

# Market Feasibility Analysis

Heritage Manor Apartments  
1118 West 2nd Street  
Donalsonville, Seminole County, Georgia 39845

*Prepared For*

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## SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Heritage Manor Apartments to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Donalsonville, Georgia. Based on the findings contained in this report, we believe a market will continue to exist for the subject project following renovations, as long as the subject project is renovated and operated as proposed in this report.

### 1. Project Description:

Heritage Manor Apartments was originally built in 1982 and has operated under the Rural Development 515 (RD 515) program since that time. Note that the subject project was renovated utilizing financing under the Low-Income Housing Tax Credit (LIHTC) program in 1998. Currently, the project contains 32 units, comprised of eight (8) one-bedroom, eight (8) two-bedroom and 16 three-bedroom units targeting family (general-occupancy) households. All 32 units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the subject project is currently 100.0% occupied and maintains a collective 36-household wait list for the next available unit.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, RA will be preserved on all 32 units and will continue to target households up to 60% of AMHI. All renovations are expected to be completed in 2014.

### 2. Site Description/Evaluation:

The subject site is located within a residential area of Donalsonville. The surrounding land uses predominantly consist of residential dwellings in satisfactory condition and undeveloped land. The surrounding land uses are consistent with those observed throughout the market area and the subject site fits well with its surrounding land uses. Overall visibility is considered adequate, as it is not visible from arterial roadways; however, the subject site does benefit from proper signage. Overall access is considered good, as the subject site is within 0.6 miles of State Routes 38, 39 and 91, as well as U.S. Highway 84. The subject site is within close proximity of basic shopping needs, as most are within 1.5 miles. Overall, the site's location and proximity to essential community services will continue to have a positive impact on the subject project's marketability.

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

The Donalsonville PMA includes all of Donalsonville, as well as the surrounding unincorporated areas of Seminole County, Georgia. The boundaries of the Donalsonville Site PMA generally include Sapp Bridges Road, Smith Road, Daniels Road and Whites Bridge Road to the north; State Route 310 to the east; Paul Robinson Road, Joel Poole Road and Spring Creek Road to the south; and the Chattahoochee River/Georgia state border to the west. A justification of these boundaries and a detailed map are included in Section D of this report.

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

The population for the Site PMA is anticipated to increase by 0.1% between 2013 and 2015. During the same time period, the number of households is projected to increase by 0.6%. These trends are representative of stable population and household growth, which generally indicate demand for all housing will slowly increase. The subject project will continue to target one- to five-person households, which comprise nearly all renter households within the Site PMA. As such, the subject project will continue to accommodate the majority of renter households within the market. This will have a continued positive impact on the demand for the subject units. Detailed demographic information is included in Section E of this report.

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

According to a representative with the Donalsonville Chamber of Commerce, the local economy has been experiencing a slow recovery since the nationwide recession. In fact, both the employment base and unemployment rate within the county did not begin to stabilize until 2011, where most of the country began to experience economic improvements starting in 2010. On a positive note, the newly established AFG Feed, LLC feed mill in Donalsonville has been expanding and there have been no WARN notices of large-scale layoffs and closures reported for Seminole County since 2011. We anticipate that the area economy will continue to experience slow and steady growth for the foreseeable future.

Considering the relatively high unemployment rate of 8.8% through July 2013, the need for affordable housing is anticipated to remain strong. A high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

## 6. Project-Specific Affordability and Demand Analysis:

Heritage Manor Apartments has project-based Rental Assistance (RA) available to all 32 of its units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, all 32 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 233 income-qualified renter households to support the 32 renovated units. As such, the capture rate would be 13.7% ( $32 / 233 = 13.7\%$ ) if all units were vacated. However, the project is 100.0% occupied and all current tenants are anticipated to remain following LIHTC renovations. Therefore, the renovated subject project will have an effective capture rate of 0.0%. A detailed capture rate analysis and alternative demand scenarios are provided in Section G of this report.

## 7. Comparable/Competitive Rental Analysis

Based on our research, one Tax Credit property identified and surveyed within the Site PMA has been utilized for comparison purposes. Additionally, we identified and surveyed two LIHTC properties located outside of the Site PMA, but within the nearby region, that we also consider comparable. All three comparable properties and the subject property are illustrated in the following table:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Heritage Manor Apartments</b>	<b>1982 / 2014</b>	<b>32</b>	<b>100.0%</b>	-	<b>36 H.H.</b>	<b>Families; 60% AMHI &amp; RD 515</b>
2	Friendship Crossings	2011	34*	100.0%	1.2 Miles	70 H.H.	Families; 30%, 50%, & 60% AMHI
903	Hunter's Chase	2004	89*	94.4%	57.8 Miles	None	Families; 30%, 50%, & 60% AMHI
910	Hampton Lake Apts.	2008	90*	100.0%	59.4 Miles	100 H.H.	Families; 30%, 50%, & 60% AMHI

OCC. - Occupancy

H.H. - Households

900 series Map IDs are located outside the Site PMA

\*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 97.7%, indicating strong demand for affordable housing in the market and region. In fact, the one LIHTC project in the market, Friendship Crossings (Map I.D. 2), is 100.0% occupied with an extensive wait list, illustrating that pent-up demand exists for affordable housing in the market. The subject project will provide a modernized affordable rental housing alternative to low-income families that is currently not available within the Donalsonville Site PMA. It should also be noted that Friendship Crossings is the newest rental community within the market; however, lease-up information on this project was unavailable at the time this report was issued.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom type are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Heritage Manor Apartments	\$513*/60% (8)	\$616*/60% (8)	\$711*/60% (16)	-
2	Friendship Crossings	-	\$312/30% (3/0) \$515/50% (9/0) \$568/60% (2/0)	\$362/30% (4/0) \$591/50% (14/0) \$666/60% (2/0)	None
903	Hunter's Chase	\$360/30% (3/0) \$558/50% (8/0) \$657/60% (15/0)	\$441/30% (6/0) \$678/50% (11/1) \$797/60% (27/2)	\$516/30% (2/0) \$790/50% (5/1) \$927/60% (12/1)	None
910	Hampton Lake Apts.	\$309/30% (6/0) \$501/50% (4/0)	\$376/30% (16/0) \$590/50% (17/0) \$590/60% (17/0)	\$434/30% (10/0) \$694/50% (10/0) \$746/60% (10/0)	None

\*2013 maximum allowable LIHTC gross rents at 60% of AMHI  
900 series Map IDs are located outside the Site PMA

As proposed, the subject rents reported in the preceding table will not be the actual rents tenants will be responsible for paying. The subject development will maintain Rental Assistance on all 32 of its units, which will effectively allow tenants to limit their gross rent to 30% of their adjusted gross household income.

Overall, the proposed project is older than the selected properties, but substantial renovations will effectively update its aesthetic appeal. Our comparative analysis in Section H reveals the unit designs (square footage and bathrooms) of the subject units are appropriate considering the 100.0% occupancy at the subject site, but are at a slight disadvantage relative to the comparable LIHTC properties in the region due to the smaller floor plans and the lack of an additional bathroom in the two- and three-bedroom units. Similarly, the proposed amenities package is considered appropriate, but the lack of a patio/balcony, microwave, garbage disposal, a fitness center, sports court and computer center will limit the rent premiums achievable at the development if it were to operate solely under LIHTC program guidelines. Regardless, all 32 subject units will retain their Rental Assistance (RA) subsidy, which will effectively allow tenants to limit their gross rent to 30% of their adjusted gross household income. Based on the anticipated value that will be created by the continued presence of the RA subsidy, we expect the renovated subject project to be competitive as proposed.

## 8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100.0% occupied and maintains a collective wait list of up to 36 households for the next available unit. All current residents are expected to qualify for the subject units following renovations; therefore, few if any of the subject units will have to be re-rented immediately following renovations. **As proposed, there will be no absorption period for the subject units as all 32 are already effectively leased.** However, for the purposes of this analysis, we assume that all 32 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on all units). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy.

It is our opinion that the 32 units at the subject site will reach a stabilized occupancy of 93.0% within approximately five to six months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five to six units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA on all 32 units will be maintained.

## 9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 32 units at the subject site, assuming it is renovated and operated as detailed in this report. Changes in the project's scope of renovations, rents, amenities or renovation completion date may alter these findings.

Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

## SUMMARY TABLE

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

Development Name:	Heritage Manor Apartments	Total # Units:	32
Location:	500 Richard St. & 805 Ridge St., Donalsonville, GA 39845	# LIHTC Units:	32
PMA Boundary:	Sapp Bridges Road, Smith Road, Daniels Road and Whites Bridge Road to the north; State Route 310 to the east; Paul Robinson Road, Joel Poole Road and Spring Creek Road to the south; and the Chattahoochee River/Georgia state border to the west.		
	Farthest Boundary Distance to Subject:		15.1 miles

## RENTAL HOUSING STOCK (found on page H-2)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	2	72	0	100.0%
Market-Rate Housing	1	6*	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	1	32	0	100.0%
<b>LIHTC</b>	1	34**	0	100.0%
Stabilized Comps (in PMA only)	1	34**	0	100.0%
Properties in Construction & Lease Up	-	-	-	-

\*Excludes Tax Credit units at the one mixed-income development

\*\*Excludes Market-Rate units at the one mixed-income development

Subject Development					Achievable Market Rents			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent*	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	One	1.0	690	\$435	\$500	\$0.72	13.0%	\$550	\$0.64
8	Two	1.0	790	\$536	\$580	\$0.73	7.6%	\$650	\$0.70
16	Three	1.5	1,010	\$597	\$620	\$0.61	3.7%	\$725	\$0.60

\*2013 maximum allowable LIHTC gross rent less the value of tenant-paid utilities

## DEMOGRAPHIC DATA (found in Section E &amp; G)

	2010		2013		2015	
Renter Households	757	25.2%	793	26.4%	795	26.3%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	554	18.4%	551	18.2%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

\*As proposed with the retention of RA on all 32 units

## TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other__	LIHTC Only Scenario
Renter Household Growth	-3	-	-3	-	-	-3
Existing Households (Overburd + Substand)	270	-	270	-	-	37
Homeowner conversion (Seniors)	-	-	-	-	-	-
<b>Total Primary Market Demand</b>	267	-	267	-	-	34
Less Comparable/Competitive Supply	34	-	34	-	-	4
<b>Net Income-Qualified Renter HHs</b>	<b>233</b>	-	<b>233</b>	-	-	<b>30</b>

## CAPTURE RATES (found on page G-5)

Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other__	LIHTC Only Scenario
Capture Rate	0.0%*	-	0.0%*	-	-	106.7%

\*All occupied subsidized units at the project have been deducted from this demand analysis

## SECTION B - PROJECT DESCRIPTION

Heritage Manor Apartments was originally built in 1982 and has operated under the Rural Development 515 (RD 515) program since that time. Note that the subject project was renovated utilizing financing under the Low-Income Housing Tax Credit (LIHTC) program in 1998. Currently, the project contains 32 units, comprised of eight (8) one-bedroom, eight (8) two-bedroom and 16 three-bedroom units targeting family (general-occupancy) households. All 32 units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the subject project is currently 100.0% occupied and maintains a collective 36-household wait list for the next available unit.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, all units will continue to target households up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. It should be noted that the proposed gross rents are above the 2013 maximum allowable gross LIHTC limits for Seminole County. Therefore, the proposed gross rents would need to be lowered to or below the 2013 maximum allowable gross LIHTC limits for Seminole County in the unlikely event that the subject project lost RA on all 32 units and had to operate exclusively under the LIHTC program. Note that the 2013 maximum allowable gross LIHTC rents for Seminole County are illustrated in the table on the following page and have been utilized throughout the remainder of this report. Regardless, the 32 units of RA will be preserved following renovations, requiring residents to continue to pay 30% of their gross adjusted incomes towards housing costs (rent plus tenant-paid utilities). A Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing residents (PRA subsidy not to extend beyond existing residents). The PRA subsidy will prevent a rent increase on current residents, allowing existing residents to pay current rents. All renovations are expected to be completed in 2014. Additional project details follow:

- 1. PROJECT NAME:** Heritage Manor Apartments
- 2. PROPERTY LOCATION:** 500 Richard Street & 805 Ridge Street  
Donalsonville, Georgia 39845  
(Seminole County)
- 3. PROJECT TYPE:** Current: Tax Credit & RD 515  
Proposed: Tax Credit & RD 515

**4. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Current Rents*	2013 LIHTC Rents				2013 Rent Limits		Market Rents (CRCU)	Proposed Achievable Net Rents
						AMHI	Gross	U.A.	Net	Max. Allow.	Fair Market		
8	One	1.0	Garden	690	\$490	60%	\$513	\$78	\$435	\$513	\$505	\$500	\$435
8	Two	1.0	TH	790	\$510	60%	\$616	\$80	\$536	\$616	\$599	\$580	\$536
16	Three	1.5	TH	1,010	\$530	60%	\$711	\$114	\$597	\$711	\$822	\$620	\$597
<b>32</b>	<b>Total</b>												

Source: Boyd Management

AMHI – Area Median Household Income (Seminole County, GA; 2013)

\*Denotes current basic rents under RD 515 program

U.A. – Utility Allowance

Max. Allow. – Maximum Allowable

CRCU – Conventional Rents for Comparable Units

TH – Townhouse

**5. TARGET MARKET:**

Low-Income Families

**6. PROJECT DESIGN:**

Two-story residential buildings with one-bedroom garden and two- and three-bedroom townhouse units.

**7. ORIGINAL YEAR BUILT:**

1982

**8. ANTICIPATED RENOVATION COMPLETION DATE:**

2014

**9. UNIT AMENITIES:**

Each unit, once renovated, will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Central Air Conditioning
- Storage
- Carpet
- Window Blinds
- Washer/Dryer Hookups
- Ceiling Fan

**10. COMMUNITY AMENITIES:**

The subject property will include the following community features:

- On-Site Management
- Playground
- Picnic Area
- Community Room

**11. RESIDENT SERVICES:**

None

## **12. UTILITY RESPONSIBILITY:**

Water, sewer and trash collection are included in the rent, while tenants are responsible for the following:

- General Electricity
- Electric Heat
- Electric Water Heat
- Electric Cooking

## **13. RENTAL ASSISTANCE:**

The subject project operates under RD 515 program guidelines with Rental Assistance on all 32 units. The Rental Assistance requires tenants to pay up to 30% of their gross adjusted income towards housing costs. Rental Assistance on all 32 units will remain in place following LIHTC renovations.

## **14. PARKING:**

The subject site offers a surface parking lot at no additional charge to its residents.

## **15. CURRENT OCCUPANCY AND TENANT PROFILE:**

The 32-unit project is currently 100.0% occupied and maintains a collective 36-household wait list for the next available unit. Based on information provided by the developer, we anticipate that most, if not all, current tenants will continue to income-qualify following renovations. This assumes that the subject project will maintain Rental Assistance on all 32 units as proposed.

## **16. PLANNED RENOVATIONS:**

Currently, the subject project is considered to be of relatively good overall quality, and shows signs of slight property aging. According to the developer, the subject development will undergo approximately \$27,000 in renovations per unit. The subject is expected to include, but will not be limited to, the following renovations:

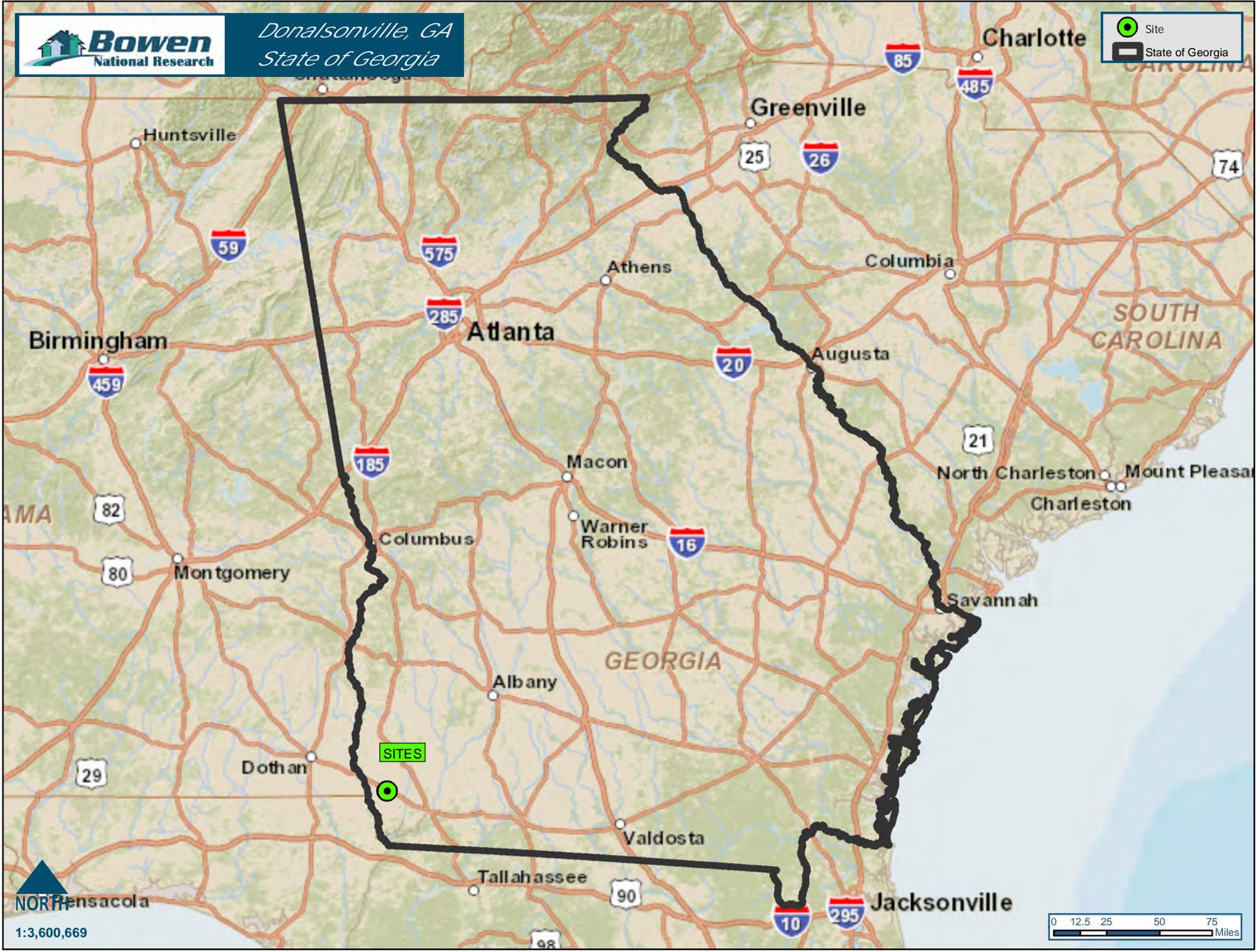
- Replacement of existing flooring
- Replacement of kitchen cabinets and countertops
- Replacement of existing kitchen appliances
- Replacement of plumbing fixtures
- Replacement of lighting fixtures
- Replace windows and window blinds
- Replacement of interior and exterior doorways
- Replacement of bathroom cabinets and countertop
- Painting of unit interiors
- Installation of new HVAC

- Re-roofing of buildings
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- ADA regulations met
- Upgrade sidewalks, dumpster surrounds and landscaping.

**17. STATISTICAL AREA:**

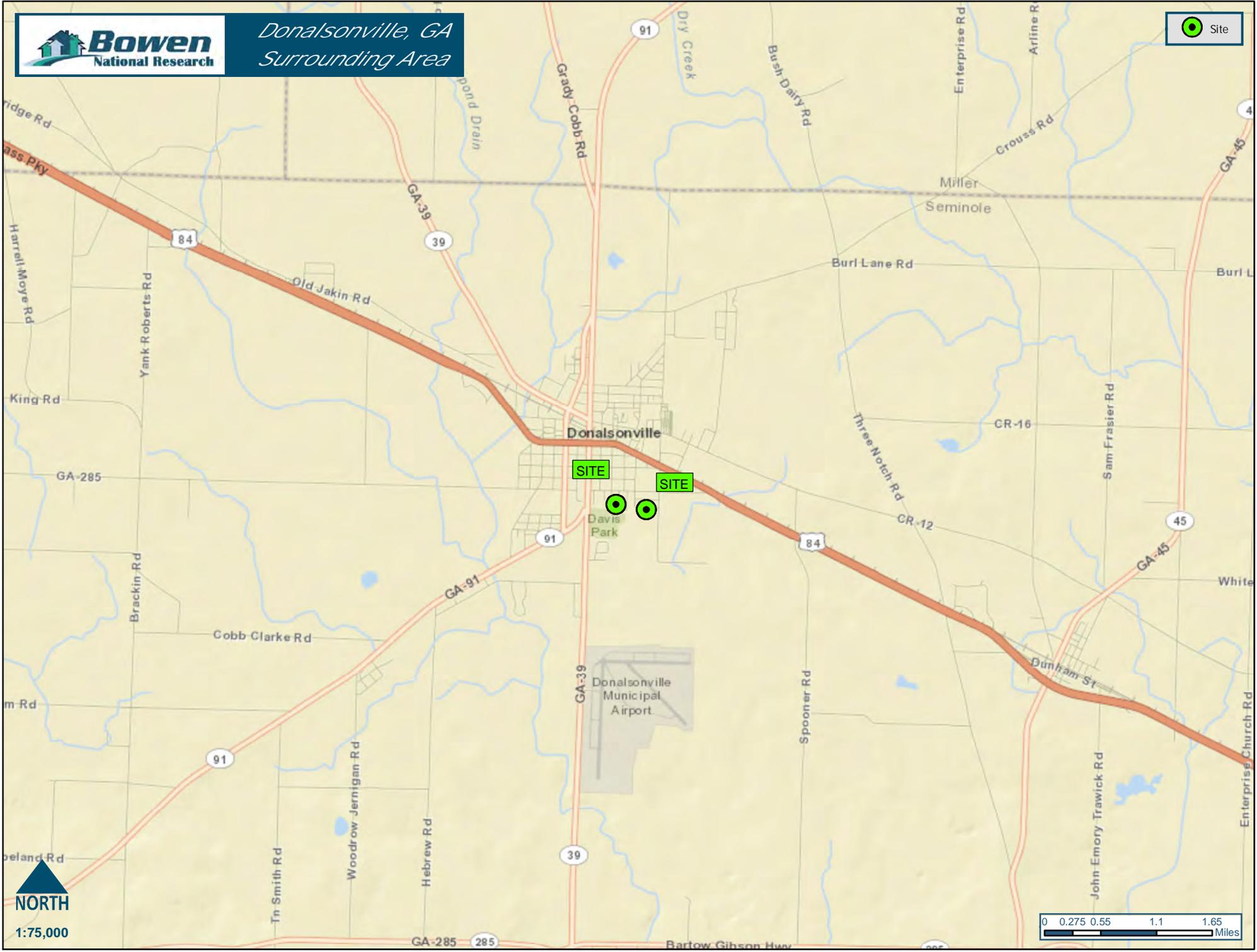
Seminole County, Georgia (2013)

A state map, an area map and a map illustrating the site neighborhood are on the following pages.

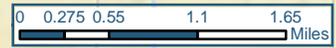




*Donalsonville, GA  
Surrounding Area*



1:75,000





Donalsonville, GA  
Site Neighborhood

Legend  
Site Area



E 7th St

Loyns Ave

S Dowling Ave

Gip Ave

Constitution Ave

S Stallman Ave

S Stern Ave

Bourbon St

Ridge St

Davis Park

NORTH  
1:4,000

0 0.02 0.04 0.08 0.12 Miles

## **SECTION C – SITE DESCRIPTION AND EVALUATION**

### **1. LOCATION/SURROUNDING LAND USES**

Heritage Manor Apartments is located on 805 Ridge Street and 500 Richard Street, in the southeastern portion of Donalsonville, Georgia. The 32-unit apartment complex is split between the two locations, approximately 0.5 miles apart, consisting of 16 units at each site. Located within Seminole County, Donalsonville is approximately 34.0 miles southeast of Dothan, Alabama and approximately 63.0 miles northwest of Tallahassee, Florida. An employee of Bowen National Research inspected the site and area apartments during the week of September 9, 2013.

The subject site is located within a residential area of Donalsonville. The surrounding areas predominantly include undeveloped/agricultural land and single-family homes. The single-family homes within the immediate area are generally ranch-style and are considered to be in satisfactory condition. Notable neighborhood characteristics include Davis Park, which includes baseball diamonds, tennis courts, soccer fields and basketball courts. Overall, the subject site fits well with the surrounding land uses and they will continue to contribute to the marketability of the site. This is further evidenced by the subject project's 100.0% occupancy and wait list.

### **2. VISIBILITY AND ACCESS**

The subject site ultimately gains access from both State Route 39/91 and State Route 38/U.S. Highway 84, arterial thoroughfares in the Donalsonville area, and are within 0.6 miles of the subject site. Ingress and egress are considered easy, as the surrounding residential roadways consist of light traffic patterns and clear lines of sight are provided in both directions. Overall access is considered good. Visibility of the site is considered good within the immediate area, although it is not visible from arterial roadways. However, the subject property does benefit from proper signage. Overall visibility is considered adequate.

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area.

### **3. SITE PHOTOGRAPHS**

Photographs of the subject site are on located on the following pages.

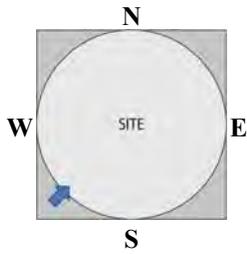
## SITE PHOTOGRAPHS



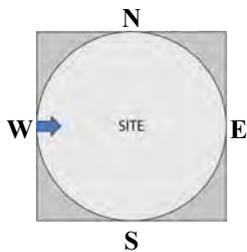
Entryway signage at 805 Ridge Street



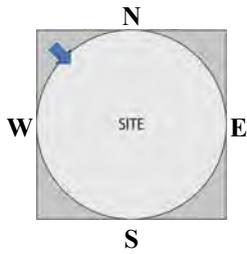
Typical building at 805 Ridge Street



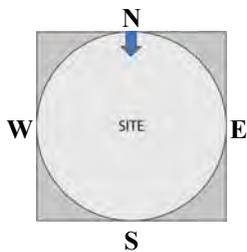
View of site from the southwest at 805 Ridge Street



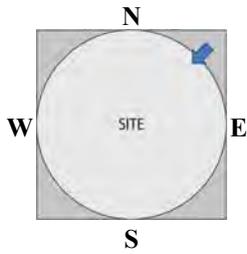
View of site from the west at 805 Ridge Street



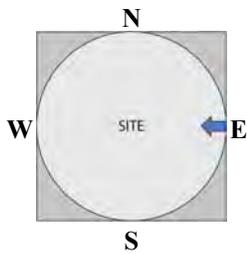
View of site from the northwest at 805 Ridge Street



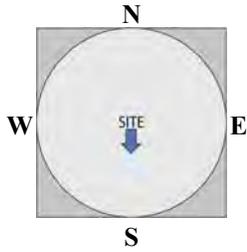
View of site from the north at 805 Ridge Street



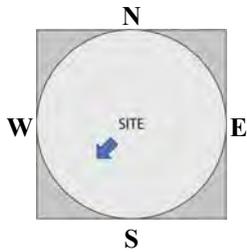
View of site from the northeast at 805 Ridge Street



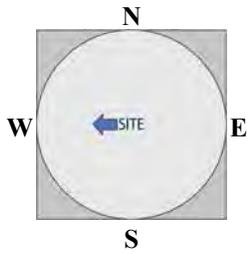
View of site from the east at 805 Ridge Street



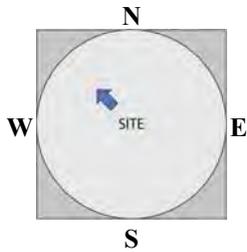
South view from site at 805 Ridge Street



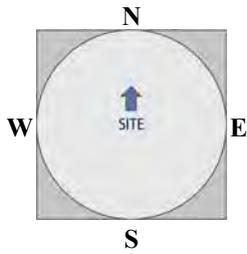
Southwest view from site at 805 Ridge Street



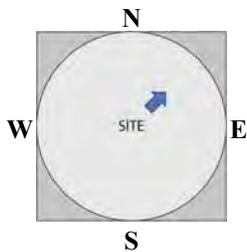
West view from site at 805 Ridge Street



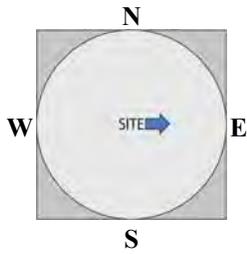
Northwest view from site at 805 Ridge Street



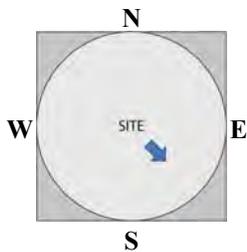
North view from site at 805 Ridge Street



Northeast view from site at 805 Ridge Street



East view from site at 805 Ridge Street



Southeast view from site at 805 Ridge Street



Streetscape west view on Ridge Street



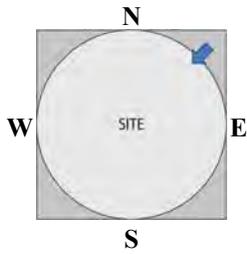
Streetscape east view on Ridge Street



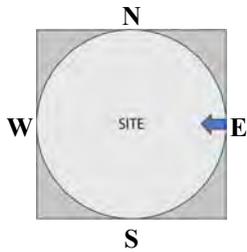
Entryway signage at 500 Richard Street



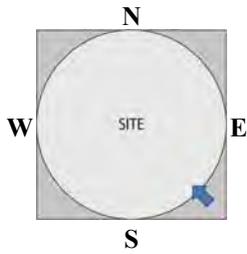
Typical building at 500 Richard Street



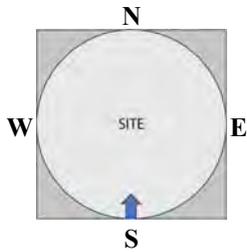
View of site from the northeast at 500 Richard Street



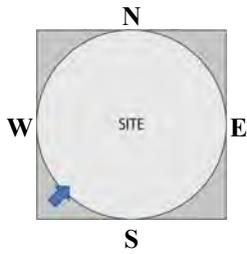
View of site from the east at 500 Richard Street



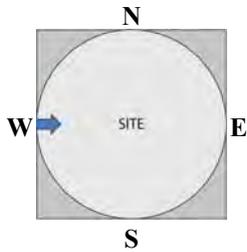
View of site from the southeast at 500 Richard Street



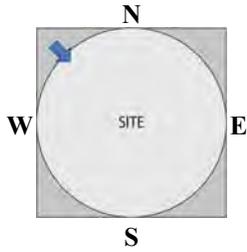
View of site from the south at 500 Richard Street



View of site from the southwest at 500 Richard Street



View of site from the west at 500 Richard Street



View of site from the northwest at 500 Richard Street



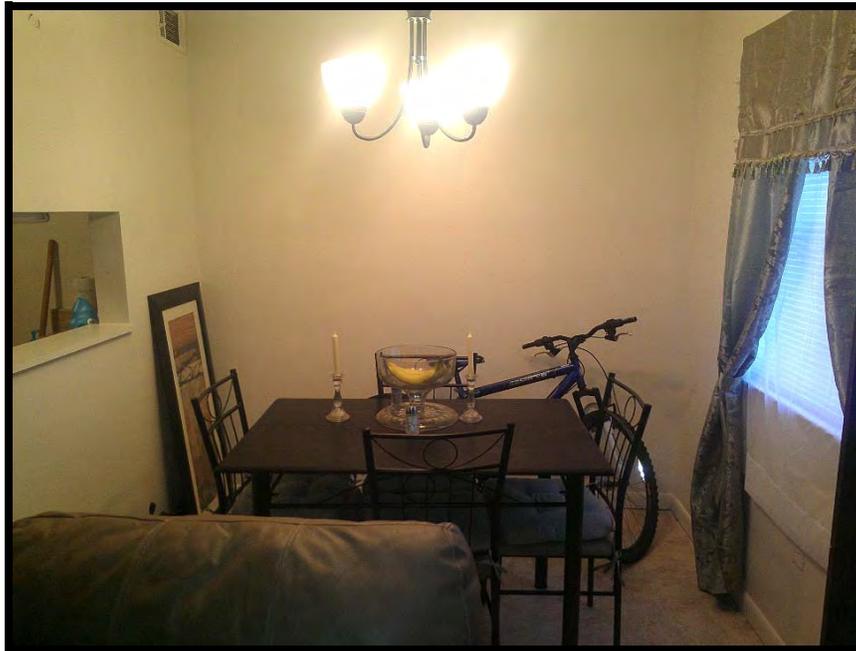
Streetscape south view on South Dowling Avenue



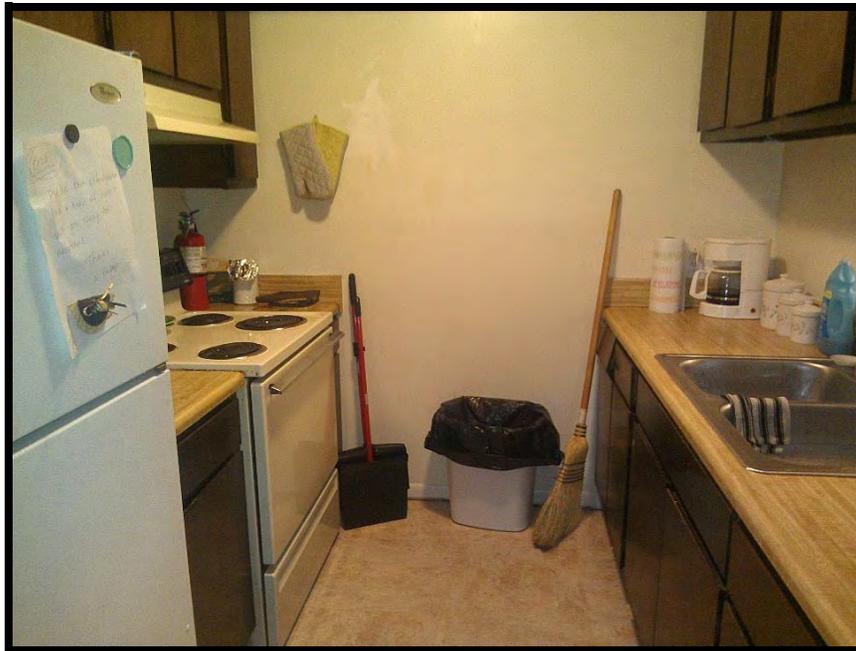
Streetscape north view on South Dowling Avenue



Typical one-bedroom living room



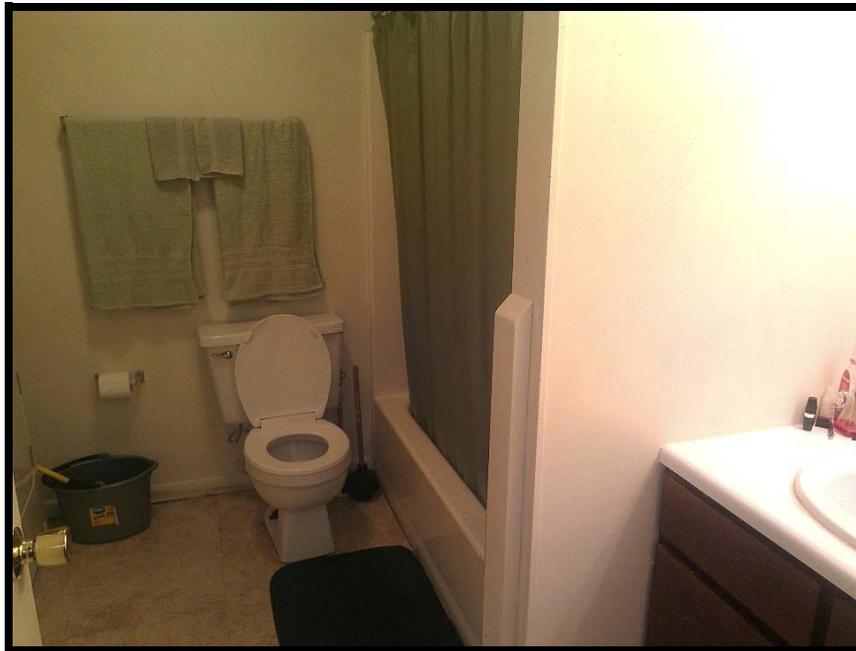
Typical one-bedroom dining room



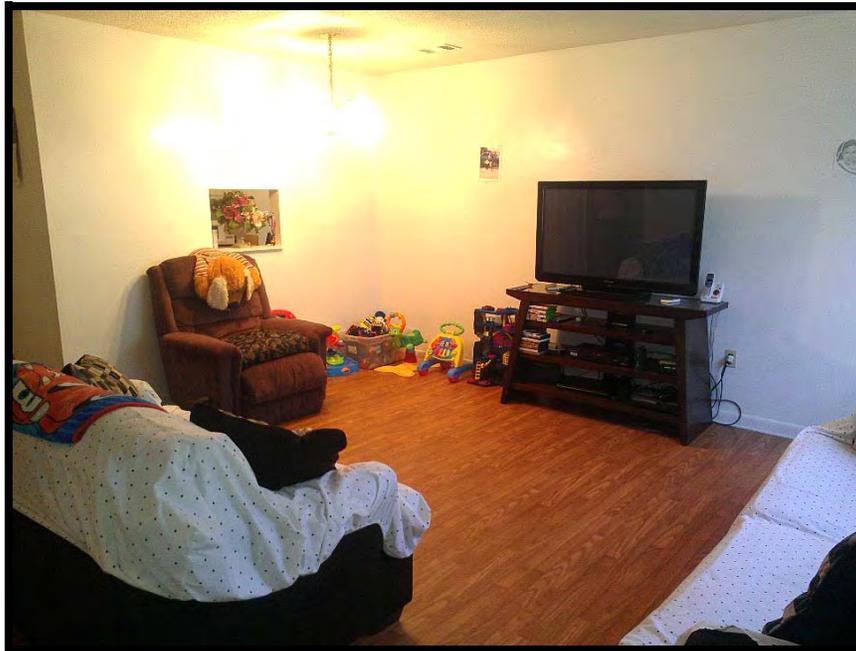
Typical one-bedroom kitchen



Typical one-bedroom



Typical one-bedroom bathroom



Typical townhome living room



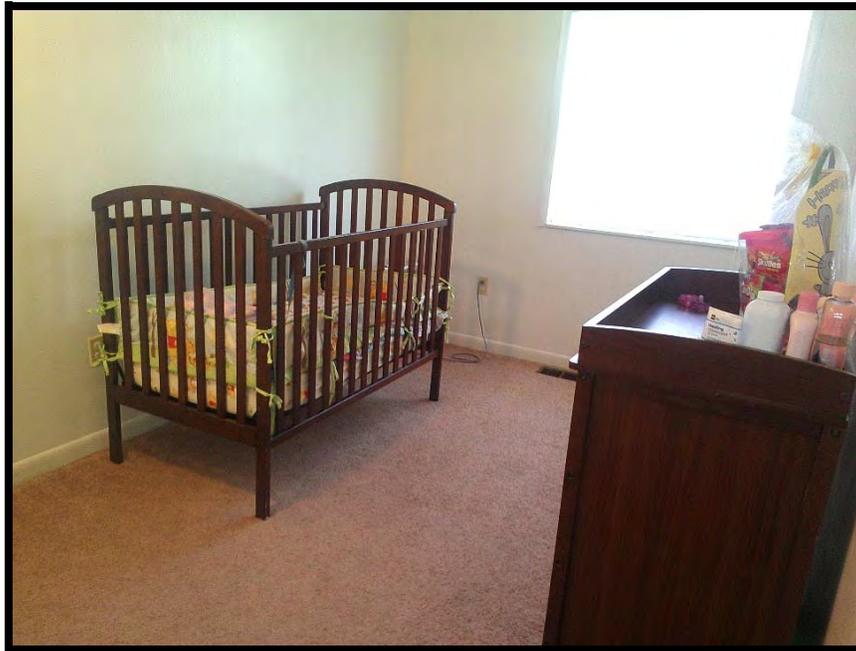
Typical townhome kitchen



Typical townhome laundry area



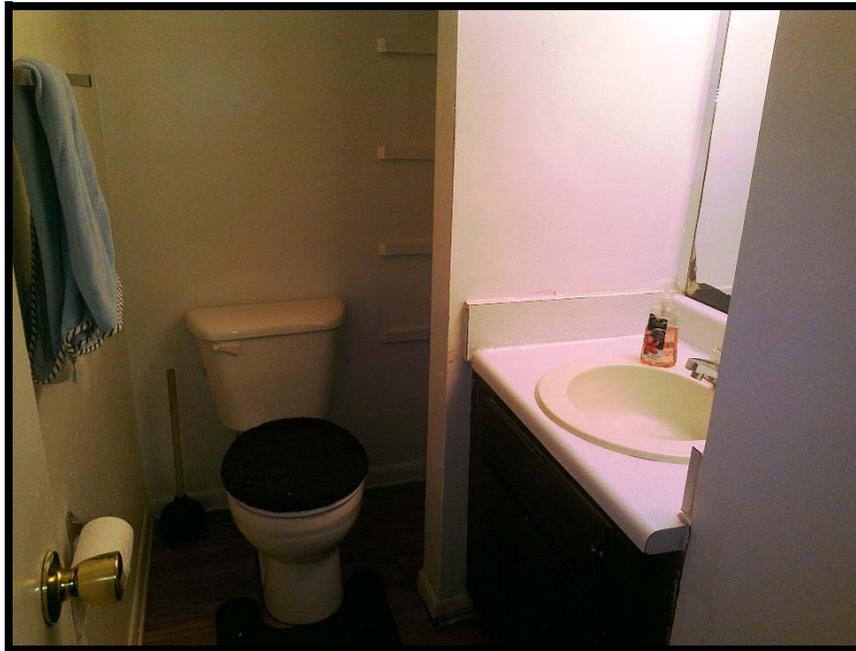
Typical townhome master bedroom



Typical townhome spare bedroom



Typical townhome bathroom



Typical townhome half-bath

#### 4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table. It should be noted that distances were derived utilizing the site location at 500 Richard Street.

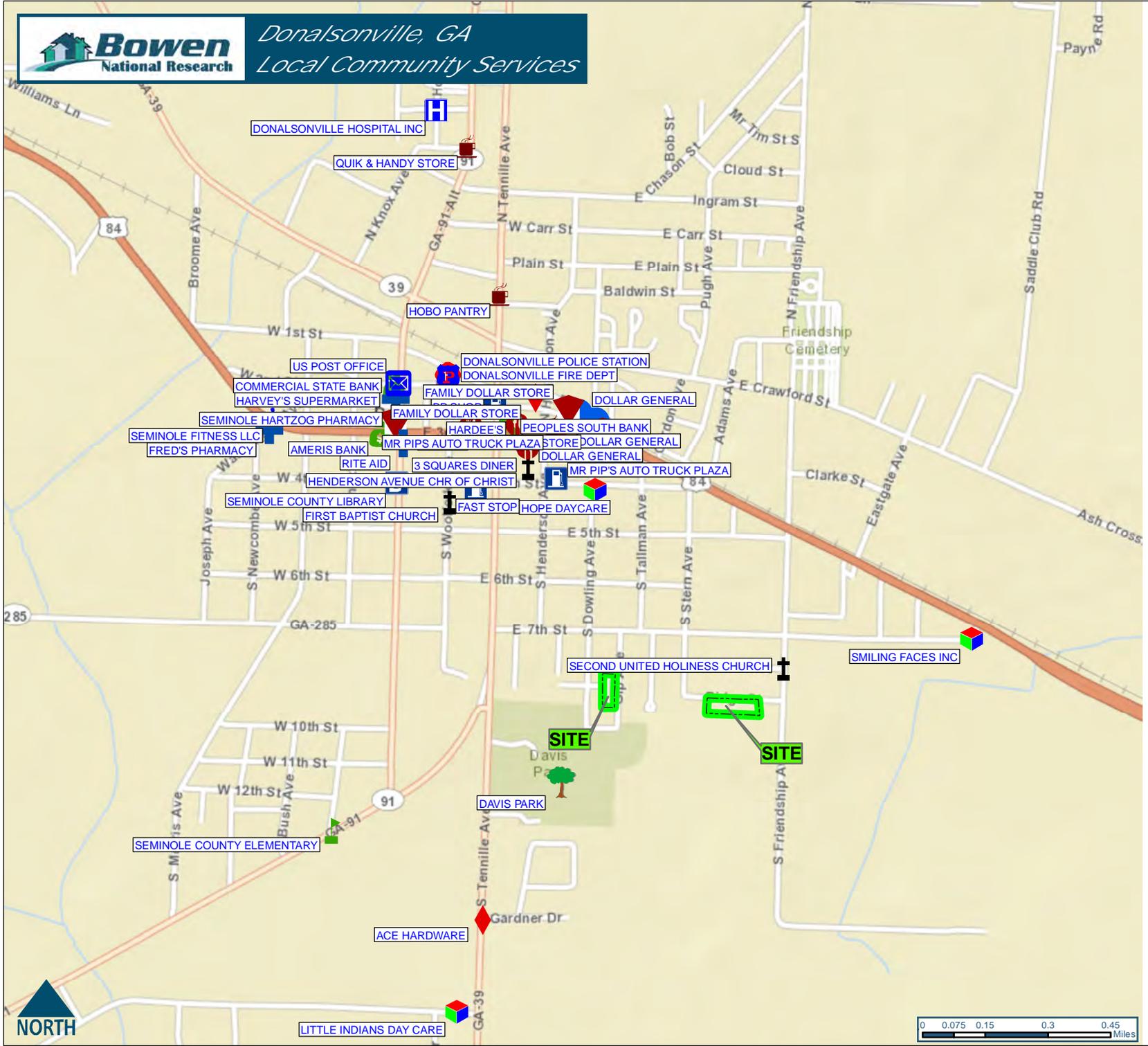
Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 39/91	0.3 West
	State Route 38/U.S. Highway 84	0.5 North
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Harvey's Supermarket	0.9 Northwest
	Donalsonville Hospital	1.5 North
	Lewis M. Carter Manufacturing Co.	1.6 Northwest
Convenience Store	Mr. Pip's Auto Truck Plaza	0.6 North
	Fast Stop	0.7 Northwest
	BP	0.7 Northwest
Grocery	Harvey's Supermarket	0.9 Northwest
Discount Department Store	Dollar General	0.6 North
	Family Dollar Store	0.6 North
Schools:		
Elementary	Seminole County Elementary	0.9 Southwest
Middle/Junior High	Seminole County Middle School	1.5 South
High	Seminole County High School	1.5 South
Hospital	Donalsonville Hospital	1.5 North
Police	Donalsonville Police Station	0.9 Northwest
Fire	Donalsonville Fire Department	0.9 Northwest
Post Office	U.S. Post Office	1.0 Northwest
Bank	Peoples South Bank	0.7 Northwest
	Ameris Bank	0.9 Northwest
	Commercial State Bank	1.0 Northwest
Recreational Facilities	Davis Park	0.1 South
	Seminole Fitness	1.2 Northwest
Gas Station	Mr. Pip's Auto Truck Plaza	0.6 North
	Fast Stop	0.7 Northwest
	BP	0.7 Northwest
Pharmacy	Rite Aid	0.9 Northwest
	Seminole Hartzog Pharmacy	1.0 Northwest
	Fred's Pharmacy	1.2 Northwest
Restaurant	3 Squares Diner	0.6 North
	Hardee's	0.7 Northwest
	Subway	0.7 Northwest
Day Care	Hope Daycare	0.5 North
Library	Seminole County Library	0.8 Northwest
Church	Second United Holiness Church	0.6 East

Although Donalsonville is considered rural, residents typically find all of their basic shopping needs within the area, despite the limited amount of community services available. Many basic community services are located within 1.0 mile of the subject site, which include Mr. Pip's Auto Truck Plaza, 3 Squares Diner, Hardee's, Dollar General, Harvey's Supermarket, Family Dollar, Seminole Hartzog Pharmacy and Rite Aid. It should be of note that there is no public transportation system in the city of Donalsonville; however, considering the rural nature of the area, residents are accustomed to personal transportation.

The Donalsonville Hospital is the nearest full-service hospital with emergency services and is located within 1.5 miles of the subject site. All public safety services are provided by the Donalsonville Police Station and the Donalsonville Fire Department which are located with 0.9 miles from the subject site.

The Seminole County Public School District serves the subject site. Seminole County Elementary, Middle and High schools are all located within 1.5 miles from the subject site. It should be of note that bus transportation is provided to students of the Seminole County Public School District.

Maps illustrating the location of community services are on the following pages.



### Legend

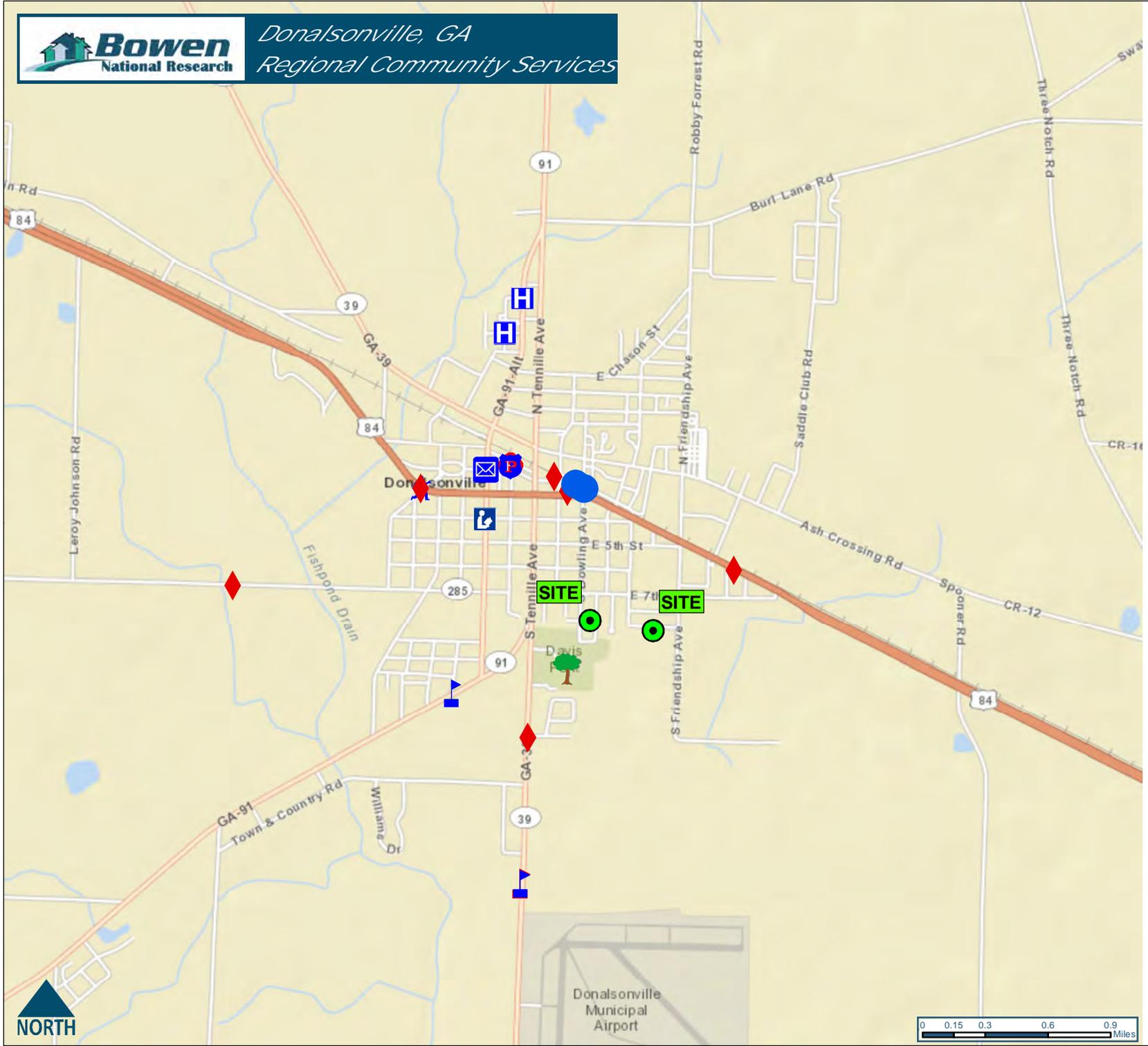
- Site Area
- bank
- child care
- church
- convenience store
- elementary school
- fire
- fitness center
- gas
- grocery
- hospital
- library
- park
- pharmacy
- police
- post office
- restaurant
- shopping
- employers\_1000\_5000



1:20,000



Donalsonville, GA  
Regional Community Services



- Legend*
- Site
  - fire
  - fitness center
  - high school
  - hospital
  - library
  - middle school
  - park
  - police
  - post office
  - shopping
  - employers\_1000\_5000



1:40,000

## 5. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (53) for the Site PMA is below the national average with an overall personal crime index of 65 and a property crime index of 37. Total crime risk (53) for Seminole County is also below the national average with indexes for personal and property crime of 64 and 39, respectively.

	Crime Risk Index	
	Site PMA	Seminole County
<b>Total Crime</b>	<b>53</b>	<b>53</b>
<b>Personal Crime</b>	<b>65</b>	<b>64</b>
Murder	100	89
Rape	16	20
Robbery	20	20
Assault	130	129
<b>Property Crime</b>	<b>37</b>	<b>39</b>
Burglary	41	49
Larceny	52	52
Motor Vehicle Theft	16	16

Source: Applied Geographic Solutions

As the preceding table illustrates the crime indexes for both the Site PMA and Seminole County are significantly below the national average. As such, the perception of crime or lack there of, will not be a factor on the continued marketability of the site. This is evidenced by the subject's 100.0% occupancy and wait list. In fact, all rental properties identified and surveyed within the market are 100.0% occupied, further providing evidence that crime does not play a significant role in the rental housing market.

A map illustrating crime risk is on the following page.



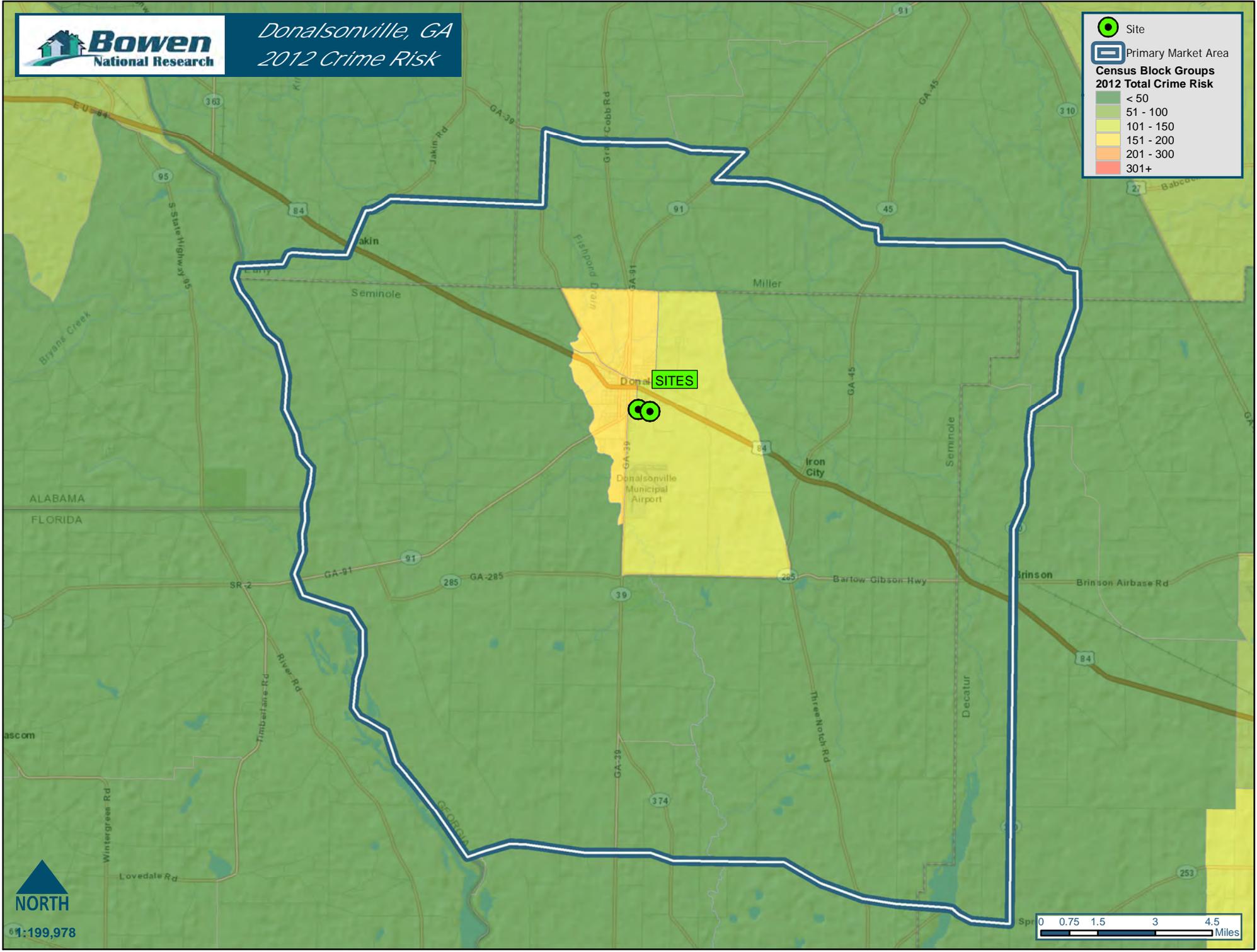
*Donalsonville, GA*  
*2012 Crime Risk*

● Site

▭ Primary Market Area

**Census Block Groups**  
**2012 Total Crime Risk**

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



69:199,978



## **6. OVERALL SITE EVALUATION**

The subject site is located within a residential area of Donalsonville. The surrounding land uses predominantly consist of residential dwellings in satisfactory condition and undeveloped land. The surrounding land uses are consistent with those observed throughout the market area and the subject site fits well with its surrounding land uses. Overall visibility is considered adequate, as it is not visible from arterial roadways; however, the subject site does benefit from proper signage. Overall access is considered good, as the subject site is within 0.6 miles of State Routes 38, 39 and 91, as well as U.S. Highway 84. The subject site is within close proximity of basic shopping needs, as most are within 1.5 miles. Overall, the site's location and proximity to essential community services will continue to have a positive impact on the subject project's marketability.

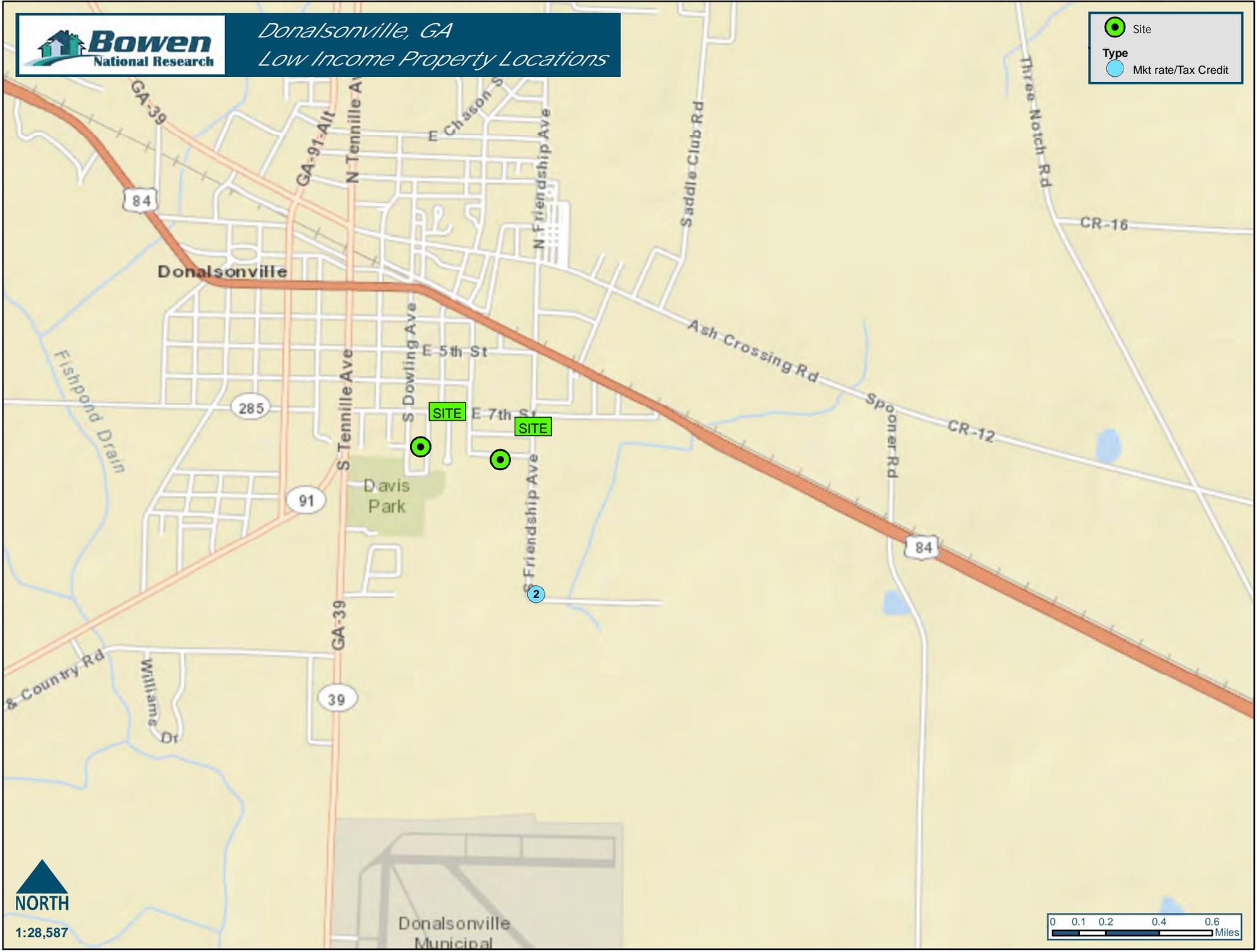
## **7. MAP OF LOW-INCOME RENTAL HOUSING**

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.

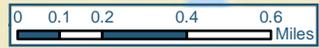


*Donalsonville, GA*  
*Low Income Property Locations*

● Site  
● Type  
● Mkt rate/Tax Credit



1:28,587



## **SECTION D – PRIMARY MARKET AREA DELINEATION**

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Donalsonville Site PMA was determined through interviews with management at the subject site and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Donalsonville PMA includes all of Donalsonville, as well as the surrounding unincorporated areas of Seminole County, Georgia. The boundaries of the Donalsonville Site PMA generally include Sapp Bridges Road, Smith Road, Daniels Road and Whites Bridge Road to the north; State Route 310 to the east; Paul Robinson Road, Joel Poole Road and Spring Creek Road to the south; and the Chattahoochee River/Georgia state border to the west.

Wendy Enfinger, Property Manager of the Heritage Manor Apartments (subject site), stated that the majority of her tenants (approximately 95%) are from the Donalsonville and surrounding areas of Seminole County, thus confirming the Site PMA. Ms. Enfinger further stated that it is very rare her property receives support from outside of Site PMA due to the rural nature of the city and its surrounding areas.

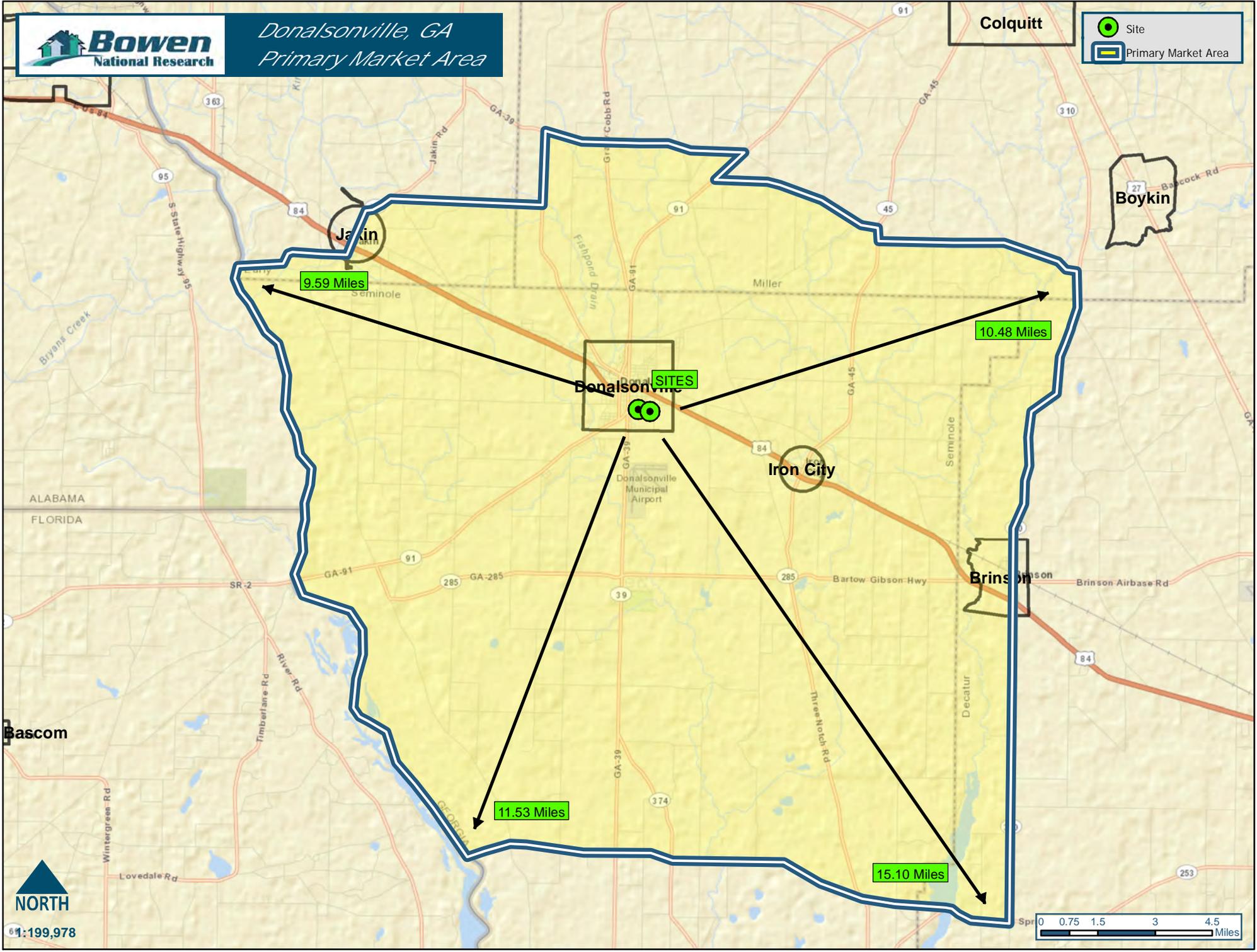
Although a small portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



*Donalsonville, GA  
Primary Market Area*

Legend:  
● Site  
▭ Primary Market Area



61:199,978



## SECTION E - COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2015 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2015 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2013 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Population	8,224	7,780	7,808	7,813
Population Change	-	-444	28	5
Percent Change	-	-5.4%	0.4%	0.1%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Donalsonville Site PMA population base has declined by 444 between 2000 and 2010. This represents a 5.4% decline from the 2000 population, or an annual rate of 0.5%. Between 2010 and 2013, the population increased by 28, or 0.4%. It is projected that the population will increase by 5, or 0.1%, between 2013 and 2015.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	2,139	27.5%	2,086	26.7%	2,069	26.5%	-17	-0.8%
20 to 24	405	5.2%	405	5.2%	390	5.0%	-14	-3.6%
25 to 34	815	10.5%	829	10.6%	829	10.6%	0	0.0%
35 to 44	935	12.0%	904	11.6%	891	11.4%	-13	-1.4%
45 to 54	1,156	14.9%	1,104	14.1%	1,067	13.7%	-37	-3.4%
55 to 64	998	12.8%	1,049	13.4%	1,065	13.6%	16	1.5%
65 to 74	739	9.5%	823	10.5%	885	11.3%	62	7.5%
75 & Over	594	7.6%	608	7.8%	617	7.9%	9	1.4%
Total	7,780	100.0%	7,808	100.0%	7,813	100.0%	5	0.1%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 50% of the population is expected to be between 25 and 64 years old in 2013. This age group is the prime group of current and potential renters for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

Household trends within the Donalsonville Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	3,059	3,004	3,008	3,025
Household Change	-	-55	4	17
Percent Change	-	-1.8%	0.1%	0.6%
Household Size	2.69	2.59	2.56	2.55

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Donalsonville Site PMA, households declined by 55 (1.8%) between 2000 and 2010. Between 2010 and 2013, households increased by 4 or 0.1%. By 2015, there will be 3,025 households, an increase of 17 households, or 0.6% from 2013 levels. This is an increase of approximately 9 households annually over the next two years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	69	2.4%	70	2.3%	67	2.2%	-3	-4.2%
25 to 34	316	11.0%	347	11.5%	348	11.5%	1	0.2%
35 to 44	467	16.3%	481	16.0%	473	15.6%	-8	-1.7%
45 to 54	608	21.3%	604	20.1%	582	19.2%	-22	-3.7%
55 to 64	571	19.9%	601	20.0%	608	20.1%	7	1.2%
65 to 74	451	15.7%	501	16.7%	538	17.8%	37	7.3%
75 to 84	279	9.7%	283	9.4%	288	9.5%	5	1.8%
85 & Over	102	3.6%	120	4.0%	121	4.0%	1	0.7%
Total	2,862	100.0%	3,008	100.0%	3,025	100.0%	17	0.6%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2013 and 2015, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74. This growth likely indicates an increasing need for senior housing in the market.

Households by tenure are distributed as follows:

Distribution of Households	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 62)	1,382	46.0%	1,319	43.8%	1,297	42.9%
Owner-Occupied (Age 62+)	865	28.8%	896	29.8%	934	30.9%
Renter-Occupied (<Age 62)	611	20.3%	620	20.6%	615	20.3%
Renter-Occupied (Age 62+)	146	4.9%	173	5.8%	180	5.9%
Total	3,004	100.0%	3,008	100.0%	3,025	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Currently, 20.6% of all occupied housing units within the Site PMA are occupied by renters under the age of 62.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,247	74.8%	2,215	73.6%	2,230	73.7%
Renter-Occupied	757	25.2%	793	26.4%	795	26.3%
Total	3,004	100.0%	3,008	100.0%	3,025	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2013, homeowners occupied 73.6% of all occupied housing units, while the remaining 26.4% were occupied by renters.

The household sizes by tenure within the Site PMA, based on the 2013 estimates and 2015 projections, were distributed as follows:

Persons Per Renter Household	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	252	31.8%	254	32.0%	2	0.9%
2 Persons	191	24.0%	191	24.0%	0	0.1%
3 Persons	139	17.5%	139	17.5%	0	0.2%
4 Persons	120	15.2%	121	15.2%	0	0.1%
5 Persons+	91	11.5%	90	11.4%	-1	-0.9%
Total	793	100.0%	795	100.0%	2	0.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	557	25.1%	564	25.3%	7	1.3%
2 Persons	856	38.6%	860	38.6%	4	0.5%
3 Persons	365	16.5%	368	16.5%	3	0.8%
4 Persons	234	10.6%	235	10.5%	1	0.3%
5 Persons+	203	9.2%	204	9.1%	0	0.2%
Total	2,215	100.0%	2,230	100.0%	15	0.7%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The subject site targets one- to five-person households, which comprise nearly all renter households within the Site PMA. As such, the subject project will continue to accommodate nearly all renter households within the Site PMA based on household size.

The distribution of households by income within the Donalsonville Site PMA is summarized as follows.

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	440	14.7%	504	16.8%	500	16.5%
\$10,000 to \$19,999	475	15.8%	477	15.8%	469	15.5%
\$20,000 to \$29,999	455	15.2%	474	15.7%	476	15.7%
\$30,000 to \$39,999	365	12.1%	350	11.6%	350	11.6%
\$40,000 to \$49,999	238	7.9%	247	8.2%	249	8.2%
\$50,000 to \$59,999	215	7.2%	192	6.4%	194	6.4%
\$60,000 to \$74,999	244	8.1%	232	7.7%	233	7.7%
\$75,000 to \$99,999	221	7.4%	211	7.0%	217	7.2%
\$100,000 to \$124,999	128	4.3%	93	3.1%	99	3.3%
\$125,000 to \$149,999	46	1.5%	48	1.6%	50	1.7%
\$150,000 to \$199,999	71	2.4%	66	2.2%	67	2.2%
\$200,000 & Over	105	3.5%	115	3.8%	120	4.0%
Total	3,004	100.0%	3,008	100.0%	3,025	100.0%
Median Income	\$33,602		\$31,422		\$31,928	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$33,602. This declined by 6.5% to \$31,422 in 2013. By 2015, it is projected that the median household income will be \$31,928, an increase of 1.6% from 2013.

The following tables illustrate renter household income by household size for 2010, 2013 and 2015 for the Donalsonville Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	77	49	80	11	3	219
\$10,000 to \$19,999	72	50	13	23	7	164
\$20,000 to \$29,999	14	14	19	70	2	119
\$30,000 to \$39,999	35	45	3	1	62	146
\$40,000 to \$49,999	1	7	6	6	2	22
\$50,000 to \$59,999	5	2	1	2	0	11
\$60,000 to \$74,999	2	0	4	1	3	10
\$75,000 to \$99,999	9	2	2	0	7	20
\$100,000 to \$124,999	3	12	3	1	0	19
\$125,000 to \$149,999	10	1	1	1	0	13
\$150,000 to \$199,999	0	0	1	0	3	5
\$200,000 & Over	7	0	0	1	0	8
Total	235	183	133	116	90	757

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	104	58	82	16	9	269
\$10,000 to \$19,999	65	52	17	21	11	166
\$20,000 to \$29,999	12	21	16	74	2	124
\$30,000 to \$39,999	37	33	5	1	52	128
\$40,000 to \$49,999	2	9	7	4	1	23
\$50,000 to \$59,999	7	2	2	1	0	13
\$60,000 to \$74,999	2	0	2	1	1	7
\$75,000 to \$99,999	8	3	2	0	9	22
\$100,000 to \$124,999	2	11	3	1	1	19
\$125,000 to \$149,999	5	2	1	1	0	10
\$150,000 to \$199,999	1	0	1	0	2	5
\$200,000 & Over	6	0	1	0	1	8
Total	252	191	139	120	91	793

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	105	58	82	15	10	270
\$10,000 to \$19,999	62	51	17	22	12	163
\$20,000 to \$29,999	13	19	15	73	2	122
\$30,000 to \$39,999	37	34	5	1	50	127
\$40,000 to \$49,999	3	9	7	5	2	25
\$50,000 to \$59,999	8	3	3	1	1	15
\$60,000 to \$74,999	3	0	3	1	1	7
\$75,000 to \$99,999	10	3	2	0	8	22
\$100,000 to \$124,999	3	12	3	0	1	20
\$125,000 to \$149,999	5	2	1	1	1	9
\$150,000 to \$199,999	1	0	2	0	2	5
\$200,000 & Over	6	0	1	1	1	9
Total	254	191	139	121	90	795

Source: Ribbon Demographics; ESRI; Urban Decision Group

The population for the Site PMA is anticipated to increase by 0.1% between 2013 and 2015. During the same time period, the number of households is projected to increase by 0.6%. These trends are representative of stable population and household growth, which generally indicate demand for all housing will slowly increase. The subject project will continue to target one- to five-person households, which comprise nearly all renter households within the Site PMA. As such, the subject project will continue to accommodate the majority of renter households within the market. This will have a continued positive impact on the demand for the subject units.

Data from the preceding tables is used in our demand estimates.

## SECTION F - ECONOMIC TRENDS

### 1. LABOR FORCE PROFILE

The labor force within the Donalsonville Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 19.1%), Educational Services, Retail Trade and Manufacturing comprise nearly 58% of the Site PMA labor force. Employment in the Donalsonville Site PMA, as of 2013, was distributed as follows:

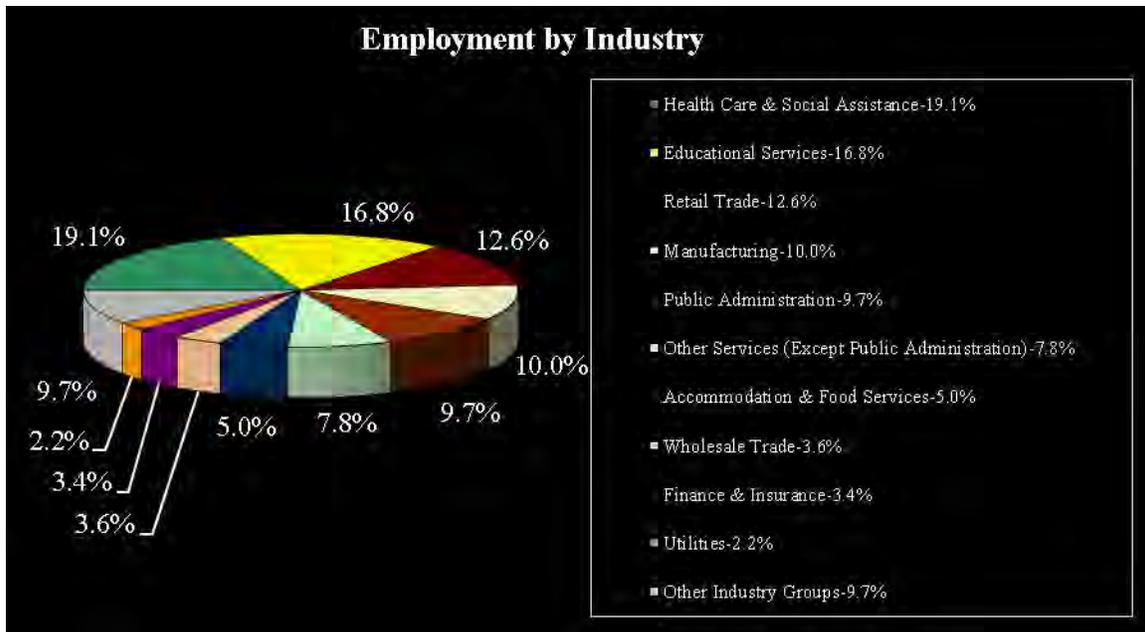
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	13	3.8%	60	1.9%	4.6
Mining	0	0.0%	0	0.0%	0.0
Utilities	2	0.6%	69	2.2%	34.5
Construction	16	4.6%	50	1.6%	3.1
Manufacturing	10	2.9%	309	10.0%	30.9
Wholesale Trade	21	6.1%	112	3.6%	5.3
Retail Trade	71	20.6%	391	12.6%	5.5
Transportation & Warehousing	14	4.1%	62	2.0%	4.4
Information	7	2.0%	22	0.7%	3.1
Finance & Insurance	25	7.2%	105	3.4%	4.2
Real Estate & Rental & Leasing	6	1.7%	13	0.4%	2.2
Professional, Scientific & Technical Services	11	3.2%	38	1.2%	3.5
Management of Companies & Enterprises	0	0.0%	5	0.2%	0.0
Administrative, Support, Waste Management & Remediation Services	4	1.2%	25	0.8%	6.3
Educational Services	9	2.6%	518	16.8%	57.6
Health Care & Social Assistance	14	4.1%	590	19.1%	42.1
Arts, Entertainment & Recreation	2	0.6%	8	0.3%	4.0
Accommodation & Food Services	20	5.8%	156	5.0%	7.8
Other Services (Except Public Administration)	62	18.0%	240	7.8%	3.9
Public Administration	32	9.3%	300	9.7%	9.4
Nonclassifiable	6	1.7%	18	0.6%	3.0
Total	345	100.0%	3,091	100.0%	9.0

\*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA.

These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the South Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	South Georgia Nonmetropolitan Area	Georgia
Management Occupations	\$80,160	\$106,520
Business and Financial Occupations	\$58,630	\$69,720
Computer and Mathematical Occupations	\$56,330	\$76,060
Architecture and Engineering Occupations	\$62,680	\$73,630
Community and Social Service Occupations	\$35,530	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$39,460	\$48,400
Healthcare Practitioners and Technical Occupations	\$61,200	\$69,400
Healthcare Support Occupations	\$21,450	\$26,160
Protective Service Occupations	\$31,130	\$33,690
Food Preparation and Serving Related Occupations	\$18,430	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$21,590	\$23,550
Personal Care and Service Occupations	\$20,960	\$22,160
Sales and Related Occupations	\$26,620	\$35,520
Office and Administrative Support Occupations	\$28,170	\$33,110
Construction and Extraction Occupations	\$30,660	\$38,120
Installation, Maintenance and Repair Occupations	\$36,880	\$41,750
Production Occupations	\$26,900	\$31,340
Transportation and Moving Occupations	\$27,570	\$34,260

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

Most annual blue-collar salaries range from \$18,430 to \$39,460 within the nonmetropolitan area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$63,800. It is important to note that most occupational types within the nonmetropolitan area have lower typical wages than the State of Georgia's typical wages. The subject project will target households with incomes generally below \$29,600. The area employment base has a sufficient number of income-appropriate occupations from which the subject project will be able to continue to draw renter support.

**2. MAJOR EMPLOYERS**

The ten largest employers within Donalsonville comprise a total of approximately 1,245 employees. These employers are summarized as follows:

Industry	Business Type	Total Employed
Donalsonville Hospital	Healthcare	350
Ponder Enterprises Inc.	Restaurant Industry	350
Lewis M. Carter Manufacturing	Manufacturing	170
McDaniel Grocery of Donalsonville	Grocery	100
Three Notch Electric Membership Co.	Utilities	85
Seminole Sanitation Services	Sanitation	80
American Peanut Growers	Agriculture	65
Killarney Farms Partnership	Agriculture	45
Harvey Grocery	Grocery	N/A
Commercial State Bank	Financial	N/A
Total		1,245

Source: Donalsonville Chamber of Commerce (September 2013)  
 N/A – Not Available

According to a representative with the Donalsonville Chamber of Commerce, the local economy is slowly, but steadily improving. A good portion of the local economy is based in the agriculture sector and with the expansion of the AFG Feed, LLC feed mill that opened earlier this year, the local economy seems to be poised for improvement.

According to the Georgia Department of Labor website, there have been no WARN notices of large-scale layoffs and closures reported for Seminole County since 2011.

### 3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

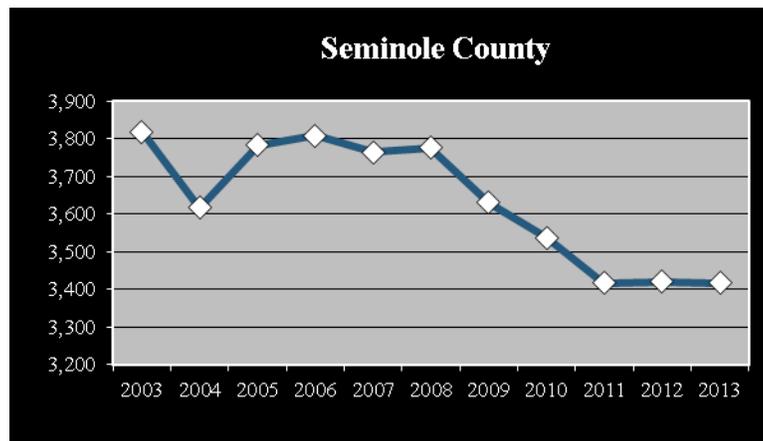
Excluding 2013, the employment base has declined by 9.5% over the past five years in Seminole County, more than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Seminole County, Georgia and the United States.

Year	Total Employment					
	Seminole County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	3,819	-	4,173,787	-	137,936,674	-
2004	3,618	-5.3%	4,249,007	1.8%	138,386,944	0.3%
2005	3,784	4.6%	4,375,178	3.0%	139,988,842	1.2%
2006	3,809	0.7%	4,500,150	2.9%	142,328,023	1.7%
2007	3,765	-1.2%	4,587,739	1.9%	144,990,053	1.9%
2008	3,777	0.3%	4,540,706	-1.0%	146,397,529	1.0%
2009	3,630	-3.9%	4,289,819	-5.5%	146,068,824	-0.2%
2010	3,537	-2.6%	4,241,718	-1.1%	140,721,369	-3.7%
2011	3,417	-3.4%	4,295,113	1.3%	140,483,185	-0.2%
2012	3,420	0.1%	4,371,608	1.8%	141,748,955	0.9%
2013*	3,417	-0.1%	4,403,198	0.7%	141,772,241	0.0%

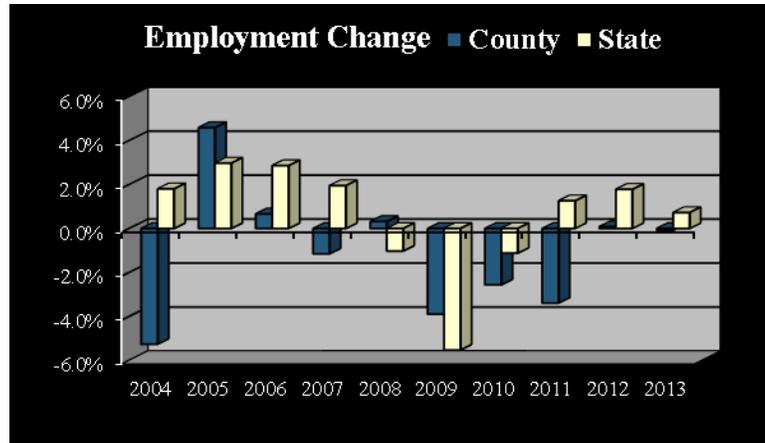
Source: Department of Labor; Bureau of Labor Statistics

\*Through July



As the tables on the preceding page illustrate, the Seminole County employment base experienced positive growth between 2004 and 2006, then experienced a significant decline between 2008 and 2011, mirroring national trends during the recession that impacted much of the country. Since 2011, the employment base has generally been stable.

The following table illustrates the percent change in employment for Seminole County and Georgia.

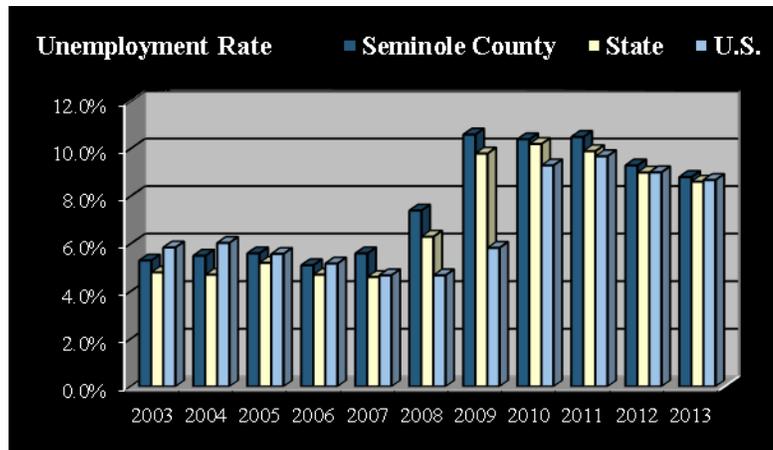


Unemployment rates for Seminole County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Seminole County	Georgia	United States
2003	5.3%	4.8%	5.8%
2004	5.5%	4.7%	6.0%
2005	5.6%	5.2%	5.6%
2006	5.1%	4.7%	5.2%
2007	5.6%	4.6%	4.7%
2008	7.4%	6.3%	4.7%
2009	10.6%	9.8%	5.8%
2010	10.4%	10.2%	9.3%
2011	10.5%	9.9%	9.7%
2012	9.3%	9.0%	9.0%
2013*	8.8%	8.6%	8.7%

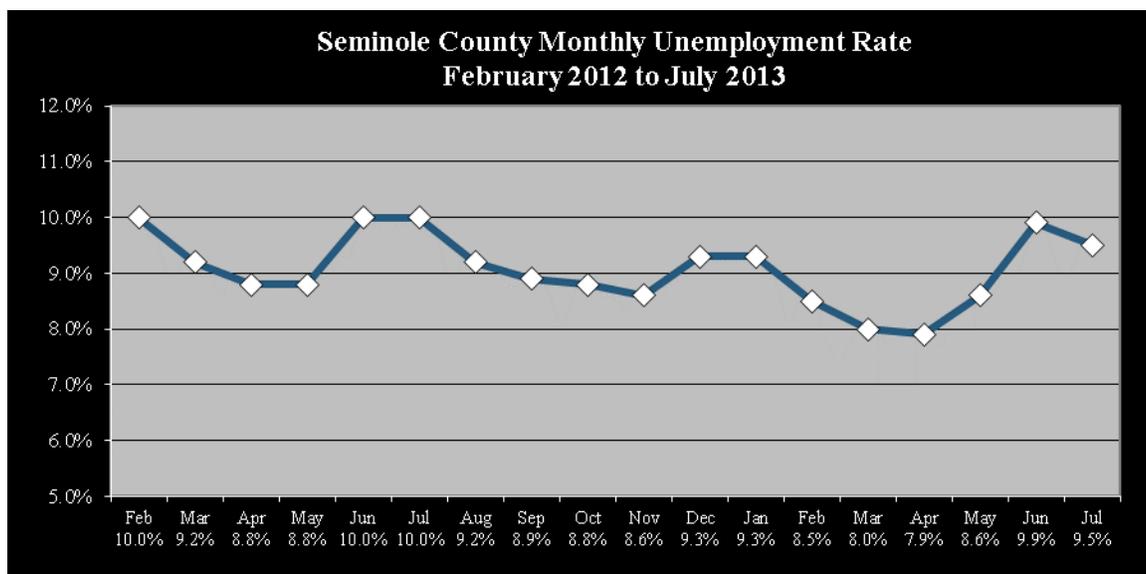
Source: Department of Labor, Bureau of Labor Statistics

\*Through July



The unemployment rate in Seminole County has ranged between 5.1% and 10.6%, slightly above the state average since 2003. The unemployment rate in Seminole County saw an increase of five and a half percentage points between 2006 and 2009. This indicates that the county's economy faced challenges similar to those by much of the nation during this time period. A positive indicator is that the unemployment rate has generally decreased over the preceding five-year period, indicating economic recovery in the region is underway. However, it should be noted that the unemployment rate is averaging 8.8% through July 2013, which is still considered relatively high.

The following table illustrates the monthly unemployment rate in Seminole County for the most recent 18-month period for which data is currently available.



As the preceding table illustrates, the unemployment rate within Seminole County over the preceding 18-month period has generally remained stable. It is important to note that the unemployment rate reported for July 2013 is half of a percentage point lower than the unemployment rate reported for July 2012.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Seminole County.

<b>In-Place Employment Seminole County</b>			
<b>Year</b>	<b>Employment</b>	<b>Change</b>	<b>Percent Change</b>
2002	2,341	-	-
2003	2,313	-28	-1.2%
2004	2,264	-49	-2.1%
2005	2,343	79	3.5%
2006	2,352	9	0.4%
2007	2,404	52	2.2%
2008	2,409	5	0.2%
2009	2,345	-64	-2.7%
2010	2,287	-58	-2.5%
2011	2,200	-87	-3.8%
2012*	2,193	-7	-0.3%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Seminole County to be 64.3% of the total Seminole County employment. This means that Seminole County has more employed persons staying within the county for daytime employment than those who work outside of the county. As such, this should continue to contribute to the marketability of the subject development.

#### **4. ECONOMIC FORECAST**

According to a representative with the Donalsonville Chamber of Commerce, the local economy has been experiencing a slow recovery since the nationwide recession. In fact, both the employment base and unemployment rate within the county did not begin to stabilize until 2011, where most of the country began to experience economic improvements starting in 2010. On a positive note, the newly established AFG Feed, LLC feed mill in Donalsonville has been expanding and there have been no WARN notices of large-scale layoffs and closures reported for Seminole County since 2011. We anticipate that the area economy will continue to experience slow and steady growth for the foreseeable future.

Considering the relatively high unemployment rate of 8.8% through July 2013, the need for affordable housing is anticipated to remain strong. A high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

A map illustrating notable employment centers is on the following page.



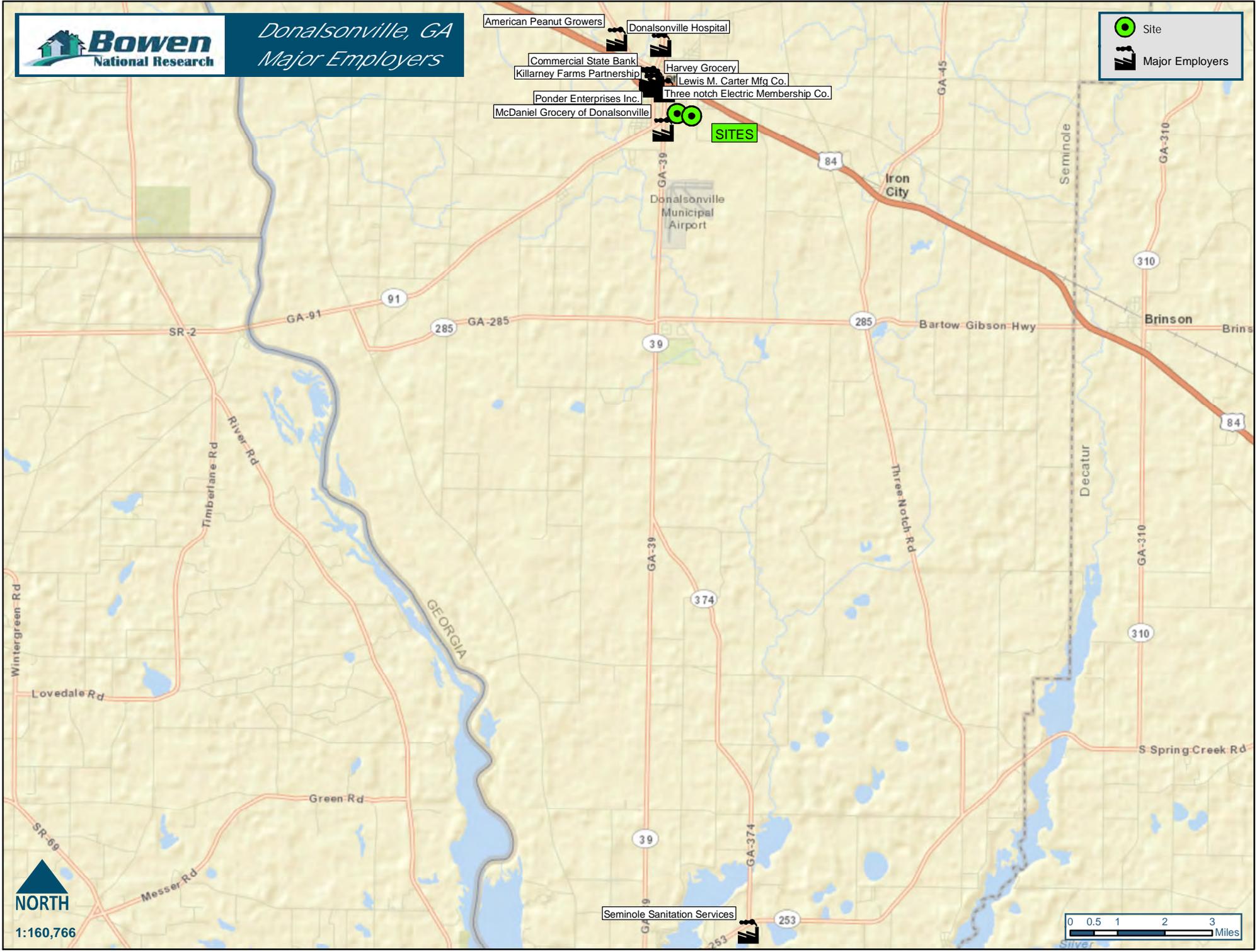
# Donalsonville, GA Major Employers

- American Peanut Growers
- Donalsonville Hospital
- Commercial State Bank
- Killarney Farms Partnership
- Harvey Grocery
- Lewis M. Carter Mfg Co.
- Ponder Enterprises Inc.
- Three notch Electric Membership Co.
- McDaniel Grocery of Donalsonville

 Site

 Major Employers

**SITES**



1:160,766



## SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

The subject project currently operates under the income and rent requirements of the LIHTC and RD Section 515 programs. While the project will be renovated with a Tax-Exempt Bond financing, it is expected to follow the same household eligibility requirements that are currently in effect. Regardless, we have provided various demand scenarios that evaluate the depth of continued support for the project under the RD program and in the event the project had to operate exclusively under the LIHTC program.

### 1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Seminole County, which has a four-person median household income of \$40,700 for 2013. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size:

Household Size	Maximum Allowable Income
	60%
One-Person	\$19,200
Two-Person	\$21,900
Three-Person	\$24,660
Four-Person	\$27,360
Five-Person	\$29,580

#### a. Maximum Income Limits

The largest units (three-bedroom) at the subject site are expected to continue house up to five-person households. As such, the maximum allowable income at the subject site is **\$29,580**.

#### b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%.

Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$513. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,156.

Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,589.

The subject project is anticipated to retain RA on all 32 units post LIHTC renovations. Therefore, tenants will only be required to pay up to 30% of their adjusted gross income towards housing costs. As such, the subject project will effectively target households with as little as no income.

**c. Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate range required for residency at the subject project are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
RD 515 (Limited To 60% Of AMHI) with RA	\$0	\$29,580
Tax Credit (Limited To 60% Of AMHI)	\$17,589	\$29,580

RA – Rental Assistance

**2. METHODOLOGY**

**Demand**

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined. This should be determined using 2010 renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In**

*instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households.*

b. **Demand from Existing Households:** The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 21.0% to 46.2% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.*
- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2006-2010 5-year estimates, 2.6% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).*
- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used*

*to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure above 2% must be based on actual market conditions, as documented in the study.*

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

### **Net Demand**

The overall demand components illustrated above are added together and the competitive supply of developments awarded and/or constructed from 2011 to the present is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2011 which have not reached a stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the subject development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the subject site).

Within the Site PMA, we identified one LIHTC and market-rate property that was funded and/or built during the projection period (2011 to current). This project is summarized on the following page.

- Friendship Crossings (Map I.D. 2) is a general-occupancy market-rate and LIHTC project built in 2011. This project contains 40 two- and three-bedroom units, of which six are market-rate. The LIHTC units target households with incomes up to 30%, 50% and 60% of AMHI. The unit mix by AMHI at this LIHTC property is summarized as follows:

Map I.D.	Project Name	Year Built	Number Of Bedrooms	Units At Targeted AMHI		
				30% AMHI	50% AMHI	60% AMHI
2	Friendship Crossings	2011	Two	3	9	2
			Three	4	14	2

These comparable Tax Credit units are included in our demand analysis where appropriate.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income	
	RD 515 60% AMHI with RA as Proposed (\$0 - \$29,580)	Tax Credit Only (\$17,589 - \$29,580)
Demand From New Households (Age- And Income-Appropriate)	551 - 554 = -3	156 - 159 = -3
+		
Demand From Existing Households (Rent Overburdened)	554 X 46.2% = 256	159 X 21.0% = 33
+		
Demand From Existing Households (Renters In Substandard Housing)	554 X 2.6% = 14	159 X 2.6% = 4
=		
Demand Subtotal	267	34
+		
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A
=		
Total Demand	267	34
-		
Supply (Current vacant units, under construction and/or newly constructed in the past two years)	34	4
=		
Net Demand	233	30
Subject Units	32	32
Capture Rate	= 13.7% (0.0%*)	= 106.7%

\*Under this scenario, all units will continue to be occupied, resulting in an effective capture rate of 0.0%.

If all units were vacated, with the preservation of RA, the subject project's required capture rate would be 13.7% ( $32 / 233 = 13.7\%$ ). This indicates that there will be a sufficient base of households to draw support from if all current residents were displaced. However, as we anticipate all households to income-qualify following LIHTC renovations and none are expected to be displaced, the effective capture rate will be 0.0%.

In the unlikely event that the subject project was to lose RA and all units had to operate exclusively under the Tax Credit program, it is conservatively estimated that none of the current residents would qualify to reside at the subject project. In this scenario, the 32 units would have a required capture rate of 106.7%. This capture rate is considered high and illustrates that there will be a limited number of households to draw support from if RA were not retained. In such a case, the subject project would have to be successful in attracting Voucher holders in order to reach a stabilized occupancy.

Based on our survey of conventional apartments within the Donalsonville Site PMA, as well as the distribution of bedroom types in most rural markets, the estimated share of demand by bedroom type for apartments is distributed as follows:

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	30%
Two-Bedroom	45%
Three-Bedroom	25%
Total	100.0%

Applying these shares to the income-qualified households yields demand and capture rates of the subject units by bedroom type as illustrated in the following table:

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent***	Subject Rents
RD 515 One-Bedroom (30%)	60%	0*	80	0	80	0.0%*	N/A	N/A	\$435
RD 515 Two-Bedroom (45%)	60%	0*	120	14	106	0.0%*	N/A	\$364	\$536
RD 515 Three-Bedroom (25%)	60%	0*	67	20	47	0.0%*	N/A	\$414	\$597
Tax Credit Only One-Bedroom (30%)	60%	8	10	0	10	80.0%	10 Months	N/A	\$435
Tax Credit Only Two-Bedroom (45%)	60%	8	15	2	13	61.5%	8 Months	\$364	\$536
Tax Credit Only Three-Bedroom (25%)	60%	16	9	2	7	228.6%	> 18 Months	\$414	\$597

\*Under this scenario all units will continue to be occupied, resulting in an effective capture rate of 0.0%.

\*\*Directly comparable units built and/or funded in the project market over the projection period.

\*\*\*Average of non-subsidized collected rents identified within the market (Note that there were no non-subsidized one-bedroom units identified).

The effective capture rates by bedroom type with the preservation of Rental Assistance is 0.0%, given that all units are currently occupied and all tenants are anticipated to income-qualify post renovations.

In the unlikely event the subject project had to operate exclusively under the LIHTC program and all residents were displaced, the capture rates by bedroom type range 61.5% to 228.6%. These capture rates are considered high and illustrate that there will be a limited number of households to draw support from if RA were not retained.

## SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

### 1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Donalsonville Site PMA in 2010 and 2013 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2013 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	3,004	86.5%	3,008	85.7%
Owner-Occupied	2,247	74.8%	2,215	73.6%
Renter-Occupied	757	25.2%	793	26.4%
Vacant	467	13.5%	502	14.3%
Total	3,471	100.0%	3,511	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2013 update of the 2010 Census, of the 3,511 total housing units in the market, 14.3% were vacant. This is an increase of 35 vacant housing units, or 7.5%, since 2010, and could indicate a softening housing market. However, the vacancy status of the 502 units is estimated in the following table and illustrates that most vacant units are not long-term rentals:

Vacancy Status	Percent of Vacant Units
For Rent	11.6%
Rented, Not Occupied	14.6%
For Sale Only	7.8%
Sold, Not Occupied	0.0%
For Seasonal, recreational, or occasional use	1.6%
For migrant workers	0.0%
Other Vacant	64.4%

Source: U.S. Census Bureau, 2007-2011 American Community Survey (ACS)

As reported in the 2007-2011 ACS, 11.6% of the vacant housing units are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as “Other Vacant,” which encompasses foreclosed, dilapidated and abandoned housing. The second largest share of vacant units is classified as “Rented, Not Occupied”. Regardless, in order to determine if the overall vacancy rate increase is the reflection of a decline in long-term rental housing, we conducted a field survey of area apartments.

In addition, while we acknowledge that there are 793 renter-occupied units in the market, we believe that most of these rentals are located in non-conventional rental housing units including single-family/mobile home rentals, duplex, etc.

The estimated distribution of occupied housing by units in a structure and tenure is detailed in the following table:

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	1,584	71.5%	463	58.4%
1, Attached	0	0.0%	0	0.0%
2 to 4	0	0.0%	105	13.2%
5 to 9	0	0.0%	41	5.2%
10 or more	4	0.2%	9	1.1%
Mobile Homes	627	28.3%	175	22.1%
Total	2,215	100.0%	793	100.0%

Source: U.S. Census Bureau, 2007-2011 American Community Survey (ACS)

As the preceding table illustrates, nearly 94% of renter-occupied housing consists of single-family/mobile home and two to four-unit rentals, whereas only 1.1% consist of structures with 10 or more units. As such, this demonstrates that there is a lack of conventional rental housing units in the market. Therefore, the subject project will continue to provide a rental housing alternative that is currently lacking in the market.

Because of the rural nature of this market, we only identified and personally surveyed two conventional housing projects containing a total of 72 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, a very strong rate for rental housing.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate/Tax Credit	1	40	0	100.0%
Tax Credit/Government-Subsidized	1	32	0	100.0%
Total	2	72	0	100.0%

As illustrated in the preceding table, both affordable rental communities identified and surveyed in the market are 100.0% occupied, indicating that pent-up demand exists for affordable housing within the Donalsonville Site PMA.

The Donalsonville apartment market offers a limited range of rental product, in terms of price point and quality, in fact only one conventional non-subsidized Tax Credit and market-rate project was identified within the Site PMA, as previously mentioned. As such, it was necessary to identify and survey non-subsidized (market-rate and Tax Credit) product outside of the Site PMA, but within the region. The six properties that offer market-rate units, Bon Air Apartments (Map ID 901), Hunter's Chase (Map I.D. 903), Wildwood Apartments (Map I.D. 904), Shadowood Apartments (Map I.D. 909), Hampton Lake Apartments (Map I.D. 910) and Ashley Riverside (Map I.D. 911), were developed between 1972 and 2008. Note that Hunter's Chase, Hampton Lake Apartments and Ashley Riverside

offer non-subsidized Tax Credit units as well and were built between 2003 and 2008. The six projects comprise a total of 406 market-rate units and have a combined market-rate occupancy rate of 97.3% (a result of only 11 vacancies), while three of these projects comprise a total of 244 Tax Credit units and have a combined Tax Credit occupancy rate of 98.0% (a result of only five vacancies). These high overall occupancy rates at these properties indicate that they have been well received within the region.

## 2. SUMMARY OF ASSISTED PROJECTS

There are a total of two federally subsidized and/or Tax Credit apartment developments in the Donalsonville Site PMA. These projects were surveyed in September 2013. They are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)		
						One-Br.	Two-Br.	Three-Br.
1	Heritage Manor Apts. (Site)	TAX & RD 515	1982 / 1997	32	100.0%	\$612 - \$657 (8)	\$668 - \$782 (8)	\$721 - \$837 (16)
2	Friendship Crossings	TAX	2011	34*	100.0%	-	\$312 - \$568 (14)	\$362 - \$666 (20)
<b>Total</b>				<b>66</b>	<b>100.0%</b>			

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

RD - Rural Development

\*Market-rate units not included

The overall occupancy is 100.0% for these projects, indicating pent-up demand exists for affordable housing within the Donalsonville Site PMA.

## 3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there were no multifamily projects planned for the area.

### Building Permit Data

The following tables illustrate single-family and multifamily building permits issued within the city of Donalsonville and Seminole County for the past ten years:

Housing Unit Building Permits for Seminole County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	0	14	6	4	8	0	42	0	0
Single-Family Permits	12	26	45	22	16	10	15	11	12	4
Total Units	12	26	59	28	20	18	15	53	12	4

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

Housing Unit Building Permits for Donalsonville, GA:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	0	14	6	4	4	0	42	0	0
Single-Family Permits	3	1	5	2	2	3	5	0	1	0
Total Units	3	1	19	8	6	7	5	42	1	0

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding tables illustrate, there have been minimal multifamily building permits issued within both Donalsonville and Seminole County since 2003, which is not unusual within rural markets. Given that the combined occupancy rate of rental projects identified and surveyed in the market is 100.0% and based on the limited number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

#### 4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified one property that offers non-subsidized, general-occupancy Low-Income Housing Tax Credit (LIHTC) units within the Donalsonville Site PMA. This project targets households with incomes up to 30%, 50% & 60% of Area Median Household Income (AMHI); therefore, it is considered a competitive property.

Given the lack of non-subsidized, general-occupancy LIHTC properties within the Site PMA, we identified and surveyed two additional properties that offer non-subsidized, general-occupancy LIHTC units outside of the Site PMA, but within the region, in nearby Thomasville. These projects target households with incomes up to 30%, 50% and 60% of AMHI and are also considered comparable. It should be noted that these projects are not considered competitive, as they derive demographic support from a different geographical area. As such, these projects have been included for comparison purposes only.

These three LIHTC properties and the subject development are summarized as follows:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Heritage Manor Apartments</b>	<b>1982 / 2014</b>	<b>32</b>	<b>100.0%</b>	<b>-</b>	<b>36 H.H.</b>	<b>Families; 60% AMHI &amp; RD 515</b>
2	Friendship Crossings	2011	34*	100.0%	1.2 Miles	70 H.H.	Families; 30%, 50%, & 60% AMHI
903	Hunter's Chase	2004	89*	94.4%	57.8 Miles	None	Families; 30%, 50%, & 60% AMHI
910	Hampton Lake Apts.	2008	90*	100.0%	59.4 Miles	100 H.H.	Families; 30%, 50%, & 60% AMHI

OCC. - Occupancy

H.H. - Households

900 series Map IDs are located outside the Site PMA

\*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 97.7%, indicating strong demand for affordable housing in the market and region. In fact, the one LIHTC project in the market, Friendship Crossings (Map I.D. 2), is 100.0% occupied with an extensive wait list, illustrating that pent-up demand exists for affordable housing in the market. The subject project will provide a modernized affordable rental housing alternative to low-income families that is currently not available within the Donalsonville Site PMA. It should also be noted that Friendship Crossings is the newest rental community within the market; however, lease-up information on this project was unavailable at the time this report was issued.

The map on the following page illustrates the location of the comparable Tax Credit properties relative to the subject site location.



The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Heritage Manor Apartments	\$513*/60% (8)	\$616*/60% (8)	\$711*/60% (16)	-
2	Friendship Crossings	-	\$312/30% (3/0) \$515/50% (9/0) \$568/60% (2/0)	\$362/30% (4/0) \$591/50% (14/0) \$666/60% (2/0)	None
903	Hunter's Chase	\$360/30% (3/0) \$558/50% (8/0) \$657/60% (15/0)	\$441/30% (6/0) \$678/50% (11/1) \$797/60% (27/2)	\$516/30% (2/0) \$790/50% (5/1) \$927/60% (12/1)	None
910	Hampton Lake Apts.	\$309/30% (6/0) \$501/50% (4/0)	\$376/30% (16/0) \$590/50% (17/0) \$590/60% (17/0)	\$434/30% (10/0) \$694/50% (10/0) \$746/60% (10/0)	None

\*2013 maximum allowable LIHTC gross rents at 60% of AMHI  
900 series Map IDs are located outside the Site PMA

The proposed subject gross rents, ranging from \$513 to \$711 (maximum allowable LIHTC rents for the subject county), will be within the range of LIHTC rents being offered at the comparable properties targeting similar income levels in the region. Note that both Hunter's Chase (Map I.D. 903) and Hampton Lake Apartments (Map I.D. 910) offer gross rents that are above current maximum allowable rents for the subject county. Considering that both of these projects are located within Thomas County, which has a higher four-person median household income than Seminole County, results in higher maximum allowable LIHTC rents. When comparing the subject project to the one comparable LIHTC project within the market, Friendship Crossings (Map I.D. 2), the proposed rents will be slightly higher. Considering that Friendship Crossings is 100.0% occupied and maintains an extensive wait list, demonstrates that this community could likely charge higher rents and still maintain a stabilized occupancy rate. Regardless, the subject project is anticipated to retain Rental Assistance on all 32 units, requiring residents to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject project will continue to remain a substantial value within the market. It should also be noted that the subject project will be the only LIHTC project in the market to offer one-bedroom units. As such, this will provide the subject project with a marketing advantage, as it will continue to offer an affordable housing alternative for single-individuals or couples that is not readily available in the market.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the DCA Rental Assistance Division-South, Waycross Office-Seminole County, there are approximately 27 Housing Choice Voucher holders within the housing authority’s jurisdiction and there is no one currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when it may reopen. Annual turnover of households in the Voucher program is estimated at one household per year. This reflects the continuing need for Housing Choice Voucher assistance.

It should be noted that there was only one non-subsidized LIHTC comparable project identified within the market. As such, we identified and surveyed two additional non-subsidized LIHTC projects outside of the Site PMA, but within the region. All comparable LIHTC properties accept Housing Choice Vouchers. The table on the following page summarizes the properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers.

Map I.D.	Project Name	Total Units	Occupancy Rate	Number of Vouchers
2	Friendship Crossings	40	100.0%	2
903	Hunter's Chase	112	94.6%	5
910	Hampton Lake Apts.	96	100.0%	5
Total		248	97.6%	12

900 series Map IDs located outside of Site PMA

As the preceding table illustrates, out of the total of 242 occupied LIHTC units, approximately 12 are occupied by Voucher holders, comprising 5.0% of the total comparable occupied LIHTC units in the region. Specifically, the one LIHTC project in the market, Friendship Crossings (Map I.D. 2), has 40 units with two occupied by Voucher holders, comprising 5.0% of the total comparable LIHTC units in the market. This indicates that 95.0% of the one comparable LIHTC project in the market is occupied by tenants which are not currently receiving rental assistance. Given that the one comparable project in the market is 100.0% occupied, illustrates that the gross rents charged at this project are achievable.

The following table outlines the HUD 2013 Fair Market Rents for Seminole County, Georgia:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents*
One-Bedroom	\$505	\$513
Two-Bedroom	\$599	\$616
Three-Bedroom	\$822	\$711

\*2013 maximum allowable LIHTC gross rents at 60% of AMHI

As the table on the preceding page illustrates, the proposed three-bedroom gross rent is below current Fair Market Rents. As such, the subject's three-bedroom units will be able to accommodate Voucher holders in the unlikely event RA was lost on these units. Considering that the proposed gross one- and two-bedroom rents are slightly above current Fair Market Rents (\$8 to \$17 greater depending on bedroom type), these units will also be able to accommodate Voucher holders if tenants were willing to pay the difference. Nonetheless, the subject project is expected to retain RA on all 32 units and will continue to represent a substantial value within the market.

The following table illustrates the weighted average collected rents of the three comparable LIHTC projects by bedroom type. It should be noted that the two comparable LIHTC projects located outside of the market, but within the region, were considered in this analysis due to the lack of non-subsidized, general-occupancy LIHTC housing in the market.

Weighted Average Collected Rent Of Comparable LIHTC Units		
One-Br. (AMHI)	Two-Br. (AMHI)	Three-Br. (AMHI)
\$497 (60%)	\$508 (60%)	\$587 (60%)

The rent advantage for the subject units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent (AMHI)	Proposed Rent (AMHI)*	Difference	Proposed Rent (AMHI)*	Rent Advantage
One-Br.	\$497 (60%)	- \$435 (60%)	\$62	/ \$435 (60%)	14.3%
Two-Br.	\$508 (60%)	- \$536 (60%)	- \$28	/ \$536 (60%)	-5.2%
Three-Br.	\$587 (60%)	- \$597 (60%)	- \$10	/ \$597 (60%)	-1.7%

\*2013 maximum allowable LIHTC gross rent less the value of tenant-paid utilities

As the preceding table illustrates, the subject's proposed one-bedroom rent represents a good rent advantage, whereas the subject's proposed two- and three-bedroom rents represent no rent advantage. Regardless, as noted throughout this report, the subject project is anticipated to retain RA on all 32 units, requiring tenants to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject units will continue to represent a substantial value within the market.

Please note that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table:

		Square Footage		
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Heritage Manor Apartments</b>	<b>690</b>	<b>790</b>	<b>1,010</b>
2	Friendship Crossings	-	985	1,100
903	Hunter's Chase	730 - 812	1,000 - 1,081	1,196 - 1,229
910	Hampton Lake Apts.	857	1,137	1,270
		Number of Baths		
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Heritage Manor Apartments</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>
2	Friendship Crossings	-	2.0	2.0
903	Hunter's Chase	1.0	2.0	2.0
910	Hampton Lake Apts.	1.0	2.0	2.0

900 series Map IDs located outside of the Site PMA

The subject development will continue to offer the smallest, but appropriate, unit sizes, in terms of square footage and number of bathrooms offered, relative to the comparable LIHTC projects within the region. Note that the relatively smaller unit sizes have not had an adverse impact on the subject's marketability, as it is 100.0% occupied and maintains a wait list. It should be further noted that the subject project will be the only general-occupancy LIHTC project in the market to offer one-bedroom units. This will provide the subject project with a slight marketing advantage as it provides an affordable rental housing alternative to small low-income families/single individuals that is not readily available in the Donalsonville Site PMA.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the region.

# COMPARABLE PROPERTIES AMENITIES - DONALSONVILLE, GEORGIA

MAP ID	APPLIANCES						UNIT AMENITIES													
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
SITE	X	X		X			X		C		X		X				B		S	Storage
2	X	X	X	X	X	X	X		C		X	X	X				B		S	
903	X	X		X	X		X		C		X	X	X				B		S	
910	X	X		X			X		C		X	X	X				B		S	Patio Storage

MAP ID	PROJECT AMENITIES																			
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER	
SITE		X			X		X									X				
2		X	X		X	X	X			S				X		X				Walking Trails Gazebo
903	X	X	X	X		X	X			V				X		X				
910	X	X	X	X		X	X			X				X		X				

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments	
B	Blinds
C	Curtains
D	Drapes

Parking	
A	Attached
C	Carport
D	Detached
O	On Street
S	Surface
G	Parking Garage
(o)	Optional
(s)	Some

Sports Courts	
B	Basketball
D	Baseball Diamonds
P	Putting Green
T	Tennis
V	Volleyball
X	Multiple

Floor Covering	
C	Carpet
H	Hardwood
V	Vinyl
W	Wood
T	Tile

Community Space	
A	Activity Room
L	Lounge/Gathering Room
T	Training Room

Once renovations are complete and additions are made, the subject's amenity package will be limited relative to the comparable LIHTC projects within the region. In regards to unit amenities, all comparable LIHTC projects include a patio/balcony, which is lacking at the subject project. In addition, the one comparable LIHTC project in the market, Friendship Crossings (Map I.D. 2), includes a microwave and garbage disposal, which are also lacking at the subject project. In regards to project amenities, the one comparable project in the market offers a fitness center, sports court and computer center, which are also lacking at the subject site. It should be noted, however, that the subject project will not lack any unit or project amenities that will have an adverse impact on its continued marketability. Further, the subject project is 100.0% occupied and maintains a wait list. As such, this provides evidence that the subject's amenities package is appropriately positioned in the market.

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the subject development will be competitive. This assumes that all 32 units are expected to retain RA, allowing residents to pay up to 30% of their adjusted gross income towards housing costs. As such, the subject units will remain a substantial value within the market. This has been considered in our absorption projections. In the event the subject project lost its subsidy and had to operate exclusively under the LIHTC program, we believe its unit sizes and amenity package may limit the achievable rents for this project.

Comparable/Competitive Housing Impact

The anticipated occupancy rate of the one existing comparable Tax Credit development in the market following renovations at the subject site is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2014
2	Friendship Crossing	100.0%	95.0%+

As the preceding table illustrates, the one comparable LIHTC project in the market is 100.0% occupied and maintains a wait list. It should also be noted that the subject project is 100.0% occupied and it is anticipated that it will retain its tenant-base post renovations. Further, the subject project does not involve the introduction of new units to the market. As such, we anticipate that the proposed renovations at the subject project will have little to no impact on the occupancies at the one competitive LIHTC project.

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

## 5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$83,815. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for an \$83,815 home is \$514, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$83,815
Mortgaged Value = 95% of Median Home Price	\$79,624
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$411
Estimated Taxes and Insurance*	\$103
Estimated Monthly Mortgage Payment	\$514

\*Estimated at 25% of principal and interest

In comparison, the proposed collected rents for the subject property are all subsidized where residents pay up to 30% of their adjusted gross income towards housing costs. As such, residents are unlikely to be able to afford the monthly payments required to own a home. Thus, there will be no competitive impact on or from the homebuyer market.

## SECTION I – ABSORPTION & STABILIZATION RATES

According to management, the subject project is currently 100.0% occupied and maintains a collective wait list of up to 36 households for the next available unit. Current residents will be relocated temporarily; however, they will not be permanently displaced. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 32 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on all units). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy.

It is our opinion that the 32 units at the subject site will reach a stabilized occupancy of 93.0% within approximately five to six months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five to six units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA on all 32 units will be maintained.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 32 units at the subject site would likely have an extended absorption period beyond 18 months if all units were vacated simultaneously and had to be re-rented. This absorption projection is based on the fact that there is limited demographic support for the subject project to operate exclusively under the LIHTC program, as the capture rate would be 106.7% in this scenario. This absorption rate is also based on the fact that the unit sizes and amenity package combined with the proposed rents at the subject project may make it difficult to compete with the one LIHTC project in the market. However, while it is possible the subject project may experience an extended absorption period if RA was lost and all units had to operate exclusively under the LIHTC program and all units were vacated simultaneously, it is unlikely that this scenario would occur. Therefore, in reality the subject project will only have to fill units as they become vacant through typical monthly turnover (one to two units per month in most rural markets). Under this more likely scenario, the market should be able to adequately absorb any vacancies that materialize at the subject project.

In reality, the absorption period for this project will be less than two months as most tenants are expected to remain at the project and continue to pay up to 30% of their adjusted gross income towards housing costs.

## SECTION J – INTERVIEWS

The following are summaries of interviews conducted with various local sources knowledgeable of the local housing market:

Brenda Broome, President of the Donalsonville Chamber of Commerce, stated that there is a limited amount of affordable housing within the county, which typically remain 100.0% occupied. Ms. Broome explained that there is a definite need for two- and three-bedroom affordable units, as there seems to be a high amount of families looking for this type of housing.

Pat McNally, South Regional Office Director with the Georgia Department of Community Affairs Rental Assistance Division-South, Waycross Office-Seminole County, stated that there is a huge need for affordable housing in the South Georgia Region. Due to recent budget cuts they have closed all waiting lists in all counties that the Waycross Office serves, and are not maintaining waiting lists until they receive more funding. Mr. McNally stated that they are not sure they will have the funding to pay for the vouchers that are already in use. The Department of Justice was awarded a settlement from HUD to distribute Housing Choice Vouchers (HCV) to the many individuals that are due to be released from state mental hospitals because of the mental institutions lack of funding. Any future available funding allotted to the Georgia Department of Community Affairs for the HCV Program will go towards assistance for this population.

## SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 32-unit Heritage Manor Apartments, assuming it is renovated as detailed in this report. Changes in the project's scope of renovations or renovation completion date may alter these findings.

The subject project is currently 100.0% occupied with a collective wait list of up to 36 households. As all 32 units are anticipated to retain Rental Assistance, we expect all tenants to remain at the subject project following Tax Credit renovations. As such, the "effective" capture rate for the subject development is 0.0%. With the preservation of Rental Assistance, the project will remain a substantial value within the market.

Given that both rental communities identified and surveyed within the market (including the subject site) are 100.0% occupied and maintain extensive wait lists, illustrates that the subject project will continue to offer an affordable housing alternative to low-income households that is in high demand within the Donalsonville Site PMA. Further, the subject project will be the only project to offer modernized, affordable one-bedroom units in the market. This will provide the subject with a slight marketing advantage, as it will continue to provide an affordable housing alternative to low-income individuals/couples that is currently lacking in the market.

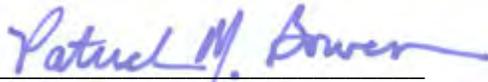
In the unlikely event Rental Assistance is lost and the subject project had to operate exclusively under the LIHTC program, the proposed rents will be slightly higher than the LIHTC rents being achieved in the market. Considering that the one LIHTC project in the market is 100.0% occupied, demonstrates that higher rents can likely be achieved and still maintain a stabilized occupancy rate. However, considering that the subject's capture rate will be 106.7% in this unlikely scenario and the fact that the subject project offers the smallest unit sizes and a limited amenities package relative to the one LIHTC project in the market, it is likely that the subject project will have an extended absorption period beyond 18 months. In this unlikely scenario, the proposed rents would likely have to be lowered in order to remain competitive in the market.

Regardless, the subject project is anticipated to retain RA on all units which will continue to require tenants to pay up to 30% of their adjusted gross income towards housing costs. Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

## SECTION L - SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.

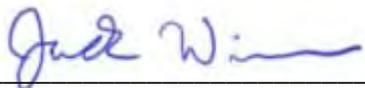
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Market Analyst  
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Date: September 20, 2013

## SECTION M – MARKET STUDY REPRESENTATION

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

## SECTION N - QUALIFICATIONS

### The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

### The Staff

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 15 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Benjamin J. Braley**, Market Analyst, has conducted market research for over six years in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

**Jack Wiseman**, Market Analyst, with Bowen National Research, has conducted extensive market research in over 200 markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

**Craig Rupert**, Market Analyst with Bowen National Research, has conducted market research in both urban and rural markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends and economic characteristics. Specifically, he has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, Indian housing, senior rental housing facilities and student housing facilities. Mr. Rupert has a Bachelor of Science degree in Hospitality Management from Youngstown State University.

**Heather Moore**, Market Analyst, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

**Greg Gray**, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

**Christine Atkins**, Market Analyst, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

**Lisa Wood**, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

**Chuck Ewing**, Market Analyst, has been conducting site-specific analysis throughout the United States since 2009. He has experience in the evaluation of a variety of real estate developments that include affordable and market-rate apartments, senior living facilities, student housing, supportive and disabled veteran housing, farm worker housing and regional rental supply analysis. Mr. Ewing has a Bachelor of Arts degree in Economics from the Ohio State University.

**Marlon Boone**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Boone graduated from The Ohio State University with a Bachelor of Science in City and Regional Planning, with a concentration in Housing, Development and Real Estate.

**Amy Tyrrell** is a Project Director for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

**Stephanie Viren** is the Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

**Desireé Johnson** is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

**June Davis**, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

# ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

## DONALSONVILLE, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

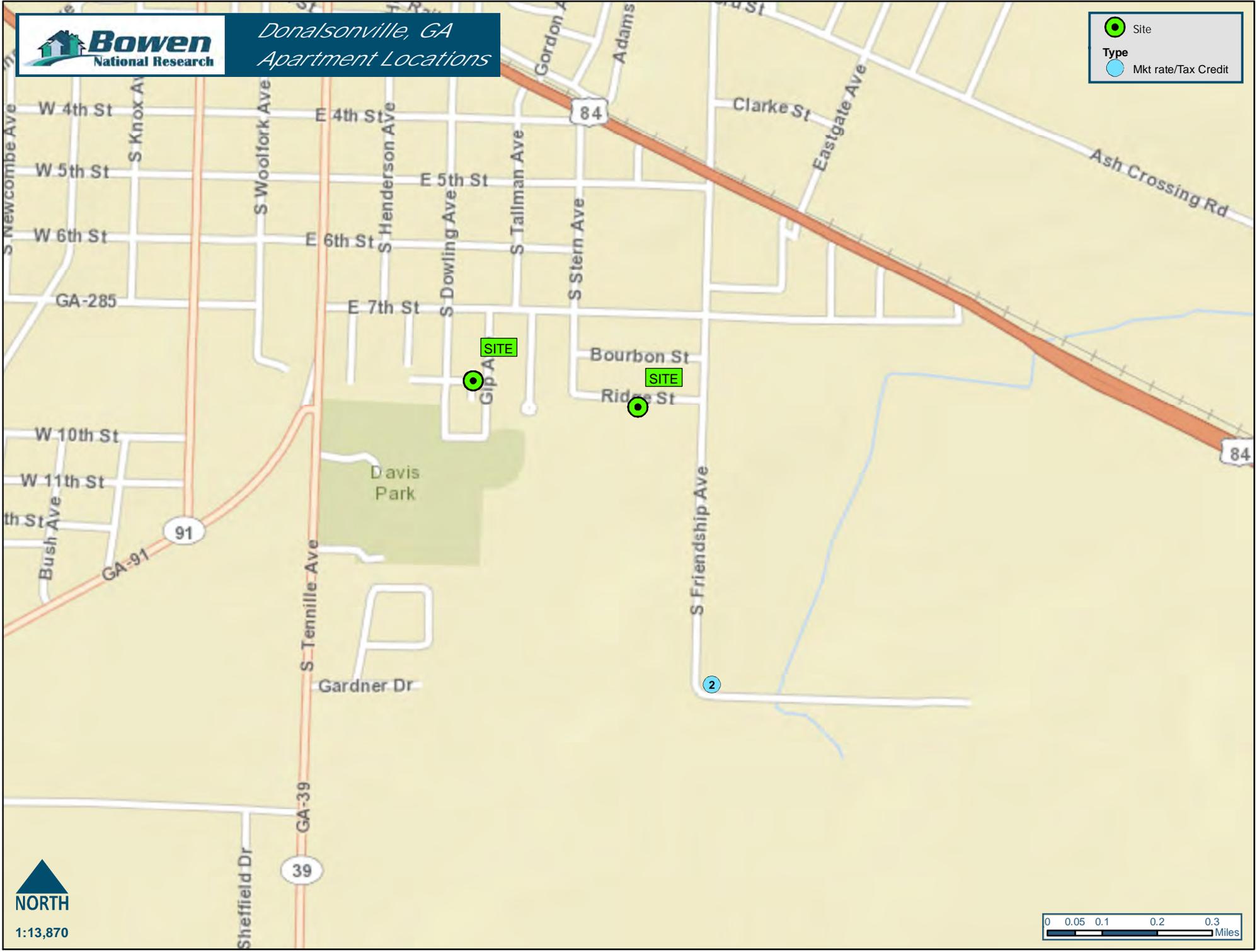
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

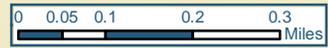


# Donalsonville, GA Apartment Locations

● Site  
● Type  
● Mkt rate/Tax Credit



1:13,870



# MAP IDENTIFICATION LIST - DONALSONVILLE, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Heritage Manor Apts. (Site)	TGS	B-	1982	32	0	100.0%	0.7
2	Friendship Crossings	MRT	B+	2011	40	0	100.0%	1.2

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRT	1	40	0	100.0%	0
TGS	1	32	0	100.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

\* - Drive Distance (Miles)

Survey Date: September 2013

# DISTRIBUTION OF UNITS - DONALSONVILLE, GEORGIA

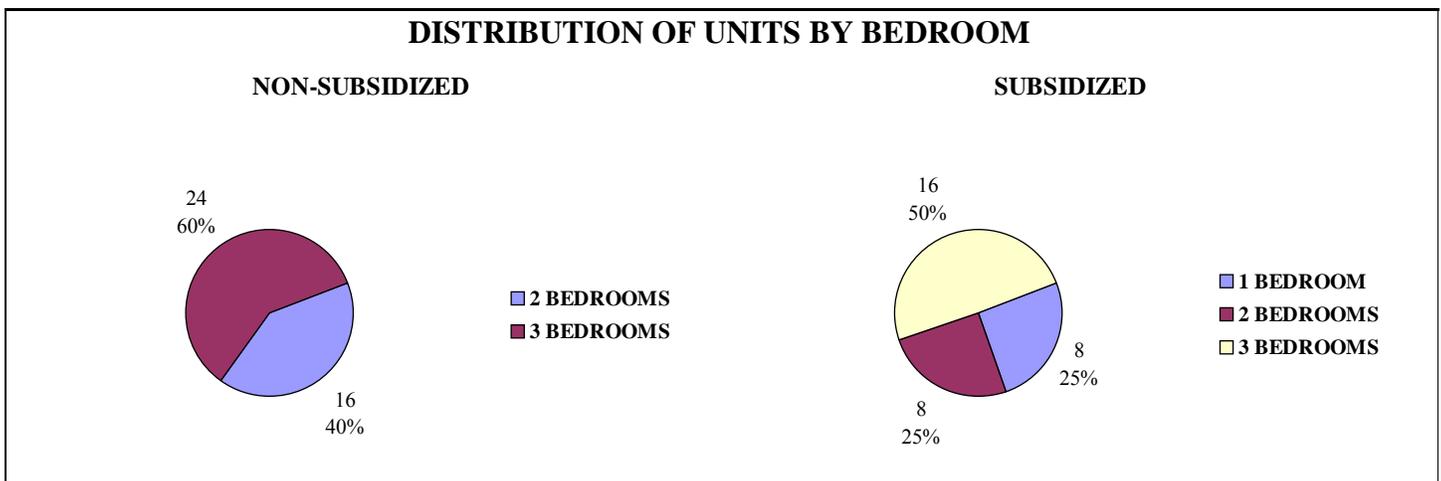
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	2	2	33.3%	0	0.0%	\$613
3	2	4	66.7%	0	0.0%	\$721
<b>TOTAL</b>		<b>6</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	2	14	41.2%	0	0.0%	\$515
3	2	20	58.8%	0	0.0%	\$591
<b>TOTAL</b>		<b>34</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	8	25.0%	0	0.0%	N.A.
2	1	8	25.0%	0	0.0%	N.A.
3	1.5	16	50.0%	0	0.0%	N.A.
<b>TOTAL</b>		<b>32</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
<b>GRAND TOTAL</b>		<b>72</b>	<b>-</b>	<b>0</b>	<b>0.0%</b>	



# SURVEY OF PROPERTIES - DONALSONVILLE, GEORGIA

1 Heritage Manor Apts. (Site)			
	<b>Address</b> 805 Ridge St. Donalsonville, GA 39845	<b>Phone</b> (229) 524-2924 (Contact in person)	<b>Total Units</b> 32 <b>Vacancies</b> 0 <b>Occupied</b> 100.0%
	<b>Year Built</b> 1982 <b>Renovated</b> 1997 <b>Comments</b> 60% AMHI; RD 515, has RA (32 units); Scattered sites	<b>Contact</b> Wendy	
2 Friendship Crossings			
	<b>Address</b> 1405 S. Friendship Ave. Donalsonville, GA 39845	<b>Phone</b> (229) 612-9040 (Contact in person)	<b>Total Units</b> 40 <b>Vacancies</b> 0 <b>Occupied</b> 100.0%
	<b>Year Built</b> 2011 <b>Comments</b> Market-rate (6 units); 30%, 50% & 50% AMHI (34 units); HCV (2 units); HOME Funds; Opened 1/2011, began preleasing 8/2010	<b>Contact</b> Samatha	

### Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: September 2013

# COLLECTED RENTS - DONALSONVILLE, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2			\$174 to \$475	\$191 to \$550					

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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# PRICE PER SQUARE FOOT - DONALSONVILLE, GEORGIA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Friendship Crossings	2	985	\$312 to \$613	\$0.32 to \$0.62
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Friendship Crossings	2	1100	\$362 to \$721	\$0.33 to \$0.66

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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AVERAGE GROSS RENT PER SQUARE FOOT - DONALSONVILLE,  
GEORGIA

<b>MARKET-RATE</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.00	\$0.62	\$0.66
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>TAX CREDIT (NON-SUBSIDIZED)</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.00	\$0.49	\$0.50
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>COMBINED</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.00	\$0.50	\$0.53
TOWNHOUSE	\$0.00	\$0.00	\$0.00

# TAX CREDIT UNITS - DONALSONVILLE, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Heritage Manor Apts. (Site)	8	690	1	60%	\$490 - \$535
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Friendship Crossings	3	985	2	30%	\$174
2	Friendship Crossings	9	985	2	50%	\$377
2	Friendship Crossings	2	985	2	60%	\$430
1	Heritage Manor Apts. (Site)	8	790	1	60%	\$510 - \$624
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Friendship Crossings	4	1100	2	30%	\$191
2	Friendship Crossings	14	1100	2	50%	\$420
2	Friendship Crossings	2	1100	2	60%	\$495
1	Heritage Manor Apts. (Site)	16	1010	1.5	60%	\$530 - \$646

# QUALITY RATING - DONALSONVILLE, GEORGIA

## MARKET-RATE PROJECTS AND UNITS

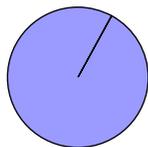
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	6	0.0%			\$613	\$721	

## TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	34	0.0%			\$515	\$591	

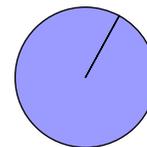
## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



**B+**  
**100%**

TAX CREDIT UNITS



**B+**  
**100%**

## YEAR BUILT - DONALSONVILLE, GEORGIA \*

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	0	0	0	0.0%	0	0.0%
2009	0	0	0	0.0%	0	0.0%
2010	0	0	0	0.0%	0	0.0%
2011	1	40	0	0.0%	40	100.0%
2012	0	0	0	0.0%	40	0.0%
2013**	0	0	0	0.0%	40	0.0%
<b>TOTAL</b>	<b>1</b>	<b>40</b>	<b>0</b>	<b>0.0%</b>	<b>40</b>	<b>100.0 %</b>

\* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

\*\* As of September 2013

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## APPLIANCES AND UNIT AMENITIES - DONALSONVILLE, GEORGIA

<b>APPLIANCES</b>			
<b>APPLIANCE</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
RANGE	1	100.0%	40
REFRIGERATOR	1	100.0%	40
ICEMAKER	1	100.0%	40
DISHWASHER	1	100.0%	40
DISPOSAL	1	100.0%	40
MICROWAVE	1	100.0%	40
<b>UNIT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
AC - CENTRAL	1	100.0%	40
AC - WINDOW	0	0.0%	
FLOOR COVERING	1	100.0%	40
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	1	100.0%	40
PATIO/DECK/BALCONY	1	100.0%	40
CEILING FAN	1	100.0%	40
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	1	100.0%	40
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

\* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

## PROJECT AMENITIES - DONALSONVILLE, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	1	100.0%	40
LAUNDRY	1	100.0%	40
CLUB HOUSE	0	0.0%	
MEETING ROOM	1	100.0%	40
FITNESS CENTER	1	100.0%	40
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	100.0%	40
COMPUTER LAB	1	100.0%	40
SPORTS COURT	1	100.0%	40
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	1	100.0%	40
PICNIC AREA	1	100.0%	40
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

# DISTRIBUTION OF UTILITIES - DONALSONVILLE, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
TENANT			
ELECTRIC	2	72	100.0%
			100.0%
<b>COOKING FUEL</b>			
TENANT			
ELECTRIC	2	72	100.0%
			100.0%
<b>HOT WATER</b>			
TENANT			
ELECTRIC	2	72	100.0%
			100.0%
<b>ELECTRIC</b>			
TENANT	2	72	100.0%
			100.0%
<b>WATER</b>			
LANDLORD	2	72	100.0%
			100.0%
<b>SEWER</b>			
LANDLORD	2	72	100.0%
			100.0%
<b>TRASH PICK-UP</b>			
LANDLORD	2	72	100.0%
			100.0%

# UTILITY ALLOWANCE - DONALSONVILLE, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$15	\$17		\$2	\$16	\$20	\$6	\$7	\$45	\$12	\$18	\$16	\$20
1	GARDEN	\$21	\$23		\$2	\$22	\$28	\$9	\$9	\$62	\$15	\$23	\$16	\$20
1	TOWNHOUSE	\$21	\$23		\$2	\$22	\$28	\$9	\$9	\$62	\$15	\$23	\$16	\$20
2	GARDEN	\$27	\$30		\$2	\$28	\$36	\$10	\$12	\$80	\$19	\$29	\$16	\$20
2	TOWNHOUSE	\$27	\$30		\$2	\$28	\$36	\$10	\$12	\$80	\$19	\$29	\$16	\$20
3	GARDEN	\$33	\$36		\$3	\$34	\$44	\$13	\$14	\$97	\$24	\$34	\$16	\$20
3	TOWNHOUSE	\$33	\$36		\$3	\$34	\$44	\$13	\$14	\$97	\$24	\$34	\$16	\$20
4	GARDEN	\$40	\$46		\$3	\$43	\$57	\$16	\$18	\$124	\$30	\$41	\$16	\$20
4	TOWNHOUSE	\$40	\$46		\$3	\$43	\$57	\$16	\$18	\$124	\$30	\$41	\$16	\$20

GA-Southern Region (6/2013)

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ADDENDUM B

COMPARABLE PROPERTY PROFILES

**901 Bon Air Apts.**

20.6 miles to site



<b>Address</b>	105 Water St. Bainbridge, GA 39817		
<b>Phone</b>	(229) 776-6294	<b>Contact</b>	Priscella
<b>Total Units</b>	8	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1905	<b>Renovated</b>	2005
		<b>Floors</b>	3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV; Renovated hotel; Rent range based on floor plan, view & unit location; Square footage estimated		

**Features and Utilities**

**Utilities** No landlord paid utilities  
**Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Wood Flooring, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Intercom, Blinds  
**Project Amenities**

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	2	0	860 to 925	\$0.64 - \$0.81	\$550 to \$750
2	1 to 2	G	6	0	925 to 1500	\$0.57 - \$0.70	\$650 to \$850

**904 Wildwood Apts.**

60.6 miles to site



<b>Address</b>	220 Covington Ave. Thomasville, GA 31792		
<b>Phone</b>	(229) 228-4760	<b>Contact</b>	Michelle
<b>Total Units</b>	216	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1988	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Accepts HCV; Four 2-br/1-ba units have microwaves; 2-br rent range due to unit amenities; Rents change daily		



**Features and Utilities**

<b>Utilities</b>	No landlord paid utilities
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Club House, Meeting Room, Fitness Center, Playground, Sports Court, Storage, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	64	0	809	\$0.67 - \$0.68	\$540 to \$550
2	1 to 2	G	72	0	1044	\$0.58 - \$0.65	\$610 to \$675
3	2	G	80	0	1236	\$0.53 - \$0.55	\$649 to \$685

**909 Shadowood Apts.**

68.4 miles to site



<b>Address</b>	2415 Brierwood Rd. Albany, GA 31705		
<b>Phone</b>	(229) 883-3321	<b>Contact</b>	Carolyn
<b>Total Units</b>	126	<b>Vacancies</b>	10
		<b>Percent Occupied</b>	92.1%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1972	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B+	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	HCV (27 units); 2 & 3-br units have washer/dryer hookups; Select units have ceiling fans; Vacancies due to economy & age of property		

**Features and Utilities**

<b>Utilities</b>	No landlord paid utilities
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Playground, Tennis Court(s), Sports Court, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	8	0	675	\$0.59	\$400
2	1.5	T	60	10	1170	\$0.41	\$485
2	2	G	32	0	900	\$0.52	\$465
3	2.5	T	26	0	1390	\$0.37	\$515

## 2 Friendship Crossings

1.2 miles to site



<b>Address</b>	1405 S. Friendship Ave. Donalsonville, GA 39845		
<b>Phone</b>	(229) 612-9040	<b>Contact</b>	Samatha
<b>Total Units</b>	40	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2011	<b>Floors</b>	1
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	70 households		
<b>Quality Rating</b>	B+	<b>Neighborhood Rating</b>	B+
<b>Remarks</b>	Market-rate (6 units); 30%, 50% & 50% AMHI (34 units); HCV (2 units); HOME Funds; Opened 1/2011, began preleasing 8/2010		

### Features and Utilities

<b>Utilities</b>	Landlord pays Water, Sewer, Trash, Cable
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Sports Court, Computer Lab, Car Wash Area, Picnic Area, Walking Trails, Gazebo

### Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	2	0	985	\$0.48	\$475	
2	2	G	2	0	985	\$0.44	\$430	60%
2	2	G	9	0	985	\$0.38	\$377	50%
2	2	G	3	0	985	\$0.18	\$174	30%
3	2	G	4	0	1100	\$0.50	\$550	
3	2	G	2	0	1100	\$0.45	\$495	60%
3	2	G	14	0	1100	\$0.38	\$420	50%
3	2	G	4	0	1100	\$0.17	\$191	30%

**903 Hunter's Chase**

57.8 miles to site



<b>Address</b>	1 Hunter's Place Circle Thomasville, GA 31792		
<b>Phone</b>	(229) 226-2111	<b>Contact</b>	Lynn
<b>Total Units</b>	112	<b>Vacancies</b>	6
		<b>Percent Occupied</b>	94.6%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2004	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Market-rate (23 units); 30%, 50% & 60% AMHI (89 units); HCV (5 units)		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	730 to 812	\$0.65 - \$0.72	\$525	
1	1	G	15	0	730	\$0.68	\$497	60%
1	1	G	8	0	730 to 812	\$0.49 - \$0.55	\$398	50%
1	1	G	3	0	730 to 812	\$0.25 - \$0.27	\$200	30%
2	2	G	12	0	1000 to 1081	\$0.58 - \$0.63	\$625	
2	2	G	27	2	1000 to 1081	\$0.55 - \$0.59	\$591	60%
2	2	G	11	1	1000 to 1081	\$0.44 - \$0.47	\$472	50%
2	2	G	6	0	1000 to 1081	\$0.22 - \$0.24	\$235	30%
3	2	G	5	1	1196 to 1229	\$0.59 - \$0.61	\$725	
3	2	G	12	1	1196 to 1229	\$0.55 - \$0.57	\$678	60%
3	2	G	5	1	1196 to 1229	\$0.44 - \$0.45	\$541	50%
3	2	G	2	0	1196 to 1229	\$0.22 - \$0.22	\$267	30%

**910 Hampton Lake Apts.**

59.4 miles to site



<b>Address</b>	105 Caitlin Ln. Thomasville, GA 31792		
<b>Phone</b>	(229) 227-3558	<b>Contact</b>	Carol
<b>Total Units</b>	96	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2008	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	100 households		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Market-rate (6 units); 30%, 50% & 60% AMHI (90 units); HCV (5 units); Unit mix estimated		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Patio Storage
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	857	\$0.57	\$485	
1	1	G	4	0	857	\$0.40	\$341	50%
1	1	G	6	0	857	\$0.17	\$149	30%
2	2	G	2	0	1137	\$0.49	\$560	
2	2	G	17	0	1137	\$0.34	\$384	60%
2	2	G	17	0	1137	\$0.34	\$384	50%
2	2	G	16	0	1137	\$0.15	\$170	30%
3	2	G	2	0	1270	\$0.48	\$610	
3	2	G	10	0	1270	\$0.39	\$497	60%
3	2	G	10	0	1270	\$0.35	\$445	50%
3	2	G	10	0	1270	\$0.15	\$185	30%

**911 Ashley Riverside**

64.1 miles to site



<b>Address</b>	320 S. Jackson St. Albany, GA 31701		
<b>Phone</b>	(229) 430-9973	<b>Contact</b>	Rene
<b>Total Units</b>	132	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate, Tax Credit & Government-Subsidized		
<b>Year Open</b>	2004	<b>Floors</b>	3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	2 years		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	60% AMHI (65 units); Market-rate (27 units); Public Housing (40 units); HCV (47 units)		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Security Gate, Picnic Area, Social Services, Walking Trail

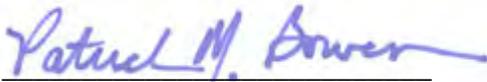
**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	619	\$0.74	\$460	
1	1	G	5	0	619	\$0.73	\$450	60%
1	1	G	3	0	619	\$0.86	\$530	
2	1	G	23	0	900	\$0.61	\$550	
2	1	G	38	0	900	\$0.61	\$550	60%
2	1	G	14	0	900	\$0.72	\$645	
2	1.5	T	1	0	1038	\$0.54	\$560	60%
2	1.5	T	1	0	1038	\$0.54	\$560	
2	1.5	T	2	0	1038	\$0.62	\$645	
3	2	G	11	0	1082	\$0.57	\$620	
3	2	G	20	0	1082	\$0.57	\$620	60%
3	2	G	6	0	1082	\$0.65	\$700	
3	2.5	T	1	0	1198	\$0.54	\$645	
3	2.5	T	1	0	1198	\$0.52	\$620	60%
3	2.5	T	2	0	1198	\$0.63	\$750	

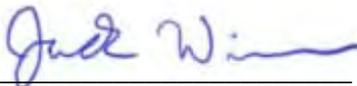
## Addendum C – Member Certification & Checklist

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

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. 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 'VAR' (variation) with a comment explaining the conflict.

### C. CHECKLIST

		Section (s)
<b>Executive Summary</b>		
1.	Executive Summary	A
<b>Project Description</b>		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
<b>Location and Market Area</b>		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

## CHECKLIST (Continued)

		Section (s)
<b>Employment and Economy</b>		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
<b>Demographic Characteristics</b>		
24.	Population and household estimates and projections	E
25.	Area building permits	E
26.	Distribution of income	E
27.	Households by tenure	E
<b>Competitive Environment</b>		
28.	Comparable property profiles	Addendum B
29.	Map of comparable properties	G
30.	Comparable property photographs	Addendum B
31.	Existing rental housing evaluation	G
32.	Comparable property discussion	G
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	G
34.	Comparison of subject property to comparable properties	G
35.	Availability of Housing Choice Vouchers	G
36.	Identification of waiting lists	G & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	G
38.	List of existing LIHTC properties	G
39.	Discussion of future changes in housing stock	G
40.	Discussion of availability and cost of other affordable housing options including homeownership	G
41.	Tax Credit and other planned or under construction rental communities in market area	G
<b>Analysis/Conclusions</b>		
42.	Calculation and analysis of Capture Rate	F
43.	Calculation and analysis of Penetration Rate	F
44.	Evaluation of proposed rent levels	G
45.	Derivation of Achievable Market Rent and Market Advantage	G
46.	Derivation of Achievable Restricted Rent	G
47.	Precise statement of key conclusions	A
48.	Market strengths and weaknesses impacting project	A
49.	Recommendations and/or modification to project discussion	A
50.	Discussion of subject property's impact on existing housing	G
51.	Absorption projection with issues impacting performance	A
52.	Discussion of risks or other mitigating circumstances impacting project projection	A
53.	Interviews with area housing stakeholders	H

**CHECKLIST (Continued)**

<b>Other Requirements</b>		<b>Section (s)</b>
54.	Preparation date of report	Title Page
55.	Date of Field Work	Addendum A
56.	Certifications	J
57.	Statement of qualifications	K
58.	Sources of data not otherwise identified	Addendum D
59.	Utility allowance schedule	Addendum A

## ADDENDUM D - Methodologies, Disclaimers & Sources

### 1. PURPOSE

The purpose of this report is to evaluate the market feasibility of an existing apartment project in Georgia following renovations under the Low-Income Housing Tax Credit (LIHTC) program. Currently, the project is a Rural Development Section 515 (RD Section 515) project. When applicable, we have incorporated the market study requirements as outlined in exhibits 4-10 and 4-11 of the Rural Development Handbook.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Affordable Housing Market Analysts (NCAHMA). These standards include the accepted 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. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

### 2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the subject project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
- A drive-time analysis to the site.
- Personal observations by the field analyst.

- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the subject development. An in-depth evaluation of those two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the subject project renovations are complete and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis of the subject project's required capture of the number of income-appropriate households within the PMA based on GDCA's demand estimate guidelines. This capture rate analysis considers all income-qualified renter households. For senior projects, the market analyst is permitted to use conversion of homeowners to renters as an additional support component. Demand is conducted by bedroom type and targeted AMHI for the subject project. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.

- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

### **3. REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period.

Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

### **4. SOURCES**

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

## ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

### A. INTRODUCTION

Due to the lack of comparable market-rate rental housing within the Donalsonville Site PMA, we identified and surveyed six market-rate properties located outside of the Site PMA in the towns of Bainbridge, Thomasville and Albany that we consider comparable to the subject development based on design and unit types offered. Note, adjustments for the differences between the Bainbridge, Thomasville and Albany markets and the Donalsonville market have been made. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents, or *Conventional Rents for Comparable Units*, that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The subject development and the six selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Heritage Manor Apartments</b>	<b>1982 / 2014</b>	<b>32</b>	<b>100.0%</b>	<b>8 (100.0%)</b>	<b>8 (100.0%)</b>	<b>16 (100.0%)</b>
901	Bon Air Apts.	1905 / 2005	8	100.0%	2 (100.0%)	6 (100.0%)	-
903	Hunter's Chase	2004	23*	95.7%	6 (100.0%)	12 (100.0%)	5 (80.0%)
904	Wildwood Apts.	1988	216	100.0%	64 (100.0%)	72 (100.0%)	80 (100.0%)
909	Shadowood Apts.	1972	126	92.1%	8 (100.0%)	92 (89.1%)	26 (100.0%)
910	Hampton Lake Apts.	2008	6*	100.0%	2 (100.0%)	2 (100.0%)	2 (100.0%)
911	Ashley Riverside	2004	27*	100.0%	3 (100.0%)	16 (100.0%)	8 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside the Site PMA

\*Market-rate units only

The six selected market-rate projects have a combined total of 406 units with an overall occupancy rate of 97.3%, a strong rate for rental housing. As such, these projects have been well received within their respective markets and will serve as accurate benchmarks with which to compare the subject units.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the subject development.

**Rent Comparability Grid**

Unit Type → **ONE BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Heritage Manor Apartments		Hunter's Chase		Wildwood Apts.		Hampton Lake Apts.		Ashley Riverside		Bon Air Apts.	
805 Ridge St.		1 Hunter's Place Circle		220 Covington Ave.		105 Caitlin Ln.		320 S. Jackson St.		105 Water St.	
Donalsonville, GA		Thomasville, GA		Thomasville, GA		Thomasville, GA		Albany, GA		Bainbridge, GA	
<b>Data on Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1 \$ Last Rent / Restricted?		\$525		\$545		\$485		\$530		\$550	
2 Date Surveyed		Sep-13		Sep-13		Sep-13		Sep-13		Sep-13	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$525	0.68	\$545	0.67	\$485	0.57	\$530	0.86	\$550	0.64
<b>B. Design, Location, Condition</b>											
6 Structure / Stories	WU/2	WU/2		WU/2,3		WU/2		WU/3		WU/3	
7 Yr. Built/Yr. Renovated	1982/2014	2003	(\$5)	1988	\$10	2008	(\$10)	2004	(\$6)	2005	(\$7)
8 Condition /Street Appeal	G	E	(\$15)	G		G		E	(\$15)	G	
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$26)	No	(\$27)	No	(\$24)	No	(\$27)	No	(\$28)
<b>C. Unit Equipment/ Amenities</b>											
11 # Bedrooms	1	1		1		1		1		1	
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	690	771	(\$14)	809	(\$20)	857	(\$28)	619	\$12	860	(\$29)
14 Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	N/Y	N/Y		N/Y		N/Y		N/Y		N/Y	
18 Washer/Dryer	HU	HU/L	(\$5)	HU		HU/L	(\$5)	HU/L	(\$5)	HU	
19 Floor Coverings	C	C		C		C		C		C	
20 Storage	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
21 Intercom/Security System	N/N	N/N		N/N		N/N		N/N		Y/N	(\$3)
22 Garbage Disposal	N	Y	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
23 Ceiling Fans	Y	Y		Y		Y		N	\$5	Y	
<b>D Site Equipment/ Amenities</b>											
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y		N	\$5
26 Security Gate	N	N		N		N		Y	(\$5)	N	
27 Clubhouse/ Meeting Rooms	N/Y	Y/N		Y/Y	(\$5)	Y/N		N/N	\$5	N/N	\$5
28 Pool/ Recreation Areas	N	P/F/S	(\$18)	P/F/T	(\$18)	P/F/S	(\$18)	P/F/WT	(\$18)	N	
29 Computer Center	N	Y	(\$3)	N		Y	(\$3)	N		N	
30 Picnic Area	Y	Y		Y		Y		Y		N	\$3
31 Playground	Y	Y		Y		Y		Y		N	\$3
32 Social Services	N	N		N		N		Y	(\$10)	N	
<b>E. Utilities</b>											
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y/Y	N/N	\$38	N/N	\$38	N/N	\$38	N/N	\$38	N/N	\$38
39 Trash /Recycling	Y/N	Y/N		N/N	\$16	Y/N		Y/N		N/N	\$16
<b>F. Adjustments Recap</b>											
40 # Adjustments B to D		1	9	2	6	1	7	4	9	5	5
41 Sum Adjustments B to D		\$5	(\$96)	\$15	(\$80)	\$5	(\$93)	\$27	(\$96)	\$21	(\$72)
42 Sum Utility Adjustments		\$38		\$54		\$38		\$38		\$54	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43 Net/ Gross Adjmts B to E		(\$53)	\$139	(\$11)	\$149	(\$50)	\$136	(\$31)	\$161	\$3	\$147
<b>G. Adjusted &amp; Market Rents</b>											
44 Adjusted Rent (5+ 43)		\$472		\$534		\$435		\$499		\$553	
45 Adj Rent/Last rent			90%		98%		90%		94%		101%
<b>Estimated Market Rent</b>	<b>\$500</b>	<b>\$0.72</b>	<b>← Estimated Market Rent/ Sq. Ft</b>								



**Rent Comparability Grid**

Unit Type → **THREE BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Heritage Manor Apartments		Hunter's Chase		Wildwood Apts.		Hampton Lake Apts.		Ashley Riverside		Shadowood Apts.	
805 Ridge St.		1 Hunter's Place Circle		220 Covington Ave.		105 Caitlin Ln.		320 S. Jackson St.		2415 Brierwood Rd.	
Donalsonville, GA		Thomasville, GA		Thomasville, GA		Thomasville, GA		Albany, GA		Albany, GA	
<b>Data on Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1 \$ Last Rent / Restricted?		\$725		\$667		\$610		\$700		\$515	
2 Date Surveyed		Sep-13		Sep-13		Sep-13		Sep-13		Sep-13	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		80%		100%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$725	0.60	\$667	0.54	\$610	0.48	\$700	0.65	\$515	0.37
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6 Structure / Stories	TH/2	WU/2		WU/2,3		WU/2		WU/2		TH/2	
7 Yr. Built/Yr. Renovated	1982/2014	2003	(\$5)	1988	\$10	2008	(\$10)	2004	(\$6)	1972	\$26
8 Condition /Street Appeal	G	E	(\$15)	G		G		E	(\$15)	G	
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$36)	No	(\$33)	No	(\$31)	No	(\$35)	No	(\$26)
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11 # Bedrooms	3	3		3		3		3		3	
12 # Baths	1.5	2	(\$15)	2	(\$15)	2	(\$15)	2	(\$15)	2.5	(\$30)
13 Unit Interior Sq. Ft.	1010	1213	(\$26)	1236	(\$29)	1270	(\$34)	1082	(\$9)	1390	(\$49)
14 Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	N/Y	N/Y		N/Y		N/Y		N/Y		N/Y	
18 Washer/Dryer	HU	HU/L	(\$5)	HU		HU/L	(\$5)	HU/L	(\$5)	HU/L	(\$5)
19 Floor Coverings	C	C		C		C		C		C	
20 Storage	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
21 Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22 Garbage Disposal	N	Y	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
23 Ceiling Fans	Y	Y		Y		Y		N	\$5	Y	
<b>D Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y		Y	
26 Security Gate	N	N		N		N		Y	(\$5)	N	
27 Clubhouse/ Meeting Rooms	N/Y	Y/N		Y/Y	(\$5)	Y/N		N/N	\$5	N/N	\$5
28 Pool/ Recreation Areas	N	P/F/S	(\$18)	P/F/T	(\$18)	P/F/S	(\$18)	P/F/WT	(\$18)	P/T	(\$13)
29 Computer Center	N	Y	(\$3)	N		Y	(\$3)	N		N	
30 Picnic Area	Y	Y		Y		Y		Y		Y	
31 Playground	Y	Y		Y		Y		Y		Y	
32 Social Services	N	N		N		N		Y	(\$10)	N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y/Y	N/N	\$58	N/N	\$58	N/N	\$58	N/N	\$58	N/N	\$58
39 Trash /Recycling	Y/N	Y/N		N/N	\$16	Y/N		Y/N		N/N	\$16
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40 # Adjustments B to D		1	10	2	7	1	8	3	11	3	7
41 Sum Adjustments B to D		\$5	(\$133)	\$15	(\$110)	\$5	(\$121)	\$15	(\$128)	\$36	(\$133)
42 Sum Utility Adjustments		\$58		\$74		\$58		\$58		\$74	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43 Net/ Gross Adjmts B to E		(\$70)	\$196	(\$21)	\$199	(\$58)	\$184	(\$55)	\$201	(\$23)	\$243
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44 Adjusted Rent (5+ 43)		\$655		\$646		\$552		\$645		\$492	
45 Adj Rent/Last rent			90%		97%		91%		92%		95%
46 Estimated Market Rent	\$620	\$0.61	←	Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$500 for a one-bedroom unit, \$580 for a two-bedroom unit and \$620 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent*	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$435	\$500	13.0%
Two-Bedroom	\$536	\$580	7.6%
Three-Bedroom	\$597	\$620	3.7%

\*2013 maximum allowable LIHTC gross rent less the value of tenant-paid utilities  
 CRCU – Conventional Rents for Comparable Units

The proposed collected rents for the subject development represent market rent advantages ranging from 3.7% to 13.0%, depending on unit size. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets and enable a steady flow of eligible renters. As such, the subject project's proposed collected Tax Credit rents represent moderate to good values within the market. Nonetheless, the subject project is anticipated to retain RA on all 32 units post renovations and will continue to viewed as a substantial value within the market.

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
  
7. Upon completion of renovations, the subject project will have an effective age of a project built in 1998. The selected properties were built between 1972 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.



8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for the two properties we consider to be of superior quality compared to the subject development.
10. As previously stated, all six of the selected properties are located outside of the Donalsonville Site PMA in Bainbridge, Thomasville and Albany. The Bainbridge, Thomasville and Albany markets are significantly larger than Donalsonville in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Bainbridge, Thomasville and Albany will not directly translate to the Donalsonville market. Therefore, we have adjusted each collected rent at these six comparable projects by approximately 5.0% to account for these market differences.
12. The number of bathrooms offered at each of the selected properties' two- and three-bedroom units varies. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25.0% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package inferior to the selected properties. We have made adjustments for features lacking at the subject property and, in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The project offers a limited project amenities package that is generally inferior to the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

**Addendum F:**  
**RENT ROLL**

# Affordable Rent Roll

Property: Heritage Manor Apts (282) Sort by: Unit

As of 8/1/2013

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Heritage Manor Apts (282)</b>																	
101	282m2	790	2	Hill, -Shaquanda	Rental		AR	05/01/13	624	590	510	510	452	58	80	138	0
					Assistance(RA)												
102	282m2	790	2	Calloway, Rousheda	Rental		AR	06/01/13	624	590	510	510	580	0	80	10	70
					Assistance(RA)												
103	282m2	790	2	Fudge, Ebony	Rental		AR	03/01/13	624	590	510	510	147	363	80	443	0
					Assistance(RA)												
104	282m2	790	2	Register, Kenyetta	Rental		AR-1	06/01/13	624	590	510	510	538	0	80	52	28
					Assistance(RA)												
105	282h1	690	1	Pollard, Lori	Rental		AR	01/01/13	535	568	490	490	359	131	78	209	0
					Assistance(RA)												
106	282h1	690	1	Barber, Patricia	Rental		AR	05/01/13	535	568	490	490	371	119	78	197	0
					Assistance(RA)												
107	282m1	690	1	Smiley, Clarence	Rental		AR	01/01/13	535	568	490	490	232	258	78	336	0
					Assistance(RA)												
108	282m1	690	1	Davis, Janie	Rental		AR	09/01/12	535	568	490	490	342	148	78	226	0
					Assistance(RA)												
109	282m3	1,010	3	Smith, Latasha	Rental		GR	01/01/13	646	644	530	530	588	0	114	56	58
					Assistance(RA)												
110	282m3	1,010	3	Martinez, Elizabeth	Rental		AR-1	04/01/13	646	644	530	530	458	72	114	186	0
					Assistance(RA)												
111	282m3	1,010	3	Pollard, Eula	Rental		AR	04/01/13	646	644	530	530	289	241	114	355	0
					Assistance(RA)												
112	282m3	1,010	3	Rambo, Everlyn	Rental		GR	01/01/13	646	644	530	530	468	62	114	176	0
					Assistance(RA)												
113	282m3	1,010	3	Smith, Kadesh	Rental		AR-1	07/01/13	646	644	530	530	585	0	114	59	55
					Assistance(RA)												
114	282m3	1,010	3	Hopkins, Nataiker	Rental		GR	01/01/13	646	644	530	530	431	99	114	213	0
					Assistance(RA)												
115	282m3	1,010	3	Sparks, Tyina	Rental		AR	08/01/13	646	644	530	530	593	0	114	51	63
					Assistance(RA)												
116	282m3	1,010	3	Hutchins, Tamikah	Rental		AR	08/01/13	646	644	530	530	634	0	114	10	104
					Assistance(RA)												
201	282m2	790	2	Turner, Shakira	Rental		MI	07/31/13	624	590	510	510	527	0	80	63	17
					Assistance(RA)												
202	282m2	790	2	Battle, Anjelica	Rental		MI	04/11/13	624	590	510	510	326	184	80	264	0
					Assistance(RA)												
203	282m2	790	2	Brannon, Adrienne	Rental		AR-1	04/01/13	624	590	510	510	373	137	80	217	0
					Assistance(RA)												
204	282m2	790	2	Leonard, Lasonya	Rental		AR	10/01/12	624	590	510	510	390	120	80	200	0
					Assistance(RA)												
205	282m3	1,010	3	Murphy, Stacy	Rental		AR	01/01/13	646	644	530	530	559	0	114	85	29
					Assistance(RA)												
206	282m3	1,010	3	Coots, Matikka	Rental		AR	07/01/13	646	644	530	530	368	162	114	276	0
					Assistance(RA)												
207	282m3	1,010	3	Cox, Stacy	Rental		AR	08/01/13	646	644	530	530	590	0	114	54	60
					Assistance(RA)												

# Affordable Rent Roll

Property: Heritage Manor Apts (282) Sort by: Unit

As of 8/1/2013

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Heritage Manor Apts (282)</b>																	
208	282m3	1,010	3	Bryant, Ozzie	Rental		AR-1	03/01/13	646	644	530	530	438	92	114	206	0
					Assistance(RA)												
209	282m3	1,010	3	Griggley, Diana	Rental		AR	04/01/13	646	644	530	530	305	225	114	339	0
					Assistance(RA)												
210	282m3	1,010	3	Johnson, Latosha	Rental		AR	07/01/13	646	644	530	530	574	0	114	70	44
					Assistance(RA)												
211	282m3	1,010	3	Register, Jacquelyn	Rental		AR	07/01/13	646	644	530	530	455	75	114	189	0
					Assistance(RA)												
212	282m3	1,010	3	Smith, Ciera	Rental		AR	04/01/13	646	644	530	530	620	0	114	24	90
					Assistance(RA)												
213	282m1	690	1	Shattles, Wayne	Rental		AR	06/01/13	535	568	490	490	205	285	78	363	0
					Assistance(RA)												
214	282m1	690	1	Towles, Debra	Rental		MI	06/13/13	535	568	490	490	251	239	78	317	0
					Assistance(RA)												
215	282m1	690	1	Smith, Dola	Rental		AR	03/01/13	535	568	490	490	359	131	78	209	0
					Assistance(RA)												
216	282m1	690	1	Jones, Betty	Rental		AR-1	02/01/13	535	568	490	490	359	131	78	209	0
					Assistance(RA)												
<b>Total :</b>		28,000	72	<b>Number of Units:</b>	<b>32</b>				19,608	19,568	16,480	16480	13,766	3,332	3,088	5,802	618
<b>Grand Total :</b>		<u>28,000</u>	<u>72</u>	<b>Total Units:</b>	<u>32</u>				<u>19,608</u>	<u>19,568</u>	<u>16,480</u>		<u>13,766</u>	<u>3,332</u>	<u>3,088</u>	<u>5,802</u>	<u>618</u>