



RealProperty**Research**Group

Market Feasibility Analysis

Baytree Apartments

Hinesville, Liberty County, Georgia

Prepared for:

CWCapital, LLC

Site Inspection: April 12, 2012

Effective Date: April 16, 2012





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EXECUTIVE SUMMARY

CWCapital, LLC has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis for Baytree Apartments, an existing Section 8 rental community in Hinesville, Liberty County, Georgia. As proposed, the rehabilitation of Baytree Apartments will be financed in part through the use of four percent Low Income Housing Tax Credits (LIHTC) from the Georgia Department of Community Affairs (DCA). In addition, RPRG expects this study to be submitted to the U.S. Department of Housing and Urban Development (HUD) as part of an application for mortgage insurance through the 221(d)(4) program.

1. Project Description

- Post rehabilitation, Baytree Apartments’ 60 rental units will be reserved for households earning at or below 60 percent of the Area Median Gross Income (AMGI), adjusted for household size. In addition, the project will maintain existing project based rental assistance (PBRA) on all units through an extension of its Housing Authority Payments (HAP) contract with the Hinesville Housing Authority. As a general occupancy property, prospective tenants will not be subject to age restrictions.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below. The rents shown will include the cost of water/sewer and trash removal. As all units contain PBRA, no tenants will actually pay to the proposed contract rents.

Baytree Apartments								
217 Bradwell Street Hinesville, GA 31313								
Unit Mix/Rents								
Bed	Bath	Income Target	Quantity	Published Sq. Feet	Hud Net Sq. Feet	Developer Rent	Utility Allowance	Gross Rent
1	1	60% AMI	4	642	556	\$667	\$91	\$758
2	1	60% AMI	3	849	710	\$781	\$113	\$894
2	1	60% AMI	37	849	710	\$825	\$113	\$938
3	2	60% AMI	16	1,054	900	\$907	\$126	\$1,033
Total			60	890	750	\$750		

Rents Include the cost of water/sewer and trash collection.

- The newly renovated units at the subject property will offer kitchens with new energy star appliances including a refrigerator, range, and dishwasher. Flooring will be a combination of wall-to-wall carpeting and vinyl tile in the kitchen / bathrooms. In addition, all units will include high speed internet access, cable TV connections, and window blinds. The proposed unit features at Baytree Apartments will be competitive with existing LIHTC and market rate rental communities in the market area and will be well received by the target market.
- Baytree Apartments’ community amenity package will include a multi-purpose room, central laundry facility, playground, and gazebo. These amenities will be competitive with the surveyed rental stock in the Baytree Market Area and are appropriate given the income restricted nature and product to be rehabilitated.



2. Site Description / Evaluation:

- The subject property is located at 217 Bradwell Street, immediately north of Memorial Drive in Hinesville, Liberty County, Georgia. Relative to the city center, the subject site is situated near downtown Hinesville, one-half mile southeast of Fort Stewart's main gate. Bordering land uses include single-family detached homes, Liberty Board of Education / Pre-K Center, and commercial businesses.
- An abundance of community services, neighborhood shopping centers, medical services, and recreational venues are easily accessible in the site's immediate vicinity including both convenience and comparison shopping opportunities within one to two miles.
- Baytree Apartments has sufficient visibility and accessibility from Bradwell Street, a two-lane residential thoroughfare connecting to Memorial Drive and General Stewart Way. From these major thoroughfares, most areas of Hinesville and Liberty County are easily accessible including Interstate 95 (within 15 miles).
- The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has ample access to amenities, services, and transportation arteries. No negative land uses were identified at the time of the site visit that would negatively impact the proposed development's viability in the marketplace.

3. Market Area Definition

- The Baytree Market Area consists of eight 2010 Census tracts in Liberty County, including the municipalities of Hinesville, Walthourville, Allenhurst, Gumbranch, and Flemington. The boundaries of the Baytree Market Area and their approximate distance from the subject site are Fort Stewart (0.3 mile north), Leroy Coffey Highway (10.6 miles east), Dunlevie Road (6.9 miles south), and Long County (9.1 miles west).

4. Community Demographic Data

- The Baytree Market Area experienced steady growth during the past decade (2000 and 2010), a trend expected to continue over the next five years. Based on 2000 and 2010 Census counts projected forward, the Baytree Market Area has a population of 44,085 and a household count of 16,403 as of 2012. Over the next five years, the Baytree Market Area's population and number of households are expected to increase to 46,169 and 17,705, respectively.
- The population of the Baytree Market Area is similar to that of Liberty County with a median age of 27 in both regions. Adults (persons age 35-61 years) constitute the largest age group, accounting for 33.8 percent of the population in the Baytree Market Area and 32.0 percent of the population in Liberty County. Children (persons under the age of 18) and young adults (persons age 13-34 years) are also prevalent, comprising between 28 and 32 percent of the populations in both geographies.
- Nearly half (46.3 percent) of all households in the Baytree Market Area are married, and 48.7 percent contain children. Combined, approximately one-third of market area households are comprised of single persons or non-married couples without children.
- Based on 2000 and 2010 Census data, renter occupied households accounted for 20.9 percent of the market area's net household change for the decade. Assuming this household tenure trend remains constant over the next five years, estimated 2012 and 2017 rental rates in the Baytree Market Area are 44.4 percent and 42.6 percent, respectively.



- Over half (53.9 percent) of all renter households in the Baytree Market Area contain one or two persons. An additional 20.4 percent and 25.7 percent of Baytree Market Area renter households contain three persons and four or more persons, respectively.
- The Baytree Market Area's median income for renter households in 2012 is estimated to be \$38,378. This is 67.8 percent of the median income for homeowner households of \$56,564. Approximately 30 percent of market area renter households have an annual income below \$25,000.
- The Baytree Market Area contains a limited number of abandoned or vacant homes and has encountered modest foreclosures over the past year. While the conversion of such properties can affect the demand for new multi-family rental housing in some markets, we do not believe foreclosures will impact demand for the subject property given the proposed project based rental subsidies.

5. Economic Data:

- Liberty County's unemployment rate remained relatively stable (between 4.9 and 6.0 percent) from 2000 to 2008 before jumping from 6.0 percent to 9.5 percent over the past three years. Unlike most areas of the county, however, this is a direct result of an increasing labor force rather a downturn in employment. Since 2008, Liberty County's unemployment rate has remained below the State of Georgia but fluctuated above and below national levels.
- Liberty County experienced job growth in nine of eleven years from 2000 to 2010, resulting in a net at-place employment increase of 3,863 or 27.1 percent. Since 2000, employment growth in Liberty County has consistently outpaced national figures on a percentage basis and bucked state/national recessionary trends over the past three years.
- At-place employment in Liberty County is dominated by the government sector, which accounts for 40.4 percent of all jobs within the county. Other industry sectors with notable employment shares include trade-transportation-utilities (16.0 percent), leisure-hospitality (10.5 percent), and manufacturing (9.1 percent).
- Liberty County fared significantly better than most areas of the county during the recent national recession, due primarily to the stabilizing presence of the Federal Government. While Liberty County's unemployment rate has experienced a notable increase in recent years, this is due to a significant number of unemployed workers entering the labor force rather than a decline in employment. Overall, we do not believe local economic will negatively impact the proposed rehabilitation of the subject property.

6. Project Specific Affordability and Demand Analysis:

- Post rehabilitation, Baytree Apartments will contain 60 units reserved for households earning at or below 60 percent of the Area Median Gross Income (AMGI), adjusted for household size.
- Without the inclusion of project based rental assistance (PBRA) on all units, the 60 percent units will target renter householders earning between \$18,411 and \$29,790. Assuming all 60 units would need to be re-leased, they would need to capture 5.6 percent of the 1,055 income qualified renter households. With PBRA, Baytree Apartments would target renter householders earning from \$0 to \$29,790. The subject property would need to capture 2.2 percent of the 2,679 income qualified renter households to re-lease all 60 units.



- With or without the inclusion of project based rental assistance, sufficient income-qualified renter households exist in market area to support Baytree Apartments' 60 units in the event they all need to be re-leased post rehabilitation; however, this scenario is unlikely as all tenants are expected to remain income qualified. Furthermore, as Baytree Apartments currently (as of this report) has just 5.0 percent of units vacant with a 1.5 year waiting list, affordability capture rates with PBRA are conservative.
- Based on DCA methodology, net demand of 1,256 and 495 exists for 60 percent LIHTC units in the Baytree Market Area with and without PBRA, respectively. Without PBRA, the overall capture rate for all 60 percent units at Baytree Apartments is 12.1 percent. By floor plan, capture rates range from 3.0 percent for one bedroom units to 24.2 percent for two bedroom units. With PBRA, DCA capture rates (based on vacant units only) decrease to 1.2 percent for 60 percent units and 0.9 percent to 1.0 percent by floor plan.
- Overall, all DCA demand estimates with and without PBRA are well below acceptable DCA thresholds (30 percent) and are reasonable and achievable for Baytree Apartments.
- Overall, sufficient demand exists to support the rehabilitation of the subject property. In fact, net demand estimates indicate the need for 435 additional rental units above and beyond those at the subject property in the Baytree Market Area through 2015.

7. Competitive Rental Analysis

- RPRG surveyed eleven rental communities in the Baytree Market Area, including two LIHTC properties, four HUD Section 8 communities, and five market rate properties. Overall, the rental market is performing well with the exception of one older market rate property. In addition, affordable rental communities are in particularly high demand with limited vacancies and significant waiting lists for both LIHTC and deeply subsidized rental units.
- The non-subsidized rental communities (including the market rate component of Treetop) combine to offer 737 units, of which 63 or 8.5 percent were reported vacant; however, over half (38) of these vacancies occurred at the older market rate community Stewart Way. Excluding this community, the average vacancy rate among the remaining properties was just 4.6 percent.
- Among the two LIHTC properties, just one of 128 units was available at the time of our survey for a vacancy rate of only 0.8 percent. In addition, both LIHTC properties reported lengthy waiting lists. All four deeply subsidized properties were also fully occupied and/or leased with substantial waiting lists.
- At the time of our survey, Baytree Apartments reported three units physically vacant, all of which are expected to be filled from the properties 1.5 year waiting list.
- Average effective rents and rents per square foot by floor plan are as follows:
 - **One-bedroom** effective rents averaged \$561 per month. The average one-bedroom square footage was 692 square feet, resulting in a net rent per square foot of \$0.81. The range for one-bedroom effective rents was \$192 to \$885.
 - **Two-bedroom** effective rents averaged \$690 per month. The average two-bedroom square footage was 980 square feet, resulting in a net rent per square foot of \$0.70. The range for two-bedroom effective rents was \$440 to \$1,070.



- **Three-bedroom** effective rents averaged \$756 per month. The average three-bedroom square footage was 1,090 square feet, resulting in a net rent per square foot of \$0.69. The range for three-bedroom effective rents was \$508 to \$1,255.
- No new rental communities are currently planned or under construction in the Baytree Market Area.

8. Absorption/Stabilization Estimates

- Based on the product to be rehabilitated, existing project based rental assistance, significant number of income qualified renter households, reasonable demand estimates, and low vacancies among affordable rental units, we expect Baytree Apartments to re-lease its units as fast as they can realistically be processed. Assuming no more than 25 percent of the units become vacant as a result of the rehabilitation, we estimate it will reach a stabilized occupancy of at least 93 percent within one to two months. Furthermore, even if the subject property needed to re-lease all 60 units following its rehabilitation, we estimate it would still lease-up within a four month time period.
- The proposed rehabilitation of Baytree Apartments should not have an adverse impact on existing rental communities in the Baytree Market Area, as the subject property is 95 percent occupied with a 1.5 year waiting list and will not add any additional units to the rental housing supply. Overall, the rental market in the Baytree Market Area is performing well with limited vacancies, especially among affordable rental communities including those with tax credits and deep subsidies. Furthermore, as the Baytree Market Area continues to experience steady population and household growth over the next five years, demand for rental housing is also likely to increase.

9. Overall Conclusion / Recommendation

- Based on an analysis of projected household growth trends, overall affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Baytree Market Area, RPRG believes that the proposed Baytree Apartments will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following rehabilitation. Incorporating the proposed renovations, the subject property will be competitively positioned with existing market rate and LIHTC communities in the Baytree Market Area and the units will be well received by the target market. The proposed rehabilitation will also help to preserve an existing affordable housing resource in market where affordable rental units are in strong demand. We recommend proceeding with the project as planned.



DCA Summary Table:

SUMMARY TABLE:			
Development Name:	Baytree Apartments	Total # Units:	60
Location:	217 Bradwell Street, Hinesville GA 31313	# LIHTC Units:	60
PMA Boundary:	North: Fort Stewart, East: Leroy Coffey Highway, South: Dunlevie Road, West: Long County		
	Farthest Boundary Distance to Subject: 10.6 miles		

RENTAL HOUSING STOCK – (found on)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	12	1,161	63	94.6%
Market-Rate Housing	6	609	62	89.8%
Assisted/Subsidized Housing not to include LIHTC	4	424	0	100.0%
LIHTC	2	128	1	99.2%
Stabilized Comps	8	737	63	91.5%
Properties in construction & lease up				

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	1	1	642	\$446	\$606	\$0.94	26.4%	\$870	\$1.10
3	2	1	849	\$532	\$709	\$0.84	25.0%	\$1,078	\$.90
37	2	1	849	\$532	\$709	\$0.84	25.0%	\$1,078	\$.90
16	3	2	1,054	\$619	\$763	\$0.72	18.9%	\$1,230	\$.88

DEMOGRAPHIC DATA (found on 46,56)						
	2000		2012		2014	
Renter Households	6,714	49.2%	7,283	44.4%	7,383	43.7%
Income-Qualified Renter HHs (LIHTC)	2,770	41.3%	2,724	37.4%	2,679	36.3%
Income-Qualified Renter HHs (MR)						

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on 60)						
Type of Demand	60% (PBRA)					Overall
Renter Household Growth	161					161
Existing Households (Overburd + Substand)	931					931
Homeowner Conversion (Seniors)						
Secondary Market Demand (15%)	164					164
Less Comparable/Competitive Supply	0					0
Net Income-qualified Renter HHs	1,256					1,256

CAPTURE RATES (found on 60)						
Targeted Population	60%(PBRA)					
Capture Rate	1.2%					



1. INTRODUCTION

A. Overview of Subject

The subject of this report is Baytree Apartments, an existing Section 8 rental community in Hinesville, Liberty County, Georgia. As proposed, the rehabilitation of Baytree Apartments will be financed in part through the use of four percent Low Income Housing Tax Credits (LIHTC) and HUD mortgage insurance. Post rehabilitation, Baytree Apartments' 60 rental units will be reserved for households earning at or below 60 percent of the Area Median Gross Income (AMGI), adjusted for household size. In addition, the project will maintain existing project based rental assistance (PBRA) on all units through an extension of its Housing Authority Payments (HAP) contract with the Hinesville Housing Authority.

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. As Baytree Apartments rehabilitation will be financed in part by Low Income Housing Tax Credits (LIHTC) and mortgage insurance through the Federal Housing Administration's (FHA) 221(d)(4) program, RPRG expects this study to be submitted to both the Georgia Department of Community Affairs (DCA) and the U.S. Department of Housing and Urban Development (HUD).

C. Format of Report

The report format is comprehensive and conforms to the most recent versions of DCA market study requirements (2012) and HUD Multi-family Accelerated Processing (MAP) Guidelines (2011). The market study also considered the National Council of Affordable Housing Market Analysts' (NCAHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is CWCcapital, LLC. Along with the Client, the intended users are DCA, HUD, and potential investors.

E. Applicable Requirements

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

- DCA's 2012 Market Study Requirements
- HUD's 2011 MAP Guidelines
- The National Council of the Affordable Housing Market Analyst's (NCAHMA) 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 Appendices 5-7 for a detailed list of DCA, MAP, and NCAHMA requirements as well as the corresponding pages of requirements within the report.
- Michael Riley (Analyst), conducted visits to the subject site, neighborhood, and market area on April 12, 2012.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Abe Nadji of the Liberty Consolidated Planning Commission, John Bonner with the Atlanta HUD office, and Dominique Parker with the Hinesville Housing Authority.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

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

H. Other Pertinent Remarks

None.



2. PROJECT DESCRIPTION

A. Project Overview

Baytree Apartments consists of 60 rental units, which include one, two, and three bedroom floor plans. Post rehabilitation, all units at Baytree Apartments will benefit from Low Income Housing Tax Credits (LIHTC) and be restricted to households earning at or below 60 percent of the Area Median Gross Income (AMGI), adjusted for household size. In addition, all units will maintain existing project based rental assistance (PBRA) through the Hinesville Housing Authority. As a result, qualified tenants will not be subject to minimum income limits and will pay 30 percent of their adjusted income toward rent.

B. Project Type and Target Market

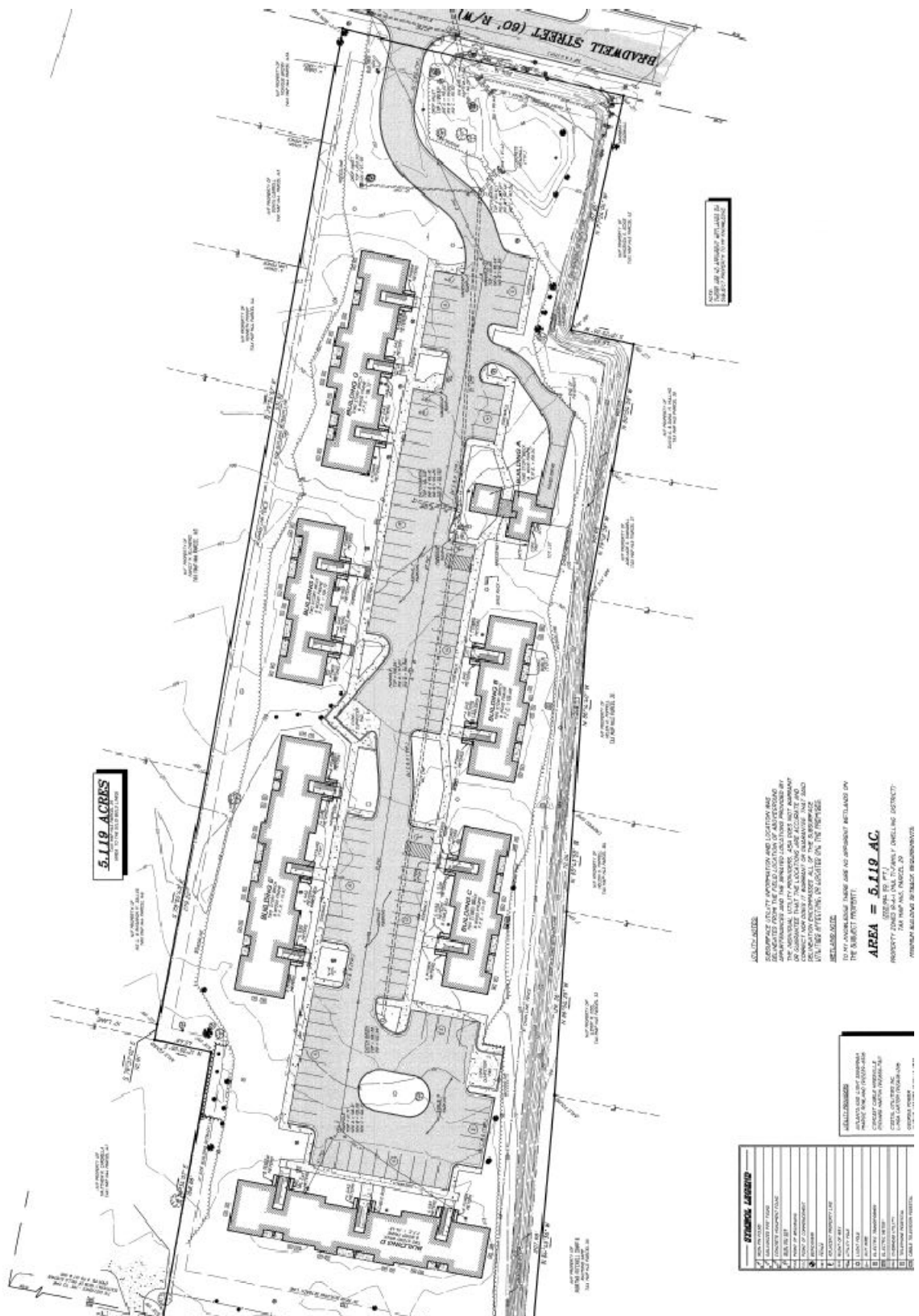
Baytree Apartments' one, two, and three bedroom units will continue to target very low income renter households ranging from single persons to large families. As a general occupancy property, prospective tenants will not be subject to age restrictions.

C. Building Types and Placement

Baytree Apartments' 60 units are currently housed within six two-story walk-up style buildings, which have brick and wood siding exteriors; however, as part of the proposed rehabilitation, existing wood siding will be resurfaced with vinyl siding. The six buildings range in size from eight to twelve units (three each), separated by center stair wells that provide access to two units on either side (stacked above and below each other).

Baytree Apartments contains one main road through the property, which travels in an east to west direction from its connection with Bradwell Street (Figure 1). Three residential buildings are positioned along the northern side of the access road while two are located on the southern side. The last building is situated at the westernmost edge of the property, adjacent to a parking lot loop at the end of the road. A community building, housing a management office and central laundry facility, are also located on the property along the southern side of the access road near the site entrance.

Figure 1 Site Plan





D. Detailed Project Description

1. Project Description

- Baytree Apartments offers four one bedroom units, 40 two bedroom units, and 16 three bedroom units with published unit sizes ranging from 617 to 667 square feet for one bedroom units, 797 to 890 square feet for two bedroom units, and 1,017 to 1,091 square feet for three bedroom units. Weighted average unit sizes are 642 square feet, 849 square feet, and 1,054 square feet, for one, two, and three bedroom units, respectively (Table 1).
- One and two bedroom units currently contain one bathroom while three bedroom units contain 1.5 bathrooms; however, following rehabilitation, all three bedroom units will include two bathrooms.
- Net or “paint-to-paint” weighted average unit sizes range from 556 to 900 square feet and are listed for each floor plan in Table 1. For the purposes of this report, however, published unit sizes are used in place of net figures as they are the most directly comparable to competing properties.
- The proposed contract rents for Baytree Apartments are as follows:
 - \$667 for one bedroom 60 percent LIHTC/PBRA units
 - \$781 and \$825 for two bedroom 60 percent LIHTC/PBRA units
 - \$907 for three bedroom 60 percent LIHTC/PBRA units
- All rents include the cost of water/sewer and trash removal. Tenants will bear the cost of all other utilities. As part of the rehabilitation, the heat source for all units will be converted from gas to electric.
- Given the existence of PBRA, the tenant paid portion of rent will be based on 30 percent of their adjusted income. No tenants will actually pay the proposed contract rents.

The following **unit features** are planned:

- Kitchens with Energy Star appliances including a refrigerator (including an icemaker), stove/oven, dishwasher, and range hood
- Central heat and air-conditioning
- Wall-to-wall carpeting in living room and bedrooms, vinyl floors in kitchens and bathrooms
- Wiring for high-speed internet access and cable television

The following **community amenities** are planned:

- Community room
- Playground
- Gazebo
- Central laundry area
- Management office



Table 1 Baytree Apartments Project Summary

Baytree Apartments 217 Bradwell Street Hinesville, GA 31313								
Unit Mix/Rents								
Bed	Bath	Income Target	Quantity	Published Sq. Feet	Hud Net Sq. Feet	Developer Rent	Utility Allowance	Gross Rent
1	1	60% AMI	4	642	556	\$667	\$91	\$758
2	1	60% AMI	3	849	710	\$781	\$113	\$894
2	1	60% AMI	37	849	710	\$825	\$113	\$938
3	2	60% AMI	16	1,054	900	\$907	\$126	\$1,033
Total			60	890	750	\$750		

Rents Include the cost of water/sewer and trash collection.

Project Information		Additional Information	
Number of Residential Buildings	6	Construction Start Date	2013 (Q1)
Building Type	Walk-up	Date of First Move-In	N/A
Number of Stories	Two	Construction Finish Date	2014 (Q1)
Construction Type	Rehab.	Parking Type	Surface
Design Characteristics (exterior)	Brick and Vinyl Siding	Parking Cost	None
Community Amenities	Community Room, Central Laundry Facility, Playground, Gazebo, On-site Management Office	Kitchen Amenities	
		Dishwasher	Yes
		Disposal	No
		Microwave	No
		Range	Yes
Unit Features	Range, Refrigerator, Range Hood, Dishwasher, Carpet, Central A/C, Internet and TV Connections, Window Blinds	Utilities Included	
		Water/Sewer	Owner
		Trash	Owner
		Heat	Tenant
		Heat Source	Elec
		Hot/Water	Tenant
	Electricity	Tenant	
	Other:		



2. Scope of Renovations

The cost of the proposed rehabilitation is estimated at \$32,500 per unit. The major rehabilitation components include:

Site

- Provide playground with fully accessible equipment and new vinyl-fenced enclosure conforming to ADA regulations
- Provide gazebo and new basketball goals at existing court
- Provide illuminated entry sign with decorative fencing
- Re-grade as required to fill eroded areas
- Rework accessible route to existing mail facility
- Provide new landscaping
- Sealcoat and restripe parking lots
- Provide wheelchair ramps
- Rework or replace existing concrete curb where necessary
- Repair or replace existing concrete walks and add walks as required
- Clean existing lines to city sewer

Building Exteriors

- Repair existing railings and stairs
- Pressure wash concrete approaches at all breezeways
- Replace existing doors with raised-panel insulated units
- Pressure wash existing masonry
- Repair Stucco and wood siding as necessary and cover wood siding with new vinyl siding
- Trim over existing plywood siding and trim
- Install algae resistant asphalt shingled roofing and screened back continuous ridge vent
- Install new gutters and downspouts
- Provide splash blocks at each downspout
- Install new pre-finished metal fascia and frieze as well as new perforated vinyl soffits
- Replace existing windows with new vinyl units

Unit Interiors and Common Areas

- Repair existing railings
- Install new bath accessories
- Install new toilet, lavatories, faucet, bathtub mixing valves, kitchen sink, and faucet
- Provide dishwashers
- Replace or repair bathtub units as necessary and replace hardware
- Replace existing accordion closet doors with new bi-fold doors
- Install new kitchen countertops and sink
- Install new Energy Star refrigerator, range, and range hood
- Install new electrical fixtures and ceiling fans with light kit in living room
- Replace approximately two doors per unit due to damage and paint existing doors and trim
- Install new base and overhead cabinets
- Repair or replace approximately 20 s.f. of ceilings per unit due to damage



- Repair damaged floors as needed and install new VCT
- Provide new trim as required and install new carpet in bedrooms and living room
- Repair or replace approximately 20 square feet of walls per unit due to damage
- Remediate all mold where found and repaint entire unit
- Provide R-38 insulation in all attic spaces
- Replace existing HVAC system with split system that meets Georgia Energy Codes
- Replace thermostat and provide new supply and return air grilles
- Provide new smoke detectors and carbon monoxide fire suppression system above range
- Relocate all switches to meet accessibility laws as required
- Provide GFI switches where needed and provide Arc-Fault breakers in bedrooms
- Provide quick disconnect at HVAC condensing unit
- Install new water heaters that meet Georgia Energy Codes
- Install new toilet exhaust fan covers and replace existing vanity units
- Install new window blinds which conform to DCA standards
- Provide accessible routes in common areas and remove barriers along the route
- Make all amenities handi-cap accessible
- Renovate five percent of units to be fully accessible by UFAS standards
- Renovate two percent of units for the sight and hearing impaired

The scope of this renovation will significantly improve/restore the condition of the community by addressing signs of deferred maintenance and updating functionally obsolete appliances, fixtures, and building design characteristics. This proposed scope of work appears reasonable and appropriate in terms of scope and expenditure.

3. Current Property Conditions

At the time of our site visit, three of Baytree Apartments 60 units were vacant (5.0 percent); however, these units were in the process of being filled from the community's 1.5 year waiting list. While the tenant paid portion of rent is based on income due to PBRA, current contract rents at the subject property are \$667 for one bedroom units, \$781 for two bedroom units, and \$907 for three bedroom units. As Baytree Apartments will maintain its project based subsidies post rehabilitation, all tenants are expected to remain income qualified. In addition, tenants will not experience a rent increase or decrease as a result of the rehabilitation.

4. Tenant Relocation

The proposed rehabilitation of Baytree Apartments will be rolling in order to minimize the impact to current tenants. The developer, JT Liberty, LLC, will handle all relocation efforts during the rehabilitation including the financing of all costs associated with this process. The Hinesville Housing Authority has also agreed to provide special busing services so that children relocated from the subject property may continue to attend their current schools. All relocations during Baytree Apartments rehabilitation are expected to be temporary; however, it is possible some tenants may elect not to return to the property upon its completion.

5. Other Proposed Uses

None



6. Pertinent Information on Zoning and Government Review

The subject site's zoning is RA-1, which allows for multi-family residential use. As the subject property is a proposed renovation of an existing multi-family rental community, it will also not alter the land use composition of the immediate area or subject site. We are not aware of any other land use regulations that would affect the property.

7. Proposed Timing of the Rehabilitation

The rehabilitation of Baytree Apartments is expected to begin approximately six months after final approvals and financing are secured. Once renovations begin, construction at Baytree Apartments and two other properties in Hinesville (Raintree and Northgate) will take a combined 18 to 24 months. Based on this information, we estimate Baytree Apartments' rehabilitation will start in the first quarter of 2013 and end by the first quarter of 2014. As such, the placed-in-service date for the purposes of this analysis is 2014.



3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Evaluation

1. Site Location

The subject property is located at 217 Bradwell Street, immediately north of Memorial Drive in Hinesville, Liberty County, Georgia (Map 1, Figure 2). Relative to the city center, the subject site is situated near downtown Hinesville, one-half mile southeast of Fort Stewart's main gate.

2. Existing Uses

The subject site contains six apartment buildings and one non-residential building (management office/laundry center) with grassy areas interspersed throughout (Figure 3). The site also contains a thick tree line border and perimeter fencing but does not include a security gate. We did not observe any environmental conditions that would restrict the properties use or impact its marketability at the time of our site visit.

3. Size, Shape, and Topography

According to plans provided by the developer and field observations, the subject site encompasses 5.1 acres and has a rectangular shape. The site also maintains a generally flat topography throughout.

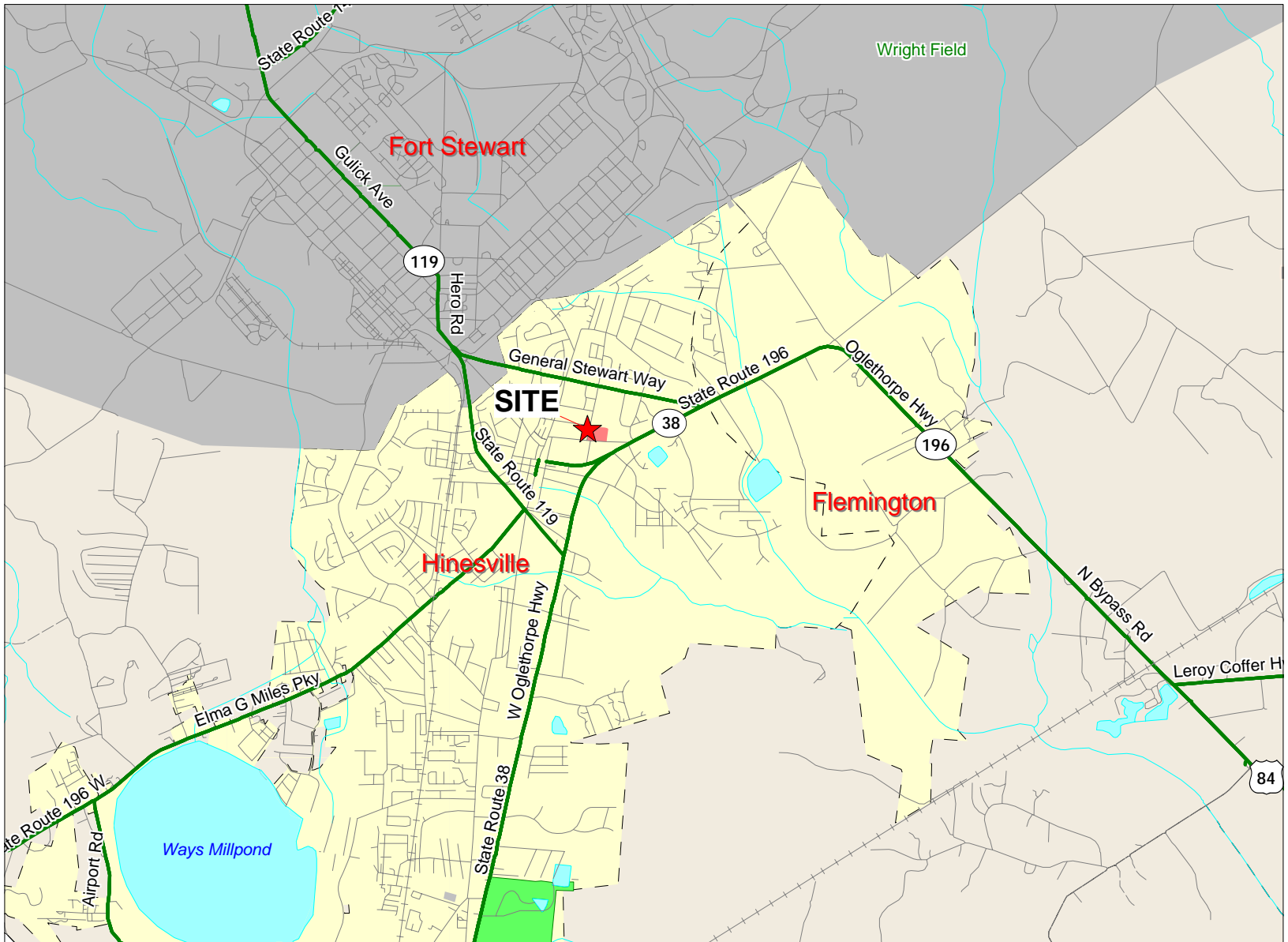
4. General Description of Land Uses Surrounding the Subject Site

Baytree Apartments is primarily surrounded by residential land uses, most of which are older single-family detached homes in good to fair condition. Several multi-family rental communities are also located within one-half mile, including a cluster of apartments and condominiums just northwest of the subject property near Memorial Drives' intersection with General Stewart Way. Moving outward from the site, a variety of commercial development and community services is prevalent in downtown Hinesville and along U.S. Highway 84 within one-half mile. These areas include a multitude of retailers, restaurants, and service providers all of which are easily accessible from the subject site. Other nearby land uses include the Liberty County Board of Education office, Liberty Independent Troop Park, Fort Stewart, and several churches.

5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site, starting from the north and proceeding in a clockwise direction, are as follows:

- **North:** Single-family detached homes
- **East:** Liberty Board of Education / Pre-K Center
- **South:** Single-family detached homes / commercial businesses
- **West:** Single-family detached homes / commercial businesses



Map 1
Site Location
Liberty County, GA

Figure 2 Satellite Image of Subject Site

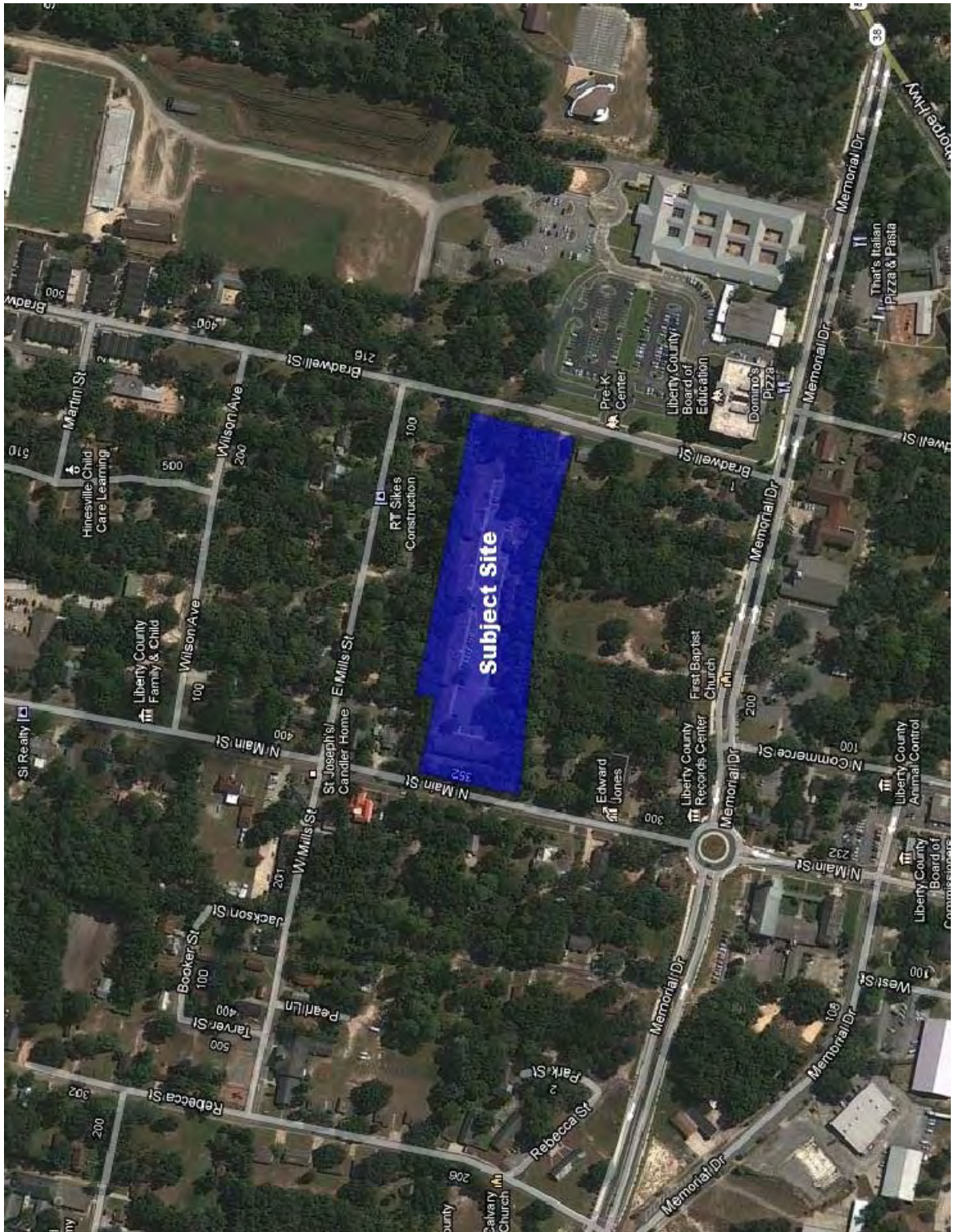


Figure 3 Views of Subject Site and Building Exteriors



View of existing apartment buildings on the southern portion of the site



View of existing apartment buildings on the northern portion of the site



View of existing apartments and parking lot on the northern portion of the site



View of an existing apartment building exteriors



View of the subject property access roadway and parking lot facing west from site entrance



View of an exterior stairwell providing access to the units

Figure 4 Views of Building Interiors



View of a kitchen (one bedroom unit)



View of a hallway (three bedroom unit)



View of the dining area (three bedroom unit)



View of a living room (three bedroom unit)



View of a half bathroom (two bedroom unit)



View of a bedroom (two bedroom unit)

Figure 5 Views of Surrounding Land Uses



Apartments just south of Memorial Drive, one-quarter miles northwest of the subject site



Magnolia Plantation Condominiums northwest of the site



View of JB Frasier Homes just northwest of the site



View of a single-family home north of the site



View of wooded areas bordering the site entrance to the east



View of the Liberty County Board of Education office bordering the site to the east



B. Neighborhood Analysis

1. General Description of Neighborhood

Baytree Apartments is located near downtown Hinesville, a modest-sized but growing community situated roughly 15 miles west of Interstate 95 in Georgia’s coastal region. Hinesville is the largest municipality in rural Liberty County, consisting primarily of lower-density residential development surrounding a small downtown corridor. The city is located adjacent to Fort Stewart, which fuels the majority of the area’s growth in the form of active-duty service members, civilian employees/contractors, and their families. Hinesville is also in close proximity to the Savannah Metropolitan Area (30 miles), which includes Hunter Army Airfield (HAAF) and several of the region’s largest employers.

Over the past ten years, Hinesville has experienced steady growth with the construction of both for-sale and rental housing communities; however, most of the existing housing stock is of an older vintage and is generally well maintained. Among multi-family development, market rate apartments and condominium communities are common throughout the area. The vast majority of these properties are targeted to moderate income families and/or single persons, given the significant military presence in the area. In fact, one of the two newest rental properties constructed, Independence Place, is a market rate single-room occupancy (SRO) community in which rental rates are charged by the bedroom and occupants share a communal space. Affordable housing options in Hinesville consist of seven HUD Section 8 properties and three LIHTC properties (two general occupancy and one senior). Of the three LIHTC properties, all have been constructed since 1997 with the Pines at Willowbrook being the most recent (2003).

2. Neighborhood Investment and Planning Activities

As mentioned above, several housing communities have been constructed in Hinesville over the past five years including single-family homes, townhomes, and apartments. Much of this growth has been concentrated in the western portion of the city with two major mixed-used developments located along the 15th Street extension near Fort Stewart’s western gate. In the immediate area of the subject property, however, no specific neighborhood investment or planning activities were identified at the time of this report.

3. Public Safety

In 2010, a total of 2,409 crimes were reported in Liberty County (most recent data available). Based on a 2010 population of 60,242, the crime rate was 39.9 crimes per 1,000 persons (Table 2). Approximately 90 percent of crimes reported in Liberty County were burglaries, larceny-theft, or motor vehicle theft. A modest percentage of the crimes in Liberty County were violent crimes. Based on this data and field observations, we do not expect crime or the perception of crime to negatively impact the subject property’s marketability.

Table 2 2010 Crime Statistics, Liberty County

Crimes Reported in Liberty County, Georgia in 2010		
Crime	Number	Rate*
Total	2,409	39.99
Murder	5	0.08
Rape	13	0.22
Robbery	59	0.98
Aggravated Assault	160	2.66
Burglary	642	10.66
Larceny-Theft	1,433	23.79
Motor Vehicle Thefts	97	1.61

Source: Georgia Bureau of Investigation *Rate is per 1,000 persons



C. Site Visibility and Accessibility

1. Visibility

The subject site has excellent visibility from Bradwell Street, a lightly traveled residential thoroughfare. Baytree Apartments also benefits from traffic generated by surrounding residential and commercial development including single-family homes, the Liberty Board of Education office, and the Liberty County Pre-K Center.

2. Vehicular Access

Baytree Apartments is accessible from an entrance on Bradwell Street, a two-lane road which connects to both Memorial Drive and General Stewart Way within one-quarter mile to the south and north, respectively. From these two major thoroughfares, Fort Stewart, downtown Hinesville, and U.S. Highway 84 all easily accessible within one mile. Given the residential nature of development, traffic on Bradwell Street near the subject site is generally light throughout the day. No problems with ingress or egress were noted at the time of the site visit.

Hinesville's primary vehicular corridor is U.S. Highway 84, which runs north to south through the city while maintaining east to west directionality throughout Liberty County. From U.S. Highway 84, Interstate 95 and the Savannah Metropolitan area are accessible from the subject property within 15 and 30 miles, respectively. Outside of this major thoroughfare, West General Screven Way, General Stewart Way, E. G. Miles Parkway, and Frank Cochran Drive serve as the main traffic arteries throughout Hinesville and connect to U.S. Highway 84 and/or Fort Stewart.

3. Availability of Public and Inter Regional Transit

The Liberty Transit System provides public fixed-route bus service throughout the City of Hinesville, the City of Flemington, and Fort Stewart with a service area of 263 square miles. In total, Liberty Transit operates a fleet of nine buses along three routes which include Red, Yellow, and Blue. The closest bus stops to the subject property are located on the Red and Yellow Routes at Bradwell Streets' intersections with Memorial Drive and General Stewart Way, respectively (0.2 mile). The Red Route travels in and around downtown Hinesville as well as to Fort Stewart and the southern portion of U.S. Highway 84. In addition to Fort Stewart, the Yellow Route also provides access to residential areas of north/east Hinesville and the City of Flemington. As such, numerous community amenities and shopping outlets are easily accessible from the subject site including Liberty Medical Center.

In addition to public bus service, Hinesville is located roughly 15 miles west of Interstate 95, from which the major metropolitan area of Savannah is accessible within 30 miles. The closest major airport to Baytree Apartments is the Savannah-Hilton Head International Airport, 32 miles to the northeast.

4. Pedestrian Access

Residents of the subject property have convenient access to services and amenities as several retailers, restaurants, and service providers are located within a short walking distance (approximately one-half mile). Memorial Drive and Main Street, immediately southeast of the site, serve as the closest commercial corridors and are served by sidewalks on both sides of the road. Nearby residential neighborhoods and public services are also accessible by foot, including the



Liberty County Pre-K Center, the Liberty County Board of Commissioners, and the Liberty County public library.

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 Planned

None identified.

D. Residential Support Network

1. Key Facilities and Services Near the Subject Sites

The appeal of any given community is often based in part to 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 3. The location of those facilities is plotted on Map 2.

Table 3 Key Facilities and Services

Establishment	Type	Address	Distance
Liberty Transit Bus Stop	Public Transit	200 Bradwell St.	0.1 mile
Liberty County Drug Corporation	Pharmacy	104 N Commerce St.	0.2 mile
Hinesville Family Care Center	Doctor/Medical	502 E General Stewart Way	0.4 mile
Hinesville Police Department	Police	123 E ML King Jr Dr.	0.4 mile
Liberty County Library	Library	236 Memorial Dr.	0.4 mile
Exxon	Convenience Store	200 W Oglethorpe Hwy.	0.4 mile
Hinesville Fire Department	Fire	103 Liberty St.	0.5 mile
Kroger	Grocery	108 W Hendry St.	0.6 mile
Family Dollar Store	General Retail	402 S Main St.	0.6 mile
Food Lion	Grocery	103 W General Screven Way	0.7 mile
CVS	Pharmacy	114 E General Screven Way	0.8 mile
James A Brown Park	Recreation	800 Tupelo Trl.	0.9 mile
Liberty Regional Medical Center	Hospital	462 Elma G Miles Pky.	1 mile
Snelson Golden Middle School	Public School	465 Coates Rd.	1.2 miles
Joseph Martin Elementary School	Public School	1000 Joseph Martin Rd.	1.4 miles
Post Office	Post Office	744 W Oglethorpe Hwy.	1.7 miles
Wal-Mart	General Retail	751 W Oglethorpe Hwy.	1.8 miles
Liberty County High School	Public School	3216 E Oglethorpe Hwy.	2.7 miles



2. Essential Services

Health Care

The closest major hospital to Baytree Apartments is Liberty Regional Medical Center, located one mile to the southwest. Liberty Regional Medical Center is a 94-bed facility offering both emergency and general care. Departments and services include emergency medicine, surgery, outpatient care, cardiopulmonary, radiology / imaging, rehabilitation, and maternity. Additional hospitals and medical centers within the region include Winn Army Community Hospital (Hinesville), Wayne Memorial Hospital (Jessup), Evans Memorial Hospital (Claxton), St. Josephs Candler Hospital (Savannah), Georgia Regional Hospital at Savannah, and Memorial University Medical Center (Savannah).

Outside of major healthcare providers, several smaller clinics and independent physicians are located within two miles of Baytree Apartments. The closest of these is Liberty Family Medicine, located one mile to the southwest on Elma G. Miles Parkway (adjacent to Liberty Regional Medical Center).

Education

Hinesville is served by the Liberty County Public School System, which contains 14 schools (including a Pre-K center) with an estimated enrollment of nearly 11,000 students. School aged children at the subject property currently attend Joseph Martin Elementary School (1.4 miles), Snelson Golden Middle School (1.2 miles), and Liberty County High School (2.7 miles).

Based on 2010 CRCT composite test scores for reading and math, Joseph Market Elementary ranked seventh out of eight elementary schools (among third graders) and Snelson Golden Middle School ranked second out of three middle schools (among eighth graders) (Table 4 and Table 5). Of the two high schools in the Liberty County Public School District, Liberty County High had the higher GHS GT scores (Table 6). Given the project based rental assistance at the subject property, we do not believe public school test scores will have a significant impact on the marketability or attractiveness of the community to prospective tenants.

Colleges and universities in the Savannah / Coastal Georgia region include Armstrong Atlantic State University, Skidaway Institute of Oceanography, South University, Savannah Technical College, Savannah State University, and the Savannah College of Art and Design.

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.

Baytree Apartments is located within two miles of several retailers, most of which are situated along West General Screven Way, U.S. Highway 84, and E. G. Miles Parkway to the south and east. The closest retailers, restaurants, and service providers to the subject property include Domino’s Pizza, Dairy Queen, Shoney’s, Pizza Hut, KFC, McDonald’s, Peebles, Dollar Tree, Dollar General, Liberty County Drug Corporation, CVS, Kroger, and Food Lion (among others). Kroger and Liberty County Drug Corporation are the closest full-service grocery store and pharmacy to the subject property, at distances of 0.6 mile and 0.2 mile, respectively.



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.

Outside of the subject site’s immediate vicinity, a larger concentration of commercial development exists approximately one to two miles to the south of the site along U.S. Highway 84. This area contains a variety of comparison goods shopping opportunities including a Wal-Mart Supercenter and Lowes. The closest regional shopping areas to the subject site are Savannah Mall and Oglethorpe Mall, located roughly 27 and 31 miles to the northeast, respectively.

Recreational Amenities

Baytree Apartments is convenient to a variety of recreational amenities in Hinesville, the closest of which is Liberty Independent Troop Park (0.5 mile). Located on the south side of U.S. Highway 84 just north of its intersection with Memorial Drive, Liberty Independent Troop Park contains four baseball/softball diamonds, a recreational field, track, swimming pool, playground, covered picnic pavilion, batting cages, and three tennis courts. Other nearby recreational amenities (within two miles) include the Liberty County Public Library, the Shuman Recreation Center, the Liberty County YMCA, and seven city parks maintained by the Hinesville Parks and Grounds Department.

Location of Low Income Housing

A list and map of existing low-income housing in the Baytree Market Area are provided in the Housing Authority Data / Subsidized Housing List section of this report, starting on page 75.

E. Site Conclusion

The subject site is located in a residential area of northern Hinesville and is compatible with surrounding land uses. The site is also located within one mile of numerous community amenities, many of which are within walking distance. Based on these factors, the site for Baytree Apartments is appropriate for its current use of affordable rental housing. Furthermore, as Baytree Apartments is an existing rental community, it will not alter the land use composition of the immediate area.



Table 4 2010 Liberty County CRCT Test Scores, 3rd Grade

CRCT 2010		Grade 3		
Rank	School	Reading	Math	Composite
1	Taylor's Creek	98.0%	93.0%	95.5%
2	Waldo Pafford	93.0%	91.0%	92.0%
3	Button Gwinnett	90.0%	90.0%	90.0%
4	Frank Long	95.0%	83.0%	89.0%
5	Jordye Bacon	92.0%	83.0%	87.5%
6	Liberty	86.0%	77.0%	81.5%
7	Joseph Martin	90.0%	72.0%	81.0%
8	Lyman Hall	85.0%	64.0%	74.5%

Liberty County School System Average	91.1%	81.6%	86.4%
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Source: Liberty County Public School System

Table 5 2010 Liberty County CRCT Test Scores, 8th Grade

CRCT 2010		Grade 8		
Rank	School	English	Math	Composite
1	Lewis Frasier	93.0%	81.0%	87.0%
2	Snelson-Golden	93.0%	68.0%	80.5%
3	Midway	94.0%	67.0%	80.5%

Liberty County School System Average	93.3%	72.0%	82.7%
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Source: Liberty County Public School System

Table 6 2010 Liberty County GHS GT Test Scores















GHS GT 2010				
Rank	School	English	Math	Composite
1	Liberty County High School	89.0%	89.0%	89.0%
2	Bradwell Insitute	87.0%	86.0%	86.5%

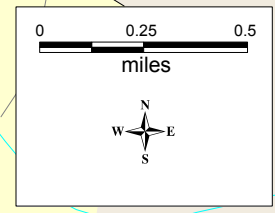
Liberty County School System Average	88.0%	87.5%	87.8%
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Source: Liberty County Public School System



Map 2
Neighborhood Amenities
Liberty County, GA

-  SITE
-  General Retail
-  Grocery
-  Doctor/Medical
-  Hospital
-  Pharmacy
-  Police
-  Fire
-  Library
-  Public School
-  Public Transit
-  Recreation
-  Convenience Store
-  Post Office





4. MARKET AREA

A. Introduction

The primary market area for Baytree Apartments 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 Baytree 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 Baytree Market Area consists of eight 2010 Census tracts in Liberty County, including the municipalities of Hinesville, Walthourville, Allenhurst, Gumbranch, and Flemington. The boundaries of the Baytree Market Area and their approximate distance from the subject site are:

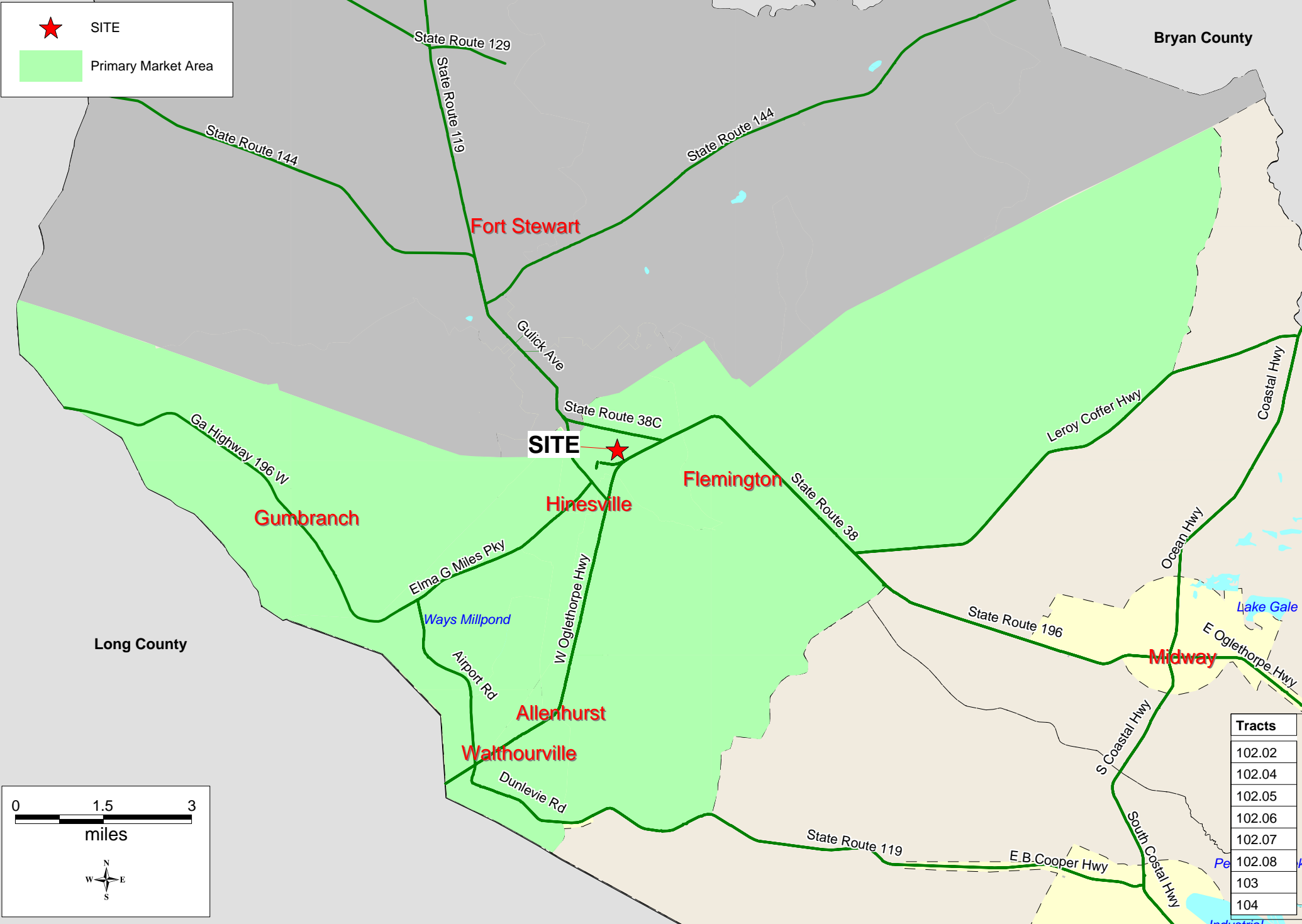
- **North:** Fort Stewart (0.3 mile)
- **East:** Leroy Coffey Highway (10.6 miles)
- **South:** Dunlevie Road (6.9 miles)
- **West:** Long County (9.1 miles)


Based on information provided by property management and field observations, most tenants of Baytree Apartments originate from within the Hinesville area. As such, the Baytree Market Area is generally restricted to city boundaries and its adjacent municipalities. Due to the size and shape of some Census tracts, the Baytree Market Area is significantly more expansive to the east and west, extending from Hinesville to the outer edges of Fort Stewart. While this is unavoidable, these areas of Liberty County primarily consist of undeveloped land and contain few actual renter households. In addition, the northern boundary of the Baytree Market Area only extends 0.1 mile from the subject site as Baytree Apartments directly borders Fort Stewart. Fort Stewart is not included in the Baytree Market Area, as including households living on base would likely overstate demand. The overwhelming majority of these householders are unlikely to consider the subject property as an acceptable shelter option due to income restrictions, allotted housing allowances, and the availability of housing alternatives.

While Baytree Apartments may draw some tenants from the smaller municipalities of Midway or Riceboro to the southeast, these households are accounted for in market area household growth. Furthermore, including these areas of Liberty County would significantly expand the Baytree Market Area boundaries to the south.

This market area is depicted in Map 3 and the 2010 Census tracts that comprise the market area are listed on the edge of the map. As appropriate for this analysis, the Baytree Market Area is compared to Liberty County, which is considered the secondary market area; however, demand estimates are based solely on the Baytree Market Area.

 SITE
 Primary Market Area



0 1.5 3
 miles


Tracts
102.02
102.04
102.05
102.06
102.07
102.08
103
104

Map 3
Primary Market Area
Liberty County, GA



5. COMMUNITY DEMOGRAPHIC DATA

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Baytree Market Area using U.S. Census data and data from Nielsen, a national data vendor that prepares small area estimates and projections of population and households. Population and household estimates/projections from the Liberty County Development Authority, derived by the national data vendor Applied Geographic Solutions, Inc. (AGS), were also considered along with building permit trend information collected from the HUD State of the Cities Data Systems (SOCDS) database. Table 7 presents a series of panels that summarize these Census data, estimates, and projections.

Nielsen figures show population and household loss in both the Baytree Market Area and Liberty County from 2010 to 2017; however, this is in direct conflict with steady growth trends that occurred in both regions between the 2000 and 2010 Census counts. By comparison, the AGS projections for Liberty County (2011 and 2016) indicate growth rates nearly twice as fast as those experienced during the previous decade. Based on field observations, relatively stable building permit activity, and current economic conditions, we believe the most accurate approach is to continue Census trends forward through 2017 for both the Baytree Market Area and Liberty County. This most closely affirms RPRG's belief that the Baytree Market Area is likely to continuing growing at a steady pace over the next five years.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the Baytree Market Area increased by 9.7 percent, from 39,459 to 43,278 people (Table 7). This equates to an annual rate of increase of 0.9 percent or 382 people. During the same time period, the number of households in the Baytree Market Area increased by 16.5 percent, from 13,657 to 15,910 households, an annual increase of 1.5 percent or 225 households.

The population and household growth rates were somewhat slower on a percentage basis in Liberty County during this time period. The population of Liberty County increased by 3.0 percent from 2000 to 2010 (0.3 percent annually), while the number of households in Liberty County increased at an annual rate of 1.3 percent.

2. Projected Trends

Based on RPRG's projections reflecting recent Census trends, the Baytree Market Area added 807 people and 493 households between 2010 and 2012. RPRG further estimates that the market area's population will increase by 2,084 people between 2012 and 2017, bringing the total population to 46,149. This represents an annual increase of 0.9 percent or 417 persons. The number of households will increase at a faster rate, gaining 1.5 percent or 260 new households per annum and resulting in a total household base of 17,705 in 2017.

In Liberty County, population and household growth rates are projected to be slower than in the Baytree Market Area. Liberty County's population will increase by 0.3 percent annually and its households will increase by 1.3 percent annually.



3. Building Permit Trends

RPRG examines building permit trends as one way of determining if the housing supply is meeting demand, as measured by new households. Over the last decade, an average of 311 new housing units were authorized annually in Liberty County compared to household growth of 277 (Table 8). Overall, Liberty County permit activity remained relatively consistent throughout the past ten years, though single-family development gradually declined from a high of 335 in 2005 to a decade low 111 units in 2010. This trend is consistent with many areas of the county, given the recent national recession and for-sale housing downturn, though Liberty County's drop off was less pronounced. In addition, two noticeable spikes in annual permit activity occurred in 2007 and 2009, buoyed by multi-family development (5+) that came online during these years.

From 2000 to 2010, 72 percent of all residential permits issued in Liberty County have been for single-family development. Multi-family communities (5+ units) accounted for an additional 27 percent of units permitted while buildings with 2-4 units comprised less than one percent of units permitted.



Table 7 Population and Household Projections

	Liberty County				Change 2000 to 2010				Change 2010 to 2012				Change 2012 to 2017			
	2000	2010	2012	2017	Total #	%	Annual #	%	Total #	%	Annual #	%	Total #	%	Annual #	%
Population	61,610	63,453	63,828	64,776	1,843	3.0%	184	0.3%	375	0.6%	188	0.3%	948	1.5%	190	0.3%
Group Quarters	4,784	2,579	2,279	1,673					600	2.7%	300	1.3%	1,573	6.9%	315	1.3%
Households	19,383	22,155	22,755	24,328	2,772	14.3%	277	1.3%								
Average HH Size	2.93	2.75	2.70	2.59												

	Baytree Market Area				Change 2000 to 2010				Change 2010 to 2012				Change 2012 to 2017			
	2000	2010	2012	2017	Total #	%	Annual #	%	Total #	%	Annual #	%	Total #	%	Annual #	%
Population	39,459	43,278	44,085	46,169	3,819	9.7%	382	0.9%	807	1.9%	404	0.9%	2,084	4.7%	417	0.9%
Group Quarters	146	310	360	525					493	3.1%	247	1.5%	1,301	7.9%	260	1.5%
Households	13,657	15,910	16,403	17,705	2,253	16.5%	225	1.5%								
Average HH Size	2.88	2.70	2.67	2.58												

Note: Annual change is compounded rate.
 Source: US Census of Population and Housing, 2000 and 2010; Nielsen Company, RPRG

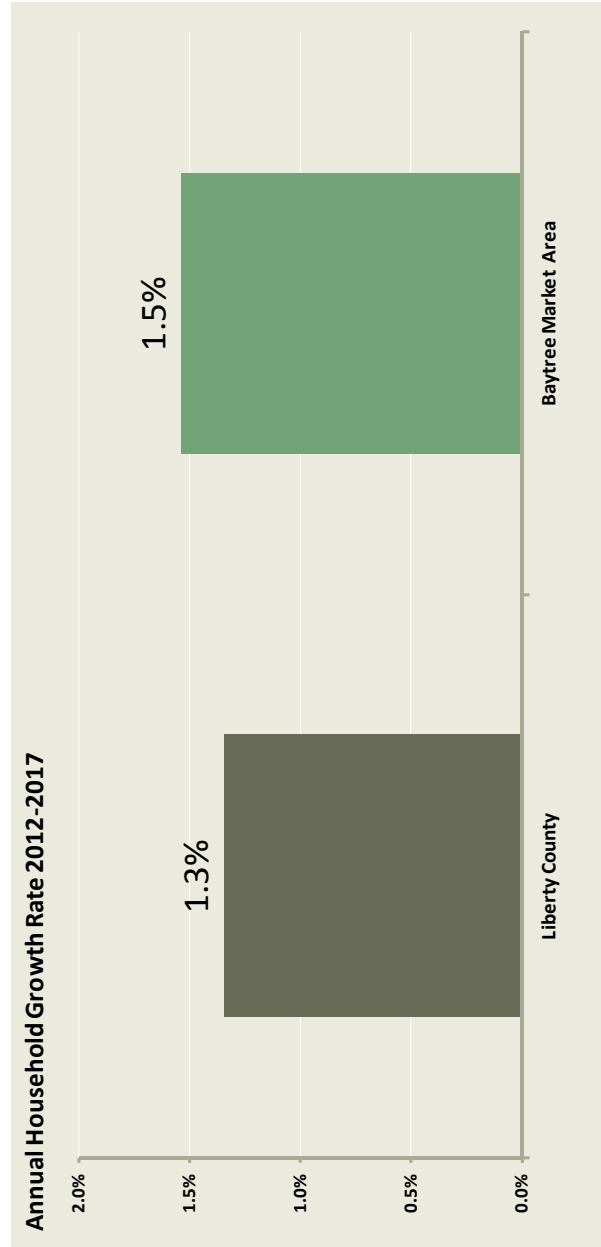
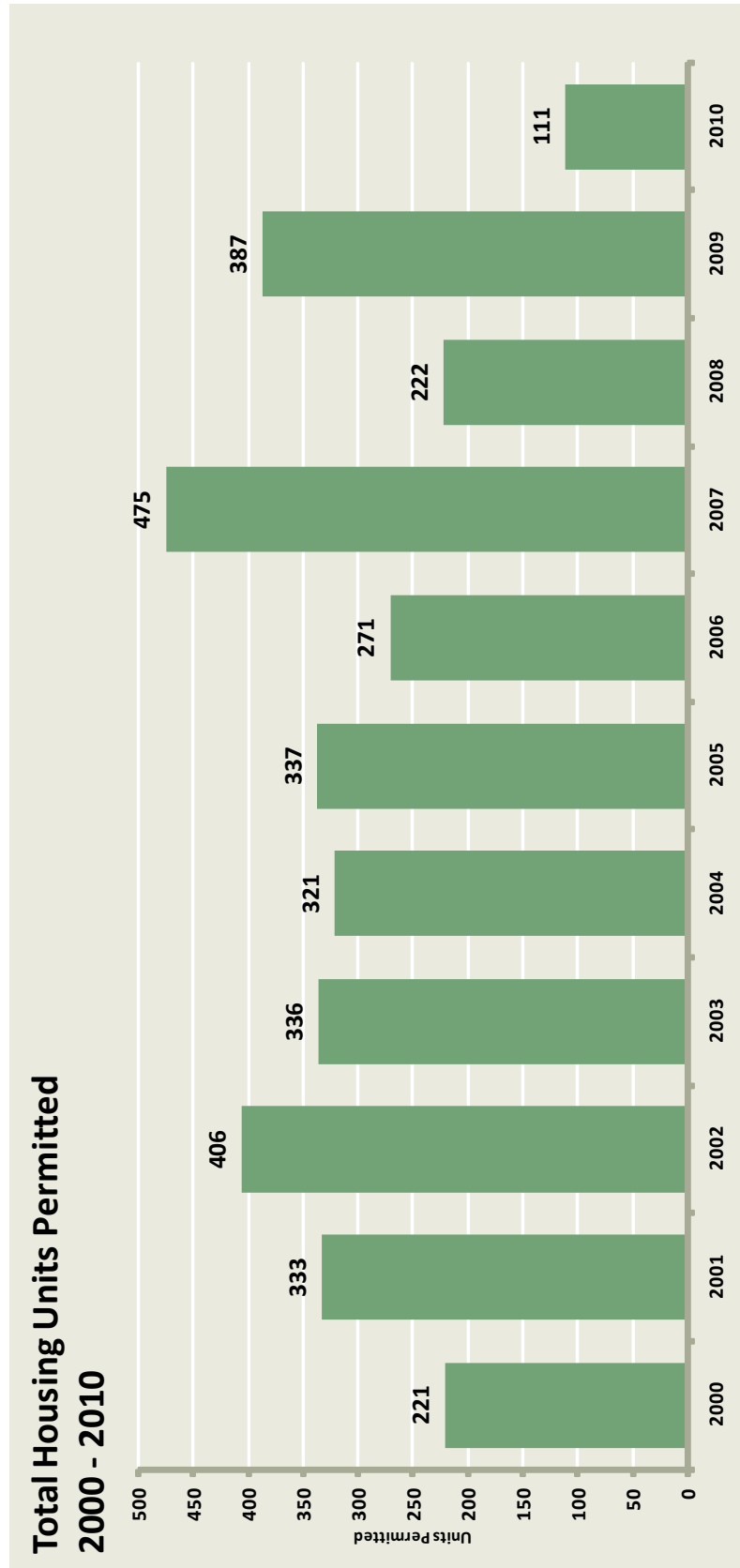




Table 8 Building Permits by Structure Type, Liberty County

Liberty County	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-2010	Annual
Single Family	177	197	230	264	311	335	259	211	222	135	111	2,452	223
Two Family	0	2	0	0	10	2	0	0	0	0	0	14	1
3- 4 Family	4	0	0	0	0	0	12	0	0	0	0	16	1
5 or more Family	40	134	176	72	0	0	0	264	0	252	0	938	85
Total	221	333	406	336	321	337	271	475	222	387	111	3,420	311

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





C. Demographic Characteristics

1. Age Distribution and Household Type

Based on Nielsen Company estimates, the population of the Baytree Market Area is similar to that of Liberty County with a median age of 27 in both regions (Table 9). Adults (persons age 35-61 years) constitute the largest age group, accounting for 33.8 percent of the population in the Baytree Market Area and 32.0 percent of the population in Liberty County. Children (persons under the age of 18) and young adults (persons age 13-34 years) are also prevalent, comprising between 28 and 32 percent of the populations in both geographies. Given the presence of Fort Stewart, persons age 25 to 34 years represent the single largest age cohort in the market area at 15.6 percent. Only a small percentage of people in the Baytree Market Area and Liberty County are seniors (persons age 62+) with population shares of 6.6 percent and 7.3 percent, respectively. In the Baytree Market Area, persons age 25 to 44 years (those most likely to rent) constitute 31.0 percent of the population.

Nearly half (46.3 percent) of all households in the Baytree Market Area are married, and 48.7 percent contain children (Table 10). Combined, approximately one-third of market area households are also comprised of single persons or non-married couples without children. By comparison, Liberty County has a similar household makeup with a slightly higher marriage rate (50.2 percent) and percentage of households containing children (49.0 percent). Single parent households account for 43.6 percent of all households with children present in the Baytree Market Area, higher than the 38.6 percent rate in Liberty County.

2. Renter Household Characteristics

Based on 2000 and 2010 Census data, renter occupied households accounted for 20.9 percent of both the market area and Liberty County's net household change for the decade (Table 11). Assuming these household tenure trends remain constant among new households over the next five years, estimated 2012 and 2017 rental rates in the Baytree Market Area are 44.4 percent and 42.6 percent, respectively.

Young working age households form the core of the market area's renters, as over half (54.8 percent) of renter householders are ages 25-44 (Table 12). The Baytree Market Area also has a notable proportion (20.2 percent) of children and young adult householders (age 15 to 24 years).

Over half (53.9 percent) of all renter households in the Baytree Market Area contain one or two persons compared to 48.4 percent in Liberty County (Table 13). An additional 20.4 percent of Baytree Market Area renter households and 20.9 percent of Liberty County renter households contain three persons. Households with four or more persons account for 25.7 percent and 30.7 percent of renter households in the Baytree Market Area and Liberty County, respectively.



Table 9 2012 Age Distribution

	Liberty County		Baytree Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Children	19,309	30.3%	13,880	31.5%
Under 5 years	6,557	10.3%	4,559	10.3%
5-9 years	4,825	7.6%	3,498	7.9%
10-14 years	5,016	7.9%	3,755	8.5%
15-17 years	2,911	4.6%	2,067	4.7%
Young Adults	19,475	30.5%	12,389	28.1%
18-20 years	3,914	6.1%	2,158	4.9%
21-24 years	5,553	8.7%	3,365	7.6%
25-34 years	10,008	15.7%	6,866	15.6%
Adults	20,415	32.0%	14,922	33.8%
35-44 years	9,291	14.6%	6,804	15.4%
45-54 years	8,125	12.7%	6,023	13.7%
55-61 years	2,998	4.7%	2,095	4.8%
Seniors	4,629	7.3%	2,894	6.6%
62-64 years	1,285	2.0%	898	2.0%
65-74 years	2,096	3.3%	1,331	3.0%
75-84 years	946	1.5%	518	1.2%
85 and older	302	0.5%	147	0.3%
TOTAL	63,828	100.0%	44,085	100.0%
Median Age	27		27	

Source: The Nielsen Company; Estimates, Real Property Research Group, Inc.

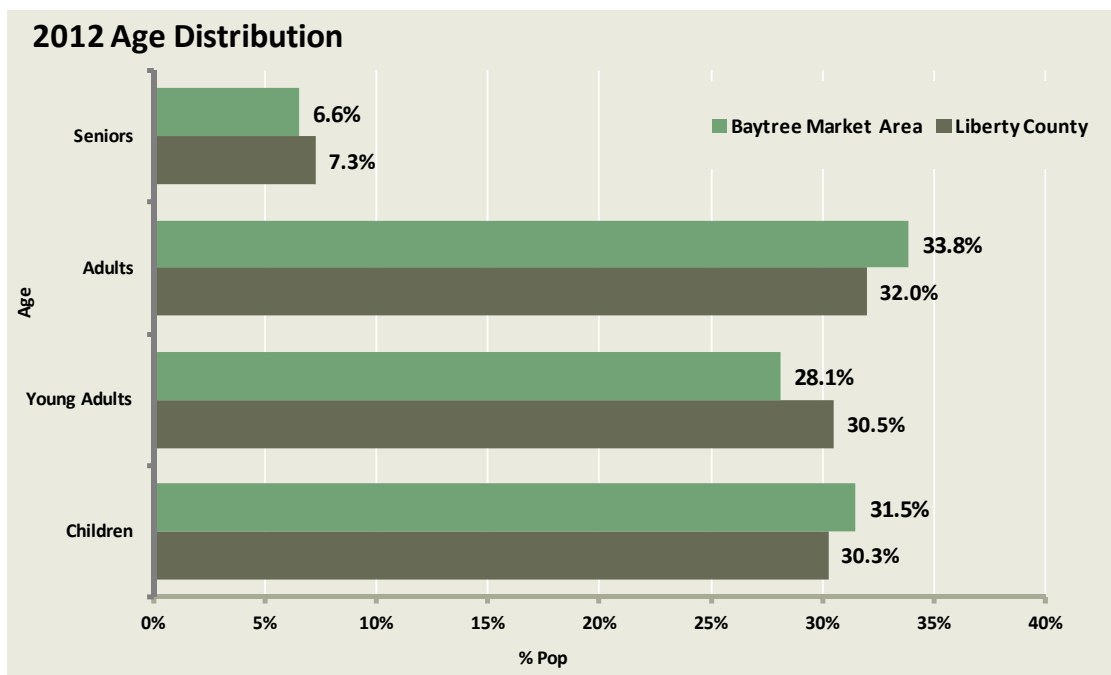




Table 10 2010 Households by Household Type

	Liberty County		Baytree Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Married w/ Child	6,670	30.1%	4,367	27.5%
Married w/o Child	4,442	20.0%	2,993	18.8%
Male hhldr w/ Child	616	2.8%	481	3.0%
Female hhldr w/ Child	3,576	16.1%	2,895	18.2%
Non Married Households w/o Children	2,864	12.9%	2,183	13.7%
Living Alone	3,987	18.0%	2,991	18.8%
Total	22,155	100.0%	15,910	100.0%

Source: The Nielsen Company; Estimates, Real Property Research Group, Inc.

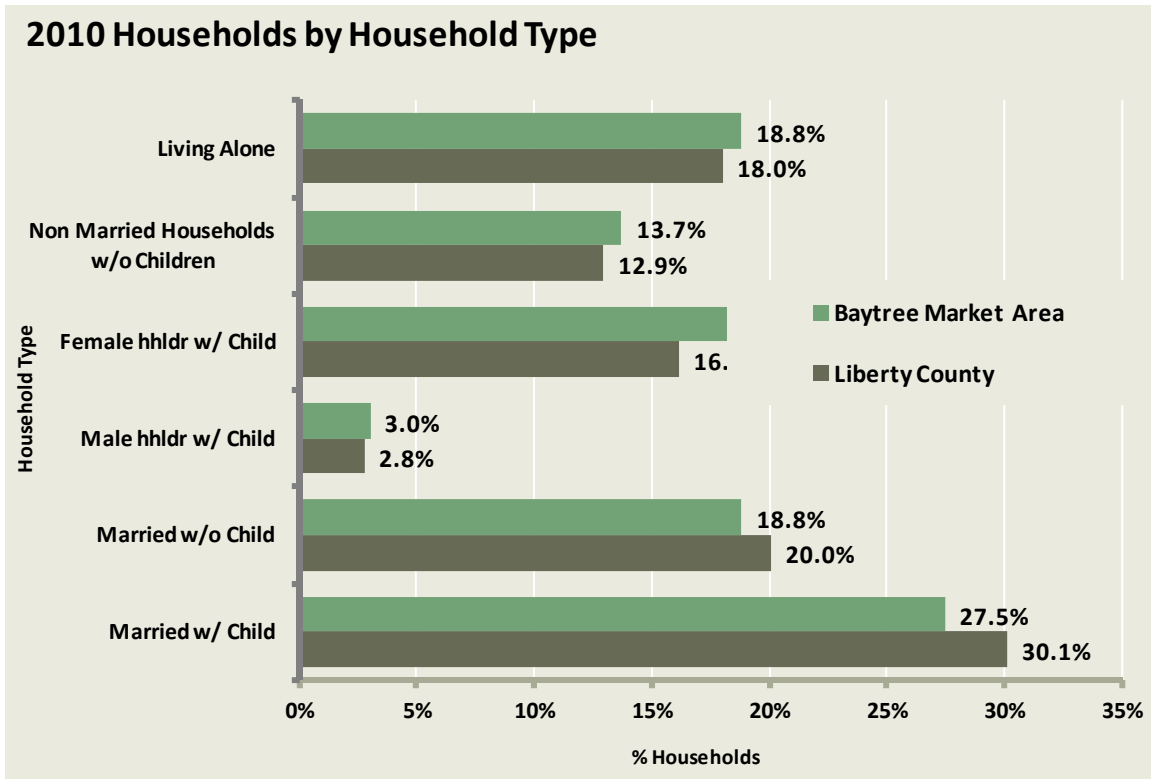




Table 11 Households by Tenure

Liberty County	2000		2010		Change 2000-2010		2012		2017	
Housing Units	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	9,824	50.7%	12,018	54.2%	2,194	79.1%	12,499	54.9%	13,766	56.6%
Renter Occupied	9,559	49.3%	10,137	45.8%	578	20.9%	10,257	45.1%	10,562	43.4%
Total Occupied	19,383	100.0%	22,155	100.0%	2,772	100.0%	22,755	100.0%	24,328	100.0%
Total Vacant	2,594		4,576				5,145		6,945	
TOTAL UNITS	21,977		26,731				27,900		31,273	

Baytree Market Area	2000		2010		Change 2000-2010		2012		2017	
Housing Units	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	6,943	50.8%	8,725	54.8%	1,782	79.1%	9,120	55.6%	10,171	57.4%
Renter Occupied	6,714	49.2%	7,185	45.2%	471	20.9%	7,283	44.4%	7,534	42.6%
Total Occupied	13,657	100.0%	15,910	100.0%	2,253	100.0%	16,403	100.0%	17,705	100.0%
Total Vacant	1,790		3,077				3,439		4,564	
TOTAL UNITS	15,447		18,987				19,842		22,269	

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

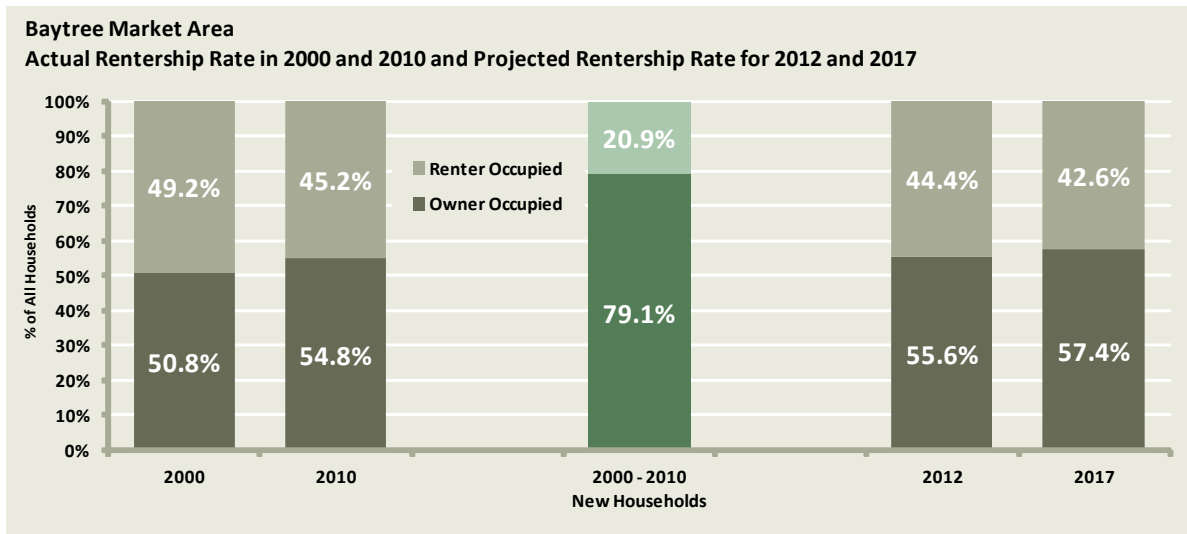




Table 12 Households by Tenure and Age of Householder

Owner Households Age of HHldr	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
15-24 years	418	3.3%	407	4.5%
25-34 years	1,595	12.8%	1,319	14.5%
35-44 years	2,784	22.3%	2,171	23.8%
45-54 years	3,442	27.5%	2,536	27.8%
55-64 years	2,289	18.3%	1,580	17.3%
65-74 years	1,235	9.9%	739	8.1%
75 to 84 years	571	4.6%	287	3.1%
85+ years	164	1.3%	81	0.9%
Total	12,499	100%	9,120	100%

Renter Households Age of HHldr	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
15-24 years	1,989	19.4%	1,474	20.2%
25-34 years	3,408	33.2%	2,236	30.7%
35-44 years	2,476	24.1%	1,753	24.1%
45-54 years	1,344	13.1%	1,032	14.2%
55-64 years	614	6.0%	489	6.7%
65-74 years	261	2.5%	192	2.6%
75 to 84 years	123	1.2%	84	1.1%
85+ years	42	0.4%	24	0.3%
Total	10,257	100%	7,283	100%

Source: The Nielsen Company; Estimates, Real Property Research Group, Inc.

2012 Renter Households by Age of Householder

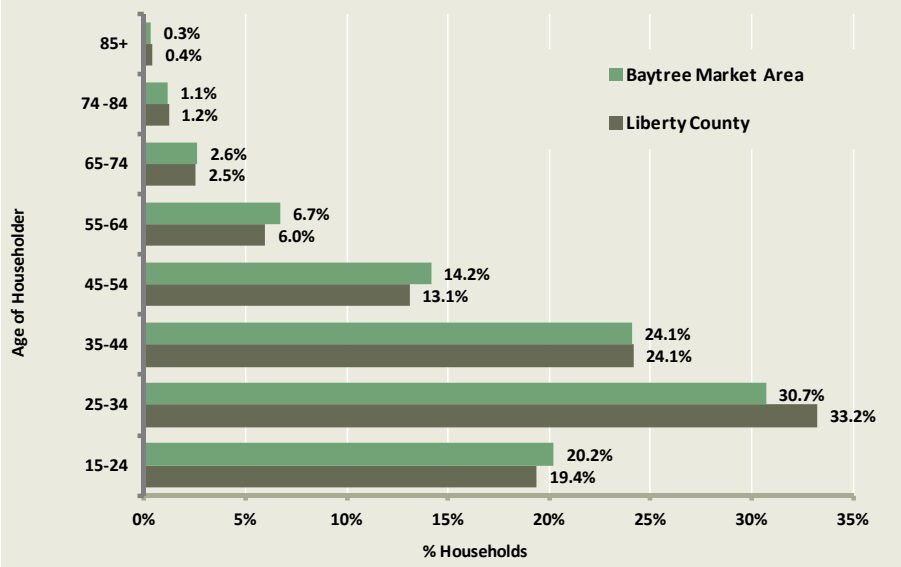
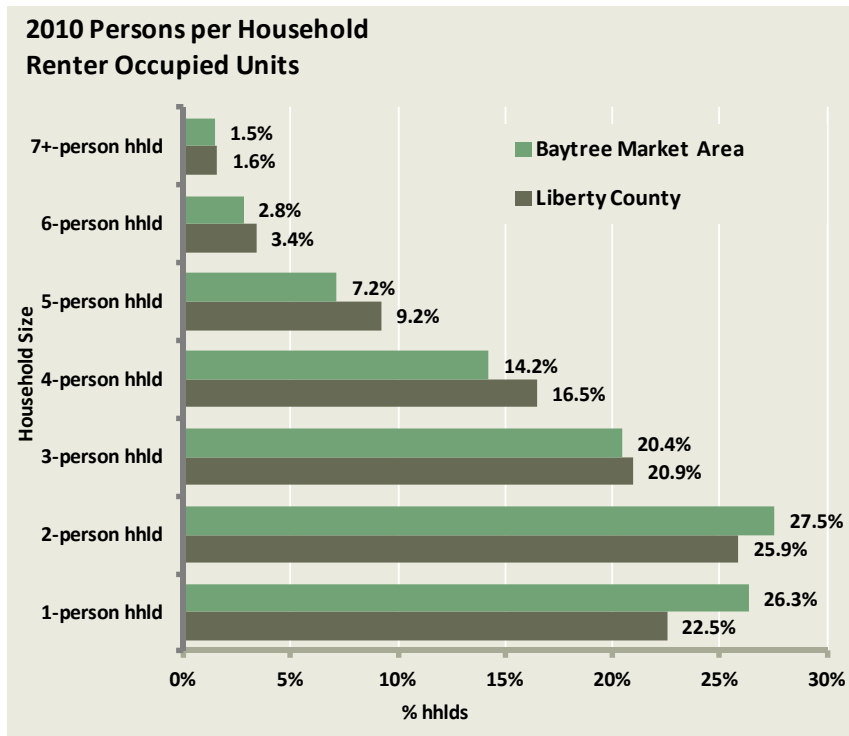




Table 13 2012 Renter Households by Household Size

Renter Occupied	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
1-person household	2,283	22.5%	1,892	26.3%
2-person household	2,622	25.9%	1,979	27.5%
3-person household	2,122	20.9%	1,469	20.4%
4-person household	1,669	16.5%	1,023	14.2%
5-person household	936	9.2%	515	7.2%
6-person household	343	3.4%	201	2.8%
7+-person household	162	1.6%	106	1.5%
TOTAL	10,137	100.0%	7,185	100.0%

Source: 2010 Census



3. Income Characteristics

Based on estimates supplied by Nielsen, RPRG estimates that the 2012 median household income in the Baytree Market Area is \$46,992, which is \$631 or 1.4 percent higher than the \$46,361 median income in Liberty County (Table 14). Nearly one-quarter (22.3 percent) of all households in the market area reported an annual income below \$25,000.

As is the case in most markets, the owner median household income is significantly higher than that of the renter median income in the Baytree Market Area (Table 15). The median income for renter households in 2012 is estimated to be \$38,378. This is 67.8 percent of the median income for homeowner households of \$56,564. Approximately 30 percent of market area renter households have an annual income below \$25,000.



Table 14 2012 Household Income

		Liberty County		Baytree Market Area	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$15,000	2,746	12.1%	2,063	12.6%
	\$15,000 \$24,999	2,214	9.7%	1,586	9.7%
	\$25,000 \$34,999	2,923	12.8%	1,962	12.0%
	\$35,000 \$49,999	4,614	20.3%	3,241	19.8%
	\$50,000 \$74,999	5,040	22.1%	3,777	23.0%
	\$75,000 \$99,999	2,704	11.9%	2,079	12.7%
	\$100,000 \$124,999	1,125	4.9%	791	4.8%
	\$125,000 \$149,999	624	2.7%	415	2.5%
	\$150,000 \$199,999	513	2.3%	339	2.1%
	\$200,000 over	251	1.1%	151	0.9%
Total		22,755	100.0%	16,403	100.0%
Median Income		\$46,361		\$46,992	

Source: The Nielsen Company; 2006-2010 Amercian Community Survey; Estimates, Real Property Research Group, Inc.

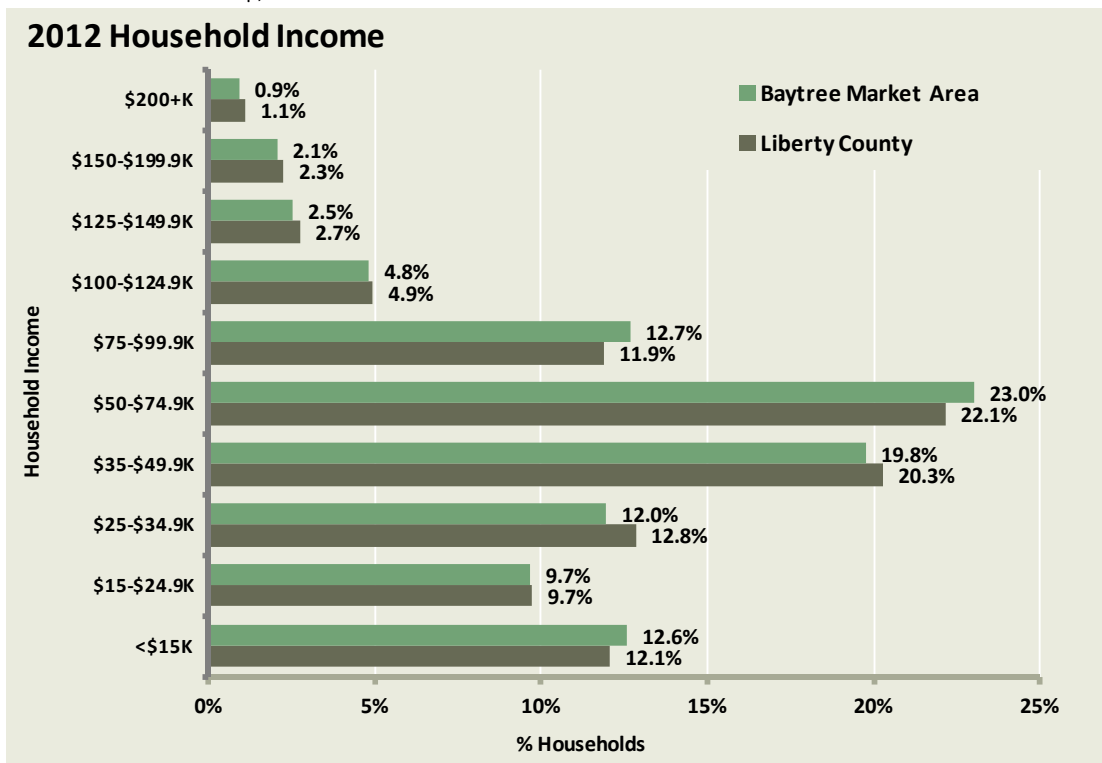
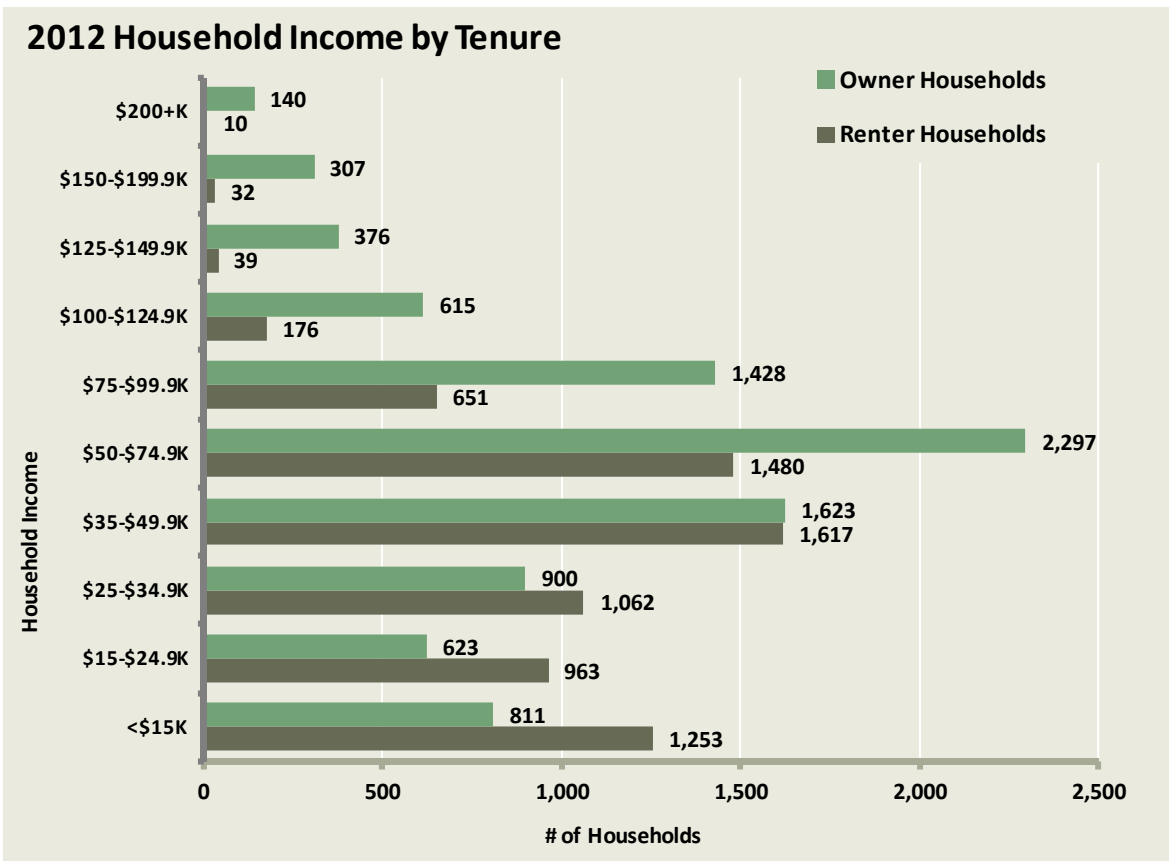




Table 15 2012 Household Income by Tenure

		Renter Households		Owner Households	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$15,000	1,253	17.2%	811	8.9%
	\$15,000 - \$24,999	963	13.2%	623	6.8%
	\$25,000 - \$34,999	1,062	14.6%	900	9.9%
	\$35,000 - \$49,999	1,617	22.2%	1,623	17.8%
	\$50,000 - \$74,999	1,480	20.3%	2,297	25.2%
	\$75,000 - \$99,999	651	8.9%	1,428	15.7%
	\$100,000 - \$124,999	176	2.4%	615	6.7%
	\$125,000 - \$149,999	39	0.5%	376	4.1%
	\$150,000 - \$199,999	32	0.4%	307	3.4%
	\$200,000 over	10	0.1%	140	1.5%
Total		7,283	100.0%	9,120	100.0%
Median Income		\$38,378		\$56,564	

Source: The Nielsen Company; US Census Bureau, 2006-2010 American Community Survey; Estimates, Real Property Research Group, Inc.





6. ECONOMIC CONTEXT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Liberty County, the jurisdiction in which Baytree Apartments is 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

Liberty County's labor force steadily increased in each of the past eleven years, growing from an annual average of 19,707 in 2000 to 26,433 in 2011 (Table 16). During this period, the county added a total of 6,726 workers for an increase of 34.1 percent. With the exception of 2010, the "employed" portion of Liberty County's labor force also increased every year since 2000.

2. Trends in County Unemployment Rate

Liberty County's unemployment rate remained relatively stable throughout much of the past decade, ranging from 4.9 percent to 6.0 percent from 2000 to 2008. In 2009, during the height of the most recent national recession, Liberty County's unemployment rate jumped from 6.0 percent to 8.3 percent before reaching a high of 9.5 percent in 2011. Unlike most areas of the country, however, Liberty County's rising unemployment rate was due almost entirely to increases in the labor force, as a significant number of unemployed workers entered the labor force during this period. As a result, Liberty County's higher unemployment rates over the last three years are not a good indication of true economic conditions within the county. Since 2000, Liberty County's unemployment rate has generally exceeded the State of Georgia while fluctuating above and below national levels.

C. Commutation Patterns

According to 2006-2010 American Community Survey (ACS) data, over 44 percent of the workers residing in the Baytree Market Area spent less than 15 minutes commuting to work (Table 17). Another 30 percent of workers spent 15 to 29 minutes commuting while 24.6 percent of market area workers commuted 30 minutes or more.

Approximately 78 percent of workers residing in the Baytree Market Area worked in Liberty County while 19.1 percent worked in another Georgia county. Less than three percent of market area workers worked outside the state.



Table 16 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Annual Unemployment	Labor Force	19,707	19,883	20,457	20,848	22,203	23,060	24,036	24,122	25,189	25,892	26,145	26,433
	Employment	18,686	18,917	19,305	19,777	21,003	21,731	22,641	22,828	23,667	23,741	23,732	23,912
	Unemployment	1,021	966	1,152	1,071	1,200	1,329	1,395	1,294	1,522	2,151	2,413	2,521
Unemployment Rate	Liberty County	5.2%	4.9%	5.6%	5.1%	5.4%	5.8%	5.8%	5.4%	6.0%	8.3%	9.2%	9.5%
	Georgia	3.5%	4.0%	4.8%	4.8%	4.7%	5.2%	4.7%	4.6%	6.3%	9.8%	10.2%	9.8%
	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%

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





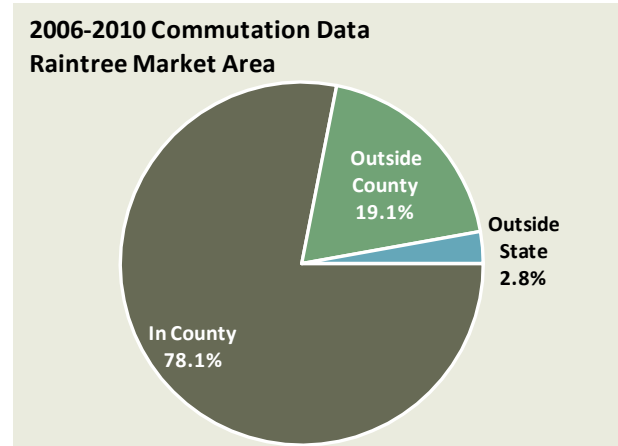
Table 17 Commutation Data

Travel Time to Work		
Workers 16 years and over	Number	Percent
Did not work at home:	20,048	99.1%
Less than 5 minutes	600	3.0%
5 to 9 minutes	2,601	12.9%
10 to 14 minutes	5,772	28.5%
15 to 19 minutes	3,586	17.7%
20 to 24 minutes	1,910	9.4%
25 to 29 minutes	598	3.0%
30 to 34 minutes	1,458	7.2%
35 to 39 minutes	293	1.4%
40 to 44 minutes	302	1.5%
45 to 59 minutes	1,468	7.3%
60 to 89 minutes	1,266	6.3%
90 or more minutes	194	1.0%
Worked at home	186	0.9%
Total	20,234	
Commute: Less than 15 min.	8,973	44.3%
Commute: 15-29 min.	6,094	30.1%
Commute: 30 min. or more	4,981	24.6%

Source: American Community Survey, 2006-2010.

Place of Work		
Workers 16 years and over	Number	Percent
Worked in state of residence:	19,661	97.2%
Worked in county of residence	15,801	78.1%
Worked outside county of residence	3,860	19.1%
Worked outside state of residence	573	2.8%
Total	20,234	100.0%

Source: American Community Survey, 2006-2010.





D. At-Place Employment

1. Trends in Total At-Place Employment

Liberty County experienced job growth in nine of eleven years from 2000 to 2010, resulting in a net at-place employment increase of 3,863 jobs or 27.1 percent (Figure 6). In addition, during the only years in which the county lost jobs (2007 and 2009), at-placement employment declined by just 53 and 48 (less than one percent), respectively. Since 2000, employment growth in Liberty County has consistently outpaced national figures on a percentage basis and bucked state/national recessionary trends over the past three years. Through the third quarter of 2011, the county's employment base continued to expand with the addition of 272 new jobs.

2. At-Place Employment by Industry Sector

The government sector accounts for 40.4 percent of all jobs in Liberty County, which is largely driven by active duty military personnel and civilian workers/contractors employed at Fort Stewart. By comparison, the government sector comprises just 16.4 percent of jobs nationally. Other industry sectors with notable employment shares include trade-transportation-utilities (16.0 percent), leisure-hospitality (10.5 percent), and manufacturing (9.1 percent); however, all of these sectors are comparable to or smaller than national proportions on a percentage basis. Liberty County has significantly smaller percentages of employment in the education-health (5.6 percent versus 14.7 percent) and professional business (6.8 percent versus 13.3 percent) sectors of its economy relative to the nation.

Between 2001 and the third quarter of 2011, eight of eleven industry sectors experienced annual growth in Liberty County. On a percentage basis, construction, "other," and education-health experienced the largest annual percentage increases of 6.7 percent, 5.5 percent, and 5.5 percent, respectively; however, all three sectors are among the smallest in total employment (Figure 7). Other industry sectors experiencing annualized growth include manufacturing (4.8 percent), leisure-hospitality (4.7 percent), professional business (4.4 percent), trade-transportation-utilities (2.2 percent), and government (2.0 percent). In terms of total jobs, growth in government had the most significant impact as it is the county's largest employment sector. Financial activities, information, and natural resources-mining were the only sectors to suffer annualized losses, which ranged from 0.3 percent to 5.8 percent per year.

We gain further insight into Liberty County's economy by isolating sector growth/decline over the past five years as a result of the recent economic downturn (2007 to 2011 Q3). Manufacturing, education-health, leisure-hospitality, and "other" all added jobs during this period with annual growth rates ranging from nine to 46.4 percent. The growth that occurred in the counties two largest industries is most notable, however, as government and trade-transportation-utilities expanded at rates of over 10 percent per year and account for nearly 60 percent of all jobs within the county (Figure 8). All other industry sectors experienced a net decline in employment, the worst of which occurred in the professional business and financial activities sectors.

3. Major Employers

Based on information provided by the Liberty County Chamber of Commerce, Table 21 shows the largest employers in Liberty County. As would be expected, four of the top 15 employers are government run institutions or local public offices. This includes the single largest employer (civilian employees at Fort Stewart), which contains nearly double the number of workers than the next largest employer (Liberty County Board of Education). Five trade-transportation-utilities companies are also listed, including retail giants Wal-Mart and Target, as well as Kroger, Hugo Boss, and



Century Link. Among the remaining employers, three are manufacturers, two are privately operated education or health institutions, and one falls into the financial activities sector. Nearly all of these employers, in addition numerous local retailers and service providers, are located within 15 miles of the subject property (Map 4).

4. Wages

The average annual wage in 2010 for Liberty County was \$36,272 or 17.3 percent lower than the \$43,899 average in the State of Georgia (Table 22). The state’s average wage is \$9,189 or 19.6 percent below the national average. Liberty County’s average annual wage in 2010 represents an increase of \$10,023 or 33.2 percent since 2001.

The average wage in Liberty County is below national averages for every economic sector except natural resources-mining and “other.” The highest paying sectors in the county are manufacturing and natural resources-mining.

5. Recent Economic Expansions and Contractions

In 2011, SNF Floquip and Firth Rixson Limited announced expansions to existing facilities in Liberty County that are expected to create 125 new jobs. In addition, 75 potential jobs could be also be added over the next one to five years. Conversely, three companies located in Fort Stewart cut employment by a total of 425 in the same year. It is important to note, however, recent employment expansions and contractions listed reflect information currently available and do not include all businesses experiencing changes in employment during this period.

Table 18 Recent Business Additions/Expansions, Liberty County, 2011-2012 (Q1)

Business Additions/Expansions - 2010 to 2012 (Q1)				
Year	Company	City	Jobs Created	Additional Jobs Projected
2011	SNF Floquip	Riceboro	50	50
2011	Firth Rixson Limited	Midway	75	25
Total			125	75

Source: Liberty County Development Authority

Table 19 Recent Business Closures/Layoffs, Liberty County, 2011-2012 (Q1)

Business Closures/Layoffs - 2011 to 2012 (Q1)			
Year	Company	City	Employees Affected
2011	Lockheed Martin	Fort Stewart	110
2011	WSI (Wackenhut)	Fort Stewart	45
2011	Lockheed Martin	Fort Stewart	270
Total			425

Source: Georgia Department of Labor - Business Layoff/Closure Listing



6. Fort Stewart Economic Impact

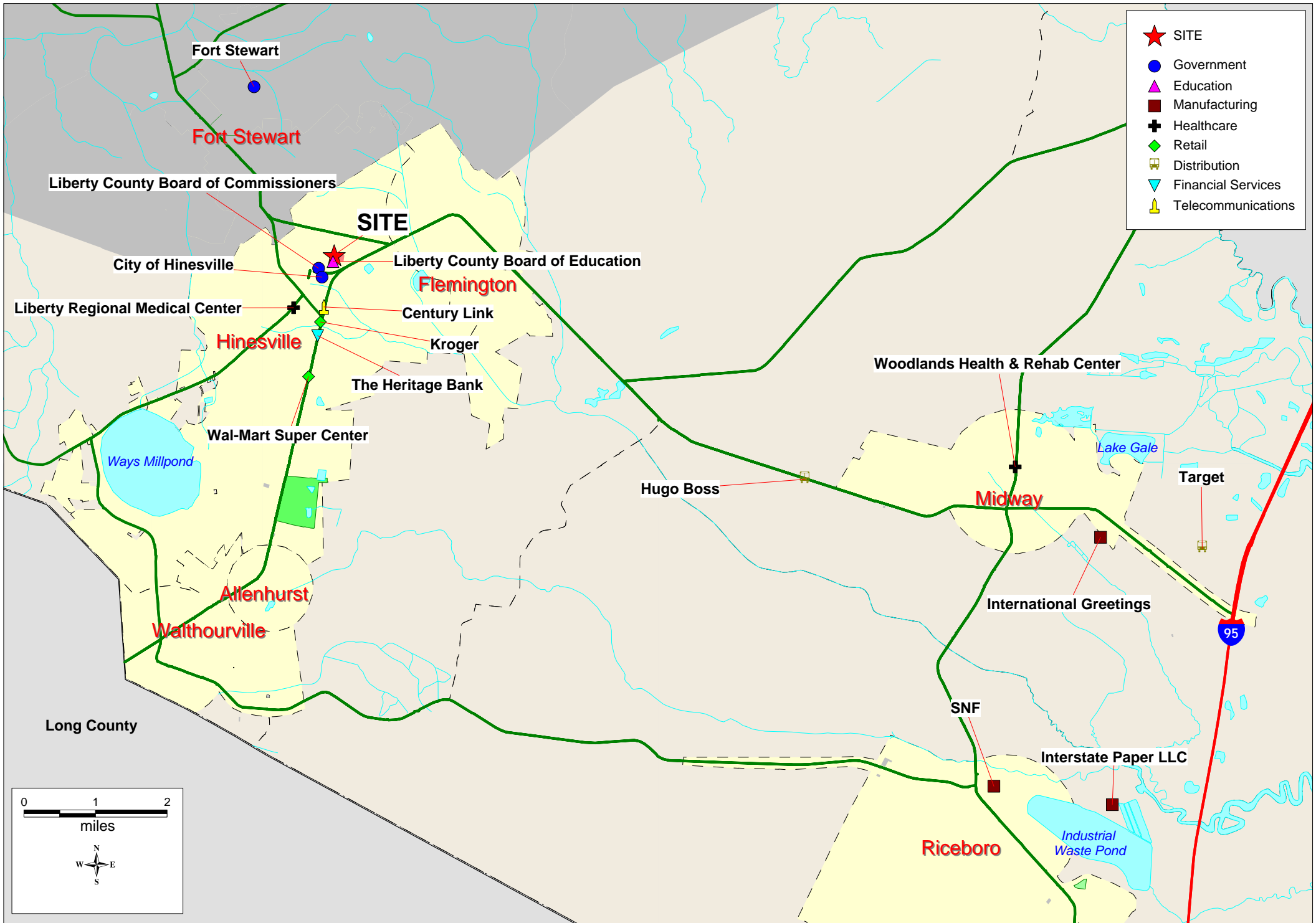
Spanning a five-county region just west of the Savannah Metropolitan Area, Fort Stewart and Hunter Army Airfield (HAAF) combine to form the largest military installation east of the Mississippi River. Given Hinesville’s location directly adjacent to Fort Stewart and within 30 miles of HAAF, its population, household base, and employment are all significantly impacted by growth at these facilities. As discussed in the at-place employment by industry sector section above, over 40 percent of all jobs in Liberty County are in government, of which Fort Stewart / HAAF are a major component. To demonstrative this, Table 20 shows personnel and dependent totals for Fort Stewart / HAAF in 2010. While dated, these figures illustrate the significant impact these facilities have on population and employment growth within the region.

Given the deeply subsidized nature of the subject property, Baytree Apartments will not directly serve the large contingent of military personnel and civilian contractors living in the Hinesville area. Most, if not all, of these householders earn incomes or receive housing allowances that exceed maximum income requirements at the subject property and primarily occupy market rate housing (both rental and for-sale). As Hinesville’s population and household base grows, however, the resulting demand for ancillary services and development is likely to attract additional households that are more likely to need affordable housing.

Table 20 Fort Stewart / HAAF Personnel and Dependents, 2010

Fort Stewart / Hunter Army Airfield	2010
Military Personnel	24,618
Civilian Employment	4,719
Military Dependents	35,809
Military Personnel Turnover (FY 2010)	2,204
Military Retirees (within 50 mile radius)	9,729

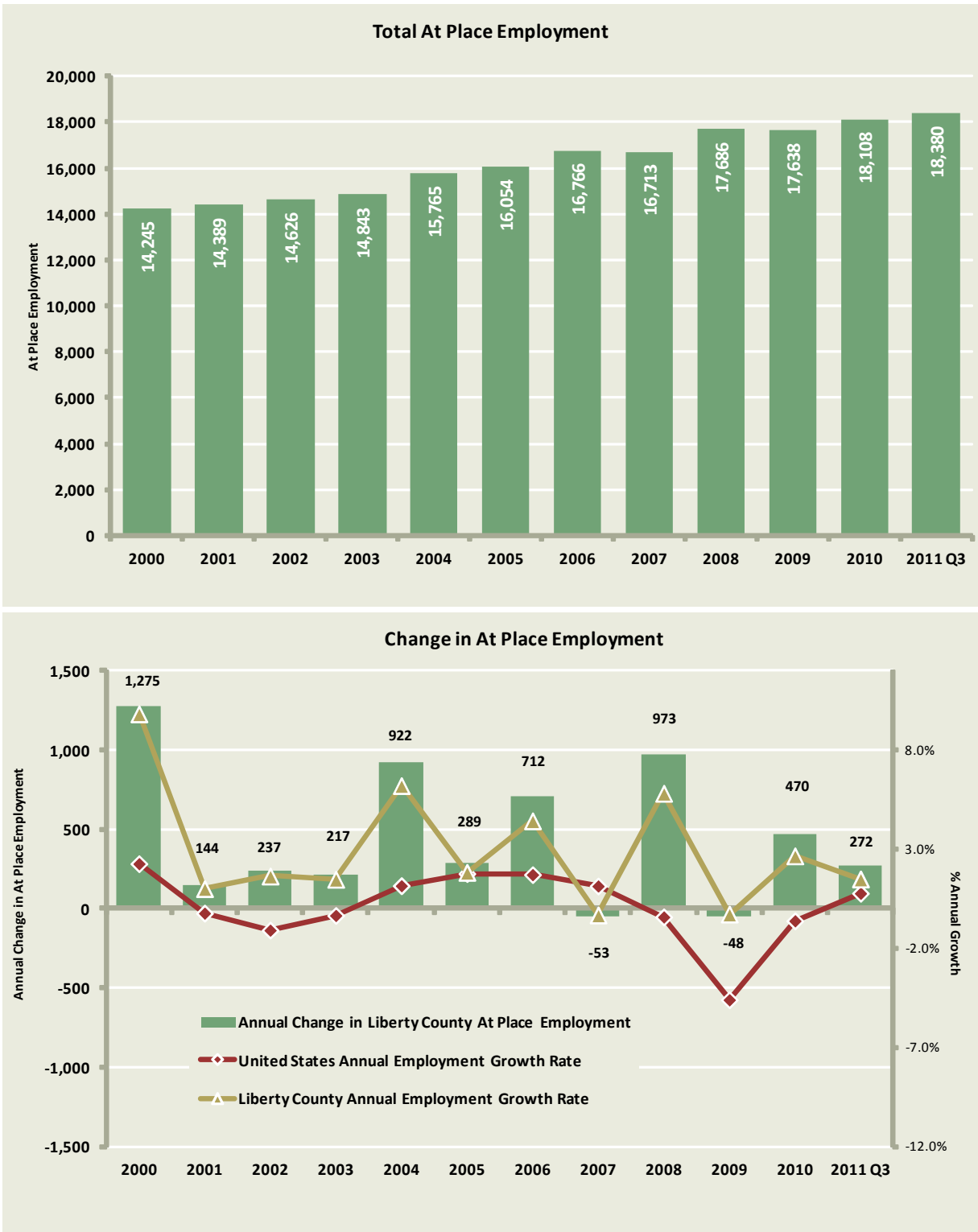
Source: Fort Stewart/HAAF Command Data Summary FY 2010



Map 4
Major Employers
Liberty County, GA



Figure 6 At-Place Employment, Liberty County



Source: US Department of Labor
 Bureau of Labor Statistics, Covered Employment and Wages (NAICS)



Figure 7 Total Employment and Employment Change by Sector 2001 to 2011 Q3

Employment by Sector	2011 (Q3)
Government	7,419
Federal	4,397
State	231
Local	2,791
Private Sector	10,960
Goods-Producing	2,277
Natural Resources-Mining	23
Construction	575
Manufacturing	1,679
Service Providing	8,645
Trade-Trans-Utilities	2,943
Information	109
Financial Activities	531
Professional-Business	1,256
Education-Health	1,023
Leisure-Hospitality	1,924
Other	859
Unclassified	39
Total Employment	18,380

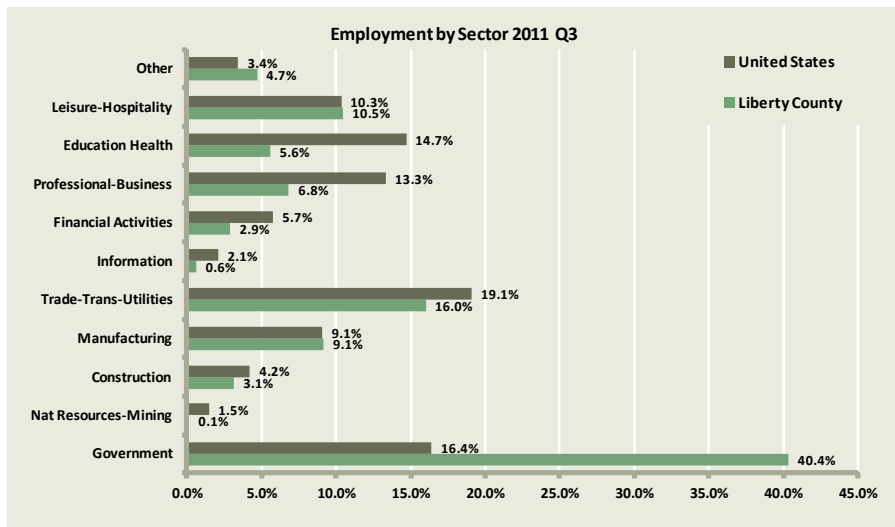
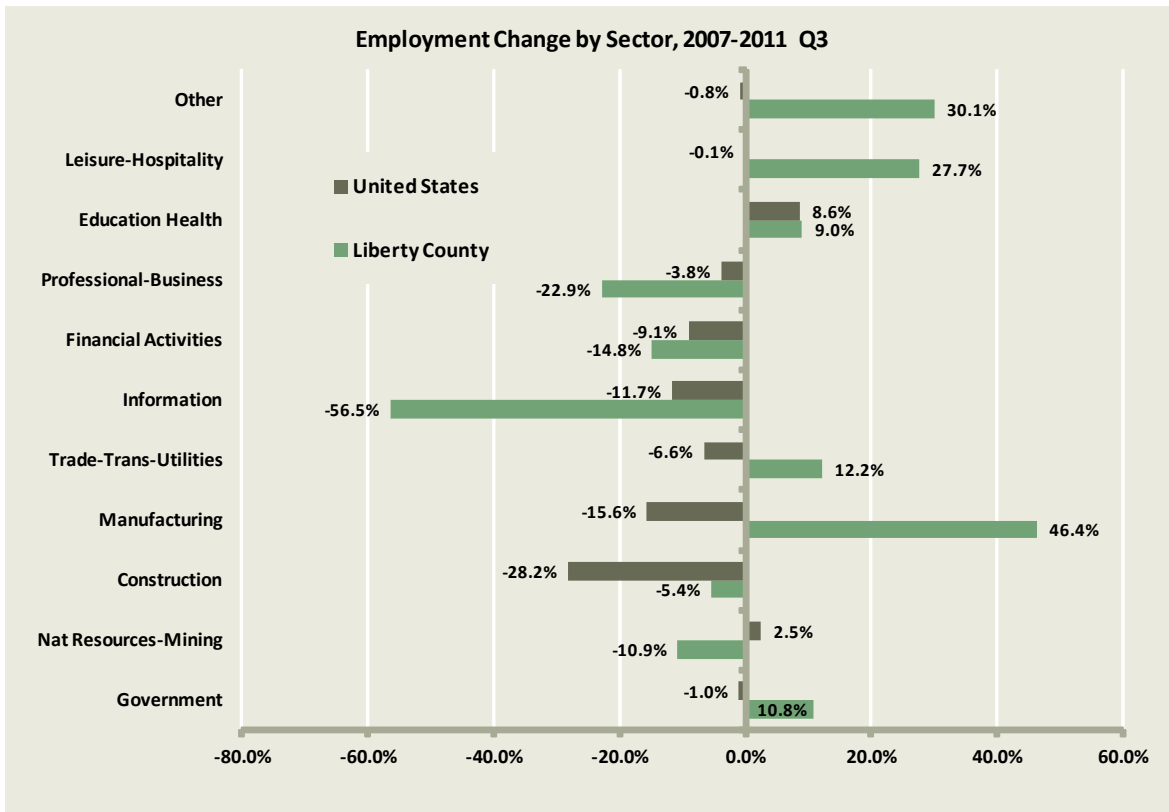




Figure 8 Total Employment and Employment Change by Sector 2007 to 2011 Q3



Source: US Department of Labor
Bureau of Labor Statistics, Covered Employment and Wages (NAICS)

Table 21 Major Employers, Liberty County

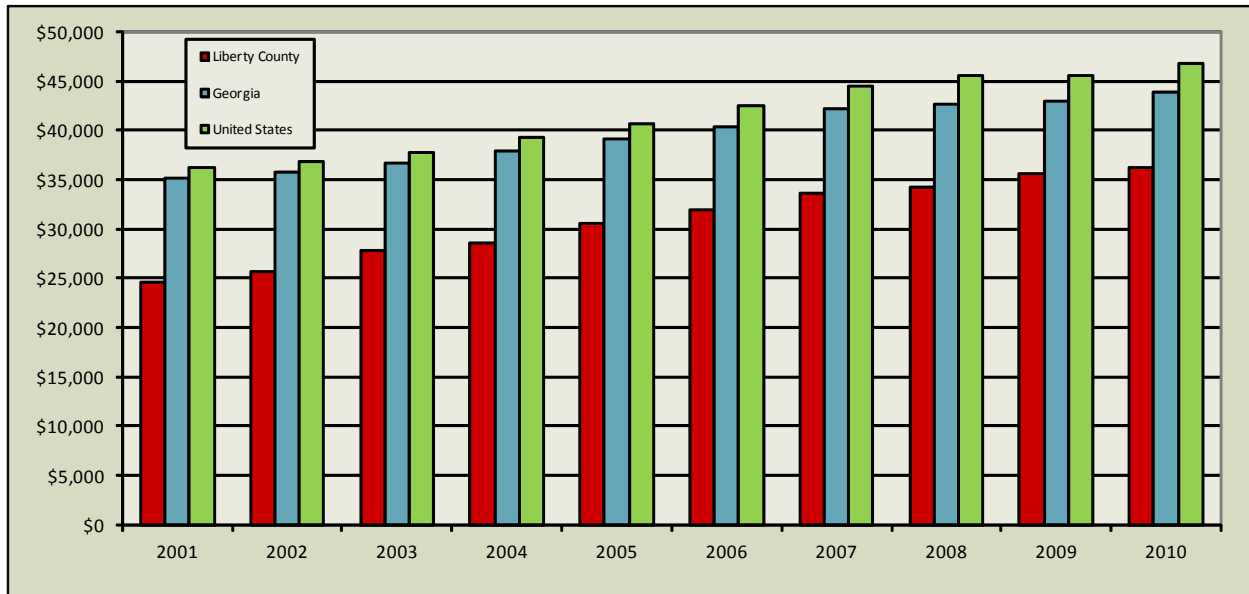
Rank	Name	Industry	Employment
1	Fort Stewart (Civilian Employment)	Government	2,696
2	Liberty County Board of Education	Government	1,493
3	SNF	Manufacturing	936
4	Liberty Regional Medical Center	Education-Health	525
5	Wal-Mart Super Center	Trade-Transportation-Utilities	475
6	Target	Trade-Transportation-Utilities	470
7	Liberty County Board of Commissioners	Government	333
8	Interstate Paper LLC	Manufacturing	230
9	The Heritage Bank	Financial Services	220
10	City of Hinesville	Government	211
11	International Greetings	Manufacturing	196
12	Hugo Boss	Trade-Transportation-Utilities	180
13	Woodlands Health & Rehab Center	Education-Health	117
14	Kroger	Trade-Transportation-Utilities	103
15	Century Link	Trade-Transportation-Utilities	62

Source: Liberty County Chamber of Commerce

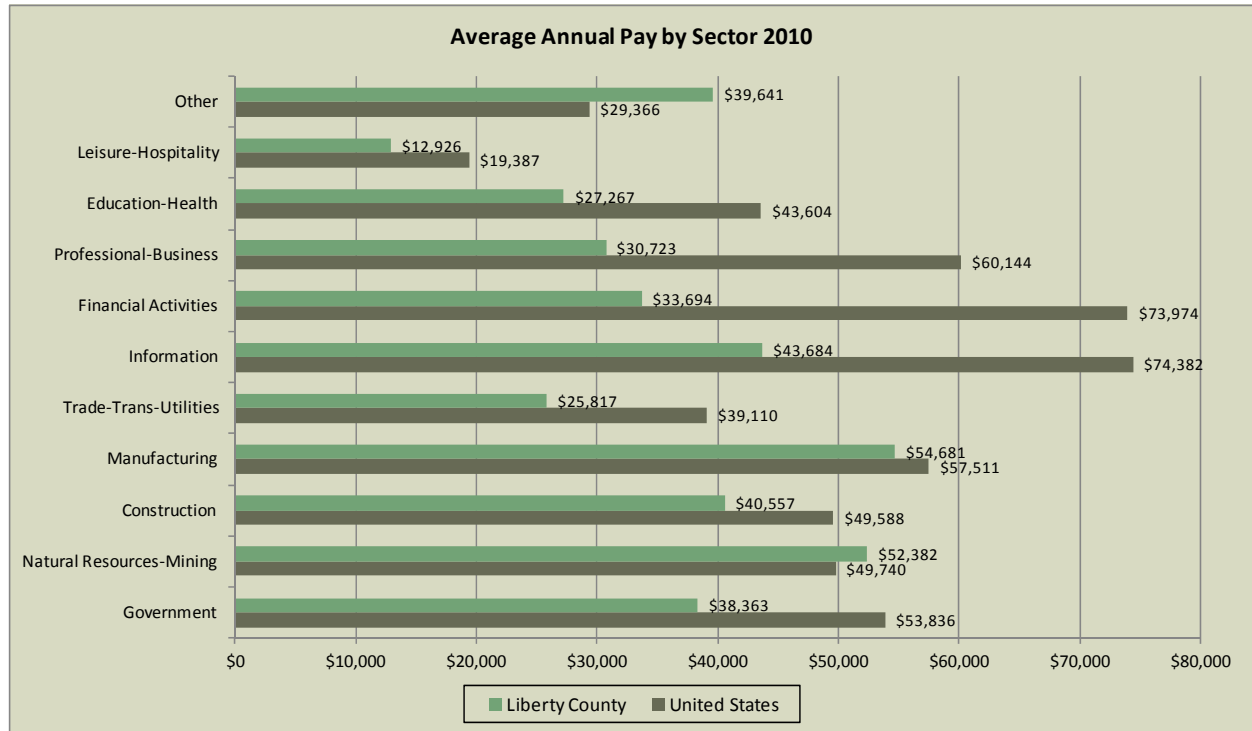


Table 22 Average Annual Pay and Annualized Wage Data by Sector, Liberty County

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Liberty County	\$24,532	\$25,645	\$27,745	\$28,539	\$30,619	\$31,884	\$33,645	\$34,245	\$35,544	\$36,272
Georgia	\$35,136	\$35,734	\$36,626	\$37,866	\$39,096	\$40,370	\$42,178	\$42,585	\$42,902	\$43,899
United States	\$36,219	\$36,764	\$37,765	\$39,354	\$40,677	\$42,535	\$44,458	\$45,563	\$45,559	\$46,742



Source: Bureau of Labor Statistics, Covered Employment and Wages (NAICS)





7. PROJECT SPECIFIC AFFORDABILITY / DEMAND ANALYSIS

A. Affordability Analysis

1. Methodology

The Affordability Analysis tests the percent 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 Baytree Market Area households for the target year of 2014. 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 2006-2010 American Community Survey along with estimates and income growth as projected by Nielsen (Table 23).

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 this analysis, RPRG employs a 35 percent gross rent burden.

LIHTC units at Baytree Apartments will target renter households earning up to 60 percent of the Area Median Gross Income (AMGI), adjusted for household size. Maximum income limits are derived from 2012 income limits for the Fort-Stewart-Hinesville HUD Metro FMR area and are based on average household sizes of 1.5 persons per bedroom (Table 24). Affordability estimates are shown with and without the inclusion of project based rental assistance (PBRA). For affordability estimates without PBRA, proposed contract rents were lowered to maximum LIHTC rents in instances where they exceeded allowable levels.



Table 23 2014 Income Distribution, Baytree Market Area

		Total Households		Renter Households	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$15,000	2,050	12.1%	1,245	16.9%
	\$15,000 - \$24,999	1,540	9.1%	936	12.7%
	\$25,000 - \$34,999	1,919	11.3%	1,040	14.1%
	\$35,000 - \$49,999	3,246	19.2%	1,621	22.0%
	\$50,000 - \$74,999	3,909	23.1%	1,533	20.8%
	\$75,000 - \$99,999	2,213	13.1%	694	9.4%
	\$100,000 - \$124,999	992	5.9%	221	3.0%
	\$125,000 - \$149,999	457	2.7%	43	0.6%
	\$150,000 - \$199,999	389	2.3%	37	0.5%
	\$200,000 over	197	1.2%	13	0.2%
Total		16,912	100.0%	7,383	100.0%
Median Income		\$48,616		\$39,354	

Source: 2006-2010 ACS, Projections Real Property Research Group, Inc.

Table 24 Project Specific LIHTC Rent Limits, Fort Stewart-Hinesville HUD Metro FMR Area

Unit Type	AMI	Units	Bed	Net Rent	Utility Allowance	Gross Rent	Max. Gross Rent	Max. Income	Min. Income
LIHTC	60%	4	1	\$667	\$91	\$758	\$537	\$21,480	\$25,989
LIHTC	60%	3	2	\$781	\$113	\$894	\$645	\$25,800	\$30,651
LIHTC	60%	37	2	\$825	\$113	\$938	\$645	\$25,800	\$32,160
LIHTC	60%	16	3	\$907	\$126	\$1,033	\$744	\$29,790	\$35,417
Total		60							



2. Affordability Analysis

The steps in the affordability analysis (Table 25 and Table 26) are as follows:

- Looking at the 60 percent one bedroom units without PBRA, the overall shelter cost at the maximum tax credit rent would be \$537 (\$446 net rent plus a \$91 allowance to cover all utilities except water/sewer and trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a 60 percent one-bedroom unit would be affordable to households earning at least \$18,411 per year. The projected number of market area households earning at least this amount in 2014 is 14,337.
- Based on an average household size of 1.5 persons per bedroom, the maximum income limit for a one bedroom unit at 60 percent of the AMGI is \$21,480. According to the interpolated income distribution for 2014, there will be 13,864 households in the market area with incomes exceeding this 60 percent LIHTC income limit.
- Subtracting the 13,864 households with incomes above the maximum income limit from the 14,337 households that could afford to rent this unit, RPRG computes that there are an estimated 473 households in the Baytree Market Area within the band of affordability for the subject site's one-bedroom 60 percent units.
- The subject property would need to capture 0.8 percent of these income-qualified households to reabsorb the 4 one-bedroom 60 percent LIHTC units, assuming they become vacant post rehabilitation.
- RPRG next tested the range of qualified households that are currently renters and determined that 5,818 renter households can afford to rent a unit at the subject property. Of these, 5,531 have incomes above our maximum income of \$21,480. The net result is that 287 renter households are qualified within our income band. To reabsorb the 4 sixty percent one-bedroom units, the subject property would need to capture 1.4 percent of income-qualified renter households.
- Using the same methodology, we determined the band of qualified households for remaining floor plan types and income levels offered in the community. We also computed the capture rates for all units.
- The remaining renter capture rates by floor plan range from 3.6 percent for 60 percent three bedroom units to 11.3 percent for 60 percent two bedroom units.
- The project wide capture rate for all 60 percent units is 5.7 percent.
- With the inclusion of PBRA, the overall affordability capture rate for the project drops to 2.2 percent. Similarly, capture rates by floor plan drop below two percent with PBRA for all bedroom types.



Table 25 Baytree Apartments Affordability Analysis without PBRA

One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
	Minimum	Maximum		Minimum	Maximum		Minimum	Maximum
Number of Units	4		Number of Units	40		Number of Units	16	
Net Rent	\$446		Net Rent	\$532		Net Rent	\$619	
Gross Rent	\$537		Gross Rent	\$645		Gross Rent	\$745	
% Income Spent for Shelter	35%		% Income Spent for Shelter	35%		% Income for Shelter	35%	
Income Range	\$18,411	\$21,480	Income Range	\$22,114	\$25,800	Income Range	\$25,543	\$29,790
Range of Qualified Hslds	14,337	13,864	Range of Qualified Hslds	13,767	13,169	Band of Qualified Hslds	13,218	12,403
# Qualified Households		473	# Qualified Households		598	# Qualified Households		815
Unit Total HH Capture Rate		0.8%	Unit Total HH Capture Rate		6.7%	Unit Total HH Capture Rate		2.0%
Range of Qualified Renters	5,818	5,531	Range of Qualified Renters	5,471	5,118	Range of Qualified Renters	5,145	4,703
# Qualified Renter Households		287	# Qualified Renter Households		353	# Qualified Renter Households		441
Unit Renter HH Capture Rate		1.4%	Unit Renter HH Capture Rate		11.3%	Unit Renter HH Capture Rate		3.6%

# of Units	All Households = 16,912			Renter Households = 7,383		
	Income H/Hs	Band of Qualified Hhlds	# Qualified H/Hs	Income H/Hs	Band of Qualified Hhlds	# Qualified H/Hs
60% Units	60	\$18,411 14,337	\$29,790 12,403	1,836	1,836	1,055
Total Units	60	\$18,411 14,337	\$29,790 12,403	1,836	1,836	1,055
						5.7%
						5.7%

Source: Estimates, Real Property Research Group, Inc.

Units %09



Table 26 Baytree Apartments Affordability Analysis with PBRA

Three Bedroom Units		
	Minimum	Maximum
Number of Units	16	
Net Rent	\$619	
Gross Rent	\$745	
% Income Spent for Shelter	35%	
Income Range	no min\$	\$29,790
Range of Qualified Hs/lds	16,912	12,403
# Qualified Households		4,509
Unit Total HH Capture Rate		0.4%

Two Bedroom Units		
	Minimum	Maximum
Number of Units	40	
Net Rent	\$532	
Gross Rent	\$645	
% Income Spent for Shelter	35%	
Income Range	no min\$	\$25,800
Range of Qualified Hs/lds	16,912	13,169
# Qualified Households		3,743
Unit Total HH Capture Rate		1.1%

One Bedroom Units		
	Minimum	Maximum
Number of Units	4	
Net Rent	\$446	
Gross Rent	\$537	
% Income Spent for Shelter	35%	
Income Range	no min\$	\$21,480
Range of Qualified Hs/lds	16,912	13,864
# Qualified Households		3,048
Unit Total HH Capture Rate		0.1%

Renter Households = 7,383			
	Band of Qualified Hh/lds	# Qualified HHs	Capture Rate
Income Renter HHs	no min\$ 7,383	\$29,790 4,703	2,679
Income Renter HHs	\$0 7,383	\$29,790 4,703	2,679

All Households = 16,912			
	Band of Qualified Hh/lds	# Qualified HHs	Capture Rate
Income Hh/lds	no min\$ 16,912	\$29,790 12,403	4,509
Income Hh/lds	\$0 16,912	\$29,790 12,403	4,509

Source: Estimates, Real Property Research Group, Inc.

60% Units



3. Conclusions on Affordability

With or without the inclusion of project based rental assistance, sufficient income-qualified renter households exist in market area to support Baytree Apartments' 60 units in the event they all need to be re-leased post rehabilitation; however, this scenario is unlikely as all tenants are expected to remain income quailed. Furthermore, as Baytree Apartments currently (as of this report) has just 5.0 percent of units vacant with a 1.5 year waiting list, affordability capture rates with PBRA are conservative.

B. DCA Demand

1. Demand Methodology

The Georgia Department of Community Affairs' demand methodology for general occupancy LIHTC 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 anticipated to move into the market area between the base year (2010) and the projected placed-in-service year (2014).
- The second component 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 2006-2010 American Community Survey (ACS) data, the percentage of renter occupied households in the Baytree Market Area that are "substandard" is 2.7 percent (Table 27).
- 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, 33.7 percent of Baytree Market Area renter households are categorized as cost burdened.

According to DCA market study requirements, demand capture rates for rehabilitations should only be based on units expected to become vacant following the proposed renovation. This includes any current tenants that will no longer meet income eligibility requirements and/or or that will become rent overburdened. General turnover of the units should also be considered, as some tenants may elect not to move back to the subject property following relocation. In this instance, Baytree Apartments will maintain its existing project based subsidies post rehabilitation. As such, all current tenants are expected to remain income qualified and/or not rent overburdened. Given some general turnover at Baytree Apartments may still occur, we have conservatively estimated 25 percent or 15 units will need to be re-leased following rehabilitation. To determine if sufficient demand exists to support Baytree Apartments without its project based rental assistance, demand estimates were also calculated for the subject property as if it operated strictly as a tax credit community at maximum allowable rents. Under this scenario, it is likely a significant proportion of existing tenants may become rent overburdened. Consequently, we have assumed all 60 units at Baytree Apartments would need to be re-leased in this situation.



Table 27 Rent Cost-Burdened Households and Substandard Housing

Rent Cost Burden			Substandardness	
Total Households			Total Households	
Less than 10.0 percent	300	3.9%	Owner occupied:	
10.0 to 14.9 percent	793	10.2%	Complete plumbing facilities:	8,493
15.0 to 19.9 percent	1,139	14.7%	1.00 or less occupants per room	8,388
20.0 to 24.9 percent	1,055	13.6%	1.01 or more occupants per room	105
25.0 to 29.9 percent	943	12.2%	Lacking complete plumbing facilities:	0
30.0 to 34.9 percent	702	9.0%	Overcrowded or lacking plumbing	105
35.0 to 39.9 percent	531	6.8%	Renter occupied:	
40.0 to 49.9 percent	515	6.6%	Complete plumbing facilities:	7,761
50.0 percent or more	1,457	18.8%	1.00 or less occupants per room	7,555
Not computed	326	4.2%	1.01 or more occupants per room	206
Total	7,761	100.0%	Lacking complete plumbing facilities:	0
			Overcrowded or lacking plumbing	206
> 35% income on rent	2,503	33.7%	Substandard Housing	311
			% Total Stock Substandard	1.9%
			% Rental Stock Substandard	2.7%

Source: 2000 U.S. Census, American Community Survey 2006-2010

2. Demand Analysis

According to DCA’s demand methodology, all units built or approved between the base year (2010) and the projected placed-in-service year (2014) are to be subtracted from the demand estimates to arrive at a net demand. No such rental communities exist in the Baytree Market Area that meet this criterion.

Without PBRA, the overall capture rate for all 60 percent units at Baytree Apartments is 12.1 percent. By floor plan, capture rates range from 3.2 percent for one bedroom units to 24.2 percent for two bedroom units (Table 28). With PBRA, DCA capture rates (based on vacant units only) decrease to 1.2 percent for 60 percent units and 0.9 percent to 1.0 percent by floor plan (Table 29).

3. Demand Conclusions

Overall, all DCA demand estimates with and without PBRA are well below acceptable DCA thresholds (30 percent) and are reasonable and achievable for Baytree Apartments.



Table 28 DCA Demand Estimates by Income Level with and without PBRA

<i>Income Target</i>	HH at 60% AMI	HH at 60% AMI (PBRA)
<i>Minimum Income Limit</i>	\$18,411	\$0
<i>Maximum Income Limit</i>	\$29,790	\$29,790
<i>(A) Renter Income Qualification Percentage</i>	14.3%	36.3%
Demand from New Renter Households <i>Calculation (C-B)*F*A</i>	64	161
Plus		
Demand from Substandard Housing <i>Calculation B*D*F*A</i>	27	68
Plus		
Demand from Rent Overburdened HHS <i>Calculation: B*E*F*A</i>	340	863
Equals		
Primary Market Area Demand	430	1,093
Plus		
Secondary Market Demand (15%)	65	164
Equals		
Total Demand	495	1,256
Less		
Comparable Units	0	0
Equals		
Net Demand	495	1,256
Proposed Units	60	15
Capture Rate	12.1%	1.2%

Demand Calculation Inputs	
B.) 2010 HH	15,910
C.) 2014 HH	16,912
D.) Substandard Housing, 2006-10	2.7%
E.) Rent Overburdened, 2006-10	33.7%
F.) Renter Percentage, 2012	44.4%



Table 29 DCA Demand by Floor Plan with and without PBRA

HH at 60% AMI	1 Bedroom	2 Bedroom	3 Bedroom
Demand - HH Growth	445	445	445
Plus			
Demand - Substandard	188	188	188
Plus			
Demand - Rent Over-Burdened	2,378	2,378	2,378
Plus			
Secondary Demand	452	452	452
Equals			
Total Demand	3,462	3,462	3,462
Times			
Income Qualification	3.9%	4.8%	5.6%
Equals			
Income Qualified Demand	135	166	194
Less			
Comparable Units	0	0	0
Equals			
Net Demand	135	166	194
Proposed Units	4	40	16
Capture Rate	3.0%	24.2%	8.2%

HH at 60% AMI (PBRA)	1 Bedroom	2 Bedroom	3 Bedroom
Demand - HH Growth	445	445	445
Plus			
Demand - Substandard	188	188	188
Plus			
Demand - Rent Over-Burdened	2,378	2,378	2,378
Plus			
Secondary Demand	452	452	452
Equals			
Total Demand	3,462	3,462	3,462
Times			
Income Qualification	6.2%	21.5%	8.6%
Equals			
Income Qualified Demand	214	743	299
Less			
Comparable Units	0	0	0
Equals			
Net Demand	214	743	299
Proposed Units	2	7	3
Capture Rate	0.9%	0.9%	1.0%



Table 30 DCA Demand and Capture Rate Summary Table

AMI Target	Unit Size	Minimum Income Limit	Maximum Income Limit	Units	Total Demand	Supply	Net Demand	Capture Rate
60% AMI	1 Bedroom	\$18,411	\$21,480	4	135	0	135	3.0%
	2 Bedroom	\$22,114	\$25,800	40	166	0	166	24.2%
	3 Bedroom	\$25,801	\$29,790	16	194	0	194	8.2%
60% AMI (PBRA)	1 Bedroom	\$0	\$5,500	2	214	0	214	0.9%
	2 Bedroom	\$5,501	\$23,500	7	743	0	743	0.9%
	3 Bedroom	\$23,501	\$29,790	3	299	0	299	1.0%
Total								
60% AMI	1-3 Bedroom	\$18,411	na	60	495	0	495	12.1%
60% AMI (PBRA)	1-3 Bedroom	\$0	na	14	1,256	0	1,256	1.1%

C. Derivation of HUD Demand

1. Demand Methodology

In this section, RPRG presents a Derivation of Demand calculation that is intended to gauge whether sufficient demand from renter households would be available in the Baytree Market Area to reabsorb the number of units proposed for the subject project plus those units proposed at other pipeline rental communities that are expected to be brought on-line over a coming three-year period. The end result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply), a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question), or very rarely zero (in which case rental supply and rental demand would be perfectly in balance in terms of number of units demanded versus number of units supplied). The three-year period in question for this analysis is the period spanning January 2012 through January 2015. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the subject project was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG's Derivation of Demand examines the balance of the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses upon the change in demand over the period in question, as opposed to focusing on the market's total demand. Considerations such as household incomes, floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the subsequent related Affordability Analysis and Penetration Analysis sections.

RPRG sums demand generated from three broad sources in order to arrive at 'Net Demand for New Rental Units' over the January 2012 to January 2015 period:

- **Projected Change in the Household Base.** Recall that in the Growth Trends section of this report, we presented projections of household change within the Baytree Market Area over the 2010 to 2017 period. We factor in three years worth of the household change suggested by the annual rate of household growth or decline (2012 to 2013, 2013 to 2014, and 2014 to 2015). Note that net household change incorporates growth or decline stemming from both organic changes within existing households (i.e. new household formation as children move out of their parents' homes, divorces, roommates electing to begin renting separately) and household migration into and out of the market area.
- **Units Removed from the Housing Stock.** A number of factors contribute to the removal of housing units in a given geographic area. A May 2011 report prepared for the U.S. Department of Housing and Urban Development by Econometrica, Inc. provides quantitative evidence of such removal factors.¹ Using data collected as part of the national American Housing Survey (AHS) in 2007 and 2009, Econometrica highlighted the portions of the total number of housing units lost attributable to each of the following: units lost through demolition or natural disasters; units badly damaged or condemned (and thus unlivable); units lost due to merger of two or more units into a single unit or the conversion of a single unit into multiple units; units

¹ American Housing Survey, Components of Inventory Change 2007-2009; Prepared by Econometrica, Inc. for the U.S. Department of Housing & Urban Development's Office of Policy Development & Research; May 2011.



changed from residential to non-residential use; units (primarily mobile homes) moved out from their 2007 location; and units lost in other (unclassified) ways. Table 33 summarizes many of these tabulation categories. Among the relevant findings from the CINCH data is that renter-occupied units are far more likely to be demolished than owner-occupied units. RPRG uses the CINCH data as a guide in estimating a housing stock removal rate for a particular market area.

The unit removal component of net demand is the means through which RPRG takes into account issues of housing quality. New or substantially renovated housing units become necessary when the existing stock of housing units ceases to meet the needs of households that wish to remain residents of a particular market (or move to the market). The housing stock fails to meet the needs of residents in various ways, including functional obsolescence (due to advanced age, inadequate facilities, and/or deferred maintenance) and the limited construction of new units in a stable/desirable area over the course of many years due to the lack of available land for development (a situation often witnessed in urban markets with relatively high resident incomes and housing costs).

- **Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG's calculation of net demand for rental units is the observed vacancy rate in the primary market area's competitive rental market. RPRG assumes that a 5.0 percent vacancy rate – a typical underwriting standard – is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand (whereby that amount of demand would not need to be met through the development of new units).

In considering competitive vacancy rates, we focus on multifamily units for a number of reasons. One of the primary reasons is that the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.



Table 31 CINCH Data

A Characteristics	C Present in 2007	D 2007 units present in 2009	E Change in characteristics	F '07 units lost due to conversion /merger	G '07 house or mobile home moved out	H '07 units changed to nonresidential use	I '07 units through demolition or disaster	J '07 units lost badly damaged or condemned	K '07 units lost in other ways	TOTAL Lost to Stock	Total exclude MH	Annual
Total Housing Stock	128,203	126,119	-	193 0.15%	411 0.32%	288 0.22%	491 0.38%	302 0.24%	400 0.31%	2,085 1.63%	1,674 1.31%	837 0.65%
Occupancy												
Occupied units	110,692	100,730	8,880	124 0.11%	263 0.24%	125 0.11%	227 0.21%	130 0.12%	212 0.19%	1,081 0.98%	818 0.74%	409 0.37%
Vacant	13,109	5,072	7,299	60 0.46%	110 0.84%	91 0.69%	204 1.56%	151 1.15%	122 0.93%	738 5.63%	628 4.79%	314 2.40%
Seasonal	4,402	2,362	1,775	8 0.18%	38 0.86%	72 1.64%	59 1.34%	21 0.48%	66 1.50%	264 6.00%	226 5.13%	113 2.57%
Region (All Units)												
Northeast	23,505	23,213	-	49 0.21%	29 0.12%	61 0.26%	33 0.14%	51 0.22%	69 0.29%	292 1.24%	263 1.12%	132 0.56%
Midwest	29,602	29,202	-	58 0.20%	51 0.17%	34 0.11%	110 0.37%	76 0.26%	71 0.24%	400 1.35%	349 1.18%	175 0.59%
South	48,881	47,783	-	48 0.10%	280 0.57%	156 0.32%	287 0.59%	155 0.32%	171 0.35%	1,097 2.24%	817 1.67%	409 0.84%
West	26,214	25,920	-	38 0.14%	50 0.19%	37 0.14%	60 0.23%	20 0.08%	88 0.34%	293 1.12%	243 0.93%	122 0.46%
Tenure (Occupied Units)												
Owner occupied	75,647	68,551	6,642	48 0.06%	124 0.16%	57 0.08%	96 0.13%	40 0.05%	90 0.12%	455 0.60%	331 0.44%	166 0.22%
Renter occupied	35,045	27,331	7,086	76 0.22%	139 0.40%	68 0.19%	132 0.38%	91 0.26%	122 0.35%	628 1.79%	489 1.40%	245 0.70%
Metro Status												
In Central Cities	36,122	35,494	77	77 0.21%	48 0.13%	88 0.24%	135 0.37%	139 0.38%	140 0.39%	627 1.74%	579 1.60%	290 0.80%
In Suburbs	59,794	59,005	80	80 0.13%	182 0.30%	133 0.22%	187 0.31%	80 0.13%	128 0.21%	790 1.32%	608 1.02%	304 0.51%
Outside Metro Area	32,287	31,619	35	35 0.11%	180 0.56%	67 0.21%	169 0.52%	83 0.26%	132 0.41%	666 2.06%	486 1.51%	243 0.75%

Source: American Housing Survey, Components of Inventory Change 2007-2009; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; May 2011

2. Net Demand Analysis

In Table 32, we apply the above discussion of sources of demand for new rental units to the Baytree Market Area. The steps in our Derivation of Demand analysis are as follows:

- Per the household trend information discussed earlier (based on Census trends), RPRG estimates that 16,403 households reside in the Baytree Market Area as of 2012, a number that is projected to increase to 17,705 by 2017. Based on this estimate and projection, RPRG derived the number of households in the market area as of January 2012 and January 2015 through interpolation.
- Based on the continuation of Census trends, there would be 16,403 households in the Baytree Market Area as of January 2012, a number that is expected to increase to 17,172 households by January 2015. Allowing for rounding, the Baytree Market Area would thus gain 769 net households during the three-year study period.
- Using national statistical observations from 2007 and 2009 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States between 2007 and 2009 (for all reasons other than the moving of homes, particularly mobile homes) was 0.37 percent of the total occupied stock (Table 33). This blended rate includes an annual loss of 0.70 percent of renter-occupied units and 0.22 percent of owner-occupied units. In the interest of conservatively estimating demand, we assume the lower blended rate of 0.37 percent rather than the higher renter-occupied rate of 0.70 percent. We determined the size of the housing stock in 2012, 2013, and 2014 via interpolation of household projections. Applying the removal rate over the three years in question, we estimate that 225 units are likely to be lost in the Baytree Market Area.
- The net demand for new housing units summing the household change and unit removal demand components is expected to total 994 units.
- As of 2012, an estimated 44.4 percent of all households in the Baytree Market Area are renters. The renter percentage is projected by Nielsen to decrease slightly to 42.6 percent in 2017. To account for the trend of decreased rentership, we have applied an average renter percentage of 44.0 to the net new housing demand between January 2012 and January 2015. Applying this tenure proportion, the net new demand for rental housing over the three-year period is estimated at 438 units.
- Based on our survey, the current competitive supply of units at 11 stabilized general occupancy communities in the Baytree Market Area totals 1,206 units. Managers of these communities reported 63 current vacant units, for a 5.2 percent vacancy rate. Based on the current vacancies among all surveyed communities in the market area, 3 units will need to be leased in order for the existing stock to reach 95 percent occupancy.
- Based on the calculation outlined here, there would be a total demand for 435 additional rental units in the Baytree Market Area through January 2015 considering household trends, the removal rate, and the preferred structural vacancy rate of 5.0 percent.
- Net demand for new rental units must be balanced against new rental stock likely to be added between January 2012 and January 2015. As detailed earlier, no new rental communities are in the planning stages or are under construction in the Baytree Market Area. In addition, Baytree Apartments is an existing rental community and will not add any



additional units to the housing supply. Consequently, an excess demand of 435 rental units exists in the Baytree Market Area.

3. Conclusions on HUD Net Demand

Overall, sufficient demand exists to support the rehabilitation of the subject property. In fact, net demand estimates indicate additional rental units above and beyond those at the subject property may be needed in the Baytree Market Area through 2015.

Table 32 Derivation of Demand

Net Demand			
<i>Projected Change in Household Base</i>			Units
January 2012 Households			16,403
January 2015 Households			17,172
Net Change in Households			769
Add: Units Removed from Housing Stock	Housing Stock	Removal Rate	Units Removed
2012 Housing Stock	19,842	0.370%	73
2013 Housing Stock	20,292	0.370%	75
2014 Housing Stock	20,759	0.370%	77
			225
Net New Demand for Housing Units			994
<i>Average Percent Renter Households over Analysis Period</i>			44.0%
Net New Demand for Renter Units			438
Add: Multifamily Competitive Vacancy	Inventory		Vacant
Stabilized Multifamily Communities	782		63
Deep-Subsidy Multifamily Communities	424		0
Subtotal Stabilized Communities	1,206		63
Communities Under Lease Up	0	0	0
Total Competitive Inventory	1,206		63
Market Vacancy at 5%			60
Less: Current Vacant Units			-63
Vacant Units Required to Reach 5% Market Vacancy			-3
Net Demand for New Rental Units			435
Planned Additions to the Supply			
		Total Units	95% Occupancy
Total New Rental Supply		0	0
Excess Demand for Rental Housing			435

Source: Real Property Research Group, Inc.



Table 33 CINCH Data

A Characteristics	C Present in 2007	D 2007 units present in 2009	E Change in characteristics	F '07 units lost due to conversion /merger	G '07 house or mobile home moved out	H '07 units changed to nonresidential use	I '07 units demolition or disaster	J '07 units lost badly damaged or condemned	K '07 units lost in other ways	TOTAL Lost to Stock	Total exclude MH	Annual
Total Housing Stock	128,203	126,119	-	193 0.15%	411 0.32%	288 0.22%	491 0.38%	302 0.24%	400 0.31%	2,085 1.63%	1,674 1.31%	837 0.65%
Occupancy												
Occupied units	110,692	100,730	8,880	124 0.11%	263 0.24%	125 0.11%	227 0.21%	130 0.12%	212 0.19%	1,081 0.98%	818 0.74%	409 0.37%
Vacant	13,109	5,072	7,299	60 0.46%	110 0.84%	91 0.69%	204 1.56%	151 1.15%	122 0.93%	738 5.63%	628 4.79%	314 2.40%
Seasonal	4,402	2,362	1,775	8 0.18%	38 0.86%	72 1.64%	59 1.34%	21 0.48%	66 1.50%	264 6.00%	226 5.13%	113 2.57%
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South	48,881	47,783	-	48 0.10%	280 0.57%	156 0.32%	287 0.59%	155 0.32%	171 0.35%	1,097 2.24%	817 1.67%	409 0.84%
West	26,214	25,920	-	38 0.14%	50 0.19%	37 0.14%	60 0.23%	20 0.08%	88 0.34%	293 1.12%	243 0.93%	122 0.46%
Tenure (Occupied Units)												
Owner occupied	75,647	68,551	6,642	48 0.06%	124 0.16%	57 0.08%	96 0.13%	40 0.05%	90 0.12%	455 0.60%	331 0.44%	166 0.22%
Renter occupied	35,045	27,331	7,086	76 0.22%	139 0.40%	68 0.19%	132 0.38%	91 0.26%	122 0.35%	628 1.79%	489 1.40%	245 0.70%
Metro Status												
In Central Cities	36,122	35,494	77	77 0.21%	48 0.13%	88 0.24%	135 0.37%	139 0.38%	140 0.39%	627 1.74%	579 1.60%	290 0.80%
In Suburbs	59,794	59,005	80	80 0.13%	182 0.30%	133 0.22%	187 0.31%	80 0.13%	128 0.21%	790 1.32%	608 1.02%	304 0.51%
Outside Metro Area	32,287	31,619	35	35 0.11%	180 0.56%	67 0.21%	169 0.52%	83 0.26%	132 0.41%	666 2.06%	486 1.51%	243 0.75%

Source: American Housing Survey, Components of Inventory Change 2007-2009; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; May 2011



D. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Baytree Market Area. We pursued several avenues of research in an attempt to identify residential rental projects that are actively being planned or that are currently under construction within the Baytree Market Area. We interviewed representatives of the Liberty Consolidated Planning Commission and the Atlanta HUD office. Site visit observations and past RPRG work in the region also informed this process. The rental survey of competitive projects was conducted in April 2012.

E. Overview of Market Area Housing Stock

Based on the 2006-2010 ACS survey, rental housing in the Baytree Market Area is slightly denser than Liberty County, overall. Multi-family structures (i.e., buildings with five or more units) accounted for just over 20 percent of all rental units in the Baytree Market Area, compared to 15.5 percent in the county (Table 34). Single-family homes, townhomes, and mobile homes comprised the largest proportion of the rental stock in both regions, at 61.6 percent and 58.9 percent in the Baytree Market Area and Liberty County, respectively.

The vast majority (approximately 84 to 90 percent) of owner occupied units in both the Baytree Market Area and Liberty County consist of single-family homes. Similarly, mobile homes accounted for nearly all of the remaining units in both geographies. In the Baytree Market Area and Liberty County, structures with five or more units contained just 1.3 percent and 1.1 percent of owner occupied housing, respectively.

The housing stock in both the Baytree Market Area and Liberty County is of an older vintage. Among rental units, the Baytree Market Area and Liberty County each have a median year built of 1988 (Table 35). The median year built of the market area's owner occupied housing stock is 1991, slightly older than the owner occupied median year built of 1992 in Liberty County. In the Baytree Market Area, 20.0 percent of rental units were built since 2000 and 49.3 percent were built during the 1990's or 1980's. Approximately 30 percent of rental units in the Baytree Market Area were built prior to 1970.

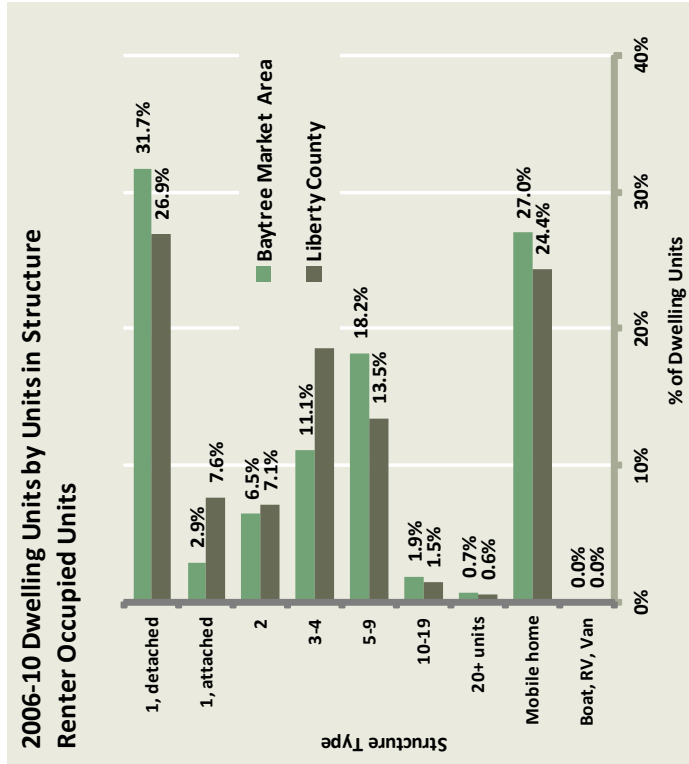
According to the Nielsen Company, the median value among owner-occupied housing units in the Baytree Market Area as of 2010 is \$110,957, which is \$338 or 0.3 percent higher than the Liberty County median of \$110,618 (Table 36). Nielsen estimates home values based upon values from the 2000 Census and 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 34 Dwelling Units by Structure and Tenure

Renter Occupied	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
1, detached	2,995	26.9%	2,460	31.7%
1, attached	850	7.6%	227	2.9%
2	787	7.1%	501	6.5%
3-4	2,061	18.5%	862	11.1%
5-9	1,498	13.5%	1,413	18.2%
10-19	162	1.5%	145	1.9%
20+ units	64	0.6%	58	0.7%
Mobile home	2,711	24.4%	2,095	27.0%
Boat, RV, Van	0	0.0%	0	0.0%
TOTAL	11,128	100.0%	7,761	100.0%

Source: American Community Survey, 2006-2010.



Owner Occupied	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
1, detached	9,732	84.6%	7,650	90.1%
1, attached	74	0.6%	45	0.5%
2	6	0.1%	6	0.1%
3-4	42	0.4%	42	0.5%
5-9	108	0.9%	91	1.1%
10-19	8	0.1%	8	0.1%
20+ units	10	0.1%	10	0.1%
Mobile home	1,503	13.1%	634	7.5%
Boat, RV, Van	15	0.1%	7	0.1%
TOTAL	11,498	100.0%	8,493	100.0%

Source: American Community Survey, 2006-2010.

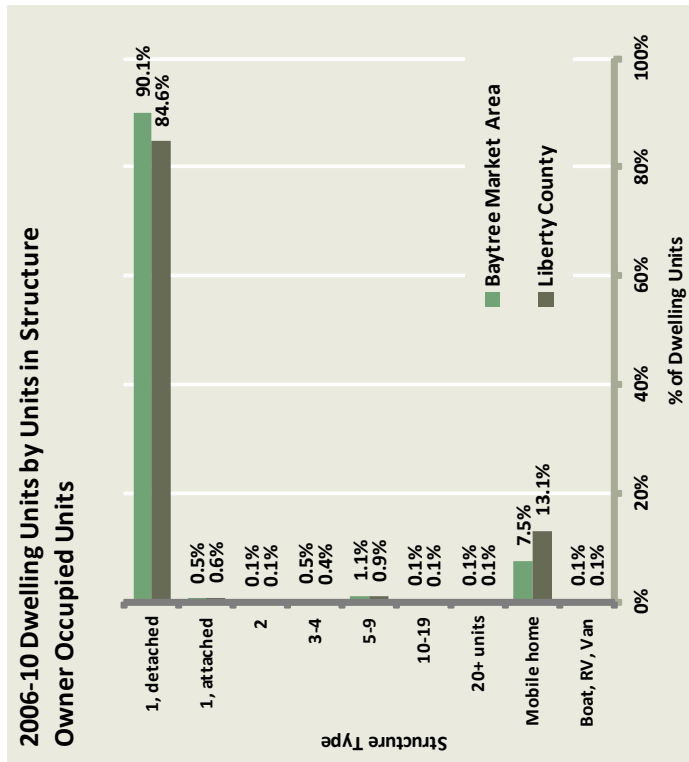




Table 35 Dwelling Units by Year Built and Tenure

Renter Occupied	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
2005 or later	1,293	11.6%	381	4.9%
2000 to 2004	1,496	13.4%	1,168	15.0%
1990 to 1999	2,592	23.3%	2,088	26.9%
1980 to 1989	2,308	20.7%	1,741	22.4%
1970 to 1979	2,307	20.7%	1,599	20.6%
1960 to 1969	670	6.0%	568	7.3%
1950 to 1959	253	2.3%	56	0.7%
1940 to 1949	110	1.0%	97	1.2%
1939 or earlier	99	0.9%	63	0.8%
TOTAL	11,128	100.0%	7,761	100.0%
MEDIAN YEAR BUILT	1988		1988	

Owner Occupied	Liberty County		Baytree Market Area	
	Number	Percent	Number	Percent
2005 or later	640	5.6%	311	3.7%
2000 to 2004	1,778	15.5%	1,172	13.8%
1990 to 1999	4,001	34.8%	3,118	36.7%
1980 to 1989	2,241	19.5%	1,744	20.5%
1970 to 1979	1,574	13.7%	1,238	14.6%
1960 to 1969	557	4.8%	424	5.0%
1950 to 1959	413	3.6%	296	3.5%
1940 to 1949	161	1.4%	130	1.5%
1939 or earlier	133	1.2%	60	0.7%
TOTAL	11,498	100.0%	8,493	100.0%
MEDIAN YEAR BUILT	1992		1991	

Source: American Community Survey, 2006-2010.

Source: American Community Survey, 2006-2010.

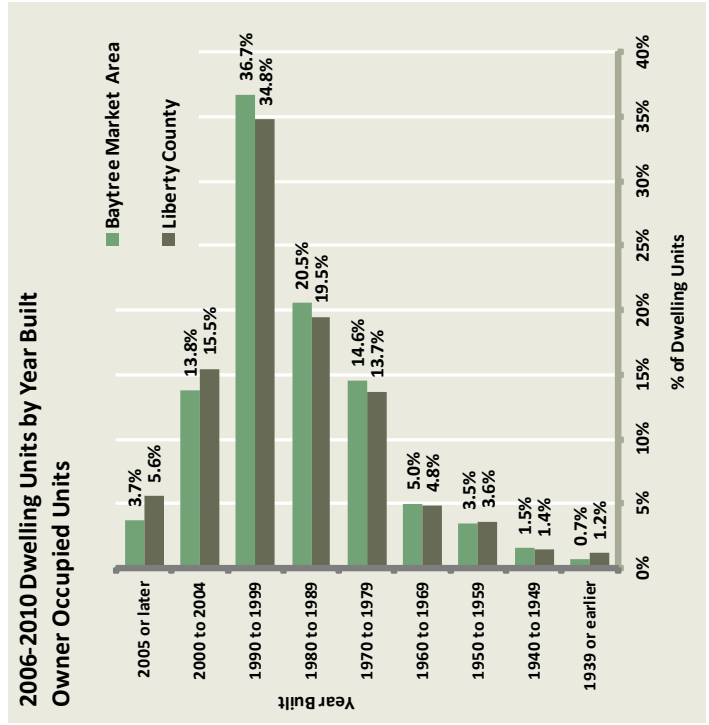
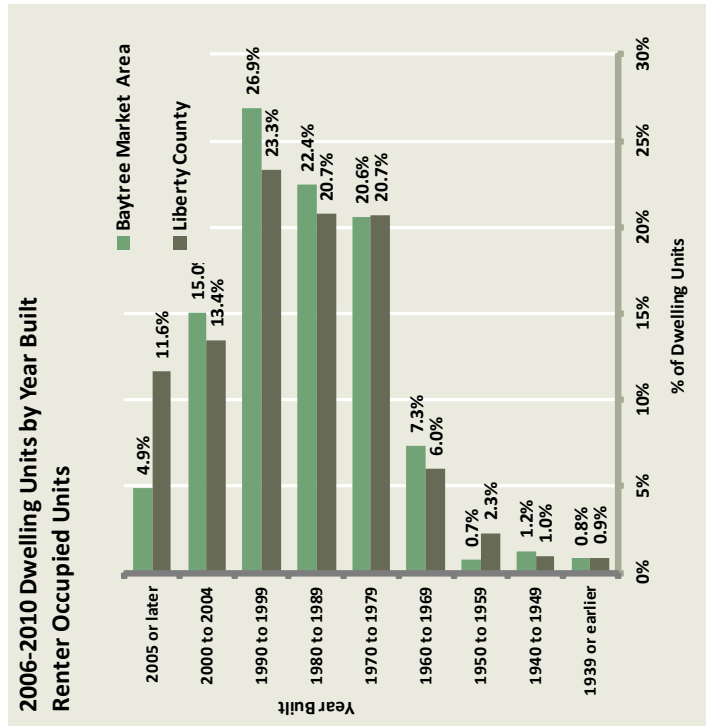
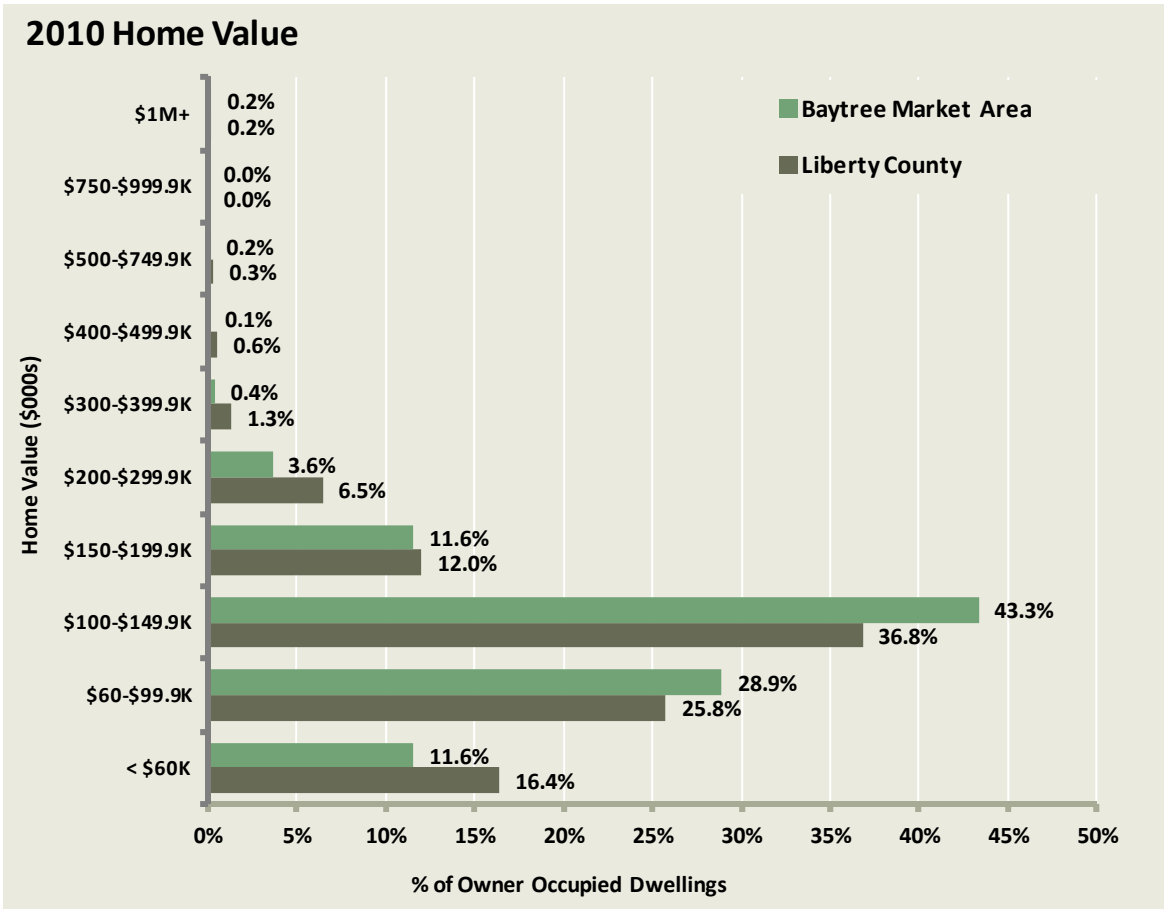




Table 36 Value of Owner Occupied Housing Stock

		Liberty County		Baytree Market Area	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$60,000	1,492	16.4%	721	11.6%
	\$60,000 - \$99,999	2,344	25.8%	1,800	28.9%
	\$100,000 - \$149,999	3,348	36.8%	2,697	43.3%
	\$150,000 - \$199,999	1,095	12.0%	721	11.6%
	\$200,000 - \$299,999	588	6.5%	227	3.6%
	\$300,000 - \$399,999	122	1.3%	26	0.4%
	\$400,000 - \$499,999	51	0.6%	6	0.1%
	\$500,000 - \$749,999	31	0.3%	11	0.2%
	\$750,000 - \$999,999	2	0.0%	1	0.0%
	\$1,000,000 over	21	0.2%	14	0.2%
Total		9,094	100.0%	6,224	100.0%
Median Value		\$110,618		\$110,957	

Source: The Nielsen Company





F. Survey of Competitive Rental Communities

1. Introduction to the Rental Housing Survey

For the purposes of this analysis, RPRG surveyed eleven general occupancy rental communities in the Baytree Market Area. Of these eleven properties, two were financed by Low Income Housing Tax Credits (LIHTC), four were funded through the HUD Section 8 program, and five are market rate. As Baytree Apartments contains project based rental assistance (PBRA) on all units, the four HUD Section 8 communities are considered comparable for the purposes of this report; however, these communities are shown separately and not included in the analysis of rents as they are not reflective of current market conditions. One additional HUD Section 8 community, Pineland Square, was also identified in the market area but could not be reached at the time our survey. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 10. The location of each community relative to the subject site is shown on Map 5 (LIHTC and market rate communities) and Map 6 (deeply subsidized communities).

2. Location

Nine of the eleven surveyed rental communities are clustered around downtown Hinesville near Fort Stewart and/or U.S. Highway 84. Relative to the subject property, five are located roughly one mile to the south and four are located one-half mile to the northeast and northwest. The remaining two rental communities, The Columns at Independence and Ashton Place, are situated farther west and south, three to four miles from Baytree Apartments.

3. Age of Communities

Combined, the non-subsidized rental communities (not including Treetop) reported an average year built of 1993 with two properties constructed since 2000. By comparison, the two LIHTC communities (The Pines at Willowbrook and Ashton Place) were newer overall with an average year built of 2000. Among the four deeply subsidized communities, the average year built was 1981.

4. Structure Type

The structure type and building characteristics of the market area's rental stock include a mixture of garden-style apartments, townhomes, and two-story walk-ups. Exterior features are generally dependent on the age and price point of the communities with newer market rate and recently constructed LIHTC communities being the most attractive.

5. Size of Communities

The surveyed rental communities range in size from 32 units (Treetop) to 222 units (Columns at Independence). The seven market rate and LIHTC communities contain an average of 103 units while the four deeply subsidized properties average 75 units. It is important to note, while Treetop contains both market rate and deeply subsidized units, it is considered a deeply subsidized community for the purposes of this calculation. The two LIHTC properties, Ashton Place and the Pines at Willowbrook, contain 48 and 80 units, respectively.



6. Vacancy Rates

The non-subsidized rental communities (including the market rate component of Treetop) combine to offer 737 units, of which 63 or 8.5 percent were reported vacant (Table 37); however, over half (38) of these vacancies occurred at the older market rate community Stewart Way. Excluding this community, the average vacancy rate among the remaining properties was just 4.6 percent. Among the two LIHTC properties, just one of 128 units was available at the time of our survey for a vacancy rate of only 0.8 percent. In addition, both LIHTC properties reported lengthy waiting lists. While the four deeply subsidized properties have a small number of units physically vacant, applications from the properties' substantial waiting lists were being processed at the time our survey. As such, we consider these communities to be fully occupied. Baytree Apartments also reported three units physically vacant, all of which are expected to be filled from the properties one-year waiting list.

Table 37 Rental Summary, Surveyed LIHTC and Market Rate Rental Communities

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Average 1BR Rent (1)	Average 2BR Rent (1)	Incentive/Waitlist
	Subject Property - 60% AMI			Garden	60			\$446	\$532	
1	The Columns at Independence	2010		Garden	222	4	1.8%	\$870	\$1,050	None
2	Mission Ridge	1985	2010	Townhouse	54	0	0.0%	\$788		None
3	Stewart Way	1987		Garden	191	38	19.9%	\$619	\$754	None
4	Link Terrace	1987		Garden	54	5	9.3%	\$633	\$754	None
5	Wedgewood Apts	1985		Townhouse	72	7	9.7%	\$683		None
6	Treetop			Garden	16	8	50.0%	\$575	\$630	None
7	The Pines at Willowbrook*	2003		Garden	80	0	0.0%	\$513	\$616	None
8	Ashton Place*	1997		Garden	48	1	2.1%	\$192	\$483	None
Overall Total					737	63	8.5%			
Overall Average					1993			\$567	\$720	
LIHTC Total					128	1	0.8%			
LIHTC Average					2000			\$353	\$549	

LIHTC Communities*

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

Source: Field Survey, Real Property Research Group, Inc. April, 2012

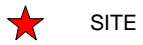
Table 38 Rental Summary, Deeply Subsidized Rental Communities

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Average 1BR Rent (1)	Average 2BR Rent (1)	Incentive/Waitlist
Raintree**	1984	Garden	200	0	0.0%	\$769	\$866	None
Northgate**	1982	Garden	80	0	0.0%		\$680	None
Tree Top**	1979	Garden	16	0	0.0%	\$575	\$630	None
Regency Park**		Garden	128	0	0.0%	\$415	\$456	None
Overall Total			424	0	0.0%			
Overall Average			1982			\$586	\$658	

Deep Subsidy Communities**

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

Source: Field Survey, Real Property Research Group, Inc. April, 2012



SITE



Primary Market Area

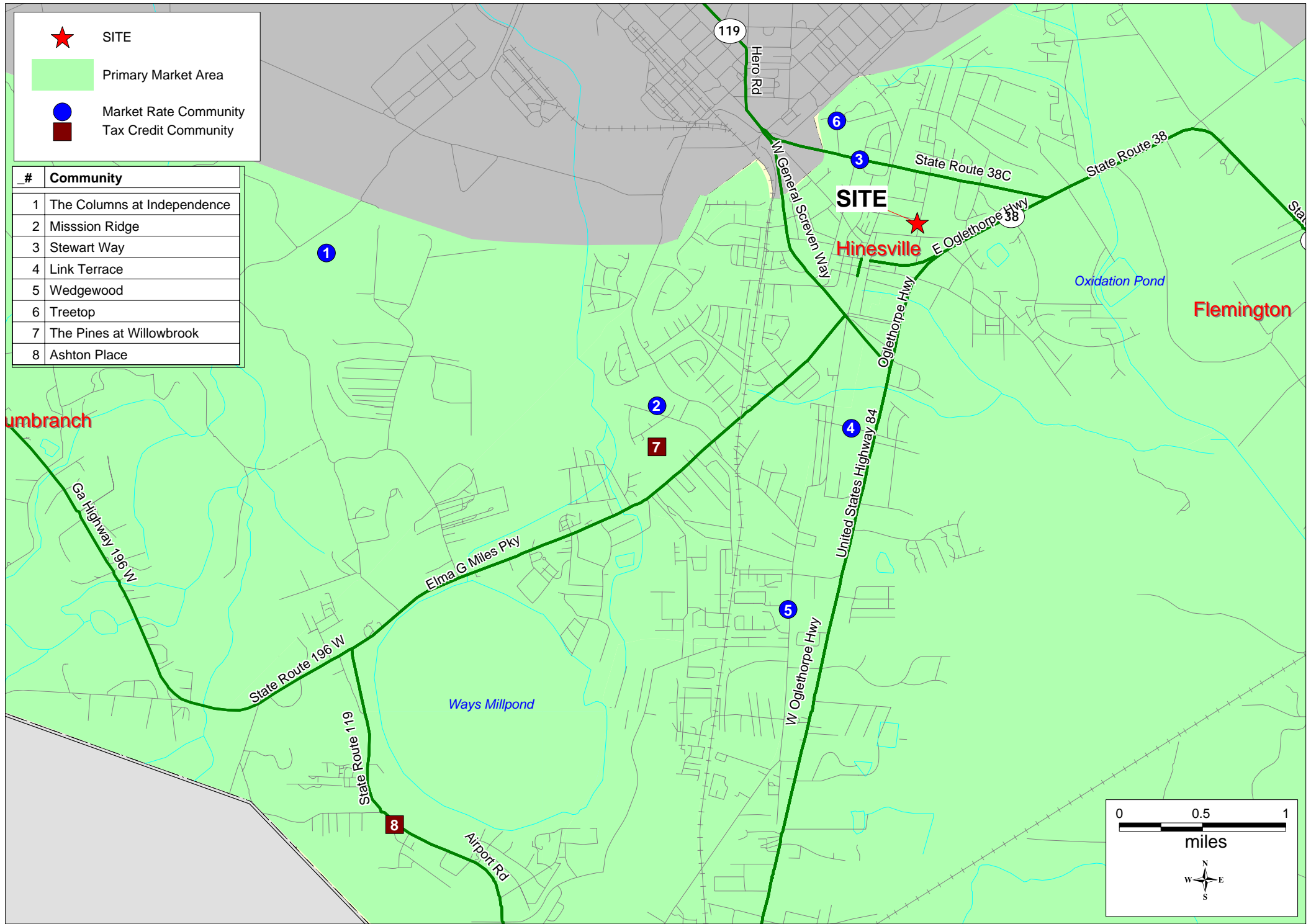


Market Rate Community



Tax Credit Community

#	Community
1	The Columns at Independence
2	Mission Ridge
3	Stewart Way
4	Link Terrace
5	Wedgewood
6	Treetop
7	The Pines at Willowbrook
8	Ashton Place



Map 5
Surveyed General Occupancy Communities
Liberty County, GA



7. Rent Concessions

None of the properties were offering rent concessions at the time of our survey.

8. Absorption History

The newest market rate community, Columns at Independence, opened in May of 2010 and was fully leased by December of the same year. This equates to an approximate absorption rate of 31 to 32 units per month. It is important to note this community is located just outside the western gate of Fort Stewart and is targeted to military and civilian personnel that work on the base.

G. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

At seven of the eleven properties surveyed, utility expenses associated with water, sewer and trash removal are the responsibility of the landlord and included in rent, while the balance of utility expenses (cooking, heat, hot water, electricity) are the responsibility of the tenant (Table 39). This is consistent with the proposed rent structure at Baytree Apartments. The remaining four properties only include trash removal in the cost of rent.

2. Unit Features

Eight surveyed communities include dishwashers and garbage disposals in some or all units while ten offer washer/dryer connections. In addition, patios/balconies are standard at all surveyed communities and central laundry facilities are available at most (Table 39). Only four properties provide a microwave in each unit and Columns at Independence is the only community to include full-size washer/dryers as a standard unit feature. Baytree Apartments proposed unit features, which will include dishwashers, and a central laundry facility, will be competitive with the surveyed rental stock and appropriate for a deeply subsidized/LIHTC community.

3. Parking

All communities include free surface parking as their standard parking option. Columns at Independence also offers detached garages for an additional monthly fee of \$125.

4. Community Amenities

The majority of rental communities surveyed in the Baytree Market Area offer few if any recreational amenities. Of those that do, the most common are a playground (seven properties) and a community room / clubhouse (six properties) (Table 39). The only other rental communities to offer more than these basic amenities are the newest market rate community Columns at Independence and the LIHTC property the Pines at Willowbrook. Baytree Apartments will contain a community room, gazebo, and playground, post rehabilitation, which will be competitive in the market place and well received by the target market.



Table 39 Utilities, Unit Features, and Community Amenities – Surveyed Rental Communities

Community	Utilities Included in Rent										In-Unit Laundry
	Heat	Hot Water	Cook	Electric	Water	Trash	Dishwasher	Microwave	Parking		
Subject Property	Electric						Standard		Free Surface Parking	Free Surface Parking	Hook Ups
Ashton Place	Electric						Standard		Free Surface Parking	Free Surface Parking	Hook Ups
Baytree	Natural Gas						Standard		Free Surface Parking	Free Surface Parking	Hook Ups
Grove Park	Electric						Standard		Free Surface Parking	Free Surface Parking	Hook Ups
Link Terrace	Electric						Select Units	Select Units	Free Surface Parking	Free Surface Parking	Hook Ups
Mission Ridge	Electric						Standard	Standard	Free Surface Parking	Free Surface Parking	Hook Ups
Northgate	Natural Gas								Free Surface Parking	Free Surface Parking	Hook Ups
Raintree	Natural Gas								Free Surface Parking	Free Surface Parking	Hook Ups
Regency Park	Natural Gas								Free Surface Parking	Free Surface Parking	Hook Ups
Stewart Way	Electric						Select Units	Select Units	Free Surface Parking	Free Surface Parking	Hook Ups
The Columns at Independence	Electric						Standard	Standard	Free Surface Parking	Free Surface Parking	Standard - Full
The Pines at Willowbrook	Natural Gas						Standard	Standard	Free Surface Parking	Free Surface Parking	Hook Ups
Treetop	Natural Gas						Standard	Standard	Free Surface Parking	Free Surface Parking	Hook Ups
Wedgewood Apts	Electric								Free Surface Parking	Free Surface Parking	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. April, 2012

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Sauna	Playground	Tennis Court	Buisness/ Computer Center
Subject Property								
Ashton Place								
Baytree								
Grove Park								
Link Terrace								
Mission Ridge								
Northgate								
Raintree								
Regency Park								
Stewart Way								
The Columns at Independence								
The Pines at Willowbrook								
Treetop								
Wedgewood Apts								

Source: Field Survey, Real Property Research Group, Inc. April, 2012



5. Distribution of Units by Bedroom Type

Unit distributions were available for 78.6 percent of the 737 non-subsidized units surveyed in the Baytree Market Area. In total, all eight communities (including Treetop) contained two bedroom units while one and three bedroom units are offered at seven and six communities, respectively. On a percentage basis, 36.3 percent of units contain one bedroom, 54.4 percent contain two bedrooms, and 9.3 percent contain three bedrooms. None of the surveyed rental communities offer four bedroom units.

6. Effective Rents

Unit rents presented in Table 40 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply downward adjustments to street rents at some communities in order to control for current rental incentives (in this case there were no incentives). The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where water/sewer and trash removal utility costs are included in monthly rents at all communities, with tenants responsible for other utility costs (electricity, heat, hot water, and cooking fuel).

- **One-bedroom** effective rents averaged \$561 per month. The average one-bedroom square footage was 692 square feet, resulting in a net rent per square foot of \$0.81. The range for one-bedroom effective rents was \$192 to \$885.
- **Two-bedroom** effective rents averaged \$690 per month. The average two-bedroom square footage was 980 square feet, resulting in a net rent per square foot of \$0.70. The range for two-bedroom effective rents was \$440 to \$1,070.
- **Three-bedroom** effective rents averaged \$756 per month. The average three-bedroom square footage was 1,090 square feet, resulting in a net rent per square foot of \$0.69. The range for three-bedroom effective rents was \$508 to \$1,255.

7. DCA Estimate of Market Rent

To determine average “market rents” as outlined in DCA’s 2012 Market Study Manual, market rate and 60 percent LIHTC rents were averaged at the most comparable communities to the subject property (Table 41). These include four market rate properties and two LIHTC / mixed-income properties in the Baytree Market Area.

The average “market rents” among comparable communities are \$606 for a one bedroom unit, \$709 for a two bedroom unit, and \$763 for three bedroom unit (Table 42). In the event the subject property lost its PBRA, it would not be able to charge more than maximum allowable LIHTC rents. Compared to average market rents, maximum LIHTC rents at the subject property would have rent advantages ranging from 18.9 percent to 26.4 percent. It is important to note that these 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.



Table 40 Salient Characteristics, Surveyed Rental Communities

Community	Type	Total Units	One Bedroom Units			Two Bedroom Units			Three Bedroom Units			Four Bedroom Units						
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Property - 60% AMI	Garden	60	4	\$446	642	\$0.69	40	\$532	849	\$0.63	16	\$619	1,054	\$0.59				
The Columns at Independence	Garden	222	78	\$885	874	\$1.01	120	\$1,070	1,180	\$0.91	24	\$1,255	1,461	\$0.86				
Mission Ridge	Townhouse	54					48	\$808	984	\$0.82	6	\$875	1,000	\$0.88				
The Pines at Willowbrook	Garden	80	8	\$650	723	\$0.90	48	\$800	948	\$0.84	24	\$900	1,023	\$0.88				
Stewart Way	Garden	191	87	\$634	576	\$1.10	16	\$774	864	\$0.90								
Link Terrace	Garden	54	37	\$648	576	\$1.13	11	\$774	864	\$0.90								
Wedgewood Apts	Townhouse	72					72	\$703	1,100	\$0.64								
Treetop	Garden	16		\$590	634	\$0.93		\$650	830	\$0.78		\$700	925	\$0.76				
The Pines at Willowbrook* 60% AMI	Garden	-	-	\$491	723	\$0.68	-	\$579	948	\$0.61	-	\$665	1,023	\$0.65				
Ashton Place* 60% AMI	Garden	48						\$525	1,056	\$0.50		\$610	1,134	\$0.54				
The Pines at Willowbrook* 50% AMI	Garden	-	-	\$398	723	\$0.55	-	\$468	948	\$0.49	-	\$537	1,023	\$0.52				
Ashton Place* 50% AMI	Garden	-						\$440	1,056	\$0.42		\$508	1,134	\$0.45				
Ashton Place* 30% AMI	Garden	-																
Total/Average		737		\$561	692	\$0.81	315	\$690	980	\$0.70	54	\$756	1,090	\$0.69				
Unit Distribution		579	210															
% of Total		78.6%	36.3%				54.4%											9.3%

LHTC Communities*
 (1) Rent is adjusted to include only Water/Sewer and Trash and Incentives
 Source: Field Survey, Real Property Research Group, Inc. April, 2012



Table 41 Average Market Rent, Most Comparable Rental Communities

Community	Type	Rent(1)	SF	Rent/SF	Rent(1)	SF	Rent/SF	Rent(1)	SF	Rent/SF
Mission Ridge	Townhouse				\$808	984	\$0.82	\$875	1,000	\$0.88
The Pines at Willowbrook	Garden	\$650	723	\$0.90	\$800	948	\$0.84	\$900	1,023	\$0.88
Stewart Way	Garden	\$634	576	\$1.10	\$774	864	\$0.90			
Link Terrace	Garden	\$648	576	\$1.13	\$774	864	\$0.90			
Wedgewood Apts	Townhouse				\$703	1,100	\$0.64			
The Pines at Willowbrook* 60% AMI	Garden	\$491	723	\$0.68	\$579	948	\$0.61	\$665	1,023	\$0.65
Ashton Place* 60% AMI	Garden				\$525	1,056	\$0.50	\$610	1,134	\$0.54
Total/Average		\$606	650	\$0.93	\$709	966	\$0.73	\$763	1,045	\$0.73
Unit Distribution										
% of Total										

LIHTC Communities*

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

Source: Field Survey, Real Property Research Group, Inc. April, 2012

Table 42 Rent Advantage Summary

	One Bdrm.	Two Bdrm.	Three Bdrm.
Average Market Rent	\$606	\$709	\$763
Rent	\$446	\$532	\$619
Advantage (\$)	\$160	\$177	\$144
Advantage (%)	26.4%	25.0%	18.9%

H. Housing Authority Data / Subsidized Housing List

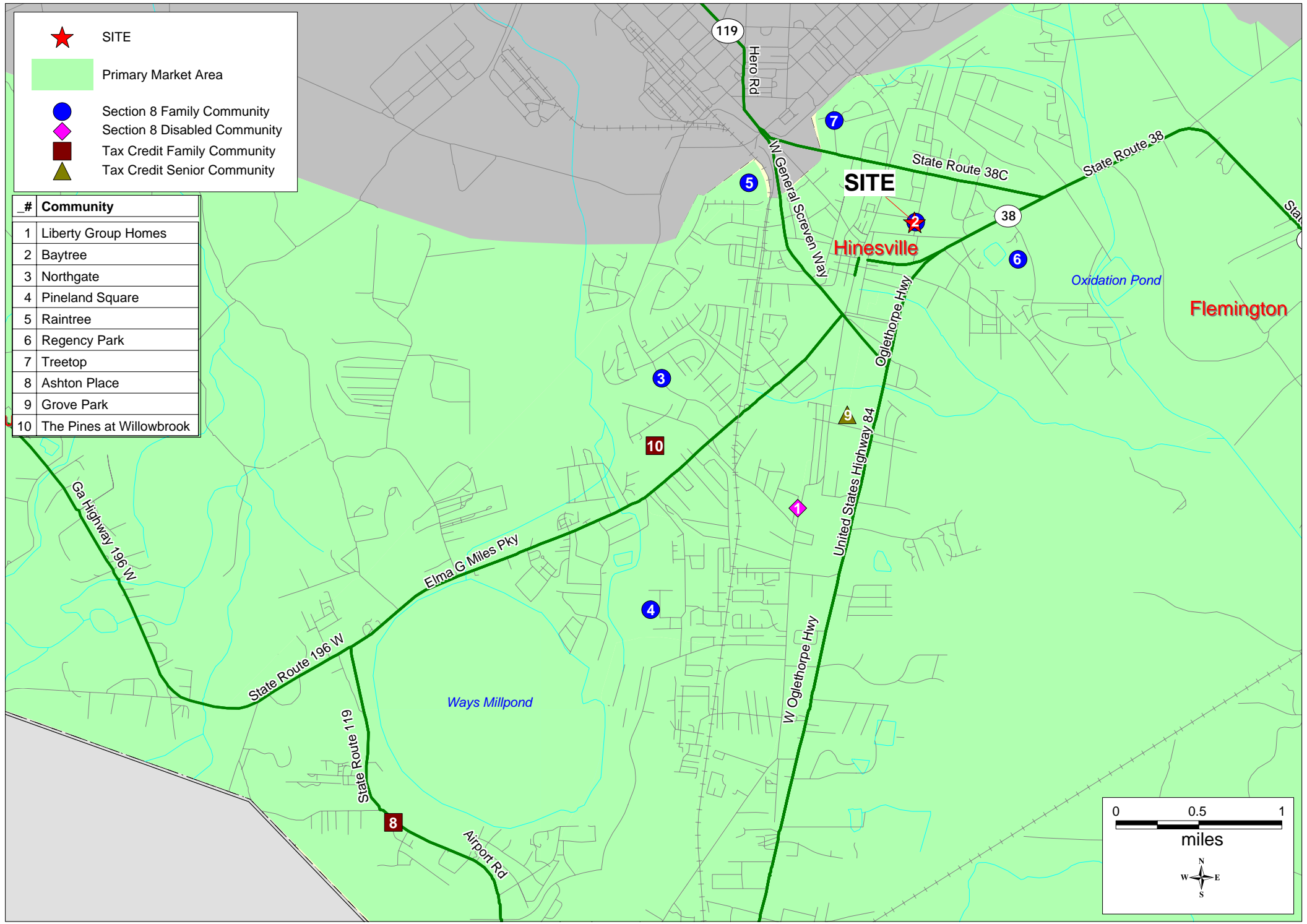
The Hinesville Housing Authority operates 77 public housing units, all of which were occupied with a waiting list of one year. A list of all subsidized communities in the market area is detailed in Table 43 and the location relative to the site is shown on Map 6. For the purposes of this report, attempts were made to survey all deeply subsidized general occupancy properties; however, we were unable to reach property management for Pineland Square at the time of our survey.

Table 43 LIHTC and Subsidized Rental Communities

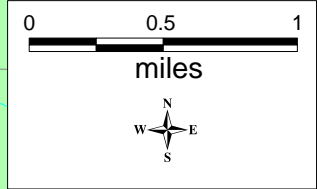
Property	Subsidy	Type	Address	Distance
Liberty Group Homes	Section 8	Disabled	760-A S Main St.	2 miles
Baytree	Section 8	Family	217 Bradwell St.	1.1 miles
Northgate	Section 8	Family	804 Frank Cochran Dr.	1.2 miles
Pineland Square	Section 8	Family	1001 Pineland Ave.	2.6 miles
Raintree	Section 8	Family	601 Saunders Ave.	0 mile
Regency Park	Section 8	Family	100 Regency Pl.	1.7 miles
Treetop	Section 8	Family	600 Taylor Rd.	0.6 mile
Ashton Place	Tax Credit	Family	634 Airport Rd.	4.4 miles
Grove Park	Tax Credit	Senior	550 S Main St.	1.5 miles
The Pines at Willowbrook	Tax Credit	Family	841 Willowbrook Dr.	1.6 miles

- ★ SITE
- Primary Market Area
- Section 8 Family Community
- ◆ Section 8 Disabled Community
- Tax Credit Family Community
- ▲ Tax Credit Senior Community

#	Community
1	Liberty Group Homes
2	Baytree
3	Northgate
4	Pineland Square
5	Raintree
6	Regency Park
7	Treetop
8	Ashton Place
9	Grove Park
10	The Pines at Willowbrook



Map 6
Subsidized Communities
Primary Market Area





I. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations and the age of the existing housing stock, a modest percentage of abandoned / vacant single and multi-family homes exist in the Baytree Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a website 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 31313 in which the subject property is located and the broader areas of Hinesville, Liberty County, Georgia, and the United States for comparison purposes.

Our RealtyTrac search revealed 19 units were in foreclosure within the subject property’s ZIP code (31313) in February of 2012, the most recent month data was available. This results in a foreclosure rate of 0.11 percent, equal to the rate in the City of Hinesville and below that of Liberty County, the State of Georgia, and the nation (Table 44). Over the past year, the number of foreclosures in the subject property’s ZIP Code generally ranged from 17 to 25 with spikes in August of 2011 (39) and January of 2012 (43)(Table 45).

Given the limited number of foreclosure properties in Baytree Apartments’ immediate vicinity and Liberty County as a whole, we do not believe foreclosed homes will impact the subject property’s ability to lease its units. Furthermore, it is unlikely tenants utilizing project based rental assistance at the subject property would be able to afford the higher costs associated with homeownership or home rentals.

Table 44 Foreclosure Rate, ZIP CODE 31313, February 2012

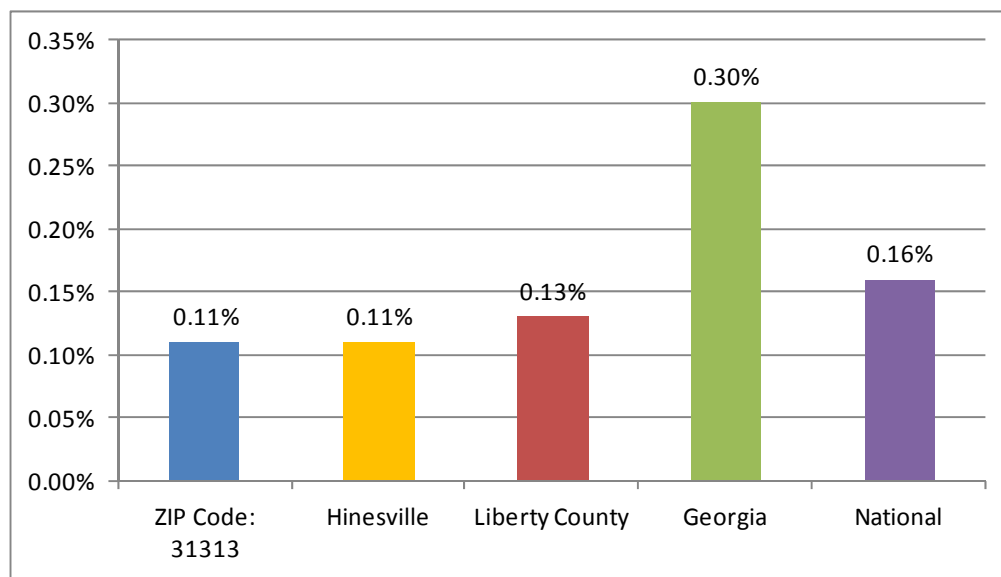
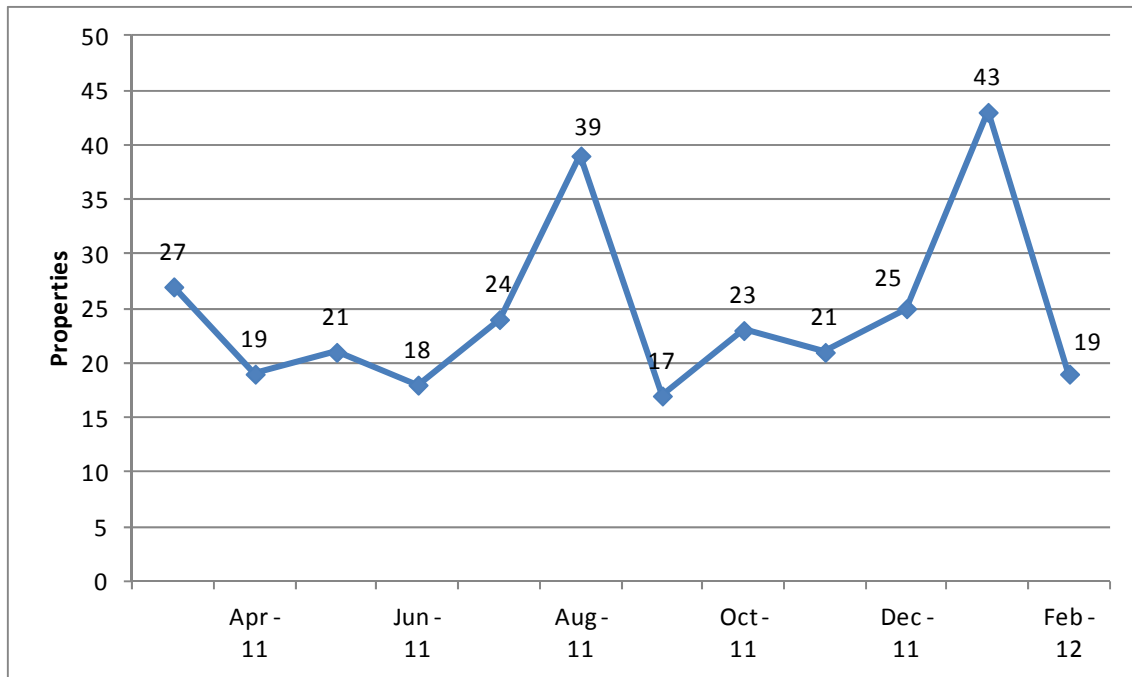




Table 45 Recent Foreclosure Activity, ZIP CODE 31313



J. Proposed and Under Construction Rental Communities

1. Overview

Based on conversations with local planning and development officials with the Liberty Consolidated Planning Commission and the Atlanta HUD office, no new rental communities are currently planned or under construction in the Baytree Market Area. In addition, no LIHTC communities have received allocations in Liberty County over the past three years.

Details on a relevant rehabilitation of a general occupancy property as well as a proposed project which failed to reach fruition are provided below; however; these communities are not expected to have a direct impact on demand for the subject property and are not included in demand estimates.

- **Regency Park**, an existing HUD Section 8 community, is pursuing HUD 221(d) (4) mortgage insurance for a substantial rehabilitation. While it is not known if this community intends to also apply for tax credits, it was fully occupied with a waiting list at the time of our survey. As a result, it will not add any additional units to the housing supply or impact Baytree Apartments’ ability to re-lease its units post rehabilitation.
- **White Oak Village** was a proposed multi-family rental community located between Sandy Run Drive and Patriot Trail in Hinesville. The project began construction and had parking lots and roadways paved on the site; however, the project went bankrupt and the land is now for sale.



8. ABSORPTION AND STABILIZATION RATES

While the market rate rental community Columns at Independence experienced a recent absorption rate (2010) of 31 to 32 units per month, this community differs significantly from Baytree Apartments in terms of income targeting and design characteristics. As a result, we do not believe the absorption rate of this community is useful in determining the subject property's absorption rate post rehabilitation. In addition the experienced of recently constructed rental communities, the estimated absorption rate is based on projected household growth, the number of income-qualified renter households in the market area, affordability and demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The population and household bases of the Baytree Market Area are projected to grow at a steady pace, adding 417 people (0.9 percent) and 260 households (1.3 percent) per year through 2017.
- The subject property will maintain its existing project based rental assistance on all 60 units. With the inclusion of this PBRA, over 2,600 renter households will be income qualified for one or more units at the subject property at its proposed placed-in-service year of 2014.
- All DCA demand estimates, both by income level and floor plan, are well within the range of reasonability and below DCA mandated thresholds of 30 percent with PBRA. HUD net demand estimates also indicate an excess demand for 435 rental units beyond those at the subject property.
- While the overall average vacancy rate among all surveyed communities is 8.5 percent, this is inflated by one older market rate property that accounts for over half of the vacant units reported. Both LIHTC communities reported a vacancy rate of just 0.8 percent (one unit) and maintained lengthy waiting lists. Furthermore, the four deeply subsidized rental communities surveyed were also fully occupied or processing applications at the time of our survey and maintain lengthy waiting lists.
- Baytree Apartments currently has three of its 60 units vacant, all of which are in the process of being filled from applicants on the property's 1.5 year waiting list. Given the subject property will retain PBRA on all units post rehabilitation, all current tenants are expected to remain income qualified and will not be rent overburdened.
- Upon completion, Baytree Apartments will offer an attractive and affordable product that will be well received by the target market in the Baytree Market Area.

Based on the product to be rehabilitated, existing project based rental assistance, significant number of income qualified renter households, reasonable demand estimates, and low vacancies among affordable rental units, we expect Baytree Apartments to re-lease its units as fast as they can realistically be processed. Assuming no more than 25 percent of the units become vacant as a result of the rehabilitation, we estimate it will reach a stabilized occupancy of at least 93 percent within one to two months. Furthermore, even if the subject property needed to re-lease all 60 units following its rehabilitation, we estimate it would still lease-up within a four month time period.

9. 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, Abe Nadji of the Liberty Consolidated Planning Commission, John Bonner with the Atlanta HUD office, and Dominique Parker with the Hinesville Housing Authority.

10. CONCLUSIONS AND RECOMMENDATIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Baytree 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 and has ample access to amenities, services, and transportation arteries.

- The subject property is located at 217 Bradwell Street, immediately north of Memorial Drive in Hinesville, Liberty County, Georgia. Relative to the city center, the subject site is situated near downtown Hinesville, one-half mile southeast of Fort Stewart's main gate. Bordering land uses include single-family detached homes, Liberty Board of Education / Pre-K Center, and commercial businesses.
- An abundance of community services, neighborhood shopping centers, medical services, and recreational venues are easily accessible in the site's immediate vicinity including both convenience and comparison shopping opportunities within one to two miles.
- Baytree Apartments has sufficient visibility and accessibility from Bradwell Street, a two-lane residential thoroughfare connecting to Memorial Drive and General Stewart Way. From these major thoroughfares, most areas of Hinesville and Liberty County are easily accessible including Interstate 95 (within 15 miles).
- No negative land uses were identified at the time of the site visit that would negatively impact the proposed development's viability in the marketplace.

2. Economic Context

Liberty County fared significantly better than most areas of the county during the recent national recession, due primarily to the stabilizing presence of the Federal Government. While Liberty County's unemployment rate has experienced a notable increase in recent years, this is due to a significant number of unemployed workers entering the labor force rather than a decline in employment.

- Liberty County's unemployment rate remained relatively stable (between 4.9 and 6.0 percent) from 2000 to 2008 before jumping from 6.0 percent to 9.5 percent over the past three years. Unlike most areas of the county, however, this is a direct result of an increasing labor force rather a downturn in employment. Since 2008, Liberty County's unemployment



rate has remained below the State of Georgia but fluctuated above and below national levels.

- Liberty County experienced job growth in nine of eleven years from 2000 to 2010, resulting in a net at-place employment increase of 3,863 or 27.1 percent. Since 2000, employment growth in Liberty County has consistently outpaced national figures on a percentage basis and bucked state/national recessionary trends over the past three years.
- At-place employment in Liberty County is dominated by the government sector, which accounts for 40.4 percent of all jobs within the county. Other industry sectors with notable employment shares include trade-transportation-utilities (16.0 percent), leisure-hospitality (10.5 percent), and manufacturing (9.1 percent).
- From 2007 to 2011 (Q3), six economic industry sectors in Liberty County added jobs including significant gains in both government and trade-transportation-utilities. All other industry sectors experienced a net decline in employment, though these sectors had a much smaller impact in terms of total employment.

3. Demographic Analysis

The Baytree Market Area experienced steady growth during the past decade (2000 and 2010), a trend expected to continue over the next five years.

- Between 2000 and 2010 Census counts, the Baytree Market Area's population increased by 9.7 percent (3,819 people) while its household base grew by 16.5 percent (2,253 households). This equates to annual rates of growth of 0.9 percent and 1.5 percent, respectively. Over the next five years, these growth rates are expected to continue with the addition of 417 persons and 260 households per year.
- The population of the Baytree Market Area is similar to that of Liberty County with a median age of 27 in both regions. Adults (persons age 35-61 years) constitute the largest age group, accounting for 33.8 percent of the population in the Baytree Market Area and 32.0 percent of the population in Liberty County. Children (persons under the age of 18) and young adults (persons age 13-34 years) are also prevalent, comprising between 28 and 32 percent of the populations in both geographies.
- Nearly half (46.3 percent) of all households in the Baytree Market Area are married, and 48.7 percent contain children. Combined, approximately one-third of market area households are comprised of single persons or non-married couples without children.
- Based on 2000 and 2010 Census data, renter occupied households accounted for 20.9 percent of the market area's net household change for the decade. Assuming this household tenure trend remains constant over the next five years, estimated 2012 and 2017 rental rates in the Baytree Market Area are 44.4 percent and 42.6 percent, respectively.
- Young working age households form the core of the market area's renters, as over half (54.8 percent) of the renter householders are ages 25-44. The Baytree Market Area also has a notable proportion (20.2 percent) of children and young adult householders (age 15 to 24 years).
- Over half (53.9 percent) of all renter households in the Baytree Market Area contain one or two persons. An additional 20.4 percent and 25.7 percent of Baytree Market Area renter households contain three persons and four or more persons, respectively.



- RPRG estimates that the 2012 median household income in the Baytree Market Area is \$46,992, which is \$631 or 1.4 percent higher than the \$46,361 median income in Liberty County. Nearly one-quarter (22.3 percent) of all households in the market area reported an annual income below \$25,000.
- The Baytree Market Area's median income for renter households in 2012 is estimated to be \$38,378. This is 67.8 percent of the median income for homeowner households of \$56,564. Approximately 30 percent of market area renter households have an annual income below \$25,000.

4. Competitive Housing Analysis

RPRG surveyed eleven rental communities in the Baytree Market Area, including two LIHTC properties, four HUD Section 8 communities, and five market rate properties. Overall, the rental market is performing well with the exception of one older market rate property. In addition, affordable rental communities are in particularly high demand with limited vacancies and significant waiting lists for both LIHTC and deeply subsidized rental units.

- The non-subsidized rental communities (including the market rate component of Treetop) combine to offer 737 units, of which 63 or 8.5 percent were reported vacant; however, over half (38) of these vacancies occurred at the older market rate community Stewart Way. Excluding this community, the average vacancy rate among the remaining properties was just 4.6 percent.
- Among the two LIHTC properties, just one of 128 units was available at the time of our survey for a vacancy rate of only 0.8 percent. In addition, both LIHTC properties reported lengthy waiting lists. All four deeply subsidized properties were also fully occupied and/or leased with substantial waiting lists.
- At the time of our survey, Baytree Apartments reported three units physically vacant, all of which are expected to be filled from the properties 1.5 year waiting list.
- Average effective rents and rents per square foot by floor plan are as follows:
 - **One-bedroom** effective rents averaged \$561 per month. The average one-bedroom square footage was 692 square feet, resulting in a net rent per square foot of \$0.81. The range for one-bedroom effective rents was \$192 to \$885.
 - **Two-bedroom** effective rents averaged \$690 per month. The average two-bedroom square footage was 980 square feet, resulting in a net rent per square foot of \$0.70. The range for two-bedroom effective rents was \$440 to \$1,070.
 - **Three-bedroom** effective rents averaged \$756 per month. The average three-bedroom square footage was 1,090 square feet, resulting in a net rent per square foot of \$0.69. The range for three-bedroom effective rents was \$508 to \$1,255.
- No new rental communities are currently planned or under construction in the Baytree Market Area.



B. Target Markets

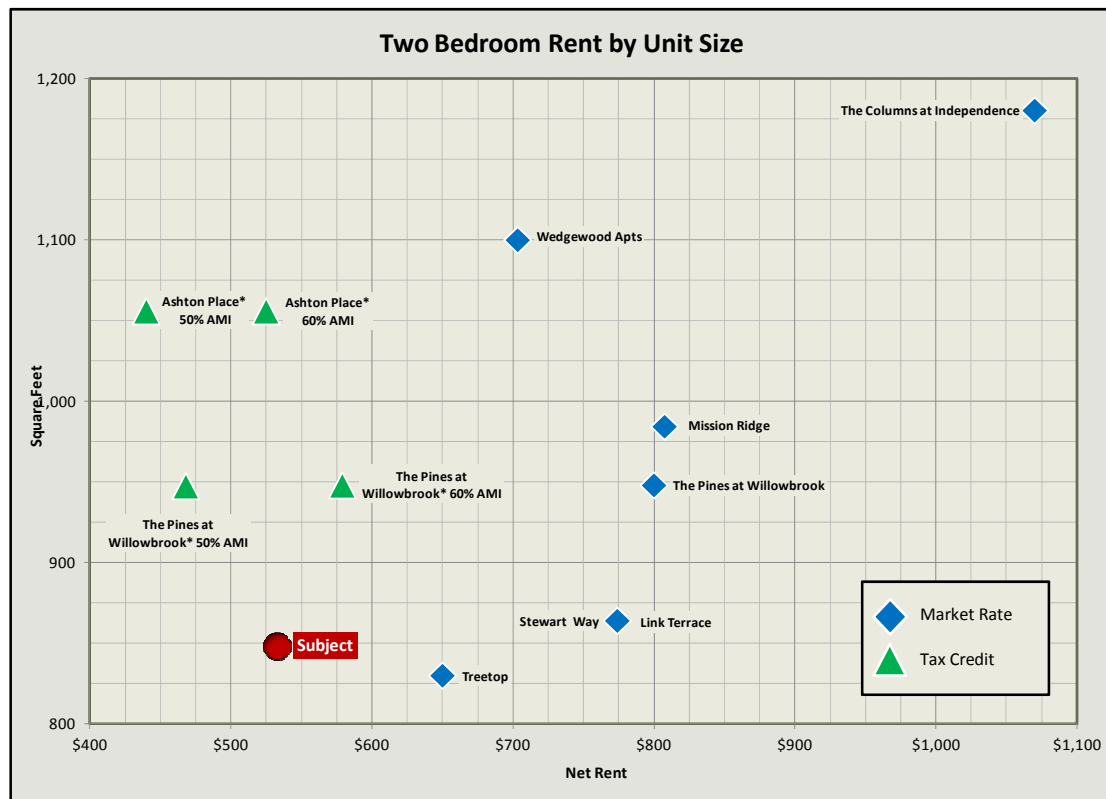
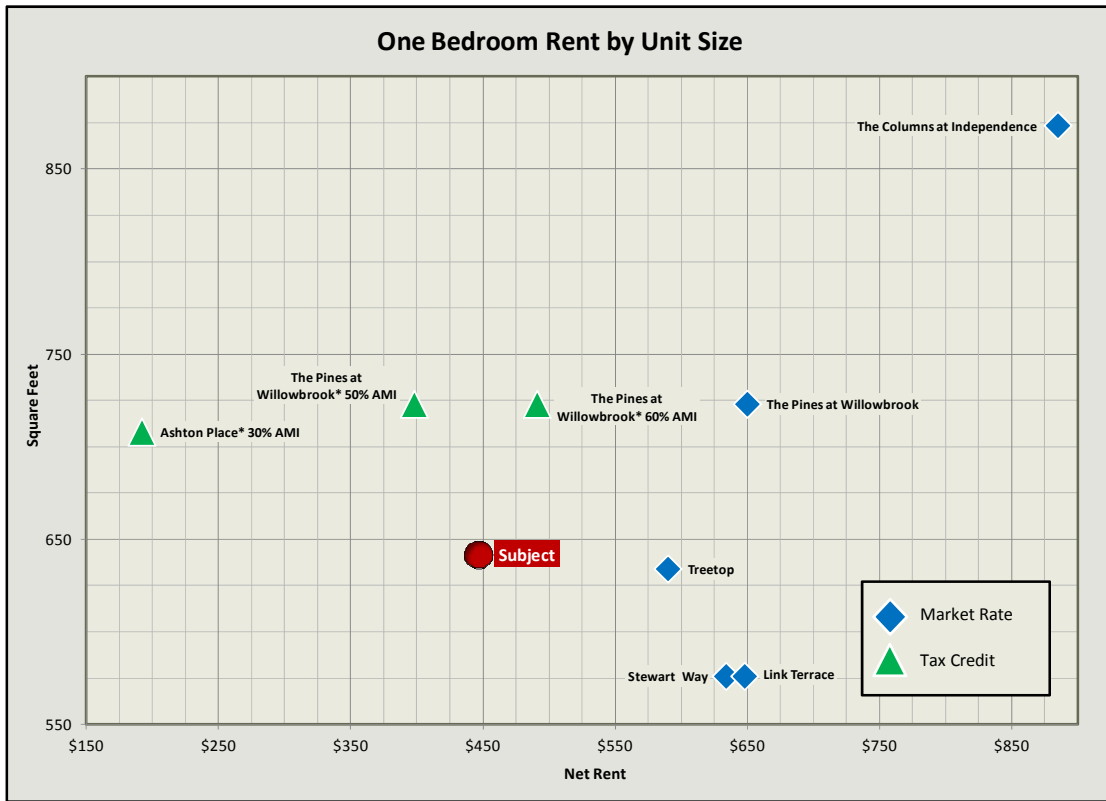
Baytree Apartments' one, two, and three bedroom units will continue to target very low income renter households ranging from single persons to large families. As a general occupancy property, prospective tenants will not be subject to age restrictions.

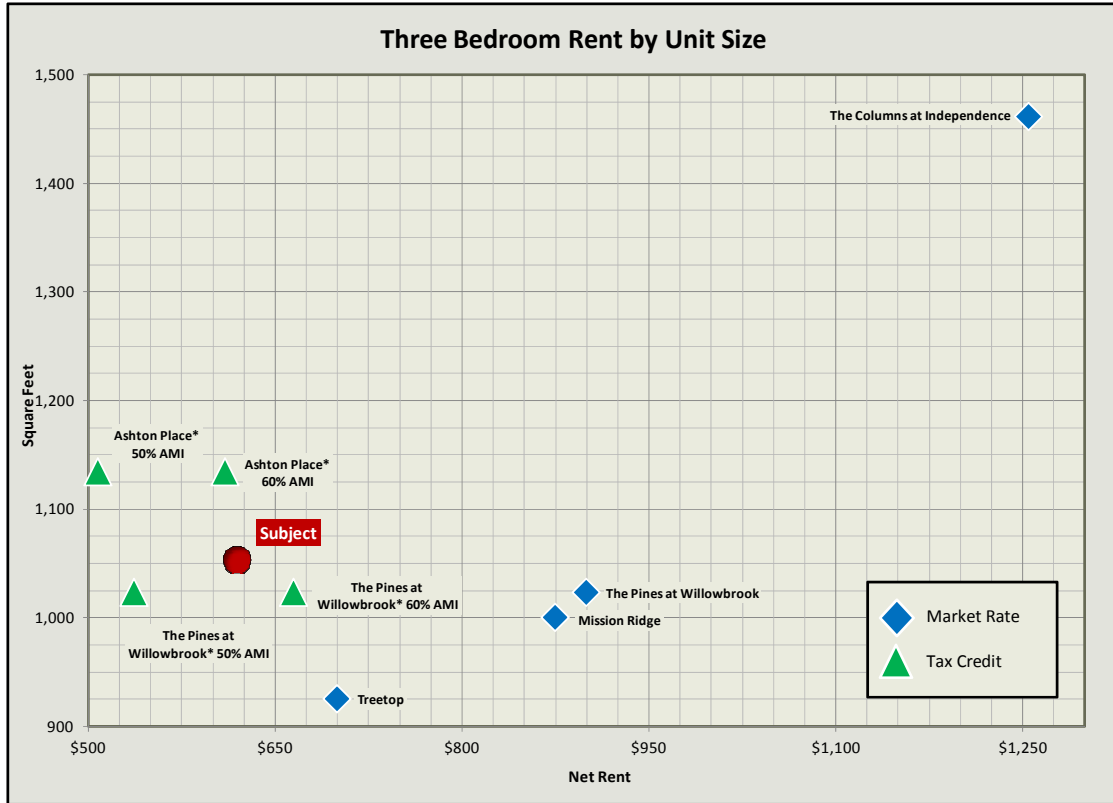
C. Price Position

Given the existence of PBRA on all units, no tenants will actually pay the proposed contract rents at Baytree Apartments; however, if the subject property were to lose these additional subsidies, proposed rents could not exceed maximum allowable tax credit rents for 60 percent units. Evaluating rents in this context, Baytree Apartments would be positioned near the bottom of the rental market without PBRA, below the 60 percent units offered at the two LIHTC properties (The Pines at Willowbrook and Ashton Place) for all floor plans. With proposed unit sizes comparable to overall averages among the surveyed rental stock, Baytree Apartments would also be priced affordably on a rent per square foot basis. Figure 9 illustrates the relative positions of the proposed rent structure in the current marketplace.



Figure 9 Price Position of Baytree Apartments







D. Product Evaluation

Considered in the context of the competitive environment, the relative position of Baytree Apartments is as follows:

- **Site:** The subject site is appropriate for a rental housing development targeted to very low income households. The subject property is located in a residential area and is compatible with surrounding land uses. The subject site will also have excellent access to local neighborhood amenities and sufficient visibility from major thoroughfares.
- **Unit Distribution:** The unit mix at the subject will include one, two, three, and four bedroom units, which will appeal to a wide variety of households and is appropriate in the market area.
- **Unit Size:** Baytree Apartments will offer one, two, and three bedroom floor plans with unit sizes of 642 square feet, 849 square feet, and 1,054 square feet, respectively. Relative to surveyed rental communities, the proposed units are comparable to overall averages and competitive in the market area. Combined with a lower price position (in the event the subject property needed to operate strictly as a LIHTC community) Baytree Apartments will also be competitive on a price per square foot basis. Based on the scope of the proposed rehabilitation, the unit sizes to be offered at Baytree Apartments are reasonable and appropriate.
- **Unit Features:** The newly renovated units at the subject property will offer kitchens with new energy star appliances including a refrigerator, range, and dishwasher. Flooring will be a combination of wall-to-wall carpeting and vinyl tile in the kitchen / bathrooms. In addition, all units will include high speed internet access, cable TV connections, and window blinds.

The proposed unit features at Baytree Apartments will be competitive with existing LIHTC and market rate rental communities in the market area and will be well received by the target market.

- **Community Amenities:** Baytree Apartments' community amenity package will include a multi-purpose room, central laundry facility, playground, and gazebo. These amenities will be competitive with the surveyed rental stock in the Baytree Market Area and are appropriate given the income restricted nature and product to be rehabilitated.
- **Marketability:** Post rehabilitation, Baytree Apartments will offer an attractive product that will be affordable and competitive with existing market rate and LIHTC rental communities in the market area.



E. Impact on Existing Market

The proposed rehabilitation of Baytree Apartments should not have an adverse impact on existing rental communities in the Baytree Market Area, as the subject property is 95 percent occupied with a 1.5 year waiting list and will not add any additional units to the rental housing supply. Overall, the rental market in the Baytree Market Area is performing well with limited vacancies, especially among affordable rental communities including those with tax credits and deep subsidies. Furthermore, as the Baytree Market Area continues to experience steady population and household growth over the next five years, demand for rental housing is also likely to increase.

F. Final Conclusion / Recommendation

Based on an analysis of projected household growth trends, overall affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Baytree Market Area, RPRG believes that the proposed Baytree Apartments will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following rehabilitation. Incorporating the proposed renovations, the subject property will be competitively positioned with existing market rate and LIHTC communities in the Baytree Market Area and the units will be well received by the target market. The proposed rehabilitation will also help to preserve an existing affordable housing resource in market where affordable rental units are in strong demand. We recommend proceeding with the project as planned.

Handwritten signature of Michael Riley in black ink.

Michael Riley
Analyst

Handwritten signature of Tad Scepianiak in black ink.

Tad Scepianiak
Principal



APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



APPENDIX 2 ANALYST CERTIFICATION

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 have made a personal inspection of the property that is the subject of this report.
- 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.

A handwritten signature in black ink, appearing to read 'Michael Riley', is positioned above the printed name.

Michael Riley
Analyst
Real Property Research Group, Inc.

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



APPENDIX 3 NCAHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA). This study has been prepared in conformance with the standards adopted by NCAHMA 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 Affordable 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 NCAHMA 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 Scepianiak

Name

Principal

Title

April 16, 2012

Date





APPENDIX 4 ANALYST RESUMES

ROBERT M. LEFENFELD

Mr. Lefenfeld founded Real Property Research Group in February 2001 after more than 20 years of experience in the field of residential market research. As an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason, he has closely monitored residential markets throughout the Mid-Atlantic United States. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for-sale projects. 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, where he analyzed markets throughout the Eastern United States and evaluated the company's active building operation on an ongoing basis.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders and the National Council on Seniors Housing. Recent articles have appeared in ULI's Multifamily Housing Trends magazine. Mid-Atlantic Builder.

Bob is currently a member of the National Council of Affordable Housing Market Analysts' executive committee serving as Chair.

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 of 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. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.

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. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

Education:

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



TAD SCEPANIAK

Mr. Scepaniak directs our Atlanta office. He has thirteen years of experience in the field of residential rental market research. Before joining the firm, Tad was president of national firm, where he was involved extensively in the Low Income Tax Credit program throughout the entire United States. Mr. Scepaniak has completed work in approximately 25 states and Puerto Rico over the past eight years. He also has experience conducting studies under the HUD 221d program, market rate rental properties, and student housing developments. Along with work for developer clients, Tad has led our research efforts for both the North Carolina and Georgia Housing Finance agencies. Mr. Scepaniak is also responsible for development and implementation of many of the firm's automated analytic systems.

Tad is a member of the National Council of Affordable Housing Market Analysts' (NCAHMA) Standards Committee and has been involved in the development of the organization's Standard Definitions, Recommended Market Study Content, and various white papers regarding market areas, derivation of market rents, and selection of comparable properties.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions. Mr. Scepaniak not only works with developers in their efforts to obtain tax credit financing, but also has received large contracts with state housing agencies including North Carolina Housing Finance Agency and Georgia Department of Community Affairs.

Senior Housing: Mr. Scepaniak 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. Scepaniak 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.

Education:

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

MICHAEL RILEY

Michael Riley joined the Atlanta office of Real Property Research Group upon college graduation in 2006. Beginning as a Research Associate, Michael gathered economic, demographic, and competitive data for market feasibility analyses concentrating in family and senior affordable housing. Since transitioning to an Analyst position in late 2007, he has performed market analyses for both affordable and market rate rental developments throughout the United States including work in Georgia, Iowa, North Carolina, South Carolina, Tennessee, and Virginia.

Michael has also assisted in the development of research tools for the organization, including developing a rent comparability table that is now incorporated in many RPRG analyses.

Education:

Bachelor of Business Administration – Finance; University of Georgia




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 16, 2012

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)	vii
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)	vii
ii.	Overall estimate of demand based on DCA's demand methodology.....	Page(s)	vii
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)	vii
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)	ix
ii.	Expected absorption rate by AMI targeting.	Page(s)	ix
iii.	Months required for the project to reach a stabilized occupancy of 93 percent.	Page(s)	ix
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)	ix
10.	Summary Table.....	Page(s)	x

B. Project Description

1.	Project address and location.....	Page(s)	6
2.	Construction type.....	Page(s)	6
3.	Occupancy Type.....	Page(s)	3
4.	Special population target (if applicable).	Page(s)	3
5.	Number of units by bedroom type and income targeting (AMI).....	Page(s)	5, 6
6.	Unit size, number of bedrooms, and structure type.	Page(s)	5, 6
7.	Rents and Utility Allowances.....	Page(s)	5, 6
8.	Existing or proposed project based rental assistance.....	Page(s)	3
9.	Proposed development amenities.....	Page(s)	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)	7
11.	Projected placed-in-service date.....	Page(s)	9

C. Site Evaluation

1.	Date of site / comparables visit and name of site inspector.....	Page(s)	2
2.	Site description		
i.	Physical features of the site.....	Page(s)	10
ii.	Positive and negative attributes of the site.....	Page(s)	20



iii. Detailed description of surrounding land uses including their condition.....	Page(s)	10
3. Description of the site’s physical proximity to surrounding roads, transportation, amenities, employment, and community services.....	Page(s)	17
4. Color photographs of the subject property, surrounding neighborhood, and street scenes with a description of each vantage point.....	Page(s)	13-15
5. Neighborhood Characteristics		
i. Map identifying the location of the project.....	Page(s)	11
ii. List of area amenities including their distance (in miles) to the subject site.....	Page(s)	18
iii. Map of the subject site in proximity to neighborhood amenities.....	Page(s)	22
6. Map identifying existing low-income housing projects located within the PMA and their distance from the subject site.....	Page(s)	78
7. Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	
8. Discussion of accessibility, ingress/egress, and visibility of the subject site.....	Page(s)	17
9. Visible environmental or miscellaneous site concerns.....	Page(s)	10
10. Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	20
D. Market Area		
1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	23
2. Map Identifying subject property’s location within market area.....	Page(s)	24
E. Community Demographic Data		
1. Population Trends		
i. Total Population.....	Page(s)	25
ii. Population by age group.....	Page(s)	29
iii. Number of elderly and non-elderly.....	Page(s)	N/A
iv. Special needs population (if applicable).....	Page(s)	N/A
2. Household Trends		
i. Total number of households and average household size.....	Page(s)	29
ii. Household by tenure.....	Page(s)	29
iii. Households by income.....	Page(s)	34
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)	40
2. Total jobs by industry – numbers and percentages.....	Page(s)	40
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)	41
4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past five years.....	Page(s)	37
5. Map of the site and location of major employment concentrations.....	Page(s)	43
6. Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	40
G. Project-specific Affordability and Demand Analysis		
1. Income Restrictions / Limits.....	Page(s)	50



2. Affordability estimates.....	Page(s)	50
3. Components of Demand		
i. Demand from new households.....	Page(s)	54
ii. Demand from existing households.....	Page(s)	54
iii. Elderly Homeowners likely to convert to rentership.....	Page(s)	N/A
iv. Secondary market demand.....	Page(s)	54
v. Other sources of demand (if applicable).....	Page(s)	54
4. Net Demand, Capture Rate, and Stabilization Calculations		
i. Net demand		
1. By AMI Level.....	Page(s)	55
2. By floor plan.....	Page(s)	56
ii. Capture rates		
1. By AMI level.....	Page(s)	55
2. By floor plan.....	Page(s)	56
3. Capture rate analysis chart.....	Page(s)	57

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)	72,74
2. Additional rental market information		
i. An analysis of voucher and certificates available in the market area.....	Page(s)	75
ii. Lease-up history of competitive developments in the market area.....	Page(s)	71
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)	72
4. Description of proposed amenities for the subject property and assessment of quality and compatibility with competitive rental communities.....	Page(s)	71
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)	87
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)	78
8. Narrative or chart discussing how competitive properties compare with the proposed development with respect to total units, rents, occupancy, location, etc.....	Page(s)	68
i. Average market rent and rent advantage.....	Page(s)	73
9. Discussion of demand as it relates to the subject property and all comparable DCA funded projects in the market area.....	Page(s)	77
10. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years.....	Page(s)	68
11. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.....	Page(s)	77
12. Discussion of primary housing voids in the PMA as they relate to the subject property.....	Page(s)	78

I. Absorption and Stabilization Rates

1. Anticipated absorption rate of the subject property.....	Page(s)	79
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2. Stabilization period.....	Page(s)	79
J. Interviews.....	Page(s)	80
K. Conclusions and Recommendations		
1. Conclusion as to the impact of the subject property on PMA.....	Page(s)	87
2. Recommendation as the subject property's viability in PMA.....	Page(s)	87
L. Signed Statement Requirements.....	Page(s)	91



APPENDIX 6 MAP CHECKLIST

A> Project Description		
	1. The number of units by type and size. Include information on number of bedrooms, number of bathrooms, structure type, square footage, etc.	6
	2. The estimated shelter and gross rents by unit type.	
	3. The unit and project amenities and services.	10
	4. The project location in terms of:	
	a> Characteristics of the neighborhood and submarket in relation to:	
	(1) schools	21
	(2) transportation	17
	(3) shopping	19
	(4) employment centers	16
	(5) social and community services, etc.	20
	(6) to include an analysis of the adequacy of public facilities that will service the site.	17
	(7) Include a map showing the site and important neighborhood services and amenities	20
	b> Any other location consideration relevant to the market and marketability of the proposed project.	
	5. Any income or rent restrictions imposed on the project by the use of public financing and/or subsidies (e.g., low income housing tax credits, tax-exempt bonds. HOME funds). The market analysis should address how these income and rent restrictions will affect demand.	71
	6. Identify target market.	3
B> Market/Sub-market Definition		
	1. Description of the geographic boundaries of the market area and the sub-market area (if applicable) and a discussion explaining the definition of the market.	23
	2. Define the Secondary Market.	23
C> General characteristics of the Housing Market Area		



	<p>1. Provide an assessment of current and forecasted economic conditions and employment characteristics to include an analysis of recent trends and how they relate to demand for additional new rental housing. Identify growth sectors in the economy and emerging growth trends. Include information on significant sectors of the economy such as military facilities, colleges and universities, federal and state government and tourism. Discuss any anticipated changes in employment, including plant closing, openings, expansions or cutbacks, with a particular emphasis on their effects on the rental market during the forecast period. Provide information on the types of new jobs being created and lost, including data on pay scales and how these wage levels relate to affordability of the propose rental units.</p>	37
	<p>2. Discuss past and anticipated trends in demographic characteristics, including population growth, household growth, and changes in the average size of households and tenure patterns. Provide estimates of population and households (by tenure) that include 1990, the current date, and a forecast date (two or three years from the date of the market study). Include an explanation of any significant changes.</p>	25
D> Housing Market Conditions		
	<p>1. Estimate the current competitive rental inventory in the market and sub-market area. Provide details on the number of units by unit type, number of bedrooms, structure type, rents, age, and location.</p>	37
	<p>2. Recent Market Experience. Present and analyze the following information:</p>	
	<p>a> Absorption experience of recently completed projects, with particular emphasis on the most similar project.</p>	71
	<p>b> Current occupancy level and occupancy trends in existing rental projects.</p>	69
	<p>c> The current shelter and gross rents for comparable and competitive projects, including a discussion of the trend in rent increases during recent years. Identify any services included in base rents or offered at a premium. Discuss whether current rents are overstated due to concessions or other factors, along with information on and the extent of rent concessions or similar incentives in projects in initial occupancy.</p>	71
	<p>d> Identify the current overall rental vacancy rate along with a current vacancy rate for units similar to those in the proposed project. Discuss any significant seasonal variations in vacancy rates, if applicable. Include a discussion of any vacancy or absorption problems in the market or sub-market. Identify the vacancy rate for the segment of the market most relevant to the subject project and provide an analysis if significantly lower or higher than the overall rental vacancy rate.</p>	69



	e> Provide a map showing locations of competing rental projects and those under development.	69
E> Characteristics of projects under construction and in planning		
	1. Estimate the total number of units under construction and provide a discussion of the characteristics of these units and their distribution by unit type, rent ranges, and locations.	77
	2. Estimate the total number of units in planning stages that are likely to be developed, including but not limited to those with building permits or firm financial commitments. Provide details on the number of units by unit type, rental rates, locations and stage development.	77
F> Demand Estimate and Analysis		
	1. Provide an estimate of annual demand for rental housing taking into consideration anticipated shifts in tenure; projected losses to the rental inventory via demolition, conversion, and other means; with adjustments as necessary for current excess levels of vacancies and construction activity. The demand estimate should show the number of additional rental units that would promote balanced market conditions. Demand information should include a general discussion of demand by unit size, number of bedrooms, price range and other unit and project characteristics. Describe the demand methodology and sources of information.	62
	2. Provide an analysis which reconciles the proposed project with the demand estimate, taking into consideration the forecasted renter household growth, the current vacancy situation, and the supply in production. This analysis should include an estimate of the absorption period needed for the project to reach sustaining occupancy.	62
	3. The market analysis should also include an opinion on characteristics of the proposal that will have a specific bearing on its market prospects and overall marketability, such as amenities, features, or design.	85
	4. Provide an assessment of whether the development of the proposed project would adversely affect the existing rental inventory. Pay particular attention to the impact on other HUD insured properties.	87
G> Data, Estimates, and Forecast		
	1. The analysis should document the methods and techniques used to develop all estimates and forecasts; and provide adequate citations on the sources of all data, estimates and forecasts.	See Table and Figure Sources



	<p>2. The data and estimates provided should be relevant and current; conclusions in the analysis must be consistent with the facts presented; findings and recommendations should be based on a reasonable forecast of market supply/demand conditions and sound assumptions regarding capture rates, absorption, achievable rents, income affordability and similar factors.</p>	<p>All Inclusive</p>
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APPENDIX 7 NCAHMA CHECKLIST

Introduction: Members of the National Council of Affordable 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	v-x
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	3-9
3.	Utilities (and utility sources) included in rent	6
4.	Project design description	3
5.	Unit and project amenities; parking	5, 6
6.	Public programs included	5, 6
7.	Target population description	3
8.	Date of construction/preliminary completion	9
9.	If rehabilitation, existing unit breakdown and rents	8
10.	Reference to review/status of project plans	5
Location and Market Area		
11.	Market area/secondary market area description	23
12.	Concise description of the site and adjacent parcels	10
13.	Description of site characteristics	10-10
14.	Site photos/maps	11, 13-14
15.	Map of community services	22
16.	Visibility and accessibility evaluation	17
17.	Crime information	
Employment and Economy		
18.	Employment by industry	40
19.	Historical unemployment rate	37
20.	Area major employers	40
21.	Five-year employment growth	40
22.	Typical wages by occupation	41
23.	Discussion of commuting patterns of area workers	37
Demographic Characteristics		



24.	Population and household estimates and projections	25
25.	Area building permits	
26.	Distribution of income	34
27.	Households by tenure	29
Competitive Environment		
28.	Comparable property profiles	108
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MAP CERTIFICATION

I understand that my market Study will be used by CWCapital LLC to document to the U.S. Department of Housing and Urban Development that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my review was in accordance with the HUD requirements applicable on the date of my review and that I have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Borrower, the general contractor, any subcontractors, the buyer or seller of the proposed property or engage in any business that might present a conflict of interest.

Further, I hereby certify that, as of the date of my report:

- I am not restricted from participation in HUD/FHA programs;
- I am not listed on the Excluded Parties Lists System (EPLS);
- I am familiar with, have access to, and have completed my report in compliance with:
 - The National Housing Act
 - Part 24 CFR Regulations
 - HUD Handbooks
 - Mortgagee Letters
 - HUD Notices
 - MAP Guide
 - MAP Forms Book
 - MAP Frequently Asked Questions

I am under contract for this specific assignment and I have no other side deals, agreements, or financial considerations with the MAP Lender or others in connection with this transaction.



Signature

Tad Scepianiak

Printed Name

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 9 MARKET AREA RENTAL COMMUNITY PROFILES

Establishment	Address	City	State	Phone Number	Date Surveyed	Contact	Condition
Ashton Place	634 Airport Rd.	Hinesville	GA	912-876-8762	4/16/2012	Property Manager	Average
Baytree	217 Baytree St.	Hinesville	GA	912-369-8255	4/16/2012	Property Manager	Below Average
Link Terrace	110 Link St.	Hinesville	GA	912-368-3555	4/16/2012	Property Manager	Below Average
Mission Ridge	802 Frank Cochran Dr.	Hinesville	GA	912-368-5715	4/16/2012	Property Manager	Above Average
Northgate	804 Frank Cochran Dr.	Hinesville	GA	912-369-8286	4/16/2012	Property Manager	Below Average
Raintree	601 Saunders Ave.	Hinesville	GA	912-876-0906	4/16/2012	Property Manager	Below Average
Stewart Way	302 W General Stewart Way	Hinesville	GA	912-368-3777	4/16/2012	Property Manager	Below Average
The Columns at Independence	501 Burke Dr.	Hinesville	GA	912-320-4788	4/16/2012	Property Manager	Excellent
The Pines at Willowbrook	841 Willowbrook Dr.	Hinesville	GA	912-877-2162	4/16/2012	Property Manager	Excellent
Treetop	600 Taylor Rd.	Hinesville	GA	912-369-8211	4/16/2012	Property Manager	Below Average
Wedgewood	939 S Main St.	Hinesville	GA	912-368-2244	4/16/2012	Property Manager	Below Average

Ashton Place

Multifamily Community Profile

634 Airport Road
Hinesville,GA

CommunityType: LIHTC - General

Structure Type: Garden

48 Units 2.1% Vacant (1 units vacant) as of 4/16/2012

Opened in 1997



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	--	\$192	708	\$0.27	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$483	1,056	\$0.46	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$559	1,134	\$0.49	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --
Property Manager: --
Owner: --

Comments

Waitlist
one vacancy on a two bedroom 60% AMI unit

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$192	708	\$0.27	LIHTC/ 30%	4/16/12	2.1%	\$192	\$483	\$559
Garden	--	2	2	--	\$525	1,056	\$0.50	LIHTC/ 60%	10/22/02	2.1%	\$168	\$370	\$474
Garden	--	2	2	--	\$440	1,056	\$0.42	LIHTC/ 50%					
Garden	--	3	2	--	\$508	1,134	\$0.45	LIHTC/ 50%					
Garden	--	3	2	--	\$610	1,134	\$0.54	LIHTC/ 60%					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

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

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

Baytree

Multifamily Community Profile

217 Baytree St
Hinesville, GA 31313-2715

Community Type: Deep Subsidy-General

Structure Type: 2-Story Garden

60 Units 0.0% Vacant (0 units vacant) as of 4/16/2012

Opened in 1983



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
One	6.7%	\$667	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	66.7%	\$803	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	25.0%	\$907	--	--	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: Ice Maker; Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Section 8 ,rent is contract rent

1 1/2 year waitlist list - longest wait is for three bedroom units

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	4	\$667	--	--	Section 8	4/16/12	0.0%	\$667	\$803	\$907
Garden	--	2	1	40	\$803	--	--	Section 8	10/22/02	10.0%	--	--	--
Garden	--	3	1.5	15	\$907	--	--	Section 8					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

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

Link Terrace

Multifamily Community Profile

110 Link ST
Hinesville, GA 31313-4433

Community Type: Market Rate - General

Structure Type: Garden

54 Units 9.3% Vacant (5 units vacant) as of 4/16/2012

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	11.1%	\$548	288	\$1.90	<input type="checkbox"/>	<input type="checkbox"/>
One	68.5%	\$648	576	\$1.13	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	20.4%	\$774	864	\$0.90	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

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

Select Units: Dishwasher; Microwave

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Microwaves in efficiency units

Floorplans (Published Rents as of 4/16/2012) (2) Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	6	\$535	288	\$1.86	Market	4/16/12	9.3%	\$648	\$774	--
Garden	--	1	1	37	\$633	576	\$1.10	Market	10/22/02	1.9%	--	--	--
Garden	--	2	2	11	\$754	864	\$0.87	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

Mission Ridge

Multifamily Community Profile

802 Frank Cochran Dr.
Hinesville, GA

Community Type: Market Rate - General

Structure Type: 2-Story Townhouse

54 Units 0.0% Vacant (0 units vacant) as of 4/16/2012

Last Major Rehab in 2010 Opened in 1985



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	88.9%	\$808	984	\$0.82	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	11.1%	\$875	1,000	\$0.88	Elevator:	Volleyball:
Four+	--	--	--	--	<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: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --
Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	18	\$850	1,000	\$0.85	Market	4/16/12	0.0%	--	\$808	\$875
Townhouse	--	2	1	30	\$750	975	\$0.77	Market					
Townhouse	--	3	2	6	\$850	1,000	\$0.85	Market					

Adjustments to Rent

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

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

Northgate

Multifamily Community Profile

804 Frank Cochran Dr
Hinesville, GA 31313-6408

Community Type: Deep Subsidy - General

Structure Type: 2-Story Garden

80 Units 0.0% Vacant (0 units vacant) as of 4/16/2012

Opened in 1982



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	60.0%	\$680	--	--	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	20.0%	\$838	--	--	Elevator:	Volleyball:
Four+	10.0%	\$913	--	--	<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: Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Section 8, rent is contract rent

Waitlist of 9-12 months for two bedroom units and 12-18 months for three and four bedroom units

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	48	\$680	--	--	Section 8	4/16/12	0.0%	--	\$680	\$838
Garden	--	3	1.5	16	\$838	--	--	Section 8	10/22/02	3.8%	--	--	--
Garden	--	4	2	8	\$913	--	--	Section 8					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Northgate

GA179-004774

Raintree

Multifamily Community Profile

601 Saunders Ave.
Hinesville,GA

CommunityType: Deep Subsidy-General

Structure Type: 2-Story Garden

200 Units 0.0% Vacant (0 units vacant) as of 4/16/2012

Opened in 1984



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One	16.0%	\$769	680	\$1.13	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	56.0%	\$866	957	\$0.90	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	24.0%	\$983	1,113	\$0.88	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	4.0%	\$1,122	1,260	\$0.89	Playground: <input type="checkbox"/>	

Features

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

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Section 8, rent is contract rent

Waitlist is about 1 year long

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	32	\$769	680	\$1.13	Section 8	4/16/12	0.0%	\$769	\$866	\$983
Garden	--	2	1	112	\$866	957	\$.90	Section 8					
Garden	--	3	1	48	\$983	1,113	\$.88	Section 8					
Garden	--	4	1.5	8	\$1,122	1,260	\$.89	Section 8					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

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

Raintree

GA179-016877

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

Regency Park

Multifamily Community Profile

100 Regency Pl.
Hinesville,GA

CommunityType: Deep Subsidy-General

Structure Type: Garden

128 Units 4.7% Vacant (6 units vacant) as of 4/17/2012



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	14.1%	\$415	610	\$0.68	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	56.3%	\$456	677	\$0.67	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	23.4%	\$634	950	\$0.67	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	6.3%	\$639	1,125	\$0.57	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

Park

Section 8, rent is contract rent

12 month waiting list

Floorplans (Published Rents as of 4/17/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	18	\$415	610	\$0.68	Section 8	4/17/12	4.7%	\$415	\$456	\$634
Garden	--	2	1	72	\$456	677	\$0.67	Section 8					
Garden	--	3	1	30	\$634	950	\$0.67	Section 8					
Garden	--	4	2	8	\$639	1,125	\$0.57	Section 8					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Regency Park

GA179-016887

Stewart Way

Multifamily Community Profile

302 W General Stewart Way
Hinesville, GA 31313-6102

Community Type: Market Rate - General

Structure Type: Garden

191 Units 19.9% Vacant (38 units vacant) as of 4/16/2012

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	15.2%	\$532	288	\$1.85	<input type="checkbox"/>	<input type="checkbox"/>
One	45.5%	\$634	576	\$1.10	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	8.4%	\$774	864	\$0.90	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

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

Select Units: Dishwasher; Microwave

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

No reason given for high vacancy rate

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	29	\$519	288	\$1.80	Market	4/16/12	19.9%	\$634	\$774	--
Garden	--	1	1	87	\$619	576	\$1.07	Market	10/22/02	1.6%	--	--	--
Garden	--	2	1	8	\$749	864	\$.87	Market					
Garden	--	2	2	8	\$759	864	\$.88	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

The Columns at Independence

Multifamily Community Profile

501 Burke Dr.
Hinesville, GA

Community Type: Market Rate - General

Structure Type: 3-Story Garden

222 Units 1.8% Vacant (4 units vacant) as of 4/16/2012

Opened in 2010



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	35.1%	\$885	874	\$1.01	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	54.1%	\$1,070	1,180	\$0.91	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	10.8%	\$1,255	1,461	\$0.86	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; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: --

Optional(\$): --

Security: Gated Entry

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$125

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	78	\$870	874	\$1.00	Market	4/16/12	1.8%	\$885	\$1,070	\$1,255
Garden	--	2	1	40	\$995	1,134	\$.88	Market					
Garden	--	2	2	80	\$1,078	1,204	\$.90	Market					
Garden	--	3	2	24	\$1,230	1,461	\$.84	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

The Pines at Willowbrook

Multifamily Community Profile

841 Willowbrook Dr.
Hinesville,GA

CommunityType: LIHTC - General

Structure Type: Garden

80 Units 0.0% Vacant (0 units vacant) as of 4/16/2012

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$513	723	\$0.71	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$616	948	\$0.65	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Three	--	\$701	1,023	\$0.68	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

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

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Fee: -- Parking 2: -- Fee: --
Property Manager: --
Owner: --

Comments

Long waitlist
8 - one bedroom units, 48 two bedroom units, 24 three bedroom units

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$398	723	\$0.55	LIHTC/ 50%	4/16/12	0.0%	\$513	\$616	\$701
Garden	--	1	1	--	\$491	723	\$0.68	LIHTC/ 60%					
Garden	--	1	1	--	\$650	723	\$0.90	Market					
Garden	--	2	1	--	\$468	935	\$0.50	LIHTC/ 50%					
Garden	--	2	1	--	\$579	935	\$0.62	LIHTC/ 60%					
Garden	--	2	1	--	\$780	935	\$0.83	Market					
Garden	--	2	2	--	\$468	960	\$0.49	LIHTC/ 50%					
Garden	--	2	2	--	\$579	960	\$0.60	LIHTC/ 60%					
Garden	--	2	2	--	\$820	960	\$0.85	Market					
Garden	--	3	2	--	\$537	1,023	\$0.52	LIHTC/ 50%					
Garden	--	3	2	--	\$665	1,023	\$0.65	LIHTC/ 60%					
Garden	--	3	2	--	\$900	1,023	\$0.88	Market					

Adjustments to Rent
Incentives: None
Utilities in Rent: Heat Fuel: Natural Gas
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

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

Treetop Apts

Multifamily Community Profile

600 Taylor Rd
Hinesville, GA 31313-2148

Community Type: Market Rate - General

Structure Type: Garden

32 Units 25.0% Vacant (8 units vacant) as of 4/16/2012

Opened in 1979



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	--	\$590	634	\$0.93	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	--	\$650	830	\$0.78	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	\$700	925	\$0.76	Elevator:	Volleyball:
Four+	--	--	--	--	<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 checked="" type="checkbox"/>

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

Select Units: Ceiling Fan
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Fee: -- Parking 2: -- Fee: --
Property Manager: --
Owner: --

Comments

16 units have PBRA and are 100% occupied and have a 4 year wait
No reason given for high vacancy on market rate units

Floorplans (Published Rents as of 4/16/2012) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$575	634	\$0.91	Market	4/16/12	25.0%	\$590	\$650	\$700
Garden	--	2	1	--	\$630	830	\$0.76	Market	10/22/02	0.0%	--	--	--
Garden	--	3	2	--	\$675	925	\$0.73	Market					

Adjustments to Rent

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

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Wedgewood Apts

Multifamily Community Profile

939 S Main St
Hinesville, GA 31313-4926

Community Type: Market Rate - General

Structure Type: 2-Story Townhouse

72 Units 9.7% Vacant (7 units vacant) as of 4/16/2012

Opened in 1985



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	100.0%	\$703	1,100	\$0.64	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<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 checked="" type="checkbox"/>

Features

Standard: Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Storage (In Unit)

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 4/16/2012) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Duplex	--	2	1	24	\$650	1,100	\$59	Market	4/16/12	9.7%	--	\$703	--
Townhouse	--	2	1.5	48	\$700	1,100	\$64	Market	10/22/02	0.0%	--	--	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash: