

# Market Feasibility Analysis

Tan Yard Branch Apartments II  
14 Tanyard Street  
Blairsville, Union County, Georgia 30512

*Prepared For*

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## SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Tan Yard Branch Apartments II rental community to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Blairsville, 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:

The Tan Yard Branch Apartments II project was originally built in 1994 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 25 age-restricted (age 62 and older) units, comprised of 22 one-bedroom and three (3) two-bedroom garden-style units. Currently, 23 of the subject 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). Management reports the project is currently 96.0% occupied (one vacant one-bedroom unit) and does not maintain a waiting list.

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, the 23 units of RA will be preserved and all units will target senior households (age 62 and older) up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. All renovations are expected to be completed in 2014.

### 2. Site Description/Evaluation:

The subject project is located within an established area of Blairsville, which is comprised primarily of single-family and multifamily residential structures which were generally observed to be in average condition. Though it should be noted that two single-family homes near the site are considered to be in relatively poor condition and contain multiple abandoned/inoperable vehicles which are scattered throughout each of these properties. However, these maintenance deferred properties near the site have not had a negative impact on marketability of the subject site based on the minimal number of vacant units currently reported at the subject project. As such, these two existing structures are not considered to be a nuisance that would adversely impact the continued marketability of the subject project following renovations. Further, visibility and access of the subject project are each considered good, as the subject site is clearly visible and easily accessible from Cook Street, a lightly traveled roadway bordering the site to the south. The subject site is also within proximity of numerous community and public safety services which should contribute to the subject project's continued

marketability following renovations. Further, many of these nearby community services are also accessible via an on-call public transportation service provided by Union County Transit. Overall, the subject project's clear visibility, convenient accessibility and proximity to most basic community and public safety services should contribute to the continued marketability of the subject project following renovations.

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

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 Blairsville Site PMA includes the entire town of Blairsville, as well as some outlying unincorporated areas of Union County. The boundaries of the Site PMA generally include the Georgia state line to the north; the Union County boundary, Trackrock Gap Road and Town Creek School Road to the east; State Route 180 and Cooper Creek Road to the south and the Union County boundary to the west. A justification of these boundaries and a detailed map are included in Section D of this report.

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

Between 2013 and 2015 the Blairsville Site PMA is projected to experience both population and household growth. Specifically, the total population within the Site PMA is projected to increase by 252 (1.3%) while the total number of households will increase by 141 (1.7%) during this time period. Notably, each senior age cohort (ages 55 and older) within the Site PMA is projected to experience both population and household growth between 2013 and 2015. Notably, senior renter households (age 62 and older) are projected to increase by 33 households during this same time period. Overall, these positive senior demographic trends are indicative of an expanding base of age-appropriate potential support for the subject project within the Site PMA. Detailed demographic information is included in Section E of this report.

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

According to local economic representatives, the Union County economy is stable and has shown signs of improvement since the impact of the national recession. Notably, these recent signs of improvement are further demonstrated by data provided by the U.S. Department of Labor, Bureau of Labor Statistics which indicate that both, the employment base and unemployment rate within Union County have improved since the impact of the national recession in 2009. Specifically, the employment base has increased by 427 employees since 2009 while the unemployment rate has declined by more than two full percentage points since this same time. Though it should be noted that while recent economic trends indicate that the local economy is recovering from the impact of

the national recession, the unemployment rate of 7.0% reported through July of 2013 is still nearly double that reported prior to the impact of the national recession (3.7% in 2007). As such, it is likely that the demand for affordable housing within the Union County area will remain high as the unemployment rate continues to trend toward pre-recession levels. Detailed economic information is included in Section F of this report.

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

The Tan Yard Branch Apartments II property has project-based Rental Assistance (RA) available to 23 of its 25 units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, these 23 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 187 age- and income-qualified renter households to support the 25 renovated units. As such, the capture rate would be 13.4% ( $25 / 187 = 13.4\%$ ) if all units were vacated. However, the project is 96.0% occupied with only one vacant unit and all current tenants are anticipated to remain following LIHTC renovations. Therefore, the renovated subject project will have an effective capture rate of 0.5% ( $1 / 187 = 0.5\%$ ). A detailed capture rate analysis and alternative demand scenarios are provided in Section G of this report.

## **7. Comparable/Competitive Rental Analysis**

Following renovations the subject project will offer one- and two-bedroom units targeting senior households (age 62 and older) earning up to 60% of Area Median Household Income (AMHI). We identified and surveyed one Low-Income Housing Tax Credit (LIHTC) project in the Site PMA. This one LIHTC project identified within the Site PMA offers two- through four-bedroom units targeting general-occupancy households earning up to 50%, 55% and 60% of AMHI. It should be noted that while this one comparable LIHTC project in the market does not target senior households (age 62 and older) such as the subject project, it does offer two-bedroom units at ground level which may potentially attract senior renter households in the market. As such, this project should offer an accurate base of comparability to the subject project and may be indirectly competitive with the subject project.

Due to the limited supply of LIHTC product in the Site PMA we have also identified and surveyed two additional non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Hiawassee and Young Harris, Georgia. These two LIHTC projects offer one- through four-bedroom units targeting households earning up to 30%, 50% and/or 60% of AMHI. Notably, one of these comparable LIHTC projects, Big Sky Village (Map ID 904) targets senior households (age 55 and older) and will offer an accurate base of comparability with the senior-oriented subject project, despite being located outside of the Site PMA.

Conversely, the one additional LIHTC project identified and surveyed outside of the Site PMA targets general-occupancy households, but offers two-bedroom units at ground-level that would likely be appealing to senior renters in the area. As such these units should also offer an accurate base of comparability for the subject project.

However, it should be noted that as these two additional properties are located outside of the Site PMA, they will derive demographic support from a different geographic area as compared to the subject project. As such, these two additional LIHTC projects have been included for comparability purposes only and are not considered to be directly competitive with the subject project.

These three comparable LIHTC projects and the subject development are summarized 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>Ten Yard Branch Apartments II</b>	<b>1994 / 2014</b>	<b>25</b>	<b>96.0%</b>	-	None	<b>Seniors (62+); 60% AMHI &amp; RD 515</b>
3	Nantahala Village Apts.	1999	56	92.9%	1.0 Mile	None	Families; 50%, 55%, & 60% AMHI
904	Big Sky Village	2009	48	100.0%	16.9 Miles	9 H.H.	Seniors 55+; 50% & 60% AMHI
906	Enotah Village Apts.	2007	47*	91.5%	8.8 Miles	30% AMHI: 4 H.H.	Families; 30% & 50% AMHI

OCC. - Occupancy

\*Tax Credit units only

900 Series Map IDs are located outside of the Site PMA

The three LIHTC projects have a combined occupancy rate of 92.3%. Notably, the one age-restricted project in the region, Big Sky Village (Map ID 904), is 100.0% occupied and maintains a nine-household waiting list for its next available units. This indicates that there is pent-up demand for senior-oriented LIHTC housing within the region. As such, the subject project will provide a rental alternative that is likely in high demand within the region. It should further be noted that the subject project will offer the only age-restricted LIHTC project in the Site PMA. This will likely enhance marketability of the subject project as it will offer a rental alternative to low-income seniors (age 62 and older) that is not currently available within the market.

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:

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.	Four-Br.	Rent Special
Site	<b>Ten Yard Branch Apartments II</b>	<b>\$576/60% (22)</b>	<b>\$628/60% (3)</b>	-	-	-
3	Nantahala Village Apts.	-	\$541/50% (9/1) \$597/55% (8/1)	\$623/50% (18/1) \$753/60% (12/1)	\$704/50% (4/0) \$851/60% (5/0)	None
904	Big Sky Village	\$501/50% (9/0) \$501/60% (15/0)	\$572/50% (8/0) \$572/60% (16/0)	-	-	None
906	Enotah Village Apts.	-	\$393/30% (2/0) \$562/50% (13/1)	\$450/30% (6/0) \$648/50% (20/3)	\$512/30% (2/0) \$736/50% (4/0)	None

900 Map IDs are located outside of the Site PMA

As proposed, the subject rents reported in the preceding table will not be the actual rents most tenants will be responsible for paying, as the subject project will maintain Rental Assistance on 23 of its 25 units, which will limit tenants gross rent to 30% of their adjusted household income. Additionally, a Private Rental Assistance (PRA) subsidy will also be available to all current unassisted tenants, preventing a rent increase on these residents of the subject project.

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 relatively inferior to those offered among most of the comparable LIHTC projects in the market and the region. However, the unit designs (square footage and bathrooms) offered at the subject project are considered typical of older subsidized, age-restricted projects such as the subject project. Further, the high occupancy rate reported at the subject project indicates that the unit sizes (square feet) and number of bathrooms offered are appropriate for the targeted tenant population (seniors age 62 and older) at the subject project. The proposed amenities package is considered to be somewhat limited as compared to those

offered among most of the comparable LIHTC projects in the market and the region. Regardless, based on the limited number of vacant units currently reported, the subject project does not appear to lack any key amenities that have or will adversely impact its marketability. 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 96.0% occupied with only one (1) vacant unit and current residents will be relocated temporarily during renovations; however, they will not be permanently displaced. Therefore, only the one currently vacant unit at the subject project will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 25 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 23 of the 25 subject units as proposed). 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 25 units at the subject site will reach a stabilized occupancy of 93.0% within approximately six months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately four units per month. Our absorption projections assume that no other projects targeting a similar age and/or 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 will be maintained on 23 of the 25 subject units as proposed.

## **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 25 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:	Tan Yard Branch Apartments II	Total # Units: 25
Location:	14 Tanyard Street, Blairsville, Georgia (Union County)	# LIHTC Units: 25
PMA Boundary:	The boundaries of the Site PMA generally include the Georgia state line to the north; the Union County boundary, Trackrock Gap Road and Town Creek School Road to the east; State Route 180 and Cooper Creek Road to the south and the Union County boundary to the west.	
	Farthest Boundary Distance to Subject:	14.0 miles

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

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	7	281	9	96.8%
Market-Rate Housing	2	18	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	4	207	5	97.6%
<b>LIHTC</b>	1	56	4	92.9%
Stabilized Comps (in PMA only)	1	56	4	92.9%
Properties in Construction & Lease Up	-	-	-	-

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
22	One	1.0	654	\$515	\$515	\$0.79	0.0%	\$795	\$1.02
8	Two	1.0	798	\$550	\$550	\$0.69	0.0%	\$1,005	\$1.07

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

	2010		2013		2015	
Renter Households (Age 62+)	535	14.8%	604	15.3%	637	15.4%
Age- and Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	378	9.6%	406	9.8%
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 23 of 25 units

## TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-6)

Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other	LIHTC Only Scenario
Renter Household Growth (Age 62+)	28	6	28	-	-	6
Existing Households (Overburd + Substand)	156	34	156	-	-	34
Homeowner conversion (Seniors)	3	0	3	-	-	0
<b>Total Primary Market Demand</b>	187	40	187	-	-	40
Less Comparable/Competitive Supply	0	0	0	-	-	0
<b>Net Age- and Income-Qualified Renter HHs</b>	<b>187</b>	<b>40</b>	<b>187</b>	-	-	<b>40</b>

## CAPTURE RATES (found on page G-6)

Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other	LIHTC Only Scenario
Capture Rate	0.0%*	5.0%	1.1%*	-	-	62.5%

\* Under this scenario, all units with Rental Assistance are assumed to be leasable. As such, all RA units have been excluded from this analysis.

## SECTION B - PROJECT DESCRIPTION

The Tan Yard Branch Apartments II project was originally built in 1994 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 25 age-restricted (age 62 and older) units, comprised of 22 one-bedroom and three (3) two-bedroom garden-style units. Currently, 23 of the subject 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). Management reports the project is currently 96.0% occupied (one vacant one-bedroom unit) and does not maintain a waiting list.

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, the 23 units of RA will be preserved and all units will target senior households (age 62 and older) up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. All renovations are expected to be completed in 2014. Additionally, a Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing unassisted 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. Additional project details follow:

- 1. PROJECT NAME:** Tan Yard Branch Apartments II
- 2. PROPERTY LOCATION:** 14 Tanyard Street  
Blairsville, Georgia 30512  
(Union County)
- 3. PROJECT TYPE:** Current: RD 515  
Proposed: Tax Credit Bond & 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		
22	One-Br.	1.0	Garden	654	\$425	60%	\$576	\$61	\$515	\$607	\$487	\$515	\$515
3	Two-Br.	1.0	Garden	798	\$450	60%	\$628	\$78	\$550	\$729	\$659	\$550	\$550
25	Total												

Source: Boyd Management  
 AMHI – Area Median Household Income (Union County, Georgia)  
 U.A. – Utility Allowance  
 \*Denotes current basic rents under the RD 515 program  
 Max. Allow. – Maximum Allowable  
 CRCU – Conventional Rents for Comparable Units  
 TH – Townhouse  
 G - Garden



**5. TARGET MARKET:** Low-Income Seniors (age 62 and older)

**6. PROJECT DESIGN:** One-story residential buildings with one- and two-bedroom garden-style units.

**7. ORIGINAL YEAR BUILT:** 1994

**8. ANTICIPATED RENOVATION COMPLETION DATE:** 2014

**9. UNIT AMENITIES:**

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

**10. COMMUNITY AMENITIES:**

- On-Site Management
- Laundry Facility
- Community Space
- Picnic Area

**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 Heating
- Electric Hot Water Heating
- Electric Cooking

**13. RENTAL ASSISTANCE:**

The subject property operates under the RD 515 program guidelines with Rental Assistance on 23 of the 25 total units. The Rental Assistance requires tenants to pay up to 30% of their adjusted gross income towards housing costs. Rental Assistance on the 23 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 25-unit project is currently 96.0% occupied (one vacant one-bedroom unit) and does not maintain a waiting list. 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 the existing 23 RA units.

#### **16. PLANNED RENOVATIONS:**

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

- New floor coverings
- Painting of unit interiors
- 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
- Installation of new HVAC
- Re-roofing of buildings
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- Upgrade sidewalks, dumpster surrounds and landscaping.

#### **17. STATISTICAL AREA:** Union County, Georgia (2013)

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



Blairsville, GA  
State of Georgia

Legend:  
● Site  
▭ State of Georgia

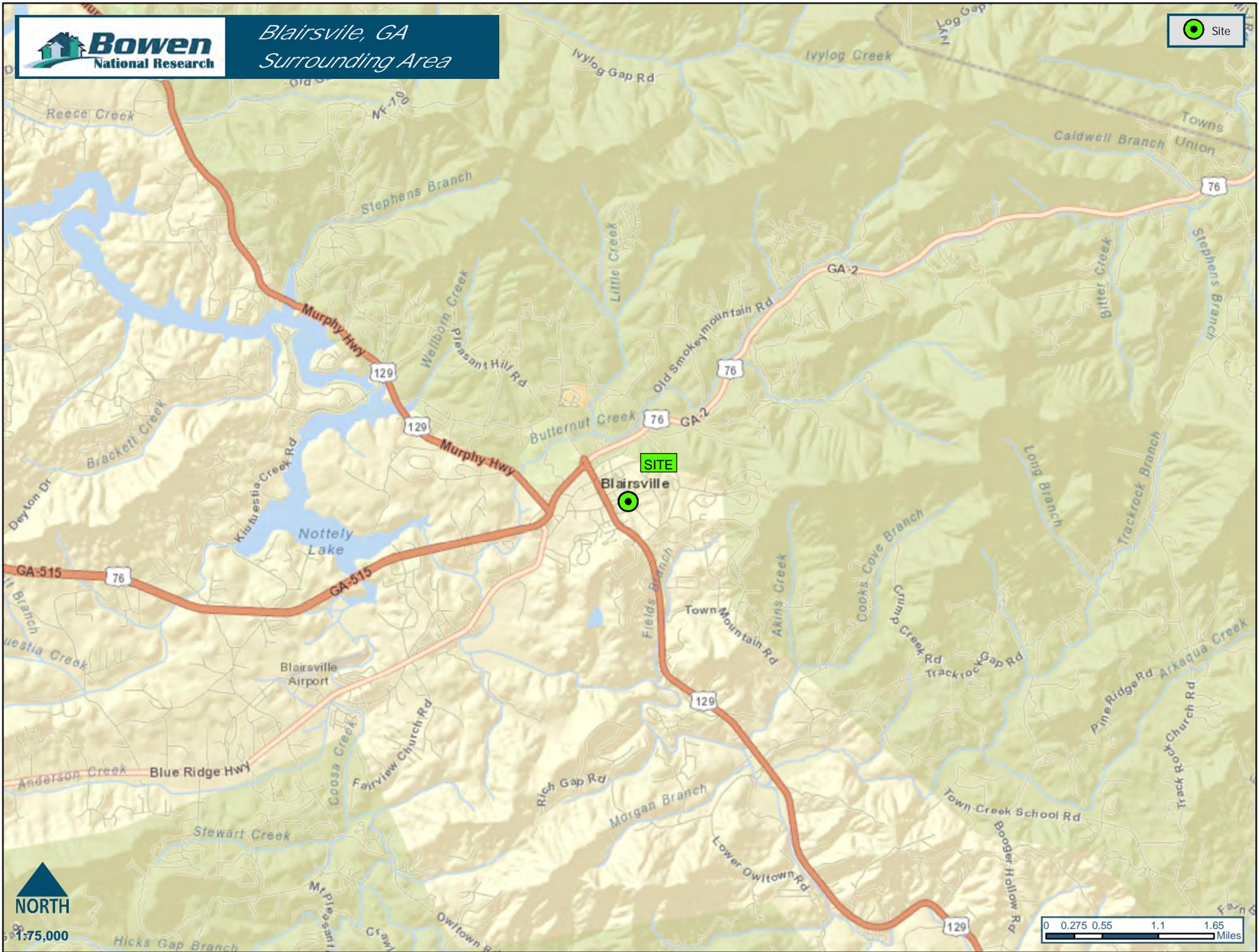


NORTH

1:4,190,989



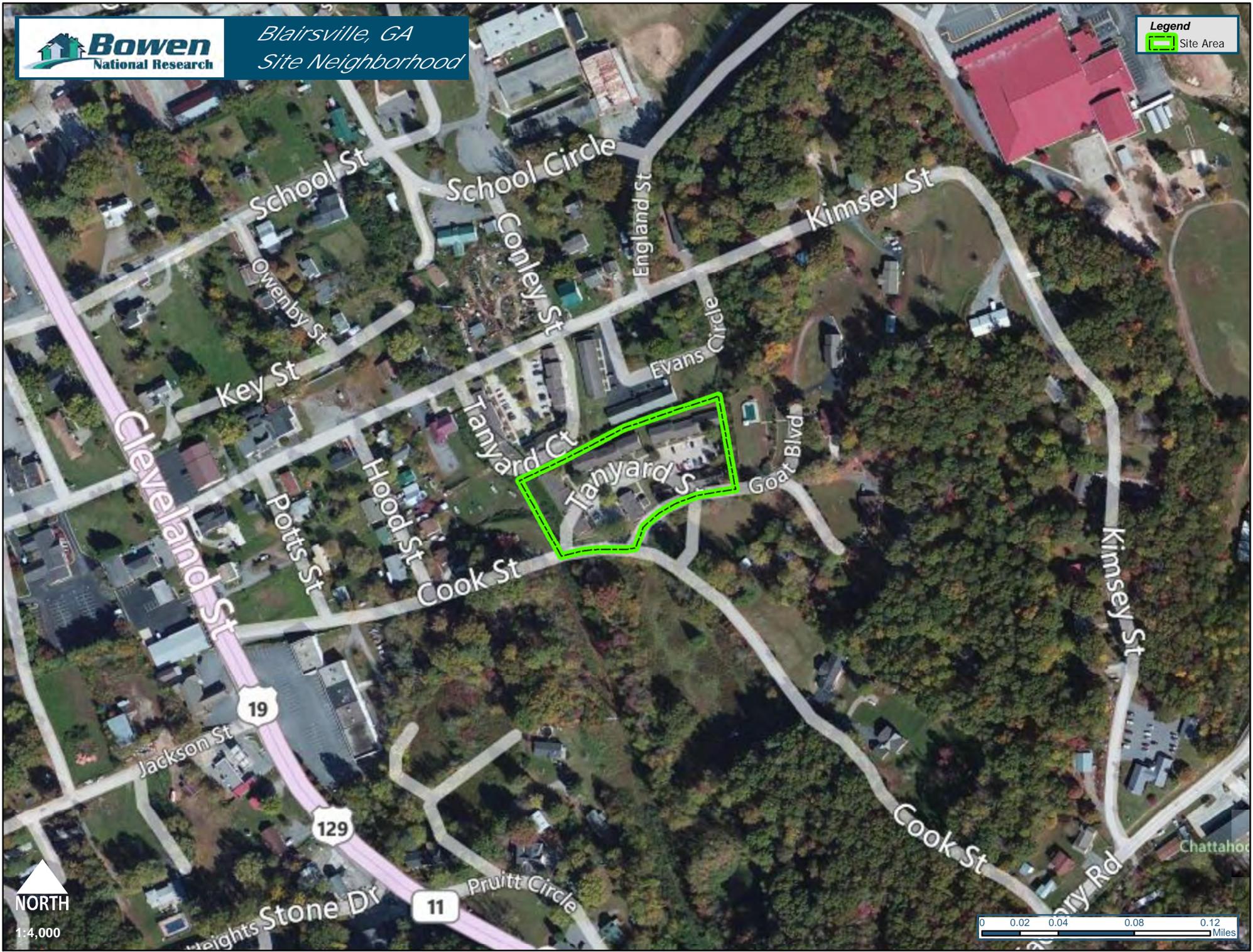
Blairsville, GA  
Surrounding Area



NORTH

1:75,000

0 0.275 0.55 1.1 1.65 Miles



## SECTION C – SITE DESCRIPTION AND EVALUATION

### 1. LOCATION

The subject site is the existing Tan Yard Branch II apartment community, located at 14 Tanyard Street in the southeastern portion of Blairsville, Georgia. Located within Union County, Blairsville is 99.0 miles north of Atlanta, Georgia. Greg Gray, an employee of Bowen National Research, inspected the site and area apartments during the week of September 9, 2013.

### 2. SURROUNDING LAND USES

The subject site is within an established area of Blairsville, Georgia. Surrounding land uses generally include single-family homes, schools, multifamily apartments, undeveloped land, retail shops and small businesses. Adjacent land uses are detailed as follows:

<b>North -</b>	Tan Yard Branch Apartments I and the Horseshoe Apartments, both in average condition, border the site to the north and extend to Kimsey Street. Continuing north of the site is a vacant home with an unmaintained yard and several abandoned automobiles and construction equipment. The Margret Alice Country Store is located beyond.
<b>East -</b>	A single-family home in average condition is directly east of the site followed by undeveloped wooded land and a few scattered single-family homes which extend to Kimsey Street. Beyond, a small commercial business in satisfactory condition extends to Industrial Boulevard.
<b>South -</b>	Tanyard and Cook Streets, two-lane residential roadways observed to experience light vehicular and pedestrian traffic border the site to the south. Undeveloped land and single-family homes in satisfactory to good condition extend farther south of the site to Cleveland Street (U.S. Highway 19/129) and Shoe Factory Road.
<b>West -</b>	A single-family home in average condition is located directly west of the subject site. Note that this property was observed to contain several inoperable automobiles scattered throughout the property. Additional single-family homes in average to good condition extend farther west of the subject project, while various commercial businesses in average condition and the Mountain Village Plaza, largely consisting of commercial businesses in average condition, extend to Cleveland Street (U.S. Highway 19 & 129) farther west of the subject project.

The subject project fits well with the surrounding multifamily and single-family residential structures which were generally observed to be in average condition. However, it should be noted that two single-family homes near the site (north and west) are considered to be in relatively poor condition and were observed to contain multiple abandoned and/or inoperable vehicles scattered throughout each of these respective properties. While these surrounding properties may not be aesthetically appealing, it does not appear that they have negatively impacted occupancy at the subject project, which has only one vacant unit, or the neighboring first phase of the subject project which currently reports only three vacant units. It should also be noted that based on Bowen National Research's historical occupancy data, the subject project is typically 100.0% occupied, further demonstrating that these surrounding land uses have not adversely impacted marketability of the subject project. Based on the preceding analysis, these surrounding land uses should not adversely impact the continued marketability of the subject project following renovations.

### **3. VISIBILITY AND ACCESS**

The subject project maintains frontage along and is clearly visible from Cook Street and Tanyard Street, lightly traveled residential roadways bordering the site to the south. It should also be noted that clear site signage is also provided at the intersection of these two lightly traveled roadways, thus enhancing visibility of the subject project. The subject project also derives access from lightly traveled Cook Street, south of the subject site. Notably, Cook Street also provides convenient access to and from Cleveland Street (U.S. Highway 19/129), west of the subject project. This arterial roadway provides north/south access throughout the Blairsville area.

Based on the preceding analysis, visibility and access of the subject project are both considered good, as the site is clearly visible and easily accessible from lightly traveled Cook Street which borders the site to the south. Further, the convenient accessibility of U.S. Highway 19/129 should also contribute to the subject project's continued marketability following renovations.

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

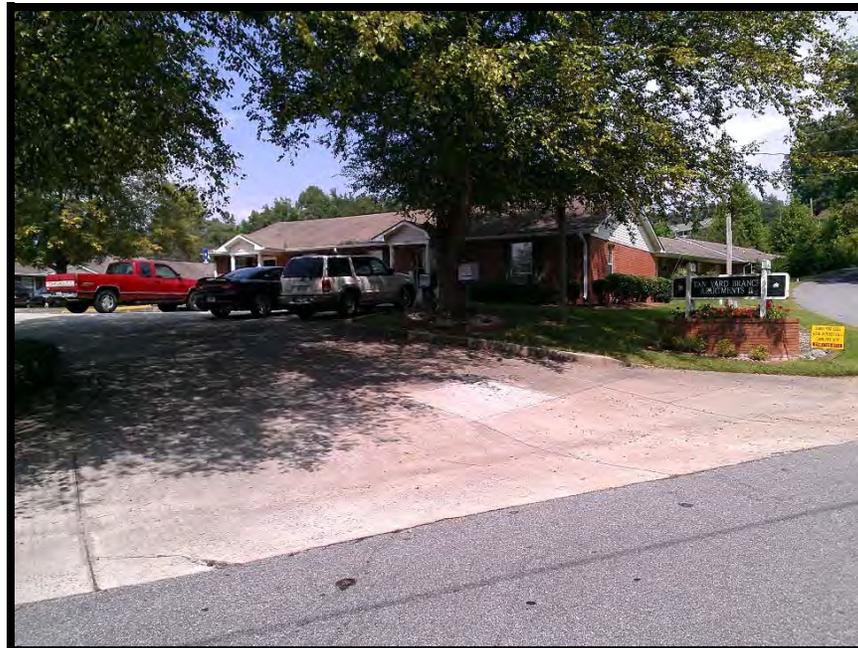
### **4. SITE PHOTOGRAPHS**

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

# SITE PHOTOGRAPHS



Site Sign



Site Entry



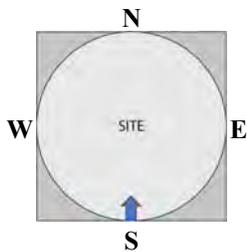
Typical Site Building



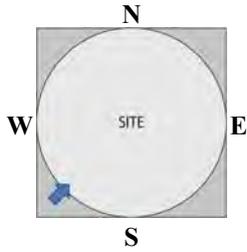
Typical Site Building



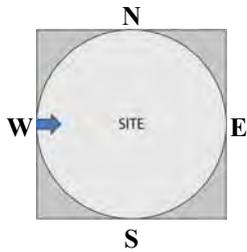
Typical Rear of Site Buildings



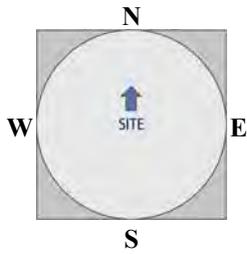
View of site from the south



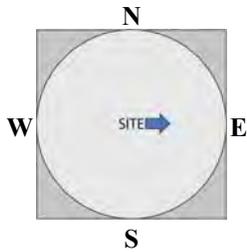
View of site from the southwest



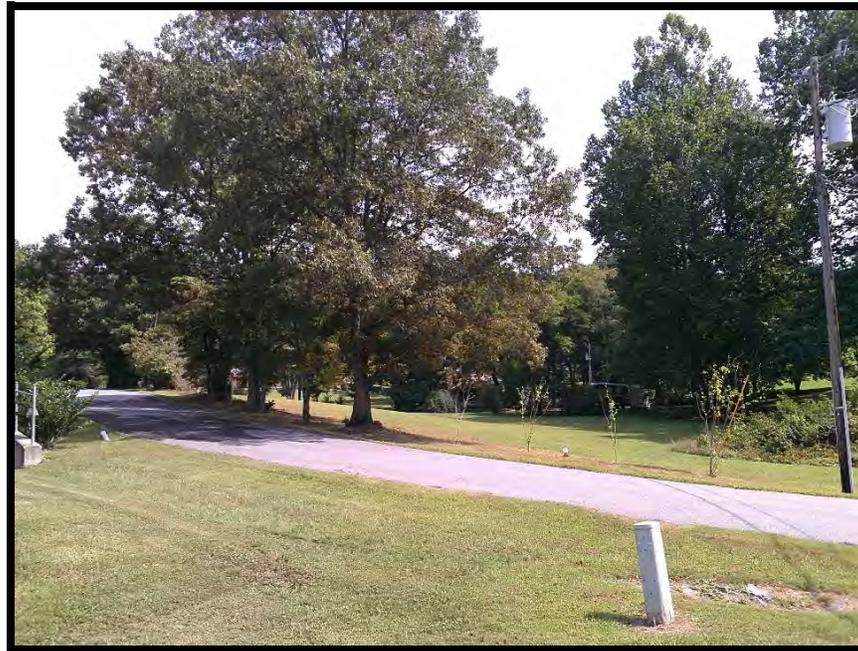
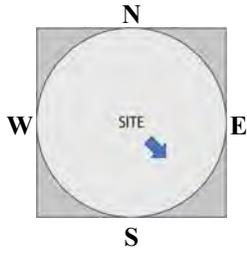
View of site from the west



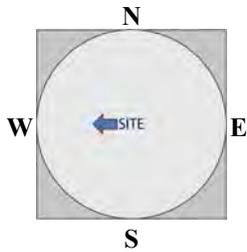
North view from site



East view from site



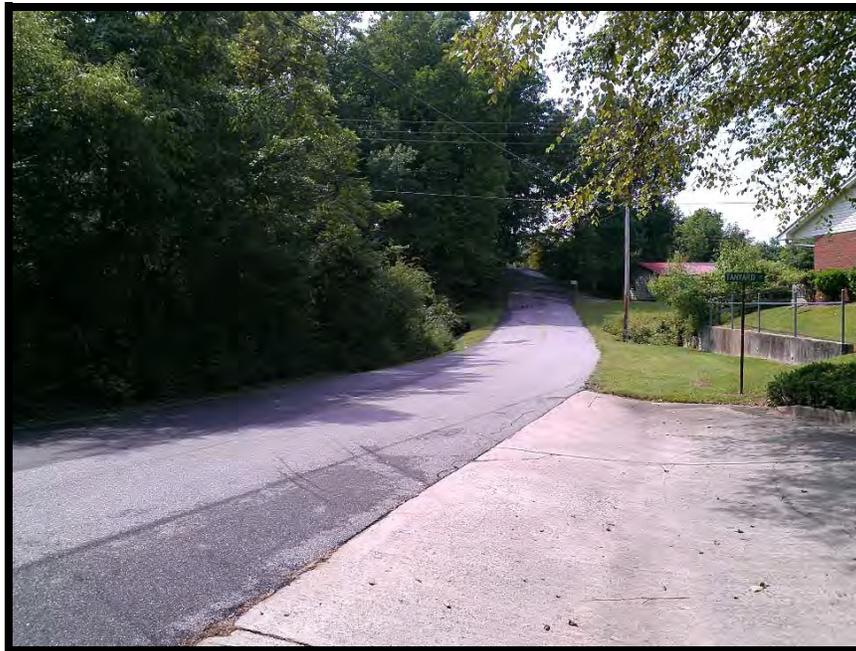
Southeast view from site



West view from site



Streetscape



West view on Cook Street



East view on Cook Street



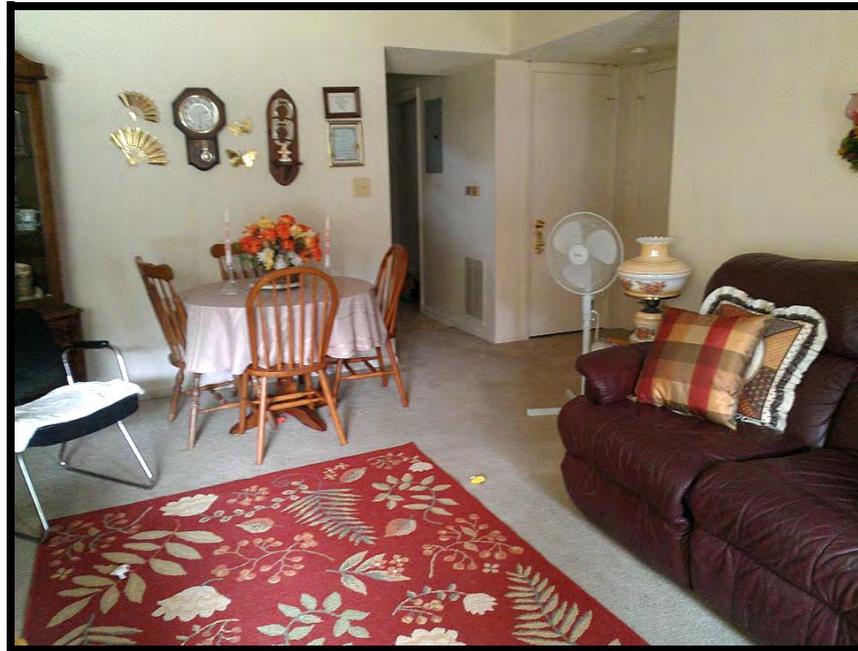
Site Laundry



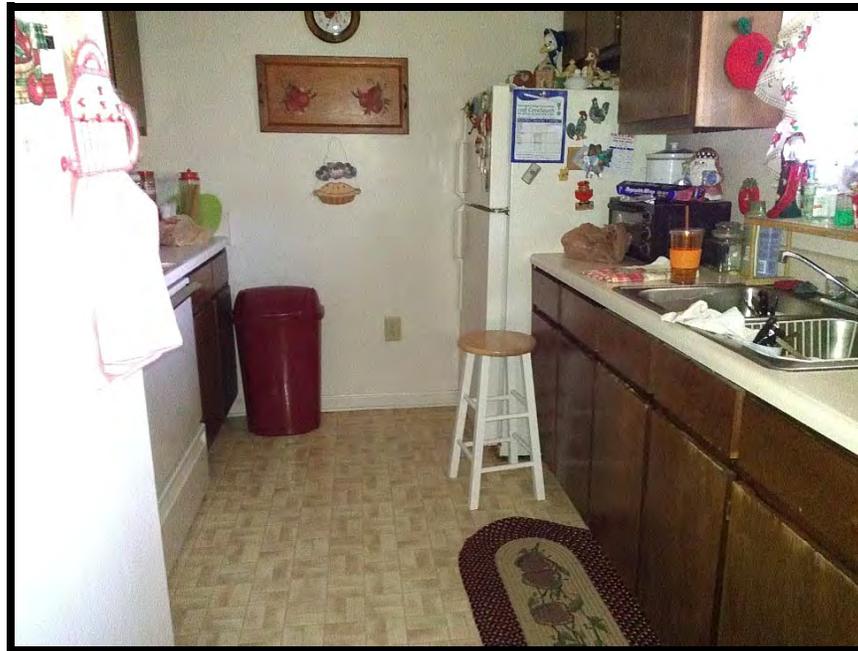
Site Community Room



Site Picnic Area



Typical living room in one-bedroom unit



Typical kitchen in one-bedroom unit



Typical bedroom in one-bedroom unit



Typical bathroom in one-bedroom unit



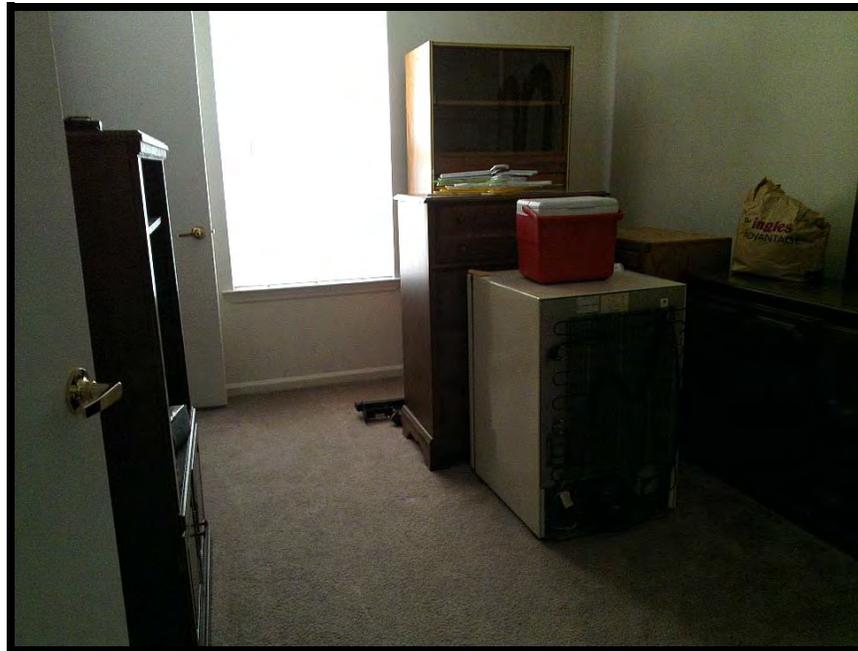
Typical living room in two-bedroom unit



Typical kitchen in two-bedroom unit



Typical bedroom in two-bedroom unit



Typical bedroom in two-bedroom unit



Typical bathroom in two-bedroom unit

## 5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

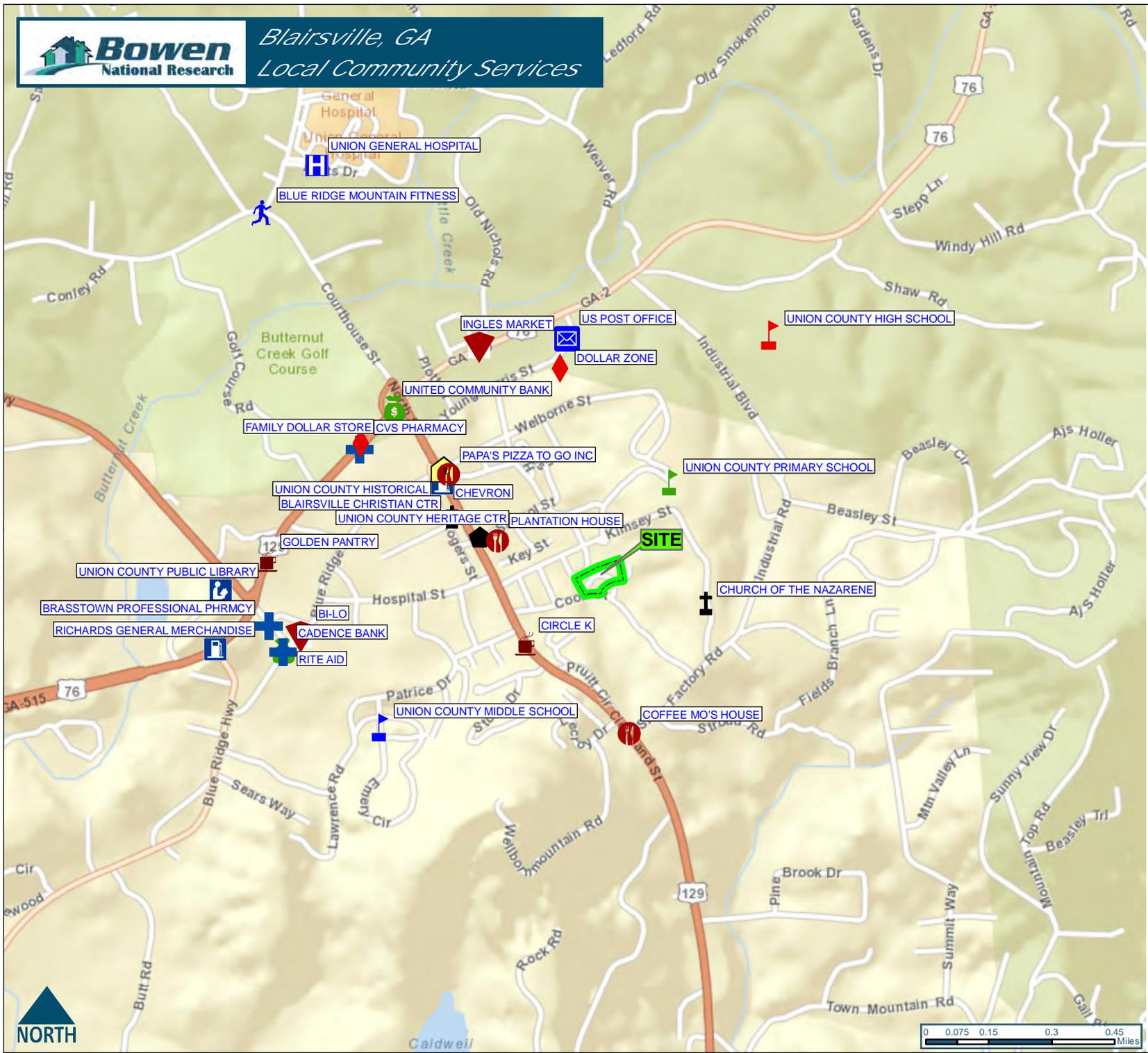
Community Services	Name	Driving Distance From Site (Miles)
Major Highway	U.S. Highway 19/129	0.2 West
Public Bus Stop	Union County Transit	On-Site
Major Employers/Employment Centers	Union County Hospital Union County School District Walmart Supercenter	1.4 Northwest 0.6 Northeast 3.1 West
Convenience Store	Circle K Golden Pantry	0.3 Southwest 1.0 West
Grocery	Bi-Lo Ingles Market	0.8 West 1.1 Northwest
Discount Department Store	Dollar Zone Family Dollar Store Walmart Supercenter	0.8 North 0.9 Northwest 3.1 West
Hospital	Union General Hospital	1.4 Northwest
Police	Blairsville Police Department	0.5 Northwest
Fire	Union County Fire Department Station #1	0.3 South
Post Office	U.S. Post Office	0.9 North
Bank	United Community Bank Cadence Bank	0.8 Northwest 0.8 West
Senior Center	Union County Senior Center	1.5 West
Gas Station	Chevron Richards General Merchandise	0.5 Northwest 1.0 West
Pharmacy	Rite Aid Brasstown Professional Pharmacy CVS Pharmacy	0.8 West 0.8 West 1.1 Northwest
Restaurant	Plantation House Coffee Mo's House Papa's Pizza To Go	0.5 West 0.5 South 0.6 Northwest
Day Care	Lil' Dears Miss Julie's Childcare	1.4 South 5.9 Southwest
Library	Union County Public Library	1.0 West
Fitness Center	Blue Ridge Mountain Fitness	1.2 Northwest
Historic Site	Union County Heritage Center	0.4 West
Museum	Union County Historical	0.6 Northwest
College/University	Georgia Technical College	1.4 West

The subject site is within 1.0 mile of downtown Blairsville where a majority of the local community services are located. Notably, Bi-Lo and Ingles Market grocery stores, as well as three pharmacies and two discount department stores, are located within 1.1 miles of the site. Additionally, a Wal-Mart Supercenter is located within 3.1 miles of the site. Other notable community services located within 3.0 miles of the site include but may not be limited to restaurants, banks, a library, a post office and a senior center. It should also be noted that many of the community services within the Blairsville area are also accessible via public transportation provided through Union County Transit. This public transportation service is an on-call service available Monday through Friday with a cost of \$3.00 for the first mile and \$.50 for each additional mile. This convenient accessibility of public transportation is considered beneficial to the targeted senior population (age 62 and older) at the subject project.

Public safety services are provided by the Blairsville Police Department and Station #1 of the Union County Fire Department, which are located 0.5 miles and 0.3 miles from the subject site, respectively. Additionally, the Union County Hospital is the nearest full-service hospital and is located along Nursing Home Circle 1.4 miles north of the subject project.

Overall, the subject project's proximity to most basic community and public safety services, as well as the convenient accessibility of public transportation should contribute to the project's continued marketability following renovations.

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



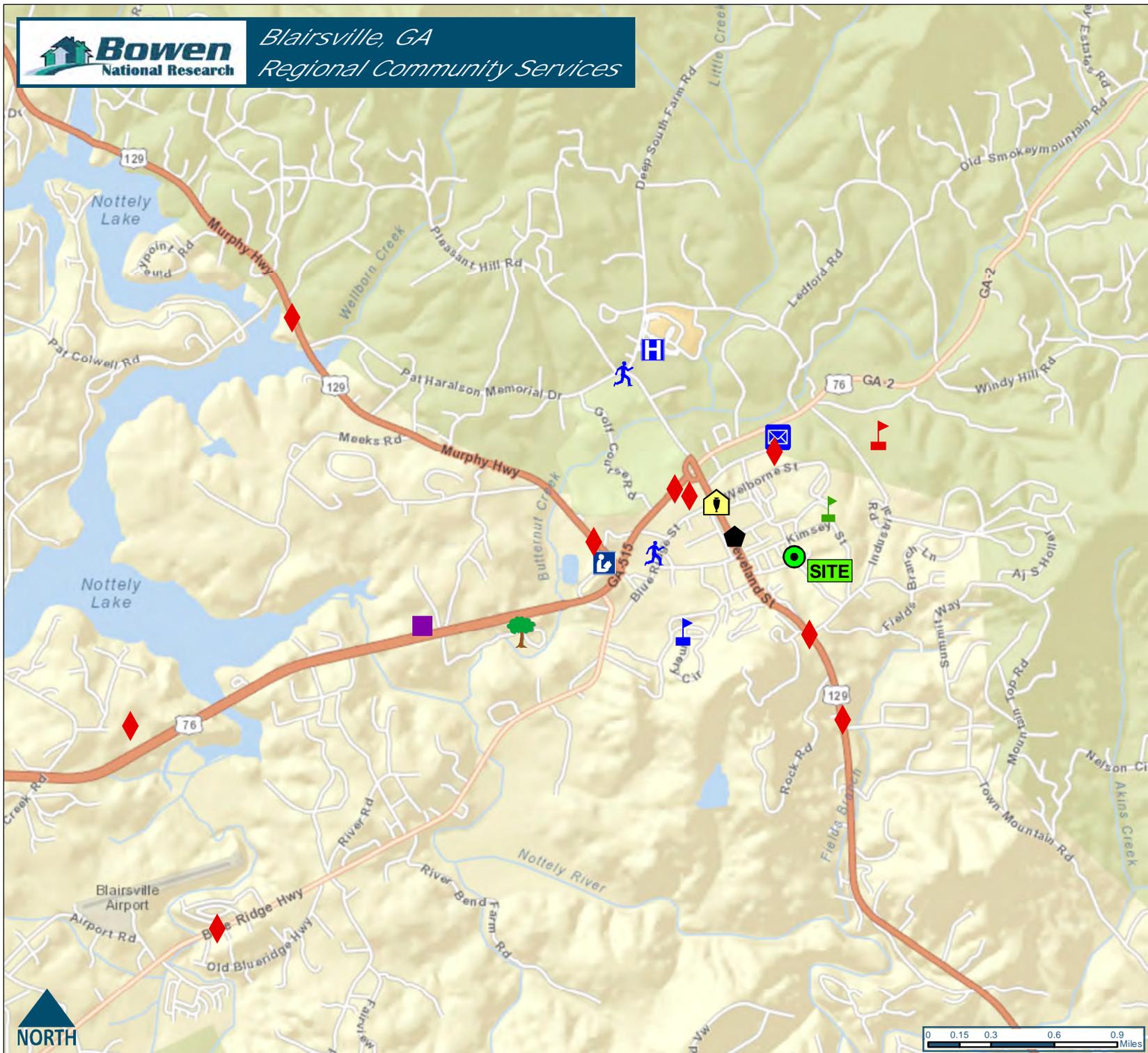
*Legend*

-  Site Area
-  bank
-  church
-  convenience store
-  elementary school
-  fitness center
-  gas
-  grocery
-  high school
-  historic sites
-  hospital
-  library
-  museum
-  pharmacy
-  post office
-  restaurant
-  shopping



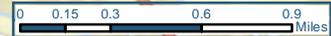


Blairsville, GA  
Regional Community Services



Legend

- Site
- elementary school
- fitness center
- high school
- historic sites
- hospital
- library
- middle school
- museum
- park
- post office
- senior services
- shopping



1:40,000

## 6. 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 (34) for the Site PMA is below the national average with an overall personal crime index of 29 and a property crime index of 34. Total crime risk (36) for Union County is below the national average with indexes for personal and property crime of 30 and 37, respectively.

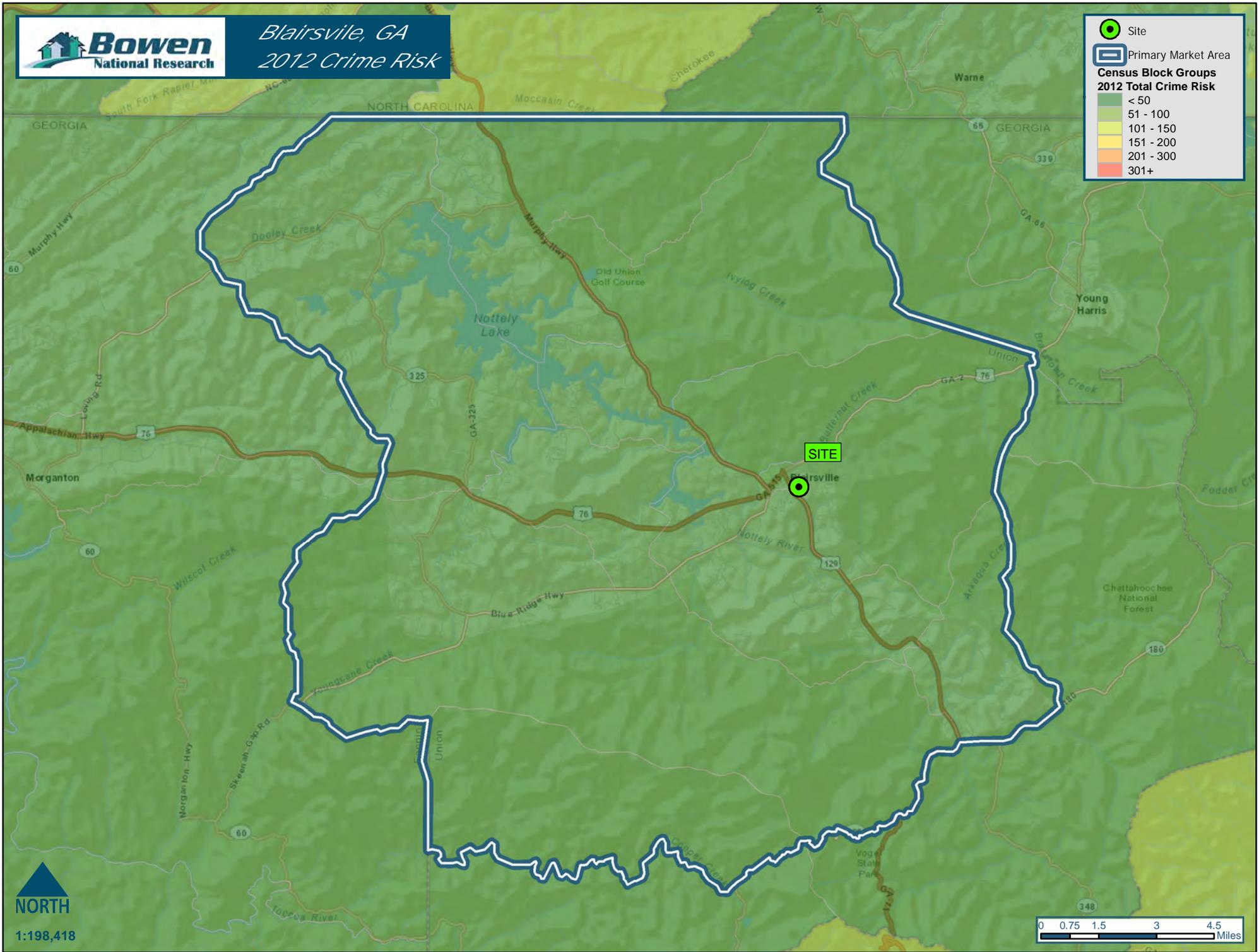
	Crime Risk Index	
	Site PMA	Union County
<b>Total Crime</b>	<b>34</b>	<b>36</b>
<b>Personal Crime</b>	<b>29</b>	<b>30</b>
Murder	36	48
Rape	23	22
Robbery	6	6
Assault	50	45
<b>Property Crime</b>	<b>34</b>	<b>37</b>
Burglary	60	62
Larceny	29	33
Motor Vehicle Theft	16	19

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime index reported for the Site PMA is similar to that reported for Union County. Notably, each of these reported crime rates are considered very low, as they are less than half that of the national average (100). These low crime rates have likely created a low perception of crime within the Site PMA which should contribute to the continued marketability of the subject project following renovations, as most area residents likely perceive the immediate site neighborhood to be a safe living environment.

A map illustrating crime risk is on the following page.

-  Site
-  Primary Market Area
- Census Block Groups**
- 2012 Total Crime Risk**
-  < 50
-  51 - 100
-  101 - 150
-  151 - 200
-  201 - 300
-  301+



## **7. OVERALL SITE EVALUATION**

The subject project is located within an established area of Blairsville, which is comprised primarily of single-family and multifamily residential structures which were generally observed to be in average condition. Though it should be noted that two single-family homes near the site are considered to be in relatively poor condition and contain multiple abandoned/inoperable vehicles which are scattered throughout each of these properties. However, these maintenance deferred properties near the site have not had a negative impact on marketability of the subject site based on the minimal number of vacant units currently reported at the subject project. As such, these two existing structures are not considered to be a nuisance that would adversely impact the continued marketability of the subject project following renovations. Further, visibility and access of the subject project are each considered good, as the subject site is clearly visible and easily accessible from Cook Street, a lightly traveled roadway bordering the site to the south. The subject site is also within proximity of numerous community and public safety services which should contribute to the subject project's continued marketability following renovations. Further, many of these nearby community services are also accessible via an on-call public transportation service provided by Union County Transit. Overall, the subject project's clear visibility, convenient accessibility and proximity to most basic community and public safety services should contribute to the continued marketability of the subject project following renovations.

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

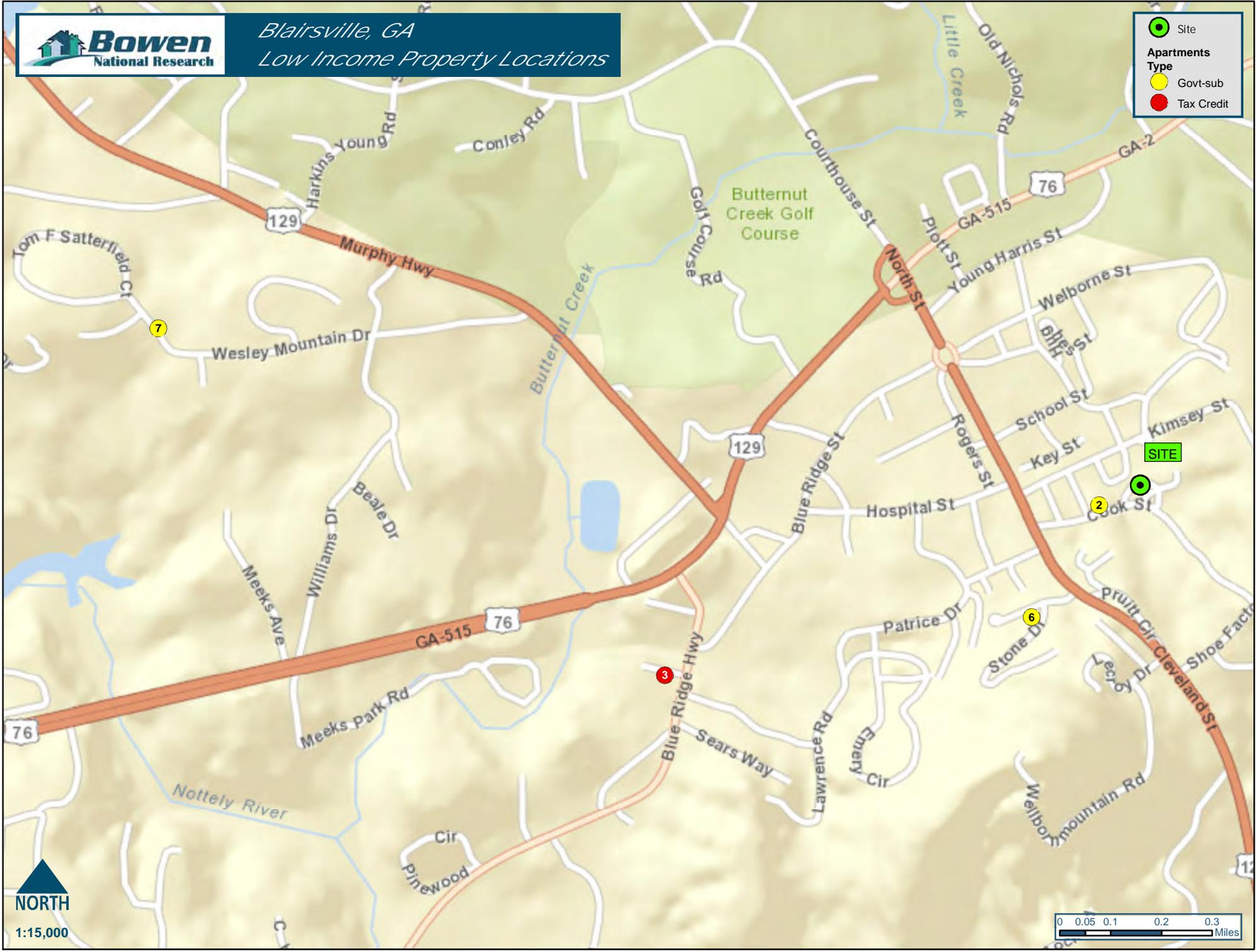
A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.



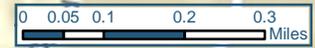
Blairsville, GA  
Low Income Property Locations

Legend:

- Site (Green circle with black outline)
- Apartments Type
  - Govt-sub (Yellow circle)
  - Tax Credit (Red circle)



NORTH  
1:15,000



## SECTION D – PRIMARY MARKET AREA DELINEATION

The Site Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters are expected to be drawn from. It is also the geographic area expected to generate the most demographic support for the subject development. The Blairsville Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, government officials, economic development representatives 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 Blairsville Site PMA includes the entire town of Blairsville, as well as some outlying unincorporated areas of Union County. The boundaries of the Site PMA generally include the Georgia state line to the north; the Union County boundary, Trackrock Gap Road and Town Creek School Road to the east; State Route 180 and Cooper Creek Road to the south and the Union County boundary to the west.

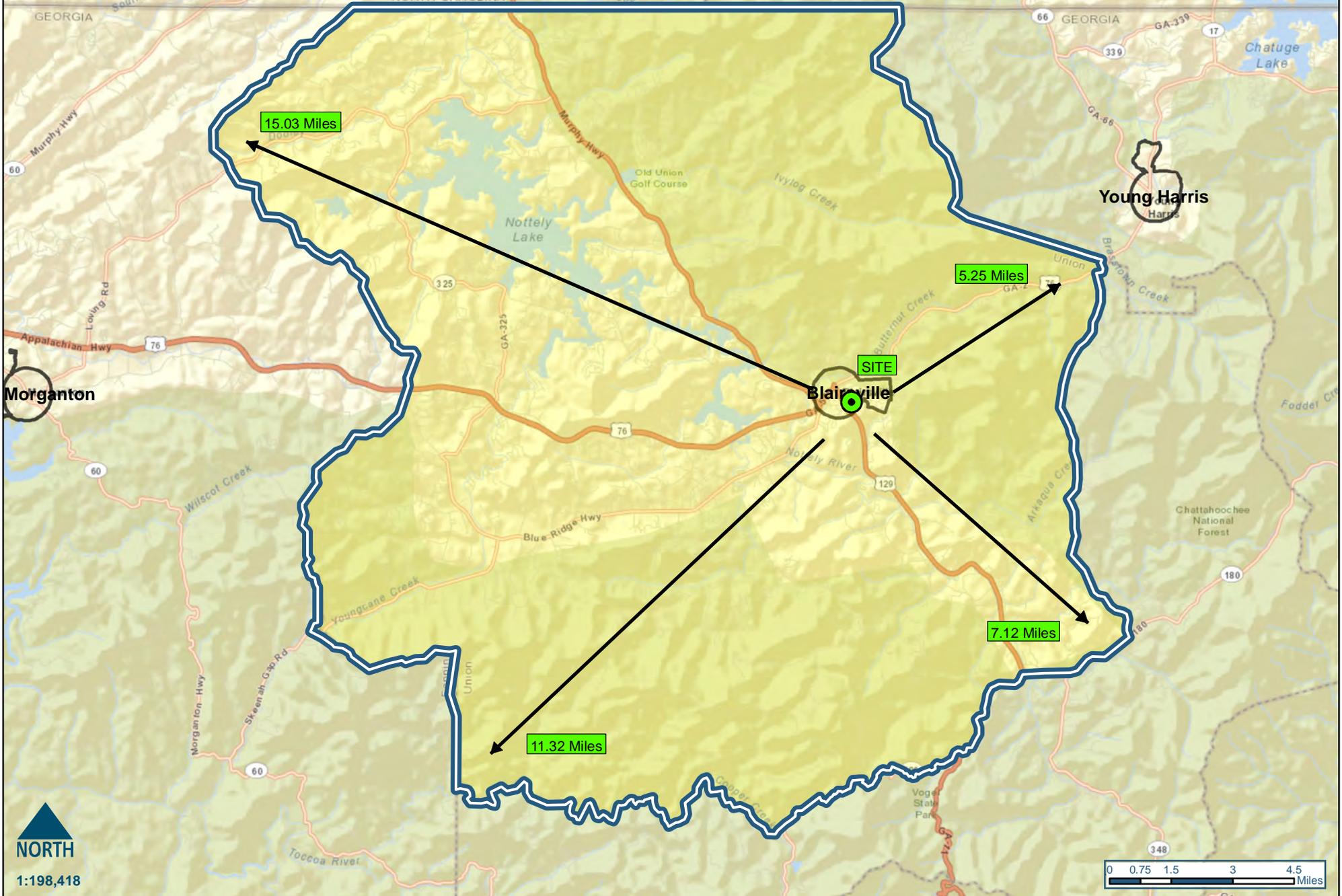
Debbie Reed, manager of the subject site, stated that a majority of the site's tenants are from the immediate Blairsville area. Ms. Reed stated that they do not get many tenants from the Hiwassee area northeast of the Site PMA, as this area consists primarily of households with higher incomes that do not generally qualify for affordable or subsidized housing such as that offered at the subject project. Ms. Reed also stated that the Young Harris area is closer in proximity than Hiwassee; however, this area is primarily a college town with most renters being college students that would not qualify for affordable and or subsidized housing. Ms. Reed confirmed the Site PMA, stating that most residents of her project generally originate from the town of Blairsville and the immediate surrounding areas of unincorporated Union County.

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



*Blairsville, GA  
Primary Market Area*

● Site  
▭ Primary Market Area



**NORTH**  
1:198,418



## SECTION E – COMMUNITY DEMOGRAPHIC DATA

### 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	15,511	19,205	19,982	20,234
Population Change	-	3,694	777	252
Percent Change	-	23.8%	4.0%	1.3%

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

The Blairsville Site PMA population base increased by 3,694 between 2000 and 2010. This represents a 23.8% increase over the 2000 population, or an annual rate of 2.2%. Between 2010 and 2013, the population increased by 777, or 4.0%. It is projected that the population will increase by 252, or 1.3%, 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	3,884	20.2%	3,893	19.5%	3,880	19.2%	-13	-0.3%
20 to 24	798	4.2%	818	4.1%	794	3.9%	-24	-2.9%
25 to 34	1,559	8.1%	1,624	8.1%	1,631	8.1%	7	0.4%
35 to 44	2,019	10.5%	2,000	10.0%	1,981	9.8%	-19	-1.0%
45 to 54	2,664	13.9%	2,610	13.1%	2,531	12.5%	-78	-3.0%
55 to 64	3,261	17.0%	3,524	17.6%	3,593	17.8%	70	2.0%
65 to 74	2,920	15.2%	3,316	16.6%	3,577	17.7%	261	7.9%
75 & Over	2,098	10.9%	2,196	11.0%	2,245	11.1%	50	2.3%
Total	19,205	100.0%	19,982	100.0%	20,234	100.0%	252	1.3%

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

As the preceding table illustrates, over 45% of the population is expected to be age 55 and older in 2013. Given that the subject project is restricted to seniors age 62 and older, this age group will likely represent a significant number of the tenants. Also note that all senior age cohorts (ages 55 and older) are projected to experience population growth between 2013 and 2015, as illustrated in the preceding table.

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2013 (Estimated)	2015 (Projected)
Elderly (Age 62+)	6,069	6,662	7,002
Non-Elderly	13,136	13,320	13,232
Total	19,205	19,982	20,234

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

The elderly population is projected to increase by 340, or 5.1%, between 2013 and 2015. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing within the Site PMA.

## 2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	6,381	8,129	8,446	8,587
Household Change	-	1,748	317	141
Percent Change	-	27.4%	3.9%	1.7%
Household Size	2.43	2.36	2.32	2.31

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

Within the Blairsville Site PMA, households increased by 1,748 (27.4%) between 2000 and 2010. Between 2010 and 2013, households increased by 317 or 3.9%. By 2015, there will be 8,587 households, an increase of 141 households, or 1.7% over 2013 levels. This is an increase of approximately 71 households annually over the next two years. This is considered good household growth and will likely result in increased housing demand within the Site PMA.

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	165	2.1%	163	1.9%	158	1.8%	-5	-3.2%
25 to 34	585	7.5%	622	7.4%	623	7.3%	1	0.2%
35 to 44	941	12.0%	942	11.2%	929	10.8%	-13	-1.4%
45 to 54	1,411	18.0%	1,404	16.6%	1,357	15.8%	-47	-3.4%
55 to 64	1,706	21.7%	1,886	22.3%	1,917	22.3%	31	1.6%
65 to 74	1,696	21.6%	1,982	23.5%	2,129	24.8%	147	7.4%
75 to 84	989	12.6%	1,093	12.9%	1,094	12.7%	1	0.1%
85 & Over	349	4.4%	353	4.2%	380	4.4%	27	7.6%
Total	7,843	100.0%	8,446	100.0%	8,587	100.0%	141	1.7%

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

As the preceding table illustrates, each of the senior age cohorts (age 55 and older) within the Site PMA are projected to experience household growth between 2013 and 2015. This will likely increase demand for senior-oriented housing within the Site PMA.

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)	3,378	41.6%	3,301	39.1%	3,285	38.3%
Owner-Occupied (Age 62+)	3,069	37.8%	3,340	39.6%	3,491	40.7%
Renter-Occupied (<Age 62)	1,147	14.1%	1,201	14.2%	1,173	13.7%
Renter-Occupied (Age 62+)	535	6.6%	604	7.1%	637	7.4%
Total	8,129	100.0%	8,446	100.0%	8,587	100.0%

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

Currently, 7.1% of all occupied housing units within the Site PMA are occupied by renters age 62 and older.

Households by tenure for the general demographic, as well as those ages 62 and older are distributed in the following tables:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,447	79.3%	6,641	78.6%	6,777	78.9%
Renter-Occupied	1,682	20.7%	1,804	21.4%	1,810	21.1%
Total	8,129	100.0%	8,446	100.0%	8,587	100.0%

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

Tenure Age 62+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	3,069	85.2%	3,340	84.7%	3,491	84.6%
Renter-Occupied	535	14.8%	604	15.3%	637	15.4%
Total	3,603	100.0%	3,944	100.0%	4,128	100.0%

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

A total of 604 (15.3%) of all households age 62 and older within the Site PMA are estimated to be renters in 2013. Notably, this number of senior renter households (age 62 and older) within the Site PMA is projected to increase by 33 households between 2013 and 2015.

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2013 estimates and 2015 projections, were distributed as follows:

Persons Per Renter Household Age 62+	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	369	61.2%	390	61.3%	21	5.7%
2 Persons	146	24.2%	155	24.4%	9	6.2%
3 Persons	15	2.4%	15	2.4%	1	5.5%
4 Persons	21	3.4%	22	3.4%	1	5.3%
5 Persons+	53	8.7%	54	8.5%	1	2.7%
Total	604	100.0%	637	100.0%	34	5.6%

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

Persons Per Owner Household Age 62+	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,066	31.9%	1,106	31.7%	40	3.7%
2 Persons	1,868	55.9%	1,953	55.9%	85	4.6%
3 Persons	249	7.4%	258	7.4%	10	3.9%
4 Persons	95	2.9%	103	2.9%	8	7.9%
5 Persons+	63	1.9%	71	2.0%	9	14.2%
Total	3,340	100.0%	3,491	100.0%	151	4.5%

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

The one- and two-bedroom units offered at the subject project will continue targeting one- and two-person senior households (age 62 and older) following renovations. Notably, one- and two-person senior renter households (age 62 and older) are estimated to comprise more than 85.0% of all senior renter households (age 62 and older) within the Site PMA in 2013. As such, the subject project will be able to accommodate most senior renter households (age 62 and older) within Site PMA based on size.

The distribution of households by income within the Blairsville Site PMA is summarized as follows:

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	828	10.2%	1,289	15.3%	1,370	16.0%
\$10,000 to \$19,999	1,102	13.6%	1,467	17.4%	1,537	17.9%
\$20,000 to \$29,999	1,070	13.2%	1,289	15.3%	1,344	15.7%
\$30,000 to \$39,999	1,013	12.5%	1,091	12.9%	1,127	13.1%
\$40,000 to \$49,999	916	11.3%	893	10.6%	902	10.5%
\$50,000 to \$59,999	759	9.3%	658	7.8%	613	7.1%
\$60,000 to \$74,999	786	9.7%	531	6.3%	519	6.0%
\$75,000 to \$99,999	637	7.8%	520	6.2%	517	6.0%
\$100,000 to \$124,999	411	5.1%	323	3.8%	286	3.3%
\$125,000 to \$149,999	265	3.3%	97	1.1%	101	1.2%
\$150,000 to \$199,999	152	1.9%	156	1.8%	144	1.7%
\$200,000 & Over	192	2.4%	132	1.6%	128	1.5%
Total	8,129	100.0%	8,446	100.0%	8,587	100.0%
Median Income	\$40,567		\$31,633		\$30,374	

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

In 2010, the median household income was \$40,567. This declined by 22.0% to \$31,633 in 2013. By 2015, it is projected that the median household income will be \$30,374, a decline of 4.0% from 2013.

The distribution of households by income age 62 and older within the Blairsville Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	437	12.1%	706	17.9%	770	18.7%
\$10,000 to \$19,999	602	16.7%	784	19.9%	843	20.4%
\$20,000 to \$29,999	538	14.9%	709	18.0%	748	18.1%
\$30,000 to \$39,999	542	15.0%	494	12.5%	526	12.7%
\$40,000 to \$49,999	382	10.6%	388	9.8%	403	9.8%
\$50,000 to \$59,999	279	7.8%	277	7.0%	260	6.3%
\$60,000 to \$74,999	323	9.0%	181	4.6%	182	4.4%
\$75,000 to \$99,999	177	4.9%	184	4.7%	189	4.6%
\$100,000 to \$124,999	138	3.8%	103	2.6%	92	2.2%
\$125,000 to \$149,999	100	2.8%	28	0.7%	31	0.7%
\$150,000 to \$199,999	37	1.0%	57	1.4%	53	1.3%
\$200,000 & Over	47	1.3%	33	0.8%	31	0.8%
Total	3,603	100.0%	3,944	100.0%	4,128	100.0%
Median Income	\$34,139		\$26,792		\$26,028	

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

In 2010, the median household income for households age 62 and older was \$34,139. This declined by 21.5% to \$26,792 in 2013. By 2015, it is projected that the median household income will be \$26,028, a decline of 2.9% from 2013.

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2013 and 2015 for the Blairsville Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	112	6	2	2	0	121
\$10,000 to \$19,999	47	26	1	1	3	79
\$20,000 to \$29,999	45	57	2	3	1	109
\$30,000 to \$39,999	35	26	3	1	34	98
\$40,000 to \$49,999	10	6	0	2	4	21
\$50,000 to \$59,999	9	8	1	1	3	22
\$60,000 to \$74,999	10	2	1	2	5	19
\$75,000 to \$99,999	20	3	0	4	2	29
\$100,000 to \$124,999	12	2	0	1	8	23
\$125,000 to \$149,999	1	0	1	0	2	4
\$150,000 to \$199,999	1	1	0	0	2	4
\$200,000 & Over	1	0	2	0	1	4
Total	303	138	11	17	66	535

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	175	6	2	4	2	190
\$10,000 to \$19,999	69	32	2	5	3	110
\$20,000 to \$29,999	52	71	2	3	4	131
\$30,000 to \$39,999	20	20	2	1	25	68
\$40,000 to \$49,999	13	3	1	2	2	22
\$50,000 to \$59,999	10	4	1	2	3	20
\$60,000 to \$74,999	5	1	1	0	2	8
\$75,000 to \$99,999	14	5	2	2	1	24
\$100,000 to \$124,999	5	2	0	1	6	16
\$125,000 to \$149,999	0	0	2	0	0	3
\$150,000 to \$199,999	3	1	1	1	2	8
\$200,000 & Over	2	0	0	0	2	4
Total	369	146	15	21	53	604

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2015 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	191	7	2	3	2	206
\$10,000 to \$19,999	74	35	1	5	3	119
\$20,000 to \$29,999	55	75	2	2	2	137
\$30,000 to \$39,999	19	21	2	2	27	71
\$40,000 to \$49,999	13	4	1	1	2	21
\$50,000 to \$59,999	8	4	0	3	3	18
\$60,000 to \$74,999	4	1	1	0	3	9
\$75,000 to \$99,999	15	5	2	2	2	26
\$100,000 to \$124,999	4	2	1	2	4	14
\$125,000 to \$149,999	1	0	2	1	1	5
\$150,000 to \$199,999	3	1	1	1	2	8
\$200,000 & Over	2	0	0	0	1	3
Total	390	155	15	22	54	637

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2013 and 2015 for the Blairsville Site PMA:

Owner Age 62+ Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	226	77	7	3	2	316
\$10,000 to \$19,999	322	175	20	5	1	522
\$20,000 to \$29,999	155	239	28	3	4	430
\$30,000 to \$39,999	59	356	10	16	3	444
\$40,000 to \$49,999	87	223	44	7	0	361
\$50,000 to \$59,999	38	156	56	4	4	258
\$60,000 to \$74,999	60	225	15	2	3	304
\$75,000 to \$99,999	25	102	12	8	2	148
\$100,000 to \$124,999	24	75	13	1	2	115
\$125,000 to \$149,999	16	71	7	1	0	96
\$150,000 to \$199,999	5	17	0	7	4	33
\$200,000 & Over	33	9	0	0	0	43
Total	1,050	1,723	213	57	26	3,069

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	317	157	18	14	11	517
\$10,000 to \$19,999	363	259	33	12	8	674
\$20,000 to \$29,999	173	357	30	8	9	577
\$30,000 to \$39,999	49	340	10	20	7	426
\$40,000 to \$49,999	59	235	61	7	4	367
\$50,000 to \$59,999	21	178	49	5	4	257
\$60,000 to \$74,999	26	120	17	3	6	172
\$75,000 to \$99,999	19	111	18	9	5	161
\$100,000 to \$124,999	6	65	9	2	5	87
\$125,000 to \$149,999	2	19	1	0	2	25
\$150,000 to \$199,999	9	21	2	14	3	49
\$200,000 & Over	23	6	0	0	0	29
Total	1,066	1,868	249	95	63	3,340

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	340	174	20	16	14	564
\$10,000 to \$19,999	379	286	34	14	10	724
\$20,000 to \$29,999	178	379	35	9	10	612
\$30,000 to \$39,999	50	362	11	22	8	454
\$40,000 to \$49,999	58	245	65	8	6	382
\$50,000 to \$59,999	18	166	46	6	6	242
\$60,000 to \$74,999	25	123	17	2	6	173
\$75,000 to \$99,999	18	113	19	10	4	164
\$100,000 to \$124,999	5	59	9	2	4	79
\$125,000 to \$149,999	2	20	1	0	2	25
\$150,000 to \$199,999	11	18	3	12	1	45
\$200,000 & Over	21	6	0	1	0	28
Total	1,106	1,953	258	103	71	3,491

Source: Ribbon Demographics; ESRI; Urban Decision Group

Between 2013 and 2015 the Blairsville Site PMA is projected to experience both population and household growth. Specifically, the total population within the Site PMA is projected to increase by 252 (1.3%) while the total number of households will increase by 141 (1.7%) during this time period. Notably, each senior age cohort (ages 55 and older) within the Site PMA is projected to experience both population and household growth between 2013 and 2015. Notably, senior renter households (age 62 and older) are projected to increase by 33 households during this same time period. Overall, these positive senior demographic trends are indicative of an expanding base of age-appropriate potential support for the subject project within the Site PMA.

## SECTION F – ECONOMIC TRENDS

### 1. LABOR FORCE PROFILE

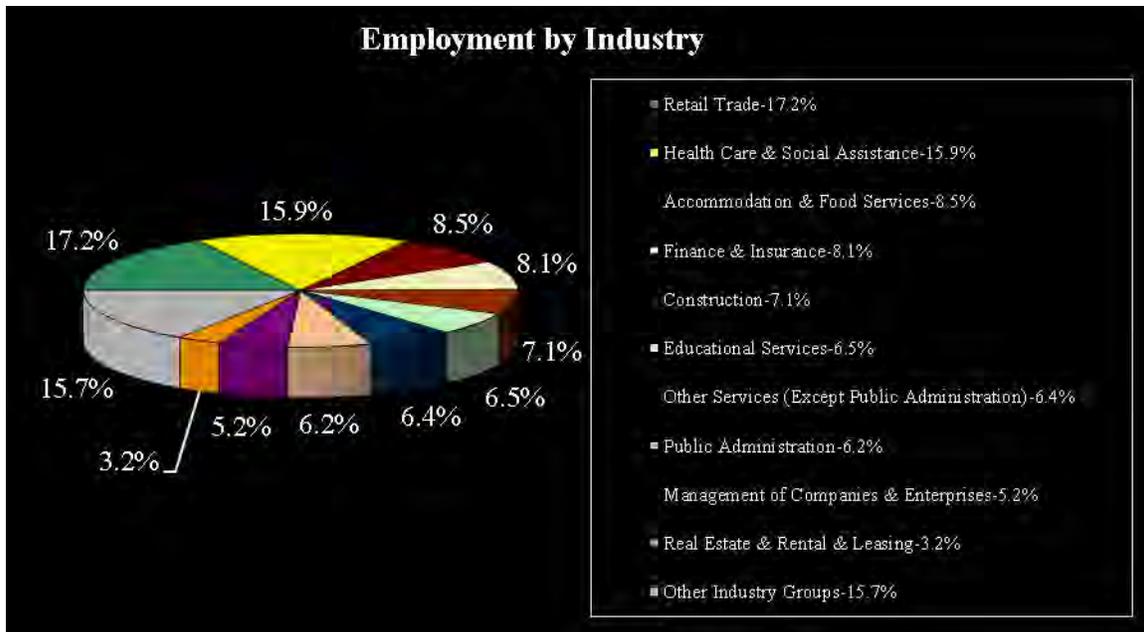
The labor force within the Blairsville Site PMA is based primarily in two sectors. Retail Trade (which comprises 17.2%) and Health Care & Social Assistance comprise over 33% of the Site PMA labor force. Employment in the Blairsville Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	10	0.9%	120	1.6%	12.0
Mining	2	0.2%	16	0.2%	8.0
Utilities	8	0.7%	42	0.6%	5.3
Construction	122	10.8%	538	7.1%	4.4
Manufacturing	38	3.4%	213	2.8%	5.6
Wholesale Trade	24	2.1%	129	1.7%	5.4
Retail Trade	236	20.9%	1,308	17.2%	5.5
Transportation & Warehousing	19	1.7%	105	1.4%	5.5
Information	11	1.0%	54	0.7%	4.9
Finance & Insurance	55	4.9%	619	8.1%	11.3
Real Estate & Rental & Leasing	61	5.4%	246	3.2%	4.0
Professional, Scientific & Technical Services	63	5.6%	244	3.2%	3.9
Management of Companies & Enterprises	1	0.1%	392	5.2%	392.0
Administrative, Support, Waste Management & Remediation Services	50	4.4%	122	1.6%	2.4
Educational Services	19	1.7%	494	6.5%	26.0
Health Care & Social Assistance	85	7.5%	1,210	15.9%	14.2
Arts, Entertainment & Recreation	21	1.9%	96	1.3%	4.6
Accommodation & Food Services	74	6.6%	650	8.5%	8.8
Other Services (Except Public Administration)	151	13.4%	488	6.4%	3.2
Public Administration	60	5.3%	473	6.2%	7.9
Nonclassifiable	18	1.6%	50	0.7%	2.8
Total	1,128	100.0%	7,609	100.0%	6.7

\*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 North Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	North Georgia Nonmetropolitan Area	Georgia
Management Occupations	\$82,370	\$106,520
Business and Financial Occupations	\$54,280	\$69,720
Computer and Mathematical Occupations	\$66,470	\$76,060
Architecture and Engineering Occupations	\$57,400	\$73,630
Community and Social Service Occupations	\$36,130	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$38,230	\$48,400
Healthcare Practitioners and Technical Occupations	\$59,700	\$69,400
Healthcare Support Occupations	\$24,020	\$26,160
Protective Service Occupations	\$31,610	\$33,690
Food Preparation and Serving Related Occupations	\$18,770	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$23,420	\$23,550
Personal Care and Service Occupations	\$22,030	\$22,160
Sales and Related Occupations	\$28,280	\$35,520
Office and Administrative Support Occupations	\$29,770	\$33,110
Construction and Extraction Occupations	\$34,450	\$38,120
Installation, Maintenance and Repair Occupations	\$36,830	\$41,750
Production Occupations	\$29,870	\$31,340
Transportation and Moving Occupations	\$26,600	\$34,260

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

Most annual blue-collar salaries range from \$18,770 to \$38,230 within the North Georgia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$64,044. It is important to note that most occupational types within the North Georgia Nonmetropolitan Area have lower typical wages than the State of Georgia's typical wages. The subject project will generally target households with incomes below \$35,000. Although the subject development will target senior households (age 62 and older), many of which will likely be retired, the area employment base appears to have a large base of wage-appropriate jobs in the market from which seniors seeking employment could choose.

## 2. MAJOR EMPLOYERS

As shown below, Union County's ten largest employers employ a total of 2,439 employees. These top employers are summarized as follows:

Employer Name	Business Type	Total Employed
Union County Hospital	Hospital	600
United Community Bank	Banking	475
Union Co. Public Schools	Education	460
Wal-Mart	Retail	285
Union County Government	Government	220
Home Depot	Retail	99
Corrugated Replacements	Manufacturing	92
Fatz Restaurant	Restaurant	78
Panel Built	Manufacturing	70
Advanced Digital Cable	Manufacturing	60
<b>Total</b>		<b>2,439</b>

Source: Union County Development Authority (2013)

According to a representative with the Union County Development Authority (UCDA), Union County's economy is stable and beginning to show signs of improvement. While there was only a small number of contractions and closures within the local economy during the nationwide economic downturn, the local housing market took a sizeable hit several years ago according to this local representative.

As for specifics regarding recent expansions, Wal-Mart opened a supercenter in Blairsville in 2009, creating 285 local jobs, and Advanced Digital Cable (ADC) entered the market in late 2011, hiring 60 manufacturing workers. North Carolina-based ADC produces cabling for assorted applications and moved into a 140,000 square foot facility (formerly occupied by Applewood Doors & Windows) within the Blairsville Airport Regional Industrial Park.

Separately, UCDA is actively pursuing new businesses to locate to the area, including but not limited to a Chick-Fil-A, which will reportedly hire approximately 60 (mostly part-time) employees. With regard to manufacturing, the UCDA representative stated that approximately six new small businesses (i.e., 15 to 25 employees) are currently in the pipeline for the area, while one existing manufacturer in the area has plans to expand its current operations by hiring 50 to 75 new employees. However, according to this representative, these announcements have yet to be made public and further details regarding these announcements are not currently available.

There are also several noteworthy infrastructure projects in the county, which have been summarized as follows:

- North Georgia Network is a new, 260-mile regional fiber optic ring that was created to improve broadband service in previously underserved areas and stimulate economic development and job creation. It serves eight north Georgia counties (including Union) and is expected to benefit the existing population and industries and to attract new businesses which require broadband connections.
- There are plans to widen U.S. Highway 129 North from two lanes to four between Blairsville and the North Carolina. Fully engineered, it is not yet funded.
- A significant streetscape project is underway in Blairsville's historic downtown. The objective is to create a walkable city center that will encourage travelers along U.S. Highway 129 to stop and explore the city.

As for recent downsizings and closures, the only noteworthy activity came from Applewood Doors & Windows, which imported wooden doors and windows and had a peak workforce of 50 employees. Its headcount steadily declined between 2007 and 2010, with the company's final closure occurring in 2010. By 2011, however, its former facility became occupied by Advanced Digital Cable, Union County's newest manufacturer, which brought 60 new jobs to the area. Separately, the local branches of Appalachian Community Bank and Bank of Blairsville were closed in 2010 due to bankruptcies, but were immediately reopened under the names of Community Southern Bank and Citizens South Bank (now Park Sterling Bank). There have been no WARN notices (large-scale layoffs/closures) issued among Union County businesses since the beginning of 2012.

### 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.

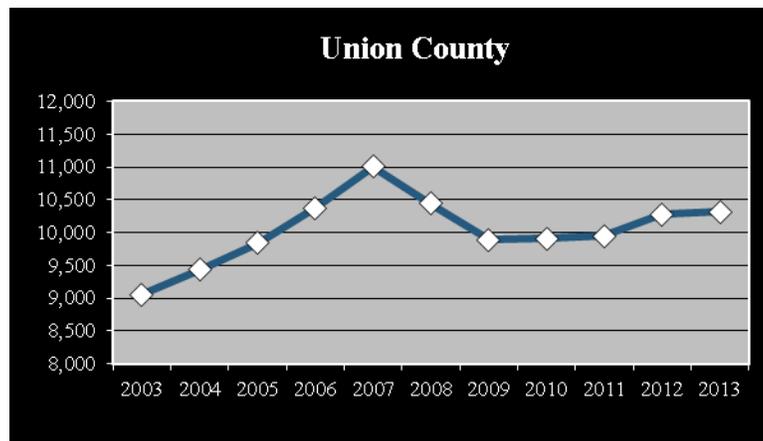
Excluding 2013, the employment base has declined by 1.5% over the past five years in Union County, less than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Union County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	9,056	-	4,173,787	-	137,936,674	-
2004	9,434	4.2%	4,249,007	1.8%	138,386,944	0.3%
2005	9,837	4.3%	4,375,178	3.0%	139,988,842	1.2%
2006	10,371	5.4%	4,500,150	2.9%	142,328,023	1.7%
2007	11,005	6.1%	4,587,739	1.9%	144,990,053	1.9%
2008	10,442	-5.1%	4,540,706	-1.0%	146,397,529	1.0%
2009	9,891	-5.3%	4,289,819	-5.5%	146,068,824	-0.2%
2010	9,909	0.2%	4,241,718	-1.1%	140,721,369	-3.7%
2011	9,944	0.4%	4,295,113	1.3%	140,483,185	-0.2%
2012	10,281	3.4%	4,371,608	1.8%	141,748,955	0.9%
2013*	10,318	0.4%	4,403,198	0.7%	141,772,241	0.0%

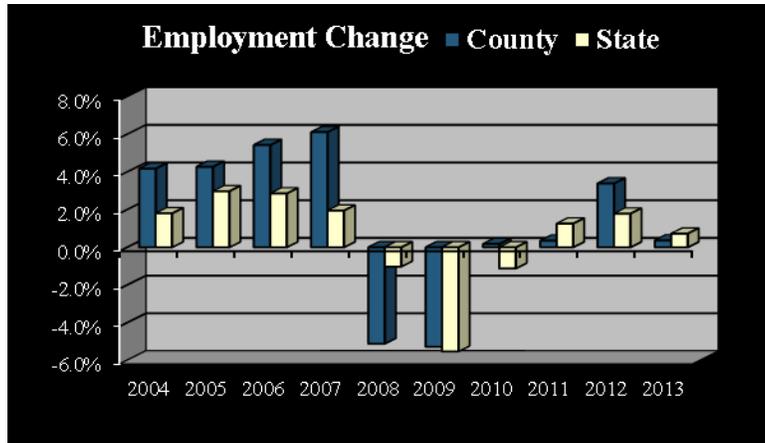
Source: Department of Labor; Bureau of Labor Statistics

\*Through July



As the preceding illustrates, the Union County employment base was negatively impacted by the national recession between 2008 and 2009, similar to most markets throughout the country. However, the employment base within Union County has increased each year since 2009 and is nearing pre-recession levels, through July of 2013.

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

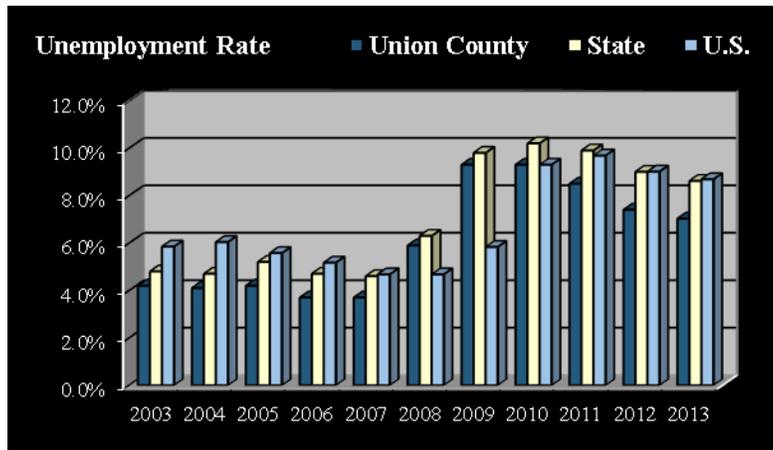


Unemployment rates for Union County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Union County	Georgia	United States
2003	4.2%	4.8%	5.8%
2004	4.1%	4.7%	6.0%
2005	4.2%	5.2%	5.6%
2006	3.7%	4.7%	5.2%
2007	3.7%	4.6%	4.7%
2008	5.9%	6.3%	4.7%
2009	9.3%	9.8%	5.8%
2010	9.3%	10.2%	9.3%
2011	8.5%	9.9%	9.7%
2012	7.4%	9.0%	9.0%
2013*	7.0%	8.6%	8.7%

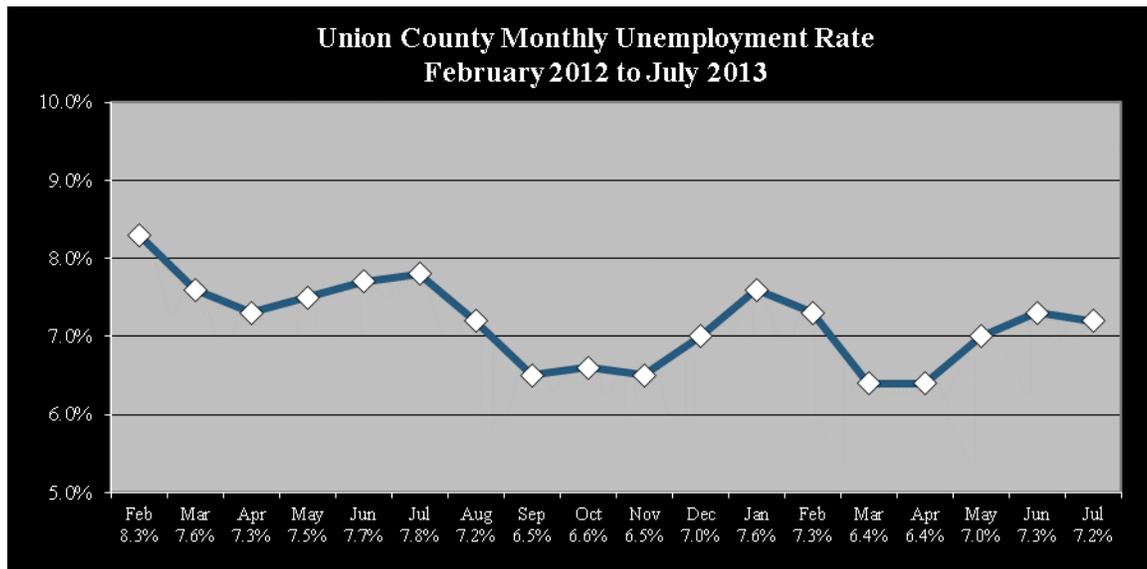
Source: Department of Labor, Bureau of Labor Statistics

\*Through July



The unemployment rate in Union County has ranged between 3.7% and 9.3%, consistently below the state average since 2003. Similar to employment base trends, the unemployment rate in Union County has improved each year since the impact of the national recession, as illustrated in the preceding tables. Also note that the Union County unemployment rate has been below both state and national averages since 2011.

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



As the preceding table illustrates, the unemployment rate within Union County has generally trended downward during the past 18-month period.

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 Union County.

Year	In-Place Employment Union County		
	Employment	Change	Percent Change
2002	5,303	-	-
2003	5,446	143	2.7%
2004	5,653	207	3.8%
2005	5,842	189	3.3%
2006	6,098	256	4.4%
2007	6,542	444	7.3%
2008	6,177	-365	-5.6%
2009	5,900	-277	-4.5%
2010	5,899	-1	0.0%
2011	5,934	35	0.6%
2012*	6,077	143	2.4%

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 Union County to be 57.7% of the total Union County employment. This means that many residents both live and work within Union County. This moderate share of in-place employment within Union County will likely contribute to the continued marketability of the subject project, as it is likely that many (if any) of the senior residents of the subject project which are still in the workforce will not have significant commute times to their place of employment.

#### 4. ECONOMIC FORECAST

According to local economic representatives, the Union County economy is stable and has shown signs of improvement since the impact of the national recession. Notably, these recent signs of improvement are further demonstrated by data provided by the U.S. Department of Labor, Bureau of Labor Statistics which indicate that both, the employment base and unemployment rate within Union County have improved since the impact of the national recession in 2009. Specifically, the employment base has increased by 427 employees since 2009 while the unemployment rate has declined by more than two full percentage points since this same time.

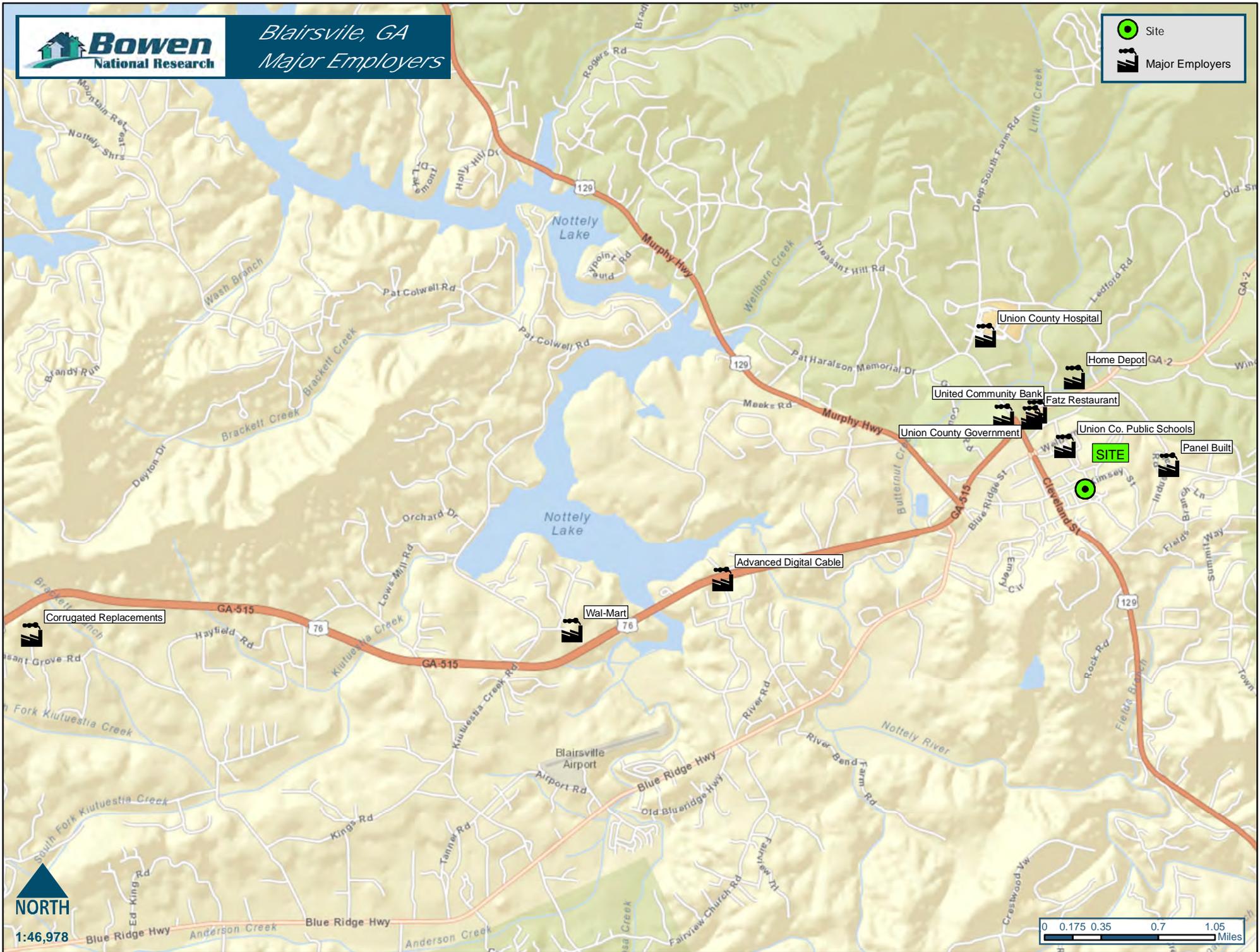
Though it should be noted that while recent economic trends indicate that the local economy is recovering from the impact of the national recession, the unemployment rate of 7.0% reported through July of 2013 is still nearly double that reported prior to the impact of the national recession (3.7% in 2007). As such, it is likely that the demand for affordable housing within the Union County area will remain high as the unemployment rate continues to trend toward pre-recession levels.

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



# Blairsville, GA Major Employers

- Site
- Major Employers



NORTH

1:46,978

0 0.175 0.35 0.7 1.05 Miles

## SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

The subject project currently operates under the income and rent requirements of the RD Section 515 program. 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 Union County, which has a median four-person household income of \$54,000 for 2013. The subject property will be restricted to senior households (age 62 and older) with incomes of up to 60% of AMHI for Union County. The following table summarizes the maximum allowable income by household size for Union County at 60% of AMHI.

Household Size	Maximum Allowable Income 60% AMHI
One-Person	\$22,680
Two-Person	\$25,920

#### a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to two-person senior households (age 62 and older). As such, the maximum allowable income at the subject site is **\$25,920**.

#### 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.

Since the subject project will retain Rental Assistance through the RD 515 program on 23 of the 25 subject units, the project could serve households with incomes as low as \$0.

However, if the units operate without the subsidy, the lowest gross Tax Credit rents would be \$576. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,912.

Applying a 40% rent-to-income ratio to the minimum annual household expenditure, yields a minimum annual household income requirement of \$17,280.

**c. Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the RD 515 program and exclusively under the Tax Credit program in the unlikely event that Rental Assistance was lost.

Unit Type	Income Range	
	Minimum	Maximum
RD & Tax Credit (Limited to 60% of AMHI) With Rental Assistance	\$0	\$25,920
Tax Credit (Limited to 60% of AMHI) Without Rental Assistance	\$17,280	\$25,920



## 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 38.4% of senior renter households (age 62 and older) with incomes below \$25,920, and approximately 28.8% of senior renter households (age 62 and older) with incomes between \$17,280 and \$25,920 in the Site PMA 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, 3.0% of all households in the Site PMA were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.*
  
  - **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 5% 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 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 proposed 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 proposed subject).

There are no LIHTC properties that were funded and/or built during the projection period (2011 to current). Additionally, there were no existing LIHTC properties operating below a stabilized occupancy of 90.0% within the Site PMA. As such, there were no existing LIHTC properties included as part of supply in our demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income			
	RD 515 60% AMHI with RA (\$0 - \$25,920)	RD 515 60% AMHI without RA (\$17,280 - \$25,920)	RD 515 Overall (\$0 - \$25,920)	Tax Credit Only Overall (\$17,280 - \$25,920)
Demand From New Households (Age- And Income-Appropriate)	406 - 378 = 28	113 - 108 = 6	406 - 378 = 29	113 - 108 = 6
+				
Demand From Existing Households (Rent Overburdened)	378 X 38.4% = 145	108 X 28.8% = 31	378 X 38.4% = 145	108 X 28.8% = 31
+				
Demand From Existing Households (Renters In Substandard Housing)	378 X 3.0% = 11	108 X 3.0% = 3	378 X 3.0% = 12	108 X 3.0% = 3
=				
Demand Subtotal	184	40	184	40
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2% of total demand	1,533 X 5.0% = 77 (3*)	525 X 5.0% = 26 (0*)	1,533 X 5.0% = 77 (3*)	525 X 5.0% = 26 (0*)
=				
Total Demand	187	40	187	40
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2011)	0	0	0	0
=				
Net Demand	187	40	187	40
Proposed Units/ Net Demand	0** / 187	2 / 40	2** / 187	25 / 40
Capture Rate	= 0.0%**	= 5.0%	= 1.1%**	= 62.5%

RA – Rental Assistance

\*Given that demand from existing homeowners cannot exceed 2% of total demand, these numbers were utilized to calculate total demand

\*\*Under this scenario, all units with Rental Assistance are assumed to be leasable. As such, all RA units have been excluded from this analysis.

If all units were vacated, with the preservation of RA, the subject project's required capture rate would be 13.4% ( $25 / 187 = 13.4\%$ ). This indicates that there will be a good base of households to draw support from if all current residents were displaced. Further, Georgia DCA guidelines dictate that all units receiving a direct or guaranteed subsidy are assumed to be leasable and should not be considered in the capture rate estimates. As such, the two (2) non-RA units at the subject development would require a 1.1% capture rate following renovations if all units were vacated. Regardless, the subject project is currently 96.0% occupied with only one vacant unit that would need to be re-rented immediately following renovations, resulting in an effective capture rate of 0.5% ( $1 / 187 = 0.5\%$ ) assuming RA is retained.

In the unlikely event that the subject project was to lose Rental Assistance and all units had to operate exclusively under the Tax Credit program, it is conservatively estimated that none of the current renters would qualify to reside at the subject project. In this scenario, the 25 units would have a required capture rate of 62.5%. This capture rate is considered high and indicates that there may be limited demographic support for the subject project if the Rental Assistance was ever lost.

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	65.0%
Two-Bedroom	35.0%
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 (65%)	60%	1*	122	0	122	0.8%*	1 Month	\$425	\$515
RD 515 Two-Bedroom (35%)	60%	1*	65	0	65	1.5%*	1 Month	\$451	\$550
Tax Credit Only One-Bedroom (65%)	60%	22	26	0	26	84.6%	> 12 Months	\$425	\$515
Tax Credit Only Two-Bedroom (35%)	60%	3	14	0	14	21.4%	6 Months	\$451	\$550

\*Under this scenario all Rental Assistance units will continue to be occupied, resulting in effective capture rates between 0.8% and 1.5%.

\*\*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.

With the preservation of Rental Assistance, the effective capture rates by bedroom type range between 0.8% and 1.5%. This assumes that non-RA units will be vacated and re-rented under Tax Credit guidelines.

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 21.4% to 84.6%. 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 Blairsville 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	8,129	67.9%	8,446	67.2%
Owner-Occupied	6,447	79.3%	6,641	78.6%
Renter-Occupied	1,682	20.7%	1,804	21.4%
Vacant	3,845	32.1%	4,120	32.8%
Total	11,974	100.0%	12,566	100.0%

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

Based on a 2013 update of the 2010 Census, of the 12,566 total housing units in the market, 32.8% were vacant. This vacancy rate is considered high and would typically indicate a weak housing market. However, the town of Blairsville is located within the northern Georgia mountains and is a popular seasonal vacation destination. As such, many of the vacant housing units are likely seasonal, thus this high share of vacant units is not likely reflective of the long-term rental housing market within the Site PMA. The vacancy status among housing units within Union County according to table B25004 of the American Community Survey (2007-2011 five year estimates) is summarized as follows:

Vacancies		
Vacancy Type	Number of Units	Percent
For Rent	206	4.3%
For-Sale Only	392	8.1%
Rented/Sold, Not Occ.	85	1.8%
Seasonal, Recreational	3,641	75.6%
Other Vacant	493	10.2%
Total	4,817	100.0%

Source: American Community Survey 5-year Estimates (2007-2011)

As illustrated in the preceding table, more than 75.0% of the vacant housing units within Union County were classified as seasonal or recreational, further indicating that the high share of vacant units reported within the Site PMA are not likely reflective of the long-term rental housing market within the Blairsville Site PMA. However, in order to determine if the long-term rental housing market within the Blairsville Site PMA has been negatively impacted by the rise in vacant housing units, we have conducted a field survey of area apartments.

We identified and personally surveyed seven conventional housing projects containing a total of 281 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 96.8%, a good rate for rental housing. Among these projects, three are non-subsidized (market-rate and Tax Credit) projects containing 74 units. These non-subsidized units are 94.6% occupied. The remaining four projects contain 207 government-subsidized units, which are 97.6% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	2	18	0	100.0%
Tax Credit	1	56	4	92.9%
Government-Subsidized	4	207	5	97.6%
Total	7	281	9	96.8%

As the preceding table illustrates, each of the rental housing segments within the Blairsville Site PMA are performing near or above a stable occupancy rate of 93.0%. Note that while the non-subsidized Tax Credit segment currently reports the lowest occupancy rate among all rental housing segments within the market, there are only four vacant non-subsidized Tax Credit units in the market. Considering this minimal number of vacant units, it appears that non-subsidized Tax Credit product has been well received within the market. It should further be noted that following renovations, the subject project will be the only subsidized Tax Credit property in the market. This will likely create a marketing advantage for the subject project as it will offer a rental alternative that is not currently available within the market.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	8	44.4%	0	0.0%	\$543
Two-Bedroom	1.0	8	44.4%	0	0.0%	\$652
Two-Bedroom	2.0	2	11.1%	0	0.0%	\$652
<b>Total Market-rate</b>		<b>18</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.5	17	30.4%	2	11.8%	\$541
Three-Bedroom	2.0	30	53.6%	2	6.7%	\$623
Four-Bedroom	2.0	9	16.1%	0	0.0%	\$851
<b>Total Tax Credit</b>		<b>56</b>	<b>100.0%</b>	<b>4</b>	<b>7.1%</b>	-

The market-rate units are 100.0% occupied and the Tax Credit units are 92.9% occupied. Although the market-rate units within the market currently report a higher occupancy rate than the non-subsidized Tax Credit units in the market, this is likely attributed to the small number of market-rate units available (18) within the Site PMA. Further, as the preceding table illustrates the median gross Tax Credit rents reported within the Site PMA are significantly less than the median gross market-rate rents reported among similar bedroom types. As such, it is likely that non-subsidized Tax Credit product is viewed as a significant value within the market.

We rated each property surveyed on a scale of “A” through “F”. All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	8	0.0%
B-	1	10	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	56	7.1%

While vacancies are highest among non-subsidized Tax Credit product in the market, it should be reiterated that this 7.1% vacancy rate is reflective of only four vacant units at the one non-subsidized Tax Credit project in the market. Therefore, as previously discussed, this minimal number of vacant units indicates that non-subsidized Tax Credit product has been well received within the Site PMA.

## 2. SUMMARY OF ASSISTED PROJECTS

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

Map I.D.	Project Name	Type	Year Built	Total Units	Occup.	Gross Rent (Unit Mix)			
						One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Tan Yard Branch Apts. II (Site)	RD 515	1994	25	96.0%	\$543 - \$690 (22)	\$602 - \$795 (3)	-	-
2	Tan Yard Branch Apts. I	RD 515	1994	24	83.3%	\$473 - \$628 (1)	\$517 - \$688 (20)	\$579 - \$758 (3)	-
3	Nantahala Village Apts.	TAX	1999	56	92.9%	-	\$541 - \$597 (17)	\$623 - \$753 (30)	\$704 - \$851 (9)
6	Jackson Heights	RD 515	1984	20	100.0%	\$663 - \$829 (8)	\$802 - \$1005 (12)	-	-
7	Branan Lodge	SEC 8	1980	138	100.0%	SUB (130)	SUB (8)	-	-
Total				263	95.1%				

SUB – Government-subsidized

The overall occupancy is 95.1% for these projects, indicating that there is a strong market for affordable rental housing product (subsidized and non-subsidized) within the Site PMA. Note that the 83.3% occupancy rate reported at the Tan Yard Branch Apartments I (Map ID 2) is attributed to only four vacant units at this smaller 24-unit project. It should also be noted that based on Bowen National Research’s historical occupancy data, this project is typically 100.0% occupied.

### HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs’ (GDCA) Athens Office, there are approximately 24 Housing Choice Voucher holders within the housing authority’s jurisdiction. The waiting list is indefinitely closed. Annual turnover of persons in the Voucher program is estimated at one percent for the 149-county region serviced by the GDCA Athens Office. This reflects the continuing need for Housing Choice Voucher assistance.

Note that the one comparable non-subsidized Tax Credit project identified and surveyed within the market accepts Housing Choice Vouchers. The following table illustrates the number of Housing Choice Vouchers currently in use at this non-subsidized Tax Credit project in the market.

Map I.D.	Project Name	Total Units	Occupancy Rate	Number of Vouchers
3	Nantahala Village Apts.	56	92.9%	5

As the preceding table illustrates, there is a known total of only five voucher holders residing at the one comparable LIHTC property in the Site PMA. This comprises approximately 10.0% of the 51 occupied LIHTC units located at this project. The remaining 90.0% of the occupied units at this project are actually collecting the asking rents at this property. As such, it can be concluded that the gross rents charged at this property are achievable.

The following table outlines the HUD 2013 Fair Market Rents for Union County, Georgia and the proposed gross Tax Credit rents at the subject site:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents (AMHI)
One-Br.	\$487	\$576
Two-Br.	\$659	\$628

As proposed, 23 of the 25 subject units will maintain Rental Assistance (RA) via the RD 515 program. Therefore, it will not be able to accommodate Housing Choice Voucher holders within these units. However, the two-bedroom units without RA and/or in the unlikely event the subject project was to lose its project-based subsidy and charge the proposed Tax Credit gross rents, would be able to accommodate Voucher holders as the proposed gross Tax Credit rents for these units are below Fair Market Rents. Conversely, the one-bedroom units would not be able to accommodate Voucher holders in either of these scenarios, as the proposed gross Tax Credit rents for these units are above Fair Market Rents, as illustrated in the preceding table.

### **3. PLANNED MULTIFAMILY DEVELOPMENT**

According to area planning and building representatives, there are currently no multifamily rental housing projects planned or under construction within the Site PMA.

## Building Permit Data

The following table illustrates single-family and multifamily building permits issued within Union County for the past ten years.

Housing Unit Building Permits for Union County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	0	4	0	0	0	0	0	0	0
Single-Family Permits	517	543	560	485	279	123	102	68	59	87
Total Units	517	543	564	485	279	123	102	68	59	87

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

As the preceding table illustrates, there have been no multifamily building permits issued within Union County since 2005, which is not considered unusual within rural markets. Considering the minimal number of vacant affordable rental housing units in the market and based on the limited number of multifamily building permits issued, it is likely that there is high demand for additional affordable rental housing units within the Site PMA.

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

Following renovations the subject project will offer one- and two-bedroom units targeting senior households (age 62 and older) earning up to 60% of Area Median Household Income (AMHI). We identified and surveyed one Low-Income Housing Tax Credit (LIHTC) project in the Site PMA. This one LIHTC project identified within the Site PMA offers two- through four-bedroom units targeting general-occupancy households earning up to 50%, 55% and 60% of AMHI. It should be noted that while this one comparable LIHTC project in the market does not target senior households (age 62 and older) such as the subject project, it does offer two-bedroom units at ground level which may potentially attract senior renter households in the market. As such, this project should offer an accurate base of comparability to the subject project and may be indirectly competitive with the subject project.

Due to the limited supply of LIHTC product in the Site PMA we have also identified and surveyed two additional non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Hiawassee and Young Harris, Georgia. These two LIHTC projects offer one- through four-bedroom units targeting households earning up to 30%, 50% and/or 60% of AMHI. Notably, one of these comparable LIHTC projects, Big Sky Village (Map ID 904) targets senior households (age 55 and older) and will offer an accurate base of comparability with the senior-oriented subject project, despite being located outside of the Site PMA.

Conversely, the one additional LIHTC project identified and surveyed outside of the Site PMA targets general-occupancy households, but offers two-bedroom units at ground-level that would likely be appealing to senior renters in the area. As such these units should also offer an accurate base of comparability for the subject project.

However, it should be noted that as these two additional properties are located outside of the Site PMA, they will derive demographic support from a different geographic area as compared to the subject project. As such, these two additional LIHTC projects have been included for comparability purposes only and are not considered to be directly competitive with the subject project.

These three comparable LIHTC projects and the subject development are summarized 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>Ten Yard Branch Apartments II</b>	<b>1994 / 2014</b>	<b>25</b>	<b>96.0%</b>	-	<b>None</b>	<b>Seniors (62+); 60% AMHI &amp; RD 515</b>
3	Nantahala Village Apts.	1999	56	92.9%	1.0 Mile	None	Families; 50%, 55%, & 60% AMHI
904	Big Sky Village	2009	48	100.0%	16.9 Miles	9 H.H.	Seniors 55+; 50% & 60% AMHI
906	Enotah Village Apts.	2007	47*	91.5%	8.8 Miles	30% AMHI: 4 H.H.	Families; 30% & 50% AMHI

OCC. - Occupancy  
 \*Tax Credit units only  
 900 Series Map IDs are located outside of the Site PMA

The three LIHTC projects have a combined occupancy rate of 92.3%. Notably, the one age-restricted project in the region, Big Sky Village (Map ID 904), is 100.0% occupied and maintains a nine-household waiting list for its next available units. This indicates that there is pent-up demand for senior-oriented LIHTC housing within the region. As such, the subject project will provide a rental alternative that is likely in high demand within the region. It should further be noted that the subject project will offer the only age-restricted LIHTC project in the Site PMA. This will likely enhance marketability of the subject project as it will offer a rental alternative to low-income seniors (age 62 and older) that is not currently available within the market.

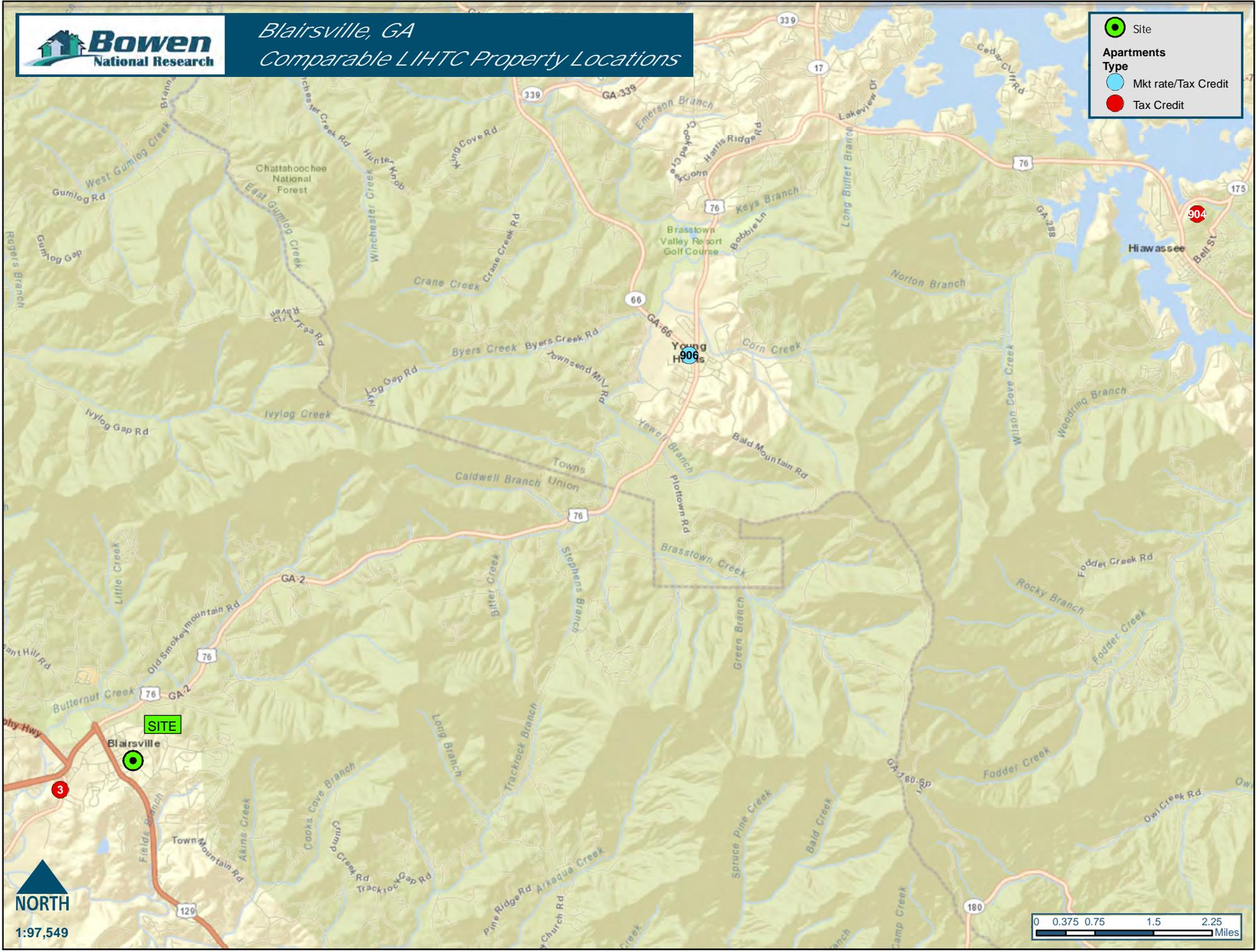
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the subject site location.



# Blairsville, GA

## Comparable LIHTC Property Locations

- Site
- Apartments Type**
- Mkt rate/Tax Credit
- Tax Credit



**NORTH**  
1:97,549



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.	Four-Br.	
Site	<b>Ten Yard Branch Apartments II</b>	<b>\$576/60% (22)</b>	<b>\$628/60% (3)</b>	-	-	-
3	Nantahala Village Apts.	-	\$541/50% (9/1) \$597/55% (8/1)	\$623/50% (18/1) \$753/60% (12/1)	\$704/50% (4/0) \$851/60% (5/0)	None
904	Big Sky Village	\$501/50% (9/0) \$501/60% (15/0)	\$572/50% (8/0) \$572/60% (16/0)	-	-	None
906	Enotah Village Apts.	-	\$393/30% (2/0) \$562/50% (13/1)	\$450/30% (6/0) \$648/50% (20/3)	\$512/30% (2/0) \$736/50% (4/0)	None

900 Map IDs are located outside of the Site PMA

As proposed, the subject development will maintain Rental Assistance (RA) on 23 of its 25 units, which will limit all tenants gross rent to 30% of their adjusted household income. As such, these 23 units which are anticipated to retain Rental Assistance will continue to represent a significant value in the market. However, in the unlikely event that the subject project lost RA the proposed gross Tax Credit rents ranging of \$576 and \$628 for the one- and two-bedroom units, respectively, would be the highest priced LIHTC units in the market and the region, as illustrated in the preceding table. As such, under this scenario the subject project would not likely be perceived as a value in the market or the region and would likely need to be lowered to be competitive as a Tax Credit project and represent a value in the region.

The following table illustrates the weighted average collected rents of the three comparable LIHTC projects by bedroom type.

Weighted Average Collected Rent Of Comparable LIHTC Units	
One-Br.	Two-Br.
\$350 (60%)	N/A (60%)

N/A – Not Available

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

Bedrooms	Weighted Avg. Rent	Proposed Rent (% AMHI)	Difference	Proposed Rent (% AMHI)	Rent Advantage
One-Br.	\$350 (60%)	\$515	-\$165	/ \$515 (60%)	-32.0%
Two-Br.	N/A (60%)	\$550	N/A	/ \$550 (60%)	N/A

N/A – Not Available

As noted, the retention of Rental Assistance (RA) on 23 of the 25 subject units will allow tenants of these units to continue to pay up to 30% of their adjusted gross incomes towards housing costs, which is likely considered a significant value in the PMA. Conversely as the preceding table illustrates the unassisted one-bedroom units will not likely represent a value in the region as they represent a negative rent advantage based on Georgia DCA methodology. Note that none of the comparable LIHTC projects offer two-bedroom units at 60% of AMHI, thus we were unable to calculate a rent advantage for these unit types as illustrated in the preceding table.

Please note that these are weighted averages of *collected* rents 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 gross rents is 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 region are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Ten Yard Branch Apartments II</b>	<b>654</b>	<b>798</b>	-	-
3	Nantahala Village Apts.	-	878	1,104	1,372
904	Big Sky Village	762	1,078	-	-
906	Enotah Village Apts.	-	1,143	1,412	1,615

900 Series Map IDs are located outside of the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Ten Yard Branch Apartments II</b>	<b>1.0</b>	<b>1.0</b>	-	-
3	Nantahala Village Apts.	-	1.5	2.0	2.0
904	Big Sky Village	1.0	2.0	-	-
906	Enotah Village Apts.	-	2.0	2.0	2.0

900 Series Map IDs are located outside of the Site PMA

As the preceding illustrates, the subject project will offer the smallest unit sizes (square feet) in the region as compared to those offered among similar bedroom types at the comparable LIHTC projects in the region. However, these small unit sizes (square feet) are typical of older subsidized, age-restricted projects such as the subject project.

Further, the unit sizes (square feet) and number of bathrooms offered at the subject project are considered appropriate for the targeted tenant population at the subject project (seniors age 62 and older), as evidenced by the small number of vacant units (one) currently reported at the subject project.

The following tables compare the amenities of the subject development with the other LIHTC projects in the region.

# COMPARABLE PROPERTIES AMENITIES - BLAIRSVILLE, 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
◆ SITE	X	X		X			X		C		X	X				B		S	
906	X	X	X	X	X		X		C	X		X				B		S	
3	X	X	X	X	X		X		C	X	X	X				B		S	Storage
◆ 904	X	X	X	X	X	X	X		C	X	X	X	X			B		S	

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			
906		X	X		X	X		X						X		X			
3		X		X				X		B			X			X	X		
◆ 904		X			A	X		X		X	X	X	X	X	X	X			Shuffleboard

◆ 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	

The subject project offers a unit and project amenity package which is generally considered to be slightly inferior to those offered among the comparable LIHTC projects in the region. Specifically, most of the comparable LIHTC projects in the region offer a garbage disposal, fitness center and computer center as added amenities as compared to the subject project. It should also be noted that the one comparable age-restricted LIHTC project in the region also offers in-unit washer/dryers and a microwave oven in each of their units. Regardless, the amenity package offered at the subject project is considered typical of older subsidized rental housing such as that offered at the subject project. Further, based on the limited number of vacant units currently reported, the subject project does not appear to lack any key amenities that have or will adversely impact its marketability.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the region, it is our opinion that the subject development will be competitive. However, it should be noted that the proposed gross Tax Credit rents at the subject project will be the highest priced Tax Credit rents in the region, as compared to the comparable LIHTC projects in the region. It is important to note however, that the subject project will retain Rental Assistance on 23 of the 25 subject units thus requiring tenants of these units to pay 30% of their adjusted gross income towards rent. Additionally, a Private Rental Assistance (PRA) subsidy will be available to all current unassisted residents which will prevent a rent increase on the current unassisted residents of the subject project. As such, the subject project should remain a significant value within the region. Additionally, the subject project will offer the only age-restricted LIHTC units in the Site PMA. This will likely create a marketing advantage for the subject project as it will provide an affordable rental alternative to low-income seniors in the area that is not currently available. Further, based on the limited number of vacant units reported at the subject project, the unit sizes (square feet), number of bathrooms and amenity packages offered appear to be appropriate for the targeted tenant population (seniors age 62 and older) at the subject project and should contribute to its continued marketability following renovations.

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 2015
3	Nantahala Village Apts.	92.9%	93.0% +

The anticipated renovations at the subject project will not introduce any new units to the market. It should further be noted that the subject project is not directly competitive with one existing LIHTC project in the market at the subject project targets a distinctly different population (seniors age 62 and older) as compared to the one existing LIHTC project in the market. Based on the preceding factors, we do not anticipate the renovations to the subject project will have any significant (if any) impact on future occupancy rates at the one comparable LIHTC project in the market.

One page profiles of the Comparable 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 \$145,029. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for a \$145,029 home is \$889, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$145,029
Mortgaged Value = 95% of Median Home Price	\$137,777
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$711
Estimated Taxes and Insurance*	\$178
Estimated Monthly Mortgage Payment	\$889

\*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$515 to \$550 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is \$339 to \$374 greater than the cost of renting a unit at the subject project, depending upon bedroom type. Therefore, we do not anticipate any competitive impact on or from the homebuyer market. In fact, given the anticipated retention of Rental Assistance on 23 of the 25 subject units and the available PRA subsidy which will prevent a rent increase on all current unassisted residents, the cost of owning a home in the area is likely even greater than that illustrated above.

## SECTION I – ABSORPTION & STABILIZATION RATES

According to management, the subject project is currently 96.0% occupied with only one (1) vacant unit and current residents will be relocated temporarily during renovations; however, they will not be permanently displaced. Therefore, only the one currently vacant unit at the subject project will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 25 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 23 of the 25 subject units as proposed). 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 25 units at the subject site will reach a stabilized occupancy of 93.0% within approximately six months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately four units per month. Our absorption projections assume that no other projects targeting a similar age and/or 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 will be maintained on 23 of the 25 subject units as proposed.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 25 units at the subject site would likely have an extended absorption period up to 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 more limited demographic support for the subject project to operate exclusively under the LIHTC program, as illustrated in Section G of this report, and due to the fact that the proposed gross Tax Credit rents at the subject project would be the highest in the region under this scenario. 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 the one currently vacant unit and 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 current or future vacancies from typical monthly turnover 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 many will 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 regarding the need for affordable housing in the Blairsville Site PMA.

- Mitch Griggs, Executive Director of the Union County Development Authority, noted that there is a great need for multifamily housing within Union County. Notably, Mr. Griggs reported there to be just two multifamily apartment communities with more than eight units within Union County. Mr. Griggs further stated that these two existing properties within the area are generally considered to be of average, or slightly less than average, condition. Additionally, Mr. Griggs also noted that developers were interested in the Union County market several years ago, when Union County was considered by HUD to be a "Difficult Development Area" which entitles developers to additional Tax Credits. However, in 2011 the county lost this designation and developer interest in the area lessened. Considering this limited supply of rental housing alternatives in the Union County area, Mr. Griggs believes the area would benefit from additional multifamily rental units.
- Nancy Dove, a representative with the Georgia Department of Community Affairs' (GDCA) Rental Assistance Division, stated that there is a large need for affordable housing in the North Georgia Region. Due to recent budget cuts GDCA has closed all waiting lists in the 149 counties that the Athens Office serves, and are not maintaining waiting lists until they receive more funding. Notably, Ms. Dove stated that they are unsure if they will have the funding to pay for the vouchers that are already in use. As such, based on this lack of funding for the voucher program, Ms. Dove believes that there will be an ongoing need for additional affordable housing throughout the northern Georgia region.

## 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 Tan Yard Branch Apartments II following renovations, assuming it is renovated and operated as detailed in this report. Note however, that changes to the project's rents, amenities or scope of renovations may alter these findings.

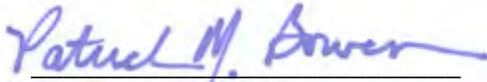
Given the fact that there is only one vacant affordable (government-subsidized) age-restricted (age 62 and older) unit in the market, the subject project will continue to offer an affordable senior-oriented rental housing alternative that is in high demand within the market. It should also be noted that there are currently no age-restricted Tax Credit (subsidized or non-subsidized) projects in the Site PMA. Therefore, following renovations the subject project will offer a rental alternative that is not currently available to senior renters (age 62 and older) within the Blairsville market. This will likely create a marketing advantage for the subject project. Additionally, as shown in the Project Specific Demand Analysis section of this report, there is sufficient support for the subject development, assuming it operates as proposed with the retention of Rental Assistance (RA) on 23 of the 25 subject units. Further, considering that the subject project will retain Rental Assistance on 23 of its 25 units and a Private Rental Assistance subsidy will be available to all current unassisted residents, the subject project will remain a value within the market. Additionally, given that the anticipated renovations to the subject project will not introduce new units to the market, it is our opinion that the subject project will not have any significant impact on the existing Tax Credit developments in the Site PMA.

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.

Certified:



Patrick Bowen  
President/Market Analyst  
Bowen National Research  
155 E. Columbus St., Suite 220  
Pickerington, OH 43147  
(614) 833-9300  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: September 20, 2013



Greg Gray  
Market Analyst  
[gregg@bowennational.com](mailto:gregg@bowennational.com)  
Date: September 20, 2013



Craig Rupert  
Market Analyst  
[craigr@bowennational.com](mailto:craigr@bowennational.com)  
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

### BLAIRSVILLE, 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.

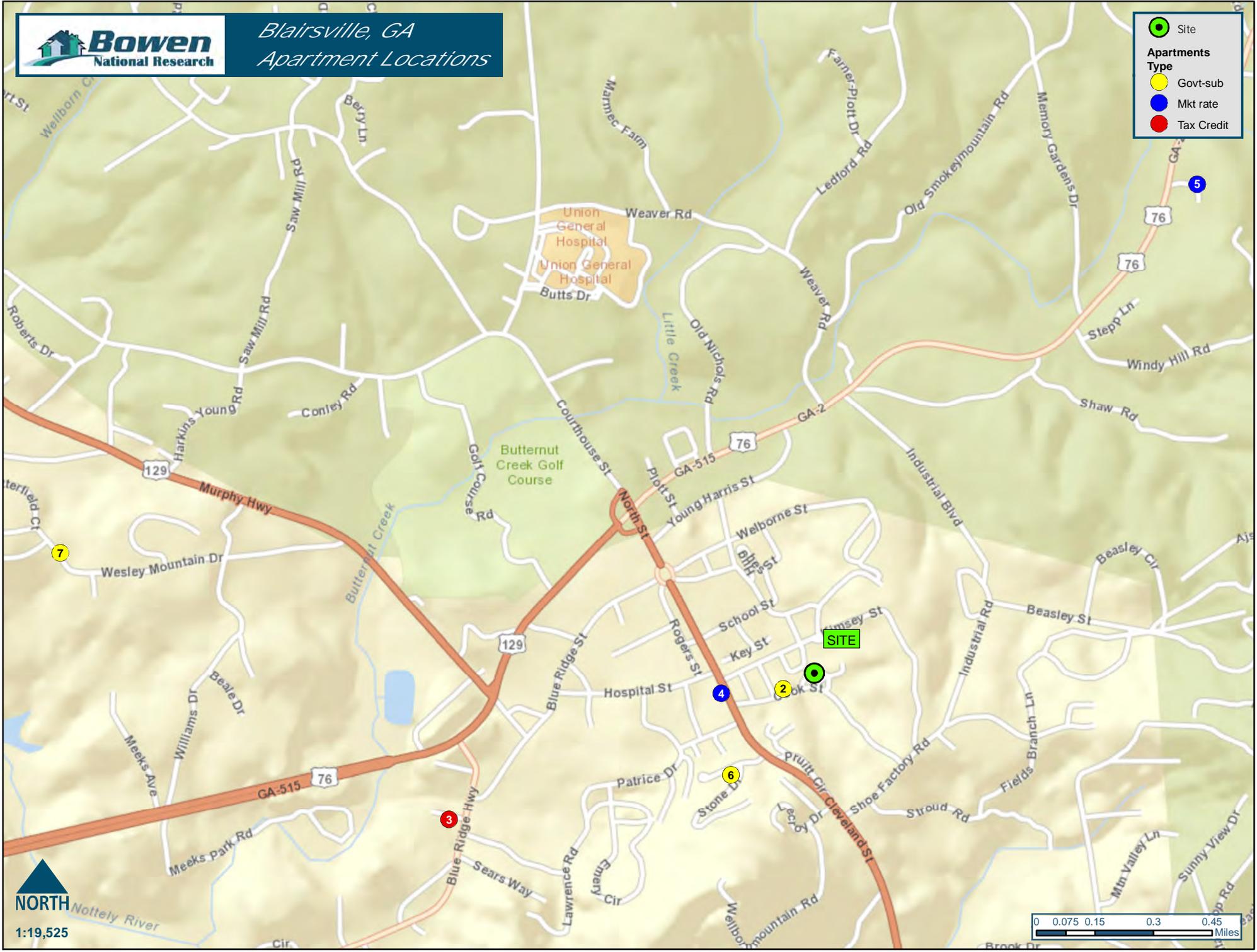
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

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.



# Blairsville, GA Apartment Locations

- Site
- Apartment Type
  - Govt-sub
  - Mkt rate
  - Tax Credit



**NORTH**  
1:19,525

0 0.075 0.15 0.3 0.45 Miles

# MAP IDENTIFICATION LIST - BLAIRSVILLE, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Tan Yard Branch Apts. II (Site)	GSS	B-	1994	25	1	96.0%	-
2	Tan Yard Branch Apts. I	GSS	B	1994	24	4	83.3%	Adjacent
3	Nantahala Village Apts.	TAX	B+	1999	56	4	92.9%	1.0
4	Silver Maple Apts.	MRR	B	1976	8	0	100.0%	0.3
5	Windy Hill Apts.	MRR	B-	2001	10	0	100.0%	2.0
6	Jackson Heights	GSS	B-	1984	20	0	100.0%	0.4
◆ 7	Branan Lodge	GSS	B+	1980	138	0	100.0%	2.0

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	2	18	0	100.0%	0
TAX	1	56	4	92.9%	0
GSS	4	207	5	97.6%	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)

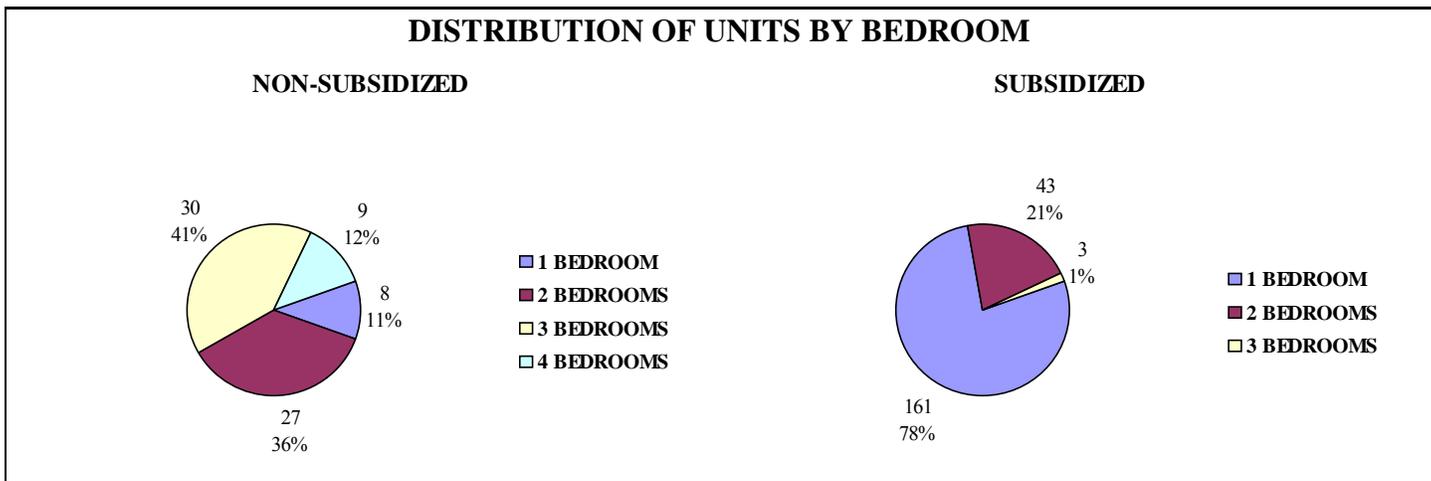
Survey Date: September 2013

# DISTRIBUTION OF UNITS - BLAIRSVILLE, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	8	44.4%	0	0.0%	\$543
2	1	8	44.4%	0	0.0%	\$652
2	2	2	11.1%	0	0.0%	\$652
<b>TOTAL</b>		<b>18</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	1.5	17	30.4%	2	11.8%	\$541
3	2	30	53.6%	2	6.7%	\$623
4	2	9	16.1%	0	0.0%	\$851
<b>TOTAL</b>		<b>56</b>	<b>100.0%</b>	<b>4</b>	<b>7.1%</b>	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	161	77.8%	1	0.6%	N.A.
2	1	23	11.1%	0	0.0%	N.A.
2	1.5	20	9.7%	3	15.0%	N.A.
3	1.5	3	1.4%	1	33.3%	N.A.
<b>TOTAL</b>		<b>207</b>	<b>100.0%</b>	<b>5</b>	<b>2.4%</b>	
<b>GRAND TOTAL</b>		<b>281</b>	<b>-</b>	<b>9</b>	<b>3.2%</b>	



# SURVEY OF PROPERTIES - BLAIRSVILLE, GEORGIA

1 Tan Yard Branch Apts. II (Site)			
	<b>Address</b> 14 Tanyard St. Blairsville, GA 30512	<b>Phone</b> (706) 745-9115 (Contact in person)	<b>Total Units</b> 25
	<b>Year Built</b> 1994	<b>Contact</b> Debbie	<b>Vacancies</b> 1
	<b>Comments</b> RD 515, has RA (23 units); Accepts HCV (0 currently); Select units have ceiling fans		<b>Occupied</b> 96.0%
			<b>Floors</b> 1
			<b>Quality Rating</b> B-
			<b>Senior Restricted (62+)</b>
			<b>Waiting List</b>
			None
2 Tan Yard Branch Apts. I			
	<b>Address</b> 14 Tanyard St. Blairsville, GA 30512	<b>Phone</b> (706) 745-9115 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1994	<b>Contact</b> Debbie	<b>Vacancies</b> 4
	<b>Comments</b> RD 515, has RA (11 units); Select units have ceiling fans; One applicant pending approval for a 2-br		<b>Occupied</b> 83.3%
			<b>Floors</b> 1,2
			<b>Quality Rating</b> B
			<b>Waiting List</b>
			None
3 Nantahala Village Apts.			
	<b>Address</b> 501 Nantahala Ln. Blairsville, GA 30512	<b>Phone</b> (706) 781-1834 (Contact in person)	<b>Total Units</b> 56
	<b>Year Built</b> 1999	<b>Contact</b> Crystal	<b>Vacancies</b> 4
	<b>Comments</b> 50%, 55% & 60% AMHI; HCV (5 units); Unit mix estimated		<b>Occupied</b> 92.9%
			<b>Floors</b> 3
			<b>Quality Rating</b> B+
			<b>Waiting List</b>
			None
4 Silver Maple Apts.			
	<b>Address</b> 239 Cleveland St. Blairsville, GA 30512	<b>Phone</b> (706) 781-7569 (Contact in person)	<b>Total Units</b> 8
	<b>Year Built</b> 1976	<b>Contact</b> Janna	<b>Vacancies</b> 0
	<b>Comments</b> Does not accept HCV; Rent range based on amenities; Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 2
			<b>Quality Rating</b> B
			<b>Waiting List</b>
			None
5 Windy Hill Apts.			
	<b>Address</b> 1085 Nicolas Ln. Blairsville, GA 30512	<b>Phone</b> (706) 781-8164 (Contact in person)	<b>Total Units</b> 10
	<b>Year Built</b> 2001	<b>Contact</b> Toby	<b>Vacancies</b> 0
	<b>Comments</b> Does not accept HCV; Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 2
			<b>Quality Rating</b> B-
			<b>Waiting List</b>
			None

### 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

# SURVEY OF PROPERTIES - BLAIRSVILLE, GEORGIA

6 Jackson Heights			
	<b>Address</b> 150 Jackson Heights Blairsville, GA 30512	<b>Phone</b> (706) 745-4517 (Contact in person)	<b>Total Units</b> 20 <b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1, 2 <b>Quality Rating</b> B-
	<b>Year Built</b> 1984 <b>Comments</b> RD 515, has RA (20 units); Square footage estimated	<b>Contact</b> Beverly	<b>Waiting List</b> 6 households
7 Branan Lodge			
	<b>Address</b> 1146 Wesley Mountain Dr. Blairsville, GA 30512	<b>Phone</b> (404) 728-6232 (Contact in person)	<b>Total Units</b> 138 <b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 5 <b>Quality Rating</b> B+ <b>Senior Restricted (62+)</b> <b>Waiting List</b> 6-9 months
	<b>Year Built</b> 1980 <b>Comments</b> HUD Section 8; Square footage estimated	<b>Contact</b> Keith	

### 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 - BLAIRSVILLE, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
3			\$349 to \$405	\$385 to \$515	\$400 to \$547				
4			\$500 to \$550						
5		\$425					\$500		

◆	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

Survey Date: September 2013

# PRICE PER SQUARE FOOT - BLAIRSVILLE, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Windy Hill Apts.	1	700	\$543	\$0.78
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	Silver Maple Apts.	1	800	\$652 to \$702	\$0.82 to \$0.88
5	Windy Hill Apts.	2	900	\$652	\$0.72
3	Nantahala Village Apts.	1.5	878	\$541 to \$597	\$0.62 to \$0.68
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Nantahala Village Apts.	2	1104	\$623 to \$753	\$0.56 to \$0.68
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Nantahala Village Apts.	2	1372	\$704 to \$851	\$0.51 to \$0.62

◆	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

Survey Date: September 2013

# AVERAGE GROSS RENT PER SQUARE FOOT - BLAIRSVILLE, GEORGIA

<b>MARKET-RATE</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.78	\$0.85	\$0.00
TOWNHOUSE	\$0.00	\$0.72	\$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	\$0.65	\$0.61
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	\$0.78	\$0.71	\$0.61
TOWNHOUSE	\$0.00	\$0.72	\$0.00

## TAX CREDIT UNITS - BLAIRSVILLE, GEORGIA

<b>TWO-BEDROOM UNITS</b>						
<b>MAP ID</b>	<b>PROJECT NAME</b>	<b>UNITS</b>	<b>SQUARE FEET</b>	<b># OF BATHS</b>	<b>% AMHI</b>	<b>COLLECTED RENT</b>
3	Nantahala Village Apts.	9	878	1.5	50%	\$349
3	Nantahala Village Apts.	8	878	1.5	55%	\$405
<b>THREE-BEDROOM UNITS</b>						
<b>MAP ID</b>	<b>PROJECT NAME</b>	<b>UNITS</b>	<b>SQUARE FEET</b>	<b># OF BATHS</b>	<b>% AMHI</b>	<b>COLLECTED RENT</b>
3	Nantahala Village Apts.	18	1104	2	50%	\$385
3	Nantahala Village Apts.	12	1104	2	60%	\$515
<b>FOUR-BEDROOM UNITS</b>						
<b>MAP ID</b>	<b>PROJECT NAME</b>	<b>UNITS</b>	<b>SQUARE FEET</b>	<b># OF BATHS</b>	<b>% AMHI</b>	<b>COLLECTED RENT</b>
3	Nantahala Village Apts.	4	1372	2	50%	\$400
3	Nantahala Village Apts.	5	1372	2	60%	\$547

# QUALITY RATING - BLAIRSVILLE, GEORGIA

## MARKET-RATE PROJECTS AND UNITS

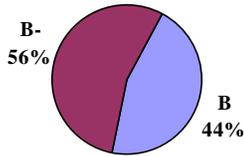
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	1	8	0.0%			\$652		
B-	1	10	0.0%		\$543	\$652		

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

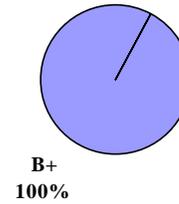
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	56	7.1%			\$541	\$623	\$851

## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



## YEAR BUILT - BLAIRSVILLE, GEORGIA \*

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	8	0	0.0%	8	10.8%
1980 to 1989	0	0	0	0.0%	8	0.0%
1990 to 1999	1	56	4	7.1%	64	75.7%
2000 to 2005	1	10	0	0.0%	74	13.5%
2006	0	0	0	0.0%	74	0.0%
2007	0	0	0	0.0%	74	0.0%
2008	0	0	0	0.0%	74	0.0%
2009	0	0	0	0.0%	74	0.0%
2010	0	0	0	0.0%	74	0.0%
2011	0	0	0	0.0%	74	0.0%
2012	0	0	0	0.0%	74	0.0%
2013**	0	0	0	0.0%	74	0.0%
<b>TOTAL</b>	<b>3</b>	<b>74</b>	<b>4</b>	<b>5.4%</b>	<b>74</b>	<b>100.0 %</b>

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

\*\* As of September 2013

Survey Date: September 2013

## APPLIANCES AND UNIT AMENITIES - BLAIRSVILLE, GEORGIA

<b>APPLIANCES</b>			
<b>APPLIANCE</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
RANGE	3	100.0%	74
REFRIGERATOR	3	100.0%	74
ICEMAKER	1	33.3%	56
DISHWASHER	2	66.7%	66
DISPOSAL	1	33.3%	56
MICROWAVE	0	0.0%	
<b>UNIT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
AC - CENTRAL	3	100.0%	74
AC - WINDOW	0	0.0%	
FLOOR COVERING	3	100.0%	74
WASHER/DRYER	1	33.3%	56
WASHER/DRYER HOOK-UP	3	100.0%	74
PATIO/DECK/BALCONY	3	100.0%	74
CEILING FAN	3	100.0%	74
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	3	100.0%	74
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 - BLAIRSVILLE, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	2	66.7%	64
LAUNDRY	0	0.0%	
CLUB HOUSE	1	33.3%	56
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	33.3%	56
COMPUTER LAB	1	33.3%	56
SPORTS COURT	1	33.3%	56
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	0	0.0%	
PICNIC AREA	1	33.3%	56
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	33.3%	56

# DISTRIBUTION OF UTILITIES - BLAIRSVILLE, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
LANDLORD			
ELECTRIC	1	138	49.1%
TENANT			
ELECTRIC	6	143	50.9%
			100.0%
<b>COOKING FUEL</b>			
LANDLORD			
ELECTRIC	1	138	49.1%
TENANT			
ELECTRIC	6	143	50.9%
			100.0%
<b>HOT WATER</b>			
LANDLORD			
ELECTRIC	1	138	49.1%
TENANT			
ELECTRIC	6	143	50.9%
			100.0%
<b>ELECTRIC</b>			
LANDLORD	1	138	49.1%
TENANT	6	143	50.9%
			100.0%
<b>WATER</b>			
LANDLORD	6	225	80.1%
TENANT	1	56	19.9%
			100.0%
<b>SEWER</b>			
LANDLORD	6	225	80.1%
TENANT	1	56	19.9%
<b>TRASH PICK-UP</b>			
LANDLORD	7	281	100.0%
			100.0%

# UTILITY ALLOWANCE - BLAIRSVILLE, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$24	\$26		\$9	\$16	\$19	\$6	\$6	\$34	\$10	\$15	\$20	\$20
1	GARDEN	\$34	\$36		\$10	\$22	\$26	\$9	\$9	\$47	\$13	\$20	\$20	\$20
1	TOWNHOUSE	\$34	\$36		\$10	\$22	\$26	\$9	\$9	\$47	\$13	\$20	\$20	\$20
2	GARDEN	\$43	\$46		\$13	\$28	\$34	\$10	\$11	\$61	\$16	\$24	\$20	\$20
2	TOWNHOUSE	\$43	\$46		\$13	\$28	\$34	\$10	\$11	\$61	\$16	\$24	\$20	\$20
3	GARDEN	\$53	\$56		\$18	\$34	\$41	\$13	\$13	\$74	\$22	\$32	\$20	\$20
3	TOWNHOUSE	\$53	\$56		\$18	\$34	\$41	\$13	\$13	\$74	\$22	\$32	\$20	\$20
4	GARDEN	\$68	\$72		\$22	\$43	\$53	\$16	\$17	\$95	\$28	\$39	\$20	\$20
4	TOWNHOUSE	\$68	\$72		\$22	\$43	\$53	\$16	\$17	\$95	\$28	\$39	\$20	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

**4 Silver Maple Apts.**

0.3 miles to site



<b>Address</b>	239 Cleveland St. Blairsville, GA 30512		
<b>Phone</b>	(706) 781-7569	<b>Contact</b>	Janna
<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>	1976	<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>	Does not accept HCV; Rent range based on amenities; Square footage estimated		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1	G	8	0	800	\$0.63 - \$0.69	\$500 to \$550

**910 Austin Place Apts.**

41.1 miles to site



<b>Address</b>	3017 Chatsworth Hwy. Ellijay, GA 30540		
<b>Phone</b>	(706) 273-2727	<b>Contact</b>	John
<b>Total Units</b>	26	<b>Vacancies</b>	2
		<b>Percent Occupied</b>	92.3%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1998	<b>Renovated</b>	2001
		<b>Floors</b>	1,2
<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>	Does not accept HCV		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	

**Unit Configuration**

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	8	1	750	\$0.70	\$525
2	1.5	T	18	1	1025	\$0.54	\$550

**911 Park Creek Apts.**

53.0 miles to site



<b>Address</b>	1100 Park Creek Ct. Gainesville, GA 30504		
<b>Phone</b>	(770) 287-1414	<b>Contact</b>	Suzanne
<b>Total Units</b>	200	<b>Vacancies</b>	3
		<b>Percent Occupied</b>	98.5%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1998	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Detached Garages, Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	A-	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV; Large 2-br do not have patios		

**Features and Utilities**

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

**Unit Configuration**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	80	1	635 to 804	\$0.92 - \$1.14	\$725 to \$740
2	2	G	84	1	1050 to 1131	\$0.77 - \$0.81	\$850 to \$875
3	2	G	36	1	1308	\$0.71	\$925

**912 Treepark Apt. Homes**

62.7 miles to site



<b>Address</b>	130 Treepark Cir. Flowery Branch, GA 30542		
<b>Phone</b>	(770) 967-7133	<b>Contact</b>	Patsy
<b>Total Units</b>	456	<b>Vacancies</b>	9
		<b>Percent Occupied</b>	98.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2006	<b>Floors</b>	3,4
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Attached & Detached Garages, Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	A
<b>Remarks</b>	Does not accept HCV; Final phase completed in 2007; Select 1-br & townhomes have attached garage; Townhomes have ceiling fans, fireplace & basement		

**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, Fireplace, Blinds, Storage
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Jacuzzi, Playground, Tennis Court(s), Sports Court, Storage, Car Wash Area, Picnic Area, Walking Trail

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	136	3	780 to 840	\$1.02 - \$1.14	\$795 to \$955
2	2 to 2.5	G	214	5	935 to 1030	\$1.03 - \$1.07	\$1005 to \$1065
3	2.5	T	34	1	2078	\$0.70 - \$0.75	\$1460 to \$1555
3	2.5	G	72	0	1419 to 2078	\$0.55 - \$0.80	\$1135 to \$1145

**913 Audobon Crest**

58.5 miles to site



<b>Address</b>	1200 Lanier Mill Cir. Oakwood, GA 30566		
<b>Phone</b>	(770) 535-5586	<b>Contact</b>	Robin
<b>Total Units</b>	126	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1998	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	3 households		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV		

**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, Meeting Room, Fitness Center, Playground, Tennis Court(s), Sports Court, Car Wash Area, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	20	0	830	\$0.78	\$650
2	2	G	36	0	1180	\$0.67	\$796
2	2	G	38	0	1080	\$0.70	\$760
3	2	G	32	0	1390	\$0.60	\$840

**906 Enotah Village Apts.**

8.8 miles to site



<b>Address</b>	875 Murphy St. Hwy 66 Young Harris, GA 30582	
<b>Phone</b>	(706) 781-1834	<b>Contact</b> Crystal
<b>Total Units</b>	60	<b>Vacancies</b> 6 <b>Percent Occupied</b> 90.0%
<b>Project Type</b>	Market-Rate & Tax Credit	
<b>Year Open</b>	2007	<b>Floors</b> 3
<b>Concessions</b>	No Rent Specials	
<b>Parking</b>	Surface Parking	
<b>Waiting List</b>	30% AMHI: 4 HH	
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b> B
<b>Remarks</b>	Market-rate (13 units); 30% & 50% AMHI (47 units); Accepts HCV (0 currently); HOME Funds; Vacancies due to tenants buying homes; Unit mix estimated.	

**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, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
2	2	G	5	1	1143	\$0.50	\$569	
2	2	G	13	1	1143	\$0.32	\$370	50%
2	2	G	2	0	1143	\$0.18	\$201	30%
3	2	G	6	1	1412	\$0.43	\$609	
3	2	G	20	3	1412	\$0.29	\$410	50%
3	2	G	6	0	1412	\$0.15	\$212	30%
4	2	G	2	0	1615	\$0.41	\$655	
4	2	G	4	0	1615	\$0.27	\$432	50%
4	2	G	2	0	1615	\$0.13	\$208	30%

**3 Nantahala Village Apts.**

1.0 miles to site



**Address** 501 Nantahala Ln.  
Blairsville, GA 30512

**Phone** (706) 781-1834 **Contact** Crystal

**Total Units** 56 **Vacancies** 4 **Percent Occupied** 92.9%

**Project Type** Tax Credit

**Year Open** 1999 **Floors** 3

**Concessions** No Rent Specials

**Parking** Surface Parking

**Waiting List** NONE

**Quality Rating** B+ **Neighborhood Rating** B

**Remarks** 50%, 55% & 60% AMHI; HCV (5 units); Unit mix estimated



**Features and Utilities**

**Utilities** Landlord pays Trash  
**Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Storage  
**Project Amenities** On-site Management, Club House, Playground, Sports Court, Computer Lab, Picnic Area, Social Services

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
2	1.5	G	8	1	878	\$0.46	\$405	55%
2	1.5	G	9	1	878	\$0.40	\$349	50%
3	2	G	12	1	1104	\$0.47	\$515	60%
3	2	G	18	1	1104	\$0.35	\$385	50%
4	2	G	5	0	1372	\$0.40	\$547	60%
4	2	G	4	0	1372	\$0.29	\$400	50%

**904 Big Sky Village**

16.9 miles to site



<b>Address</b>	301 Sky View Dr. Hiawassee, GA 30546		
<b>Phone</b>	(706) 896-6708	<b>Contact</b>	Debbie
<b>Total Units</b>	48	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	2009	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	9 households		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	50% & 60% AMHI; Accepts HCV (0 currently)		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Meeting Room, Fitness Center, Playground, Sports Court, Storage, Elevator, Computer Lab, Picnic Area, Shuffleboard

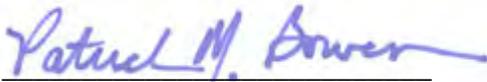
**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	15	0	762	\$0.46	\$350	60%
1	1	G	9	0	762	\$0.46	\$350	50%
2	2	G	16	0	1078	\$0.35	\$380	60%
2	2	G	8	0	1078	\$0.35	\$380	50%

## 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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Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

## 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.

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### **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

We identified one market-rate property within the Blairsville Site PMA that we consider comparable in terms of unit and project amenities to the subject development. Due to the lack of comparable market-rate properties within the Site PMA, we also identified and surveyed four market-rate properties outside of the Site PMA but within the region in the nearby towns of Oakwood, Gainesville, Flowery Branch and Ellijay, Georgia. Note that the Ellijay area is considered to be socioeconomically similar to the Blairsville area in terms of household income, home values, rents charged and services offered. As such, an adjustment for out of market differences was not warranted for the comparable market-rate project located in the town of Ellijay. However conversely, the Oakwood, Gainesville and Flowery Branch areas are considered socioeconomically different than the Blairsville area, based on the aforementioned market characteristics. Therefore, we have made an adjustment to each of the comparable market-rate projects located in these respective areas to reflect these market differences. 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 five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Unit Mix (Occupancy Rate)			
				Occ. Rate	One- Br.	Two- Br.	Three- Br.
Site	<b>Ten Yard Branch Apartments II</b>	<b>1994 / 2014</b>	<b>25</b>	<b>96.0%</b>	<b>22 (95.5%)</b>	<b>3 (100.0%)</b>	<b>-</b>
4	Silver Maple Apts.	1976	8	100.0%	-	8 (100.0%)	-
910	Austin Place Apts.	1998 / 2001	26	92.3%	8 (87.5%)	18 (94.4%)	-
911	Park Creek Apts.	1998	200	98.5%	80 (98.8%)	84 (98.8%)	36 (97.2%)
912	Treepark Apt. Homes	2006	456	98.0%	136 (97.8%)	214 (97.7%)	106 (99.1%)
913	Audobon Crest	1998	126	100.0%	20 (100.0%)	74 (100.0%)	32 (100.0%)

900 Map IDs are located outside of the Site PMA

The five selected market-rate projects have a combined total of 816 units with an overall occupancy rate of 98.3%. None of the comparable properties has an occupancy rate below 92.3%.

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>	
Tan Yard Branch Apts. II		Silver Maple Apts.		Audobon Crest		Park Creek Apts.		Treepark Apt. Homes		Austin Place Apts.	
14 Tanyard St.		239 Cleveland St.		1200 Lanier Mill Cir.		1100 Park Creek Ct.		130 Treepark Cir.		3017 Chatsworth Hwy.	
Blairsville, GA		Blairsville, GA		Oakwood, GA		Gainesville, GA		Flowery Branch, GA		Ellijay, GA	
<b>A. Rents Charged</b>	<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>
1	\$ Last Rent / Restricted?	\$525		\$650		\$725		\$795		\$525	
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%		99%		98%		88%	
5	Effective Rent & Rent/ sq. ft	\$525	0.66	\$650	0.78	\$725	1.14	\$795	1.02	\$525	0.70
<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	R/1		WU/2		WU/2,3		WU/2,3		WU/3,4	
7	Yr. Built/Yr. Renovated	1994/2014		1976	\$28	1998	\$6	1998	\$6	2006	(\$2)
8	Condition /Street Appeal	G		G		E	(\$15)	E	(\$15)	E	(\$15)
9	Neighborhood	G		G		G		G		E	(\$10)
10	Same Market?			Yes		No	(\$98)	No	(\$109)	No	(\$109)
<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	1	(\$50)	2		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	654	(\$31)	800		830	(\$37)	635	\$4	780	(\$27)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	\$10	N/N		N/Y		N/Y		N/Y	
18	Washer/Dryer	HU/L	\$5	HU		HU/L		HU/L		HU	\$5
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		Y	\$5	N	\$5
<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	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate	N		N		N		N		N	
27	Clubhouse/ Meeting Rooms	N/Y	\$5	N/N		N/Y		Y/N	\$5	N/N	\$5
28	Pool/ Recreation Areas	N		N		P/F/T	(\$18)	P/F/T	(\$18)	P/F/T/J	(\$21)
29	Computer Center	N		N		N		N		N	
30	Picnic Area	Y	\$3	N		Y		Y		Y	\$3
31	Playground	N		N		Y	(\$3)	Y	(\$3)	Y	(\$3)
32	Additional Storage	Y	\$5	N	\$5	N	\$5	N	\$5	Y	\$5
<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/G	
34	Cooling (in rent?/ type)	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	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y		Y/Y		N/N	\$33	N/N	\$33	N/N	\$33
39	Trash /Recycling	Y/N		Y/N		N/N	\$20	N/N	\$20	N/N	\$20
<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	6	2	6	2	6	2	6	2	6	1
41	Sum Adjustments B to D	\$56	(\$81)	\$11	(\$176)	\$15	(\$150)	\$10	(\$192)	\$27	(\$20)
42	Sum Utility Adjustments			\$53		\$53		\$53		\$53	
		<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	(\$25)	\$137	(\$112)	\$240	(\$82)	\$218	(\$129)	\$255	\$7	\$47
<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>	<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)	\$500		\$538		\$643		\$666		\$532	
45	Adj Rent/Last rent		95%		83%		89%		84%		101%
46	Estimated Market Rent	\$515	\$0.79	← Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type → **TWO BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Tan Yard Branch Apts. II		Silver Maple Apts.		Audobon Crest		Park Creek Apts.		Treepark Apt. Homes		Austin Place Apts.	
14 Tanyard St.		239 Cleveland St.		1200 Lanier Mill Cir.		1100 Park Creek Ct.		130 Treepark Cir.		3017 Chatsworth Hwy.	
Blairsville, GA		Blairsville, GA		Oakwood, GA		Gainesville, GA		Flowery Branch, GA		Ellijay, 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		\$760		\$850		\$1,005		\$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%		99%		98%		94%	
5 Effective Rent & Rent/ sq. ft	▼	\$525	0.66	\$760	0.70	\$850	0.81	\$1,005	1.07	\$550	0.54
<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	R/1	WU/2		WU/2,3		WU/2,3		WU/3,4		TH/1,2	
7 Yr. Built/Yr. Renovated	1994/2014	1976	\$28	1998	\$6	1998	\$6	2006	(\$2)	1998/2001	\$4
8 Condition /Street Appeal	G	G		E	(\$15)	E	(\$15)	E	(\$15)	G	
9 Neighborhood	G	G		G		G		E	(\$10)	G	
10 Same Market?		Yes		No	(\$114)	No	(\$128)	No	(\$141)	No	
<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	2	2		2		2		2		2	
12 # Baths	1	1		2	(\$30)	2	(\$30)	2	(\$30)	1.5	(\$15)
13 Unit Interior Sq. Ft.	798	800	(\$0)	1080	(\$53)	1050	(\$48)	935	(\$26)	1025	(\$43)
14 Balcony/ Patio	Y	Y		Y		Y		Y		Y	
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/N	\$10	N/Y		N/Y		N/Y		N/Y	
18 Washer/Dryer	HU/L	HU	\$5	HU/L		HU/L		HU/L		HU	\$5
19 Floor Coverings	C	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22 Garbage Disposal	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
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		N	\$5
26 Security Gate	N	N		N		N		N		N	
27 Clubhouse/ Meeting Rooms	N/Y	N/N	\$5	N/Y		Y/N		N/N	\$5	N/N	\$5
28 Pool/ Recreation Areas	N	N		P/F/T	(\$18)	P/F/T	(\$18)	P/F/T/J	(\$21)	N	
29 Computer Center	N	N		N		N		N		N	
30 Picnic Area	Y	N	\$3	Y		Y		Y		N	\$3
31 Playground	N	N		Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
32 Additional Storage	Y	N	\$5	N	\$5	N	\$5	Y		N	\$5
<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/G		N/G	
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/G		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y/Y	Y/Y		N/N	\$40	N/N	\$40	N/N	\$40	Y/Y	
39 Trash /Recycling	Y/N	Y/N		N/N	\$20	N/N	\$20	N/N	\$20	Y/N	
<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		6	1	2	7	2	7	2	9	6	2
41 Sum Adjustments B to D		\$56	(\$0)	\$11	(\$238)	\$11	(\$247)	\$10	(\$253)	\$27	(\$58)
42 Sum Utility Adjustments				\$60		\$60		\$60			
		<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		\$56	\$56	(\$167)	\$309	(\$176)	\$318	(\$183)	\$323	(\$31)	\$85
<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)		\$581		\$593		\$674		\$822		\$519	
45 Adj Rent/Last rent			111%		78%		79%		82%		94%
46 Estimated Market Rent	\$550	\$0.69	←	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 Grid(s), 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 \$515 for a one-bedroom unit and \$550 for a two-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$515	\$515	0.0%
Two-Bedroom	\$550	\$550	0.0%

CRCU – Conventional Rents for Comparable Units

Typically, Tax Credit rents in urban markets are set 10% or more below achievable market rents to ensure that a LIHTC project will have a sufficient flow of tenants. In more rural settings, such as the subject site, a market rent advantage near 0.0% is acceptable as Tax Credit product often represents some of the most desirable rental housing opportunities available within these areas.

Further, the subject project will retain Rental Assistance (RA) on 23 of the 25 subject units following renovations, thus requiring tenants of these units to pay up to 30% of their adjusted household incomes towards housing costs. Additionally, as mentioned within this report, the developer will provide a Private Rental Assistance (PRA) subsidy, which will prevent a rent increase on current unassisted residents. Considering the retention of Rental Assistance and the inclusion of a PRA subsidy, the subject units will likely continue to be viewed as a 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 property built in 2004. The selected properties were built between 1976 and 2006. Further, one of the selected properties (Austin Place Apartments) was renovated in 2001. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference as compared to the subject project.
8. While it is anticipated that the proposed subject project will have an improved quality and aesthetic appeal following renovations, three of the selected market-rate properties are considered to be of superior quality as compared to the subject project. As such, we have made adjustments for those properties that we consider to be of superior or quality to the subject development.
9. One of the selected market-rate properties (Treepark Apartment Homes) is considered to be located in a more desirable neighborhood than the subject project. As such, we have made an adjustment to this property to reflect this difference in neighborhood desirability.
10. As previously mentioned, three of the selected properties are located outside of the Site PMA in areas that are considered socioeconomically different than the Blairsville market. As such, an adjustment of 15% was applied to the selected properties located outside of the Site PMA in the towns of Oakwood, Gainesville and Flowery Branch to reflect these market differences.
11. All of the selected properties offer two-bedroom units. However, for the one selected property that does not offer one-bedroom units, we have applied an adjustment of \$50 to the two-bedroom units offered at this project to reflect the lack of an additional bedroom at the subject project.
12. There is a variety of the number of bathrooms offered at the selected properties. 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% of the average for this adjustment.

- 14.-23. The subject project will offer a unit amenity package which is generally considered to be slightly inferior to those offered at the selected properties. As such, we have made adjustments for features lacking at the subject project, and in some cases, adjustments for features the subject property offers, that the selected properties do not offer.
- 24.-32. The subject project will offer a project amenities package considered to be relatively competitive with those offered among most of the selected properties. We have made monetary adjustments to reflect the differences between the project's and the selected properties' project amenities.
- 33.-39. We made adjustments to reflect the differences in utility responsibility at the selected properties as needed. The utility adjustments were based on the local housing authority's utility cost estimates.

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

# Affordable Rent Roll

Property: Tan Yard Branch Apts II (652) 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>Tan Yard Branch Apts II (652)</b>																	
02	652s2	798	2	Haynes, Cloys	Rental		GR	01/01/13	643	528	450	450	253	197	78	275	0
03	652s1	654	1	England, Larry	Assistance(RA) Rental		AR	03/01/13	572	486	425	425	283	142	61	203	0
04	652s1	654	1	Ashe, Angela	Assistance(RA) Rental		AR	06/01/13	572	486	425	425	283	142	61	203	0
05	652s2	798	2	Burns, Cheryl	Assistance(RA) Rental		AR	04/01/13	643	528	450	450	473	0	78	55	23
06	652s2	798	2	Blackwell, Karla	Assistance(RA) Rental		AR	07/01/13	643	528	450	450	259	191	78	269	0
07	652s1	654	1	Glenn, John	Assistance(RA) No Deep Tenant Subsidy		AR	05/01/13	572	486	425	425	0	425	61	486	0
08	652s1	654	1	Henson, Loreane	Rental		AR	01/01/13	572	486	425	425	283	142	61	203	0
09	652s1	654	1	Gooch, Celia	Assistance(RA) Rental		AR	07/01/13	572	486	425	425	300	125	61	186	0
10	652s1	654	1	Spiva, Elaine	Assistance(RA) Rental		RA	10/10/12	572	486	425	425	337	88	61	149	0
11	652s1	654	1	Fortenberry, Sarah	Assistance(RA) Rental		AR	03/01/13	572	486	425	425	275	150	61	211	0
12	652s1	654	1	Garred, Tim	Assistance(RA) Rental		RA	05/24/13	572	486	425	425	283	142	61	203	0
13	652s1	654	1	McAllister, Suzanne	Assistance(RA) No Deep Tenant Subsidy		MI	06/26/13	572	486	425	425	0	425	61	486	0
14	652s1	654	1	Burkhalter, Jane	Rental		AR	03/01/13	572	486	425	425	283	142	61	203	0
15	652s1	654	1	Young, Seth	Assistance(RA) Rental		AR	09/01/12	572	486	425	425	286	139	61	200	0
16	652s1	654	1	Hardman, Michele	Assistance(RA) Rental		RA	11/02/12	572	486	425	425	277	148	61	209	0
17	652s1	654	1	Carmona, Henry	Assistance(RA) Rental		RA	01/02/13	572	486	425	425	119	306	61	367	0
18	652s1	654	1	Dyke, Albert	Assistance(RA) Rental		RA	05/01/13	572	486	425	425	163	262	61	323	0
19	652s1	654	1	Chitwood, Marilyn	Assistance(RA) Rental		AR	01/01/13	572	486	425	425	190	235	61	296	0
20	652s1	654	1	Jordan, Ina	Assistance(RA) Rental		AR	02/01/13	572	486	425	425	274	151	61	212	0
21	652s1	654	1	Hooper, Brian	Assistance(RA) Rental		RA	12/01/12	572	486	425	425	28	397	61	458	0
22	652s1	654	1	Carlyle, Billy	Assistance(RA) Rental		AR	09/01/12	572	486	425	425	111	314	61	375	0
23	652s1	654	1	Underwood, Janet	Assistance(RA) Rental		AR	09/01/12	572	486	425	425	245	180	61	241	0
24	652s1	654	1	Smith, Ralph	Assistance(RA) Rental		RA	10/02/12	572	486	425	425	106	319	61	380	0

# Affordable Rent Roll

Property: Tan Yard Branch Apts II (652) 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>Tan Yard Branch Apts II (652)</b>																	
25	652s1	654	1	Hawley, Thomas	Rental Assistance(RA)		AR	11/01/12	572	486	425	425	222	203	61	264	0
26	652s1	654	1	Harkins, Valerie	Rental Assistance(RA)		AR	01/01/13	572	486	425	425	288	137	61	198	0
<b>Total :</b>		16,782	28	<b>Number of Units:</b>	<b>25</b>				14,513	12,276	10,700	10700	5,621	5,102	1,576	6,655	23
<b>Grand Total :</b>		<u>16,782</u>	<u>28</u>	<b>Total Units:</b>	<u>25</u>				<u>14,513</u>	<u>12,276</u>	<u>10,700</u>		<u>5,621</u>	<u>5,102</u>	<u>1,576</u>	<u>6,655</u>	<u>23</u>