Terrace Apartments	Market	Inferior	Superior	Similar	Inferior	Slightly Inferior	-15
5	Ray Futch Apartments	Market	Inferior	Superior	Similar	Slightly Inferior	Similar	-5
6	Stewart Way Apartments	Market	Inferior	Superior	Similar	Inferior	Slightly Inferior	-15
7	Treetop Apartments	Market	Inferior	Similar	Similar	Inferior	Slightly Inferior	-25
8	Windover Apartments	Market	Inferior	Superior	Similar	Inferior	N/A	-10
9	Wyngrove Apartments	Market	Inferior	Superior	Similar	Slightly Inferior	Superior	5

\*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

LIHTC Rent Comparison - @50%

Property Name	Tenancy	1BR	2BR
Renaissance Park (Subject)		\$363	\$427
<b>LIHTC Maximum (Net)</b>	--	<b>\$363</b>	<b>\$427</b>
The Pines At Willowbrook	Family	\$398	\$468
Ashton Place Apartments	Family	--	\$440
Twin Oaks Apartments	Senior	\$313	\$367
<b>Average (excluding Subject)</b>		<b>\$356</b>	<b>\$425</b>

LIHTC Rent Comparison - @60%

Property Name	Tenancy	1BR	2BR
Renaissance Park (Subject)	Senior	\$456	\$539
<b>LIHTC Maximum (Net)</b>	--	<b>\$456</b>	<b>\$539</b>
The Pines At Willowbrook	Family	\$491	\$579
Ashton Place Apartments	Family	--	\$525
<b>Average (excluding Subject)</b>		<b>\$491</b>	<b>\$552</b>

The Subject’s rents at both 50 and 60 percent AMI will be at the maximum allowable levels at 50 and 60 percent AMI. The Pines at Willowbrook is achieving rents that are above the maximum allowable levels for all AMI levels and unit types, which is due to a variety of factors including

but not limited to variances in utility structures and when a property was placed in service. The family LIHTC properties in Hinesville are maintaining high occupancy rates and management reported demand for senior LIHTC housing as seniors are currently residing at these properties and are paying the rents. Further, the Subject will be the only senior LIHTC property in the PMA if allocated. Overall, we believe that the Subject’s rents are feasible as proposed given the lack of senior LIHTC supply, the performance of the family LIHTC properties in Hinesville, and the fact that they will be among the lowest in the market.

**Analysis of “Market Rents”**

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Subject	Surveyed		Surveyed Average	Subject Rent Advantage
		Min	Surveyed Max		
<b>50% AMI</b>					
1 BR	\$363	\$398	\$662	\$530	46%
2 BR	\$427	\$367	\$802	\$585	37%
<b>60% AMI</b>					
1 BR	\$456	\$415	\$662	\$633	39%
2 BR	\$539	\$555	\$802	\$731	36%

As previously discussed, the family market rate properties are experiencing sporadic vacancy issues due to military deployments and the properties’ reliance on military personnel. As the table above depicts, the Subject’s proposed rents are on the low end of the range of the rents surveyed in the market. Of the comparable properties that offer senior units, Sheppard Station (senior LIHTC in Pooler) is achieving the lowest market rents. Sheppard Station and Sustainable Fellwood III (senior LIHTC in Savannah) are achieving market rents ranging from \$505 to \$601

for the one-bedroom units and \$555 to \$691 for the two-bedroom units. Ray Futch Apartments is the only family market rate property in Hinesville that is maintaining a stable occupancy rate and it is offering \$591 for its one-bedroom units and \$676 to \$776 for its two-bedroom units. Overall, the Subject will offer a positive price-value relationship as it will offer new construction with rents that are lower than the surveyed average market rents.

**9. LIHTC Competition – Recent Allocations within Two Miles**

According to information on Georgia Department of Community Affairs LIHTC allocation lists, there have been no senior properties allocated in the PMA in the past two years.

**10. Rental Trends in the PMA**

The following table is a summary of the tenure patterns of the housing stock in the PMA.

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	3,647	77.8%	1,040	22.2%
2012	7,174	81.9%	1,587	18.1%
Projected Mkt Entry July 2015	8,357	81.32%	1,926	18.68%
2017	9,147	81.0%	2,152	19.0%

Source: ESRI Demographics 2012, Novogradac & Company LLP, May 2013

As the table illustrates, owner-occupied housing units dominate the housing market in the PMA. Even though the PMA has a higher portion of owner households than the national average, the owner-occupied market still does not promote affordable housing choices for low and moderate-income people. In 2012, approximately 18 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is above the national average of 13 percent for seniors living in renter-occupied housing units.

*Historical Vacancy*

The following table illustrates the historical vacancy at the comparable properties when available.

**Historical Vacancy**

Comparable Property	Type	Total	2QTR	4QTR	3QTR	Current
		Units	2009	2011	2012	Vacancy
Ashton Place Apartments	LIHTC	48	2.10%	0.00%	N/A	8.30%
The Pines At Willowbrook	LIHTC	80	3.80%	1.30%	2.50%	1.30%
Twin Oaks Apartments	LIHTC	40	2.50%	7.50%	N/A	0.00%
Link Terrace Apartments	Market	54	3.30%	6.60%	6.60%	14.80%
Ray Futch Apartments	Market	60	N/A	0.00%	0.00%	0.00%
Stewart Way Apartments	Market	191	4.20%	17.80%	N/A	28.30%
Treetop Apartments	Market	76	0.00%	6.60%	9.20%	13.20%
Windover Apartments	Market	8	N/A	37.50%	N/A	25.00%
Wyngrove Apartments	Market	140	2.90%	2.90%	5.00%	15.70%
		739	2.70%	8.90%	4.70%	14.50%

As illustrated in the table, the average vacancy in the local market has fluctuated over the last few years. The property managers at the comparables with high vacancy reports that this is because of the military deployments from Fort Stewart.

*Change in Rental Rates*

**RENT GROWTH**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Ashton Place Apartments	@ 30%, @ 50%, @ 60%	N/A
The Pines At Willowbrook	50%, 60%, Market	None
Twin Oaks Apartments	@45%, @50%	Increased
Link Terrace Apartments	Market	None
Ray Futch Apartments	Market	None
Stewart Way Apartments	Market	stable
Treetop Apartments	Market	None
Windover Apartments	Market	N/A
Wyngrove Apartments	Market	None

One of the comparables experienced rent increases over the past year but given the inconsistent trend among the comparables, we do not anticipate that the Subject will experience rent growth in the near term.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

The Subject is located in zip code 31313. According to RealtyTrac, this region experienced a high foreclosure rate in April 2013 with approximately one out of every 704 housing units filing for foreclosure in April 2013. Comparatively, Liberty County had a foreclosure rate of one in every 804 housing units; Georgia had a foreclosure rate of one in every 682 housing units; and the nation experienced a foreclosure rate of one in every 905 housing units. Therefore, Hinesville had a higher foreclosure rate than Liberty County and the nation, but lower than the state of Georgia. The Subject’s immediate neighborhood did not include any abandoned or vacant structures

**12. Primary Housing Void**

There is a general lack of LIHTC housing in Hinesville and there are no senior LIHTC properties in the PMA. The senior LIHTC properties are located in neighboring submarkets (Pooler and Savannah) are maintaining high occupancy rates. Therefore, we believe that the Subject will fill a senior housing void in Hinesville. The nearest senior properties are over 30 miles for the Subject site and will not directly compete with the Subject. That occupancy levels at these properties are over 95 percent, indicating that there is demand for senior housing in the greater area.

**13. Affect of Subject on Other Affordable Units in Market**

There are only two family LIHTC property in Hinesville, Ashton Place and The Pines At Willowbrook, Ashton Place has four vacant units, while the Pines at Willowbrook only has one. Further, the senior LIHTC properties in Pooler and Savannah are maintaining an overall occupancy rate of 100 percent, indicating that there is demand for senior LIHTC housing in the larger market. Because there are no senior LIHTC properties in the PMA, we do not believe that the Subject will have a long-term impact on other affordable units in the market.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed new construction. The Subject's proposed rents at 50 and 60 percent AMI are set well below those at the family LIHTC properties and below the senior LIHTC properties in Pooler and Savannah as these areas are higher income areas, and while these properties will not directly compete with the Subject, they illustrate the demand for senior rental housing in the greater market area. The family LIHTC properties in Hinesville are maintaining high occupancy rates and management reported demand for senior LIHTC housing as seniors are currently residing at these properties and are paying the rents. Further, the Subject will be the only senior LIHTC property in the PMA if allocated. Overall, we believe that the Subject's rents are feasible as proposed given the lack of senior LIHTC supply, the performance of the family LIHTC Overall, the Subject will offer a positive price-value relationship as it will offer new construction with rents that are lower than the surveyed average market rents.

## **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

The following table illustrates absorption rates at the newest senior LIHTC properties in the Savannah and Pooler areas. These properties are 36-41 miles from the Subject and are outside the PMA. Due to their distance from the Subject they have not been used as comparables in our supply analysis. However, we have included them in the absorption discussion due to the lack of available absorption data at the comparables.

**ABSORPTION**

Property name	Type	Location	Tenancy	Year Built	Units	
					Number of Units	Absorbed/ Month
Sheppard Station	@50%, @60%, Market	Pooler	Senior	2009	65	12
Sustainable Fellwood III	@60%, @60% (PBRA), Market	Savannah	Senior	2012	100	30

Sheppard Station is located in Pooler (outside of the PMA), opened in 2009, and reported an absorption pace of approximately 12 units per month. Sustainable Fellwood III (in Savannah) opened in 2012 and stabilized at a rate of 30 units per month. This property’s rapid absorption pace is likely due to the PBRA units at the property as well as the fact that it is one phase of an existing development. The Subject will not offer project-based rental assistance and is not part of a phased development. We have conservatively estimated that the Subject will lease approximately 10 units per month as the Subject will not have a waiting list at sister properties from which to draw tenants (as is the case with Sustainable Fellwood III). At this pace, the Subject will reach a stabilized occupancy of 93 percent within four to five months.

## **J. INTERVIEWS**

**Rental Assistance Program, Waycross Southeast Regional Office**

We attempted to contact this regional branch as they are the ones that issue the housing choice vouchers for the Liberty County Area. We also attempted to contact the Hinesville Housing Authority. To date we have not been able to reach anyone at these offices to speak about the voucher system and those issued. According to the Hinesville Housing Authority's website their waiting list is closed.

The current payment standard for Liberty County can be found in the following table.

Payment Standards	
1BR	\$613
2BR	\$765

The Subject's gross rents at 50 and 60 percent AMI are below the payment standard.

**Planning**

According to the City of Hinesville Planning and Zoning, there are two commercial developments underway, a VA Clinic and a Golden Corral Restaurant. Both are currently under construction. There are no proposed multifamily projects in Hinesville.

**Additional interviews can be found in the comments section of the property profiles.**

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- The Subject is located in Hinesville in Liberty County, Georgia. Overall demographics are strong for the Subject's age-restricted units as the PMA has been an area of growth. Senior population in 2012 was 14,030 and is projected to increase to 17,036 by 2017. There were 8,761 senior households in 2012, which is expected to increase to 11,299 by 2017. Senior population in the PMA is projected to increase at a 4.3 percent annual rate over the next five years, a rate nearly double that of the nation during the same period. This is a strong growth rate that suggests there is sufficient demand for the Subject.

In addition to the positive growth trends, the strong tenure patterns also demonstrate strong demand for the Subject. In 2012, approximately 18.1 percent of seniors above the age of 55 in the PMA resided in renter-occupied housing units. This is significantly above the national average of 13 percent for seniors living in renter-occupied housing units. Among these renters, approximately 73 percent lived in one or two-person households. This trend supports the proposed one-bedroom and two-bedroom unit mix at the Subject.

The Subject will target households with income between \$13,920 and \$23,760. Approximately 29 percent of senior renters above the age of 55 earn incomes between \$10,000 and \$29,999. Households in these income cohorts are expected to create demand for the Subject.

The Subject is located in zip code 31313. According to RealtyTrac, this region experienced a high foreclosure rate in April 2013 with approximately one out of every 704 housing units filing for foreclosure in April 2013. Comparatively, Liberty County had a foreclosure rate of one in every 804 housing units; Georgia had a foreclosure rate of one in every 682 housing units; and the nation experienced a foreclosure rate of one in every 905 housing units. Therefore, Hinesville had a higher foreclosure rate than Liberty County and the nation, but lower than the state of Georgia. We anticipate that approximately two percent of the tenants will sell homes in order to move to the Subject. Based upon site inspection, the Subject's immediate neighborhood did not include any abandoned or vacant structures.

- The Hinesville area is heavily reliant on the defense industry, with Fort Stewart employing approximately 15,000 military personnel as well as close to 3,000 civilian personnel. However, when excluding Fort Stewart, the largest employers represent a variety of industries. These industries include those that are considered to be historically stable such as education, healthcare, and public administration. The Hinesville MSA has historically posted strong annual employment growth and unemployment rates comparable to that of the nation. However, since 2008, the total employment level has only experienced very moderate growth. The March 2013 year-over-year comparison shows that employment has decreased by 1.0 percent and unemployment has increased 20 basis points. Historically, even during the recession, the MSA unemployment rate was lower than the nation. However, as of March 2013, the unemployment rate is 100 basis points higher in the MSA than the nation.

The coastal Georgia area lost 2,888 jobs from 2010 to year-to-date 2013. Of these losses, 425 are in Liberty County. Additionally, we spoke with Mr. Ryan Willett, of the Liberty County

Chamber of Commerce. Mr. Willett reported that there have been no large scale expansions or lay-offs of late. Mr. Willett noted there have been layoffs of civilian workers at Fort Stewart, which is also located in Liberty County. Mr. Willett did not have specific numbers; however, there were 3,287 civilian workers at Fort Stewart in 2009 and there are currently 2,696 civilian workers. This is a decrease of 591 workers since 2009. We assume Fort Stewart is not subject to WARN filings.

- The Subject's capture rates at the 50 percent AMI level will range from 4.7 to 4.9 percent, with an overall capture rate of 4.8 percent. The Subject's 60 percent AMI capture rates range from 22.2 to 38.0 percent, with an overall capture rate of 30.2 percent. The overall capture rate for the project's 50 and 60 percent units is 23.5 percent. We believe there is demand for the Subject as proposed given low vacancy in the market and the lack of LIHTC supply, particularly senior LIHTC supply in Hinesville. There are a total of 179 income qualified households in the PMA, the Subject would need to capture approximately 22 percent of these households to reach stabilized occupancy.
- Sheppard Station is located in Pooler (outside of the PMA), opened in 2009, and reported an absorption pace of approximately 12 units per month. Sustainable Fellwood III (in Savannah) opened in 2012 and stabilized at a rate of 30 units per month. This property's rapid absorption pace is likely due to the PBRA units at the property as well as the fact that it is one phase of an existing development. The Subject will not offer project-based rental assistance and is not part of a phased development. We have conservatively estimated that the Subject will lease approximately 10 units per month as the Subject will not have a waiting list at sister properties from which to draw tenants (as is the case with Sustainable Fellwood III). At this pace, the Subject will reach a stabilized occupancy of 93 percent within four to five months.
- The LIHTC comparable properties are outperforming the market with a 3.0 percent vacancy rate versus 18.1 percent among the market rate properties. Management at these properties attributed the high vacancy rate to military deployments. The property managers at Stewart Way and Treetop Apartments estimated that 85 to 90 percent of the properties' tenants are military personnel and that turnover rates range from 50 to 100 percent per year. In contrast, the LIHTC properties are maintaining low vacancy rates and waiting lists. While Ashton Place is maintaining an eight percent vacancy rate, the property only has four vacant units. Management at Ashton Place and The Pines at Willowbrook indicated that they do receive traffic from seniors who are moving to Hinesville to be closer to their adult children, indicating that there is demand for senior housing in the market. The Subject will be the only senior LIHTC property in a market where the existing LIHTC supply is performing well with low vacancy rates and waiting lists. Further, the Subject will be on the low end of the range in terms of total number of units at the LIHTC properties. We believe that the Subject should maintain a vacancy rate of five percent, or less, once stabilized.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed new construction. The Subject's proposed rents at 50 and 60 percent AMI are set well below those at the family LIHTC properties and below the senior LIHTC properties in Pooler and Savannah as these areas are higher income areas. The family LIHTC properties in Hinesville are maintaining high

occupancy rates and management reported demand for senior LIHTC housing as seniors are currently residing at these properties and are paying the rents. Further, the Subject will be the only senior LIHTC property in the PMA if allocated. Overall, we believe that the Subject's rents are feasible as proposed given the lack of senior LIHTC supply, the performance of the family LIHTC properties in Hinesville, and the fact that they will be among the lowest in the market.

### **Recommendations**

- We believe that the Subject is feasible as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**

I affirm that I (or one of the persons signing below) 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 (cannot) support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



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H. Blair Kincer, MAI, CRE  
Partner  
Novogradac & Company LLP

6-11-2013

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Date



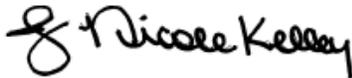
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Tara Rial  
Researcher  
Novogradac & Company LLP

6-11-2013

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Date



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J. Nicole Kelley  
Manager  
Novogradac & Company LLP

6-11-2013

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Date



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Kristina Garcia  
Analyst  
Novogradac & Company LLP

6-11-2013

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Date

## **M. MARKET STUDY REPRESENTATION**

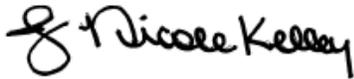
Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



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H. Blair Kincer, MAI, CRE  
Partner  
Novogradac & Company LLP

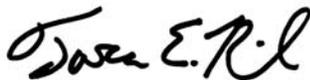
6-11-2013  
Date



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J. Nicole Kelley  
Manager  
Novogradac & Company LLP

6-11-2013  
Date



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Tara Rial  
Researcher  
Novogradac & Company LLP

6-11-2013  
Date



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Kristina Garcia  
Analyst  
Novogradac & Company LLP

6-11-2013  
Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

Duquesne University, Pittsburgh, Pennsylvania  
Masters in Business Administration  
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia  
Bachelor of Science in Business Administration  
Graduated Magna Cum Laude

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
LEED Green Associate  
Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona  
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No. CG100026242 – State of Colorado  
Certified General Real Estate Appraiser, No. 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

### III. Professional Experience

*Partner*, Novogradac & Company LLP  
*Vice President*, Capital Realty Advisors, Inc.  
*Vice President - Acquisitions*, The Community Partners Development Group, LLC  
*Commercial Loan Officer/Work-Out Specialist*, First Federal Savings Bank of Western MD  
*Manager* - Real Estate Valuation Services, Ernst & Young LLP  
*Senior Associate*, Joseph J. Blake and Associates, Inc.  
*Senior Appraiser*, Chevy Chase, F.S.B.  
*Senior Consultant*, Pannell Kerr Forster

#### **IV. Professional Training**

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

#### **V. Real Estate Assignments – Examples**

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

## **H. Blair Kincer**

### **Qualifications**

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- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, the reports can be used in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and in the ITC funding process.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## J. Nicole Kelley

### I. Education

Auburn University, Auburn, Alabama  
Bachelor of Science in Business Administration: International Business  
Auburn University, Auburn, Alabama  
Master of Business Administration (MBA)

### II. Professional Experience

Manager, Novogradac & Company LLP (July 2012-Present)  
Real Estate Analyst, Novogradac & Company LLP (October 2009-June 2012)  
Real Estate Researcher, Novogradac & Company LLP (May 2006-September 2009)

### III. Professional Training and Continuing Education

Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Member, Women in Affordable Housing Network (WAHN)  
Successfully completed "Introduction to Commercial Real Estate Analysis" and  
"Financial Analysis for Commercial Real Estate Investment"

### IV. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Prepared a comprehensive city wide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Prepared a comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. The study focused on the housing and economic trends Pre- and Post- Hurricane Katrina and overall housing needs in that neighborhood.
- Conducted market studies for senior and family projects in Alabama, Arizona, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Virginia, West Virginia, Washington, Wisconsin, and Wyoming.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit and Special Needs properties in various states.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## KRISTINA V. GARCIA

### I. Education

Emory University, Atlanta, Georgia  
Bachelor of Arts

### II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP (April 2007 – Present)

### III. Assignments

- Conducts market feasibility studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Market analysis typically includes: physical inspection of site and market, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assists with appraisals of existing and proposed Low-Income Housing Tax Credit properties, Rural Development properties, and Section 8 properties.
- Conducts Rent Comparability Studies according to HUD guidelines.

### REPRESENTATIVE SAMPLE OF ENGAGEMENTS

#### **Market Study Experience—Proposed LIHTC New Construction and Rehabilitation Developments:**

Analyst has conducted research for market studies within the following states and U.S. territories:

- Alabama
- Arizona
- Arkansas
- California
- Florida
- Georgia
- Guam
- Illinois
- Indiana
- Kentucky
- Louisiana
- Massachusetts
- Michigan
- Mississippi
- New York
- New Jersey
- North Carolina
- North Dakota
- Oklahoma
- Pennsylvania
- Puerto Rico
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Utah
- Virginia
- Washington
- West Virginia

#### **HUD Rent Comparability Study Experience:**

Analyst has conducted rent comparability studies within the following states:

- Alabama
- Florida
- Georgia
- New York
- South Carolina
- Texas
- Tennessee

#### **Appraisal Research Experience:**

Analyst has conducted research for appraisals within the following states:

- Alabama
- Florida
- Georgia
- Louisiana
- New York
- South Carolina
- Virginia

#### **Miscellaneous Housing Studies:**

- Conducted research for a comprehensive citywide housing market analysis for the City of Biloxi, MS which included a housing needs assessment.
- Conducted research for comprehensive neighborhood housing market analysis for the New Orleans East neighborhood in New Orleans, LA for the Louisiana Housing and Finance Agency. regarding housing needs and economic trends Pre- and Post- Hurricane Katrina
- Conducted research for mixed-use HOPE VI redevelopment plan for Tindall Heights Macon Housing Authority's Tindall Heights Public Housing

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Tara Rial**

### **I. Education**

Loyola University Maryland, Baltimore, MD  
Bachelors of Business Administration

### **II. Professional Experience**

Researcher, Novogradac & Company LLP, February 2012 – Present  
Senior Research Associate, CoStar Group, July 2006 – February 2012

### **III. Research Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes; physical inspection of site and market, unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.