



REAL PROPERTY **RESEARCH** GROUP

WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

Hitch Phase I Apartments

Savannah, Chatham County, Georgia

Prepared for:

The Hunt Companies

Effective Date: April 29, 2014

Site Inspection: January 14, 2014



10400 Little Patuxent Parkway ■ Suite 450 ■ Columbia, Maryland 21044 ■ 410.772.1004 ■ Fax 866.243.5057

3227 South Cherokee Lane ■ Suite 1360 ■ Woodstock, Georgia 30188 ■ 770.517.2666 ■ Fax 866.243.5057



TABLE OF CONTENTS

EXECUTIVE SUMMARY V

1. INTRODUCTION 1

A. Overview of Subject 1

B. Purpose of Report 1

C. Format of Report 1

D. Client, Intended User, and Intended Use 1

E. Applicable Requirements 1

F. Scope of Work 1

G. Report Limitations 2

2. PROJECT DESCRIPTION 3

A. Project Overview 3

B. Project Type and Target Market 3

C. Building Types and Placement 3

D. Detailed Project Description 3

 1. Project Description 3

 2. Other Proposed Uses 4

 3. Proposed Timing of Development 4

3. SITE AND NEIGHBORHOOD ANALYSIS 6

A. Site Analysis 6

 1. Site Location 6

 2. Existing Uses 6

 3. Size, Shape, and Topography 6

 4. General Description of Land Uses Surrounding the Subject Site 6

 5. Specific Identification of Land Uses Surrounding the Subject Site 6

B. Neighborhood Analysis 10

 1. General Description of Neighborhood 10

 2. Neighborhood Planning Activities 10

 3. Public Safety 10

C. Site Visibility and Accessibility 12

 1. Visibility 12

 2. Vehicular Access 12

 3. Availability of Public Transit 12

 4. Availability of Inter-Regional Transit 12

 5. Accessibility Improvements under Construction and Planned 12

 6. Environmental Concerns 12

D. Residential Support Network 12

 1. Key Facilities and Services near the Subject Site 12

 2. Essential Services 13

 3. Commercial Goods and Services 15

 4. Recreational Amenities 15

 5. Location of Low Income Housing 15

E. Site Conclusion 15

4. MARKET AREA DEFINITION 16

A. Introduction 16

B. Delineation of Market Area 16

5. ECONOMIC CONTENT 18

A. Introduction 18

B. Labor Force, Resident Employment, and Unemployment 18

 1. Trends in County Labor Force and Resident Employment 18

 2. Trends in County Unemployment Rate 18



C.	Commutation Patterns	18
D.	At-Place Employment	20
1.	Trends in Total At-Place Employment.....	20
2.	At-Place Employment by Industry Sector.....	21
3.	Major Employers.....	22
4.	Recent Economic Expansions and Contractions.....	24
5.	Conclusions on Local Economics	24
6.	DEMOGRAPHIC ANALYSIS.....	25
A.	Introduction and Methodology	25
B.	Trends in Population and Households.....	25
1.	Recent Past Trends.....	25
2.	Projected Trends.....	25
3.	Building Permit Trends.....	25
C.	Demographic Characteristics.....	27
1.	Age Distribution and Household Type	27
2.	Renter Household Characteristics.....	28
3.	Income Characteristics	29
7.	COMPETITIVE HOUSING ANALYSIS	31
A.	Introduction and Sources of Information	31
B.	Overview of Market Area Housing Stock.....	31
C.	Survey of General Occupancy Rental Communities	32
1.	Introduction to the Rental Housing Survey.....	32
2.	Location.....	33
3.	Size of Communities.....	33
4.	Age of Communities.....	33
5.	Structure Type.....	33
6.	Vacancy Rates	33
7.	Rent Concessions	33
8.	Absorption History	34
D.	Analysis of Product Offerings	35
1.	Payment of Utility Costs.....	35
2.	Unit Features.....	35
3.	Parking	36
4.	Community Amenities.....	36
5.	Effective Rents	37
6.	DCA Average Market Rent	38
E.	Interviews	39
F.	Multi-Family Pipeline	39
G.	Housing Authority Data	40
H.	Existing Low Income Rental Housing	40
I.	Impact of Abandoned, Vacant, or Foreclosed Homes	41
8.	FINDINGS AND CONCLUSIONS	43
A.	Key Findings.....	43
1.	Site and Neighborhood Analysis	43
2.	Economic Context	43
3.	Population and Household Trends.....	43
4.	Demographic Trends.....	44
5.	Competitive Housing Analysis.....	44
B.	Affordability Analysis	46
1.	Methodology.....	46
2.	Affordability Analysis	47
3.	Conclusions on Affordability	48
C.	Demand Estimates and Capture Rates	49



1. Methodology.....	49
2. Demand Analysis.....	49
D. Product Evaluation	51
E. Price Position	52
F. Absorption Estimate	53
G. Impact on Existing Market.....	54
H. Final Conclusions and Recommendations	54
APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS	55
APPENDIX 2 ANALYST CERTIFICATIONS	57
APPENDIX 3 NCHMA CERTIFICATION	58
APPENDIX 4 ANALYST RESUMES	59
APPENDIX 5 DCA CHECKLIST	62
APPENDIX 6 NCHMA CHECKLIST	67
APPENDIX 7 RENTAL COMMUNITY PROFILES.....	70



TABLES, FIGURES AND MAPS

Table 1 Hitch Phase I Detailed Project Summary..... 5

Table 2 Key Facilities and Services 13

Table 3 Labor Force and Unemployment Rates..... 19

Table 4 2008-2012 Commuting Patterns, Hitch Market Area 19

Table 5 2013-2014 Major Employers, Savannah Area 22

Table 6 Recent Expansions and Reductions, Savannah Area Employers 24

Table 7 Population and Household Projections..... 26

Table 8 Building Permits by Structure Type, Chatham County 26

Table 9 2014 Age Distribution 27

Table 10 2010 Households by Household Type..... 28

Table 11 Households by Tenure 28

Table 12 Renter Households by Age of Householder 29

Table 13 2010 Renter Households by Household Size 29

Table 14 2014 Household Income 30

Table 15 2014 Household Income by Tenure 30

Table 16 Renter Occupied Unit by Structure Type 31

Table 17 Dwelling Units by Year Built and Tenure..... 32

Table 18 Value of Owner Occupied Housing Stock..... 32

Table 19 Rental Summary, LIHTC/Market Rate Communities..... 35

Table 20 Rental Summary, PBRA Communities 35

Table 21 Utility Arrangement and Unit Features 36

Table 22 Community Amenities 37

Table 23 Unit Distribution, Size and Pricing..... 38

Table 24 Average Market Rent, Most Comparable Communities 39

Table 25 Average Market Rent and Rent Advantage Summary 39

Table 26 Subsidized Communities, Hitch Market Area..... 40

Table 27 Foreclosure Rate and Recent Foreclosure Activity, ZIP Code 31401 42

Table 28 2016 Total and Renter Income Distribution..... 46

Table 29 LIHTC Income and Rent Limits, Savannah MSA..... 47

Table 30 2016 Hitch Phase I Affordability Analysis..... 48

Table 31 Substandard and Cost Burdened Calculations 50

Table 32 DCA Demand by Income Level 50

Table 33 DCA Demand by Floor Plan 51

Figure 1 Hitch Phase I Site Plan 4

Figure 2 Satellite Image of Subject Site 8

Figure 3 Views of Subject Site..... 8

Figure 4 Views of Surrounding Land Uses 9

Figure 5 At-Place Employment 20

Figure 6 Total Employment by Sector, 2013(Q3)..... 21

Figure 7 Change in Employment by Sector 2001-2013(Q3)..... 21

Figure 8 Price Position – Hitch Phase I..... 52

Map 1 Site Location 7

Map 2 2013 CrimeRisk, Subject Site and Surrounding Areas 11

Map 3 Location of Key Facilities and Services 14

Map 4 Hitch Market Area 17

Map 5 Major Employers 23

Map 6 Surveyed Rental Communities 34

Map 7 Subsidized Rental Communities 41



EXECUTIVE SUMMARY

The Hunt Companies has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis of Hitch Phase I, a proposed general occupancy rental community in Savannah, Chatham County, Georgia. As proposed, Hitch Phase I will be financed in part with nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA) and will contain 72 units.

1. Project Description

- Thirty-four of the units (47 percent) will be LIHTC units with PBRA and targeting households earning up to 60 percent of the Area Median Income through the conversion of public housing to Section 8 through HUD's Rental Assistance Demonstration (RAD) program. With the inclusion of PBRA, these units will not be subject to minimum income limits and tenants will pay rent based on a percentage of their income. Twenty-three units will be LIHTC reserved for renter households earning up to 60 percent of the Area Median Income without additional rental assistance. Fifteen units will be market rate without tenant income limit or rent limits. For the purposes of this analysis, it is assumed these market rate units will appeal to renter households earning at or below 80 percent AMI.
- Hitch Phase I will offer 6 one-bedroom units, 42 two bedroom units, and 24 three bedroom units with unit sizes of 840 square feet, 1,020 square feet, and 1,245 square feet, respectively.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below.

Unit Mix/Rents								
Type	Bed	Bath	Income Target	Quantity	Heated Sq. Feet	Developer Rent	Utility Allowance	Gross Rent
Garden	1	1	60%/RAD	2	840	\$424	\$105	\$529
Garden	2	2	60%/RAD	20	1,020	\$461	\$124	\$585
Garden	3	2	60%/RAD	12	1,245	\$599	\$156	\$755
Garden	1	1	60%	2	840	\$540	\$105	\$645
Garden	2	2	60%	12	1,020	\$626	\$124	\$750
Garden	3	2	60%	9	1,245	\$719	\$156	\$875
Garden	1	1	Mkt.	2	840	\$670	\$105	\$775
Garden	2	2	Mkt.	10	1,020	\$770	\$124	\$894
Garden	3	3	Mkt.	3	1,245	\$850	\$156	\$1,006
Total/Average				72	1,080	\$610		

Rents include trash removal.

- In-unit features offered at the subject property will include an oven/range, microwave, refrigerator, dishwasher, garbage disposal, ceiling fans, and full-size washer/dryer units. These unit features are comparable or superior to all surveyed rental communities in the Hitch Market Area, including those with LIHTC units.
- Hitch Phase I's community amenity package will include a community room, fitness center, business center, playground, and covered outdoor seating area. This amenity package will be competitive with surveyed rental communities in the Hitch Market Area and will be comparable or superior to all existing LIHTC communities.



2. Site Description / Evaluation

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

- The subject site is located in downtown Savannah near the Historic District and just south of River Street and Bay Street.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity within one mile. Many community services and amenities are within walking distance of the subject site.
- The site will have excellent visibility from Randolph Street, which is a north-south artery and connects for the major arteries of Bay Street (north) and Liberty Street (south).
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace.

3. Market Area Definition

- The Hitch Market Area includes the census tracts in and immediately east of Savannah's Historic District. Although a new housing community may attract residents from beyond this market area, the market area was restricted to the immediate area in an effort to be conservative. The neighborhoods included in the Hitch Market Area are those most comparable with the area immediately surrounding the subject site.
- The boundaries of the Hitch Market Area and their approximate distance from the subject site are Savannah River/South Carolina to the north (0.6 mile), Wilmington River to the east (3.4 miles), Victory Drive to the south (1.6 miles), and MLK Jr. Drive to the west (1.4 miles).

4. Community Demographic Data

The Hitch Market Area lost population and households between the 2000 and 2010 census counts while the county added both during the same period. Both areas are projected to grow through 2016 with the county's rate of growth exceeding the market area.

- Between 2000 and 2010 Census counts, the population of the Hitch Market Area decreased by 10.0 percent, falling from 39,186 to 35,277 people for an annual decrease of 391 people or 1.0 percent. Overall growth in the county between census counts was 14.3 percent for population and 14.7 percent for households.
- Based on Esri projections, the Hitch Market Area's population will increase by 636 people between 2014 and 2016, bringing the total population to 37,067 people in 2016. This represents an annual gain of 0.9 percent or 318 persons. The household base is projected to gain 155 new households per annum resulting in 15,849 households in 2016.
- Young Adults age 20-34 comprise the largest percentage of the population in the market area and Adults age 35-61 years account for 30.0 percent. In the county, 24.6 percent of the population is Young Adults and 32.4 percent is Adults.
- As of the 2010 Census, 62.1 percent of all households in the Hitch Market Area were renters compared to 42.3 percent in Chatham County. Based on Esri projections, the renter



percentages are expected to increase to 65.2 percent in the market area and 44.9 percent in the county.

- Young working age households form the core of the market area's renters, as nearly half (46.4 percent) of all renter householders are ages 25-44. The Hitch Market Area also has a sizable proportion of young renters with 20.2 percent under the age of 25 years.
- As of 2010, 68.3 percent of all renter households in the Hitch Market Area contained one or two persons compared to 63.3 percent in Chatham County. Renter households with three or four people comprise 22.7 percent of all renter households in the market area and 26.9 percent in the county. Large households (5+ persons) accounted for 8.9 percent of renter households in the Hitch Market Area and 9.8 percent of renter households in Chatham County.
- According to income distributions provided by Esri, the 2014 median income of households in the Hitch Market Area is \$24,916, 46.4 percent lower than the Chatham County median household income of \$46,525. RPRG estimates the 2014 median income for renter householders in the Hitch Market Area is \$17,711. Over 45 percent of all renter householders in the Hitch Market Area have an income less than \$15,000 per year. Approximately 30 percent of renter households earn from \$15,000 to \$34,999 annually.
- Based on the proposed income targeting including PBRA on the majority of units and current market conditions, foreclosed and/or abandoned homes are not considered a factor in the market area.

5. Economic Data

Chatham County has an established, strong local economy. Although the county lost jobs and experienced increased unemployment in concert with the national economic downturn, more than three-quarters of these losses have been recouped in the past three years. Unemployment rates have decreased significantly from recent highs.

- The unemployment rate in Chatham County peaked at 9.2 percent in 2011 compare to state and national highs of 10.2 percent and 9.6 percent in 2010. Unemployment rates have decreased in all three areas with 2013 annual average unemployment of 7.7 percent in Chatham County, 8.2 percent in Georgia, and 7.4 percent in the United States.
- Chatham County lost nearly 10,000 jobs between 2008 and 2010 with roughly 70 percent of the loss occurring in 2009 during the height of the recession. Although not fully recovered, the county's employment base appears to be rebounding with the addition of 7,948 jobs since 2010.
- Trade-Transportation-Utilities, Education-Health, and Leisure-Hospitality are the three largest employment sectors in Chatham County with 15.2 to 22.3 percent of the county's jobs and each has a higher percentage of At-Place Employment than national figures. These three sectors account for 53.8 percent of the jobs in the county and 44.8 percent of jobs nationally. Compared to national figures, the county has smaller percentages of jobs Government, Financial Activities, and Professional-Business.
- A significant number of employment expansions are planned in the Savannah area. The largest is a major outlet mall is planned for Pooler, which will add 2,000 construction jobs and 2,000 permanent retail jobs between by 2014.
- The economic conditions of Chatham County and the market area are stable with significant improvements since the recent national recession.



6. Project Specific Affordability and Demand Analysis:

- Hitch Phase I will comprise 34 LIHTC units with PBRA, 23 LIHTC units without additional assistance, and 15 market rate units.
- Affordability capture rates by floor plan range from less than 0.1 percent to 1.5 percent. By AMI level, renter capture rates are 0.4 percent for LIHTC/PBRA units, 1.1 percent for LIHTC units, and 0.7 percent for market rate units. The overall affordability capture rate is 0.8 percent.
- All affordability capture rates are well within reasonable and achievable levels for a general occupancy community.
- Based on the proposed rents and income targeting, 7,644 renter households are income qualified for the RAD units. Among units without PBRA, 2,082 renter households are income qualified for LIHTC units and 2,257 are income qualified for market rate units.
- Hitch Phase I's DCA demand capture rates by AMI level are 1.3 percent for LIHTC/PBRA units, 3.7 percent for LIHTC units, 2.0 percent for market rate units, and 2.6 for all units. All of these capture rates are well within DCA's mandated threshold of 30 percent and indicate sufficient demand to support the proposed development.

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
60% PBRA Units	no min\$ - \$37,920						
One Bedroom Units	no min\$ - \$28,080	2	62.8%	2,211	0	2,211	0.1%
Two Bedroom Units	no min\$ - \$31,620	20	67.5%	2,375	0	2,375	0.8%
Three Bedroom Units	no min\$ - \$37,920	12	74.0%	2,604	0	2,604	0.5%
60% LIHTC Units	\$22,114 - \$37,920						
One Bedroom Units	\$22,114 - \$25,714	2	9.0%	317	9	308	0.6%
Two Bedroom Units	\$25,714 - \$30,000	12	7.8%	274	65	209	5.8%
Three Bedroom Units	\$30,000 - \$37,920	9	8.6%	304	31	273	3.3%
Market Rate Units	\$26,571 - \$50,560						
One Bedroom Units	\$26,571 - \$32,500	2	12.8%	451	5	446	0.4%
Two Bedroom Units	\$32,500 - \$40,000	10	10.7%	378	13	365	2.7%
Three Bedroom Units	\$40,000 - \$50,560	3	11.4%	402	4	398	0.8%
Project Total	no min\$ - \$50,560						
60% PBRA Units	no min\$ - \$37,920	34	74.0%	2,604	0	2,604	1.3%
60% LIHTC Units	\$22,114 - \$37,920	23	20.1%	709	105	604	3.8%
Market Rate Units	\$26,571 - \$50,560	15	21.8%	769	22	747	2.0%
Total Units	no min\$ - \$50,560	72	82.7%	2,910	127	2,783	2.6%

7. Competitive Rental Analysis

RPRG surveyed nine LIHTC/market rate rental communities in the Hitch Market Area including four LIHTC communities. We also surveyed three LIHTC communities with additional rental subsidies through Section 8. At the time of our survey, the overall rental market in the market area was performing well with LIHTC properties reporting lower average vacancy rates than the market as a whole.

- The nine LIHTC/market rate communities range from 38 units to 176 units with an average of 124 units per community. LIHTC communities are generally smaller with an average of 69 units and a range from 38 units to 168 units.
- Among the eight LIHTC/market rate communities reporting vacancy data, 39 of 988 units were reported vacant for a rate of 3.9 percent. Nearly all of the vacancies were reported at two market rate communities as River Crossing and Jasmine Place account for 87 percent of



the vacant units but only 34 percent of surveyed units among properties reporting vacancy data.

- Only one unit among 414 LIHTC units was reported vacant for a rate of 0.2 percent. Three of the four LIHTC communities are 100 percent occupied.
- All 233 units at deeply subsidized communities were reported occupied for a vacancy rate of 0.0 percent.
- Among the nine LIHTC/market rate rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
 - **One-bedroom** effective rents averaged \$579 per month. The average one bedroom square footage was 767 square feet, resulting in a net rent per square foot of \$0.75. The range for one bedroom effective rents was \$250 to \$750.
 - **Two-bedroom** effective rents averaged \$714 per month. The average two bedroom square footage was 1,016 square feet, resulting in a net rent per square foot of \$0.70. The range for two bedroom effective rents was \$306 to \$943.
 - **Three-bedroom** effective rents averaged \$830 per month. The average three bedroom square footage was 1,228 square feet, resulting in a net rent per square foot of \$0.68. The range for three bedroom effective rents was \$342 to \$1,220.
- The “average market rent” among comparable communities is \$681 for one bedroom units, \$820 for two bedroom units, and \$1,002 for three bedroom units. All of the subject property’s proposed rents are below these average market rents with rent advantages of at least ten percent for LIHTC units and an overall weighted average rent advantage of 22.3 percent for the project.

8. Absorption/Stabilization Estimate

- Based on the product to be constructed and the factors discussed above, we expect Hitch Phase I’s LIHTC and market rate units to lease-up at a rate of 15 units per month. Given the differences in income targeting, we also expect the 34 PBRA units to lease concurrently with the LIHTC and market rate units as fast as applications can realistically be processed. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within a four to five month period.
- Given the limited vacancies at LIHTC communities in the Hitch Market Area and projected household growth over the next five years, we do not expect Hitch Phase I to have negative impact on existing rental communities in the Hitch Market Area including those with tax credits.

9. Overall Conclusion / Recommendation

- Based on household growth, low affordability and demand capture rates, PBRA subsidies on 47 percent of the proposed units, and stable rental market conditions, sufficient demand exists to support the proposed units at Hitch Phase I. As such, RPRG believes that the proposed Hitch Phase I will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing market rate and LIHTC communities in the Hitch Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.
- We do not believe that the proposed development of the units at Hitch Phase I will have a negative impact on the existing and recently approved LIHTC communities in the market



area including Savannah Gardens III and Savannah Gardens V. Not only do demand estimates and current occupancy levels indicate more than sufficient demand, more than half of the LIHTC units at Hitch Phase I will have PBRA/RAD Assistance, which differs the community from Savannah Gardens III and V. The combined LIHTC units at these communities and the subject property represent a very small percentage of the income qualified renter households.

10. DCA Summary Table:

SUMMAR TABLE:			
Development Name:	Hitch Phase I	Total # Units:	72
Location:	Randolph Street	# LIHTC Units:	57
PMA Boundary:	North: Savannah River, East: Wilmington River, South: Victory Drive, West: MLK Jr. BLVD		
			Farthest Boundary Distance to Subject: 1.6 miles

RENTAL HOUSING STOCK (found on pages 35, 38, 39)				
Type	Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	12	1,221	40	96.7%
Market-Rate Housing	4	574	38	93.4%
Assisted/Subsidized Housing not to include LIHTC	3	233	0	100%
LIHTC	4	414	1	99.8%
Stabilized Comps	12	1,221	40	96.7%
Properties in construction & lease up	2	72	72	

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
2	1	1	840	\$424	\$681	\$0.81	22.3%	\$750	\$1.01
20	2	2	1,020	\$461	\$820	\$0.80	28.7%	\$943	\$0.94
12	3	2	1,245	\$599	\$1,002	\$0.80	24.7%	\$1,220	\$0.90
2	1	1	840	\$540	\$681	\$0.81	20.7%	\$750	\$1.01
12	2	2	1,020	\$626	\$820	\$0.80	23.7%	\$943	\$0.94
9	3	2	1,245	\$719	\$1,002	\$0.80	28.2%	\$1,220	\$0.90
2	1	1	840	\$670	\$681	\$0.81	1.6%	\$750	\$1.01
10	2	2	1,020	\$770	\$820	\$0.80	6.1%	\$943	\$0.94
3	3	2	1,245	\$850	\$1,002	\$0.80	15.2%	\$1,220	\$0.90

DEMOGRAPHIC DATA (found on pages 26, 47-49)						
	2012		2014		2016	
Renter Households	9,712	63.8%	10,002	64.5%	10,336	65.2%
Income-Qualified Renter HHs (LIHTC)	1,961	20.2%	2,028	20.2%	2,082	20.1%
Income-Qualified Renter HHs (MR)	2,115	21.8%	2,221	22.2%	2,257	21.8%

TARGETED INCOME- QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 49-51)					
Type of Demand	60% (PBRA)	60%	Market Rate		Overall
Renter Household Growth	352	96	104		394
Existing Households (Overburd + Substand)	2,252	613	665		2,517
Total Primary Market Demand	2,604	709	769		2,910
Less Comparable/Competitive Supply	0	91	22		113
Adjusted Income-qualified Renter HHs	2,604	618	747		2,797

CAPTURE RATES (found on page 49-51)					
Targeted Population	60%/PBRA	60%	Market Rate		Overall
Capture Rate	1.3%	3.7%	2.0%		2.6%



1. INTRODUCTION

A. Overview of Subject

The subject of this report is Hitch Phase I, a proposed general occupancy rental community in Savannah, Chatham County, Georgia. Hitch Phase I will be financed in part through nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA) and will contain 72 units. Hitch Phase I will be the first phase of the proposed redevelopment of a former Public Housing community also known as Hitch Village. The Hunt Companies is working with Housing Authority of Savannah on the redevelopment of the entire development parcel.

Nearly 80 percent of Hitch Phase I's units will benefit from Low Income Housing Tax Credits and 21 percent of units will be market rate. Among the 57 LIHTC units, 34 units will be public housing replacement units and will have Project Based Rental Assistance (PBRA), made possible by the conversion of existing public housing subsidies into long-term HUD Section 8 contracts through HUD's Rental Assistance Demonstration (RAD) Program. Twenty-three LIHTC units will be priced at the 60 percent level without additional assistance.

B. Purpose of Report

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

C. Format of Report

The report format is comprehensive and conforms to DCA's 2014 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is The Hunt Companies. Along with the Client, the Intended Users are the Housing Authority of Savannah, DCA, potential lenders, and investors.

E. Applicable Requirements

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

- DCA's 2014 Market Study Manual.
- The National Council of Housing Market Analysts' (NCHMA) Model Content Standards and Market Study Index.

F. Scope of Work

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

- Please refer to Appendix 5 and 6 for a detailed list of DCA and NCHMA requirements as well as the corresponding pages of requirements within the report.



- Tad Scepaniak (Principal) conducted a site visit on January 14, 2014.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and leasing agents. As part of our housing market research, RPRG contacted Amanda Bunce with the Chatham County-Savannah Chatham Metropolitan Planning Commission.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

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

2. PROJECT DESCRIPTION

A. Project Overview

Hitch Phase I will be located on the former site of the Hitch Village Public Housing Community located on the east side of Randolph Street in Savannah. As a mixed-income general occupancy community, the newly constructed units at Hitch Phase I will target a wide range of renter households. Thirty-four of the units (47 percent) will be LIHTC units with PBRA and targeting households earning up to 60 percent of the Area Median Income. With the inclusion of PBRA, these units will not be subject to minimum income limits and tenants will pay rent based on a percentage of their income. Twenty-three units will be LIHTC reserved for renter households earning up to 60 percent of the Area Median Income without additional rental assistance. Fifteen units will be market rate without tenant income limit or rent limits. For the purposes of this analysis, it is assumed these market rate units will appeal to renter households earning at or below 80 percent AMI.

B. Project Type and Target Market

Hitch Phase I will target very low to moderate income households. Given the proposed unit mix of one, two, and three bedroom floor plans, potential renter household types include single persons, couples, and small to large families.

C. Building Types and Placement

Hitch Phase I will contain four newly constructed residential buildings, all of which will be garden-style apartments with three stories. Construction characteristics will include wood frame with brick and HardiPlank siding exteriors.

The four residential buildings will be positioned around the perimeter of the site with frontage along Randolph Street, McAllister Street, Perry Lane, and Hull Street. McAllister and Hull Streets will be part of the larger redevelopment of the Hitch site. The community building will be located along the perimeter of the site in the middle of the residential buildings. The parking lot will be located between the buildings with a grassy median in the middle leading from the community building to the playground (Figure 1).

D. Detailed Project Description

1. Project Description

- Hitch Phase I will offer 6 one-bedroom units, 42 two bedroom units, and 24 three bedroom units with unit sizes of 840 square feet, 1,020 square feet, and 1,245 square feet, respectively (Table 1).
- One bedroom units will have one bathroom and two and three bedroom units will have two bathrooms.
- All rents will include the cost of trash removal. Tenants will bear the cost of all other utilities. All appliances and the heating/cooling for each unit will be electric.

The following **unit features** are planned:

- Kitchens with a refrigerator (including an icemaker), range, microwave, garbage disposal, and dishwasher.
- Central heat and air-conditioning

- Walk-in closets
- Ceiling fans
- Mini-blinds
- High speed internet connections
- Full size washer and dryer

The following **community amenities** are planned:

- Multi-purpose room with microwave
- Fitness center
- Business center
- Playground
- Outdoor covered sitting areas.

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Hitch Phase I is expected to begin construction in 2015 and will be completed in 2016. For the purposes of this report, the subject property's anticipated placed-in-service year is 2016.

Figure 1 Hitch Phase I Site Plan





Table 1 Hitch Phase I Detailed Project Summary

Unit Mix/Rents								
Type	Bed	Bath	Income Target	Quantity	Heated Sq. Feet	Developer Rent	Utility Allowance	Gross Rent
Garden	1	1	60%/RAD	2	840	\$424	\$105	\$529
Garden	2	2	60%/RAD	20	1,020	\$461	\$124	\$585
Garden	3	2	60%/RAD	12	1,245	\$599	\$156	\$755
Garden	1	1	60%	2	840	\$540	\$105	\$645
Garden	2	2	60%	12	1,020	\$626	\$124	\$750
Garden	3	2	60%	9	1,245	\$719	\$156	\$875
Garden	1	1	Mkt.	2	840	\$670	\$105	\$775
Garden	2	2	Mkt.	10	1,020	\$770	\$124	\$894
Garden	3	3	Mkt.	3	1,245	\$850	\$156	\$1,006
Total/Average				72	1,080	\$610		

Rents include trash removal.

Project Information		Additional Information	
Number of Residential Buildings	Four	Construction Start Date	2015
Building Type	Garden	Date of First Move-In	2016
Number of Stories	Three	Construction Finish Date	2016
Construction Type	New Const.	Parking Type	Surface
Design Characteristics (exterior)	Brick, Hardi	Parking Cost	None
Community Amenities	Multi-purpose room with microwave, lobby, business center, fitness center, playground, and outdoor covered sitting areas.	Kitchen Amenities - Units	
		Dishwasher	Yes
		Disposal	Yes
		Microwave	Yes
		Range	Yes
Unit Features	Range/oven, refrigerator, dishwasher, microwave, ceiling fans, full size washer/dryer, central A/C, and window blinds.	Utilities Included	
		Water/Sewer	Tenant
		Trash	Owner
		Heat	Tenant
		Heat Source	Elec
		Hot/Water	Tenant
	Electricity	Tenant	
	Other:		



3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The site for Hitch Phase I is located on the east side of Randolph Street near downtown Savannah, Chatham County, Georgia. The site is the former location of the Hitch Village Public Housing Community, which has been demolished and will be redeveloped in phases (Map 1, Figure 2). The site is just a few blocks south of Bay Street and the Savannah River, a focal point of Savannah's Historic District.

2. Existing Uses

The subject site is cleared and includes grassy areas and some mature trees (Figure 3).

3. Size, Shape, and Topography

The site is flat, square, and includes 2.88 acres.

4. General Description of Land Uses Surrounding the Subject Site

The site for Hitch Phase I is located in an established residential area on the eastern edge of Savannah's Historic District. Despite the proximity to downtown Savannah, the areas to the north and east are relatively sparsely developed with large undeveloped parcels and wooded land. Land uses to the west are largely mixed including residential and commercial. Residential uses include Fred Wessels Homes (public housing), single-family detached homes, and townhomes. Other land uses in the immediate area include several churches, East Broad Street School, a government office building, and several public parks.

5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows (Figure 4):

- **North:** Two small churches and E President Street
- **East:** Wooded land
- **South:** Church and commercial development
- **West:** Randolph Street and Fred Wessels Homes

Map 1 Site Location

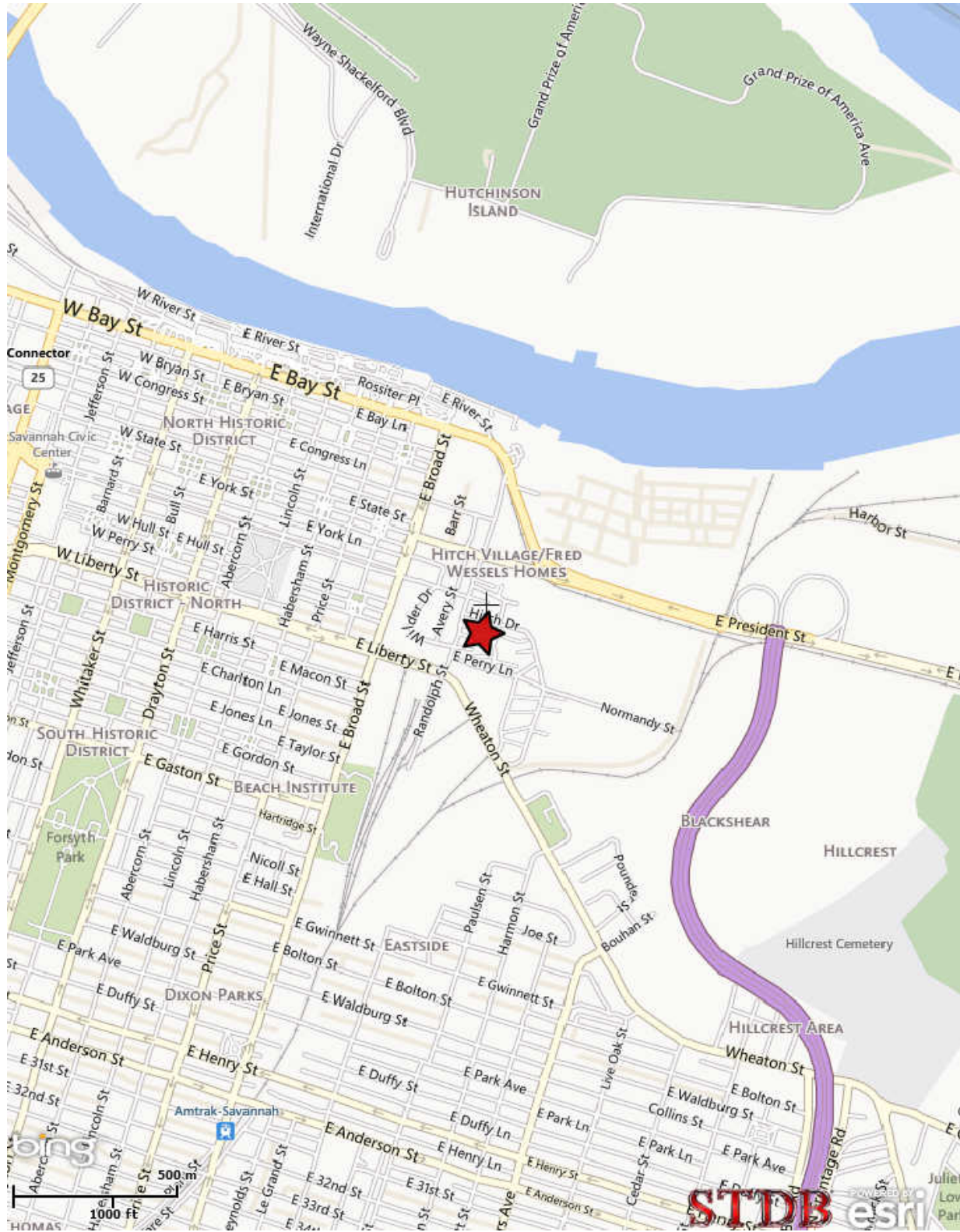


Figure 2 Satellite Image of Subject Site

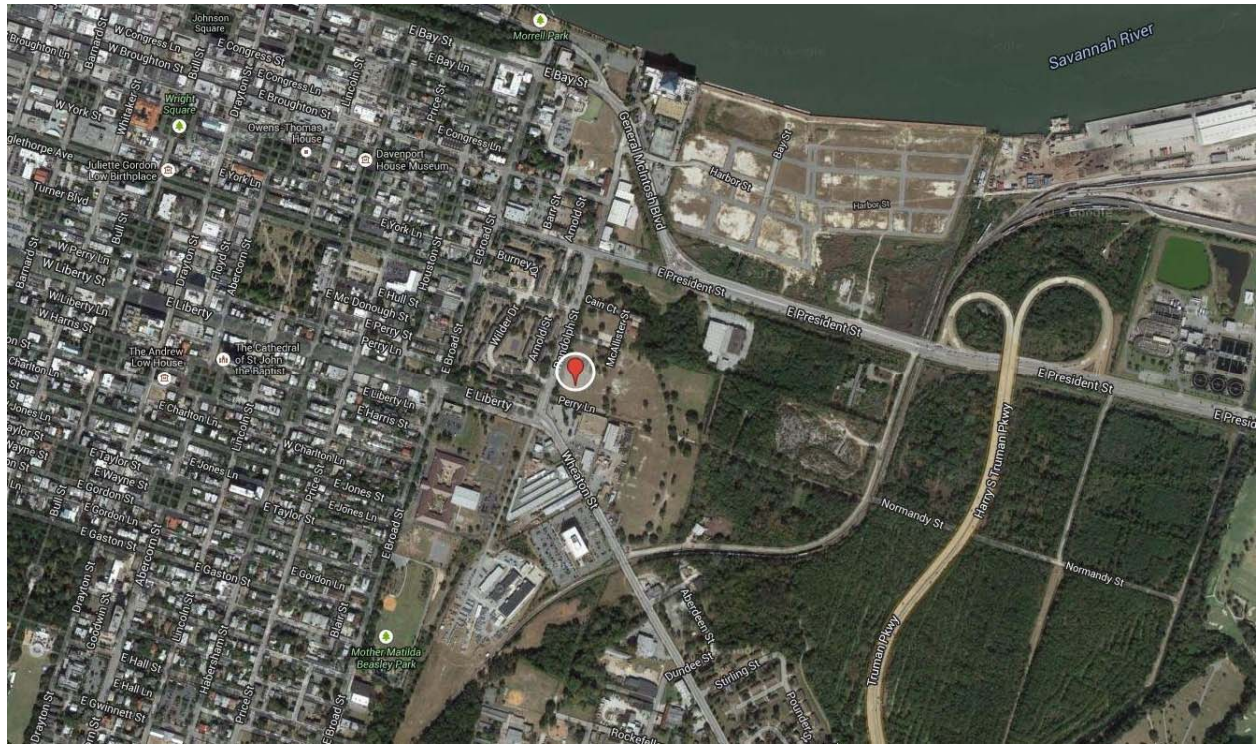


Figure 3 Views of Subject Site



View of site facing east



View of site facing northeast



View of site facing north



View of site facing north

Figure 4 Views of Surrounding Land Uses



Small church to the north



Church to the north of site



Wessels Homes to the west



Family Dollar to the south



B. Neighborhood Analysis

1. General Description of Neighborhood

The subject site is located on the eastern edge of the densely developed downtown district of Savannah. The neighborhood includes a mixture of residential and commercial development within close proximity of the subject site. Residential uses include a public housing community to the west, single-family detached homes, and townhomes. Uses to the south include small retail uses, a public school, and government office building.

The Savannah Historic District is just west of the subject site and includes a large number of national historic sites and public parks, the largest of which is Forsyth Park. Bay Street and River Street are less than one-quarter mile north of the subject site and are the focal point of Savannah's entertainment district with a large number of restaurants, retailers, and hotels.

2. Neighborhood Planning Activities

New development in the immediate area surrounding the site has been limited given its established nature and the proximity to the Historic District, which is built-out. The newest development in the area is near Savannah Gardens, which is more than one mile to the east and well outside of the Historic District. The City of Savannah has adopted its 2013-2017 consolidated plan with a goal of improving affordable housing options in the city. The proposed redevelopment of the Hitch Village site will fit the state goals of the consolidate plan.

The City of Savannah had adopted a Master Plan for the East Riverfront, which would be an extension of the existing riverfront and just north of the subject site. Much of this 54 acre parcel has been demolished with a 2,000 foot river walk extension under planned. It is expected that this parcel will be developed with a hotel and other commercial/retail uses over the next five years.

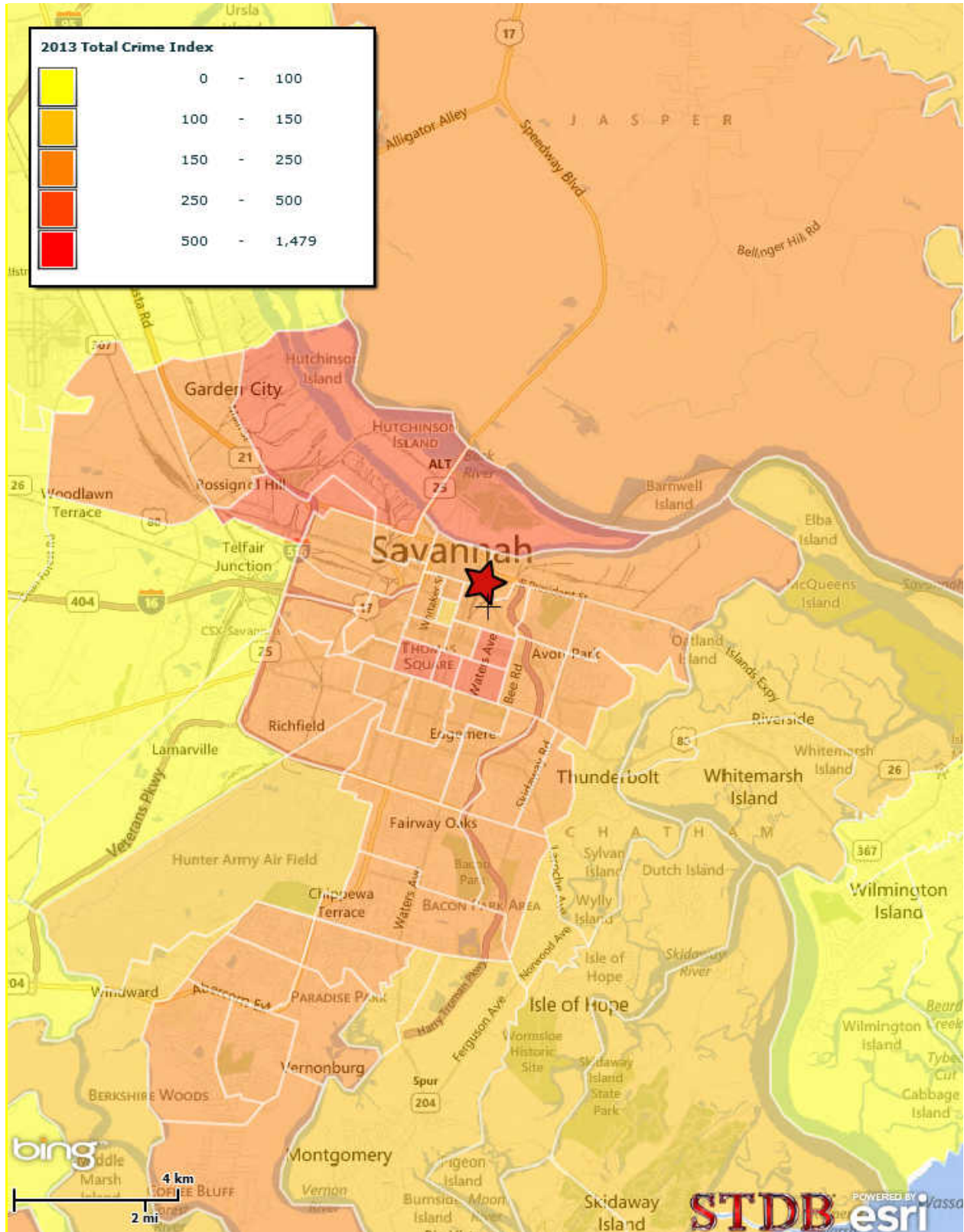
3. Public Safety

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

Map 2 displays the 2013 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The subject site's census tract and those in the immediately surrounding areas have a moderately high crime risk. The crime risk surrounding the site is consistent with that throughout the Hitch Market Area. Based on the similarity with the surrounding neighborhood, we do not expect crime or the perception of crime to negatively impact the subject property's marketability.



Map 2 2013 CrimeRisk, Subject Site and Surrounding Areas



C. Site Visibility and Accessibility

1. Visibility

Hitch Phase I will have excellent visibility from frontage along Randolph Street, which runs north to south and provides connections to major east-west arteries including Bay Street and Liberty Street.

2. Vehicular Access

Hitch Phase I will contain an entrance on McAllister Street and Perry Lane, which will connect to Randolph Street. Traffic in front of the site is generally light to moderate and problems with accessibility are not anticipated.

3. Availability of Public Transit

Chatham Area Transit (CAT) offers fixed route public bus service throughout the Savannah Area. Several bus stops are located within walking distance of the site including one in front of the site on Randolph Street.

4. Availability of Inter-Regional Transit

The Savannah region is served by Interstates 95, 16, and 516. Interstate 516 serves as a western perimeter and provides access to downtown and Interstate 16. Interstates 516 and 16 are roughly two miles west of the site and accessible via Liberty Street. The Harry S Truman Parkway serves as an eastern bypass to Savannah's Historic District providing a connection from President Street to Abercorn Street in southern Savannah. The Truman Parkway is less than one-half mile east of the subject site.

5. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. Through this research, RPRG did not identify any projects that would have a direct impact on this market.

Transit and Other Improvements under Construction and/or Planned

None identified.

6. Environmental Concerns

No visible environmental or miscellaneous site concerns were identified.

D. Residential Support Network

1. Key Facilities and Services near the Subject Site

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

Table 2 Key Facilities and Services

Establishment	Type	Address	Distance
Savannah Police Department	Police	231 Wilder Dr., # 1	0.1 mile
Cooper Primary Healthcare	Doctor/Medical	106 E. Broad St.	0.2 mile
Chatham Area Transit (CAT)	Public Transit	E. Liberty & Randolph St.	0.2 mile
Hubert Middle School	Public School	768 Grant St.	0.5 mile
Pj Corner Store	Convenience Store	147 Abercorn St.	0.5 mile
Memorial Health University Physicians	Doctor/Medical	300 Bull St.	0.6 mile
CVS	Pharmacy	119 Bull St.	0.6 mile
Kroger	Grocery/Pharmacy	311 E. Gwinnett St.	0.7 mile
Spencer Elementary School	Public School	100 Bouhan Ave.	0.7 mile
U.S. Post Office	Post Office	118 Barnard St.	0.8 mile
Carnegie Library	Library	537 E. Henry St.	0.9 mile
Hellenic Community Center	Community Center	14 W. Anderson St.	1.2 miles
Savannah High School	Public School	400 Pennsylvania Ave.	1.8 miles
Savannah Fire Department	Fire	2824 Bee Rd.	2 miles
Target	General Retail	1907 E. Victory Dr.	2.3 miles
Memorial University Med. Center	Hospital	4750 Waters Ave.	2.9 miles
Oglethorpe Mall	Mall	7804 Abercorn St.	5.3 miles

Source: Field and Internet Survey, RPRG, Inc.

2. Essential Services

Health Care

Memorial University Medical Center and the St. Joseph's/Candler Health System both serve the greater Savannah area with major medical facilities. The closest hospital is Memorial University Medical Center, located on Waters Avenue within 2.9 miles of the site. Memorial Medical is a 622 bed tertiary care hospital offering a wide range of practice areas including general services, emergency medicine, oncology, and cardiovascular services.

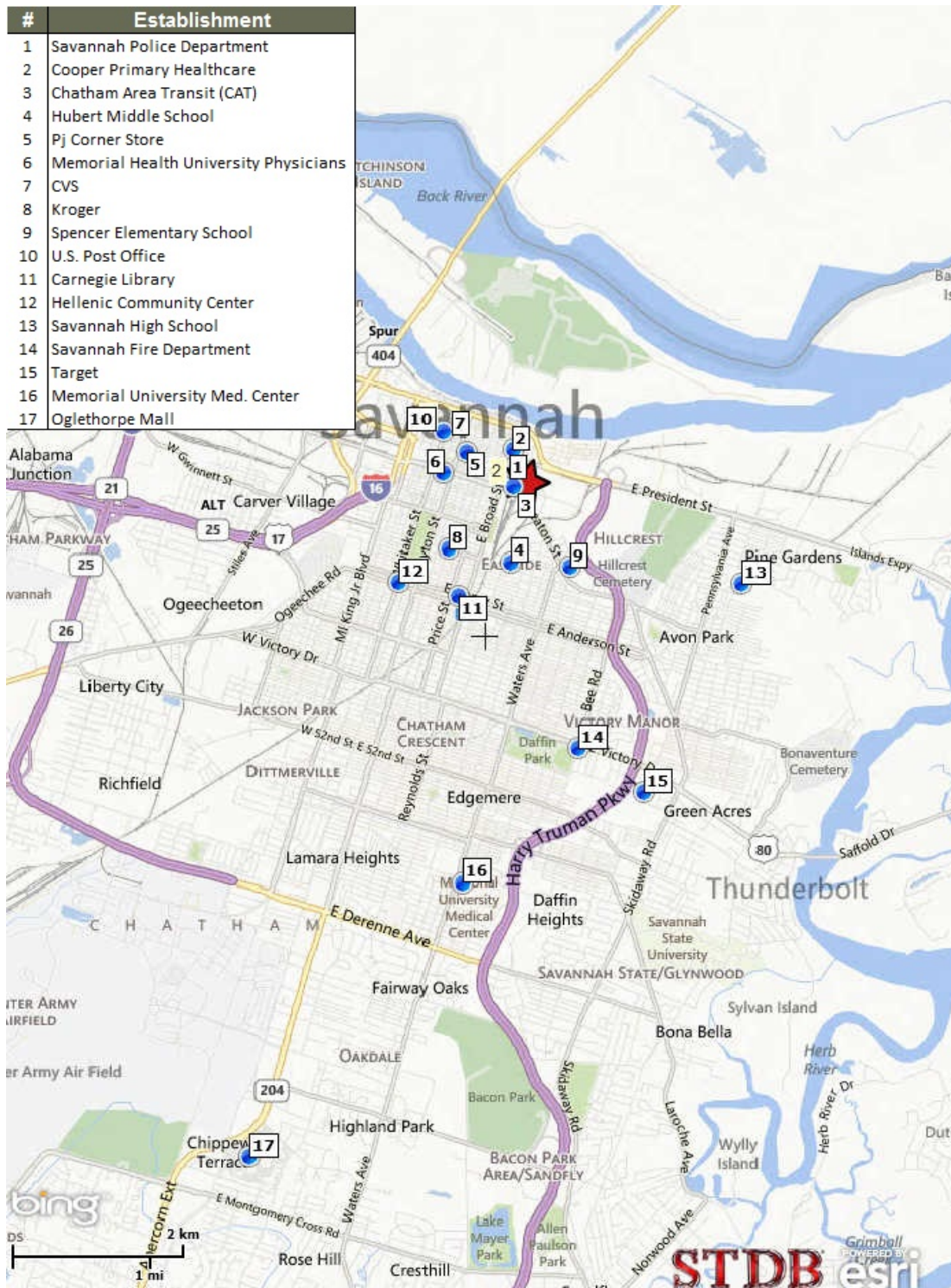
In addition to major medical centers, several smaller medical clinics and independent practitioners serve southern Savannah. The closest medical clinic to the subject site is Cooper Primary Healthcare, located on Broad Street within 0.2 mile of the site.

Education

Colleges and universities in the greater Savannah area include Armstrong Atlantic State University, Savannah College of Art and Design, Savannah State University and several smaller colleges and technical schools.

The primary market area is served by the Savannah-Chatham County School District. SCCSD has a total enrollment more than 36,000 students among 29 elementary schools, seven K-8 schools, nine middle schools, and eight high schools. The school district also operates several specialty schools. School age children residing at the subject property would attend Spencer Elementary School (0.7 mile), Hubert Middle School (0.5 mile), and Savannah High School (1.8 miles).

Map 3 Location of Key Facilities and Services



3. Commercial Goods and Services

Convenience Goods

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

Hitch Phase I will be located within close proximity to a number of retailers including a Family Dollar and a convenience store just south of the site near the intersection of Randolph and Wheaton Streets. The site is less than one mile from a major pharmacy (CVS) and grocery store (Kroger) and numerous retailers are located throughout the historic district including the City Market.

Shoppers Goods

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

Savannah’s largest concentration of commercial development is Oglethorpe Mall, which is roughly five miles south of the subject site. Oglethorpe Mall is anchored by Sears, Macy’s, Belk, and JCPenney and offers a large variety of specialty retailers and restaurants.

4. Recreational Amenities

Savannah is home to a wide variety of recreational opportunities given its rich history and coastal location. Savannah is home to more than 60 art galleries and a vibrant Historic District including River Street in downtown, which is home to a large number of shops and restaurants along the Savannah River and is within close proximity to the subject site. Savannah hosts numerous annual festivals including the Savannah Jazz Festival and Savannah Film Festival. The St. Patrick’s Day celebration in Savannah is one of the largest in the country.

Savannah is home to more than 420 miles of navigable waters running through more than 85,000 acres of tidal marshlands. Tybee Island offers beaches within 10-15 minutes of downtown Savannah. Savannah has 15 major recreation centers and public parks with Forsyth Park being the closest major park. Mother Matilda Beasley Park is the closest park within approximately one-half mile.

5. Location of Low Income Housing

A list and map of existing low-income housing in the Hitch Market Area are provided in the Existing Low Income Rental Housing Section of this report, starting on page 40.

E. Site Conclusion

The subject site is located in a residential area neighborhood just east of downtown Savannah and will be located on the site of a former public housing authority community. The site is conveniently located to downtown, community services, and employment centers. The site is considered comparable or superior to existing rental communities in the market area and is appropriate for the proposed development of affordable rental housing.



4. MARKET AREA DEFINITION

A. Introduction

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

B. Delineation of Market Area

The Hitch Market Area consists of Census tracts in and around downtown Savannah. The boundaries of the Hitch Market Area and their approximate distance from the subject site are:

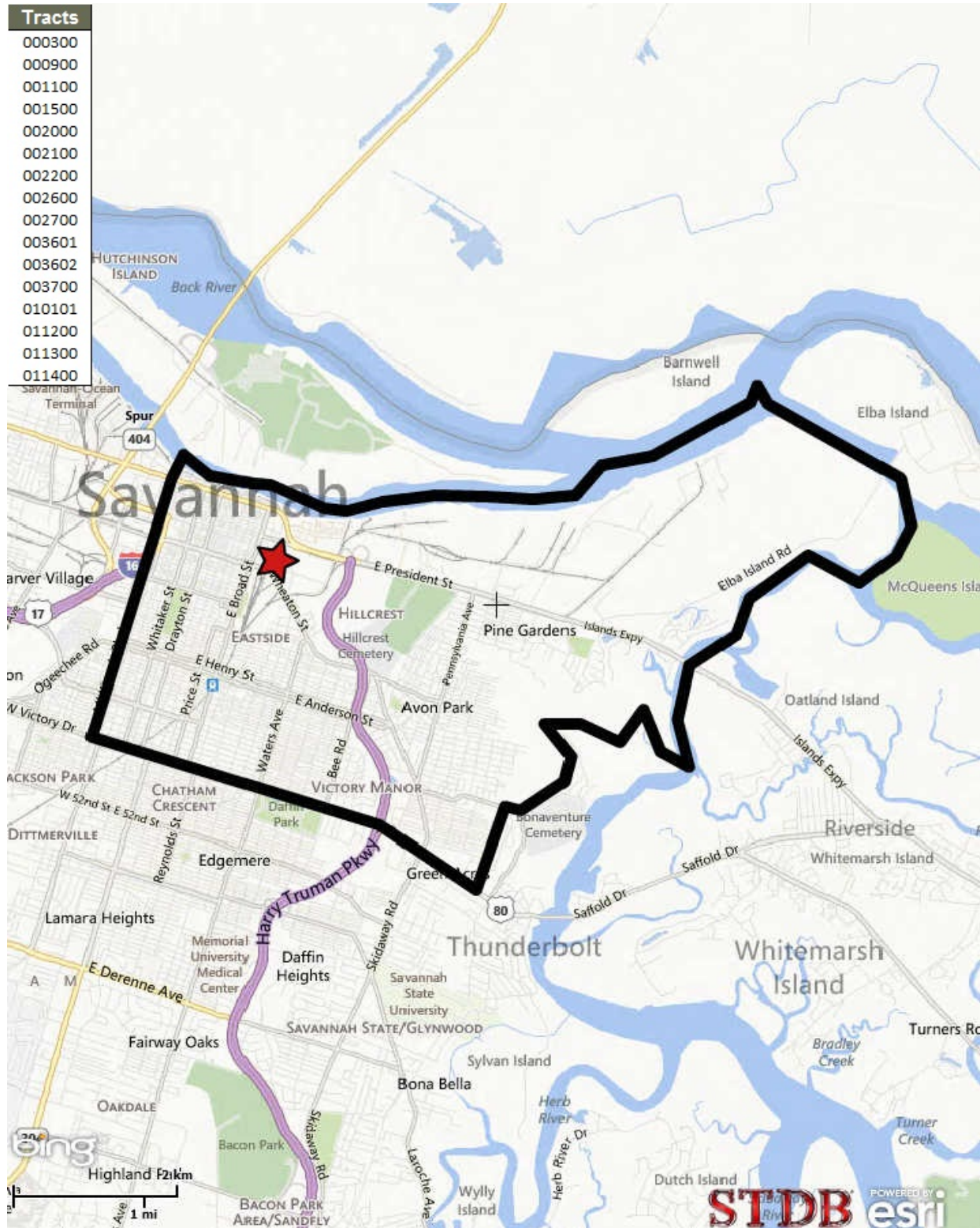
- North:** Savannah River/South Carolina (0.6 mile)
- East:** Wilmington River (3.4 miles)
- South:** Victory Drive (1.6 miles)
- West:** Martin Luther King Junior Drive (1.4 miles)

The Hitch Market Area includes the census tracts in and immediately east of Savannah’s Historic District. Although a new housing community may attract residents from beyond this market area, the market area was restricted to the immediate area in an effort to be conservative. The neighborhoods included in the Hitch Market Area are those most comparable with the area immediately surrounding the subject site. For purposes of this analysis, this market area is compared to data for Chatham County as a whole.

A map of this market area along with a list of 2010 Census tracts that comprise the market area are depicted on the following page. As appropriate for this analysis, the Hitch Market Area is compared to Chatham County, which is considered the secondary market area. Demand estimates are based solely on the Hitch Market Area.



Map 4 Hitch Market Area



5. ECONOMIC CONTENT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Chatham County, the jurisdiction in which Hitch Phase I will be located. For purposes of comparison, economic trends in the State of Georgia and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

Chatham County's labor force increased steadily between 2000 and 2008 with a net increase of 21,548 workers or 19.2 percent. Following a decline in 2009, the average annual labor force increased each year through 2013 and peaked at 137,793 workers (Table 3).

2. Trends in County Unemployment Rate

Chatham County's unemployment rate ranged from 3.5 percent to 4.5 percent from 2000 to 2007 with annual rates at or below both state and national rates. The county's unemployment rate peaked at 9.2 percent during the most recent national recession, although this high point was attained in 2011 whereas the state and nation peaked in 2010 at 10.2 percent and 9.6 percent, respectively. Unemployment rates have receded in recent years for all geographies with annual average unemployment in 2013 of 7.7 percent in Chatham County, 8.2 percent in Georgia, and 7.4 percent in the United States.

C. Commutation Patterns

According to 2008-2012 American Community Survey (ACS) data, nearly two-thirds (64.5 percent) of the workers residing in the Hitch Market Area spent 10-24 minutes commuting to work (Table 4). Nearly 10 percent of workers commuted less than ten minutes and 22.3 percent commuted 25 or more minutes.

Nearly all (94.9 percent) of all workers residing in the Hitch Market Area worked in Chatham County while 2.4 percent worked in another Georgia county. Nearly three percent of market area residents worked outside the state – most likely South Carolina.



Table 3 Labor Force and Unemployment Rates

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Labor Force	112,109	112,146	115,391	115,864	121,667	125,404	128,258	133,531	133,657	130,427	132,651	134,853	137,022	137,793
Employment	108,156	108,177	110,594	110,949	116,546	119,776	123,027	128,119	126,053	119,371	120,571	122,431	125,339	127,152
Unemployment	3,953	3,969	4,797	4,915	5,121	5,628	5,231	5,412	7,604	11,056	12,080	12,422	11,683	10,641
Unemployment Rate														
Chatham County	3.5%	3.5%	4.2%	4.2%	4.2%	4.5%	4.1%	4.1%	5.7%	8.5%	9.1%	9.2%	8.5%	7.7%
Georgia	3.5%	4.0%	4.8%	4.8%	4.7%	5.2%	4.7%	4.6%	6.3%	9.7%	10.2%	9.9%	9.0%	8.2%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%

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

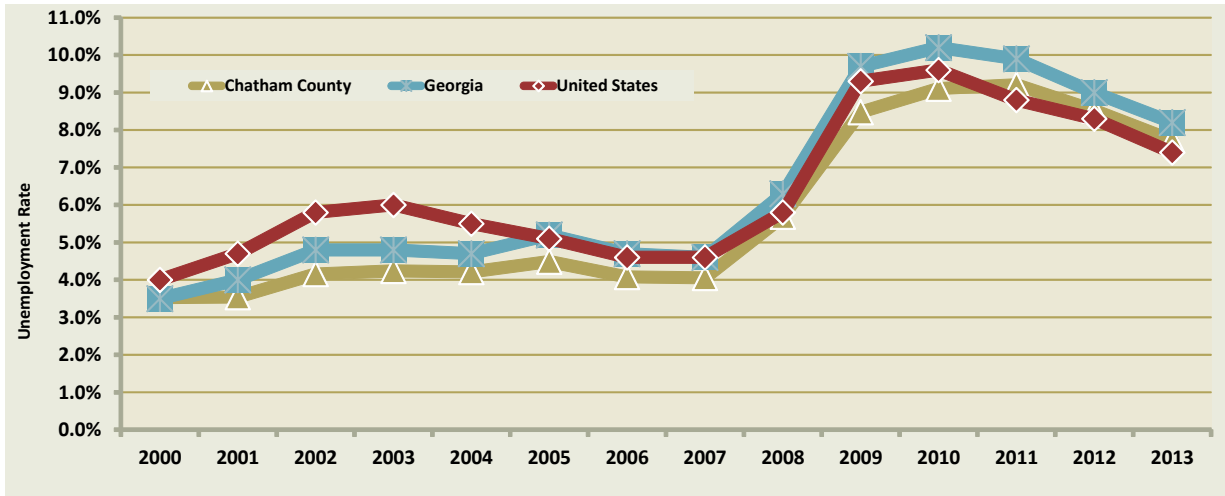
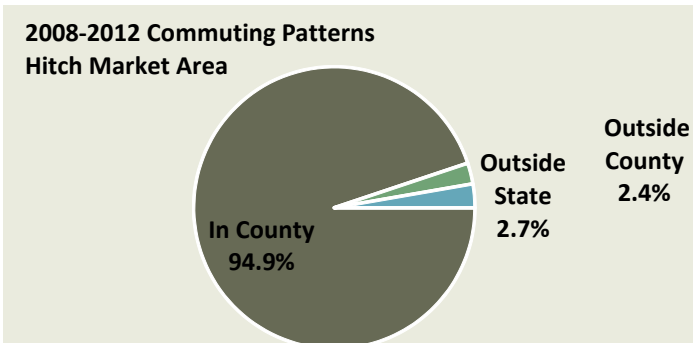


Table 4 2008-2012 Commuting Patterns, Hitch Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	13,770	96.2%	Worked in state of residence:	13,924	97.3%
Less than 5 minutes	366	2.6%	Worked in county of residence	13,580	94.9%
5 to 9 minutes	982	6.9%	Worked outside county of residence	344	2.4%
10 to 14 minutes	2,389	16.7%	Worked outside state of residence	389	2.7%
15 to 19 minutes	3,982	27.8%	Total	14,313	100%
20 to 24 minutes	2,858	20.0%			
25 to 29 minutes	968	6.8%			
30 to 34 minutes	961	6.7%			
35 to 39 minutes	195	1.4%			
40 to 44 minutes	320	2.2%			
45 to 59 minutes	356	2.5%			
60 to 89 minutes	315	2.2%			
90 or more minutes	78	0.5%			
Worked at home	543	3.8%			
Total	14,313				

Source: American Community Survey 2008-2012



Source: American Community Survey 2008-2012

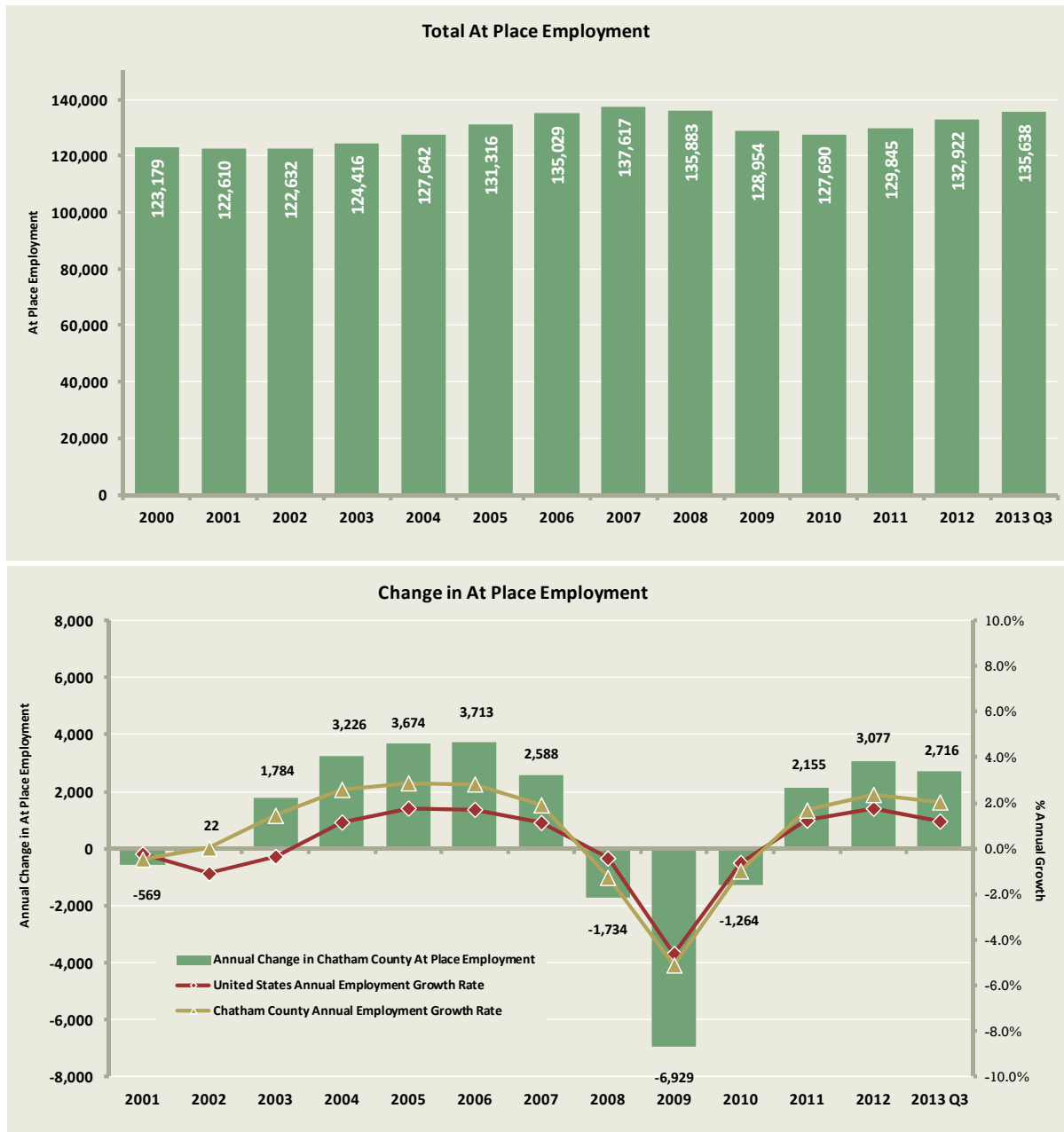


D. At-Place Employment

1. Trends in Total At-Place Employment

Chatham County’s At-Place Employment increased each year from 2001 to 2007 and reached 137,617 jobs before the national recession. Following national trends, the county lost 9,927 jobs between 2008 and 2010 (Figure 5). The county added jobs each year since 2011 with combined growth of nearly 8,000 jobs. During this period, the county has recouped 80 percent of the jobs lost during the recession. Looking at the trend line on the bottom of the figure, the county’s rate of growth has exceeded the national rate of the past three years while following national trends.

Figure 5 At-Place Employment





2. At-Place Employment by Industry Sector

Trade-Transportation-Utilities, Education-Health, and Leisure-Hospitality are the three largest employment sectors in Chatham County with 15.2 to 22.3 percent of the county’s jobs and each has a higher percentage of At-Place Employment than national figures. These three sectors account for 53.8 percent of the jobs in the county and 44.8 percent of jobs nationally (Figure 6). Compared to national figures, the county has smaller percentages of jobs Government, Financial Activities, and Professional-Business.

Figure 6 Total Employment by Sector, 2013(Q3)

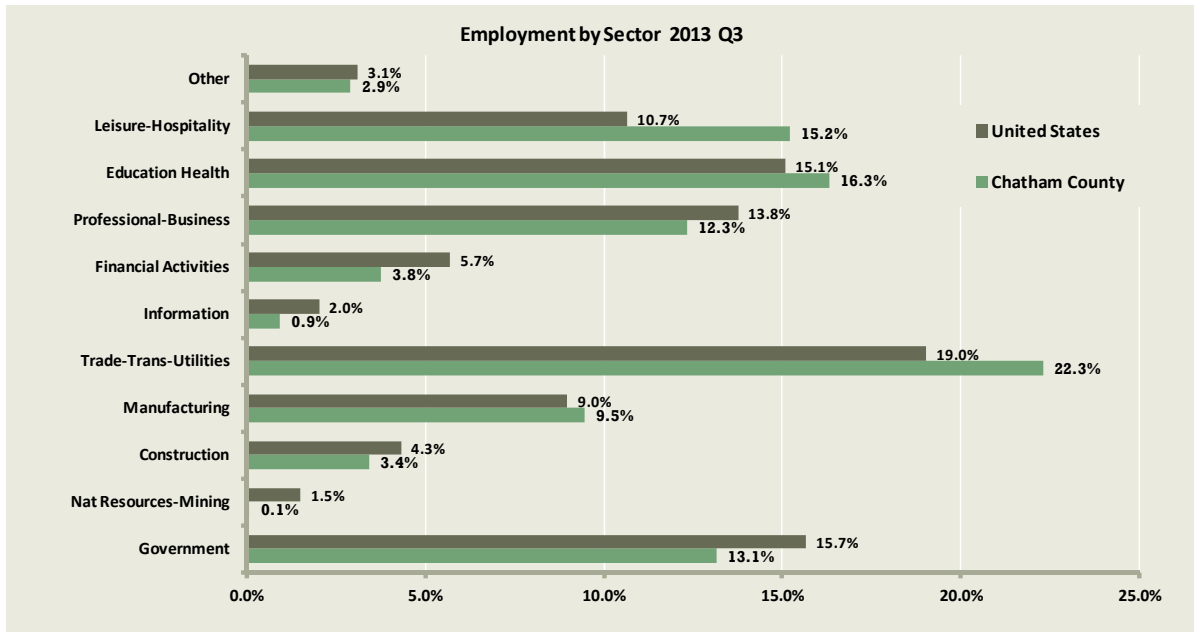
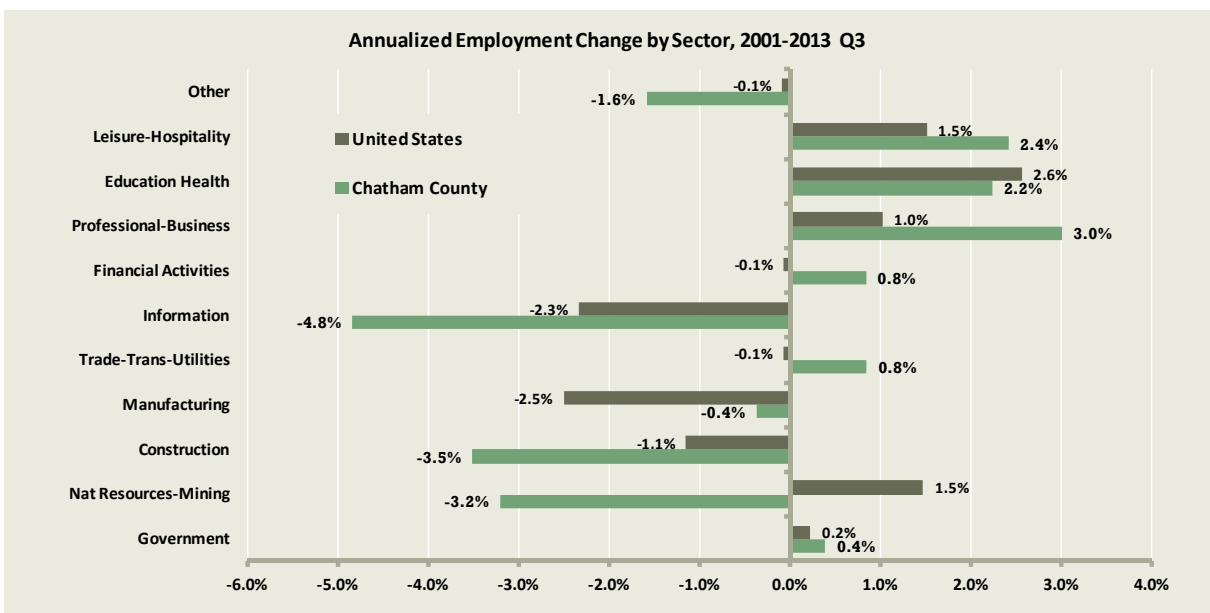


Figure 7 Change in Employment by Sector 2001-2013(Q3)



Between 2001 and the 2013(Q3), six of eleven industry sectors in Chatham County added jobs. The county's three largest sectors all added jobs with annual growth of 0.8 percent among Trade-Transportation-Utilities, 2.2 percent among Education Health, and 2.4 percent among Leisure-Hospitality (Figure 7). Four of the five sectors losing jobs between 2001 and 2013(Q3) accounted for a small percentage of the county's total At-Place Employment with a combined 7.3 percent of all jobs in Chatham County. The only loss among a sector with at least five percent of the county's At-Place Employment was Manufacturing with a relatively minor 0.4 percent annual loss.

3. Major Employers

Numerous major employers are located within ten miles of the subject site, most of which are concentrated around the periphery of downtown Savannah. The largest employer in the Savannah Metro Area is Gulfstream Aerospace Corporation (manufacturing), which has an estimated workforce of 9,382 people (Table 5). Fort Stewart and Hunter Army Airfield, only part of which is located in Chatham County, is the second leading employer with over 4,700 workers. A significant proportion of the remaining major employers in the Savannah Region are comprised of trade-transportation-utilities companies (Wal-Mart, Publix, Kroger, and Home Depot) as well as local government offices, public colleges/universities, and two major healthcare systems.

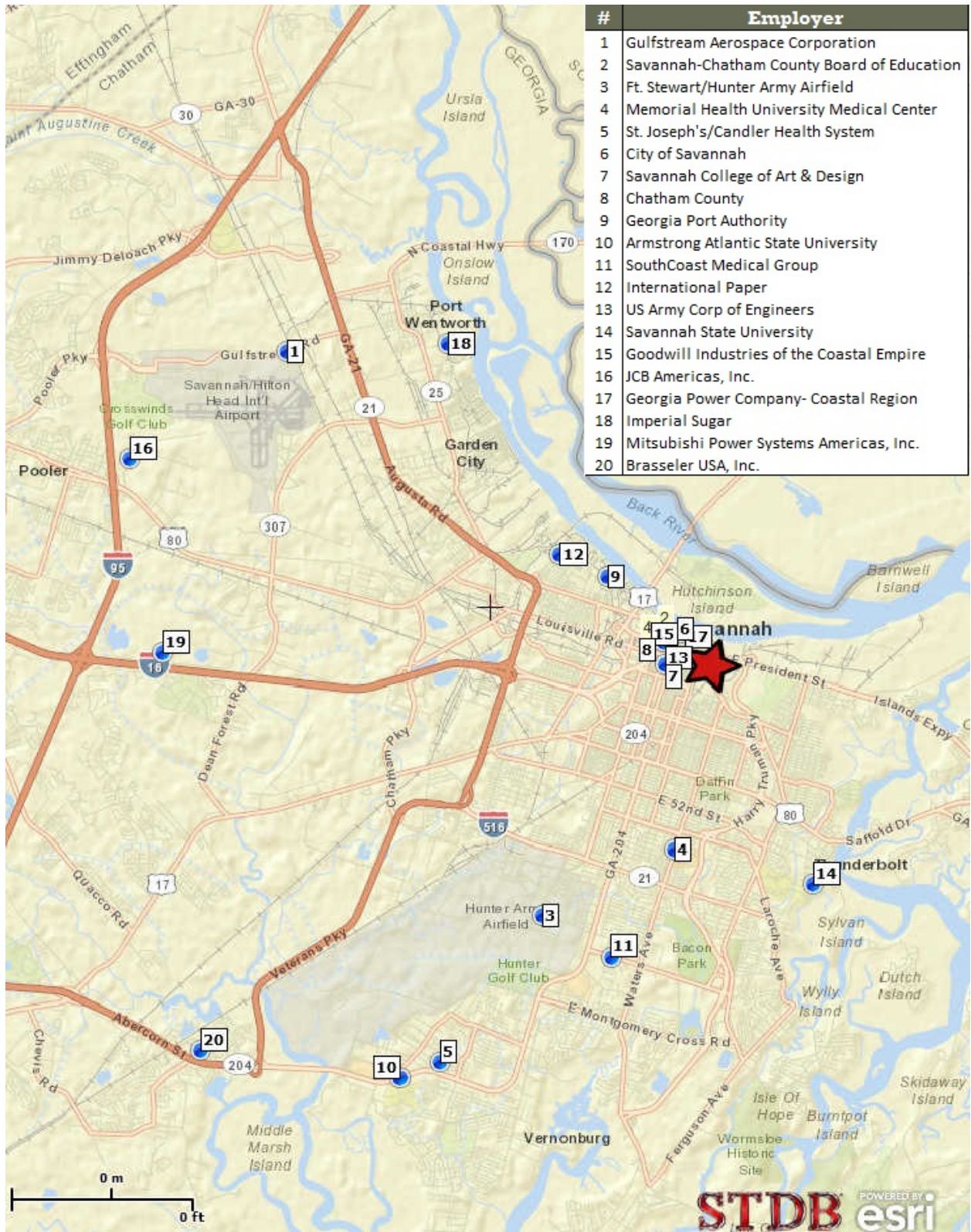
Table 5 2013-2014 Major Employers, Savannah Area

Rank	Name	Industry	Employment
1	Gulfstream Aerospace Corporation	Manufacturing	9,382
2	Savannah-Chatham County Board of Education	Education	4,808
3	Ft. Stewart/Hunter Army Airfield	Military	4,637
4	Memorial Health University Medical Center	Healthcare	4,600
5	St. Joseph's/Candler Health System	Healthcare	3,170
6	City of Savannah	Government	2,795
7	Savannah College of Art & Design	Education	1,750
8	Chatham County	Government	1,600
9	Georgia Port Authority	Government	988
10	Armstrong Atlantic State University	Education	602
11	SouthCoast Medical Group	Healthcare	601
12	International Paper	Manufacturing	600
13	US Army Corp of Engineers	Government	600
14	Savannah State University	Education	586
15	Goodwill Industries of the Coastal Empire	Community Services	560
16	JCB Americas, Inc.	Manufacturing	558
17	Georgia Power Company- Coastal Region	Utilities	473
18	Imperial Sugar	Manufacturing	450
19	Mitsubishi Power Systems Americas, Inc.	Manufacturing	420
20	Brasseler USA, Inc.	Manufacturing	420

Source: Savannah Economic Development Authority, April 2014



Map 5 Major Employers





4. Recent Economic Expansions and Contractions

From 2011 to 2013, eight notable expansions or relocations were identified in Chatham County, expected to create jobs (Table 6). One of the most significant additions is the recently announced Outlet Mall of Georgia in Pooler, which will add 2,000 construction jobs and 2,000 permanent retail jobs.

Table 6 Recent Expansions and Reductions, Savannah Area Employers

Business Expansions - 2011 to 2012 - Chatham County				
Year	Company	County	City	Employees Affected
2011	Great Dane	Chatham	Savannah	N/A
2011	The Judge Organization	Chatham	Savannah	45
2011-2015	Mitsubishi	Chatham	Pooler	500
2010-2017	Gulfstream Aerospace Corporation	Chatham	Savannah	1,000
2012	Dollar Tree	Chatham	Savannah	182
2013-2014	The Outlet Mall of Georgia	Chatham	Pooler	4,000
2013	Gulf States Cold Storage	Chatham	Pooler	60
2013	Nordic	Chatham	Savannah	90
Total				5,877

Source: Savannah Economic Development Authority

5. Conclusions on Local Economics

Chatham County's economy appears to be strong as signs of post-recession recovery continue and nearly all jobs lost during the recent recession have been recouped. The unemployment rate has decreased by 1.5 percent points over the past two years and was 7.7 percent in 2013.

6. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Hitch Market Area and the Chatham County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Table 7 presents a series of panels that summarize these Census data, estimates, and projections.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the Hitch Market Area decreased by 10.0 percent, falling from 39,186 to 35,277 people (Table 7) for an annual decline of 1.0 percent or 391 people. During the same period, the number of households in the Hitch Market Area decreased from 15,631 to 14,968 households (4.2 percent) or a loss of 66 households (0.4 percent) annually.

By comparison, the population of Chatham County expanded by 14.3 percent from 2000 to 2010 (1.3 percent annually) and the number of households increased by 14.7 percent (1.4 percent annually).

2. Projected Trends

Based on Esri projections, the Hitch Market Area's population increased by 1,154 people from 2010 to 2014 while the number of households grew by 571. Esri further projects that the market area's population will increase by 636 people between 2014 and 2016, bringing the total population to 37,067 people in 2016. The annual gain over this period will be 318 people or 0.9 percent. The household base is projected to gain 155 new households per annum resulting in 15,849 households in 2016.

Population and household growth rates in Chatham County are projected to remain above those of the Hitch Market Area. The county's population and household base are expected to increase at annual rates of 1.3 percent and 1.5 percent, respectively, through 2016.

3. Building Permit Trends

Building permit activity in Chatham County ranged from roughly 1,500 to 1,900 units permitted each year from 2000 and 2004 before a significant spike between 2005 and 2007 with an average of 2,874 units permitted annually for three years. Permit activity has decreased but remains steady with roughly 1,000 units permitted each of the past four years. Overall, an average of 1,703 units has been permitted each year since 2000 (Table 8).

Average permit activity between 2000 and 2010 outpaced annual household growth in the county; however, this is expected given the coastal/destination nature of Savannah/Chatham County. Since 2000, 72 percent of all units permitted have been single-family detached homes and 25 percent have been in multi-family structures with five or more units.



Table 7 Population and Household Projections

		Chatham County				Hitch Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	232,048					39,186				
2010	265,128	33,080	14.3%	3,308	1.3%	35,277	-3,909	-10.0%	-391	-1.0%
2014	279,745	14,617	5.5%	3,654	1.4%	36,431	1,154	3.3%	288	0.8%
2016	287,267	7,522	2.7%	3,761	1.3%	37,067	636	1.7%	318	0.9%

		Chatham County				Hitch Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	89,865					15,631				
2010	103,038	13,173	14.7%	1,317	1.4%	14,968	-663	-4.2%	-66	-0.4%
2014	109,270	6,232	6.0%	1,558	1.5%	15,539	571	3.8%	143	0.9%
2016	112,477	3,207	2.9%	1,604	1.5%	15,849	311	2.0%	155	1.0%

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

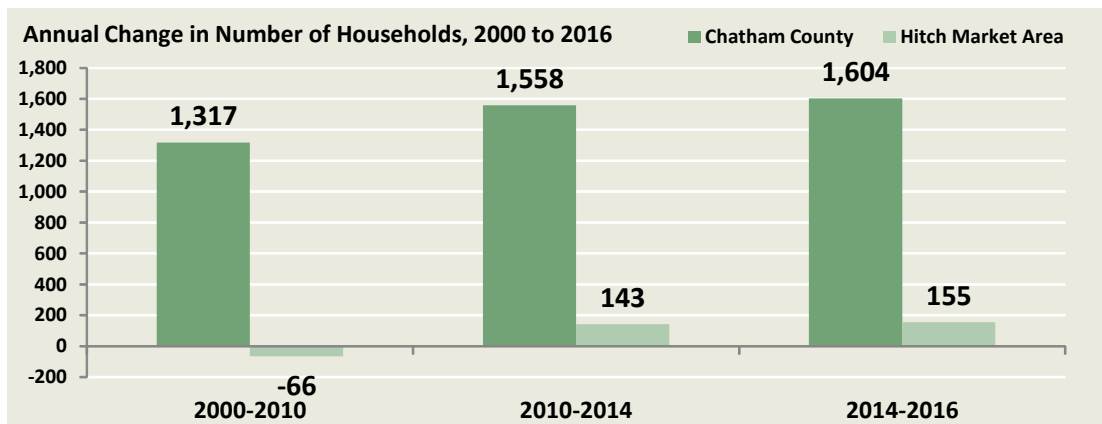
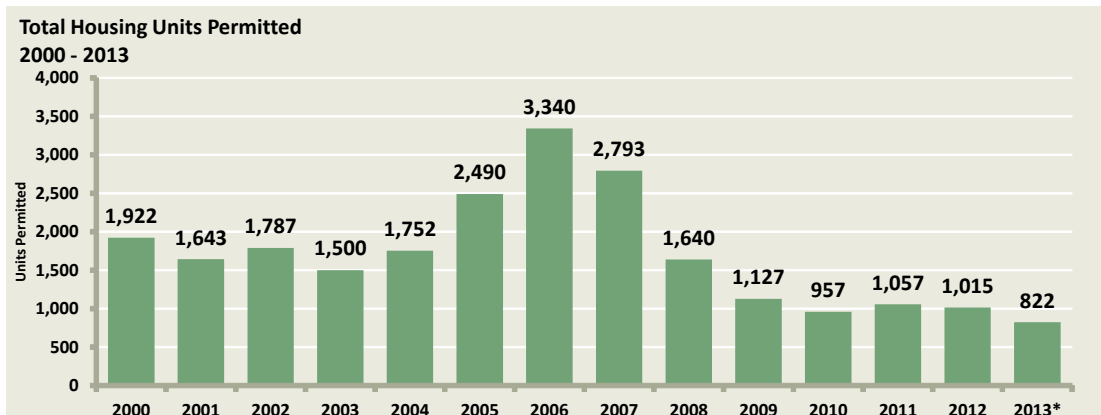


Table 8 Building Permits by Structure Type, Chatham County

Chatham County															2000-2013	Annual Average
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*		
Single Family	1,236	986	1,101	1,314	1,366	1,892	2,692	1,908	1,117	785	676	655	811	692	17,231	1,231
Two Family	46	46	18	28	26	68	20	44	0	4	2	6	2	18	328	23
3 - 4 Family	8	28	6	3	25	55	11	64	83	0	8	20	4	4	319	23
5+ Family	632	583	662	155	335	475	617	777	440	338	271	376	198	108	5,967	426
Total	1,922	1,643	1,787	1,500	1,752	2,490	3,340	2,793	1,640	1,127	957	1,057	1,015	822	23,845	1,703

(* 2013 building permits are preliminary numbers and have not yet been finalized.

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





C. Demographic Characteristics

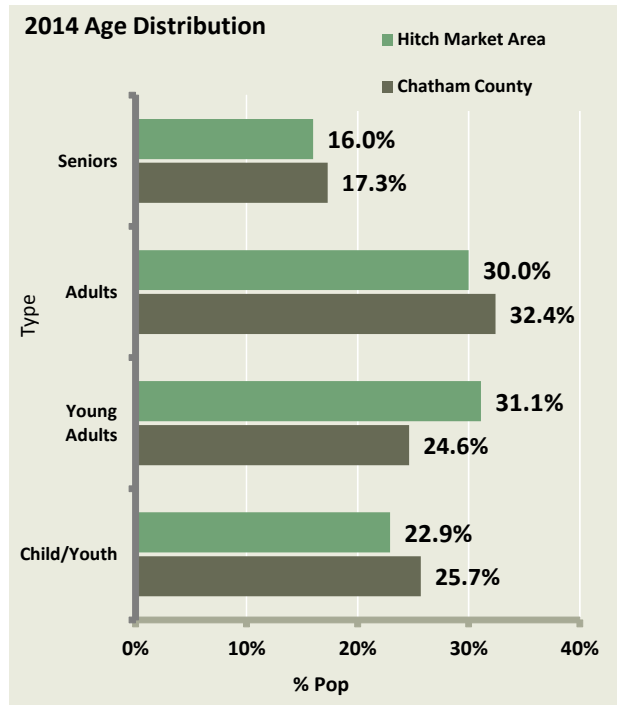
1. Age Distribution and Household Type

The population of the Hitch Market Area is younger than Chatham County with median ages of 32 in the market area and 34 in the county. Young Adults (20-34 years) comprise the largest percentage of the population in the market at 31.1 percent compared to 24.6 percent in the county. Adults age 35-61 years is the largest component of the county at 32.4 percent compared to 30 percent in the market area (Table 9). Children/Youth under the age of 20 comprise 22.9 percent of the population in the market area and seniors age 62 and older account for 16 percent of the population.

Table 9 2014 Age Distribution

	Chatham County		Hitch Market Area	
	#	%	#	%
Children/Youth	71,824	25.7%	8,348	22.9%
Under 5 years	18,943	6.8%	2,252	6.2%
5-9 years	17,681	6.3%	2,026	5.6%
10-14 years	16,435	5.9%	1,859	5.1%
15-19 years	18,765	6.7%	2,212	6.1%
Young Adults	68,888	24.6%	11,334	31.1%
20-24 years	25,125	9.0%	5,343	14.7%
25-34 years	43,762	15.6%	5,990	16.4%
Adults	90,666	32.4%	10,927	30.0%
35-44 years	33,642	12.0%	3,780	10.4%
45-54 years	33,853	12.1%	4,101	11.3%
55-61 years	23,170	8.3%	3,046	8.4%
Seniors	48,367	17.3%	5,823	16.0%
62-64 years	9,930	3.5%	1,305	3.6%
65-74 years	22,200	7.9%	2,734	7.5%
75-84 years	11,336	4.1%	1,270	3.5%
85 and older	4,900	1.8%	514	1.4%
TOTAL	279,745	100%	36,431	100%
Median Age	34		32	

Source: Esri; RPRG, Inc.



Households with at least two persons but no children account for approximately 40 percent of households in the Hitch Market Area and Chatham County (Table 10). Single-person households comprise 36.7 percent of all households in the market area compared to 28.7 percent in the county. Less than one-quarter of the households in the market area have children compared to 31.3 percent in Chatham County.

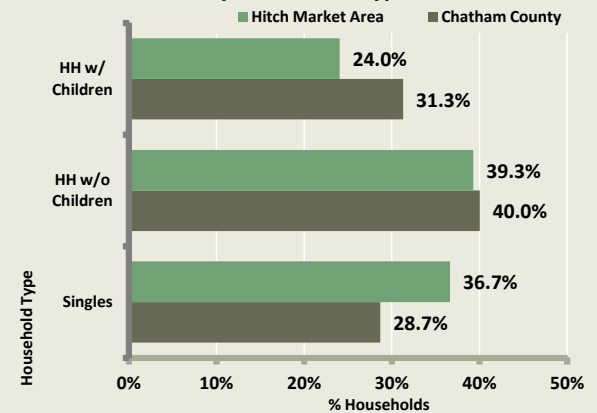


Table 10 2010 Households by Household Type

Households by Household Type	Chatham County		Hitch Market Area	
	#	%	#	%
Married w/Children	17,301	16.8%	1,095	7.3%
Other w/ Children	14,939	14.5%	2,504	16.7%
Households w/ Children	32,240	31.3%	3,599	24.0%
Married w/o Children	24,896	24.2%	2,144	14.3%
Other Family w/o Children	7,805	7.6%	1,413	9.4%
Non-Family w/o Children	8,536	8.3%	2,325	15.5%
Households w/o Children	41,237	40.0%	5,882	39.3%
Singles Living Alone	29,561	28.7%	5,487	36.7%
Singles	29,561	28.7%	5,487	36.7%
Total	103,038	100%	14,968	100%

Source: 2010 Census; RPRG, Inc.

2010 Households by Household Type



2. Renter Household Characteristics

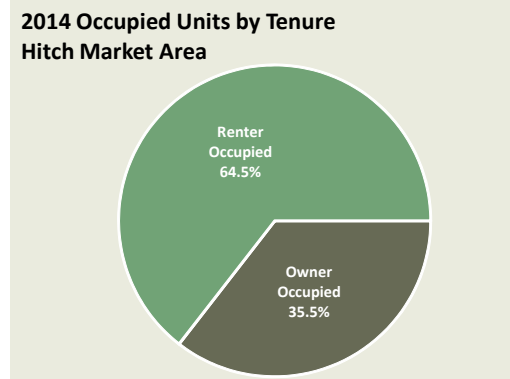
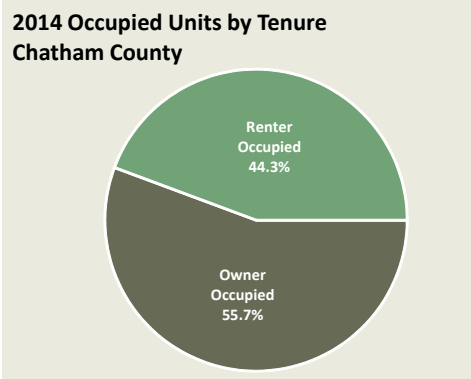
The Hitch Market Area is largely a renters market with a 2010 renter percentage of 62.1 percent compared to 42.3 percent in Chatham County (Table 11). The renter percentages are expected to increase in both areas through 2016 with projected renter percentages of 65.2 percent in the Hitch Market Area and 44.9 percent in Chatham County.

Table 11 Households by Tenure

Chatham County	2000		2010		2014		2016	
Housing Units	#	%	#	%	#	%	#	%
Owner Occupied	54,293	60.4%	59,466	57.7%	60,829	55.7%	61,972	55.1%
Renter Occupied	35,572	39.6%	43,572	42.3%	48,441	44.3%	50,505	44.9%
Total Occupied	89,865	100%	103,038	100%	109,270	100%	112,477	100%
Total Vacant	9,818		16,285		17,270		17,777	
TOTAL UNITS	99,683		119,323		126,540		130,254	

Hitch Market Area	2000		2010		2014		2016	
Housing Units	#	%	#	%	#	%	#	%
Owner Occupied	5,989	38.3%	5,680	37.9%	5,517	35.5%	5,513	34.8%
Renter Occupied	9,642	61.7%	9,288	62.1%	10,022	64.5%	10,336	65.2%
Total Occupied	15,631	100.0%	14,968	100.0%	15,539	100.0%	15,849	100.0%
Total Vacant	2,681		3,617		3,755		3,830	
TOTAL UNITS	18,312		18,585		19,294		19,679	

Source: 2000 Census; 2010 Census; Esri; RPRG, Inc.



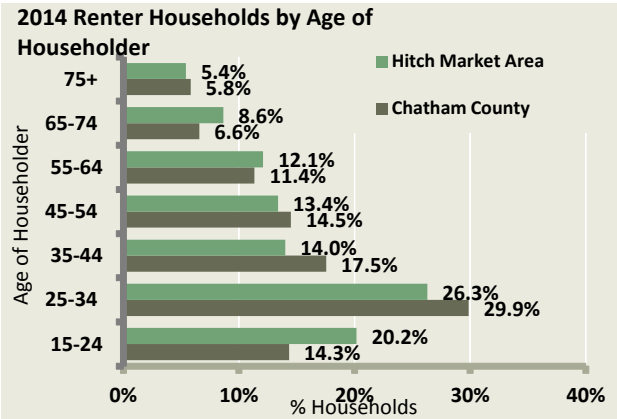


Young households form the core of the market area’s renters, as nearly half (46.4 percent) of all renter householders are under the age of 35 (Table 12) compared to 44.2 percent in Chatham County. Adults age 35-54 and older persons age 55 and older each comprise slightly more than one-quarter of the renter households in the Hitch Market Area.

Table 12 Renter Households by Age of Householder

Renter Households	Chatham County		Hitch Market Area	
	#	%	#	%
15-24 years	6,942	14.3%	2,021	20.2%
25-34 years	14,462	29.9%	2,634	26.3%
35-44 years	8,496	17.5%	1,404	14.0%
45-54 years	7,028	14.5%	1,340	13.4%
55-64 years	5,500	11.4%	1,213	12.1%
65-74 years	3,188	6.6%	866	8.6%
75+ years	2,825	5.8%	544	5.4%
Total	48,441	100%	10,022	100%

Source: Esri, Real Property Research Group, Inc.

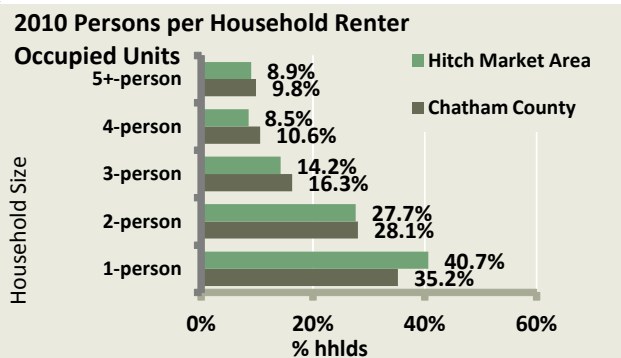


As of 2010, 68.4 percent of all renter households in the Hitch Market Area contained one or two persons compared to 63.3 percent in Chatham County (Table 13). Renter households with three or four persons account for 22.7 percent of the households in the market area and 26.9 percent in the county. Large households (5+ persons) accounted for 8.9 percent of renter households in the Hitch Market Area and 9.8 percent of renter households in Chatham County.

Table 13 2010 Renter Households by Household Size

Renter Occupied	Chatham County		Hitch Market Area	
	#	%	#	%
1-person hhld	15,340	35.2%	3,777	40.7%
2-person hhld	12,238	28.1%	2,570	27.7%
3-person hhld	7,101	16.3%	1,321	14.2%
4-person hhld	4,605	10.6%	790	8.5%
5+-person hhld	4,288	9.8%	830	8.9%
TOTAL	43,572	100%	9,288	100%

Source: 2010 Census



3. Income Characteristics

According to income distributions provided by Esri, the 2014 median income of households in the Hitch Market Area is \$24,916, 46.4 percent lower than the Chatham County median household income of \$46,525 (Table 14). Just over half of the households in the market area earn less than \$25,000 including 34.6 percent earning less than \$15,000. Only 28.1 percent of households in the county earn less than \$25,000. Moderate income (\$25,000 to \$49,999) households comprise roughly one quarter of the households in both the market area and the county.

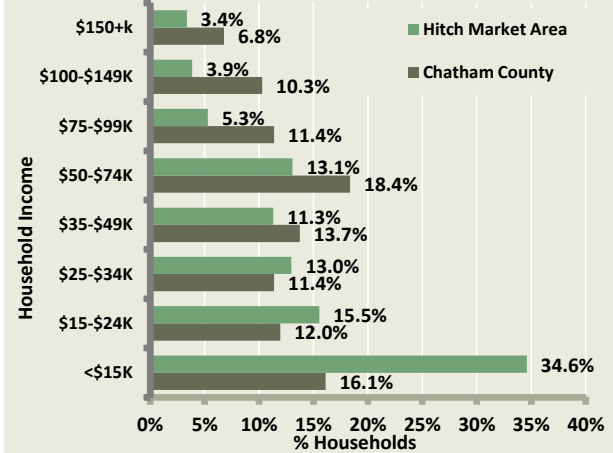


Table 14 2014 Household Income

Estimated 2014 Household Income		Chatham County		Hitch Market Area	
		#	%	#	%
less than	\$15,000	17,603	16.1%	5,374	34.6%
	\$15,000 - \$24,999	13,060	12.0%	2,415	15.5%
	\$25,000 - \$34,999	12,438	11.4%	2,017	13.0%
	\$35,000 - \$49,999	15,011	13.7%	1,756	11.3%
	\$50,000 - \$74,999	20,069	18.4%	2,031	13.1%
	\$75,000 - \$99,999	12,443	11.4%	823	5.3%
	\$100,000 - \$149,999	11,241	10.3%	600	3.9%
	\$150,000 Over	7,406	6.8%	522	3.4%
Total		109,270	100%	15,539	100%
Median Income		\$46,525		\$24,916	

Source: Esri; Real Property Research Group, Inc.

2014 Household Income



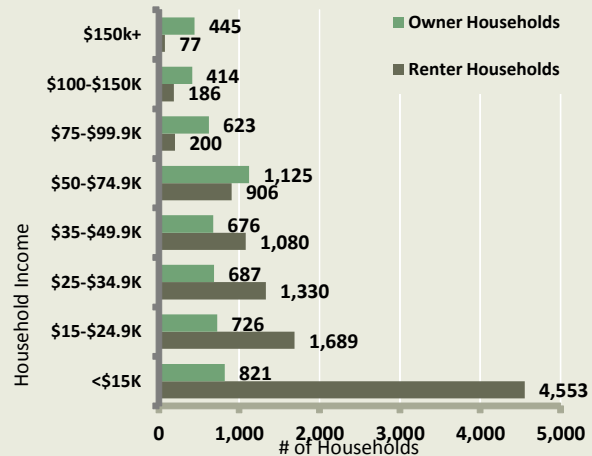
Based on the U.S. Census Bureau’s American Community Survey (ACS) data and breakdown of tenure and household estimates, the median income by tenure in the Hitch Market Area is \$17,711 for renters and \$46,635 for owner households (Table 15). Approximately 45 percent of all renter householders in the Hitch Market Area earn less than \$15,000 per year and 24.1 percent earn \$25,000 to \$49,999.

Table 15 2014 Household Income by Tenure

Hitch Market Area		Renter Households		Owner Households	
		#	%	#	%
less than	\$15,000	4,553	45.4%	821	14.9%
	\$15,000 - \$24,999	1,689	16.9%	726	13.2%
	\$25,000 - \$34,999	1,330	13.3%	687	12.5%
	\$35,000 - \$49,999	1,080	10.8%	676	12.2%
	\$50,000 - \$74,999	906	9.0%	1,125	20.4%
	\$75,000 - \$99,999	200	2.0%	623	11.3%
	\$100,000 - \$149,999	186	1.9%	414	7.5%
	\$150,000 over	77	0.8%	445	8.1%
Total		10,022	100%	5,517	100%
Median Income		\$17,711		\$46,635	

Source: American Community Survey 2008-2012 Estimates, RPRG, Inc.

2014 Household Income by Tenure





7. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Hitch Market Area. We pursued several avenues of research in an attempt to identify multifamily rental projects that are in the planning stages or under construction in the Hitch Market Area. We contacted planners with the Savannah Community Planning and Development Department. We also reviewed the list of recent LIHTC awards from DCA. The rental survey was conducted in April 2014.

B. Overview of Market Area Housing Stock

Based on the 2008-2012 ACS survey, the renter occupied housing stock in both the Hitch Market Area and Chatham County include a range of structure types. In the market area, 29.8 percent of renter occupied units are single-family detached homes, 29.1 percent are townhomes or duplexes, and 23.8 percent are contained within multi-family structures with five or more units (Table 16). Compared to the market area, the county has a higher percentage of rental units in single-family detached homes, mobile homes, and multi-family structures.

The Hitch Market Area housing stock is notably older than that of Chatham County’s, though both regions housing units are of an older vintage. Among rental units, the median year built was 1951 in the Hitch Market Area and 1978 in Chatham County (Table 17). The Hitch Market Area’s owner occupied housing stock has a median year built of 1952 versus 1982 in Chatham County. Roughly one-half (49.4 percent) of renter households in the market area were built prior to 1950 compared to only 17.4 percent in the county. Renter occupied units built since 2000 account for 10.7 percent of all rentals in the market area and 22.4 percent in the county.

According to ACS data, the median value among owner-occupied housing units in the Hitch Market Area from 2008 to 2012 was \$134,085, which is \$50,026 or 27.2 percent lower than the Chatham County median of \$184,110 (Table 18). ACS estimates home values based upon values from homeowners’ assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.

Table 16 Renter Occupied Unit by Structure Type

Renter Occupied	Chatham County		Hitch Market Area	
	#	%	#	%
1, detached	14,216	33.3%	2,584	29.8%
1, attached	2,806	6.6%	930	10.7%
2	2,983	7.0%	1,593	18.4%
3-4	4,896	11.5%	1,456	16.8%
5-9	6,846	16.0%	727	8.4%
10-19	4,572	10.7%	338	3.9%
20+ units	4,364	10.2%	997	11.5%
Mobile home	1,980	4.6%	54	0.6%
Boat, RV, Van	12	0.0%	0	0.0%
TOTAL	42,675	100%	8,679	100%

Source: American Community Survey 2008-2012

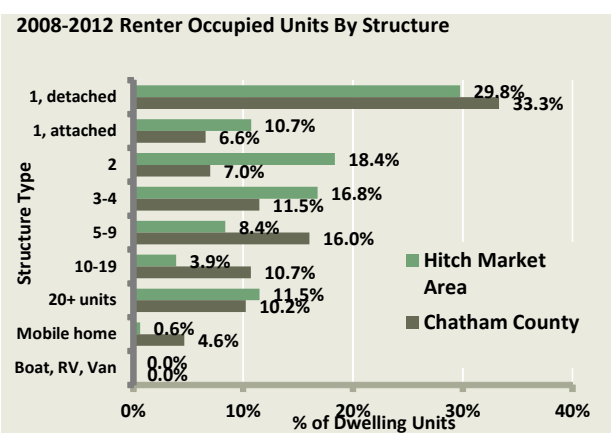




Table 17 Dwelling Units by Year Built and Tenure

Owner Occupied	Chatham County		Hitch Market Area	
	#	%	#	%
2010 or later	289	0.5%	0	0.0%
2000 to 2009	12,893	21.8%	293	5.2%
1990 to 1999	9,084	15.4%	291	5.1%
1980 to 1989	9,230	15.6%	347	6.1%
1970 to 1979	8,064	13.7%	428	7.6%
1960 to 1969	6,049	10.2%	664	11.7%
1950 to 1959	6,589	11.2%	972	17.2%
1940 to 1949	2,487	4.2%	582	10.3%
1939 or earlier	4,367	7.4%	2,079	36.8%
TOTAL	59,052	100%	5,656	100%
MEDIAN YEAR BUILT	1982		1952	

Source: American Community Survey 2008-2012

Renter Occupied	Chatham County		Hitch Market Area	
	#	%	#	%
2010 or later	362	0.8%	8	0.1%
2000 to 2009	9,221	21.6%	920	10.6%
1990 to 1999	5,448	12.8%	419	4.8%
1980 to 1989	5,546	13.0%	569	6.6%
1970 to 1979	6,463	15.1%	1,008	11.6%
1960 to 1969	4,669	10.9%	788	9.1%
1950 to 1959	3,538	8.3%	681	7.8%
1940 to 1949	2,514	5.9%	907	10.5%
1939 or earlier	4,914	11.5%	3,379	38.9%
TOTAL	42,675	100%	8,679	100%
MEDIAN YEAR BUILT	1978		1951	

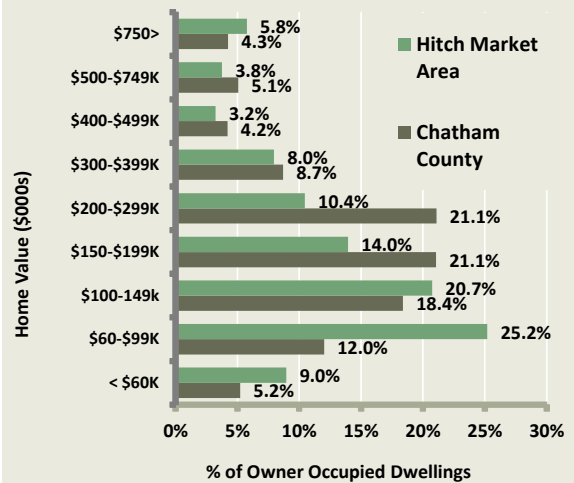
Source: American Community Survey 2008-2012

Table 18 Value of Owner Occupied Housing Stock

2008-2012 Home Value		Chatham County		Hitch Market Area	
		#	%	#	%
less than \$60,000	\$60,000	3,028	5.2%	503	9.0%
\$60,000	\$99,999	6,944	12.0%	1,416	25.2%
\$100,000	\$149,999	10,638	18.4%	1,166	20.7%
\$150,000	\$199,999	12,180	21.1%	784	14.0%
\$200,000	\$299,999	12,208	21.1%	587	10.4%
\$300,000	\$399,999	5,024	8.7%	447	8.0%
\$400,000	\$499,999	2,428	4.2%	182	3.2%
\$500,000	\$749,999	2,930	5.1%	211	3.8%
\$750,000	over	2,459	4.3%	324	5.8%
Total		57,839	100%	5,620	100%
Median Value		\$184,110		\$134,085	

Source: 2008-2012 American Community Survey

2008-2012 Home Value



C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

RPRG surveyed 12 general occupancy rental communities in the Hitch Market Area including nine LIHTC/market rate communities (Table 19) and three communities with deep rental subsidies (Table 20). The three deeply subsidized communities also include tax credits and are considered comparable to the RAD/PBRA units proposed at the subject property. Given the inherent different in units with and without PBRA, these communities are evaluated separately. The rents at the properties with PBRA are not evaluated as they are contract rents and not necessarily representative of market conditions.



Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 7.

2. Location

Nearly all of the surveyed communities are located to the southeast of the subject site. The three deeply subsidized communities are located in close proximity to one another to the southwest of the subject site. The subject site is located closer to downtown Savannah than all of the existing communities in the market area. The location of each community relative to the subject site is shown on Map 6.

3. Size of Communities

The nine LIHTC/market rate communities range from 38 units to 176 units with an average of 124 units per community. LIHTC communities are generally smaller with an average of 69 units and a range from 38 units to 168 units.

The deeply subsidized/LIHTC communities include scattered units with a total of 233 units or 78 units per community/phase.

4. Age of Communities

The average year built of the nine LIHTC/market rate communities is 1987. The newest market rate community was built in 1980, but two market rate communities were renovated since 2005. The four LIHTC communities have all been built since 2004 including two built since 2011.

All three deeply subsidized communities were built in 2002.

5. Structure Type

Garden-style units are the most common building style in the market area as they are offered at all nine LIHTC/market rate communities. Two of these communities also offer townhomes.

The three deeply subsidized communities include a mix of structure types including townhomes, duplexes, and single-family detached homes among scattered site rentals.

6. Vacancy Rates

Among the eight LIHTC/market rate communities reporting vacancy data, 39 of 988 units were reported vacant for a rate of 3.9 percent. Nearly all of the vacancies were reported at two market rate communities as River Crossing and Jasmine Place account for 87 percent of the vacant units but only 34 percent of surveyed units among properties reporting vacancy data.

Only one unit among 414 LIHTC units was reported vacant for a rate of 0.2 percent. Three of the four LIHTC communities are 100 percent occupied.

All 233 units at deeply subsidized communities were reported occupied for a vacancy rate of 0.0 percent.

7. Rent Concessions

Only the two market rate communities with elevated vacancy rates were offering rental incentives at the time of our surveyed. One advertised reduced rents and another had a move in special of \$199.



8. Absorption History

The two newest communities in the market area are Savannah Gardens I and Savannah Gardens III, which opened in 2011 and 2012 respectively. Property managers at these two tax credit communities were not able to provide detailed information on lease up rates, but estimated absorption of 20-25 units per month. Both phases reported extensive waiting lists.

Map 6 Surveyed Rental Communities

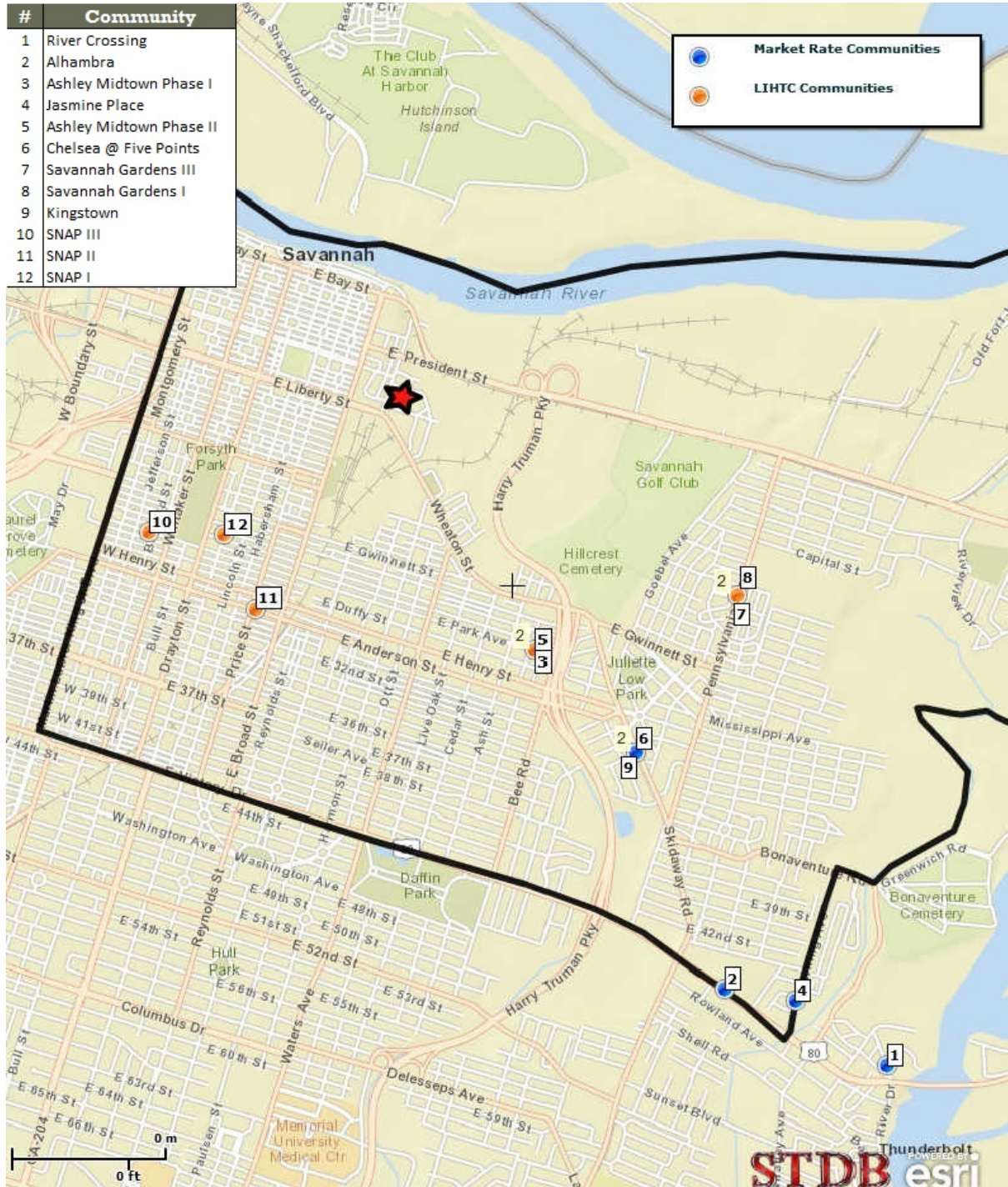


Table 19 Rental Summary, LIHTC/Market Rate Communities

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	Subject Site - 60%/RAD			Gar	34			\$529	\$585	
	Subject Site - 60%			Gar	23			\$540	\$626	
	Subject Site - Market			Gar	15			\$670	\$770	
1	River Crossing	1978		Gar	176	16	9.1%	\$800	\$900	Reduced rent.
2	Alhambra	1970	2013	Gar/TH	150	3	2.0%	\$715	\$815	None
3	Ashley Midtown Phase I*	2004		TH	168	1	0.6%		\$807	None
4	Jasmine Place	1980	2005	Gar	112	18	16.1%		\$800	\$199 move in.
5	Ashley Midtown Phase II*	2009		Gar/TH	38	0	0.0%		\$696	None
6	Chelsea @ Five Points	1947		Gar	136	1	0.7%	\$613	\$688	None
7	Savannah Gardens III*	2012		Gar	94	0	0.0%	\$563	\$673	None
8	Savannah Gardens I*	2011		Gar	114	0	0.0%	\$497	\$619	None
9	Kingstown	1975		Gar	128	N/A	N/A	\$590		None
Total					1,116					
Total Reporting Vacancy					988	39	3.9%			
Average		1987	2009		124			\$630	\$750	
LIHTC Total					414	1	0.2%			
LIHTC Average		2009			69			\$530	\$699	

Tax Credit Communities*

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

Source: Field Survey, Real Property Research Group, Inc. April 2014.

Table 20 Rental Summary, PBRA Communities

Map #	Community	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
10	SNAP III*	2002	Mix	44	0	0.0%		\$1,060	None
11	SNAP II*	2002	Mix	89	0	0.0%	\$815	\$1,030	None
12	SNAP I*	2002	Mix	100	0	0.0%	\$815	\$900	None
Total				233	0	0.0%			
Average		2002		78			\$815	\$997	

Tax Credit Communities*

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

Source: Field Survey, Real Property Research Group, Inc. April 2014.

D. Analysis of Product Offerings**1. Payment of Utility Costs**

Six of the nine LIHTC/market rate communities include the cost of trash removal. Other communities do not include the cost of any utilities as tenants pay an additional fee for trash removal (Table 21).

2. Unit Features

Eight of the LIHTC/market rate communities include dishwashers in each apartment and three include microwave ovens. Six LIHTC/market rate communities was washer/dryer connections in



each apartment and three include full size washer and dryer units at no additional cost. Three communities offer additional storage in each apartment.

The three deeply subsidized communities offer fewer unit features with no dishwasher, microwaves, or additional storage.

3. Parking

All communities include free surface parking as their only parking option.

4. Community Amenities

The Hitch Market Area’s surveyed rental stock offers a range of community amenities which include a swimming pool (17 properties), community room (14 properties), playground (10 properties), fitness center (10 properties), tennis courts (8 properties), and business center (7 properties). Ten of the surveyed rental communities contain security gates.

Table 21 Utility Arrangement and Unit Features

Community	Heat Type	Utilities Included in Rent					Dish-washer	Micro-wave	Parking	In-Unit Laundry	
		Heat	Hot Water	Cooking	Electric	Water					Trash
Subject	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full
LIHTC/Market Rate Communities											
River Crossing	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alhambra	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashley Midtown Phase I	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jasmine Place	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashley Midtown Phase II	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chelsea @ Five Points	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Savannah Gardens III	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Savannah Gardens I	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kingstown	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deeply Subsidized Communities											
SNAP III	Elec/Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SNAP II	Elec/Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SNAP I	Elec/Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. April 2014.



Table 22 Community Amenities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Sauna	Playground	Tennis	Business Center	Gated Entry
Subject Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIHTC/Market Rate Communities									
River Crossing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alhambra	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashley Midtown Phase I	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jasmine Place	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ashley Midtown Phase II	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chelsea @ Five Points	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Savannah Gardens III	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Savannah Gardens I	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kingstown	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deeply Subsidized Communities									
SNAP III	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SNAP II	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SNAP I	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. April 2014.

5. Effective Rents

Unit rents presented in Table 23 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents in order to control for current rental incentives and to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where trash removal utility costs are included in monthly rents at all communities, with tenants responsible for other utility costs.

Among the nine LIHTC/market rate rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:

- **One-bedroom** effective rents averaged \$579 per month. The average one bedroom square footage was 767 square feet, resulting in a net rent per square foot of \$0.75. The range for one bedroom effective rents was \$250 to \$750.
- **Two-bedroom** effective rents averaged \$714 per month. The average two bedroom square footage was 1,016 square feet, resulting in a net rent per square foot of \$0.70. The range for two bedroom effective rents was \$306 to \$943.
- **Three-bedroom** effective rents averaged \$830 per month. The average three bedroom square footage was 1,228 square feet, resulting in a net rent per square foot of \$0.68. The range for three bedroom effective rents was \$342 to \$1,220.



Table 23 Unit Distribution, Size and Pricing

Community	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Site - 60%/RAD	34	2	\$424	840	\$0.50	20	\$461	1,020	\$0.45	12	\$599	1,245	\$0.48
Subject Site - 60%	23	2	\$540	840	\$0.64	12	\$626	1,020	\$0.61	2	\$719	1,245	\$0.58
Subject Site - Market	15	2	\$670	840	\$0.80	10	\$770	1,020	\$0.75	3	\$850	1,245	\$0.68
Ashley Midtown Phase I	34					\$943	1,186	\$0.80		\$1,220	1,354	\$0.90	
River Crossing	176	56	\$750	770	\$0.97	104	\$871	1,026	\$0.85	16	\$1,034	1,270	\$0.81
Alhambra	150	44	\$730	790	\$0.92	79	\$835	889	\$0.94	27	\$955	1,072	\$0.89
Savannah Gardens III	5	1	\$690	871	\$0.79	3	\$795	1,051	\$0.76	1	\$925	1,232	\$0.75
Jasmine Place	112					\$770	840	\$0.92		\$875	1,130	\$0.77	
Kingstown	128	128	\$605	600	\$1.01								
Ashley Midtown Phase I* 60% AMI	134					\$732	1,186	\$0.62		\$830	1,354	\$0.61	
Ashley Midtown Phase II* 60% AMI	38					\$726	1,233	\$0.59		\$827	1,411	\$0.59	
Savannah Gardens I* 60% AMI	58	5	\$592	750	\$0.79	33	\$717	950	\$0.75	18	\$816	1,150	\$0.71
Savannah Gardens III* 60% AMI	69	6	\$592	871	\$0.68	43	\$717	1,051	\$0.68	20	\$816	1,232	\$0.66
Chelsea @ Five Points	136	24	\$628	650	\$0.97	112	\$708	850	\$0.83				
Savannah Gardens I* 50% AMI	47	4	\$478	750	\$0.64	27	\$580	950	\$0.61	14	\$658	1,150	\$0.57
Savannah Gardens III* 50% AMI	20	2	\$478	871	\$0.55	12	\$580	1,051	\$0.55	6	\$658	1,232	\$0.53
Savannah Gardens I* 30% AMI	9	1	\$250	750	\$0.33	3	\$306	950	\$0.32	4	\$342	1,150	\$0.30
	1,116		\$579	767	\$0.75		\$714	1,016	\$0.70		\$830	1,228	\$0.68
	943	271				514				158			
	84.5%	28.7%				54.5%				16.8%			

Tax Credit Communities*

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

Source: Field Survey, Real Property Research Group, Inc. April 2014.

6. DCA Average Market Rent

To determine average “market rents” as outlined in DCA’s 2014 Market Study Manual, market rate rents were averaged at the most comparable communities to the proposed Hitch Phase I. These include seven general occupancy properties in the Hitch Market Area. It is important to note, “average market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property. As such, a negative rent differential does **not** necessarily indicate the proposed rents are unreasonable or unachievable in the market. LIHTC units are not used in this calculation.

The “average market rent” among comparable communities is \$681 for one bedroom units, \$820 for two bedroom units, and \$1,002 for three bedroom units (Table 24). All of the subject property’s proposed rents are below these average market rents with rent advantages of at least ten percent for all LIHTC units and an overall weighted average rent advantage of 22.3 percent for the project.



Table 24 Average Market Rent, Most Comparable Communities

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units					
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF		
Ashley Midtown Phase I	TH	34					\$943	1,186	\$0.80					\$1,220	1,354	\$0.90
River Crossing	Gar	176	56	\$750	770	\$0.97	104	\$871	1,026	\$0.85	16	\$1,034	1,270	\$0.81		
Alhambra	Gar/TH	150	44	\$730	790	\$0.92	79	\$835	889	\$0.94	27	\$955	1,072	\$0.89		
Savannah Gardens III	Gar	5	1	\$690	871	\$0.79	3	\$795	1,051	\$0.76	1	\$925	1,232	\$0.75		
Jasmine Place	Gar	112					80	\$770	840	\$0.92	32	\$875	1,130	\$0.77		
Kingstown	Gar	128	128	\$605	600	\$1.01										
Chelsea @ Five Points	Gar	136	24	\$628	650	\$0.97	112	\$708	850	\$0.83						
Total/Average		741		\$681	736	\$0.92		\$820	974	\$0.84		\$1,002	1,212	\$0.83		

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

Source: Field Survey, Real Property Research Group, Inc. April 2014.

Table 25 Average Market Rent and Rent Advantage Summary

	1 BR	2 BR	3 BR
Average Market Rents	\$681	\$820	\$1,002
Proposed 60%/RAD Rent	\$529	\$585	\$755
Advantage (\$)	\$152	\$235	\$247
Advantage (%)	22.3%	28.7%	24.7%
Total Units	2	20	12
Proposed 60%/LIHTC Rent	\$540	\$626	\$719
Advantage (\$)	\$141	\$194	\$283
Advantage (%)	20.7%	23.7%	28.2%
Total Units	2	12	9
Proposed Market Rate	\$670	\$770	\$850
Advantage (\$)	\$11	\$50	\$152
Advantage (%)	1.6%	6.1%	15.2%
Total Units	2	10	3
Overall Rent Advantage			22.3%

E. Interviews

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and leasing agents. As part of our housing market research, RPRG contacted Amanda Bunce with the Savannah Chatham Metropolitan Planning Department.

F. Multi-Family Pipeline

For purposes of this analysis, we contacted Amanda Bunce with the Savannah-Chatham County Metropolitan Planning Commission. Although several communities are planned and under construction in the western portion of the county including Pooler, no new communities were planned in the Hitch Market Area.

Savannah Gardens V was approved for 76 units in 2013. This community will offer general occupancy units and include a mixture of one, two, and three bedroom units with LIHTC units at 50 percent and 60 percent of the Area Median Income and market rate units. None of the units at Savannah Gardens V have Project Based Rental Assistance, which will significantly decrease the competition between these two communities. As these communities were built since the base of year of DCA demand (2011), they will be subtracted from the demand estimate and not included in net demand.



G. Housing Authority Data

The Housing of Savannah operates manages approximately 2,400 Section 8 Housing Choice Vouchers, which are all in use. All public housing units were reported as occupied. The waiting list for both Section 8 and Public Housing is currently closed.

H. Existing Low Income Rental Housing

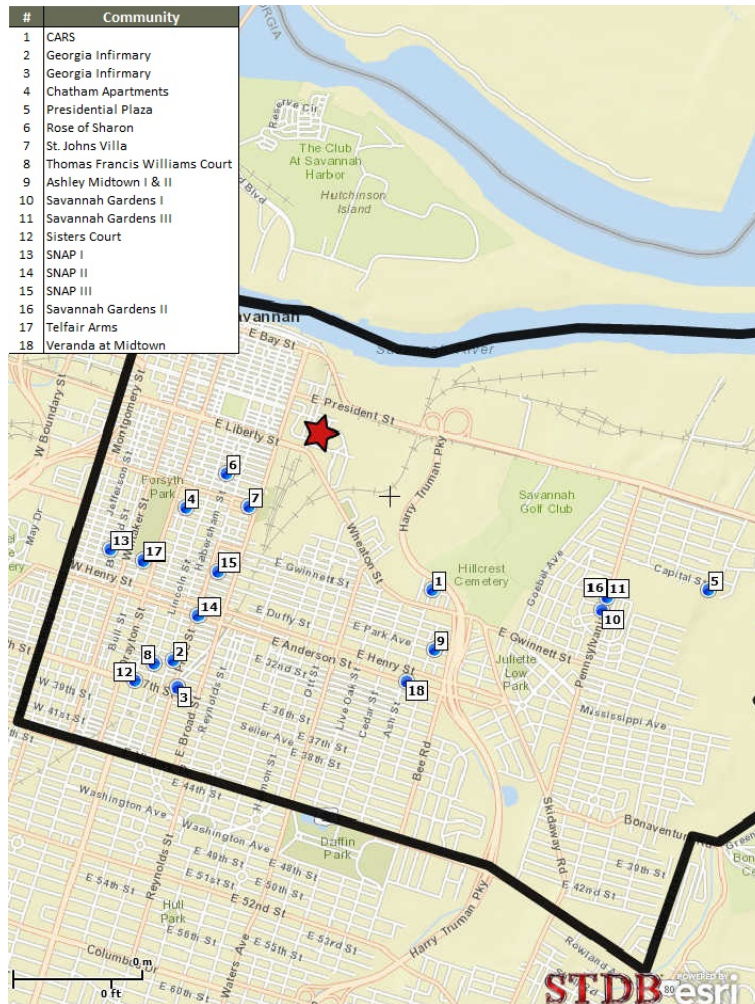
The table and map on the following pages show the location of the subject site in relation to existing low-income rental housing properties, including those with tax credits.

Table 26 Subsidized Communities, Hitch Market Area

Community	Subsidy	Type	Address	Distance
CARS	Section 8	Disabled	1300 Richardson St.	0.9 mile
Georgia Infirmary	Section 8	Disabled	410 E 35th St.	1.2 miles
Georgia Infirmary	Section 8	Disabled	512 Hamilton Ct.	1.3 miles
Chatham Apartments	Section 8	Family	609 Abercorn St.	0.7 mile
Presidential Plaza	Section 8	Family	2800 E Capitol St.	1.9 miles
Rose of Sharon	Section 8	Senior	322 E Taylor St.	0.5 mile
St. Johns Villa	Section 8	Senior	506 Blair St.	0.5 mile
Thomas Francis Williams Court	Section 8	Senior	1900 Lincoln St.	1.3 miles
Ashley Midtown I & II	Tax Credit	Family	1518 E Park Ave.	1.1 miles
Savannah Gardens I	Tax Credit	Family	515 Pennsylvania Ave.	1.5 miles
Savannah Gardens III	Tax Credit	Family	500 Pennsylvania Ave.	1.5 miles
Sisters Court	Tax Credit	Senior	200 E 37th St.	1.4 miles
SNAP I	Tax Credit / Section 8	Family	201 W Park Ave.	1.1 miles
SNAP II	Tax Credit / Section 8	Family	508 E Anderson St.	1 mile
SNAP III	Tax Credit / Section 8	Family	531 E Waldburg St.	0.8 mile
Savannah Gardens II	Section 202	Senior	501 Pennsylvania Ave.	1.5 miles
Telfair Arms	Tax Credit / Section 8	Senior	17 E Park Ave.	1 mile
Veranda at Midtown	Tax Credit / Section 8	Senior	1414 E Anderson St.	1.2 miles

As detailed in subsequent portions of this report, sufficient demand exists to support these existing low-income housing communities (including those within two miles) and the proposed units at Hitch Phase I. Very few vacancies were reported in the market area with a vacancy rate of only 0.2 percent among LIHTC units without additional subsidies and no vacancies among LIHTC/PBRA units. The capture rates for the proposed units at the subject property are net of recently approved units at Savannah Gardens and are well below maximum allowable levels. The low vacancy rates, low capture rates, and projected household growth indicate that proposed development of the units at Hitch Phase I will not negatively impact these existing communities.

Map 7 Subsidized Rental Communities



I. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations, limited abandoned / vacant single and multi-family homes exist in the Hitch Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 30079 in which the subject property will be located and the broader areas of Savannah, Chatham County, Georgia, and the United States for comparison purposes.

Our RealtyTrac search revealed March 2014 foreclosure rates of 0.05 percent in the subject property’s ZIP Code (31401), 0.10 percent in Savannah and Chatham County. The state and national foreclosure rates were 0.09 percent (Table 27). The number of foreclosures in the subject site’s ZIP



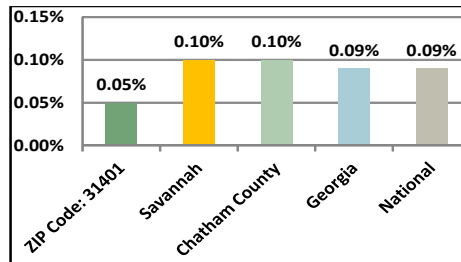
Code ranged from three to 20 units over the past year. The ZIP Code has averaged seven foreclosures per month over the past seven months.

While the conversion of foreclosure properties can affect the demand for new multi-family rental housing in some markets, the impact on affordable housing and mixed-income rental communities is typically limited due to their tenant rent and income restrictions on most units. Furthermore, current foreclosure activity in the subject site’s ZIP Code was minimal over the past years. As such, we do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units.

Table 27 Foreclosure Rate and Recent Foreclosure Activity, ZIP Code 31401

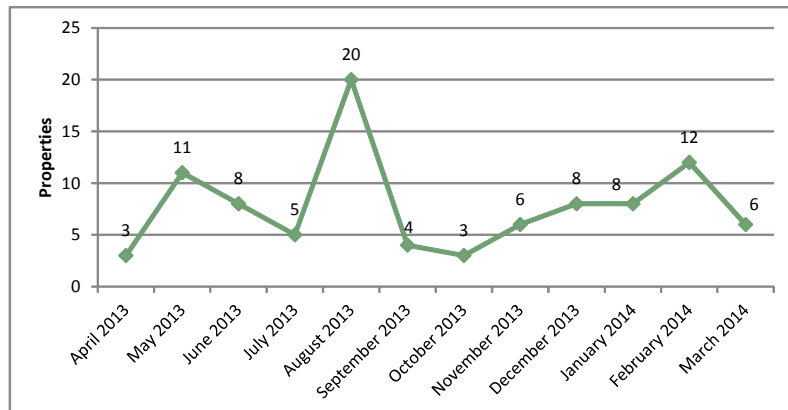
Geography	March 2014 Foreclosure Rate
ZIP Code: 31401	0.05%
Savannah	0.10%
Chatham County	0.10%
Georgia	0.09%
National	0.09%

Source: Realtytrac.com



Zip Code - 31401	
Month	# of Foreclosures
April 2013	3
May 2013	11
June 2013	8
July 2013	5
August 2013	20
September 2013	4
October 2013	3
November 2013	6
December 2013	8
January 2014	8
February 2014	12
March 2014	6

Source: Realtytrac.com



8. FINDINGS AND CONCLUSIONS

A. Key Findings

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

1. Site and Neighborhood Analysis

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

- The subject site is located in downtown Savannah near the Historic District and just south of River Street and Bay Street.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity within one mile. Many community services and amenities are within walking distance of the subject site.
- The site will have excellent visibility from Randolph Street, which is a north-south artery and connects for the major arteries of Bay Street (north) and Liberty Street (south).
- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace.

2. Economic Context

Chatham County has an established, strong local economy. Although the county lost jobs and experienced increased unemployment in concert with the national economic downturn, more than three-quarters of these losses have been recouped in the past three years. Unemployment rates have decreased significantly from recent highs.

- The unemployment rate in Chatham County peaked at 9.2 percent in 2011 compare to state and national highs of 10.2 percent and 9.6 percent in 2010. Unemployment rates have decreased in all three areas with 2013 annual average unemployment of 7.7 percent in Chatham County, 8.2 percent in Georgia, and 7.4 percent in the United States.
- Chatham County lost nearly 10,000 jobs between 2008 and 2010 with roughly 70 percent of the loss occurring in 2009 during the height of the recession. Although not fully recovered, the county's employment base appears to be rebounding with the addition of 7,948 jobs since 2010.
- A significant number of employment expansions are planned in the Savannah area. The largest is a major outlet mall is planned for Pooler, which will add 2,000 construction jobs and 2,000 permanent retail jobs between by 2014.

3. Population and Household Trends

The Hitch Market Area lost population and households between the 2000 and 2010 census counts while the county added both during the same period. Both areas are projected to grow through 2016 with the county's rate of growth exceeding the county.

- Between 2000 and 2010 Census counts, the population of the Hitch Market Area decreased by 10.0 percent, falling from 39,186 to 35,277 people for an annual decrease of 391 people

or 1.0 percent. Overall growth in the county between census counts was 14.3 percent for population and 14.7 percent for households.

- Based on Esri projections, the Hitch Market Area's population will increase by 636 people between 2014 and 2016, bringing the total population to 37,067 people in 2016. This represents an annual gain of 0.9 percent or 318 persons. The household base is projected to gain 155 new households per annum resulting in 15,849 households in 2016.

4. Demographic Trends

- Young Adults age 20-34 comprise the largest percentage of the population in the market area and Adults age 35-61 years account for 30.0 percent. In the county, 24.6 percent of the population is Young Adults and 32.4 percent is Adults.
- As of the 2010 Census, 62.1 percent of all households in the Hitch Market Area were renters compared to 42.3 percent in Chatham County. Based on Esri projections, the renter percentages are expected to increase to 65.2 percent in the market area and 44.9 percent in the county.
- Young working age households form the core of the market area's renters, as nearly half (46.4 percent) of all renter householders are ages 25-44. The Hitch Market Area also has a sizable proportion of young renters with 20.2 percent under the age of 25 years.
- As of 2010, 68.3 percent of all renter households in the Hitch Market Area contained one or two persons compared to 63.3 percent in Chatham County. Renter households with three or four people comprise 22.7 percent of all renter households in the market area and 26.9 percent in the county. Large households (5+ persons) accounted for 8.9 percent of renter households in the Hitch Market Area and 9.8 percent of renter households in Chatham County.
- According to income distributions provided by Esri, the 2014 median income of households in the Hitch Market Area is \$24,916, 46.4 percent lower than the Chatham County median household income of \$46,525. RPRG estimates the 2014 median income for renter householders in the Hitch Market Area is \$17,711. Over 45 percent of all renter householders in the Hitch Market Area have an income less than \$15,000 per year. Approximately 30 percent of renter households earn from \$15,000 to \$34,999 annually.

5. Competitive Housing Analysis

RPRG surveyed nine LIHTC/market rate rental communities in the Hitch Market Area including four LIHTC communities. We also surveyed three LIHTC communities with additional rental subsidies through Section 8. At the time of our survey, the overall rental market in the market area was performing well with LIHTC properties reporting lower average vacancy rates than the market as a whole.

- The nine LIHTC/market rate communities range from 38 units to 176 units with an average of 124 units per community. LIHTC communities are generally smaller with an average of 69 units and a range from 38 units to 168 units.
- Among the eight LIHTC/market rate communities reporting vacancy data, 39 of 988 units were reported vacant for a rate of 3.9 percent. Nearly all of the vacancies were reported at two market rate communities as River Crossing and Jasmine Place account for 87 percent of the vacant units but only 34 percent of surveyed units among properties reporting vacancy data.
 - Only one unit among 414 LIHTC units was reported vacant for a rate of 0.2 percent. Three of the four LIHTC communities are 100 percent occupied.
 - All 233 units at deeply subsidized communities were reported occupied for a vacancy rate of 0.0 percent.



- Among the nine LIHTC/market rate rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
 - **One-bedroom** effective rents averaged \$579 per month. The average one bedroom square footage was 767 square feet, resulting in a net rent per square foot of \$0.75. The range for one bedroom effective rents was \$250 to \$750.
 - **Two-bedroom** effective rents averaged \$714 per month. The average two bedroom square footage was 1,016 square feet, resulting in a net rent per square foot of \$0.70. The range for two bedroom effective rents was \$306 to \$943.
 - **Three-bedroom** effective rents averaged \$830 per month. The average three bedroom square footage was 1,228 square feet, resulting in a net rent per square foot of \$0.68. The range for three bedroom effective rents was \$342 to \$1,220.
- The “average market rent” among comparable communities is \$681 for one bedroom units, \$820 for two bedroom units, and \$1,002 for three bedroom units. All of the subject property’s proposed rents are below these average market rents with rent advantages of at least ten percent for LIHTC units and an overall weighted average rent advantage of 22.3 percent for the project.

B. Affordability Analysis

1. Methodology

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

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among Hitch Market Area households for the target year of 2015. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2008-2012 American Community Survey along with estimates and projected income growth by Esri (Table 28).

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

The proposed LIHTC units at Hitch Phase I will target renter households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. While market rate units will not technically have a maximum income limit, we have assumed households earning up to 80 percent of the AMI would consider living in these units for the purposes of this analysis. Maximum income limits are derived from 2014 HUD income limits for the Chatham County and are based on an average of 1.5 persons per bedroom rounded up to the nearest whole number per DCA requirements. Rent and income limits are detailed in Table 29 on the following page. As the RAD units at Hitch Phase I will contain additional Project Based Rental Assistance (PBRA) subsidies, minimum income limits will not apply. While DCA considers all proposed PBRA units to be leasable in the market, we have included capture rates for PBRA units for reference purposes.

Table 28 2016 Total and Renter Income Distribution

Hitch Market Area		Total Households		Renter Households	
		#	%	#	%
less than	\$15,000	5,456	34.4%	4,302	41.6%
	\$15,000 - \$24,999	2,246	14.2%	1,771	17.1%
	\$25,000 - \$34,999	2,089	13.2%	1,360	13.2%
	\$35,000 - \$49,999	1,771	11.2%	1,087	10.5%
	\$50,000 - \$74,999	1,925	12.1%	1,102	10.7%
	\$75,000 - \$99,999	1,020	6.4%	423	4.1%
	\$100,000 - \$149,999	743	4.7%	168	1.6%
	\$150,000 - Over	599	3.8%	123	1.2%
Total		15,849	100%	10,336	100%
Median Income		\$26,063		\$19,891	

Source: American Community Survey 2008-2012 Projections, RPRG, Inc.



Table 29 LIHTC Income and Rent Limits, Savannah MSA

HUD 2014 Median Household Income Savannah, GA MSA \$58,500 Very Low Income for 4 Person Household \$29,250 2014 Computed Area Median Gross Income \$58,500										
Utility Allowance: 1 Bedroom \$105 2 Bedroom \$124 3 Bedroom \$156										
LIHTC Household Income Limits by Household Size:										
	Household Size	30%	40%	50%	60%	80%	100%	150%		
	1 Person	\$12,300	\$16,400	\$20,500	\$24,600	\$32,800	\$41,000	\$61,500		
	2 Persons	\$14,040	\$18,720	\$23,400	\$28,080	\$37,440	\$46,800	\$70,200		
	3 Persons	\$15,810	\$21,080	\$26,350	\$31,620	\$42,160	\$52,700	\$79,050		
	4 Persons	\$17,550	\$23,400	\$29,250	\$35,100	\$46,800	\$58,500	\$87,750		
	5 Persons	\$18,960	\$25,280	\$31,600	\$37,920	\$50,560	\$63,200	\$94,800		
	6 Persons	\$20,370	\$27,160	\$33,950	\$40,740	\$54,320	\$67,900	\$101,850		
Imputed Income Limits by Number of Bedrooms:										
<i>Assumes 1.5 persons per bedroom</i>	Persons	Bedrooms	30%	40%	50%	60%	80%	100%	150%	
	1	0	\$12,300	\$16,400	\$20,500	\$24,600	\$32,800	\$41,000	\$61,500	
	2	1	\$14,040	\$18,720	\$23,400	\$28,080	\$37,440	\$46,800	\$70,200	
	3	2	\$15,810	\$21,080	\$26,350	\$31,620	\$42,160	\$52,700	\$79,050	
	5	3	\$18,960	\$25,280	\$31,600	\$37,920	\$50,560	\$63,200	\$94,800	
	6	4	\$20,370	\$27,160	\$33,950	\$40,740	\$54,320	\$67,900	\$101,850	
LIHTC Tenant Rent Limits by Number of Bedrooms:										
<i>Assumes 1.5 Persons per bedroom</i>										
# Persons	30%		40%		50%		60%		80%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom	\$329	\$224	\$439	\$334	\$549	\$444	\$659	\$554	\$878	\$773
2 Bedroom	\$395	\$271	\$527	\$403	\$659	\$535	\$791	\$667	\$1,054	\$930
3 Bedroom	\$456	\$300	\$609	\$453	\$761	\$605	\$913	\$757	\$1,217	\$1,061

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

2. Affordability Analysis

The steps in the affordability analysis (Table 30) are as follows:

- As an example, we walk through the steps to test affordability for one bedroom units at 60 percent AMI without PBRA. The overall shelter cost for a one bedroom 60 percent unit would be \$645 (\$540 net rent plus a \$105 allowance to cover all utility costs except trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a one bedroom unit at 60 percent AMI would be affordable to households earning at least \$22,114 per year. A projected 8,795 households in the Hitch Market Area will earn at least this amount in 2016.
- The maximum income limit for a one bedroom unit at 60 percent AMI is \$28,080 based on a household size of 2.0 persons per DCA. According to the interpolated income distribution for 2016, the Hitch Market Area will have 7,504 households with incomes above this maximum income.
- Subtracting the 7,504 households with incomes above the maximum income limit from the 8,795 households that could afford to rent this unit, RPRG computes that an estimated 1,292 households in the Hitch Market Area will be within the target income segment for the one bedroom units at 60 percent AMI. The capture rate for the two units at this floor plan is 0.2 percent for all households.



- We then determined that 930 renter households with incomes between the minimum income required and maximum income allowed will reside in the market in 2016. The subject property will need to capture 0.2 percent of these renter households to lease up the two units in this floor plan.
- Capture rates are also calculated for other floor plans and for the project overall. The remaining renter capture rates by floor plan range from 1.0 percent to 1.5 percent for 60 percent units and 0.2 percent to 0.3 percent for market rate units. By AMI level, renter capture rates are 0.4 percent for 60 percent units with PBRA, 1.1 percent for 60 percent units without PBRA, 0.7 percent for market rate units, and 0.8 percent for all units.

3. Conclusions on Affordability

All affordability capture rates are well within reasonable and achievable levels for a general occupancy community.

Table 30 2016 Hitch Phase I Affordability Analysis

60% PBRA Units	One Bedroom		Two Bedroom		Three Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	2		20		12	
Net Rent	\$424		\$461		\$599	
Gross Rent	\$529		\$585		\$755	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	no min\$	\$28,080	no min\$	\$31,620	no min\$	\$37,920
Total Households						
Range of Qualified Hslds	15,849	7,504	15,849	6,764	15,849	5,713
# Qualified Households		8,346		9,085		10,136
Total HH Capture Rate		0.0%		0.2%		0.1%
Renter Households						
Range of Qualified Hhlds	10,336	3,845	10,336	3,363	10,336	2,692
# Qualified Hhlds		6,492		6,973		7,644
Renter HH Capture Rate		0.0%		0.3%		0.2%

60% LIHTC Units	One Bedroom		Two Bedroom		Three Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	2		12		9	
Net Rent	\$540		\$626		\$719	
Gross Rent	\$645		\$750		\$875	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	\$22,114	\$28,080	\$25,714	\$31,620	\$30,000	\$37,920
Total Households						
Range of Qualified Hslds	8,795	7,504	7,998	6,764	7,102	5,713
# Qualified Households		1,292		1,234		1,389
Unit Total HH Capture Rate		0.2%		1.0%		0.6%
Renter Households						
Range of Qualified Hhlds	4,775	3,845	4,166	3,363	3,584	2,692
# Qualified Hhlds		930		803		891
Renter HH Capture Rate		0.2%		1.5%		1.0%

80% Units	One Bedroom		Two Bedroom		Three Bedroom	
	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	2		10		3	
Net Rent	\$670		\$770		\$850	
Gross Rent	\$775		\$894		\$1,006	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	\$26,571	\$37,440	\$30,651	\$42,160	\$34,491	\$50,560
Total Households						
Range of Qualified Hslds	7,819	5,770	6,966	5,213	6,164	4,244
# Qualified Households		2,049		1,754		1,920
Total HH Capture Rate		0.1%		0.6%		0.2%
Renter Households						
Range of Qualified Hhlds	4,050	2,727	3,495	2,385	2,973	1,792
# Qualified Renter		1,323		1,110		1,181
Renter HH Capture Rate		0.2%		0.9%		0.3%



Income Target	Units	All Households = 15,849				Renter Households = 10,336				
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
60% PBRA Units	34	<i>Income Households</i>	no min\$ 15,849	\$37,920 5,713	10,136		no min\$ 10,336	\$37,920 2,692	7,644	0.4%
60% LIHTC Units	23	<i>Income Households</i>	\$22,114 8,795	\$37,920 5,713	3,082	0.7%	\$22,114 4,775	\$37,920 2,692	2,082	1.1%
80% Units	15	<i>Income Households</i>	\$26,571 7,819	\$50,560 4,244	3,575	0.4%	\$26,571 4,050	\$50,560 1,792	2,257	0.7%
Total Units	72	<i>Income Households</i>	no min\$ 15,849	\$50,560 4,244	11,605	0.6%	no min\$ 10,336	\$50,560 1,792	8,544	0.8%

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

C. Demand Estimates and Capture Rates

1. Methodology

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

- The first component of demand is household growth. This number is the number of age and income qualified renter households projected to move into the Hitch Market Area between the base year of 2012 and the first full year of market-entry of 2016.
- The next component of demand is income qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2010 Census data, the percentage of renter households in the primary market area that are “substandard” is 2.5 percent (Table 31). This substandard percentage is applied to current household numbers.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 57.5 percent of the Hitch Market Area’s renter households are categorized as cost burdened (Table 31). Given the high rent overburdened percentage in the market area, we have reduced this demand component by 50 percent to be conservative.

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 32. Income qualification percentages are derived by using the Affordability Analysis detailed in Table 30.

2. Demand Analysis

According to DCA’s demand methodology, all comparable units built or approved since the base year (2012) are to be subtracted from the demand estimates to arrive at net demand. The comparable units at the recent phases of Savannah Gardens are the only comparable units and are subtracted from the demand estimates. Combined, these two phases have 91 LIHTC units and 22 market rate units. None of the units at these two previously communities have PBRA.

The overall capture rates are 1.3 percent for PBRA units, 3.7 percent for LIHTC units, 2.0 percent for market rate units, and 2.6 percent for all units. Hitch Phase I’s capture rates by AMI level range from 0.1 percent to 5.8 percent (Table 33). All capture rates are well within DCA’s mandated threshold of 30 percent and indicate sufficient demand to support the proposed development. The capture rates are net of recently constructed/funded LIHTC communities; thus indicating demand for not only the subject property but also these other communities.



Table 31 Substandard and Cost Burdened Calculations

Rent Cost Burden			Substandardness	
Total Households	#	%	Total Households	
Less than 10.0 percent	125	1.4%	Owner occupied:	
10.0 to 14.9 percent	292	3.4%	Complete plumbing facilities:	5,656
15.0 to 19.9 percent	520	6.0%	1.00 or less occupants per room	5,596
20.0 to 24.9 percent	661	7.6%	1.01 or more occupants per room	60
25.0 to 29.9 percent	886	10.2%	Lacking complete plumbing facilities:	0
30.0 to 34.9 percent	735	8.5%	Overcrowded or lacking plumbing	60
35.0 to 39.9 percent	682	7.9%	Renter occupied:	
40.0 to 49.9 percent	715	8.2%	Complete plumbing facilities:	8,632
50.0 percent or more	2,955	34.0%	1.00 or less occupants per room	8,462
Not computed	1,108	12.8%	1.01 or more occupants per room	170
Total	8,679	100.0%	Lacking complete plumbing facilities:	47
			Overcrowded or lacking plumbing	217
> 35% income on rent	4,352	57.5%	Substandard Housing	277
			% Total Stock Substandard	1.9%
			% Rental Stock Substandard	2.5%

Source: American Community Survey 2008-2012

Table 32 DCA Demand by Income Level

	60% PBRA Units	60% LIHTC Units	Market Rate Units	Total Units
Income Target				
Minimum Income Limit	no min\$	\$22,114	\$26,571	no min\$
Maximum Income Limit	\$37,920	\$37,920	\$50,560	\$50,560
(A) Renter Income Qualification Percentage	74.0%	20.1%	21.8%	82.7%
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>	352	96	104	394
PLUS				
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>	180	49	53	201
PLUS				
Demand from Existing Renter HHs (Overburdened) - <i>Calculation B*E*F*A *50%</i>	2,071	564	612	2,315
Total Demand	2,604	709	769	2,910
LESS				
Comparable Units Built or Planned Since 2010	0	91	22	113
Net Demand	2,604	618	747	2,797
Proposed Units	34	23	15	72
Capture Rate	1.3%	3.7%	2.0%	2.6%

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2012 Households	15,111
C). 2016 Households	15,849
D). Substandard Housing (% of Rental Stock)	2.5%
E). Rent Overburdened (% of Renter Hhlds at >35%)	57.5%
F). Renter Percentage (% of all 2014 HHlds)	64.5%

Table 33 DCA Demand by Floor Plan

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
60% PBRA Units	no min\$ - \$37,920						
One Bedroom Units	no min\$ - \$28,080	2	62.8%	2,211	0	2,211	0.1%
Two Bedroom Units	no min\$ - \$31,620	20	67.5%	2,375	0	2,375	0.8%
Three Bedroom Units	no min\$ - \$37,920	3	74.0%	2,604	0	2,604	0.1%
60% LIHTC Units	\$22,114 - \$37,920						
One Bedroom Units	\$22,114 - \$25,714	2	9.0%	317	9	308	0.6%
Two Bedroom Units	\$25,714 - \$30,000	12	7.8%	274	65	209	5.8%
Three Bedroom Units	\$30,000 - \$37,920	9	8.6%	304	31	273	3.3%
Market Rate Units	\$26,571 - \$50,560						
One Bedroom Units	\$26,571 - \$32,500	2	12.8%	451	5	446	0.4%
Two Bedroom Units	\$32,500 - \$40,000	2	10.7%	378	13	365	0.5%
Three Bedroom Units	\$40,000 - \$50,560	3	11.4%	402	4	398	0.8%

D. Product Evaluation

Considered in the context of the competitive environment, the relative position of Hitch Phase I is as follows:

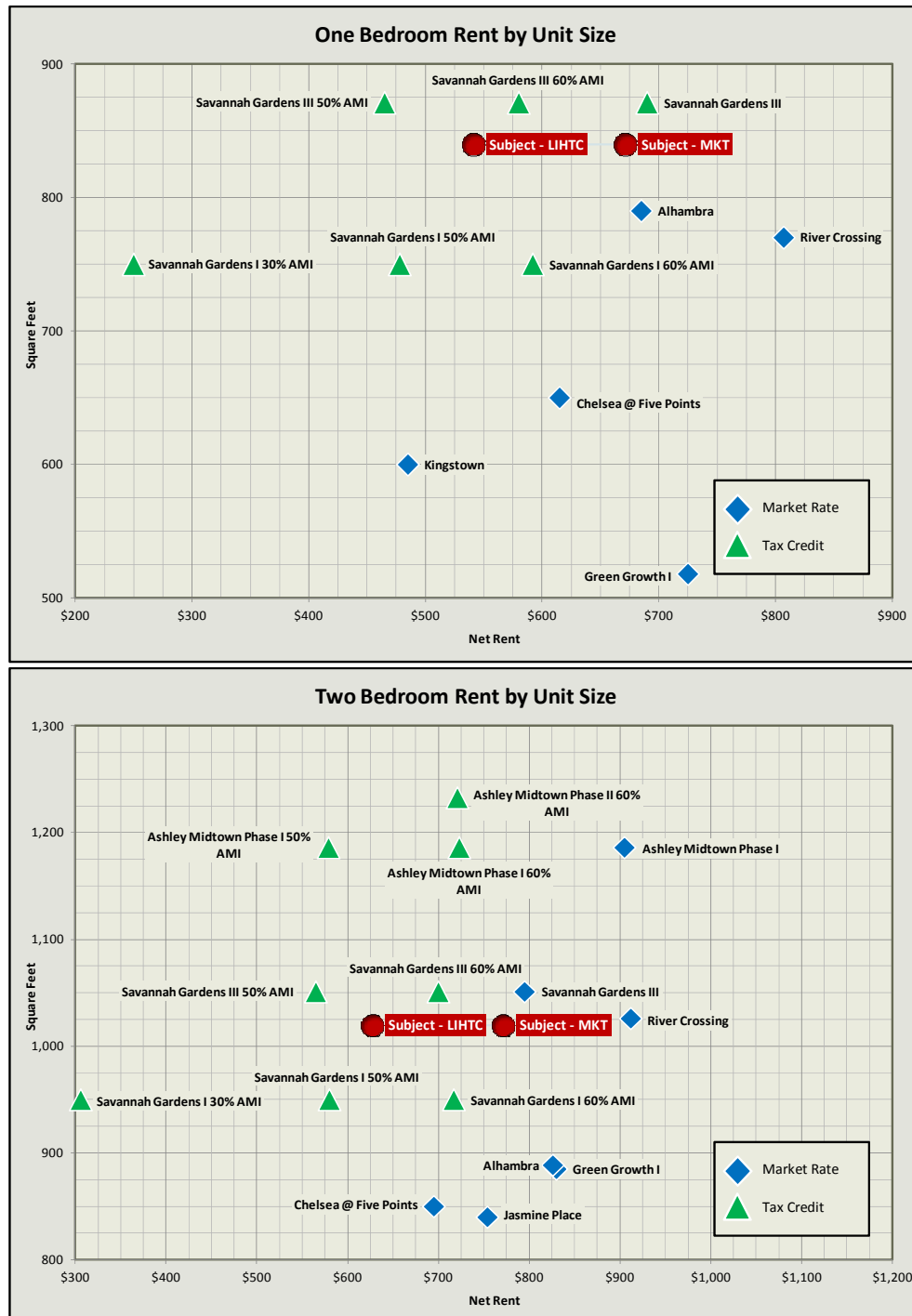
- **Site:** The subject site is acceptable for a rental housing development targeting very low to moderate income renter households. Surrounding land uses are compatible with multi-family development and are appropriate for a mixed-income community. The subject site is convenient to major thoroughfares, public transportation, and community amenities including healthcare facilities, shopping, and recreational facilities.
- **Unit Distribution:** The proposed unit mix for Hitch Phase I includes six one-bedroom units (8.3 percent), 42 two-bedroom units (58 percent), and 24 three-bedroom units (24 percent). The percentage of two bedroom units is comparable with existing communities in the market area, but with a smaller percentage of one bedroom units and a larger percentage of three bedroom units. Unlike market rate communities, LIHTC communities generally have a higher percentage of three bedroom units than one bedroom units. The overall percentage of one bedroom units is influenced by one community comprising only 128 one bedroom units. The proposed unit mix is considered appropriate for an affordable rental community.
- **Unit Size:** The proposed unit sizes at Hitch Phase I are 840 square feet for one bedroom units, 1,020 square feet for two bedroom units, and 1,245 square feet for three bedroom units. All of these proposed unit sizes are larger than overall averages among surveyed rental communities for each floor plan and will be well received in the Hitch Market Area.
- **Unit Features:** In-unit features offered at the subject property will include a range, refrigerator, dishwasher, microwave, garbage disposal, ceiling fans, and full size washer and dryer. These unit features are comparable or superior to existing communities in the market area.
- **Community Amenities:** Hitch Phase I's community amenity package will include a community room, fitness center, business center, playground, and covered outdoor seating area. This amenity package will be competitive with surveyed rental communities in the Hitch Market Area and will be comparable or superior to all existing LIHTC communities.
- **Marketability:** The subject property will offer an attractive product that is suitable for the target market. It will also improve the quality of the rental housing stock in the Hitch Market Area by expanding the inventory of new and high quality affordable housing.

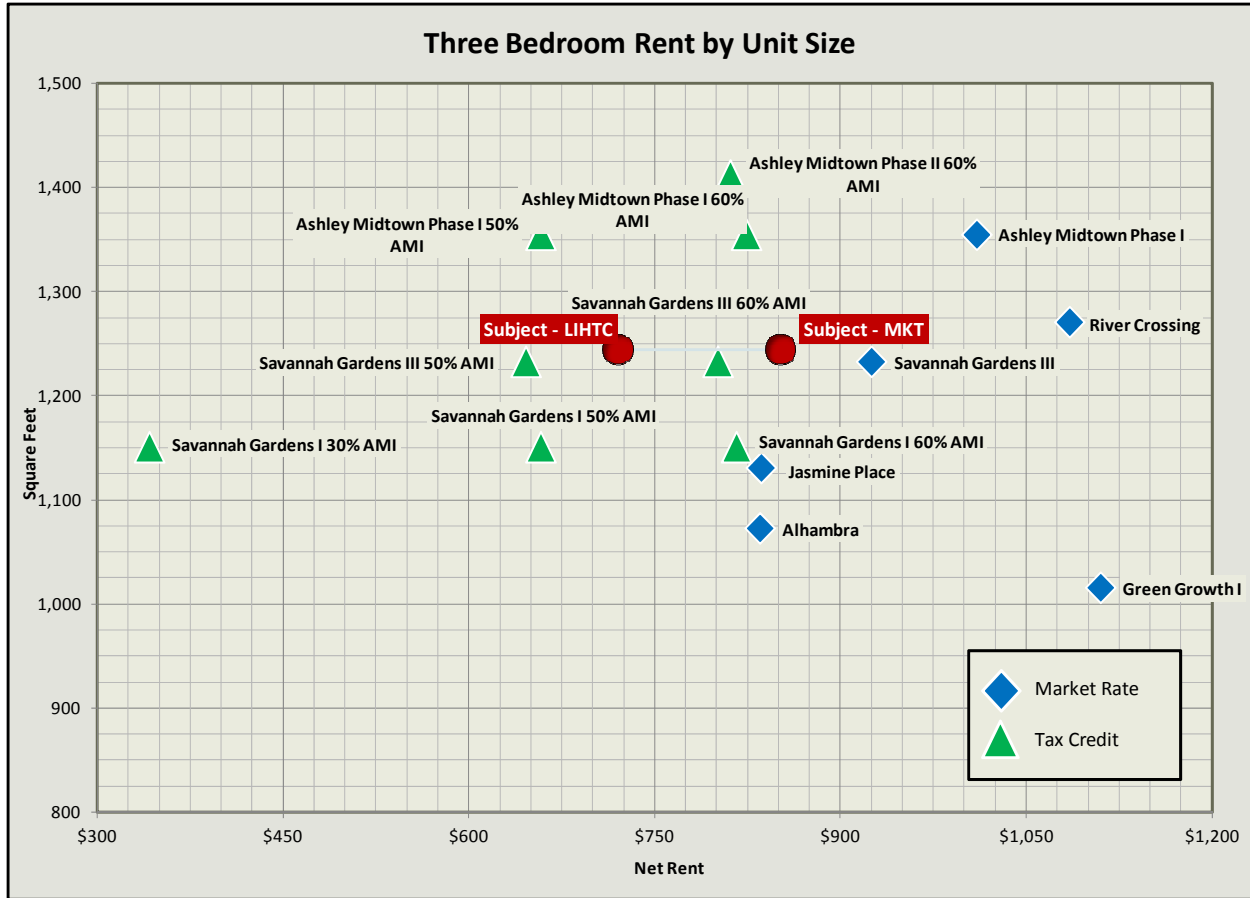


E. Price Position

As shown in Figure 8, the proposed 60 percent rents at the subject property will be positioned comparably to existing LIHTC communities and below most market rate communities. LIHTC communities with higher 60 percent rents are likely subject to older and higher AMI levels. The proposed market rate units will be priced among the lowest market rate rents. The proposed PBRA rents are not evaluated as they do not reflect tenant-paid rents.

Figure 8 Price Position – Hitch Phase I





F. Absorption Estimate

The most recently constructed general occupancy rental communities in the Hitch Market Area were Savannah Gardens I and III (phase II is senior). The property managers were unable to provide exact lease-up history, but the average monthly absorption was estimated at 20-25 units per month. In addition to the experience of recently constructed rental communities, the projected absorption rate for the subject property is based on projected household growth, the number of income-qualified renter households projected in the market area, reasonable demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The population and household bases of the Hitch Market Area are projected to grow at a modest pace, adding 318 people (0.9 percent) and 155 households (1.0 percent) per year through 2016.
- Over 7,500 renter households will be income-qualified for the units with PBRA and more than 2,000 households will be income qualified for the 60 percent LIHTC and market rate units.
- All DCA demand capture rates, both by income level and floor plan, are well within acceptable thresholds of 30 percent for all units proposed at Hitch Phase I. In fact, all capture rates are below 10 percent.



- The rental market in the Hitch Market Area is performing well with an overall vacancy rate of 3.9 percent and a LIHTC vacancy rate of 0.2 percent. All LIHTC/deeply subsidized units were occupied at the time of our survey.
- All of the proposed rents at Hitch Phase I will be positioned competitively relative to the existing rental stock. All rents have a significant advantage relative to the average market rent.
- Hitch Phase I will offer an attractive product that will be among the nicest rental communities in the Hitch Market Area. The proposed product and location will be well received at the proposed price points.

Based on the product to be constructed and the factors discussed above, we expect Hitch Phase I's LIHTC and market rate units to lease-up at a rate of 15 units per month. Given the differences in income targeting, we also expect the 34 PBRA units to lease concurrently with the LIHTC and market rate units as fast as applications can realistically be processed. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within a four to five month period.

G. Impact on Existing Market

Given the very low vacancies at LIHTC communities in the Hitch Market Area and projected household growth over the next five years, we do not expect Hitch Phase I to have negative impact on existing rental communities in the Hitch Market Area including those with tax credits.

H. Final Conclusions and Recommendations

Based on household growth, low affordability and demand capture rates, PBRA subsidies on 47 percent of the proposed units, and stable rental market conditions, sufficient demand exists to support the proposed units at Hitch Phase I. As such, RPRG believes that the proposed Hitch Phase I will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing market rate and LIHTC communities in the Hitch Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

We do not believe that the proposed development of the units at Hitch Phase I will have a negative impact on the existing and recently approved LIHTC communities in the market area including Savannah Gardens III and Savannah Gardens V. Not only do demand estimates and current occupancy levels indicate more than sufficient demand, more than half of the LIHTC units at Hitch Phase I will have PBRA/RAD Assistance, which differs the community from Savannah Gardens III and V. The combined LIHTC units at these communities and the subject property represent a very small percentage of the income qualified renter households.

A handwritten signature in black ink, appearing to read 'Tad Scepaniak'.

Tad Scepaniak
Principal



APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



APPENDIX 2 ANALYST CERTIFICATIONS

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

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

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

Tad Scepaniak
Principal
Real Property Research Group, Inc.

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



APPENDIX 3 NCHMA CERTIFICATION

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

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

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



Real Property Research Group, Inc.

Tad Scepaniak
Name

Principal
Title

April 29, 2014
Date



APPENDIX 4 ANALYST RESUMES

ROBERT M. LEFENFELD

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

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

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

Areas of Concentration:

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

Education:

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



TAD SCEPANIAK

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

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

Areas of Concentration:

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

Education:

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

**MICHAEL RILEY**

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

Areas of Concentration:

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

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

Education:

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



APPENDIX 5 DCA CHECKLIST

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

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

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

Signed:

Date: April 29, 2014

Tad Scepianiak

A. Executive Summary

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



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

B. Project Description

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

C. Site Evaluation

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



iii. Detailed description of surrounding land uses including their condition.....	Page(s)	6
3. Description of the site’s physical proximity to surrounding roads, transportation, amenities, employment, and community services.....	Page(s)	12-15
4. Color photographs of the subject property, surrounding neighborhood, and street scenes with a description of each vantage point.....	Page(s)	8-9
5. Neighborhood Characteristics		
i. Map identifying the location of the project.....	Page(s)	7
ii. List of area amenities including their distance (in miles) to the subject site.....	Page(s)	13
iii. Map of the subject site in proximity to neighborhood amenities.....	Page(s)	14
6. Map identifying existing low-income housing projects located within the PMA and their distance from the subject site.....	Page(s)	41
7. Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	12
8. Discussion of accessibility, ingress/egress, and visibility of the subject site.....	Page(s)	12
9. Visible environmental or miscellaneous site concerns.....	Page(s)	12
10. Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	15
D. Market Area		
1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	16
2. Map Identifying subject property’s location within market area.....	Page(s)	17
E. Community Demographic Data		
1. Population Trends		
i. Total Population.....	Page(s)	26
ii. Population by age group.....	Page(s)	27
iii. Number of elderly and non-elderly.....	Page(s)	27
iv. Special needs population (if applicable).....	Page(s)	26
2. Household Trends		
i. Total number of households and average household size.....	Page(s)	26
ii. Household by tenure.....	Page(s)	28
iii. Households by income.....	Page(s)	30
iv. Renter households by number of persons in the household.....	Page(s)	29
F. Employment Trends		
1. Total jobs in the county or region.....	Page(s)	20
2. Total jobs by industry – numbers and percentages.....	Page(s)	21
3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area.....	Page(s)	22
4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past five years.....	Page(s)	19
5. Map of the site and location of major employment concentrations.....	Page(s)	23
6. Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	24
G. Project-specific Affordability and Demand Analysis		
1. Income Restrictions / Limits.....	Page(s)	47



2.	Affordability estimates.....	Page(s)	48
3.	Components of Demand		
	i. Demand from new households.....	Page(s)	50
	ii. Demand from existing households.....	Page(s)	50
	iii. Elderly Homeowners likely to convert to rentership.....	Page(s)	50
	iv. Other sources of demand (if applicable).....	Page(s)	50
4.	Net Demand, Capture Rate, and Stabilization Calculations		
	i. Net demand		
	1. By AMI Level.....	Page(s)	50
	2. By floor plan.....	Page(s)	51
	ii. Capture rates		
	1. By AMI level.....	Page(s)	50
	2. By floor plan.....	Page(s)	51
	3. Capture rate analysis chart.....	Page(s)	viii

H. Competitive Rental Analysis

1.	Detailed project information for each competitive rental community surveyed		
	i. Charts summarizing competitive data including a comparison of the proposed project's rents, square footage, amenities, to comparable rental communities in the market area.....	Page(s)	38
2.	Additional rental market information		
	i. An analysis of voucher and certificates available in the market area.....	Page(s)	40
	ii. Lease-up history of competitive developments in the market area.....	Page(s)	34
	iii. Tenant profile and waiting list of existing phase (if applicable).....	Page(s)	N/A
	iv. Competitive data for single-family rentals, mobile homes, etc. in rural areas if lacking sufficient comparables (if applicable).....	Page(s)	N/A
3.	Map showing competitive projects in relation to the subject property.....	Page(s)	34
4.	Description of proposed amenities for the subject property and assessment of quality and compatibility with competitive rental communities.....	Page(s)	37
5.	For senior communities, an overview / evaluation of family properties in the PMA.....	Page(s)	N/A
6.	Subject property's long-term impact on competitive rental communities in the PMA.....	Page(s)	53
7.	Competitive units planned or under construction the market area		
	i. Name, address/location, owner, number of units, configuration, rent structure, estimated date of market entry, and any other relevant information.....	Page(s)	39
8.	Narrative or chart discussing how competitive properties compare with the proposed development with respect to total units, rents, occupancy, location, etc.....	Page(s)	51
	i. Average market rent and rent advantage.....	Page(s)	38
9.	Discussion of demand as it relates to the subject property and all comparable DCA funded projects in the market area.....	Page(s)	40
10.	Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years.....	Page(s)	
11.	Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.....	Page(s)	41
12.	Discussion of primary housing voids in the PMA as they relate to the subject property.....	Page(s)	N/A

I. Absorption and Stabilization Rates

1.	Anticipated absorption rate of the subject property.....	Page(s)	53
2.	Stabilization period.....	Page(s)	53



J. Interviews.....	Page(s)	39
K. Conclusions and Recommendations		
1. Conclusion as to the impact of the subject property on PMA.....	Page(s)	53
2. Recommendation as the subject property's viability in PMA.....	Page(s)	54
L. Signed Statement Requirements.....	Page(s)	App.

APPENDIX 6 NCHMA CHECKLIST

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

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



22.	Typical wages by occupation	N/A
23.	Discussion of commuting patterns of area workers	18
Demographic Characteristics		
24.	Population and household estimates and projections	25
25.	Area building permits	25
26.	Distribution of income	28
27.	Households by tenure	28
Competitive Environment		
28.	Comparable property profiles	69
29.	Map of comparable properties	34
30.	Comparable property photos	69
31.	Existing rental housing evaluation	31
32.	Comparable property discussion	31
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	35
34.	Comparison of subject property to comparable properties	51
35.	Availability of Housing Choice Vouchers	40
36.	Identification of waiting lists	33
37.	Description of overall rental market including share of market-rate and affordable properties	32
38.	List of existing LIHTC properties	69
39.	Discussion of future changes in housing stock	39
40.	Discussion of availability and cost of other affordable housing options, including homeownership	31
41.	Tax credit and other planned or under construction rental communities in market area	39
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	49
43.	Calculation and analysis of Penetration Rate	31
44.	Evaluation of proposed rent levels	51
45.	Derivation of Achievable Market Rent and Market Advantage	38
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	43
48.	Market strengths and weaknesses impacting project	51
49.	Recommendation and/or modification to project description	51, if applicable
50.	Discussion of subject property's impact on existing housing	51
51.	Absorption projection with issues impacting performance	53



52.	Discussion of risks or other mitigating circumstances impacting project	43, if applicable
53.	Interviews with area housing stakeholders	39
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	1
56.	Certifications	App.
57.	Statement of qualifications	58
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



APPENDIX 7 RENTAL COMMUNITY PROFILES

Community	Address	City	Phone Number	Date Surveyed	Contact
Ashley Midtown I	1518 East Park Ave.	Savannah	912-233-3075	4/25/2014	Property Manager
Ashley Midtown II	1518 East Park Ave.	Savannah	912-233-3075	4/25/2014	Property Manager
Alhambra	2200 East Victory Dr.	Savannah	912-354-1968	4/25/2014	Property Manager
Chelsea @ 5 Points	1910 Skidaway Rd.	Savannah	912-232-6640	4/25/2014	Property Manager
Jasmine Place	2323 Downing Dr.	Savannah	912-352-7152	4/25/2014	Property Manager
Kingstown	1901 Kingstown Dr.	Savannah	912-233-8888	4/25/2014	Property Manager
River Crossing	2612 Dogwood Ave.	Savannah	912-355-3722	4/25/2014	Property Manager
Savannah Gardens I	515 Pennsylvania Ave.	Savannah	912-335-4838	4/25/2014	Property Manager
Savannah Gardens II	500 Pennsylvania Ave.	Savannah	912-335-4859	4/25/2014	Property Manager
SNAP I	201 W. Park Ave.	Savannah	912-232-7284	4/25/2014	Property Manager
SNAP II	508 E. Anderson St.	Savannah	912-232-7284	4/25/2014	Property Manager
SNAP III	918 Abercorn St.	Savannah	912-232-7284	4/25/2014	Property Manager

Alhambra

Multifamily Community Profile

2200 East Victory Dr.
Savannah, GA

CommunityType: Market Rate - General

Structure Type: 2-Story Garden/TH

150 Units 2.0% Vacant (3 units vacant) as of 4/25/2014

Last Major Rehab in 2013 Opened in 1970



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	29.3%	\$730	790	\$0.92	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	52.7%	\$835	889	\$0.94	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	18.0%	\$955	1,072	\$0.89	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	Patrol
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	Kole Management C
Owner:	--

Comments

--	--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 4/25/2014) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	44	\$715	790	\$.91	Market	4/25/14	2.0%	\$730	\$835	\$955
Garden	--	2	2	44	\$815	820	\$.99	Market	12/19/13	4.7%	\$675	\$816	\$825
Townhouse	--	2	1.5	35	\$815	975	\$.84	Market	12/17/12	0.0%	\$710	\$781	\$875
Townhouse	--	3	2	27	\$930	1,072	\$.87	Market	12/15/08	7.3%	\$643	\$710	\$808

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Ashley Midtown Phase I

Multifamily Community Profile

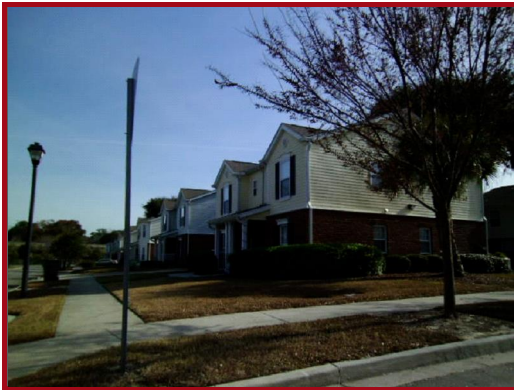
1518 East Park Ave.
Savannah, GA

CommunityType: LIHTC - General

Structure Type: 2-Story Townhouse

168 Units 0.6% Vacant (1 units vacant) as of 4/25/2014

Opened in 2004



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	--	\$837	1,186	\$0.71	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	\$1,025	1,354	\$0.76	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Patio/Balcony	
Select Units: Ceiling Fan	
Optional(\$): --	
Security: Unit Alarms	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

108- 2BR units, 60- 3BR units. No longer has 50% AMI units. 34 mkt rent units.

Wait list.

Community garden/parks.

Floorplans (Published Rents as of 4/25/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
No longer has 50% units.	--	2	2	--	--	1,186	--	LIHTC/ 50%	4/25/14	0.6%	--	\$568	\$695
Townhouse	--	2	2	--	\$702	1,186	\$0.59	LIHTC/ 60%	12/19/13	1.2%	--	\$736	\$831
Townhouse	--	2	2	--	\$913	1,186	\$0.77	Market	12/17/12	3.6%	--	\$772	\$877
No longer has 50% units.	--	3	2	--	--	1,354	--	LIHTC/ 50%	12/15/08	0.0%	--	\$708	\$810
Townhouse	--	3	2	--	\$795	1,354	\$0.59	LIHTC/ 60%					
Townhouse	--	3	2	--	\$1,185	1,354	\$0.88	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Ashley Midtown Phase II

Multifamily Community Profile

1518 E. Park Ave.
Savannah, GA

CommunityType: LIHTC - General

Structure Type: Garden/TH

38 Units 0.0% Vacant (0 units vacant) as of 4/25/2014

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	<input checked="" type="checkbox"/> Comm Rm:	<input type="checkbox"/> Basketball:
One/Den	--	--	--	--	<input type="checkbox"/> CentrL Lndry:	<input type="checkbox"/> Tennis:
Two	47.4%	\$726	1,233	\$0.59	<input type="checkbox"/> Elevator:	<input type="checkbox"/> Volleyball:
Two/Den	--	--	--	--	<input type="checkbox"/> Fitness:	<input type="checkbox"/> CarWash:
Three	52.6%	\$827	1,411	\$0.59	<input type="checkbox"/> Hot Tub:	<input checked="" type="checkbox"/> BusinessCtr:
Four+	--	--	--	--	<input type="checkbox"/> Sauna:	<input checked="" type="checkbox"/> ComputerCtr:
					<input checked="" type="checkbox"/> Playground:	

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

Comments

No market rent or LIHTC/50% apartments in Phase II.

Floorplans (Published Rents as of 4/25/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	4	\$696	1,214	\$.57	LIHTC/ 60%	4/25/14	0.0%	--	\$726	\$827
Townhouse	--	2	1.5	14	\$696	1,238	\$.56	LIHTC/ 60%	12/19/13	2.6%	--	\$721	\$811
Garden	--	3	2	20	\$792	1,411	\$.56	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Chelsea @ Five Points

Multifamily Community Profile

1910 Skidaway Rd.
Savannah, GA

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

136 Units 0.7% Vacant (1 units vacant) as of 4/25/2014

Opened in 1947



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	17.6%	\$628	650	\$0.97	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	82.4%	\$708	850	\$0.83	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Central A/C; Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: Patrol; Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Units are being renovated as tenants move out.

Floorplans (Published Rents as of 4/25/2014) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	24	\$613	650	\$.94	Market	4/25/14	0.7%	\$628	\$708	--
Garden	--	2	1	112	\$688	850	\$.81	Market	12/19/13	1.5%	\$615	\$695	--
									12/17/12	2.2%	\$605	\$683	--
									12/15/08	0.0%	\$594	\$669	--
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Natural Gas													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Chelsea @ Five Points

GA051-011733

Jasmine Place

Multifamily Community Profile

2323 Downing Dr.
Savannah, GA

CommunityType: Market Rate - General

Structure Type: Garden

112 Units 16.1% Vacant (18 units vacant) as of 4/25/2014

Last Major Rehab in 2005 Opened in 1980



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	71.4%	\$770	840	\$0.92	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	28.6%	\$875	1,130	\$0.77	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Full Size); Central A/C	
Select Units:	--
Optional(\$):	--
Security:	Gated Entry
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	Frye Properties
Owner:	--

Comments

--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 4/25/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1.5	80	\$800	840	\$.95	Market	4/25/14	16.1%	--	\$770	\$875
Garden	--	3	2	32	\$900	1,130	\$.80	Market	12/19/13	19.6%	--	\$754	\$836
									12/17/12	9.8%	--	\$744	\$827
									12/15/08	9.8%	--	\$726	\$800
Adjustments to Rent													
Incentives: \$199 move in.													
Utilities in Rent: Heat Fuel: Natural Gas													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Kingstown

Multifamily Community Profile

1901 Kingstown Dr.
Savannah, GA

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

128 Units

Occupancy data not currently available

Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	100.0%	\$605	600	\$1.01	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Central A/C; Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: Patrol	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Sicay Management Owner: --	

Comments

Mgt refused to give out occupancy info.

Floorplans (Published Rents as of 4/25/2014) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	128	\$590	600	\$.98	Market	4/25/14	--	\$605	--	--
									12/20/13	1.6%	\$605	--	--
									12/15/08	10.2%	\$573	--	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR \$	2BR \$	3BR \$
4/25/14	--	\$605	--	--
12/20/13	1.6%	\$605	--	--
12/15/08	10.2%	\$573	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

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

© 2014 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent (2) Published Rent is rent as quoted by management.

River Crossing

Multifamily Community Profile

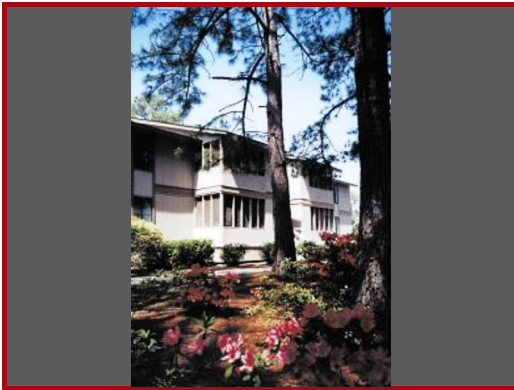
2612 Dogwood Ave.
Savannah, GA

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

176 Units 9.1% Vacant (16 units vacant) as of 4/25/2014

Opened in 1978



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	31.8%	\$750	770	\$0.97	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	59.1%	\$871	1,026	\$0.85	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	9.1%	\$1,034	1,270	\$0.81	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)	
Select Units: --	
Optional(\$): --	
Security: Patrol	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Prominent Realty Gr Owner: --	

Comments

Water, sewer, & trash flat fee in addition to rent- \$40- 1BR, \$45- 2BR, \$50- 3BR.

Local monthly membership to gym with one time fee of \$50. Dog park

Furnished units are available.

Floorplans (Published Rents as of 4/25/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	56	\$800	770	\$1.04	Market	4/25/14	9.1%	\$750	\$871	\$1,034
Garden	--	2	2	104	\$900	1,026	\$.88	Market	12/19/13	7.4%	\$817	\$922	\$1,095
Garden	--	3	2	16	\$1,060	1,270	\$.83	Market	12/15/08	6.8%	\$730	\$827	\$964

Adjustments to Rent

Incentives:

Reduced rent.

Utilities in Rent: Heat Fuel: Natural Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Savannah Gardens I

Multifamily Community Profile

515 Pennsylvania Ave.
Savannah, GA

Community Type: LIHTC - General

Structure Type: Garden

114 Units 0.0% Vacant (0 units vacant) as of 4/25/2014

Opened in 2011



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	8.8%	\$512	750	\$0.68	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	55.3%	\$639	950	\$0.67	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	31.6%	\$702	1,150	\$0.61	<input type="checkbox"/>	<input type="checkbox"/>
Four+	4.4%	\$717	1,350	\$0.53	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Mercy Housing Mana	
Owner: --	

Comments

1 nonrevenue producing 2 BR unit not included in total units. Large public park, library, & arts & crafts
 Opened 5/2011. 50% & 60% AMI units in Phases I & III are the same rent amounts.
 Phase IV (114 units) & Phase V (79 units) being built. Preleasing will start 09/2014. Expected to be complete 12/2014.

Floorplans (Published Rents as of 4/25/2014) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	1	\$235	750	\$.31	LIHTC/ 30%	4/25/14	0.0%	\$512	\$639	\$702
Garden	--	1	1	4	\$463	750	\$.62	LIHTC/ 50%	12/20/13	1.8%	\$512	\$639	\$702
Garden	--	1	1	5	\$577	750	\$.77	LIHTC/ 60%	12/17/12	2.6%	\$508	\$639	\$702
Garden	--	2	2	3	\$286	950	\$.30	LIHTC/ 30%					
Garden	--	2	2	27	\$560	950	\$.59	LIHTC/ 50%					
Garden	--	2	2	33	\$697	950	\$.73	LIHTC/ 60%					
Garden	--	3	2	4	\$317	1,150	\$.28	LIHTC/ 30%					
Garden	--	3	2	14	\$633	1,150	\$.55	LIHTC/ 50%					
Garden	--	3	2	18	\$791	1,150	\$.69	LIHTC/ 60%					
Garden	--	4	2	1	\$334	1,350	\$.25	LIHTC/ 30%					
Garden	--	4	2	2	\$687	1,350	\$.51	LIHTC/ 50%					
Garden	--	4	2	2	\$864	1,350	\$.64	LIHTC/ 60%					

Adjustments to Rent

Incentives: None
 Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Savannah Gardens III

Multifamily Community Profile

500 Pennsylvania Ave.
Savannah, GA

Community Type: LIHTC - General
Structure Type: Garden

94 Units 0.0% Vacant (0 units vacant) as of 4/25/2014

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	9.6%	\$578	871	\$0.66	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	61.7%	\$693	1,051	\$0.66	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	28.7%	\$785	1,232	\$0.64	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Mercy Housing	Owner: --

Comments

Phase IV (114 units) & Phase V (79 units) being built. Preleasing will start 09/2014. Expected to be complete 12/2014.

Wait list.

50% & 60% AMI units in Phases I & III are the same rent amounts.

Floorplans (Published Rents as of 4/25/2014) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	2	\$463	871	\$.53	LIHTC/ 50%	4/25/14	0.0%	\$578	\$693	\$785
Garden	--	1	1	6	\$577	871	\$.66	LIHTC/ 60%	12/19/13	1.1%	--	--	--
Garden	--	1	1	1	\$675	871	\$.77	Market	12/17/12*	85.1%	\$567	\$677	\$771
Garden	--	2	2	12	\$560	1,051	\$.53	LIHTC/ 50%	* Indicates initial lease-up.				
Garden	--	2	2	43	\$697	1,051	\$.66	LIHTC/ 60%					
Garden	--	2	2	3	\$775	1,051	\$.74	Market					
Garden	--	3	2	6	\$633	1,232	\$.51	LIHTC/ 50%					
Garden	--	3	2	20	\$791	1,232	\$.64	LIHTC/ 60%					
Garden	--	3	2	1	\$900	1,232	\$.73	Market					

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Electric
Heat:	<input type="checkbox"/>
Hot Water:	<input type="checkbox"/>
Cooking:	<input type="checkbox"/>
Electricity:	<input type="checkbox"/>
Wtr/Swr:	<input type="checkbox"/>
Trash:	<input checked="" type="checkbox"/>

Savannah Gardens III

GA051-018402

SNAP I

Multifamily Community Profile

201 W Park Ave.
Savannah, GA

CommunityType: LIHTC - General

Structure Type: Mix

100 Units 0.0% Vacant (0 units vacant) as of 4/25/2014

Last Major Rehab in 2002



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	3.0%	\$788	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	28.0%	\$840	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	29.0%	\$930	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	38.0%	\$1,160	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	2.0%	\$1,255	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: In Unit Laundry (Hook-ups); Central A/C						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

Multiple properties built in late 1800's - 1900's & rehabbed. Sec. 8, rent is contract rent

Variety of floor plans, sq. footage, & unit features. Both electric & gas heat.

Waiting lists: 1BR & 2BR- 2 yrs, 3BR & 4BR- 6 months- 1 year.

Floorplans (Published Rents as of 4/25/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	--	--	--	--	--	--	--	4/25/14	0.0%	\$840	--	\$1,160
Mix	--	Eff	1	3	\$765	--	--	Section 8	12/19/13	3.0%	\$840	\$930	\$1,160
Mix	--	1	1	28	\$815	--	--	Section 8					
Mix	--	2	1	29	\$900	--	--	Section 8					
Mix	--	3	1	38	\$1,125	--	--	Section 8					
Mix	--	4	1	2	\$1,215	--	--	Section 8					
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Elec/Gas													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>													

SNAP I

GA051-019700

SNAP II

Multifamily Community Profile

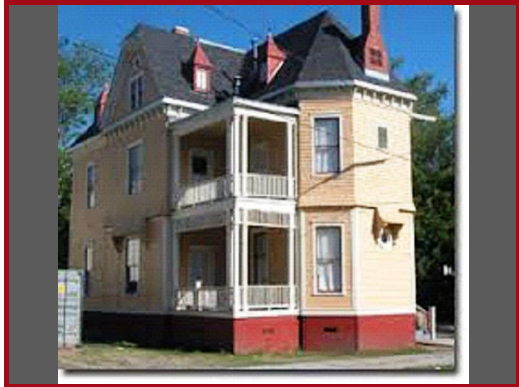
508 E Anderson St.
Savannah, GA

CommunityType: LIHTC - General

Structure Type: Mix

89 Units 0.0% Vacant (0 units vacant) as of 4/25/2014

Last Major Rehab in 2002



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	1.1%	\$843	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	3.4%	\$840	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	60.7%	\$1,060	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	30.3%	\$1,267	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	4.5%	\$1,433	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: In Unit Laundry (Hook-ups); Central A/C						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

Multiple properties built in late 1800's - 1900's. Sec. 8, rent is contract rent.
 Variety of floor plans, sq. footage, & unit features. Both electric & gas heat.
 Waiting lists 1BR & 2BR- 2 years, 3BR & 4BR- 6 months- 1 year.

Floorplans (Published Rents as of 4/25/2014) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mix	--	Eff	1	1	\$820	--	--	Section 8	4/25/14	0.0%	\$840	\$1,060	\$1,267
Mix	--	1	1	3	\$815	--	--	Section 8	12/19/13	3.4%	\$840	\$1,060	\$1,267
Mix	--	2	1	54	\$1,030	--	--	Section 8					
Mix	--	3	1	4	\$1,300	--	--	Section 8					
Mix	--	3	1	23	\$1,220	--	--	Section 8					
Mix	--	4	1	2	\$1,385	--	--	Section 8					
Mix	--	4	1	2	\$1,400	--	--	Section 8					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Elec/Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

SNAP III

Multifamily Community Profile

918 Abercorn St.
Savannah, GA

CommunityType: LIHTC - General

Structure Type: Mix

44 Units 0.0% Vacant (0 units vacant) as of 4/25/2014

Last Major Rehab in 2002



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	22.7%	\$1,090	--	--	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	27.3%	\$1,245	--	--	Elevator:	Volleyball:
Four+	50.0%	\$1,430	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>
					<input type="checkbox"/>	

Features	
Standard: In Unit Laundry (Hook-ups); Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

Comments

Multiple properties built in the 1980's. 1- 4 BR vacant.

Variety of floorplans, sq. footage, & unit features. Both electric & gas heat.

1 property address: 918 Abercorn St., Savannah 31401. Waiting lists 1BR & 2BR- 2 years, 3BR & 4BR- 6 months- 1 year.

Floorplans (Published Rents as of 4/25/2014) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mix	--	2	1	10	\$1,060	--	--	Section 8	4/25/14	0.0%	--	\$1,090	\$1,245
Mix	--	3	1	12	\$1,210	--	--	Section 8	12/19/13	2.3%	--	\$1,090	\$1,245
Mix	--	4	1	22	\$1,390	--	--	Section 8					

Adjustments to Rent	
Incentives:	
None	
Utilities in Rent:	Heat Fuel: Elec/Gas
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>

SNAP III

GA051-019702