



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

**SUMTER STREET STATION  
203 East Sumter Street  
Eatonton, Putnam County, GA 31024**

**Effective Date: May 19, 2014  
Report Date: May 27, 2014**

*Prepared For*

**Mr. Brandon Dampier, COO  
Dewar Properties, Inc.  
2409 Bemiss Road  
Valdosta, GA 31602**

**&**

**TISHCO Eatonton LP**

*Prepared By*

**Novogradac & Company LLP  
4520 East West Highway - Suite 615  
Bethesda, MD 20814  
(240) 235-1701**

May 27, 2014

Mr. Brandon Dampier, COO  
Dewar Properties  
2409 Bemiss Road  
Valdosta, GA 31602

**Re: Market Study for Sumter Street Station in Eatonton, Georgia**

Dear Mr. Dampier:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the Eatonton, Putnam 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 Sumter Street Station, a proposed family development consisting of 62 units. Sixty one of the units will be restricted to households earning 50 and 60 percent, or less. Additionally, one of the Subject's units will be occupied by an on-site employee and therefore, it will be non-income producing. 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.

Mr. Dampier  
Dewar Properties  
May 27, 2014  
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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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H. Blair Kincer, MAI, CRE  
*LEED Green Associate*  
Partner  
Novogradac & Company LLP



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Ed Mitchell  
Senior Real Estate Analyst  
Novogradac & Company LLP



---

Linda Hartman  
Real Estate Analyst  
Novogradac & Company LLP  
Linda.Hartman@novoco.com



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Murad Karimi  
Real Estate Researcher  
Novogradac & Company LLP

## **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

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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:**

Sumter Street Station, the Subject, is a proposed new construction family LIHTC development located at 203 East Sumter Street, Eatonton, Putnam County, Georgia 31024. The Subject will consist of three garden-style residential buildings. The community center, which is attached to one of the residential buildings, will include the leasing office. The design will be wood frame construction with brick and cement fiber siding façade. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance based on information supplied by the client. As illustrated, the proposed LIHTC rents are below the maximum allowable level for all units. One of the Subject’s units will be occupied by an on-site employee and therefore, it will be non-income producing.

**PROPOSED RENTS**

Unit Type	Number of Units	Square Footage	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	10	885	\$349	\$91	\$440	\$479	\$671
2BR/1BA	1	900	\$360	\$116	\$476	\$575	\$807
3BR/2BA	1	1,125	\$422	\$145	\$567	\$664	\$1,186
<i>60% AMI</i>							
1BR/1BA	2	885	\$464	\$91	\$555	\$575	\$671
2BR/1BA	30	900	\$475	\$116	\$591	\$690	\$807
3BR/2BA	17	1,125	\$532	\$145	\$677	\$797	\$1,186
<i>Manager's Unit</i>							
2BR/1BA	1	900	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>62</b>						

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

The Subject will offer the following in-unit amenities: blinds, carpeting, ceiling fan, oven, refrigerator, dishwasher, and washer/dryer hookups. The one-bedroom units at the Subject will also offer a coat closet. Additionally, one-bedroom units will offer a sun room and two and three-bedroom units will offer a patio. The two-bedroom units will also offer exterior storage, while the three-bedroom units will also offer a walk-in closet. Property amenities will include: business center/computer lab, clubhouse/ community room, central laundry facility, off-street parking, on-site management, picnic area,

playground, and Wi-Fi in the business center. Overall, the Subject's amenities will be competitive with those at the comparable properties.

**2. Site Description/Evaluation:**

The Subject site is located in Eatonton, GA in a mixed use neighborhood with retail and commercial uses nearby. The residential uses to the northeast primarily consist of single-family homes in fair to average condition. To the immediate south, west, and east of the Subject site are retail and commercial uses, which are in fair to average condition, while to the immediate north are vacant wooded and improved lots. Nearby retail uses include a gas station, convenience stores, and banks. Further northeast of the Subject site, approximately 0.2 miles away, is downtown Eatonton, which primarily consists of government, retail, and commercial uses in generally average condition. The nearby retail appears to be approximately 80 to 90 percent occupied at the time of inspection. Overall, the Subject site is considered a desirable building site for family multifamily housing, as it is proximate to many area amenities that are desirable for family households, and the Subject will be compatible with surrounding uses. Further, the Subject site will offer good access and visibility.

**3. Market Area Definition:**

The PMA is defined by Interstate 20 (I-20) to the north, the Putnam County line and Jasper County line to the south, Veazey Road, Centennial Road, Georgia State Route 16 (GA-16), and Georgia State Route 22 (GA-22) to the east, and the Morgan County line, Georgia State Route 229 (GA-229), and Georgia State Route 11 (GA-11) to the west. This area includes the city of Eatonton and numerous smaller towns such as Monticello and Smithboro. The area was defined based on interviews with the local housing authority and property managers at comparable properties. Further, the commuting pattern in the PMA, which is detailed in a latter section, supports the PMA boundaries, as a significant percentage of individuals have a commute time of 30 minutes or less. The north boundary of the PMA is approximately 14.5 miles from the Subject site; the eastern boundary of the PMA is approximately 16.5 miles from the Subject site; the southern boundary of the PMA is approximately 10 miles from the Subject site; and the western boundary of the PMA is approximately 17.3 miles from the Subject site.

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

##### **Data:**

Total population in the PMA increased from 1990 to 2000 and 2000 to 2013 at an annual rate of 3.5 percent and 1.3 percent, rates greater than the SMA and the nation over the same time periods. Through market entry and 2018, total population in the PMA is projected to continue to grow at 0.2 percent per annum. Over the same period of time, the number of households is projected to grow in the PMA at a rate of 0.3 percent per annum, a rate similar to the SMA, but below that of the nation.

As of 2013, approximately 54.0 percent of households in the PMA have an annual income less than \$40,000. Through 2018, a significant percentage of the renter households in the PMA is projected to earn less than \$40,000 annually and will consist primarily of two or more persons. Further, the number of renter households in the PMA, through 2018, is projected to slightly increase, although the percentage of renter households is projected to slightly decrease. Overall, the projected trends are positive indicators for the Subject's affordable units.

#### **5. Economic Data:**

The SMA experienced fairly strong employment growth in 2005 and 2006; however, growth slowed in 2007. From 2008 to 2012, the SMA experienced significant declines in total employment, as the unemployment rate peaked in 2011, due to the most recent national recession. For the 12-month period ending on March 2014, total employment in the SMA decreased 1.8 percent, while total employment in the nation moderately increased. As of March 2014, the unemployment rate in the SMA is 9.7 percent, a rate higher than the nation's 7.4 percent unemployment rate. Overall, it appears that the SMA is still experiencing lingering effects of the most recent recession, which is primarily attributable to the SMA's reliance on the manufacturing and retail trade industries. These industries are typically volatile during economic downturns, such as the most recent recession from 2007 to 2009. Overall, the lack of recent plant and business closures and layoffs, as well as the recently announced expansions by Aalto Scientific, indicate that the economy of the SMA will recover; however, it will continue to lag that of the nation.

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

Our demand analysis indicates that there are approximately 1,258 income qualified renter households in the PMA. The

following table illustrates capture rates for the Subject’s units.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR at 50% AMI	\$15,806-\$20,450	10	109	0	109	9.2%
2BR at 50% AMI	\$16,320-\$23,000	1	131	0	131	0.8%
3BR at 50% AMI	<u>\$19,440-\$27,600</u>	<u>1</u>	<u>96</u>	<u>0</u>	<u>96</u>	<u>1.0%</u>
<b>Overall 50%</b>	<b>\$15,806-27,600</b>	<b>12</b>	<b>336</b>	<b>0</b>	<b>336</b>	<b>3.6%</b>
1BR at 60% AMI	\$19,029-\$24,540	2	106	0	106	1.9%
2BR at 60% AMI	\$20,263-\$27,600	30	127	0	127	23.5%
3BR at 60% AMI	<u>\$23,211-\$33,120</u>	<u>17</u>	<u>93</u>	<u>0</u>	<u>93</u>	<u>18.2%</u>
<b>Overall 60%</b>	<b>\$19,029-\$33,120</b>	<b>49</b>	<b>327</b>	<b>0</b>	<b>327</b>	<b>15.0%</b>
Overall 1BR	\$15,806-\$24,540	12	144	0	144	8.4%
Overall 2BR	\$16,320-\$27,600	31	172	0	172	18.0%
Overall 3BR	<u>\$19,440-33,120</u>	<u>18</u>	<u>126</u>	<u>0</u>	<u>126</u>	<u>14.3%</u>
<b>Total Overall</b>	<b>\$15,806-33,120</b>	<b>61</b>	<b>441</b>	<b>0</b>	<b>441</b>	<b>13.8%</b>

The overall capture rate is 13.8 percent, which is within the Georgia DCA guidelines. We believe that the capture rates are reasonable for the Subject based on its target population, and there is adequate demand based on our conclusions.

**7. Competitive Rental Analysis:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. To evaluate the competitive position of the Subject, 959 units in 10 rental properties were surveyed in depth. The data in the PMA is considered adequate on which to base our conclusions. The comparable properties in our survey include a range of units targeting several different AMI levels, as well as unrestricted units. The Subject will offer 50 and 60 percent AMI units. The Subject’s proposed 50 and 60 percent rents offer an advantage over the average rents at the comparable properties.

Vacancy rates in the market range from zero to 10.0 percent, averaging 5.4 percent. The average weighted vacancy rate among the LIHTC comparables is 4.1 percent, while the average weighted vacancy rate among the market rate comparables is 4.7 percent. Edgewood Park Apartments and Magnolia Heights, which are located outside of the Subject’s PMA, reported the highest vacancy rates among the LIHTC comparables. According to management at Magnolia Heights, which offers both LIHTC and market rate units, four of the 20 vacant units are currently pre-leased and the bulk of vacancies are in its

market rate units. Further, the property's current occupancy level, at 90 percent, is typical for the property. Management at Edgewood Park Apartments attributed the property's vacancies to job transfers and tenants converting to home owners. According to the contact at the comparable, units are typically pre-leased and therefore, management anticipates that the units will be occupied in a short period of time. It should be noted that the property's low number of total units skews its vacancy rate, as there are only four vacancies.

Among the market rate comparables, Georgetown Village Apartments and The Crossroads at Lake Oconee reported the highest vacancy rates at 6.9 percent. Management at The Crossroads at Lake Oconee, which is located in the Subject's PMA, noted that five of the 10 vacant units are pre-leased. Further, management at Georgetown Village Apartments, which is located approximately 21.9 miles from the Subject, noted that one of the seven vacant units is pre-leased. Management at the comparable noted that some recent tenant move outs were due to evictions; however, the contact noted that the property's current occupancy rate, at 93.1 percent, is typical for the property. Given the superior to slightly superior condition and age of the Subject, when compared to the comparables, strong weighted average vacancy rates in the market, and lack of multifamily properties in the PMA, we believe the Subject will operate with a vacancy rate of five percent or less.

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 not 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 Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
<i>@50% AMI</i>					
1 BR	\$349	\$438	\$728	\$556	59%
2 BR	\$360	\$445	\$825	\$623	73%
3 BR	\$422	\$510	\$1,019	\$705	67%
<i>@60% AMI</i>					
1 BR	\$464	\$438	\$728	\$556	20%
2 BR	\$475	\$445	\$825	\$642	35%
3 BR	\$532	\$510	\$1,019	\$732	38%

As illustrated the Subject's proposed 50 and 60 percent rents are below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject's proposed 50 percent LIHTC rents are below the surveyed minimum, while its proposed 60 percent LIHTC rents are above the surveyed minimum. We believe this is reasonable as the Subject, upon completion, will offer competitive amenities and will be slightly superior to superior in condition to the comparables. It should be noted that the highest rents in the market were reported at The Crossroads at Lake Oconee, which is located in the Subject's PMA. The market rate comparable, which was built in 2002, reported a vacancy rate of 6.9 percent; however, management reported that five of the 10 vacant units are pre-leased. The reported rents at the comparable are at least 55 percent higher than the Subject's proposed 60 percent rents. Overall, we believe that the Subject's proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

### **8. Absorption/Stabilization Estimate:**

Absorption data was not available for the comparables. Therefore, we will base our estimate of absorption on population and household trends in the region. Through 2018, the total population in the PMA is projected to increase by 444 individuals. Additionally, the number of households is projected to increase 267 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. Further, upon completion, the Subject will be the only LIHTC property in the PMA and thus, will face limited competition. As a result, we believe that the Subject could lease a total of eight units per month, or an

absorption period of approximately eight months, until stabilization of 93 percent.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be slightly superior to superior in terms of age and condition to all of the comparables. The Subject's proposed 50 percent rents are below the comparable range, while its proposed 60 percent rents are near the low end of the comparable range. It should be noted that the comparables, which are located outside the Subject's county, may be held harmless at higher maximum allowable rents. Overall, we believe there is demand for the Subject's given its lack of competition in the PMA, excellent condition, low capture rates, and competitive amenities and unit sizes.

**Summary Table:**

(must be completed by the analyst and included in the executive summary)

Development Name:	<b>Sumter Street Station</b>	Total # Units:	<b>62</b>
Location:	203 East Sumter Street	# LIHTC Units:	<b>61</b>
	North of East Sumter Street, East of South Maple Street, South of East Marion		
PMA Boundary:	North: I-20; South: Putnam County line and Jasper County line; East: Veazey Road, Centennial Road, GA-16, GA-22; West: Morgan County line, GA-229, GA-11		
	Farthest Boundary Distance to Subject:		17.3 miles

**Rental Housing Stock (found on pages 21 & 59)**

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	234	10	95.7%
Market-Rate Housing	1	144	10	93.1%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	3	90	N/Ap	N/Ap
<b>LIHTC</b>	0	0	0	N/Ap
Stabilized Comps	1	144	10	93.1%
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
10	1BR at 50% AMI	1	885	\$349	\$556	\$0.63	37%	\$665	\$0.90
1	2BR at 50% AMI	1	900	\$360	\$623	\$0.69	42%	\$805	\$0.76
1	3BR at 50% AMI	2	1,125	\$422	\$705	\$0.63	40%	\$920	\$0.66
2	1BR at 60% AMI	1	885	\$464	\$556	\$0.63	17%	\$665	\$0.90
30	2BR at 60% AMI	1	900	\$475	\$642	\$0.71	26%	\$805	\$0.76
17	3BR at 60% AMI	2	1,125	\$532	\$732	\$0.65	27%	\$920	\$0.66

**Demographic Data (found on page 30)**

	2000		2013		2016	
Renter Households	2,400	19.40%	3,576	23.40%	3,580	23.20%
Income-Qualified Renter HHs (LIHTC)	842	35.10%	1,255	35.10%	1,257	35.10%

**Targeted Income-Qualified Renter Household Demand (found on page 56)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	1	1	N/Ap	N/Ap	2
Existing Households (Overburdened + Substandard)	N/Ap	358	349	N/Ap	N/Ap	470
Homeowner conversion (Seniors)	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap	N/Ap
<b>Total Primary Market Demand</b>	N/Ap	359	350	N/Ap	N/Ap	472
Less Comparable/Competitive Supply	N/Ap	0	0	N/Ap	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	359	350	N/Ap	N/Ap	472

**Capture Rates (found on pages 4 & 56)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	3.60%	15.00%	N/Ap	N/Ap	13.80%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject is located at 203 East Sumter Street within the city limits of Eatonton, Putnam County, Georgia.

**Construction Type:**

The Subject will consist of three, three-story walk up garden-style brick and cement fiber siding façade apartment buildings and a two-story community center. The community center, which is attached to one of the residential buildings, will include the leasing office.

**Occupancy Type:**

The Subject will target general households.

**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**

**Sumter Street Station**

<b>Comp#</b>	Subject	
<b>Effective Rent Date</b>	5/9/2014	
<b>Location</b>	203 E Sumter St Eatonton, GA 31024 Putnam County Intersection: N Maple St and E Sumter St	
<b>Units</b>	62	
<b>Type</b>	Garden (3 stories)	
<b>Year Built / Renovated</b>	Proposed 2016 / n/a	

**Utilities**

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

**Unit Mix (face rent)**

<b>Beds</b>	<b>Baths</b>	<b>Type</b>	<b>Units</b>	<b>Size (SF)</b>	<b>Rent</b>	<b>Concession (monthly)</b>	<b>Restriction</b>	<b>Waiting List</b>	<b>Vacant</b>	<b>Vacancy Rate</b>	<b>Max rent?</b>
1	1	Garden (3 stories)	10	885	\$349	\$0	@50%	n/a	N/A	N/A	no
1	1	Garden (3 stories)	2	885	\$464	\$0	@60%	n/a	N/A	N/A	no
2	1	Garden (3 stories)	1	900	\$360	\$0	@50%	n/a	N/A	N/A	no
2	1	Garden (3 stories)	30	900	\$475	\$0	@60%	n/a	N/A	N/A	no
2	1	Garden (3 stories)	1	900	N/A	\$0	Non-Rental	n/a	N/A	N/A	N/A
3	2	Garden (3 stories)	1	1,125	\$422	\$0	@50%	n/a	N/A	N/A	no
3	2	Garden (3 stories)	17	1,125	\$532	\$0	@60%	n/a	N/A	N/A	no

**Amenities**

<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Exterior Storage Ceiling Fan Oven Refrigerator Walk-In Closet Washer/Dryer hookup	<b>Security</b>	Video Surveillance
<b>Property</b>	Parking spaces: 93 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Wi-Fi	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	none

**Comments**

The property will consist of three, three-story residential buildings. The two-story community center, which is attached to one of the residential buildings, will include the leasing office. The construction type of the development will be wood frame with brick and cement fiber siding facade. The projected construction start and completion dates are July 2015 and August 2016, respectively.

In terms of amenities, free Wi-Fi will be available in business center. Additionally, one-bedroom units will offer a sun room and the two and three-bedroom units will offer a patio. The two-bedroom units will also offer exterior storage, while the three-bedroom units will also offer a walk-in closet. Further, one-bedroom units at the property will offer coat closets.

<b>Scope of Renovations:</b>	The Subject will be new construction.
<b>Current Rents:</b>	The Subject will be new construction.
<b>Current Occupancy:</b>	The Subject will be new construction.
<b>Current Tenant Income:</b>	The Subject will be new construction.
<b>Placed in Service Date:</b>	The Subject's approximate market entry date is August 2016.
<b>Conclusion:</b>	The Subject will consist of three excellent quality three-story garden-style residential buildings and a two-story community center. The community center, which is attached to one of the residential buildings, will include the leasing office. As new construction, the Subject will not suffer from deferred maintenance or functional obsolescence.

## **C. SITE EVALUATION**

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

Murad Karimi visited the site on May 19, 2014.

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

The following illustrates the physical features of the site.

*Frontage:*

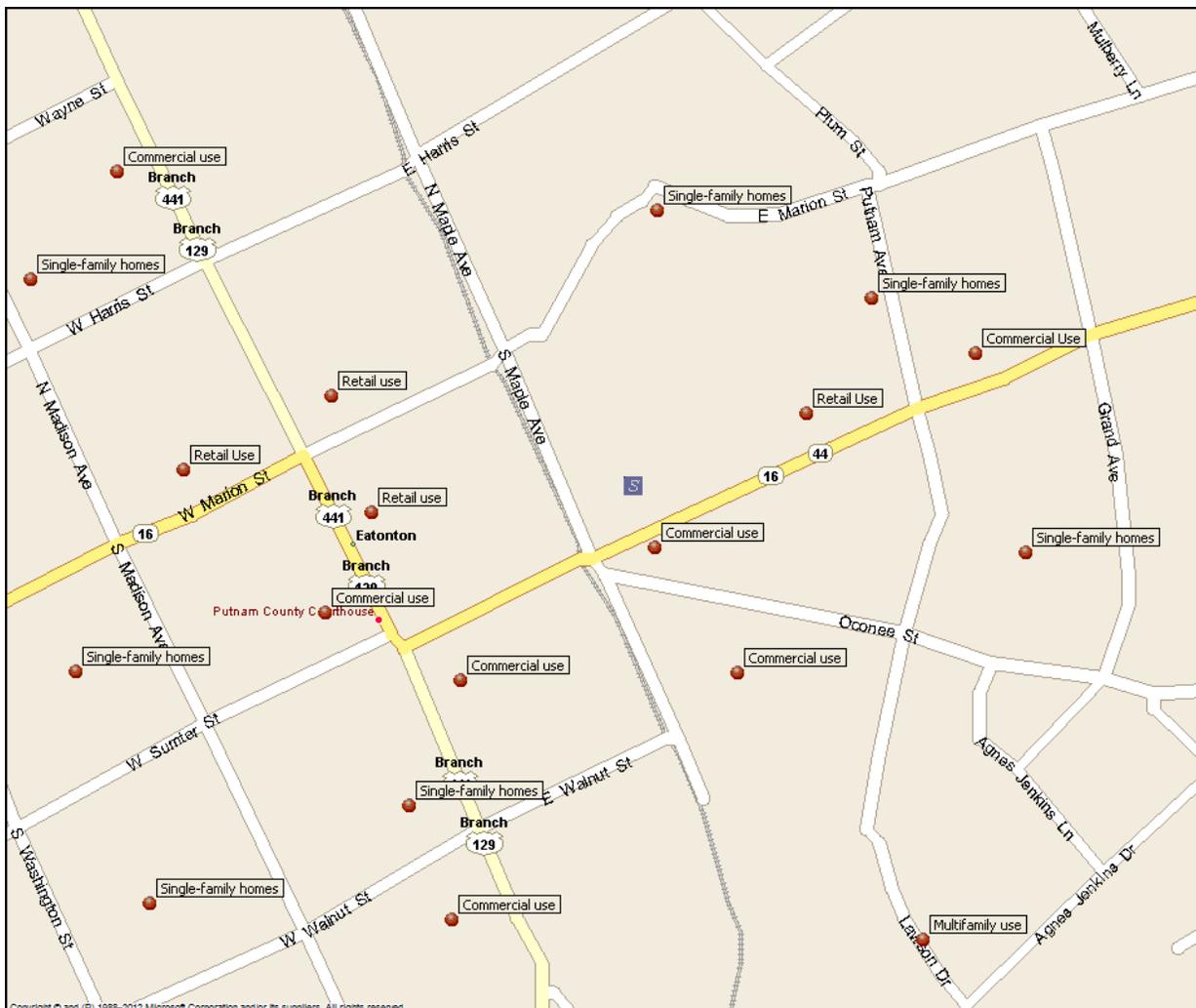
According to site plans from the developer, the Subject site will have frontage along East Sumter Street, South Maple Street, and East Marion Street.

*Visibility/Views:*

The Subject will be located along the north side of East Sumter Street, the east side of South Maple Street, and the south side of East Marion Street. The Subject will have good visibility from East Sumter Street and South Maple Street and limited visibility from East Marion Street. Overall, the visibility and views from the Subject site will be good.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



The Subject site is located in a mixed use neighborhood with retail and commercial uses nearby. The residential uses to the northeast primarily consist of single-family homes in fair to average condition. To the immediate south, west, and east of the Subject site are retail and commercial uses, which are in fair to average condition, while to the immediate north are vacant wooded and improved lots. Further northeast of the Subject site, approximately 0.2 miles away, is downtown Eatonton, which primarily consists of government, retail, and commercial uses in generally average condition. Overall, nearby retail appears to be approximately 80 to 90 percent occupied at the time of inspection.

*Positive/Negative Attributes  
of Site:*

To the west of the Subject site, along the west side of South Maple Street, is a railroad track. Upon our site inspection, we observed no noise from passing trains. Therefore, we do not believe noise will be an issue for the Subject property. Positive attributes include close proximity to retail, schools, and the Eatonton Police and Fire Department, which are within 0.4 miles from the Subject site.

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

The Subject site is located in Eatonton, Georgia in Putnam County. There are restaurants, gas stations, convenience/grocery stores, and other retail located within close proximity of the Subject site. In addition, schools, the Eatonton Putnam County Library, and Putnam General Hospital are all within 1.1 miles of the Subject site. Overall, the proximity of these amenities is considered to be very desirable for family households.

4. Pictures of Site and Adjacent Uses:



View of Subject site along East Sumter Street



View of Subject site along East Sumter Street



View of Subject site along East Sumter Street



View of Subject site along East Sumter Street



View west along East Sumter Street



View east along East Sumter Street



View north along South Maple Street



View south along South Maple Street



View of Subject site along East Marion Street



View of Subject site along East Marion Street



Retail use adjacent to the Subject



Commercial use adjacent to the Subject



Retail and commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



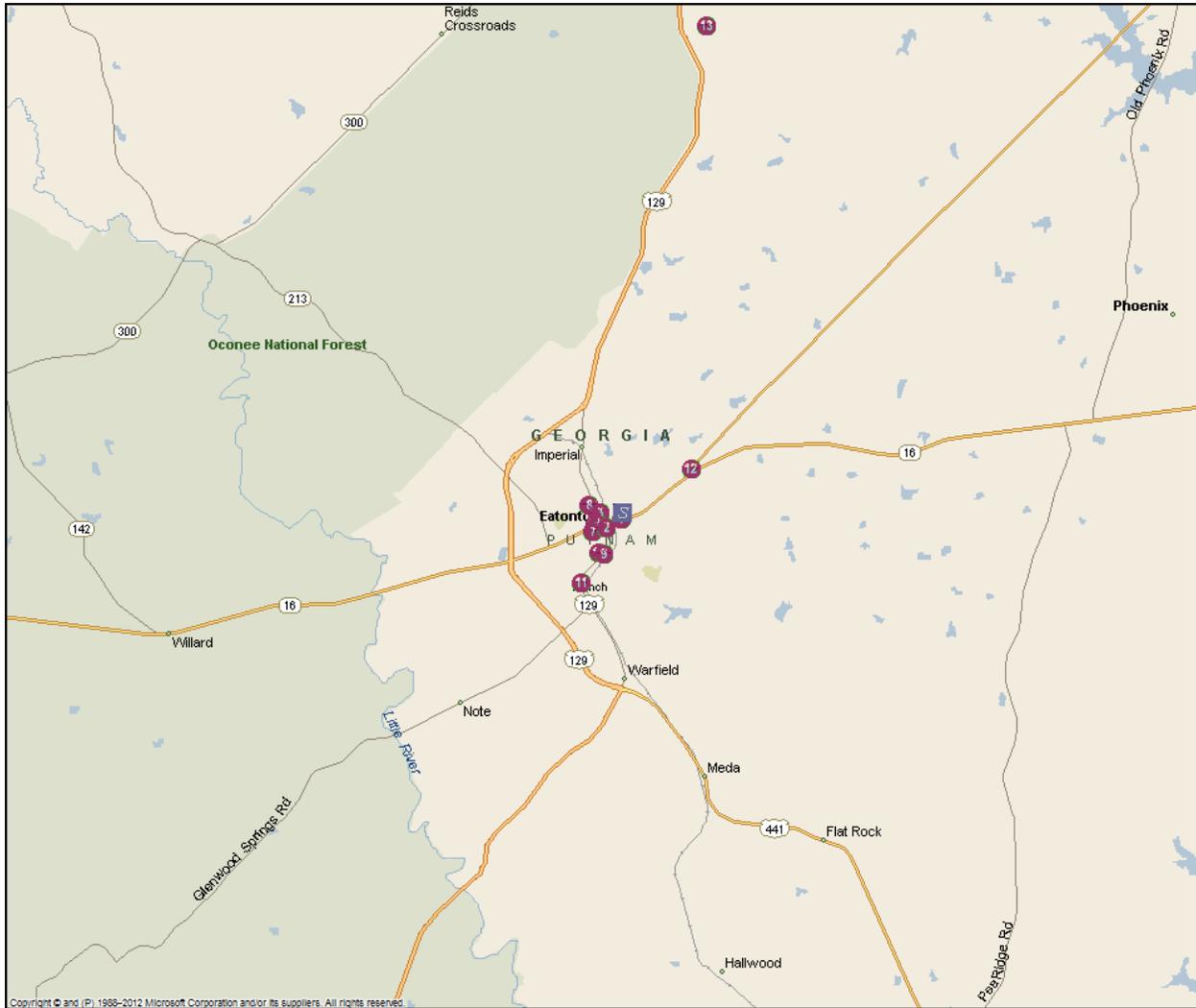
Typical single-family home in the Subject's neighborhood

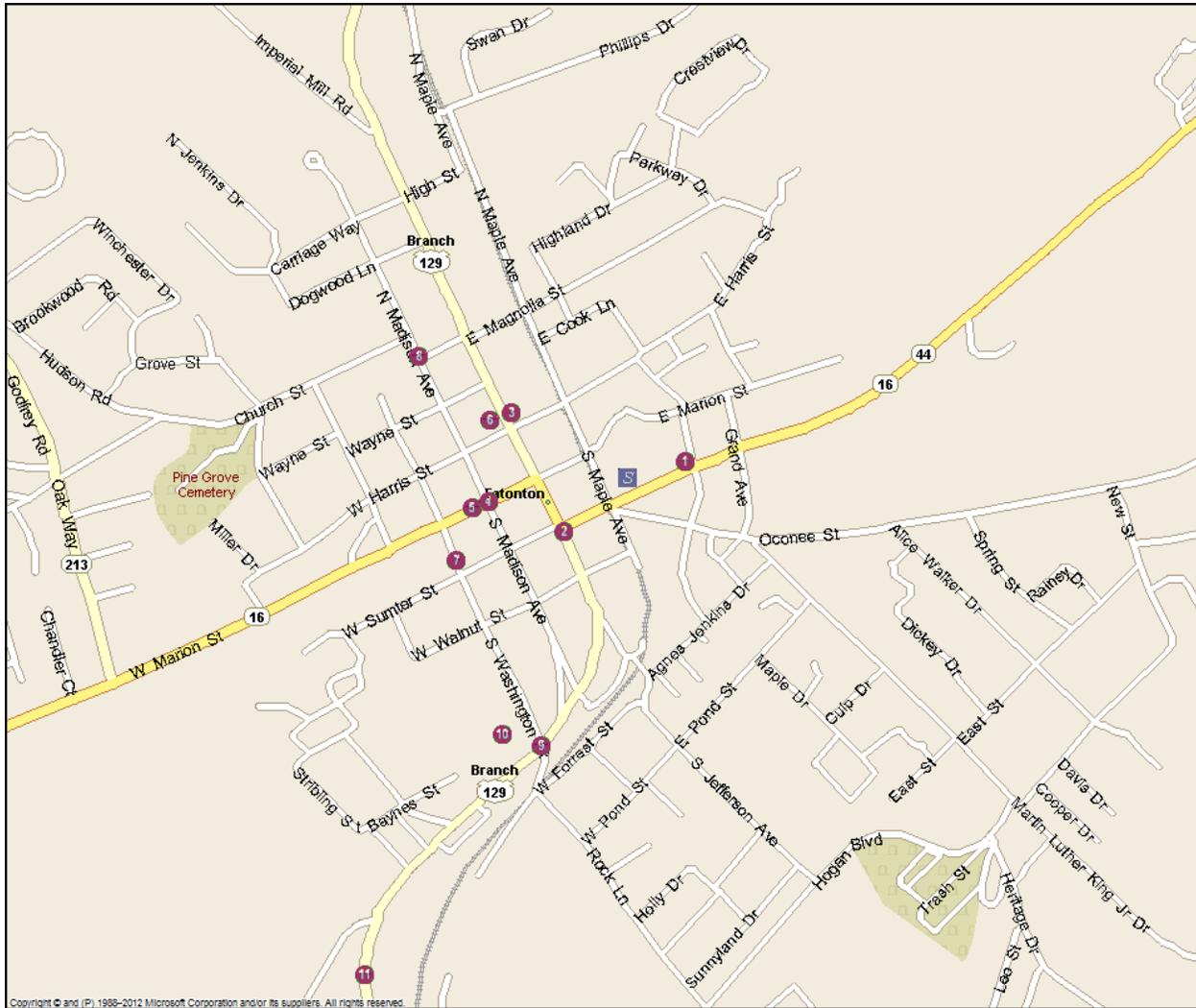


Typical single-family home in the Subject's neighborhood

### 5. Proximity to Locational Amenities:

The following table details the Subject's distance from key locational amenities. It should be noted that there is no public transportation available in Eatonton, which is common in rural markets.





**LOCATIONAL AMENITIES**

Map #	Service/Amenity	Distance from Subject
1	Y.M. Mart	0.1 miles
2	Peoples Bank	0.1 miles
3	IGA	0.2 miles
4	Eatonton Fire Department	0.2 miles
5	Eatonton Police Department	0.2 miles
6	Eatonton Post Office	0.2 miles
7	Putnam County Elementary School	0.3 miles
8	Eatonton Putnam County Library	0.4 miles
9	Quick Pantry	0.4 miles
10	Putnam County Middle School	0.4 miles
11	CVS Pharmacy	0.9 miles
12	Putnam General Hospital	1.1 miles
13	Putnam County High School	6.2 miles

**6. Description of Land Uses:**

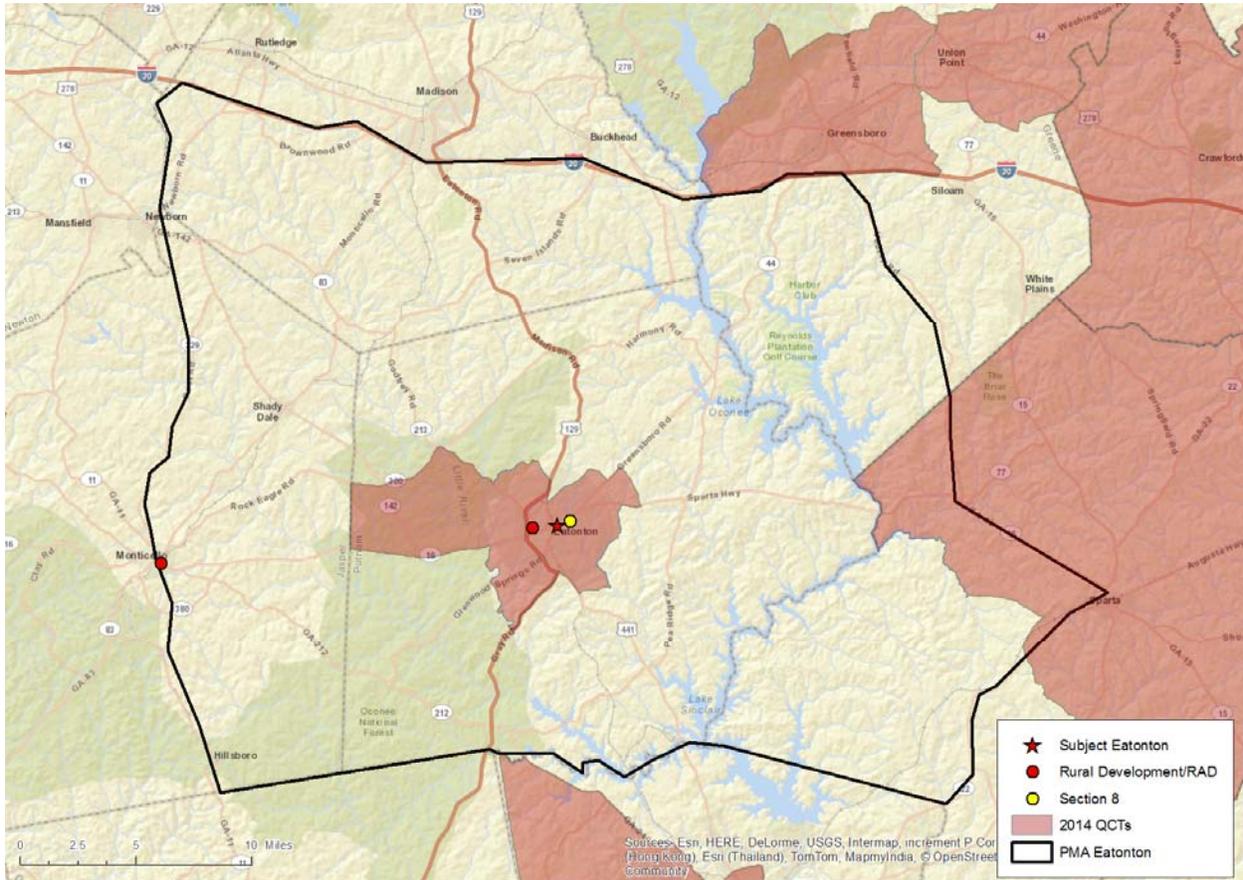
The Subject site is located in a mixed use neighborhood with retail and commercial uses nearby. The residential uses to the northeast primarily consist of single-family homes in fair to average condition. To the immediate south, west, and east of the Subject site are retail and commercial uses, which are in fair to average condition, while to the immediate north are vacant wooded and improved lots. Nearby retail uses include a gas station, convenience stores, and banks. Further northeast of the Subject site, approximately 0.2 miles away, is downtown Eatonton, which primarily consists of government, retail, and commercial uses in generally average condition. The nearby retail appears to be approximately 80 to 90 percent occupied at the time of inspection. Overall, the Subject site is considered a desirable building site for family multifamily housing and the Subject will be compatible with surrounding uses.

**7. Existing Assisted Rental Housing**

**Property Map:**

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

Name	Address	City	State	Type	Map Color	Included/ Excluded	Reason for Exclusion	Distance from Subject
Heritage Villas of Eatonton	702 W Church Street	Eatonton	GA	Rural Development/RAD - Family	Red	Excluded	RD financing, Subsidized	1.9 miles
Hillside Apartments	155 Hillside Dr	Eatonton	GA	Section 8 - Senior	Yellow	Excluded	Subsidized	0.7 miles
Academy Village Apartment	203 Hillsboro St	Monticello	GA	Rural Development/RAD - Family	Red	Excluded	RD financing, Heavily subsidized	18.2 miles



Eatonton, GA



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

According to site plans from the developer and our inspection of the Subject site, there are no proposed improvements to roads or infrastructure.

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

The Subject will have access from East Sumter Street, a moderately trafficked thoroughway, and South Maple Street. East Sumter Street provides access to Highway 129/441, which is approximately 1.25 miles away from the Subject. Highway 129/441 traverses north to south from southern Georgia to Northern Tennessee. The Subject will have good visibility from East Sumter Street and South Maple Street and limited visibility from East Marion Street. Overall, visibility, access, and ingress/egress are considered good.

**10. Environmental Concerns:**

None visible upon site inspection.

**11. Conclusion:**

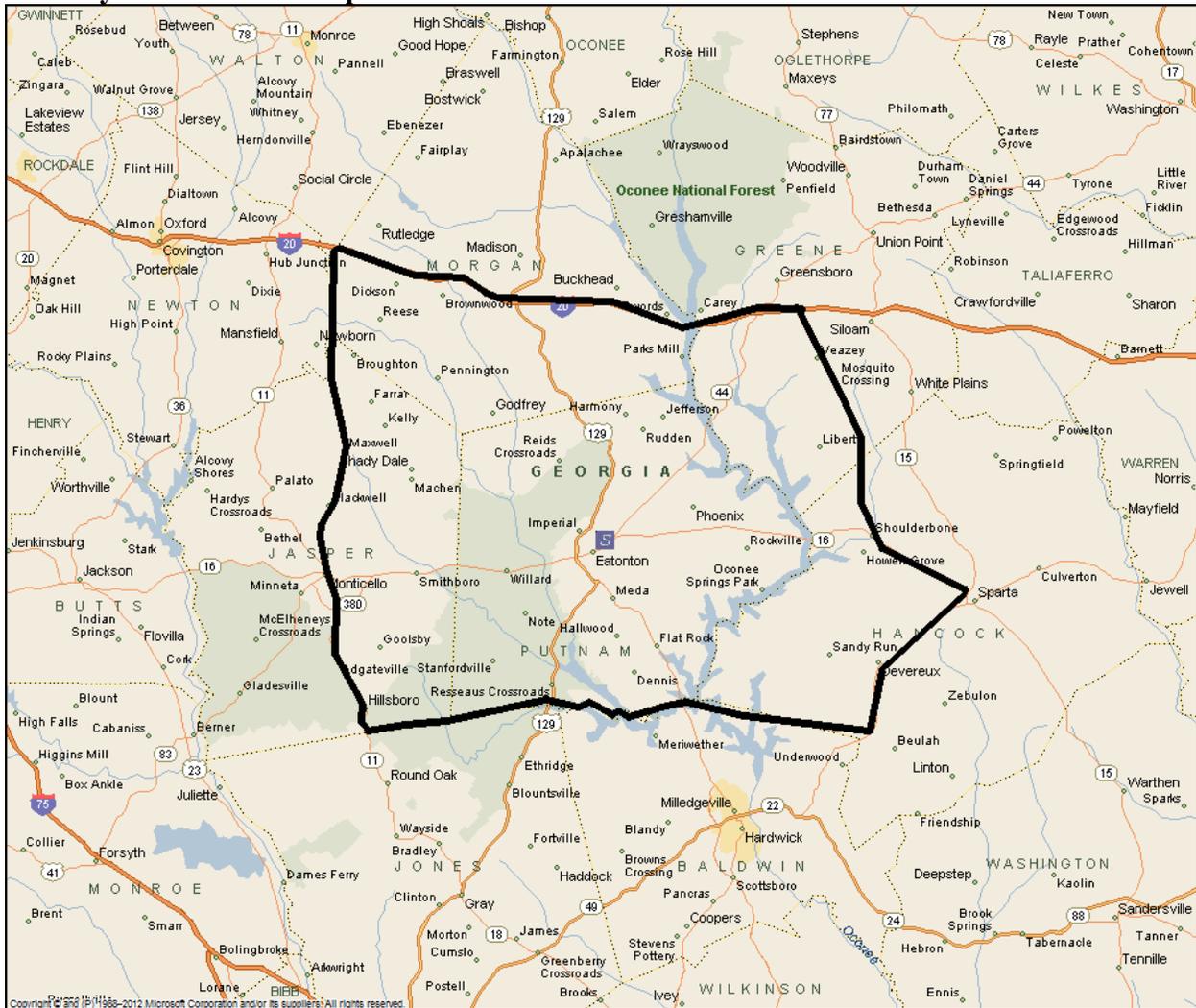
The Subject will be located along the north side of East Sumter Street, the east side of South Maple Street, and the south side of East Marion Street. It is located in a mixed use neighborhood with retail and commercial uses nearby, which are in fair to average condition. The nearby retail appears to be approximately 80 to 90 percent occupied at the time of inspection. As a new construction, the Subject will offer good visibility and excellent curb appeal. Overall, the community presents a good location for an affordable, multifamily development and it is expected that the Subject will have positive impact on the local neighborhood.

## **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**



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 Putnam County (SMA) are areas of growth or contraction.

The boundaries of the PMA are as follows:

North – Interstate 20

South- Putnam County line and Jasper County line

East- Veazey Road, Centennial Road, Georgia State Route 16 (GA-16), and Georgia State Route 22 (GA-22).

West- Morgan County line, Georgia State Route 229 (GA-229), and Georgia State Route 11 (GA-11).

The PMA is defined by Interstate 20 (I-20) to the north, the Putnam County line and Jasper County line to the south, Veazey Road, Centennial Road, Georgia State Route 16 (GA-16), and Georgia State Route 22 (GA-22) to the east, and the Morgan County line, Georgia State Route 229 (GA-229), and Georgia State Route 11 (GA-11) to the west. This area includes the city of Eatonton and numerous smaller towns such as Monticello and Smithboro. The area was defined based on interviews with the local housing authority and property managers at comparable properties. According to management at The Crossroads at Lake Oconee, the majority of its tenants originate from the local Eatonton area. Further, the commuting pattern in the PMA, which is detailed in a latter section, supports the PMA boundaries, as a significant percentage of individuals have a commute time of 30 minutes or less. The north boundary of the PMA is approximately 14.5 miles from the Subject site; the eastern boundary of the PMA is approximately 16.5 miles from the Subject site; the southern boundary of the PMA is approximately 10 miles from the Subject site; and the western boundary of the PMA is approximately 17.3 miles from the Subject site.

## **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 Putnam County (SMA) 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 SMA.

**1. Population Trends**

The following tables illustrate (a) Total Population and (b) Population by Age Group within population in the PMA, SMA, and nationally from 1990 through 2018.

**TOTAL POPULATION**

Year	PMA		Putnam County, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	23,583	-	14,137	-	248,709,873	-
2000	31,878	3.5%	18,811	3.3%	281,421,906	1.3%
2013	37,472	1.3%	21,431	1.1%	315,444,544	0.9%
Projected Mkt Entry August 2016	37,746	0.2%	21,596	0.3%	322,482,116	0.7%
2018	37,916	0.2%	21,699	0.3%	326,856,823	0.7%

Source: ESRI Demographics 2013, Novogradac & Company LLP, May 2014

**POPULATION BY AGE IN 2013**

Age Cohort	PMA		Putnam County, GA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,065	5.5%	1,296	6.0%	20,027,834	6.3%
5-9	2,185	5.8%	1,325	6.2%	20,305,969	6.4%
10-14	2,145	5.7%	1,264	5.9%	20,664,258	6.6%
15-19	1,899	5.1%	1,090	5.1%	21,217,478	6.7%
20-24	1,752	4.7%	1,060	4.9%	22,842,251	7.2%
25-29	1,960	5.2%	1,256	5.9%	21,494,659	6.8%
30-34	1,958	5.2%	1,262	5.9%	21,041,804	6.7%
35-39	1,848	4.9%	1,116	5.2%	19,423,837	6.2%
40-44	2,161	5.8%	1,249	5.8%	20,789,809	6.6%
45-49	2,374	6.3%	1,397	6.5%	21,274,128	6.7%
50-54	2,759	7.4%	1,551	7.2%	22,615,522	7.2%
55-59	3,071	8.2%	1,626	7.6%	21,155,463	6.7%
60-64	3,474	9.3%	1,739	8.1%	18,575,616	5.9%
65-69	3,078	8.2%	1,532	7.1%	14,286,322	4.5%
70-74	2,131	5.7%	1,168	5.5%	10,422,155	3.3%
75-79	1,317	3.5%	745	3.5%	7,612,501	2.4%
80-84	739	2.0%	423	2.0%	5,754,938	1.8%
85+	557	1.5%	332	1.5%	5,940,001	1.9%
<b>Total</b>	<b>37,473</b>	<b>100.0%</b>	<b>21,431</b>	<b>100.0%</b>	<b>315,444,545</b>	<b>100.0%</b>

Source: ESRI Demographics 2013, Novogradac & Company LLP, May 2014

Total population in the PMA increased from 1990 to 2000 and 2000 to 2013 at an annual rate of 3.5 percent and 1.3 percent, rates greater than the SMA and the nation over the same time

periods. Population in the PMA is projected to continue to grow at 0.2 percent per annum through market entry and 2018; however, the growth rate in the PMA over this time period will lag that of the SMA and nation.

As of 2013, the population by age in the PMA is generally symmetrical among the age groups. However, approximately 38.3 percent the population in the PMA is comprised of seniors, those aged 55 or older. Although the target demographic for the Subject will not be comprised of seniors, the overall total population growth and significant presence of families in the PMA should bode well for the Subject’s affordable units.

**2. Household Trends**

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

**TOTAL NUMBER OF HOUSEHOLDS**

Year	PMA		Putnam County, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	8,477	-	5,229	-	91,947,410	-
2000	12,342	4.6%	7,413	4.2%	105,991,193	1.5%
2013	15,263	1.8%	8,707	1.3%	119,423,008	1.0%
Projected Mkt Entry August 2016	15,428	0.3%	8,795	0.3%	122,200,312	0.8%
2018	15,530	0.3%	8,850	0.3%	123,926,744	0.8%

Source: ESRI Demographics 2013, Novogradac & Company LLP, May 2014

**AVERAGE HOUSEHOLD SIZE**

Year	PMA		Putnam County, GA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.56	-	2.50	-	2.58	-
2013	2.44	-0.3%	2.44	-0.2%	2.57	0.0%
Projected Mkt Entry August 2016	2.43	-0.1%	2.44	-0.1%	2.57	0.0%
2018	2.43	-0.1%	2.43	-0.1%	2.57	0.0%

Source: ESRI Demographics 2013, Novogradac & Company LLP, May 2014

Similar to population trends, the number of households in the PMA grew from 1990 to 2000 and 2000 to 2013 at a rate faster than the SMA and nation. Through market entry and 2018, the number of households in the PMA is projected to grow at a rate of 0.3 percent per annum, a rate similar to the SMA, but below that of the nation.

Historically, all three areas of analysis have experienced declines in average household sizes. Through the market entry date, the average household size in the PMA is projected to decline at a rate of 0.1 percent per annum, a rate similar to that of the SMA. The average household size in the nation is projected to remain unchanged through this time period.

## 2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2018.

### TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	9,942	80.6%	2,400	19.4%
2013	11,687	76.6%	3,576	23.4%
Projected Mkt Entry August 2016	11,847	76.8%	3,580	23.2%
2018	11,947	76.9%	3,583	23.1%

Source: ESRI Demographics 2013, Novogradac & Company LLP, May 2014

In 2013, approximately 76.6 percent of households in the PMA were owner-occupied, while the remaining 23.4 percent are renter-occupied. The percentage of renter households in the PMA is below the national average of 33 percent (not shown). Through the market entry date and 2018, the percentage of renter-occupied households in the PMA is projected to decrease; however, the number of renter-occupied units is projected to slightly increase over the same time periods.

## 2c. Households by Income

The following table depicts household income in 2013, market entry, and 2018 for the PMA.

### HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2013		Projected Mkt Entry August 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,680	11.0%	1,758	11.4%	1,807	11.6%
\$10,000-19,999	2,358	15.5%	2,447	15.9%	2,502	16.1%
\$20,000-29,999	2,117	13.9%	2,186	14.2%	2,229	14.4%
\$30,000-39,999	2,083	13.6%	2,059	13.3%	2,045	13.2%
\$40,000-49,999	1,471	9.6%	1,476	9.6%	1,479	9.5%
\$50,000-59,999	1,120	7.3%	1,093	7.1%	1,077	6.9%
\$60,000-74,999	1,175	7.7%	1,148	7.4%	1,131	7.3%
\$75,000-99,999	1,190	7.8%	1,199	7.8%	1,204	7.8%
\$100,000-124,999	766	5.0%	751	4.9%	742	4.8%
\$125,000-149,999	334	2.2%	334	2.2%	335	2.2%
\$150,000-199,999	429	2.8%	416	2.7%	407	2.6%
\$200,000+	541	3.5%	560	3.6%	572	3.7%
<b>Total</b>	<b>15,263</b>	<b>100.0%</b>	<b>15,428</b>	<b>100.0%</b>	<b>15,530</b>	<b>100.0%</b>

Source: Ribbon Demographics 2013, Novogradac & Company LLP, May 2014

As of 2013, approximately 54.0 percent of households in the PMA have an annual income less than \$40,000. Through market entry and 2018, the percentage of households earning less than \$40,000 annually is projected to slightly increase. The significant percentage of low-income households in the PMA is a positive indicator for demand of the Subject's affordable units.

**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**

	2000		2013		Projected Mkt Entry August 2016		2018	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	650	27.1%	1,125	31.5%	1,144	32.0%	1,156	32.3%
With 2 Persons	632	26.3%	873	24.4%	869	24.3%	867	24.2%
With 3 Persons	428	17.8%	633	17.7%	632	17.7%	632	17.6%
With 4 Persons	334	13.9%	488	13.6%	481	13.4%	477	13.3%
With 5+ Persons	355	14.8%	458	12.8%	453	12.7%	451	12.6%
Total Renter Households	2,400	100.0%	3,576	100.0%	3,580	100.0%	3,583	100.0%

Source: Ribbon Demographics 2013, Novogradac & Company LLP, May 2014

Approximately 72.8 percent of renter households in the PMA had two or more persons in the household, as of 2013. A significant percentage of renter households, through 2018, is projected to consist of two or more persons through market entry and 2018, which should bode well for the Subject’s one, two, and three-bedroom units.

**CONCLUSION**

Total population in the PMA is projected to continue to grow at 0.2 percent per annum through market entry and 2018. Through market entry and 2018, the number of households is projected to grow in the PMA at a rate of 0.3 percent per annum, a rate similar to the SMA, but below that of the nation. Over the same period of time, a significant percentage of the renter households in the PMA is projected to earn less than \$40,000 annually and will consist primarily of two or more persons. Overall, the projected trends are positive indicators for the Subject’s affordable units.

## **F. EMPLOYMENT TRENDS**

## Employment Trends

The Putnam County, GA (SMA) has experienced a decrease in total employment from 2008 to 2014. The decrease in total employment can be partially attributed to the most recent national recession. However, the lingering effects of the recession can be attributed to the SMA's reliance on the manufacturing and retail trade industries, which are historically susceptible to job loss and closures during times of economic downturn. In our discussion with Ms. Terry Schwindler, Economic Development Director with the Putnam County Development Authority, she stated that the SMA is looking to incorporate the life sciences and technology industries in order to provide more stabilization to the local economy.

### 1. Total Jobs

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

**Total Jobs in Putnam County, GA**

Year	Total Employment	% Change
2004	9,049	-
2005	9,603	5.8%
2006	9,733	1.3%
2007	9,777	0.5%
2008	9,181	-6.5%
2009	8,614	-6.6%
2010	8,514	-1.2%
2011	7,978	-6.7%
2012	7,790	-2.4%
2013	7,805	0.2%
2014 YTD Average	7,693	-1.5%
Feb-13	7,790	-
Feb-14	7,696	-1.2%

Source: U.S. Bureau of Labor Statistics

YTD as of February 2014

Total employment in SMA has decreased significantly from 2004 to February 2014, with the most notable decreases in 2008, 2009, and 2011, which were due to the effects of the most recent national recession. Total employment levels in the SMA continue to decrease, albeit at lesser rates than in the previous five years. Overall, the recent economic data suggests that the SMA remains affected by the lingering effects from the most recent national recession.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within the Putnam County (SMA), as of third quarter 2013.

<b>September 2013 Covered Employment Putnam County, Georgia</b>		
	<b>Number</b>	<b>Percent</b>
<b>Total All Industries</b>	<b>3,951</b>	-
<b>Good producing</b>	<b>1,179</b>	-
Natural Resources and Mining	290	7.3%
Construction	432	10.9%
Manufacturing	457	11.6%
<b>Service-Providing</b>	<b>2,772</b>	-
Trade, Transportation, and utilities	1,073	27.2%
Information	-	0.0%
Financial Activities	177	4.5%
Professional and business services	478	12.1%
Educational and health services	392	9.9%
Leisure and hospitality	510	12.9%
Other services	81	2.1%
Unclassified	-	0.0%

Source: Bureau of Labor Statistics, 2014

As of the third quarter of 2013, the industries with the highest number of total jobs in the SMA were trade, transportation, and utilities, leisure and hospitality, professional and business services, and manufacturing. These industries account for approximately 63.7 percent of the total jobs in the SMA. As illustrated above, service-providing industries provide more jobs than the good producing industries in the SMA.

## 2013 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	2,233	14.3%	15,162,651	10.6%
Retail Trade	1,833	11.7%	16,592,605	11.6%
Health Care/Social Assistance	1,792	11.5%	20,080,547	14.0%
Educational Services	1,768	11.3%	12,979,314	9.1%
Construction	1,141	7.3%	8,291,595	5.8%
Public Administration	1,002	6.4%	6,713,073	4.7%
Accommodation/Food Services	837	5.4%	10,849,114	7.6%
Other Services (excl Publ Adm)	660	4.2%	7,850,739	5.5%
Agric/Forestry/Fishing/Hunting	655	4.2%	1,800,354	1.3%
Transportation/Warehousing	596	3.8%	5,898,791	4.1%
Finance/Insurance	481	3.1%	6,884,133	4.8%
Prof/Scientific/Tech Services	467	3.0%	9,808,289	6.8%
Admin/Support/Waste Mgmt Svcs	451	2.9%	6,316,579	4.4%
Wholesale Trade	439	2.8%	3,628,118	2.5%
Utilities	408	2.6%	1,107,105	0.8%
Real Estate/Rental/Leasing	322	2.1%	2,627,562	1.8%
Arts/Entertainment/Recreation	322	2.1%	3,151,821	2.2%
Information	106	0.7%	2,577,845	1.8%
Mining	74	0.5%	868,282	0.6%
Mgmt of Companies/Enterprises	42	0.3%	97,762	0.1%
<b>Total Employment</b>	<b>15,629</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2014

The largest sector in the PMA is the manufacturing sector, followed by the retail trade, health care/social assistance, and educational services sectors. These four sectors account for 48.8 percent of employment in the PMA. It should be noted that while the health care/social assistance and educational services sectors are historically stable industries, the manufacturing and retail trade industries are at risk of job loss and closures during times of economic downturn.

### 3. Major Employers

The following table is a list of the top employers in Putnam County (SMA).

#### MAJOR EMPLOYERS

##### Putnam County, GA

Employer	Industry	Number Employed
Putnam County School System	Educational Services	510
Georgia Power Company	Utilities	458
Haband Company	Retail Trade	426
Horton Industries	Manufacturing	420
Putnam County	Government	174
Wal-Mart	Retail Trade	145
Putnam General Hospital	Health Care/Social Assistance	137
Cuscowilla Golf Resort	Hospitality	90
Rayonier	Logging	80
City of Eatonton	Government	71
Rock Eagle 4-H Center	Educational Services	64
Gro Tech, Inc.	Manufacturing	58
Gregory Bridge Company	Construction	36
Universal Forest Products	Manufacturing	34
Hallman Wood Products	Construction	31

Source: Putnam Development Authority, 5/2014

The largest employers in the SMA are the Putnam County School System, Georgia Power Company, Haband Company, and Horton Industries. As illustrated above, the majority of the SMA's top employers are concentrated within the retail trade, educational services, and manufacturing industries. Lower skilled employees in these industries are likely to have incomes in line with the Subject's income restrictions. Overall, the top 15 major employers account for approximately 35 percent of total employment within the SMA.

#### *Expansions/Contractions*

We spoke with Ms. Terry Schwindler, Economic Development Director with the Putnam County Development Authority regarding any recent business expansions in Putnam County (SMA). In addition to our interview with Ms. Schwindler, we conducted an online search to identify any additional recent business expansions in the SMA. The following table details these expansions.

#### PUTNAM COUNTY BUSINESS EXPANSIONS

Company	Industry	Announcement Date	Projected Completion Date	Number of Jobs Added	Description
Aalto Scientific	Technology	Apr-14	N/A	80	Opening a manufacturing, production, and warehouse facility.
Vizitech	Educational Services	Dec-13	Dec-14	8	Moving office to Eatonton.
Haband Company	Retail Trade	N/A	N/A	45	Expanding distribution operations.
Gro Tech, Inc.	Manufacturing	May-14	Sep-14	5	Seasonal hiring.

Source: Terry Schwindler, Economic Development Director, Putnam Development Authority, 5/2014

The most notable job expansion in the SMA is Aalto Scientific. Aalto Scientific will construct a 76,000-square-foot production and warehouse facility, as well as a 15,000-square-foot manufacturing facility, on a 25-acre site. The planned construction will be the first project to be located at the Rock Eagle Technology Park, a 150-acre development park located at 1100 Madison Road in Eatonton. Ms. Schwindler confirmed that Aalto Scientific is the only project currently proposed at the Rock Eagle Technology Park, which is located approximately 5.5 miles north of the Subject.

According to the Georgia Department of Labor, there has been one closure and layoff reported in the SMA from 2012 to 2014. In May of 2012, Haband, a mail order apparel company, closed one of its distribution centers in Eatonton, GA. The closure affected a total of 89 employees. According to a May 2012 article published by *The Eatonton Messenger*, the company planned on closing its plant located at 119 South Forrest Street, which is approximately 0.8 miles southwest of the Subject site, on July 13, 2012; however, the company's second location at 148 Industrial Boulevard, which is located approximately 2.5 miles south of the Subject site, will remain open.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA (Putnam County) from 2004 to 2014 (through March).

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

Year	Putnam County, GA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	9,049	-	4.4%	-	139,252,000	-	5.5%	-
2005	9,603	6.1%	5.3%	0.9%	141,730,000	1.8%	5.1%	-0.4%
2006	9,928	3.4%	4.5%	-0.8%	144,427,000	1.9%	4.6%	-0.5%
2007	9,938	0.1%	4.5%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	9,683	-2.6%	7.1%	2.6%	145,362,000	-0.5%	5.8%	1.2%
2009	9,199	-5.0%	10.7%	3.6%	139,877,000	-3.8%	9.3%	3.5%
2010	8,647	-6.0%	11.5%	0.8%	139,064,000	-0.6%	9.6%	0.3%
2011	8,235	-4.8%	11.6%	0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	7,862	-4.5%	10.5%	-1.1%	142,469,000	1.9%	8.1%	-0.8%
2013	7,846	-0.2%	9.7%	-0.8%	143,929,000	1.0%	7.0%	-1.1%
2014 YTD Average*	7,727	-1.7%	9.2%	-1.3%	144,250,000	1.3%	7.4%	-0.7%
Mar-2013	7,942	-	9.7%	-	142,698,000	-	7.4%	-
Mar-2014	7,796	-1.8%	9.7%	0.0%	145,090,000	1.7%	7.4%	0.0%

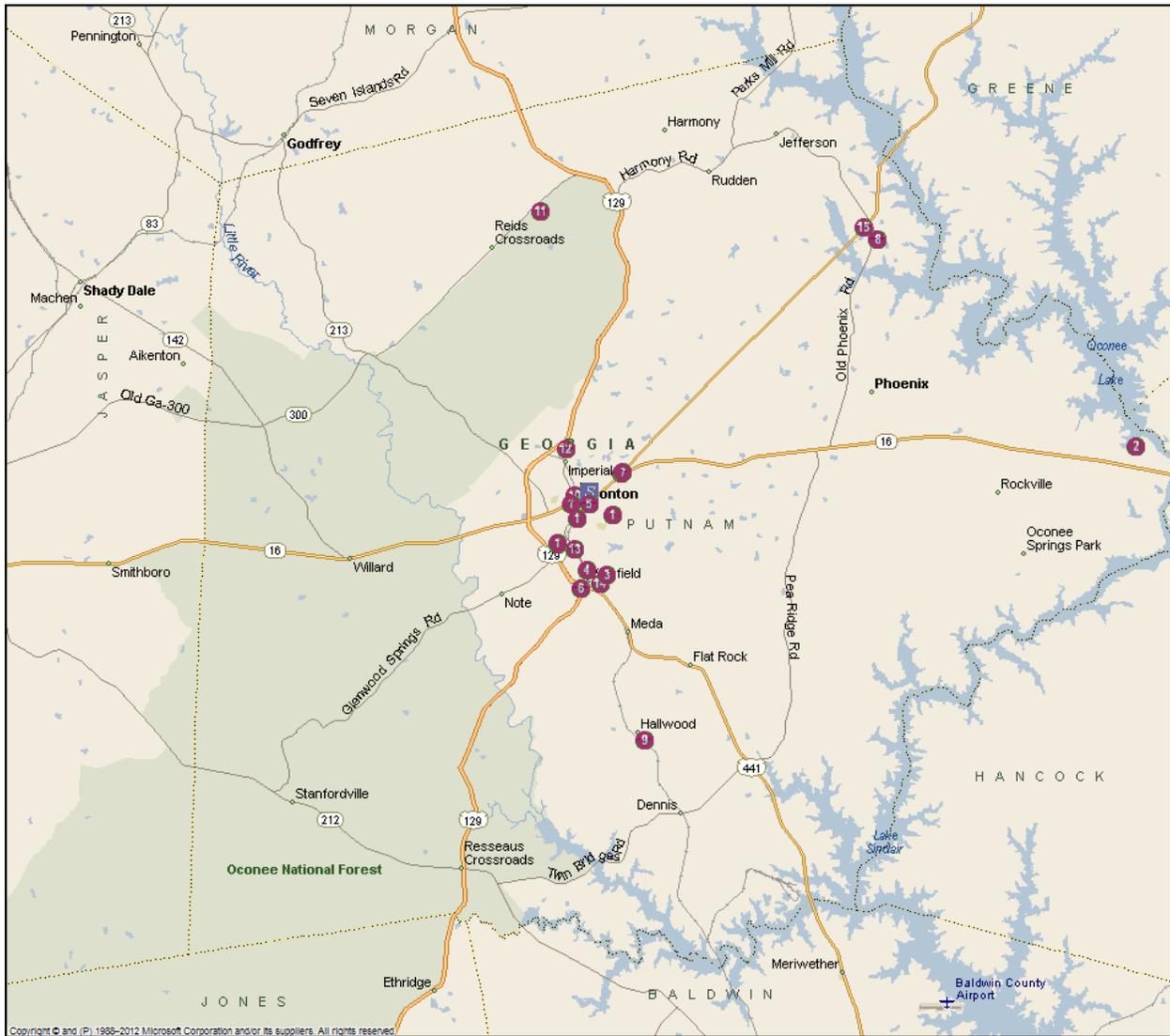
Source: U.S. Bureau of Labor Statistics May 2014

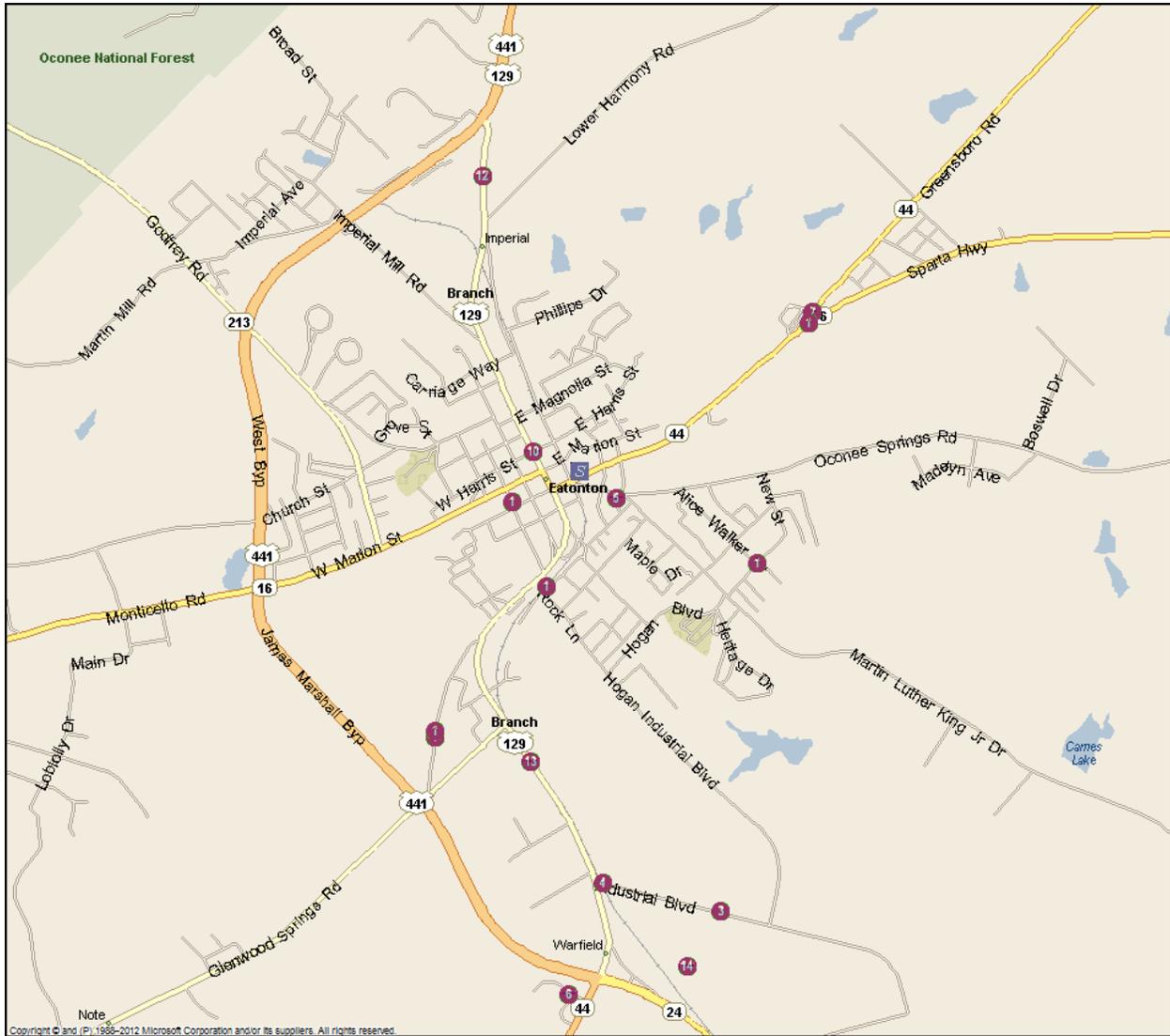
\*2014 data is through Mar

The SMA experienced fairly strong employment growth in 2005 and 2006; however, growth slowed in 2007. From 2008 to 2012, the SMA experienced significant declines in total employment, as the unemployment rate peaked in 2011, due to the most recent national recession. For the 12-month period ending on March 2014, total employment in the SMA decreased 1.8 percent, while total employment in the nation moderately increased. As of March 2014, the unemployment rate in the SMA is 9.7 percent, a rate higher than the nation's 7.4 percent unemployment rate. Overall, it appears that the SMA is still experiencing lingering effects of the most recent recession, which is primarily attributable to the SMA's reliance on the manufacturing and retail trade industries. These industries are typically volatile during economic downturns, such as the most recent recession from 2007 to 2009.

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

The following map and table details the largest employers in Eatonton, GA and the SMA.





**MAJOR EMPLOYERS****Putnam County, GA**

#	Employer	Industry	Number Employed
1	Putnam County School System	Educational Services	510
2	Georgia Power Company	Utilities	458
3	Haband Company	Retail Trade	426
4	Horton Industries	Manufacturing	420
5	Putnam County	Government	174
6	Wal-Mart	Retail Trade	145
7	Putnam General Hospital	Health Care/Social Assistance	137
8	Cuscowilla Golf Resort	Hospitality	90
9	Rayonier	Logging	80
10	City of Eatonton	Government	71
11	Rock Eagle 4-H Center	Educational Services	64
12	Gro Tech, Inc.	Manufacturing	58
13	Gregory Bridge Company	Construction	36
14	Universal Forest Products	Manufacturing	34
15	Hallman Wood Products	Construction	31

Source: Putnam Development Authority, 5/2014

**Conclusion**

The SMA experienced fairly strong employment growth in 2005 and 2006; however, growth slowed in 2007. From 2008 to 2012, the SMA experienced significant declines in total employment, as the unemployment rate peaked in 2011, due to the most recent national recession. For the 12-month period ending on March 2014, total employment in the SMA decreased 1.8 percent, while total employment in the nation moderately increased. As of March 2014, the unemployment rate in the SMA is 9.7 percent, a rate higher than the nation's 7.4 percent unemployment rate. Overall, it appears that the SMA is still experiencing lingering effects of the most recent recession, which is primarily attributable to the SMA's reliance on the manufacturing and retail trade industries. These industries are typically volatile during economic downturns, such as the most recent recession from 2007 to 2009. Overall, the lack of recent plant and business closures and layoffs, as well as the recently announced expansions by Aalto Scientific, indicate that the economy of the SMA will recover; however, it will continue to lag that of the nation.

# **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 household will pay is 35 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 2016, the anticipated date of market entry, as the base year for the analysis. Therefore, 2013 household population estimates are inflated to 2016 by interpolation of the difference between 2013 estimates and 2018 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 2016. This number takes the overall growth from 2013 to 2016 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 2014 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 or placed in service from 2012 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 2012 and 2013.
- Vacancies in projects placed in service prior to 2012 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 from 2012 to present. 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.

Based on DCA's allocation lists, there have been no family properties proposed for the Subject's PMA. Additionally, there are no market rate properties proposed, under construction, or that have entered the market in 2012 and 2013. Thus, no units have been removed 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. As previously indicated, there are no competitive LIHTC or market rate properties in the Subject's PMA.

#### **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.

#### **Capture Rates**

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

Renter Household Income Distribution 2013 to Projected Market Entry August 2016					
Sumter Street Station					
PMA					
	2013		Projected Mkt Entry August 2016		Percent Growth
	#	%	#	%	
\$0-9,999	684	19.1%	691	19.3%	1.0%
\$10,000-19,999	773	21.6%	787	22.0%	1.8%
\$20,000-29,999	740	20.7%	750	21.0%	1.4%
\$30,000-39,999	363	10.1%	342	9.5%	-6.1%
\$40,000-49,999	333	9.3%	336	9.4%	0.8%
\$50,000-59,999	126	3.5%	128	3.6%	1.5%
\$60,000-74,999	166	4.6%	156	4.4%	-5.9%
\$75,000-99,999	146	4.1%	149	4.2%	2.4%
\$100,000-124,999	96	2.7%	94	2.6%	-3.1%
\$125,000-149,999	73	2.1%	76	2.1%	3.6%
\$150,000-199,999	55	1.5%	51	1.4%	-6.9%
\$200,000+	21	0.6%	19	0.5%	-8.6%
Total	3,576	100.0%	3,580	100.0%	0.1%

Renter Household Income Distribution Projected Market Entry August 2016			
Sumter Street Station			
PMA			
	Projected Mkt Entry August 2016		Change 2013 to Prj Mrkt Entry August 2016
	#	%	#
\$0-9,999	691	19.3%	1
\$10,000-19,999	787	22.0%	1
\$20,000-29,999	750	21.0%	1
\$30,000-39,999	342	9.5%	0
\$40,000-49,999	336	9.4%	0
\$50,000-59,999	128	3.6%	0
\$60,000-74,999	156	4.4%	0
\$75,000-99,999	149	4.2%	0
\$100,000-124,999	94	2.6%	0
\$125,000-149,999	76	2.1%	0
\$150,000-199,999	51	1.4%	0
\$200,000+	19	0.5%	0
Total	3,580	100.0%	4

Tenure Prj Mrkt Entry August 2016	
Renter	23.2%
Owner	76.8%
Total	100.0%

Renter Household Size for Prj Mrkt Entry August 2016		
Size	Number	Percentage
1 Person	1,144	32.0%
2 Person	869	24.3%
3 Person	632	17.7%
4 Person	481	13.4%
5+ Person	453	12.7%
Total	3,580	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	650	27.1%
2 Person	632	26.3%
3 Person	428	17.8%
4 Person	334	13.9%
5+ Person	355	14.8%
Total	2,400	100.0%

50% AMI

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

Percent of AMI Level			50%			
Minimum Income Limit			\$15,086			
Maximum Income Limit			\$27,600		5	
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry August 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket	
	\$0-9,999	0.83			19.3%	
\$10,000-19,999	0.95	22.0%	4,913	49.1%	0	
\$20,000-29,999	0.90	21.0%	7,600	76.0%	1	
\$30,000-39,999	0.41	9.5%		0.0%	0	
\$40,000-49,999	0.40	9.4%		0.0%	0	
\$50,000-59,999	0.15	3.6%		0.0%	0	
\$60,000-74,999	0.19	4.4%		0.0%	0	
\$75,000-99,999	0.18	4.2%		0.0%	0	
\$100,000-124,999	0.11	2.6%		0.0%	0	
\$125,000-149,999	0.09	2.1%		0.0%	0	
\$150,000-199,999	0.06	1.4%		0.0%	0	
\$200,000+	0.02	0.5%		0.0%	0	
	4	100.0%			1	
Percent of renter households within limits versus total number of renter households					26.74%	

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

Percent of AMI Level			50%			
Minimum Income Limit			\$15,086			
Maximum Income Limit			\$27,600		\$5	
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2016		Income Brackets	Percent within Cohort	Households within Bracket	
	\$0-9,999	691			19.3%	\$0
\$10,000-19,999	787	22.0%	\$4,913	49%	387	
\$20,000-29,999	750	21.0%	\$7,600	76%	570	
\$30,000-39,999	342	9.5%	\$0	0%	0	
\$40,000-49,999	336	9.4%	\$0	0%	0	
\$50,000-59,999	128	3.6%	\$0	0%	0	
\$60,000-74,999	156	4.4%	\$0	0%	0	
\$75,000-99,999	149	4.2%	\$0	0%	0	
\$100,000-124,999	94	2.6%	\$0	0%	0	
\$125,000-149,999	76	2.1%	\$0	0%	0	
\$150,000-199,999	51	1.4%	\$0	0%	0	
\$200,000+	19	0.5%	\$0	0%	0	
	3,580	100.0%			957	
Percent of renter households within limits versus total number of renter households					26.74%	

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

2013 Median Income

Change from 2013 to Prj Mrkt Entry August 2016

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		
Family		
Rural		
35%		
\$38,168		
\$43,137		
\$4,969		
11.5%		
0.8%		
0.8%	Two year adjustment	1.0000
\$27,600		
\$27,600		
5		
50%		
\$440		
\$440.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry August 2016

Income Target Population	50%
New Renter Households PMA	4
Percent Income Qualified	26.7%
New Renter Income Qualified Households	1

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

Demand from Existing Households 2013

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	3,580
Income Qualified	26.7%
Income Qualified Renter Households	957
Percent Rent Overburdened Prj Mrkt Entry August 2016	36.0%
Rent Overburdened Households	345

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	957
Percent Living in Substandard Housing	1.4%
Households Living in Substandard Housing	13

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	358
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	358
Total New Demand	1
Total Demand (New Plus Existing Households)	359

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	32.0%	115
Two Persons	24.3%	87
Three Persons	17.7%	63
Four Persons	13.4%	48
Five Persons	12.7%	45
Total	100.0%	359

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	92
Of two-person households in 1BR units	20%	17
Of one-person households in 2BR units	20%	23
Of two-person households in 2BR units	80%	70
Of three-person households in 2BR units	60%	38
Of three-person households in 3BR units	40%	25
Of four-person households in 3BR units	80%	39
Of five-person households in 3BR units	70%	32
Total Demand		359
Check		OK

Total Demand by Bedroom

	50%
1 BR	109
2 BR	131
3 BR	96
Total Demand	336

Additions To Supply 2013 to Prj Mrkt Entry August 2016

	50%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand

	50%
1 BR	109
2 BR	131
3 BR	96
Total	336

Developer's Unit Mix

	50%
1 BR	10
2 BR	1
3 BR	1
Total	12

Capture Rate Analysis

	50%
1 BR	9.2%
2 BR	0.8%
3 BR	1.0%
Total	3.6%

60%AMI

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

Percent of AMI Level			60%		
Minimum Income Limit			\$19,029		
Maximum Income Limit			\$33,120 5		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry August 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	0.83			
\$10,000-19,999	0.95	22.0%	970	9.7%	0
\$20,000-29,999	0.90	21.0%	9,999	100.0%	1
\$30,000-39,999	0.41	9.5%	3,120	31.2%	0
\$40,000-49,999	0.40	9.4%		0.0%	0
\$50,000-59,999	0.15	3.6%		0.0%	0
\$60,000-74,999	0.19	4.4%		0.0%	0
\$75,000-99,999	0.18	4.2%		0.0%	0
\$100,000-124,999	0.11	2.6%		0.0%	0
\$125,000-149,999	0.09	2.1%		0.0%	0
\$150,000-199,999	0.06	1.4%		0.0%	0
\$200,000+	0.02	0.5%		0.0%	0
	4	100.0%			1
Percent of renter households within limits versus total number of renter households					26.07%

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

Percent of AMI Level			60%		
Minimum Income Limit			\$19,029		
Maximum Income Limit			\$33,120 \$5		
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	691			
\$10,000-19,999	787	22.0%	\$970	10%	76
\$20,000-29,999	750	21.0%	\$9,999	100%	750
\$30,000-39,999	342	9.5%	\$3,120	31%	107
\$40,000-49,999	336	9.4%	\$0	0%	0
\$50,000-59,999	128	3.6%	\$0	0%	0
\$60,000-74,999	156	4.4%	\$0	0%	0
\$75,000-99,999	149	4.2%	\$0	0%	0
\$100,000-124,999	94	2.6%	\$0	0%	0
\$125,000-149,999	76	2.1%	\$0	0%	0
\$150,000-199,999	51	1.4%	\$0	0%	0
\$200,000+	19	0.5%	\$0	0%	0
	3,580	100.0%			934
Percent of renter households within limits versus total number of renter households					26.07%

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

2013 Median Income

Change from 2013 to Prj Mrkt Entry August 2016

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		
Family		
Rural		
35%		
\$38,168		
\$43,137		
\$4,969		
11.5%		
0.8%		
0.8%	Two year adjustment	1.0000
\$33,120		
\$33,120		
5		
60%		
\$555		
\$555.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry August 2016

Income Target Population	60%
New Renter Households PMA	4
Percent Income Qualified	26.1%
New Renter Income Qualified Households	1

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	3,580
Income Qualified	26.1%
Income Qualified Renter Households	934
Percent Rent Overburdened Prj Mrkt Entry August 2016	36.0%
Rent Overburdened Households	336

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	934
Percent Living in Substandard Housing	1.4%
Households Living in Substandard Housing	13

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

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		349
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		349
Total New Demand		1
Total Demand (New Plus Existing Households)		350

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	32.0%	112
Two Persons	24.3%	85
Three Persons	17.7%	62
Four Persons	13.4%	47
Five Persons	12.7%	44
Total	100.0%	350

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	80%	89
Of two-person households in 1BR units	20%	17
Of one-person households in 2BR units	20%	22
Of two-person households in 2BR units	80%	68
Of three-person households in 2BR units	60%	37
Of three-person households in 3BR units	40%	25
Of four-person households in 3BR units	80%	38
Of five-person households in 3BR units	70%	31
Total Demand		350
Check		OK
Total Demand by Bedroom		60%
1 BR		106
2 BR		127
3 BR		93
Total Demand		327
Additions To Supply 2013 to Prj Mrkt Entry August 2016		60%
1 BR		0
2 BR		0
3 BR		0
Total		0
Net Demand		60%
1 BR		106
2 BR		127
3 BR		93
Total		327
Developer's Unit Mix		60%
1 BR		2
2 BR		30
3 BR		17
Total		49
Capture Rate Analysis		60%
1 BR		1.9%
2 BR		23.5%
3 BR		18.2%
Total		15.0%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,086		
Maximum Income Limit			\$33,120 5		
Income Category	New Renter Households - Total Change in Households PMA 2013 to Prj Mrkt Entry August 2016		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	0.83			
\$10,000-19,999	0.95	22.0%	5,086	50.9%	0
\$20,000-29,999	0.90	21.0%	9,999	100.0%	1
\$30,000-39,999	0.41	9.5%	3,120	31.2%	0
\$40,000-49,999	0.40	9.4%		0.0%	0
\$50,000-59,999	0.15	3.6%		0.0%	0
\$60,000-74,999	0.19	4.4%		0.0%	0
\$75,000-99,999	0.18	4.2%		0.0%	0
\$100,000-124,999	0.11	2.6%		0.0%	0
\$125,000-149,999	0.09	2.1%		0.0%	0
\$150,000-199,999	0.06	1.4%		0.0%	0
\$200,000+	0.02	0.5%		0.0%	0
	4	100.0%			2
Percent of renter households within limits versus total number of renter households			35.13%		

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,086		
Maximum Income Limit			\$33,120 \$5		
Income Category	Total Renter Households PMA Prj Mrkt Entry August 2016		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	691			
\$10,000-19,999	787	22.0%	\$5,086	51%	400
\$20,000-29,999	750	21.0%	\$9,999	100%	750
\$30,000-39,999	342	9.5%	\$3,120	31%	107
\$40,000-49,999	336	9.4%	\$0	0%	0
\$50,000-59,999	128	3.6%	\$0	0%	0
\$60,000-74,999	156	4.4%	\$0	0%	0
\$75,000-99,999	149	4.2%	\$0	0%	0
\$100,000-124,999	94	2.6%	\$0	0%	0
\$125,000-149,999	76	2.1%	\$0	0%	0
\$150,000-199,999	51	1.4%	\$0	0%	0
\$200,000+	19	0.5%	\$0	0%	0
	3,580	100.0%			1,258
Percent of renter households within limits versus total number of renter households			35.13%		

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

2013 Median Income

Change from 2013 to Prj Mrkt Entry August 2016

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		
Family		
Rural		
35%		
\$38,168		
\$43,137		
\$4,969		
11.5%		
0.8%		
0.8%	Two year adjustment	1.0000
\$33,120		
\$33,120		
\$5		
Overall		
\$440		
\$440.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2013 to Prj Mrkt Entry August 2016

Income Target Population	Overall
New Renter Households PMA	4
Percent Income Qualified	35.1%
New Renter Income Qualified Households	2

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

Demand from Existing Households 2013

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	3,580
Income Qualified	35.1%
Income Qualified Renter Households	1,258
Percent Rent Overburdened Prj Mrkt Entry August 2016	36.0%
Rent Overburdened Households	453

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,258
Percent Living in Substandard Housing	1.4%
Households Living in Substandard Housing	18

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

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	470
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	470
Total New Demand	2
Total Demand (New Plus Existing Households)	472

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	32.0%	151
Two Persons	24.3%	115
Three Persons	17.7%	83
Four Persons	13.4%	63
Five Persons	12.7%	60
Total	100.0%	472

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	121
Of two-person households in 1BR units	20%	23
Of one-person households in 2BR units	20%	30
Of two-person households in 2BR units	80%	92
Of three-person households in 2BR units	60%	50
Of three-person households in 3BR units	40%	33
Of four-person households in 3BR units	80%	51
Of five-person households in 3BR units	70%	42
Total Demand		472
Check		OK

Total Demand by Bedroom	Overall
1 BR	144
2 BR	172
3 BR	126
Total Demand	441

Additions To Supply 2013 to Prj Mrkt Entry August 2016	Overall
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	Overall
1 BR	144
2 BR	172
3 BR	126
Total	441

Developer's Unit Mix	Overall
1 BR	12
2 BR	31
3 BR	18
Total	61

Capture Rate Analysis	Overall
1 BR	8.4%
2 BR	18.0%
3 BR	14.3%
Total	13.8%

## **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.

- The number of households in the PMA is projected to increase 0.3 percent between 2013 and the market entry date of August 2016.
- 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	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR at 50% AMI	\$15,806-\$20,450	10	109	0	109	9.2%	8 Months	\$556	\$438-\$728	\$349
2BR at 50% AMI	\$16,320-\$23,000	1	131	0	131	0.8%	8 Months	\$623	\$445-\$825	\$360
3BR at 50% AMI	<u>\$19,440-\$27,600</u>	<u>1</u>	<u>96</u>	<u>0</u>	<u>96</u>	<u>1.0%</u>	<u>8 Months</u>	<u>\$705</u>	<u>\$510-\$1,019</u>	<u>\$422</u>
<b>Overall 50%</b>	<b>\$15,806-27,600</b>	<b>12</b>	<b>336</b>	<b>0</b>	<b>336</b>	<b>3.6%</b>	<b>8 Months</b>	<b>\$556-\$705</b>	<b>\$438-\$1,019</b>	<b>\$349-\$422</b>
1BR at 60% AMI	\$19,029-\$24,540	2	106	0	106	1.9%	8 Months	\$556	\$438-\$728	\$464
2BR at 60% AMI	\$20,263-\$27,600	30	127	0	127	23.5%	8 Months	\$642	\$445-\$825	\$475
3BR at 60% AMI	<u>\$23,211-\$33,120</u>	<u>17</u>	<u>93</u>	<u>0</u>	<u>93</u>	<u>18.2%</u>	<u>8 Months</u>	<u>\$732</u>	<u>\$510-\$1,019</u>	<u>\$532</u>
<b>Overall 60%</b>	<b>\$19,029-\$33,120</b>	<b>49</b>	<b>327</b>	<b>0</b>	<b>327</b>	<b>15.0%</b>	<b>8 Months</b>	<b>\$556-\$732</b>	<b>\$438-\$1,019</b>	<b>\$464-\$532</b>
Overall 1BR	\$15,806-\$24,540	12	144	0	144	8.4%	8 Months	\$556	\$438-\$728	\$349-\$464
Overall 2BR	\$16,320-\$27,600	31	172	0	172	18.0%	8 Months	\$623	\$445-\$825	\$360-\$475
Overall 3BR	<u>\$19,440-33,120</u>	<u>18</u>	<u>126</u>	<u>0</u>	<u>126</u>	<u>14.3%</u>	<u>8 Months</u>	<u>\$732</u>	<u>\$510-\$1,019</u>	<u>\$422-\$532</u>
<b>Total Overall</b>	<b>\$15,806-33,120</b>	<b>61</b>	<b>441</b>	<b>0</b>	<b>441</b>	<b>13.8%</b>	<b>8 Months</b>	<b>\$556-\$732</b>	<b>\$438-\$1,019</b>	<b>\$349-\$532</b>

**Demand and Net Demand**

	HH at 50% AMI (min to max income)	HH at 60% AMI (min to max income)	All Tax Credit Households
Demand from New Households (age and income appropriate)	1	1	2
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	13	13	18
<b>PLUS</b>	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	345	336	453
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>359</b>	<b>350</b>	<b>472</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
<b>Equals Total Demand</b>	<b>359</b>	<b>350</b>	<b>472</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0
<b>Equals Net Demand</b>	<b>359</b>	<b>350</b>	<b>472</b>

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 0.8 to 9.2 percent, with an overall capture rate of 3.6 percent. The Subject's 60 percent AMI capture rates range from 1.9 to 23.5 percent, with an overall capture rate of 15.0 percent. The overall capture rate for the Subject's 50 and 60 percent units is 13.8 percent. Therefore, we believe there is adequate demand for the Subject. Further, the derived capture rates for the Subject are within the Georgia DCA guidelines.

## **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. Our competitive survey includes 10 “true” comparable properties containing 959 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in this section. A map illustrating the location of the Subject in relation to comparable properties is also provided in this section. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC is considered adequate. Due to the lack of LIHTC properties in the PMA, we included two LIHTC comparables, Orchard Grove Apartments and Edgewood Park Apartments, which are located slightly outside the PMA in the cities of Madison and Milledgeville. All of the five LIHTC comparables are located approximately 16.3 to 51.0 miles of the Subject, which we believe is reasonable given the Subject’s rural area. We have excluded three properties, Heritage Villas of Eatonton, Hillside Apartments, and Academy Village, as they operate under the Section 8 or USDA Rural Development programs and are heavily subsidized.

Aside from the LIHTC comparables, we have also included five market rate comparables. One market rate comparables, The Crossroads at Lake Oconee, is located within the PMA and approximately 10.0 miles from the Subject. According to management at The Crossroads at Lake Oconee and the Eatonton Housing Authority, there are no market rate comparables, aside from The Crossroads at Lake Oconee, located in the city of Eatonton. The remaining four comparables are located in the nearby city of Milledgeville and are located within 21.5 miles of the Subject. Overall, we consider the availability of market data to be good.

**Excluded Properties**

The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

Name	Address	City	State	Distance from Subject	Type	Included/ Excluded	Reason for Exclusion
Heritage Villas of Eatonton	702 W Church Street	Eatonton	GA	1.9 miles	Rural Development/RAD - Family	Excluded	RD financing, Subsidized
Hillside Apartments	155 Hillside Dr	Eatonton	GA	0.7 miles	Section 8 - Senior	Excluded	Subsidized
Academy Village Apartment	203 Hillsboro St	Monticello	GA	18.2 miles	Rural Development/RAD - Family	Excluded	RD financing, Heavily subsidized



**COMPARABLE PROPERTIES**

#	Property Name	City	Type	Distance from Subject (miles)
1	Edgewood Park Apartments	Milledgeville	LIHTC/HOME	16.3
2	Magnolia Heights	Covington	LIHTC/Market	37.6
3	Orchard Grove Apartments	Madison	LIHTC	21.1
4	Tori Pines	Sandersville	LIHTC	51.0
5	Waterford Place	Milledgeville	LIHTC/Market	21.9
6	Carrington Woods Apartments	Milledgeville	Market	20.0
7	Cedar Ridge Apartments	Milledgeville	Market	21.5
8	Georgetown Village Apartments	Milledgeville	Market	21.9
9	Pine Knoll Apartments	Milledgeville	Market	18.1
10	The Crossroads At Lake Oconee	Eatonton	Market	10.0

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	Sumter Street Station 203 E Sumter St Eatonton, GA 31024 Putnam County	n/a	Garden (3 stories) Proposed 2016 / n/a	@50%, @60%, Non-Rental	1BR / 1BA	10	16.10%	@50%	\$349	885	no		N/A	N/A					
					1BR / 1BA	2	3.20%	@60%	\$464	885	no	N/A	N/A						
					2BR / 1BA	1	1.60%	@50%	\$360	900	no	N/A	N/A						
					2BR / 1BA	30	48.40%	@60%	\$475	900	no	N/A	N/A						
					2BR / 1BA	1	1.60%	Non-Rental	N/A	900	n/a	N/A	N/A						
					3BR / 2BA	1	1.60%	@50%	\$422	1,125	no	N/A	N/A						
					3BR / 2BA	17	27.40%	@60%	\$532	1,125	no	N/A	N/A						
						62	100%								N/A	N/A			
					1	Edgewood Park Apartments 2671 N Columbia Street Milledgeville, GA 31061 Baldwin County	16.3 miles	Garden (3 stories) 1997 / n/a	@30% (HOME), @60% (HOME)	1BR / 1BA	3	4.90%	@30%	\$180	650	n/a	Yes	0	0.00%
										2BR / 2BA	36	59.00%	@60%	\$445	987	n/a	No	4	11.10%
3BR / 2BA	22	36.10%	@60%	\$510						1,153	n/a	No	0	0.00%					
	61	100%												4	6.60%				
2	Magnolia Heights 10156 Magnolia Heights Circle Covington, GA 30014 Newton County	37.6 miles	Garden (2 stories) 2001 / n/a	@60%, Market	1BR / 1BA	10	5.00%	Market	\$640	975	n/a	No	N/A	N/A					
					1BR / 1BA	22	11.00%	@60%	\$583	975	yes	No	N/A	N/A					
					2BR / 2BA	41	20.50%	Market	\$740	1,150	n/a	No	N/A	N/A					
					2BR / 2BA	103	51.50%	@60%	\$695	1,150	no	No	N/A	N/A					
					3BR / 2BA	8	4.00%	Market	\$870	1,350	n/a	No	N/A	N/A					
					3BR / 2BA	16	8.00%	@60%	\$795	1,350	yes	No	N/A	N/A					
						200	100%							20	10.00%				
3	Orchard Grove Apartments 1070 Micha Way Madison, GA 30650 Morgan County	21.1 miles	Garden (2 stories) 2002 / n/a	@50%, @60%	2BR / 2BA	N/A	N/A	@50%	\$475	1,000	no	Yes	0	N/A					
					2BR / 2BA	N/A	N/A	@60%	\$475	1,000	no	Yes	0	N/A					
					3BR / 2BA	N/A	N/A	@50%	\$557	1,100	no	Yes	0	N/A					
					3BR / 2BA	N/A	N/A	@60%	\$557	1,100	no	Yes	0	N/A					
						60	100%							0	0.00%				
4	Tori Pines 635 Ferncrest Drive Sandersville, GA 31082 Washington County	51 miles	Various (2 stories) 2006 / n/a	@30%, @50%, @60%, Non-Rental	1BR / 1BA (Garden)	2	3.10%	@30%	\$273	932	yes	Yes	0	0.00%					
					1BR / 1BA (Garden)	4	6.20%	@60%	\$478	890	no	Yes	0	0.00%					
					2BR / 2BA (Garden)	5	7.80%	@50%	\$505	1,220	no	Yes	0	0.00%					
					2BR / 2BA (Townhouse)	3	4.70%	@30%	\$325	1,217	yes	Yes	0	0.00%					
					2BR / 2BA (Townhouse)	10	15.60%	@50%	\$505	1,217	no	Yes	0	0.00%					
					2BR / 2BA (Townhouse)	14	21.90%	@60%	\$555	1,217	no	Yes	0	0.00%					
					3BR / 2BA (Garden)	1	1.60%	@30%	\$402	1,342	yes	Yes	0	0.00%					
					3BR / 2BA (Garden)	1	1.60%	@50%	\$599	1,342	no	Yes	0	0.00%					
					3BR / 2BA (Garden)	6	9.40%	@60%	\$624	1,367	no	Yes	0	0.00%					
					3BR / 2BA (Townhouse)	1	1.60%	@30%	\$389	1,415	yes	Yes	0	0.00%					
					3BR / 2BA (Townhouse)	8	12.50%	@50%	\$599	1,439	no	Yes	0	0.00%					
					3BR / 2BA (Townhouse)	8	12.50%	@60%	\$624	1,457	no	Yes	0	0.00%					
					3BR / 2BA (Townhouse)	1	1.60%	Non-Rental	N/A	1,415	n/a		0	0.00%					
						64	100%							0	0.00%				
5	Waterford Place 131 N Pickens Street Milledgeville, GA 31061 Baldwin County	21.9 miles	Garden (2 stories) 2004 / n/a	@60%, Market	1BR / 1BA	18	22.50%	@60%	\$438	743	no	No	1	5.60%					
					1BR / 1BA	N/A	N/A	Market	\$528	743	n/a	Yes	0	N/A					
					2BR / 2BA	40	50.00%	@60%	\$526	1,011	no	No	2	5.00%					
					2BR / 2BA	N/A	N/A	Market	\$620	1,011	n/a	Yes	0	N/A					
					3BR / 2BA	24	30.00%	@60%	\$601	1,119	no	No	0	0.00%					
					3BR / 2BA	N/A	N/A	Market	\$689	1,119	n/a	Yes	0	N/A					
	80	100%							3	3.80%									
6	Carrington Woods Apartments 1980 Briarcliff Road Milledgeville, GA 31061 Baldwin County	20 miles	Various 1980s / n/a	Market	1BR / 1BA (Garden)	18	23.70%	Market	\$460	700	n/a	No	0	0.00%					
					1BR / 1BA (Garden)	18	23.70%	Market	\$520	900	n/a	No	0	0.00%					
					2BR / 1BA (Duplex)	8	10.50%	Market	\$590	900	n/a	No	0	0.00%					
					2BR / 1BA (Garden)	24	31.60%	Market	\$625	1,000	n/a	No	1	4.20%					
					3BR / 1.5BA (Townhouse)	8	10.50%	Market	\$650	1,400	n/a	No	0	0.00%					
	76	100%							1	1.30%									
7	Cedar Ridge Apartments 141 Frank Bone Road SW Milledgeville, GA 31061 Baldwin County	21.5 miles	Garden (2 stories) 1984 / n/a	Market	1BR / 1BA	20	33.30%	Market	\$450	900	n/a	No	0	0.00%					
					2BR / 2BA	40	66.70%	Market	\$550	1,100	n/a	No	3	7.50%					
						60	100%							3	5.00%				
8	Georgetown Village Apartments 196 Highway 49 W Milledgeville, GA 31061 Baldwin County	21.9 miles	Various (2 stories) 1975 / n/a	Market	Studio / 1BA (Garden)	6	5.90%	Market	\$425	454	n/a	Yes	0	0.00%					
					1BR / 1BA (Garden)	8	7.80%	Market	\$475	605	n/a	Yes	0	0.00%					
					2BR / 1BA (Garden)	42	41.20%	Market	\$462	724	n/a	No	N/A	N/A					
					2BR / 1.5BA (Townhouse)	42	41.20%	Market	\$549	964	n/a	No	N/A	N/A					
					3BR / 1BA (Garden)	4	3.90%	Market	\$585	915	n/a	No	0	0.00%					
						102	100%							7	6.90%				
9	Pine Knoll Apartments 2300 Sherry Circle Milledgeville, GA 31061 Baldwin County	18.1 miles	Garden (2 stories) 1986 / n/a	Market	1BR / 1BA	16	14.30%	Market	\$505	800	n/a	No	0	0.00%					
					2BR / 1BA	6	5.40%	Market	\$540	960	n/a	No	0	0.00%					
					2BR / 2BA	90	80.40%	Market	\$573	1,025	n/a	No	4	4.40%					
	112	100%							4	3.60%									
10	The Crossroads At Lake Oconee 111 Sweet Magnolia Ln Eatonton, GA 31024 Putnam County	10 miles	Garden (3 stories) 2002 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$718	736	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$728	736	n/a	No	N/A	N/A					
					1BR / 1BA	N/A	N/A	Market	\$708	736	n/a	No	N/A	N/A					
					2BR / 1BA	N/A	N/A	Market	\$805	1,011	n/a	No	N/A	N/A					
					2BR / 1BA	N/A	N/A	Market	\$805	1,011	n/a	No	N/A	N/A					
					2BR / 1BA	N/A	N/A	Market	\$805	1,011	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$825	1,063	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$825	1,063	n/a	No	N/A	N/A					
					2BR / 2BA	N/A	N/A	Market	\$825	1,063	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,004	1,387	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$1,019	1,387	n/a	No	N/A	N/A					
					3BR / 2BA	N/A	N/A	Market	\$989	1,387	n/a	No	N/A	N/A					
						144	100%							10	6.90%				

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

Effective Rent Date:	May-14	Units Surveyed:	959	Weighted Occupancy:	94.60%
		Market Rate	494	Market Rate	94.90%
		Tax Credit	465	Tax Credit	94.20%

	One Bedroom One Bath		Two Bedrooms One Bath		Three Bedrooms Two Bath	
	Property	Average	Property	Average	Property	Average
<b>RENT</b>	The Crossroads At Lake Oconee	\$728	The Crossroads At Lake Oconee	\$805	The Crossroads At Lake Oconee	\$1,019
	The Crossroads At Lake Oconee	\$718	The Crossroads At Lake Oconee	\$805	The Crossroads At Lake Oconee	\$1,004
	The Crossroads At Lake Oconee	\$708	The Crossroads At Lake Oconee	\$805	The Crossroads At Lake Oconee	\$989
	Magnolia Heights * (M)	\$640	Magnolia Heights * (2BA M)	\$740	Magnolia Heights * (M)	\$870
	Magnolia Heights * (60%)	\$583	Magnolia Heights * (2BA 60%)	\$695	Magnolia Heights * (60%)	\$795
	Waterford Place * (M)	\$528	Carrington Woods Apartments	\$625	Waterford Place * (M)	\$689
	Carrington Woods Apartments	\$520	Waterford Place * (2BA M)	\$620	Carrington Woods Apartments (1.5BA)	\$650
	Pine Knoll Apartments	\$505	Carrington Woods Apartments	\$590	Tori Pines * (60%)	\$624
	Tori Pines * (60%)	\$478	Tori Pines * (2BA 60%)	\$555	Tori Pines * (60%)	\$624
	Georgetown Village Apartments	\$475	Cedar Ridge Apartments (2BA)	\$550	Waterford Place * (60%)	\$601
	<b>Sumter Street Station * (60%)</b>	<b>\$464</b>	Pine Knoll Apartments	\$540	Tori Pines * (50%)	\$599
	Carrington Woods Apartments	\$460	Waterford Place * (2BA 60%)	\$526	Tori Pines * (50%)	\$599
	Cedar Ridge Apartments	\$450	Tori Pines * (2BA 50%)	\$505	Georgetown Village Apartments (1BA)	\$585
	Waterford Place * (60%)	\$438	Tori Pines * (2BA 50%)	\$505	Orchard Grove Apartments * (50%)	\$557
	<b>Sumter Street Station * (50%)</b>	<b>\$349</b>	Orchard Grove Apartments * (2BA 50%)	\$475	Orchard Grove Apartments * (60%)	\$557
	Tori Pines * (30%)	\$273	Orchard Grove Apartments * (2BA 60%)	\$475	<b>Sumter Street Station * (60%)</b>	<b>\$532</b>
	Edgewood Park Apartments * (30%)	\$180	<b>Sumter Street Station * (60%)</b>	<b>\$475</b>	Edgewood Park Apartments * (60%)	\$510
			Georgetown Village Apartments	\$462	<b>Sumter Street Station * (50%)</b>	<b>\$422</b>
			Edgewood Park Apartments * (2BA 60%)	\$445	Tori Pines * (30%)	\$402
			<b>Sumter Street Station * (50%)</b>	<b>\$360</b>	Tori Pines * (30%)	\$389
			Tori Pines * (2BA 30%)	\$325		
<b>SQUARE FOOTAGE</b>	Magnolia Heights * (M)	975	Tori Pines * (2BA 50%)	1,220	Tori Pines * (60%)	1,457
	Magnolia Heights * (60%)	975	Tori Pines * (2BA 30%)	1,217	Tori Pines * (50%)	1,439
	Tori Pines * (30%)	932	Tori Pines * (2BA 50%)	1,217	Tori Pines * (30%)	1,415
	Carrington Woods Apartments	900	Tori Pines * (2BA 60%)	1,217	Carrington Woods Apartments (1.5BA)	1,400
	Cedar Ridge Apartments	900	Magnolia Heights * (2BA M)	1,150	The Crossroads At Lake Oconee	1,387
	Tori Pines * (60%)	890	Magnolia Heights * (2BA 60%)	1,150	The Crossroads At Lake Oconee	1,387
	<b>Sumter Street Station * (50%)</b>	<b>885</b>	Cedar Ridge Apartments (2BA)	1,100	The Crossroads At Lake Oconee	1,387
	<b>Sumter Street Station * (60%)</b>	<b>885</b>	Waterford Place * (2BA 60%)	1,011	Tori Pines * (60%)	1,367
	Pine Knoll Apartments	800	Waterford Place * (2BA M)	1,011	Magnolia Heights * (M)	1,350
	Waterford Place * (60%)	743	The Crossroads At Lake Oconee	1,011	Magnolia Heights * (60%)	1,350
	Waterford Place * (M)	743	The Crossroads At Lake Oconee	1,011	Tori Pines * (30%)	1,342
	The Crossroads At Lake Oconee	736	The Crossroads At Lake Oconee	1,011	Tori Pines * (50%)	1,342
	The Crossroads At Lake Oconee	736	Orchard Grove Apartments * (2BA 50%)	1,000	Edgewood Park Apartments * (60%)	1,153
	Carrington Woods Apartments	700	Orchard Grove Apartments * (2BA 60%)	1,000	<b>Sumter Street Station * (50%)</b>	<b>1,125</b>
	Edgewood Park Apartments * (30%)	650	Carrington Woods Apartments	1,000	<b>Sumter Street Station * (60%)</b>	<b>1,125</b>
	Georgetown Village Apartments	605	Edgewood Park Apartments * (2BA 60%)	987	Waterford Place * (60%)	1,119
			Pine Knoll Apartments	960	Waterford Place * (M)	1,119
			<b>Sumter Street Station * (50%)</b>	<b>900</b>	Orchard Grove Apartments * (50%)	1,100
			<b>Sumter Street Station * (60%)</b>	<b>900</b>	Orchard Grove Apartments * (60%)	1,100
			Carrington Woods Apartments	900	Georgetown Village Apartments (1BA)	915
			Georgetown Village Apartments	724		
<b>RENT PER SQUARE FOOT</b>	The Crossroads At Lake Oconee	\$0.99	The Crossroads At Lake Oconee	\$0.80	The Crossroads At Lake Oconee	\$0.73
	The Crossroads At Lake Oconee	\$0.98	The Crossroads At Lake Oconee	\$0.80	The Crossroads At Lake Oconee	\$0.72
	The Crossroads At Lake Oconee	\$0.96	The Crossroads At Lake Oconee	\$0.80	The Crossroads At Lake Oconee	\$0.71
	Georgetown Village Apartments	\$0.79	Carrington Woods Apartments	\$0.66	Magnolia Heights * (M)	\$0.64
	Waterford Place * (M)	\$0.71	Magnolia Heights * (2BA M)	\$0.64	Georgetown Village Apartments (1BA)	\$0.64
	Carrington Woods Apartments	\$0.66	Georgetown Village Apartments	\$0.64	Waterford Place * (M)	\$0.62
	Magnolia Heights * (M)	\$0.66	Carrington Woods Apartments	\$0.62	Magnolia Heights * (60%)	\$0.59
	Pine Knoll Apartments	\$0.63	Waterford Place * (2BA M)	\$0.61	Waterford Place * (60%)	\$0.54
	Magnolia Heights * (60%)	\$0.60	Magnolia Heights * (2BA 60%)	\$0.60	Orchard Grove Apartments * (50%)	\$0.51
	Waterford Place * (60%)	\$0.59	Pine Knoll Apartments	\$0.56	Orchard Grove Apartments * (60%)	\$0.51
	Carrington Woods Apartments	\$0.58	<b>Sumter Street Station * (60%)</b>	<b>\$0.53</b>	<b>Sumter Street Station * (60%)</b>	<b>\$0.47</b>
	Tori Pines * (60%)	\$0.54	Waterford Place * (2BA 60%)	\$0.52	Carrington Woods Apartments (1.5BA)	\$0.46
	<b>Sumter Street Station * (60%)</b>	<b>\$0.52</b>	Cedar Ridge Apartments (2BA)	\$0.50	Tori Pines * (60%)	\$0.46
	Cedar Ridge Apartments	\$0.50	Orchard Grove Apartments * (2BA 50%)	\$0.48	Tori Pines * (50%)	\$0.45
	<b>Sumter Street Station * (50%)</b>	<b>\$0.39</b>	Orchard Grove Apartments * (2BA 60%)	\$0.48	Edgewood Park Apartments * (60%)	\$0.44
	Tori Pines * (30%)	\$0.29	Tori Pines * (2BA 60%)	\$0.46	Tori Pines * (60%)	\$0.43
	Edgewood Park Apartments * (30%)	\$0.28	Edgewood Park Apartments * (2BA 60%)	\$0.45	Tori Pines * (50%)	\$0.42
			Tori Pines * (2BA 50%)	\$0.41	<b>Sumter Street Station * (50%)</b>	<b>\$0.38</b>
			Tori Pines * (2BA 50%)	\$0.41	Tori Pines * (30%)	\$0.30
			<b>Sumter Street Station * (50%)</b>	<b>\$0.40</b>	Tori Pines * (30%)	\$0.27
			Tori Pines * (2BA 30%)	\$0.27		

# PROPERTY PROFILE REPORT

## Edgewood Park Apartments

<b>Effective Rent Date</b>	5/13/2014
<b>Location</b>	2671 N Columbia Street Milledgeville, GA 31061 Baldwin County
<b>Distance</b>	16.3 miles
<b>Units</b>	61
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	6.6%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	1997 / 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>	Pine Knoll
<b>Tenant Characteristics</b>	Majority families, most of the tenants are from Milledgeville.
<b>Contact Name</b>	Sherry
<b>Phone</b>	478.452.1806



### Market Information

<b>Program</b>	@30% (HOME), @60% (HOME)
<b>Annual Turnover Rate</b>	40%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	5%
<b>Leasing Pace</b>	Pre-leased
<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 (3 stories)	3	650	\$180	\$0	@30% (HOME)	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	987	\$445	\$0	@60% (HOME)	No	4	11.1%	N/A	None
3	2	Garden (3 stories)	22	1,153	\$510	\$0	@60% (HOME)	No	0	0.0%	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$180	\$0	\$180	\$0	\$180	2BR / 2BA	\$445	\$0	\$445	\$0	\$445
						3BR / 2BA	\$510	\$0	\$510	\$0	\$510

## Edgewood Park Apartments, continued

### Amenities

**In-Unit**

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Walk-In Closet

Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Playground

Central Laundry  
On-Site Management  
Sport Court

**Premium**

None

**Other**

None

### Comments

The property maintains a waiting list of 20 households for its one-bedroom units. The contact indicated that the vacant units will be filled soon, as units at the property are typically pre-leased. The contact stated that the above average vacancy rate is due to recent turnover, and she added that turnover at the property is generally due to job transfers and tenants purchasing homes. When asked about current market conditions, the contact replied that the market is strong.

# PROPERTY PROFILE REPORT

## Magnolia Heights

**Effective Rent Date** 5/13/2014  
**Location** 10156 Magnolia Heights Circle  
 Covington, GA 30014  
 Newton County  
**Distance** 37.6 miles  
**Units** 200  
**Vacant Units** 20  
**Vacancy Rate** 10.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2001 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Wellington Ridge, Leafstone  
**Tenant Characteristics** Approximately 10 percent seniors.  
**Contact Name** Tasha  
**Phone** 770.786.0458



### Market Information

**Program** @60%, Market  
**Annual Turnover Rate** 24%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 10%  
**Leasing Pace** Within two 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 -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** not 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	975	\$620	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	22	975	\$563	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (2 stories)	41	1,150	\$720	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	103	1,150	\$675	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	8	1,350	\$850	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	16	1,350	\$775	\$0	@60%	No	N/A	N/A	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$563	\$0	\$563	\$20	\$583	1BR / 1BA	\$620	\$0	\$620	\$20	\$640
2BR / 2BA	\$675	\$0	\$675	\$20	\$695	2BR / 2BA	\$720	\$0	\$720	\$20	\$740
3BR / 2BA	\$775	\$0	\$775	\$20	\$795	3BR / 2BA	\$850	\$0	\$850	\$20	\$870

## Magnolia Heights, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Oven  
Walk-In Closet

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

#### Security

Limited Access  
Patrol  
Perimeter Fencing

#### Services

None

#### Property

Basketball Court  
Courtyard  
Central Laundry  
On-Site Management  
Swimming Pool

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Playground

#### Premium

None

#### Other

Ice-maker in units

### Comments

The contact noted that the majority of the vacancies are in the market rate units. The contact stated that four of the vacancies are currently pre-leased. The contact added that the current vacancy level is typical for all times of the year.

Photos



# PROPERTY PROFILE REPORT

## Orchard Grove Apartments

**Effective Rent Date** 5/08/2014  
**Location** 1070 Micha Way  
 Madison, GA 30650  
 Morgan County  
**Distance** 21.1 miles  
**Units** 60  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2002 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Majority families, most of the tenants are from Madison.  
**Contact Name** Laurie  
**Phone** (706) 752-1707



### Market Information

**Program** @50%, @60%  
**Annual Turnover Rate** 10%  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** Pre-leased  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**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
2	2	Garden (2 stories)	N/A	1,000	\$475	\$0	@50%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	1,000	\$475	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,100	\$557	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,100	\$557	\$0	@60%	Yes	0	N/A	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$475	\$0	\$475	\$0	\$475	2BR / 2BA	\$475	\$0	\$475	\$0	\$475
3BR / 2BA	\$557	\$0	\$557	\$0	\$557	3BR / 2BA	\$557	\$0	\$557	\$0	\$557

## Orchard Grove Apartments, continued

### Amenities

**In-Unit**

Blinds  
Central A/C  
Dishwasher  
Oven  
Walk-In Closet

Carpeting  
Coat Closet  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Business Center/Computer Lab  
Central Laundry  
On-Site Management

Exercise Facility  
Off-Street Parking  
Playground

**Premium**

None

**Other**

None

### Comments

The contact stated that there are 37 two-bedroom units and 23 three-bedroom units; however, she could not provide the unit breakdown by AMI level. The property accepts Housing Choice Vouchers, but the contact could not note the number of tenants who currently use them. The property maintains an extensive waiting list on all unit types; however, the contact was unable to note the length or number of households on the waiting list.

# Orchard Grove Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Tori Pines

**Effective Rent Date** 5/13/2014

**Location** 635 Ferncrest Drive  
Sandersville, GA 31082  
Washington County

**Distance** 51 miles

**Units** 64

**Vacant Units** 0

**Vacancy Rate** 0.0%

**Type** Various (2 stories)

**Year Built/Renovated** 2006 / N/A

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Washington Estates

**Tenant Characteristics** Majority families, approximately 10 percent seniors. Most of the tenants are from Sandersville.

**Contact Name** Phoebe

**Phone** 478-240-0260



### Market Information

**Program** @30%, @50%, @60%, Non-Rental

**Annual Turnover Rate** 25%

**Units/Month Absorbed** N/A

**HCV Tenants** 3%

**Leasing Pace** Pre-leased

**Annual Chg. in Rent** Increased four to six percent

**Concession** None

### Utilities

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

**Cooking** not included -- electric

**Water Heat** not included -- electric

**Heat** not included -- electric

**Other Electric** not included

**Water** not included

**Sewer** not included

**Trash Collection** included

## Tori Pines, continued

### 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	932	\$210	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	890	\$415	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	5	1,220	\$425	\$0	@50%	Yes	0	0.0%	no	None
2	2	Townhouse (2 stories)	3	1,217	\$245	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Townhouse (2 stories)	10	1,217	\$425	\$0	@50%	Yes	0	0.0%	no	None
2	2	Townhouse (2 stories)	14	1,217	\$475	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	1	1,342	\$303	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	1	1,342	\$500	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,367	\$525	\$0	@60%	Yes	0	0.0%	no	None
3	2	Townhouse (2 stories)	1	1,415	\$290	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	8	1,439	\$500	\$0	@50%	Yes	0	0.0%	no	None
3	2	Townhouse (2 stories)	8	1,457	\$525	\$0	@60%	Yes	0	0.0%	no	None
3	2	Townhouse (2 stories)	1	1,415	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$210	\$0	\$210	\$63	\$273	2BR / 2BA	\$425	\$0	\$425	\$80	\$505
2BR / 2BA	\$245	\$0	\$245	\$80	\$325	3BR / 2BA	\$500	\$0	\$500	\$99	\$599
3BR / 2BA	\$290 - \$303	\$0	\$290 - \$303	\$99	\$389 - \$402						

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$415	\$0	\$415	\$63	\$478	3BR / 2BA	N/A	\$0	N/A	\$99	N/A
2BR / 2BA	\$475	\$0	\$475	\$80	\$555						
3BR / 2BA	\$525	\$0	\$525	\$99	\$624						

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Coat Closet  
 Exterior Storage  
 Garbage Disposal  
 Refrigerator  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Dishwasher  
 Ceiling Fan  
 Oven  
 Walk-In Closet

#### 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

None

### Comments

The property maintains a waiting list of 30 households on its one-bedroom units, 75 households on its two-bedroom units, and 98 households on its three-bedroom units. When asked about current market conditions, the contact replied that the market is strong.

# PROPERTY PROFILE REPORT

## Waterford Place

**Effective Rent Date** 5/08/2014  
**Location** 131 N Pickens Street  
 Milledgeville, GA 31061  
 Baldwin County  
**Distance** 21.9 miles  
**Units** 80  
**Vacant Units** 3  
**Vacancy Rate** 3.8%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2004 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Edgewood Park, Heritage Vista  
**Tenant Characteristics** Majority families.  
**Contact Name** Michelle  
**Phone** (478) 453-8049



### Market Information

**Program** @60%, Market  
**Annual Turnover Rate** 33%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 6%  
**Leasing Pace** Within two weeks  
**Annual Chg. in Rent** See comments  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not 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)	18	743	\$375	\$0	@60%	No	1	5.6%	no	None
1	1	Garden (2 stories)	N/A	743	\$465	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (2 stories)	40	1,011	\$446	\$0	@60%	No	2	5.0%	no	None
2	2	Garden (2 stories)	N/A	1,011	\$540	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	24	1,119	\$502	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (2 stories)	N/A	1,119	\$590	\$0	Market	Yes	0	N/A	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$375	\$0	\$375	\$63	\$438	1BR / 1BA	\$465	\$0	\$465	\$63	\$528
2BR / 2BA	\$446	\$0	\$446	\$80	\$526	2BR / 2BA	\$540	\$0	\$540	\$80	\$620
3BR / 2BA	\$502	\$0	\$502	\$99	\$601	3BR / 2BA	\$590	\$0	\$590	\$99	\$689

## Waterford Place, continued

### Amenities

**In-Unit**

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

Blinds  
Central A/C  
Exterior Storage  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Central Laundry  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

The contact stated that the property maintains a waiting list on all market-rate units; however, she could not provide the number of households or the length in time of the waiting list. The rent for market-rate units has remained the same over the last 12 months. The rent for the units restricted at the 60 percent AMI level have decreased between one and three percent over the last 12 months. When asked about current market conditions, the contact replied that the market is strong.

# PROPERTY PROFILE REPORT

## Carrington Woods Apartments

<b>Effective Rent Date</b>	5/08/2014
<b>Location</b>	1980 Briarcliff Road Milledgeville, GA 31061 Baldwin County
<b>Distance</b>	20 miles
<b>Units</b>	76
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.3%
<b>Type</b>	Various
<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>	Pine Knoll
<b>Tenant Characteristics</b>	Majority families, approximately 10 percent students and five percent seniors.
<b>Contact Name</b>	Jennifer
<b>Phone</b>	478.452.1918



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	Increased four to six percent
<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	18	700	\$460	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	18	900	\$520	\$0	Market	No	0	0.0%	N/A	None
2	1	Duplex (2 stories)	8	900	\$590	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	24	1,000	\$625	\$0	Market	No	1	4.2%	N/A	None
3	1.5	Townhouse (2 stories)	8	1,400	\$650	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$460 - \$520	\$0	\$460 - \$520	\$0	\$460 - \$520
2BR / 1BA	\$590 - \$625	\$0	\$590 - \$625	\$0	\$590 - \$625
3BR / 1.5BA	\$650	\$0	\$650	\$0	\$650

## Carrington Woods Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Oven  
Washer/Dryer hookup

**Security**

Patrol

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

Pest Control

### Comments

The property does not accept Housing Choice Vouchers. When asked about current market conditions, the contact replied that the market is strong.

# PROPERTY PROFILE REPORT

## Cedar Ridge Apartments

**Effective Rent Date** 5/08/2014  
**Location** 141 Frank Bone Road SW  
 Milledgeville, GA 31061  
 Baldwin County  
**Distance** 21.5 miles  
**Units** 60  
**Vacant Units** 3  
**Vacancy Rate** 5.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1984 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None Identified  
**Tenant Characteristics** Most of the tenants are from Milledgeville.  
**Contact Name** Donny  
**Phone** 478-453-7310



### Market Information

**Program** Market  
**Annual Turnover Rate** 10%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**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)	20	900	\$450	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	40	1,100	\$550	\$0	Market	No	3	7.5%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$450	\$0	\$450	\$0	\$450
2BR / 2BA	\$550	\$0	\$550	\$0	\$550

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Dishwasher		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Blinds		
Central A/C		
Ceiling Fan		
Oven		
Washer/Dryer		
Property	Premium	Other
Off-Street Parking	None	None
Swimming Pool		
On-Site Management		

## **Cedar Ridge Apartments, continued**

### **Comments**

The property does not accept Housing Choice Vouchers.

# PROPERTY PROFILE REPORT

## Georgetown Village Apartments

<b>Effective Rent Date</b>	5/08/2014
<b>Location</b>	196 Highway 49 W Milledgeville, GA 31061 Baldwin County
<b>Distance</b>	21.9 miles
<b>Units</b>	102
<b>Vacant Units</b>	7
<b>Vacancy Rate</b>	6.9%
<b>Type</b>	Various (2 stories)
<b>Year Built/Renovated</b>	1975 / 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>	Cedar Ridge Apartments
<b>Tenant Characteristics</b>	Majority families, approximately 10 percent seniors and 10 percent students. Most of the tenants are from Milledgeville.
<b>Contact Name</b>	Seth
<b>Phone</b>	478-452-4825



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	22%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	First month's rent \$99 on 2BR units.

### 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
0	1	Garden	6	454	\$425	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden	8	605	\$475	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden	42	724	\$495	\$33	Market	No	N/A	N/A	N/A	None
2	1.5	Townhouse	42	964	\$590	\$41	Market	No	N/A	N/A	N/A	None
3	1	Garden	4	915	\$625	\$40	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / IBA	\$425	\$0	\$425	\$0	\$425
1BR / IBA	\$475	\$0	\$475	\$0	\$475
2BR / IBA	\$495	\$33	\$462	\$0	\$462
2BR / 1.5BA	\$590	\$41	\$549	\$0	\$549
3BR / IBA	\$625	\$40	\$585	\$0	\$585

## Georgetown Village Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

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

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

None

### Comments

Management at the property currently maintains a waiting list of four households on studio and one-bedroom units. The contact could not provide the breakdown of vacant units; however, the contact noted that all of the vacancies are two-bedroom units and one unit is pre-leased. The contact also noted that the current occupancy level is typical for the property and that some of the recent tenant move outs were attributable to evictions. The property does not accept Housing Choice Vouchers.

# PROPERTY PROFILE REPORT

## Pine Knoll Apartments

**Effective Rent Date** 5/15/2014

**Location** 2300 Sherry Circle  
Milledgeville, GA 31061  
Baldwin County

**Distance** 18.1 miles

**Units** 112

**Vacant Units** 4

**Vacancy Rate** 3.6%

**Type** Garden (2 stories)

**Year Built/Renovated** 1986 / N/A

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Carrington Woods, Georgetown Village, Willowood

**Tenant Characteristics** Majority families, most from Milledgeville. Approximately 3 percent of the tenants are from out of state.

**Contact Name** Demetrus

**Phone** 478-453-2570



### Market Information

**Program** Market

**Annual Turnover Rate** 33%

**Units/Month Absorbed** N/A

**HCV Tenants** 0%

**Leasing Pace** Within three weeks

**Annual Chg. in Rent** None

**Concession** \$200 off first month's rent on 2BR/2BA

### Utilities

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

**Cooking** not included -- electric

**Water Heat** not included -- electric

**Heat** not included -- electric

**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	800	\$505	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	6	960	\$540	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	90	1,025	\$590	\$17	Market	No	4	4.4%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$505	\$0	\$505	\$0	\$505
2BR / 1BA	\$540	\$0	\$540	\$0	\$540
2BR / 2BA	\$590	\$17	\$573	\$0	\$573

## Pine Knoll Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

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

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking  
Picnic Area

**Premium**

None

**Other**

None

### Comments

The contact stated that the market is strong.

# PROPERTY PROFILE REPORT

## The Crossroads At Lake Oconee

<b>Effective Rent Date</b>	5/08/2014
<b>Location</b>	111 Sweet Magnolia Ln Eatonton, GA 31024 Putnam County
<b>Distance</b>	10 miles
<b>Units</b>	144
<b>Vacant Units</b>	10
<b>Vacancy Rate</b>	6.9%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2002 / 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>	None identified
<b>Tenant Characteristics</b>	Majority of the tenants are from Eatonton, some are from out of the area.
<b>Contact Name</b>	Anna
<b>Phone</b>	706-485-4886



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	See comments

### 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 (3 stories)	N/A	736	\$655	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	736	\$665	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	736	\$645	\$0	Market	No	N/A	N/A	N/A	LOW
2	1	Garden (3 stories)	N/A	1,011	\$758	\$33	Market	No	N/A	N/A	N/A	AVG
2	1	Garden (3 stories)	N/A	1,011	\$770	\$45	Market	No	N/A	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	1,011	\$745	\$20	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,063	\$778	\$33	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,063	\$805	\$60	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,063	\$750	\$5	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,387	\$905	\$0	Market	No	N/A	N/A	N/A	AVG
3	2	Garden (3 stories)	N/A	1,387	\$920	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,387	\$890	\$0	Market	No	N/A	N/A	N/A	LOW

## The Crossroads At Lake Oconee, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$645 - \$665	\$0	\$645 - \$665	\$63	\$708 - \$728
2BR / 1BA	\$745 - \$770	\$20 - \$45	\$725	\$80	\$805
2BR / 2BA	\$750 - \$805	\$5 - \$60	\$745	\$80	\$825
3BR / 2BA	\$890 - \$920	\$0	\$890 - \$920	\$99	\$989 - \$1,019

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Coat Closet  
 Garbage Disposal  
 Refrigerator  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Dishwasher  
 Oven  
 Walk-In Closet

#### Security

None

#### Services

None

#### Property

Central Laundry  
 On-Site Management

Off-Street Parking

#### Premium

None

#### Other

None

### Comments

The contact noted that the price differential is due the floor and view of the unit. Management at the property does not accept Housing Choice Vouchers. Currently, management is offering a discounted rent of \$725 monthly rent for two-bedroom units with one bathroom and \$745 monthly rent for two-bedroom units with two bathrooms. The contact stated that most of the vacant units at the property are two-bedroom units. Further, the contact noted that five of the vacant units are pre-leased and that the current market condition is average. Lastly, the contact was unaware of any other market rate properties in Eatonton.

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

### Housing Choice Vouchers

#### TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Edgewood Park Apartments	LIHTC/HOME	5%
Magnolia Heights	LIHTC/Market	10%
Orchard Grove Apartments	LIHTC	N/Av
Tori Pines	LIHTC	3%
Waterford Place	LIHTC/Market	6%
Carrington Woods Apartments	Market	0%
Cedar Ridge Apartments	Market	0%
Georgetown Village Apartments	Market	0%
Pine Knoll Apartments	Market	0%
The Crossroads At Lake Oconee	Market	0%

As illustrated in the table, four LIHTC properties reported having voucher usage of three to 10 percent. Among the properties able to report voucher usage data, the average percentage of voucher tenants at the LIHTC properties is six percent, while the overall market average is approximately three percent. The local market does not appear to be dependent on voucher tenants.

### Lease Up History

Absorption data was not available for the comparables. Therefore, we will base our estimate of absorption on population and household trends in the region. Through 2018, the total population in the PMA is projected to increase by 444 individuals. Additionally, the number of households is projected to increase 267 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. Further, upon completion, the Subject will be the only LIHTC property in the PMA and thus, will face limited competition. As a result, we believe that the Subject could lease a total of eight units per month, or an absorption period of approximately eight months.

### Phased Developments

The Subject is not part of a phased development.

### Rural Areas

The Subject is located in a rural area.

## 3. COMPETITIVE PROJECT MAP

There are no existing or proposed LIHTC or Bond properties in the PMA.

#### 4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix on the following page. 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.

**UNIT MATRIX REPORT**

	Sumter Street Station	Edgewood Park Apartments	Magnolia Heights	Orchard Grove Apartments	Tori Pines	Waterford Place	Carrington Woods Apartments	Cedar Ridge Apartments	Georgetown Village Apartments	Pine Knoll Apartments	The Crossroads At Lake Oconee
Comp #	Subject	1	2	3	4	5	6	7	8	9	10
<b>Property Information</b>											
Property Type	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Various (2 stories)	Garden (2 stories)	Various	Garden (2 stories)	Various (2 stories)	Garden (2 stories)	Garden (3 stories)
Year Built / Renovated	Proposed 2016 / n/a	1997 / n/a	2001 / n/a	2002 / n/a	2006 / n/a	2004 / n/a	1980s / n/a	1984 / n/a	1975 / n/a	1986 / n/a	2002 / n/a
Market (Conv.)/Subsidy Type	@ 50%, @ 60%, Non-Rental	@ 30% (HOME), @ 60% (HOME)	@ 60%, Market	@ 50%, @ 60%	@ 30%, @ 50%, @ 60%, Non-Rental	@ 60%, Market	Market	Market	Market	Market	Market
<b>Utility Adjustments</b>											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Sewer	yes	yes	yes	yes	no	no	yes	yes	yes	yes	no
Trash Collection	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
<b>In-Unit Amenities</b>											
Balcony/Patio	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	yes	no	no	no	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	yes	no	yes	yes	no	no	no	no	no
Ceiling Fan	yes	yes	no	no	yes	yes	no	yes	yes	yes	no
Garbage Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	yes	yes	yes	yes	no	no	no	no	yes
Washer/Dryer	no	no	no	no	no	no	no	yes	no	no	no
Washer/Dryer hookup	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>											
Basketball Court	no	no	yes	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	no	yes	yes	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	yes	yes	no	no	no	no	no
Courtyard	no	no	yes	no	no	no	no	no	no	no	no
Exercise Facility	no	no	yes	yes	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	no	yes	yes	no	no	no	yes	no
Playground	yes	yes	yes	yes	yes	yes	no	no	no	no	no
Recreation Areas	no	no	no	no	yes	no	no	no	no	no	no
Sport Court	no	yes	no	no	no	no	no	no	no	no	no
Swimming Pool	no	no	yes	no	no	yes	no	yes	no	no	no
Wi-Fi	yes	no	no	no	no	no	no	no	no	no	no
<b>Services</b>											
<b>Security</b>											
Limited Access	no	no	yes	no	no	no	no	no	no	no	no
Patrol	no	no	yes	no	no	no	yes	no	no	no	no
Perimeter Fencing	yes	no	yes	no	no	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no
<b>Premium Amenities</b>											
<b>Other Amenities</b>											
Other	n/a	n/a	Ice-maker in units	n/a	n/a	n/a	Pest Control	n/a	n/a	n/a	n/a

The Subject will offer blinds, carpeting, central air-conditioning, dishwashers, ceiling fans, ovens, refrigerators, and washer/dryer hookups in its units. The one-bedroom units at the Subject will also offer a coat closet. Additionally, one-bedroom units will offer a sun room and the two and three-bedroom units will offer a patio. The two-bedroom units will also offer exterior storage, while the three-bedroom units will also offer a walk-in closet. All of the comparables offer a garbage disposal and one comparable offers washer/dryer units, which are in-unit amenities that the Subject will lack. However, one LIHTC comparable, Edgewood Park Apartments, does not offer washer/dryer hookups and two LIHTC comparables lack balconies/patios. Thus, relative to the LIHTC comparables, the Subject’s in-unit amenity package will be considered generally similar to slightly superior. When compared to the market rate comparables, the Subject’s in-unit amenity offering will be considered slightly superior.

In terms of common area amenities and security features, the Subject will offer a clubhouse/community room, business center/computer lab, central laundry facility, on-site management, off-street parking, playground, picnic area, free Wi-Fi in the business center, and video surveillance. The total number of proposed parking spots for the Subject is 93, which equates to 1.5 parking spaces per unit. We believe that the proposed parking ratio for the Subject will be sufficient. The majority of the comparables lack a business center/computer lab, Wi-Fi, picnic area, and security features, which are amenities that the Subject will offer. Further, none of the market rate comparables offer a playground and clubhouse/community room. However, three LIHTC comparables offer an exercise facility and three LIHTC and market rate comparables offer a swimming pool, which are amenities the Subject will lack. Therefore, the Subject’s common area amenity package will be considered slightly inferior to generally similar to the LIHTC comparables and superior to all the market rate comparables. Additionally, its security features will be considered generally similar to Magnolia Heights and Carrington Woods Apartments and superior to the remaining comparables.

5. The Subject will target family households. Therefore, per DCA’s guidelines, senior properties were not included.

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

<b>OVERALL VACANCY</b>				
<b>Property name</b>	<b>Rent Structure</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Edgewood Park Apartments	LIHTC/HOME	61	4	6.60%
Magnolia Heights	LIHTC/Market	200	20	10.00%
Orchard Grove Apartments	LIHTC	60	0	0.00%
Tori Pines	LIHTC	64	0	0.00%
Waterford Place	LIHTC/Market	80	3	3.80%
Carrington Woods Apartments	Market	76	1	1.30%
Cedar Ridge Apartments	Market	60	3	5.00%
Georgetown Village Apartments	Market	102	7	6.90%
Pine Knoll Apartments	Market	112	4	3.60%
The Crossroads At Lake Oconee	Market	<u>144</u>	<u>10</u>	<u>6.90%</u>
<b>Total</b>		<b>959</b>	<b>52</b>	<b>5.40%</b>

As illustrated, vacancy rates in the market range from zero to 10.0 percent, averaging 5.4 percent. The average weighted vacancy rate among the LIHTC comparables is 4.1 percent, while the average weighted vacancy rate among the market rate comparables is 4.7 percent. Edgewood Park Apartments and Magnolia Heights, which are located outside of the Subject's PMA, reported the highest vacancy rates among the LIHTC comparables. According to management at Magnolia Heights, which offers both LIHTC and market rate units, four of the 20 vacant units are currently pre-leased and the bulk of vacancies are in its market rate units. Further, the property's current occupancy level, at 90 percent, is typical for the property. Management at Edgewood Park Apartments attributed the property's vacancies to job transfers and tenants converting to home owners. According to the contact at the comparable, units are typically pre-leased and therefore, management anticipates that the units will be occupied in a short period of time. It should be noted that the property's low number of total units skews its vacancy rate, as there are only four vacancies.

Among the market rate comparables, Georgetown Village Apartments and The Crossroads at Lake Oconee reported the highest vacancy rates at 6.9 percent. Management at The Crossroads at Lake Oconee, which is located in the Subject's PMA, noted that five of the 10 vacant units are pre-leased. Further, management at Georgetown Village Apartments, which is located approximately 21.9 miles from the Subject, noted that one of the seven vacant units is pre-leased. Management at the comparable noted that some recent tenant move outs were due to evictions; however, the contact noted that the property's current occupancy rate, at 93.1 percent, is typical for the property. Given the superior to slightly superior condition and age of the Subject, when compared to the comparables, strong weighted average vacancy rates in the market, and lack of multifamily properties in the PMA, we believe the Subject will operate with a vacancy rate of five percent or less.

## **7. Properties Under Construction and Proposed**

There are no new 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	Edgewood Park Apartments	@ 30% (HOME), @ 60% (HOME)	Similar	Slightly Inferior	Similar	Slightly Inferior	Similar	-10
2	Magnolia Heights	@ 60%, Market	Slightly Superior	Similar	Slightly Superior	Slightly Inferior	Superior	15
3	Orchard Grove Apartments	@ 50%, @ 60%	Similar	Slightly Inferior	Slightly Superior	Slightly Inferior	Similar	-5
4	Tori Pines	@ 30%, @ 50%, @ 60%, Non-Rental	Similar	Similar	Slightly Inferior	Slightly Inferior	Superior	0
5	Waterford Place	@ 60%, Market	Similar	Similar	Similar	Slightly Inferior	Slightly Superior	0
6	Carrington Woods Apartments	Market	Inferior	Slightly Inferior	Similar	Inferior	Similar	-25
7	Cedar Ridge Apartments	Market	Inferior	Slightly Inferior	Similar	Inferior	Superior	-15
8	Georgetown Village Apartments	Market	Inferior	Slightly Inferior	Similar	Inferior	Inferior	-35
9	Pine Knoll Apartments	Market	Inferior	Slightly Inferior	Similar	Inferior	Similar	-25
10	The Crossroads At Lake Oconee	Market	Inferior	Slightly Inferior	Similar	Slightly Inferior	Slightly Superior	-15

\*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	County	1BR	2BR	3BR
Sumter Street Station (Subject)	Putnam	\$349	\$360	\$422
<b>LIHTC Maximum (Net)</b>	-	<b>\$388</b>	<b>\$459</b>	<b>\$519</b>
Orchard Grove Apartments	Morgan	-	\$475	\$557
Tori Pines	Washington	-	\$505	\$599
<b>Average (excluding Subject)</b>	-	-	<b>\$495</b>	<b>\$585</b>

**LIHTC RENT COMPARISON- @60%**

Property Name	County	1BR	2BR	3BR
Sumter Street Station (Subject)	Putnam	\$464	\$475	\$532
<b>LIHTC Maximum (Net)</b>	-	<b>\$484</b>	<b>\$574</b>	<b>\$652</b>
Magnolia Heights	Newton	\$583	\$695	\$795
Orchard Grove Apartments	Morgan	-	\$475	\$557
Tori Pines	Washington	\$478	\$555	\$624
Edgewood Park Apartments	Baldwin	-	\$445	\$510
Waterford Place	Baldwin	\$438	\$526	\$601
<b>Average (excluding Subject)</b>	-	<b>\$500</b>	<b>\$539</b>	<b>\$619</b>

The Subject's proposed LIHTC rents are set below the maximum allowable levels at the 50 and 60 percent AMI thresholds. One of the comparable properties, Magnolia Heights, reported achieving 60 percent rents at the maximum allowable level. It should be noted that some of the comparable rents may appear to be above maximum allowable rents due to differences in utility allowances used for calculations, as well as comparables being held harmless at higher maximum allowable rents. Additionally, none of the LIHTC comparables are located in the Subject's county of Putnam, and therefore, may be subject to different maximum allowable levels.

The Subject's proposed 50 percent two and three-bedroom rents are below those reported at Orchard Grove Apartments and Tori Pines. Both of the comparables reported 100 percent occupancy rates and extensive waiting lists. Relative to the two comparables, the Subject's amenity package will be similar, its condition and age will be slightly superior, and its unit sizes will be inferior to generally similar. The Subject's location, however, will be slightly superior to Tori Pines and slightly inferior to Orchard Grove Apartments. It should be noted that neither Orchard Grove Apartments nor Tori Pines offer one-bedroom units restricted at the 50 percent AMI level. Additionally, as previously noted, there are no LIHTC properties in the Subject's PMA. Therefore, the Subject's 50 percent units will face limited competition. Overall, we believe the Subject's proposed 50 percent rents are achievable.

The Subject's proposed 60 percent units are generally near the low end of the comparable range. All of the comparables, except Magnolia Heights, reported achieving rents below the maximum allowable levels and vacancy rates of zero to 3.8 percent. According to management at Magnolia Heights, which offers both LIHTC and market rate units, four of the 20 vacant units are currently pre-leased and the bulk of vacancies are in its market rate units. The Subject, upon completion, will be considered the most similar to Waterford Place, Orchard Grove Apartments, and Tori Pines. When compared to the most similar comparables, the Subject's amenity package will be similar to slightly superior; however, its age and condition will be slightly superior. Further, the unit sizes at Waterford Place and Tori Pines will be slightly superior to superior to that of the Subject. Given the strong occupancy rates of the comparables and lack of LIHTC properties in the Subject's PMA, we believe the Subject's proposed 60 percent rents are also achievable.

**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 not 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 Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
<i>@50% AMI</i>					
1 BR	\$349	\$438	\$728	\$556	59%
2 BR	\$360	\$445	\$825	\$623	73%
3 BR	\$422	\$510	\$1,019	\$705	67%
<i>@60% AMI</i>					
1 BR	\$464	\$438	\$728	\$556	20%
2 BR	\$475	\$445	\$825	\$642	35%
3 BR	\$532	\$510	\$1,019	\$732	38%

As illustrated the Subject’s proposed 50 and 60 percent rents are below the surveyed average when compared to the comparables, both LIHTC and market rate. The Subject’s proposed 50 percent LIHTC rents are below the surveyed minimum, while its proposed 60 percent LIHTC rents are above the surveyed minimum. We believe this is reasonable as the Subject, upon completion, will offer competitive amenities and will be slightly superior to superior in condition to the comparables. It should be noted that the highest rents in the market were reported at The Crossroads at Lake Oconee, which is located in the Subject’s PMA. The market rate comparable, which was built in 2002, reported a vacancy rate of 6.9 percent; however, management reported that five of the 10 vacant units are pre-leased. The reported rents at the comparable are at least 55 percent higher than the Subject’s proposed 60 percent rents. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

## 9. LIHTC Competition – DCA Funded Properties within the PMA

Based on the Georgia Department of Community Affairs' recent allocation lists, there have been no LIHTC allocations in the PMA since 2011. Additionally, there are no market rate properties proposed, under construction, or that have entered the market since 2011 in the PMA. Based on the extensive waiting lists reported at LIHTC comparables, such as Orchard Grove Apartments and Tori Pines, we believe there is sufficient demand for the Subject's affordable units. Additionally, we believe the Subject's units will have a minimal impact in the market.

## 10. Rental Trends in the PMA

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

### TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	9,942	80.6%	2,400	19.4%
2013	11,687	76.6%	3,576	23.4%
Projected Mkt Entry August 2016	11,847	76.8%	3,580	23.2%
2018	11,947	76.9%	3,583	23.1%

Source: ESRI Demographics 2013, Novogradac & Company LLP, May 2014

In 2013, approximately 76.6 percent of households in the PMA were owner-occupied, while the remaining 23.4 percent are renter-occupied. The percentage of renter households in the PMA is below the national average of 33 percent (not shown). Through the market entry date and 2018, the percentage of renter-occupied households in the PMA is projected to decrease; however, the number of renter-occupied housing units is projected to slightly increase over the same time periods. 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.

### Historical Vacancy

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

### HISTORICAL VACANCY

Property Name	Rent Structure	Total Units	1QTR 2012	1QTR 2013	1QTR 2014	2QTR 2014
Edgewood Park Apartments	LIHTC/HOME	61	-	8.80%	-	6.60%
Magnolia Heights	LIHTC/Market	200	16.00%	-	4.50%	10.00%
Orchard Grove Apartments	LIHTC	60	-	-	-	0.00%
Tori Pines	LIHTC	64	-	-	-	0.00%
Waterford Place	LIHTC/Market	80	-	12.50%	7.50%	3.80%
Carrington Woods Apartments	Market	76	-	-	-	1.30%
Cedar Ridge Apartments	Market	60	-	-	-	5.00%
Georgetown Village Apartments	Market	102	-	-	-	6.90%
Pine Knoll Apartments	Market	112	-	-	-	3.60%
The Crossroads At Lake Oconee	Market	144	-	7.60%	-	6.90%

As illustrated in the table, we have limited historical occupancy information for the comparable properties. However, it appears that Magnolia Heights, Edgewood Park Apartments, Waterford

Place, and The Crossroads at Lake Oconee have demonstrated improved performance. The historical vacancy trends at these comparables suggest that the market is strengthening.

*Change in Rental Rates*

The following table illustrates rental growth in the market over the past 12 months.

<b>RENT GROWTH</b>		
<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Edgewood Park Apartments	LIHTC/HOME	None
Magnolia Heights	LIHTC/Market	None
Orchard Grove Apartments	LIHTC	None
Tori Pines	LIHTC	Increased four to six percent
Waterford Place	LIHTC/Market	LIHTC rents decreased one to three percent
Carrington Woods Apartments	Market	Increased four to six percent
Cedar Ridge Apartments	Market	None
Georgetown Village Apartments	Market	None
Pine Knoll Apartments	Market	None
The Crossroads At Lake Oconee	Market	None

As illustrated above, two comparables reported rent increases over the past year, which ranged from four to six percent. Waterford Place reported a decrease of between one and three percent for their LIHTC units over the past 12 months. The remaining comparables reported no rent changes over the past year.

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

According to RealtyTrac, one in every 2,413 housing units in Eatonton received foreclosure filings, as of April 2014. The foreclosure rate in the city of Eatonton is generally similar to that of Putnam County, but is significantly below that of the state of Georgia and nation. The state of Georgia and nation reported foreclosure rates of one in every 1,047 housing units and one in every 1,137 housing units, respectively. Overall, it appears that the mortgage and foreclosure crisis has affected Eatonton and Putnam County less than the state and nation.

**12. Primary Housing Void**

The Subject, if constructed, will be the only LIHTC property located in the PMA. Based on the overall strong occupancy rates reported at the LIHTC comparables, coupled with the extensive waiting lists at Orchard Park and Tori Pines, we believe there is strong demand in the area for affordable housing. Additionally, within the Subject’s PMA, there is only one market rate comparable, The Crossroads at Lake Oconee. As previously noted, the reported rents at the comparable are at least 55 percent higher than the Subject’s proposed 60 percent rents. This indicates that low-income households located in the Subject’s PMA would be significantly rent-overburdened at the market rate comparable.

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

Due to the lack of affordable properties in the PMA, we believe the Subject’s units will have minimal impact in the market.

## **Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be slightly superior to superior in terms of age and condition to all of the comparables. The Subject's proposed 50 percent rents are below the comparable range, while its proposed 60 percent rents are near the low end of the comparable range. It should be noted that the comparables, which are located outside the Subject's county, may be held harmless at higher maximum allowable rents. Overall, we believe there is demand for the Subject's given its lack of competition in the PMA, excellent condition, low capture rates, and competitive amenities and unit sizes.

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

### **Stabilization/Absorption Rate**

Absorption data was not available for the comparables. Therefore, we will base our estimate of absorption on population and household trends in the region. Through 2018, the total population in the PMA is projected to increase by 444 individuals. Additionally, the number of households is projected to increase 267 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. Further, upon completion, the Subject will be the only LIHTC property in the PMA and thus, will face limited competition. As a result, we believe that the Subject could lease a total of eight units per month, or an absorption period of approximately eight months, until stabilization of 93 percent.

## **J. INTERVIEWS**

**Georgia Department of Community Affairs, Eastman Regional Office**

According to Ms. Sherri McCook, Regional Housing Administrator with the Georgia Department of Community Affairs Eastman Regional Office, the department currently has 42 Housing Choice Vouchers under contract in Putnam County. Ms. McCook stated that the waiting list is currently closed, there are no households on the waiting list, and the Department of Community Affairs is not issuing any new Housing Choice Vouchers currently due to budget cuts. Ms. McCook noted that she expects the waiting list to re-open shortly, but she could not provide a time frame. The current payment standard for Putnam County can be found in the following table.

**PAYMENT STANDARDS**

Studio	One-Bedroom	Two-Bedroom	Three-Bedroom
\$587	\$604	\$727	\$1,068

Source: Georgia Department of Community Affairs, 5/2014

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

**Planning**

We contacted the Putnam County Planning and Development Office regarding any new developments in the Subject’s area that are planned, under construction or recently completed; however, at the time of this report, our attempts to reach the office were unsuccessful. Therefore, we spoke with Mr. Dan Elmore, City Administrator with the City of Eatonton, regarding recent or planned construction. With the exception of the Subject, Mr. Elmore was unable to note any new developments.

**Economic Development**

We contacted Ms. Terry Schwindler, Economic Development Director with the Putnam Development Authority, regarding economic trends and recent business expansions in Putnam County (SMA) and the city of Eatonton. The following table details these expansions.

**PUTNAM COUNTY BUSINESS EXPANSIONS**

Company	Industry	Announcement Date	Projected		Description
			Completion Date	Number of Jobs Added	
Aalto Scientific	Technology	4/24/2014	N/A	80	Opening a manufacturing, production, and warehouse facility.
Vizitech	Educational Services	12/12/2013	12/31/2014	8	Moving office to Eatonton.
Haband Company	Retail Trade	N/A	N/A	45	Expanding distribution operations.
Gro Tech, Inc.	Manufacturing	5/1/2014	9/1/2014	5	Seasonal hiring.

Source: Terry Schwindler, Economic Development Director, Putnam Development Authority, 5/2014

The most notable job expansion in the SMA is Aalto Scientific. Aalto Scientific will construct a 76,000 square foot production and warehouse facility, as well as a 15,000 square foot manufacturing facility, and will use 25 acres. The planned construction will be the first project to locate to Rock Eagle Technology Park, a 150-acre development park located at 1100 Madison Road in Eatonton. Ms. Schwindler confirmed that Aalto Scientific is the only project currently planned to be located at the Rock Eagle Technology Park. Other notable projects include the opening of Vizitech’s Eatonton office and the seasonal expansion of Gro-Tec, a supplier of lawn and garden equipment. Ms. Schwindler noted that, historically, the major drivers of the economy in the SMA and Eatonton have been the manufacturing, warehousing, and agriculture industries;

however, the SMA is looking to incorporate the life sciences and technology industries in order to provide more stabilization to the local economy.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- Total population in the PMA increased from 1990 to 2000 and 2000 to 2013 at an annual rate of 3.5 percent and 1.3 percent, rates greater than the SMA and the nation over the same time periods. Through market entry and 2018, total population in the PMA is projected to continue to grow at 0.2 percent per annum. Over the same period of time, the number of households is projected to grow in the PMA at a rate of 0.3 percent per annum, a rate similar to the SMA, but below that of the nation.

As of 2013, approximately 54.0 percent of households in the PMA have an annual income less than \$40,000. Through 2018, a significant percentage of the renter households in the PMA is projected to earn less than \$40,000 annually and will consist primarily of two or more persons. Further, the number of renter households in the PMA, through 2018, is projected to slightly increase, although the percentage of renter households is projected to slightly decrease. Overall, the projected trends are positive indicators for the Subject's affordable units.

- The SMA experienced fairly strong employment growth in 2005 and 2006; however, growth slowed in 2007. From 2008 to 2012, the SMA experienced significant declines in total employment, as the unemployment rate peaked in 2011, due to the most recent national recession. For the 12-month period ending on March 2014, total employment in the SMA decreased 1.8 percent, while total employment in the nation moderately increased. As of March 2014, the unemployment rate in the SMA is 9.7 percent, a rate higher than the nation's 7.4 percent unemployment rate. Overall, it appears that the SMA is still experiencing lingering effects of the most recent recession, which is primarily attributable to the SMA's reliance on the manufacturing and retail trade industries. These industries are typically volatile during economic downturns, such as the most recent recession from 2007 to 2009. Overall, the lack of recent plant and business closures and layoffs, as well as the recently announced expansions by Aalto Scientific, indicate that the economy of the SMA will recover; however, it will lag that of the nation.
- The Subject's capture rates at the 50 percent AMI level will range from 0.8 to 9.2 percent, with an overall capture rate of 3.6 percent. The Subject's 60 percent AMI capture rates range from 1.9 to 23.5 percent, with an overall capture rate of 15.0 percent. The overall capture rate for the Subject's 50 and 60 percent units is 13.8 percent. Therefore, we believe there is adequate demand for the Subject. Further, the derived capture rates for the Subject are within the Georgia DCA guidelines.
- Absorption data was not available for the comparables. Therefore, we will base our estimate of absorption on population and household trends in the region. Through 2018, the total population in the PMA is projected to increase by 444 individuals. Additionally, the number of households is projected to increase 267 households over the same period of analysis. As detailed in the demand analysis contained within this report, a significant portion of the families in the PMA will be income-eligible to reside at the Subject. Further, upon completion, the Subject will be the only LIHTC property in the PMA and thus, will face limited competition. As a result, we believe that the Subject could lease a

total of eight units per month, or an absorption period of approximately eight months, until stabilization of 93 percent.

- Vacancy rates in the market range from zero to 10.0 percent, averaging 5.4 percent. The average weighted vacancy rate among the LIHTC comparables is 4.1 percent, while the average weighted vacancy rate among the market rate comparables is 4.7 percent. Edgewood Park Apartments and Magnolia Heights, which are located outside of the Subject's PMA, reported the highest vacancy rates among the LIHTC comparables. According to management at Magnolia Heights, which offers both LIHTC and market rate units, four of the 20 vacant units are currently pre-leased and the bulk of vacancies are in its market rate units. Further, the property's current occupancy level, at 90 percent, is typical for the property. Management at Edgewood Park Apartments attributed the property's vacancies to job transfers and tenants converting to home owners. According to the contact at the comparable, units are typically pre-leased and therefore, management anticipates that the units will be occupied in a short period of time. It should be noted that the property's low number of total units skews its vacancy rate, as there are only four vacancies.

Among the market rate comparables, Georgetown Village Apartments and The Crossroads at Lake Oconee reported the highest vacancy rates at 6.9 percent. Management at The Crossroads at Lake Oconee, which is located in the Subject's PMA, noted that five of the 10 vacant units are pre-leased. Further, management at Georgetown Village Apartments, which is located approximately 21.9 miles from the Subject, noted that one of the seven vacant units is pre-leased. Management at the comparable noted that some recent tenant move outs were due to evictions; however, the contact noted that the property's current occupancy rate, at 93.1 percent, is typical for the property. Given the superior to slightly superior condition and age of the Subject, when compared to the comparables, strong weighted average vacancy rates in the market, and lack of multifamily properties in the PMA, we believe the Subject will operate with a vacancy rate of five percent or less.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property. The Subject will be slightly superior to superior in terms of age and condition to all of the comparables. The Subject's proposed 50 percent rents are below the comparable range, while its proposed 60 percent rents are near the low end of the comparable range. It should be noted that the comparables, which are located outside the Subject's county, may be held harmless at higher maximum allowable rents. Overall, we believe there is demand for the Subject's given its lack of competition in the PMA, excellent condition, low capture rates, and competitive amenities and unit sizes.

## **Recommendations**

We recommend the Subject 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 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  
*LEED Green Associate*  
Partner  
Novogradac & Company LLP



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Ed Mitchell  
Senior Real Estate Analyst  
Novogradac & Company LLP



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Linda Hartman  
Real Estate Analyst  
Novogradac & Company LLP  
Linda.Hartman@novoco.com



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Murad Karimi  
Real Estate Researcher  
Novogradac & Company LLP

5-19-2014

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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  
*LEED Green Associate*  
Partner  
Novogradac & Company LLP



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Ed Mitchell  
Senior Real Estate Analyst  
Novogradac & Company LLP



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Linda Hartman  
Real Estate Analyst  
Novogradac & Company LLP  
Linda.Hartman@novoco.com



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Murad Karimi  
Real Estate Researcher  
Novogradac & Company LLP

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5-19-2014  
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. CG100026242 – State of Colorado  
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
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  
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

### 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**

**Page 3**

- 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**

## **EDWARD R. MITCHELL**

### **I. Education**

Master of Science – Financial Planning  
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation  
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science  
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management  
San Antonio College, San Antonio, Texas

### **II. Professional Experience**

Senior Real Estate Analyst; Novogradac & Company LLP (September 2013 – Present)  
Senior Appraiser; Valbridge Property Advisors  
Managing Partner; Consolidated Equity, Inc.  
Appraiser; Schultz, Carr, Bissette  
Disposition Manager; Resolution Trust Corporation (RTC)

### **III. Assignments**

- Currently conducts market feasibility studies, valuation assignments, rent comparability studies (RCS) and consulting assignments for proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Performed work in Alabama, Alaska, California, Florida, Georgia, Kansas, Mississippi, Texas, New York, North Carolina, and Pennsylvania.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

### **IV. Licensure**

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **Linda Hartman**

### **I. Education**

University of Wisconsin-Madison, Madison, WI  
Bachelor of Business Administration, Real Estate and Urban Land Economics

### **II. Professional Experience**

Real Estate Analyst, Novogradac & Company LLP, December 2013 - Present  
Researcher, Novogradac & Company LLP, October 2012 – December 2013  
Research Analyst, Cushman & Wakefield, March 2012 – September 2012  
Research Junior Analyst, Cushman & Wakefield, March 2010 – February 2012

### **III. Real Estate Assignments**

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

- Conducted 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.
- Assisted in the preparation of the Fair Market Value analyses for 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**  
**Murad M. Karimi**

**I. Education**

Emory University, Goizueta Business School– Atlanta, GA  
Bachelor of Arts  
Bachelor of Business Administration

**II. Professional Experience**

*Novogradac & Company LLP* – January 2014 - Present  
Real Estate Researcher

**III. Real Estate Assignments**

A representative sample of work on various types of projects:

- Prepared market studies for proposed new construction and existing Low Income Housing Tax Credit, Section 8, and market rate developments for use by real estate developers, governmental entities, and financial institutions. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, and market rate multifamily developments. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.