

# Market Feasibility Analysis

Wildwood Apartments  
1150 Petersburg Road  
Elberton, Elbert County, Georgia 30635

*Prepared For*

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## SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Wildwood Apartments rental community to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Elberton, 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 Wildwood Apartments project was originally built in 1987 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 50 general-occupancy units, comprised of 24 one-bedroom garden-style units and 26 two-bedroom townhomes. Currently, 22 of the 50 units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants of these units to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent plus tenant-paid utilities). Management reports the subject project is currently 100.0% occupied and maintains a waiting list of six (6) households.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and community spaces. Once renovations are complete, the 22 units of RA will be preserved and all units will continue to target households earning 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 Elberton and is surrounded primarily by wooded land which provides a relatively private living environment to residents of the subject project. Further, the subject project fits well with the surrounding multifamily residential structures in the immediate site neighborhood. Visibility and access of the subject project are both considered good as the subject project is clearly visible and easily accessible from Petersburg Road, a moderately traveled roadway which borders the site to the north. Also note that Petersburg Road provides access to multiple arterial roadways which provide access throughout the Elberton area. The subject project is also within proximity of numerous community services, many of which are located within 1.5 miles of the subject project. Overall, the subject project's clear visibility, easy accessibility and proximity to community and public safety services should contribute to the subject project's continued marketability 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 Elberton Site PMA includes all of Elbert County. As such, the boundaries of the Site PMA are the Elbert County boundaries in each direction. 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 population and household trends are projected to be negative within the Elberton Site PMA. Specifically, the total population within the Site PMA is projected to decline by 223 (1.1%) while the total number of households will decrease by 60 (0.7%) during this time period. However, the primary age group (ages 25 to 64) at the subject project is estimated to comprise more than 67.0% of all households within the Site PMA in 2013. It should also be noted that there will be a significant number of renter households (2,363) in the Site PMA in 2013. Overall, while these demographic trends are projected to be negative, this projected decline is considered minimal and a stable base of renter household support will continue to exist within the Site PMA between 2013 and 2015. Detailed demographic information is included in Section E of this report.

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

According to data provided by the U.S. Department of Labor, Bureau of Labor Statistics, the Elbert County economy was significantly impacted by the national recession as employment base figures have decreased each year since 2006 and the unemployment rate within Elbert County increased by nearly nine full percentage points between 2007 and 2011. However, it should be noted that the unemployment rate within Elbert County decreased in 2012 for the first time since 2007. It should also be noted however, that while unemployment rate trends have recently shown signs of improvement, the employment base continues to struggle to recover from the impact of the national recession. Considering the struggling employment base and unemployment rates which remain in double digits despite recent improvements, it is likely that the Elbert County economy will continue to experience a slow economic recovery for the foreseeable future. As such, it is likely that the demand for affordable housing will remain high within the Elbert County area. Detailed economic information is included in Section F of this report.

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

The Wildwood Apartments property has project-based Rental Assistance (RA) available to 22 of its 50 units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, these 22 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 851 income-qualified renter households to support the 50 renovated units. As such, the capture rate would be 5.9% ( $50 / 851 = 5.9\%$ ) if all units were vacated. However, the project is 100.0% occupied and all current tenants are anticipated to remain following LIHTC renovations. Therefore, the renovated subject project will have an effective capture rate of 0.0%. A detailed capture rate analysis and alternative demand scenarios are provided in Section G of this report.

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

Following renovations the subject project will offer one- and two-bedroom units targeting general-occupancy households earning up to 60% of Area Median Household Income (AMHI).

Aside from the subject project we identified and surveyed one Low Income Housing Tax Credit (LIHTC) project in the Site PMA. However, this one LIHTC project located within the Site PMA (Bowman Village) is an age-restricted project (age 62 and older) which also operates with Rental Assistance on all of its units. As such, we have not included this project in our comparable analysis.

Due to the lack of non-subsidized general-occupancy LIHTC product in the Site PMA we have identified and surveyed five non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Athens and Commerce, Georgia. These five LIHTC projects offer one- through three-bedroom units targeting general-occupancy households earning up to 30%, 50% and/or 60% of AMHI. As such, these projects should offer an accurate base of comparability for the subject project. However, it should be noted that as these five 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 LIHTC project have been included for comparability purposes only and are not considered to be directly competitive with the subject project.

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Wildwood Apartments</b>	<b>1987 / 2014</b>	<b>50</b>	<b>100.0%</b>	<b>-</b>	<b>6 H.H.</b>	<b>Families; 60% AMHI &amp; RD 515</b>
904	Heritage Crossing	2002	96*	97.9%	43.8 Miles	None	Families; 50% & 60% AMHI
907	4th Street Village Apts.	2007	93*	100.0%	35.7 Miles	2 Years	Families; 30% & 50% AMHI
908	Dogwood Park Apts.	1995	127	94.5%	35.5 Miles	None	Families; 30% & 60% AMHI
909	Oak Hill Apts.	2004	220	94.5%	35.4 Miles	None	Families; 60% AMHI
910	Heritage Hills	2000	80	85.0%	41.9 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy

900 series Map IDs are located outside the Site PMA

\*Tax Credit units only

The five LIHTC projects have a combined occupancy rate of 94.6%, indicating that affordable non-subsidized LIHTC product has been well received within the region. It should further be noted that the 85.0% occupancy rate reported at Heritage Hills (Map ID 910) is not considered to be reflective of the non-subsidized Tax Credit rental market within the region as management of this project has attributed this less than stable occupancy to multiple evictions that have recently taken place at this project.

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.	Rent Special
<b>Site</b>	<b>Wildwood Apartments</b>	<b>\$513/60% (24)</b>	<b>\$616/60% (26)</b>	<b>-</b>	<b>-</b>
904	Heritage Crossing	\$569/50% (4/0) \$673/60% (4/0)	\$682/50% (31/0) \$762/60% (28/1)	\$789/50% (14/0) \$854/60% (15/1)	None
907	4th Street Village Apts.	\$363/30% (2/0) \$596/50% (13/0)	\$460/30% (6/0) \$727/50% (48/0)	\$502/30% (3/0) \$812/50% (21/0)	None
908	Dogwood Park Apts.	\$303/30% (7/0)	\$683/60% (68/3)	\$771/60% (52/4)	None
909	Oak Hill Apts.	\$656/60% (56/8)	\$727/60% (156/2)	\$909/60% (8/2)	None
910	Heritage Hills	\$553/50% (5/0) \$603/60% (5/0)	\$671/50% (25/2) \$721/60% (25/7)	\$767/50% (10/1) \$832/60% (10/2)	None

900 series Map IDs are located outside the Site PMA

As proposed, the subject rents reported in the preceding table will not be the actual rents most tenants will be responsible for paying, as the subject project will maintain Rental Assistance on 22 of its 50 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 slightly inferior to those of the comparable LIHTC projects in the region. However, the 100.0% 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 profile and have not, and should not, adversely impact marketability of the subject project. Similarly, the proposed amenities package is also considered appropriate for the targeted tenant population at the subject project. Based on the anticipated value that will be created by the continued presence of the RA subsidy, we expect the renovated subject project to be competitive as proposed.

#### **8. Absorption/Stabilization Estimates**

According to management, the subject project is currently 100.0% occupied and maintains a six household waiting list. It should also be noted that while residents will be relocated temporarily during renovations, they will not be permanently displaced. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 50 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 22 of the 50 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 50 units at the subject site will reach a stabilized occupancy of 93.0% within approximately 10 to 12 months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately four to five units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA will be maintained on 22 of the 50 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 50 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:	Wildwood Apartments	Total # Units:	50
Location:	1150 Petersburg Road, Elberton, Elbert County, Georgia 30635	# LIHTC Units:	<b>50</b>
PMA Boundary:	The Elbert County boundaries in each direction.		
	Farthest Boundary Distance to Subject:		18.5 miles

**RENTAL HOUSING STOCK (found on page H-1)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	7	506	0	100.0%
Market-Rate Housing	0	0	0	N/A
Assisted/Subsidized Housing not to include LIHTC	5	432	0	100.0%
<b>LIHTC</b>	2	74	0	100.0%
Stabilized Comps (in PMA only)	0	0	0	N/A
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
24	One	1.0	600	<b>\$424</b>	<b>\$495</b>	<b>\$0.83</b>	<b>14.3%</b>	<b>\$660</b>	<b>\$0.68</b>
26	Two	1.5	876	<b>\$509</b>	<b>\$585</b>	<b>\$0.67</b>	<b>13.0%</b>	<b>\$750</b>	<b>\$0.67</b>

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

**DEMOGRAPHIC DATA (found in Section E & G)**

	2010		2013		2015	
Renter Households	2,337	29.0%	2,388	29.7%	2,363	29.6%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	1,596	19.9%	1,598	20.0%
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 22 of the 50 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	2	-5	2	-	-	-5
Existing Households (Overburd + Substand)	849	127	849	-	-	127
Homeowner conversion (Seniors)	-	-	-	-	-	-
<b>Total Primary Market Demand</b>	851	122	851	-	-	122
Less Comparable/Competitive Supply	0	0	0	-	-	0
<b>Net Income-Qualified Renter HHs</b>	<b>851</b>	122	<b>851</b>	-	-	<b>122</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%*	23.0%	3.3%*	-	-	41.0%

\* 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 Wildwood Apartments project was originally built in 1987 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 50 general-occupancy units, comprised of 24 one-bedroom garden-style units and 26 two-bedroom townhomes. Currently, 22 of the 50 units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants of these units to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent plus tenant-paid utilities). Management reports the subject project is currently 100.0% occupied and maintains a waiting list of six (6) households.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and community spaces. Once renovations are complete, the 22 units of RA will be preserved and all units will continue to target households earning 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 unassisted residents, allowing existing residents to pay current rents. It should be noted that the proposed gross rents are above the 2013 maximum allowable gross LIHTC limits for Elbert County. Therefore, the proposed gross rents for the unassisted units would need to be lowered to or below the 2013 maximum allowable gross LIHTC limits for Elbert County and/or in the unlikely event that the subject project lost its 22 units of RA and had to operate exclusively under the LIHTC program. Note that the 2013 maximum allowable gross LIHTC rents for Elbert County are illustrated in the table on the following page and have been utilized throughout the remainder of this report. Additional project details follow:

- 1. PROJECT NAME:** Wildwood Apartments
- 2. PROPERTY LOCATION:** 1150 Petersburg Road  
Elberton, Georgia 30635  
(Elbert County)
- 3. PROJECT TYPE:** Current: Tax Credit & RD 515  
Proposed: Tax Credit & RD 515

**4. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Current Rents*	2013 LIHTC Rents				2013 Rent Limits		Market Rents (CRCU)	Proposed Achievable Net Rents
						AMHI	Gross	U.A.	Net	Max. Allow.	Fair Market		
24	One	1.0	Garden	600	\$390	60%	\$513	\$89	\$424	\$513	\$489	\$495	\$424
26	Two	1.5	TH	876	\$435	60%	\$616	\$107	\$509	\$616	\$599	\$585	\$509
<b>50</b>	<b>Total</b>												

Source: Boyd Management  
 AMHI – Area Median Household Income (Elbert County GA; 2013)  
 \*Denotes current basic rents under the RD 515 program  
 U.A. – Utility Allowance  
 Max. Allow. – Maximum Allowable  
 CRCU – Conventional Rents for Comparable Units  
 TH – Townhouse

**5. TARGET MARKET:**

Low-Income Families

**6. PROJECT DESIGN:**

One- and two-story residential buildings with one-bedroom garden-style units and two-bedroom townhomes.

**7. ORIGINAL YEAR BUILT:**

1987

**8. ANTICIPATED RENOVATION COMPLETION DATE:**

2014

**9. UNIT AMENITIES:**

- Refrigerator
- Electric Range
- Central Air Conditioning
- Carpet
- Additional Storage
- Dishwasher
- Window Blinds
- Washer/Dryer Hookups (Two-Bedroom Only)
- Patio/Balcony
- Ceiling Fan (Two-Bedroom Only)

**10. COMMUNITY AMENITIES:**

- On-Site Management
- Laundry Facility
- Community Space
- Playground
- 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 22 of the 50 total units.

The Rental Assistance requires tenants of these units to pay up to 30% of their adjusted gross income towards housing costs. Rental Assistance on the 22 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 50-unit project is currently 100.0% occupied and maintains a six-household 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 22 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

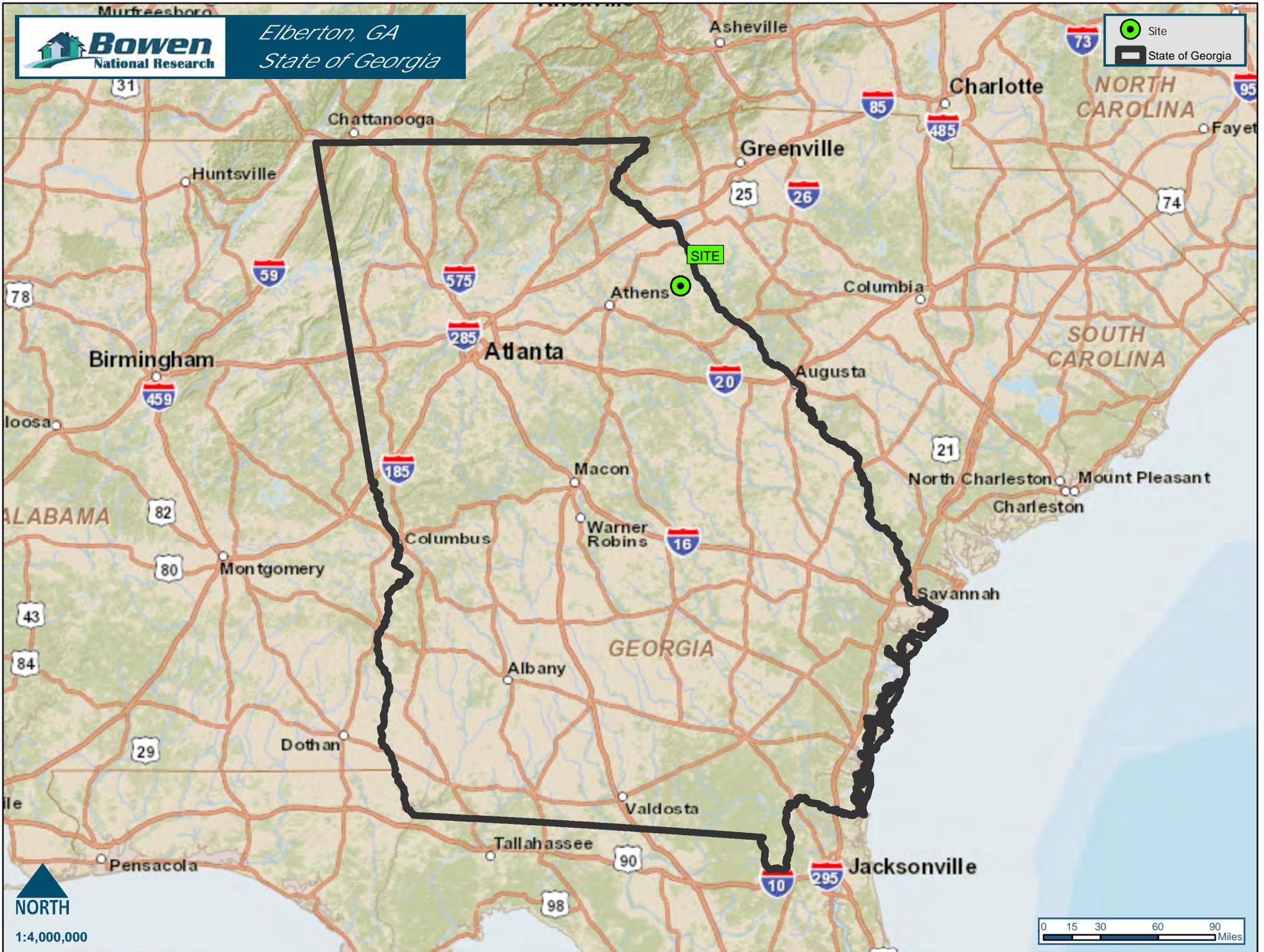
- Installation of new HVAC
- Re-roofing of buildings
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- Upgrade sidewalks, dumpster surrounds and landscaping.

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

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



*Elberton, GA*  
*State of Georgia*



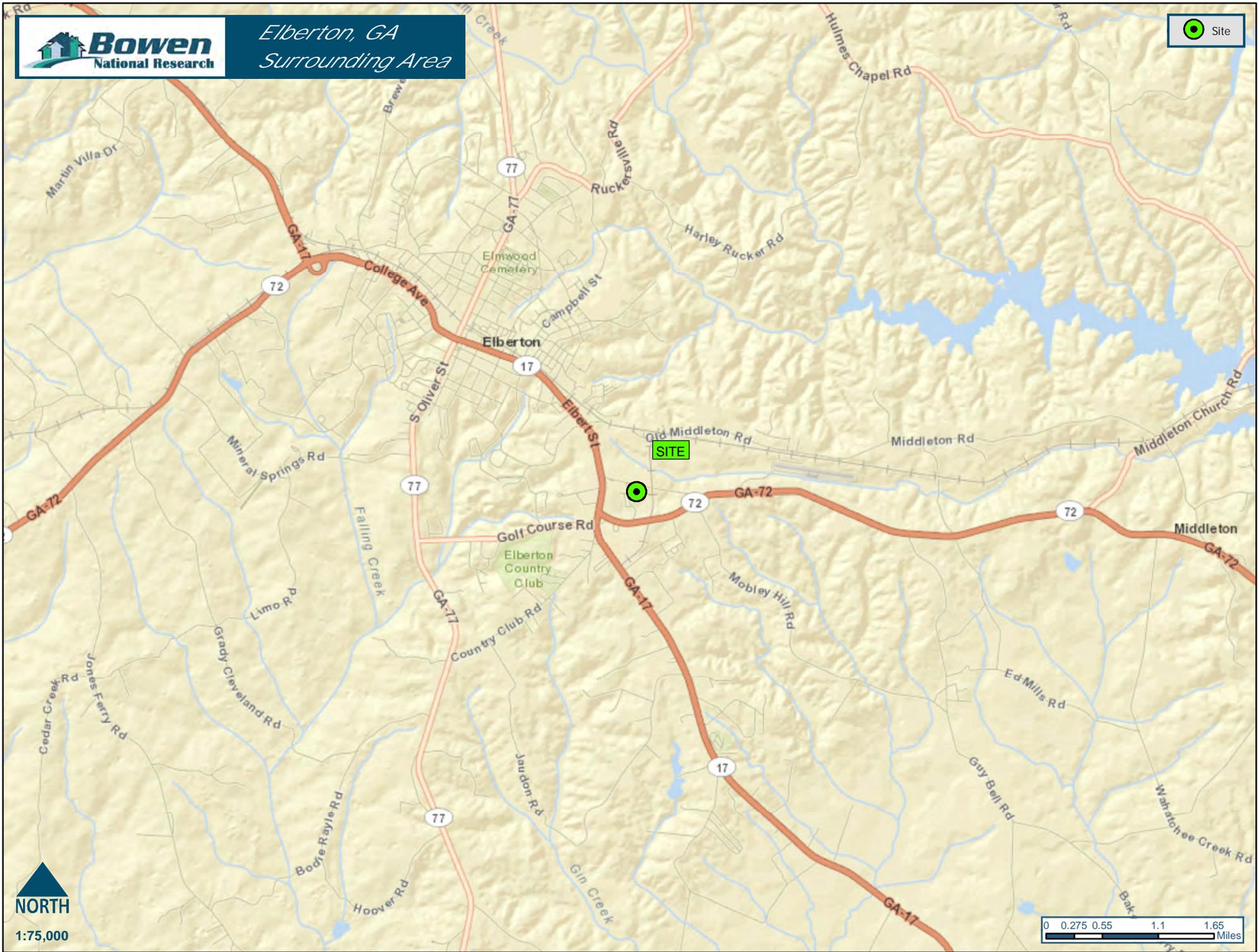
NORTH

1:4,000,000





*Elberton, 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 Wildwood Apartments community, located at 1150 Petersburg Road in Elberton, Georgia. Located within Elbert County, Elberton is approximately 38.0 miles northeast of Athens, Georgia and approximately 107.0 miles northeast of Atlanta, Georgia. An employee of Bowen National Research inspected the site and area apartments during the week of September 16, 2013.

### 2. SURROUNDING LAND USES

The subject site is within an established area of Elberton, Georgia. Surrounding land uses generally include wooded land, undeveloped land, multifamily residential structures and retail establishments. Adjacent land uses are detailed as follows:

<b>North -</b>	Petersburg Road defines the northern boundary of the site and was observed to experience moderate traffic patterns. Continuing north is wooded land, the age-restricted (age 62 and older) Elberton Oaks Apartments, and Ingles grocery store. Further north are scattered industrial and commercial structures that were observed to be in relatively good overall condition.
<b>East -</b>	Undeveloped land is located directly east of the subject site. Continuing east is a set of railroad tracks and the Elbert County Recycling/Convenience Center. Further east of the subject site is undeveloped wooded land, the Elberton Christian Church and Body Plex Fitness.
<b>South -</b>	Wooded land defines the southern boundary of the site. Continuing south is the Country Manor Mobile Home Park which is considered to be in average condition. Undeveloped land and the Elks Elberton Lodge is located beyond.
<b>West -</b>	The Calvary Baptist Church is located directly west of the subject site. Continuing west is the Petersburg Village Apartments, Petersburg Towers, the Day & Nite Inn and a Wal-Mart Supercenter. Further west is Lower Heard Street/State Route 17 which was observed to experience moderate traffic patterns.

The subject project is primarily surrounded by wooded land and multifamily residential structures which are considered to be in average condition. It should also be noted that while the subject site is within close proximity of a set of railroad tracks, the 100.0% occupancy rate reported at the subject project indicates that this nearby land use has not negatively impacted marketability of the subject project and should not adversely impact the continued marketability of the subject project following renovations.

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

The subject project maintains frontage and is clearly visible along Petersburg Road, a two-lane roadway which borders the site to the north. This moderately traveled roadway provides a considerable amount of passerby traffic to the subject project. It should further be noted that clear site signage is also located along Petersburg Road and is clearly visible to motorists along this roadway. Access to the subject project is also derived from Petersburg Road, which as previously stated, was observed to experience moderate traffic patterns. Note that Petersburg Road also provides convenient access to and from Calhoun Falls Highway and Lower Heard Street (State Routes 72 & 17, respectively) to the east and west. These arterial roadways provide convenient access throughout the Elberton area. Based on the preceding analysis, both visibility and access of the subject project are considered good. Further, the 100.0% occupancy rate reported at the subject project likely indicates that visibility and access have contributed to the marketability of the subject project and will continue to contribute to its marketability following renovations.

### **4. SITE PHOTOGRAPHS**

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

# SITE PHOTOGRAPHS



Entryway (1)



Entryway (2)



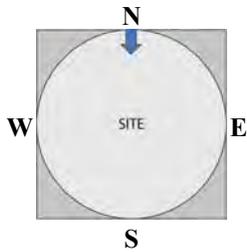
Entryway Signage



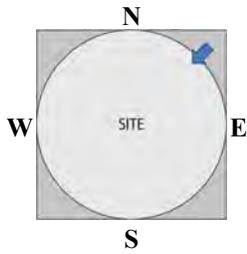
Property Photo - Garden



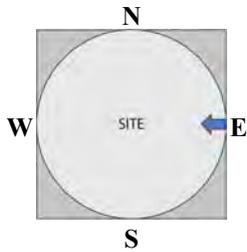
Property Photo - Townhome



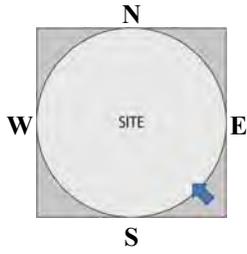
View of site from the north



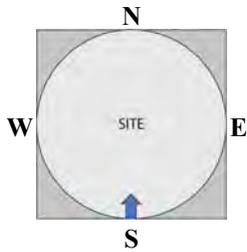
View of site from the northeast



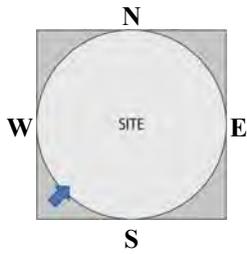
View of site from the east



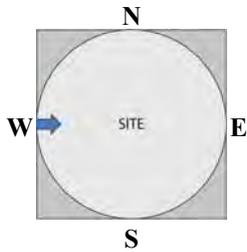
View of site from the southeast



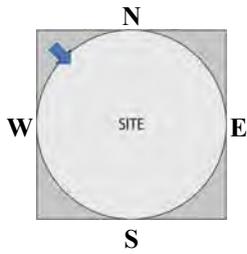
View of site from the south



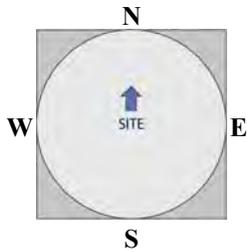
View of site from the southwest



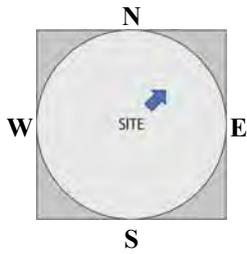
View of site from the west



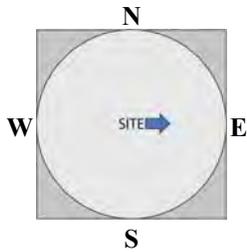
View of site from the northwest



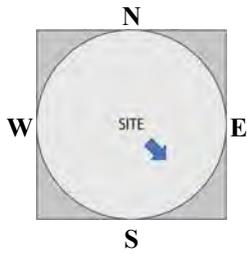
North view from site



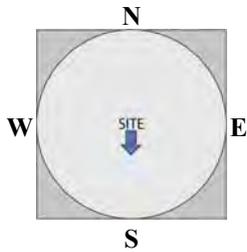
Northeast view from site



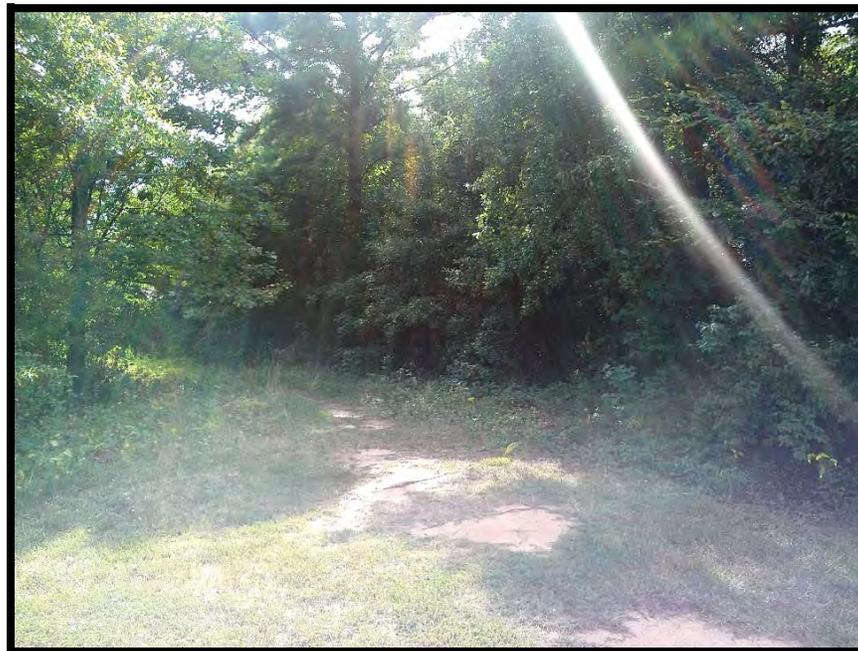
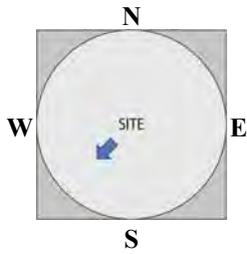
East view from site



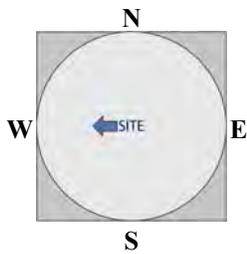
Southeast view from site



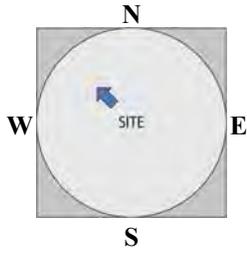
South view from site



Southwest view from site



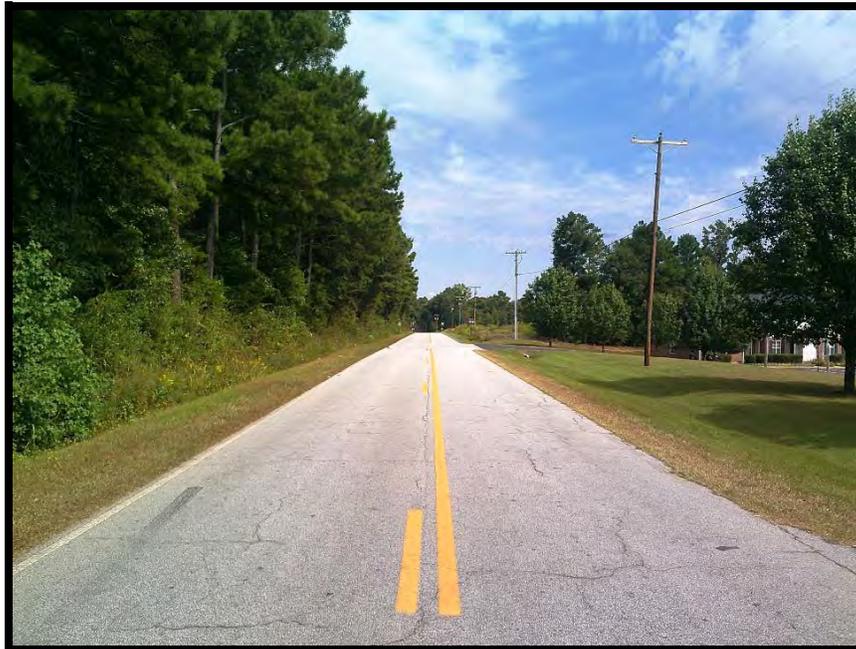
West view from site



Northwest view from site



West View of Petersburg Road



East View of Petersburg Road



Playground (1)



Playground (2)



Community Room



Community Room - Kitchen



Community Room - Bathroom



Laundry Room



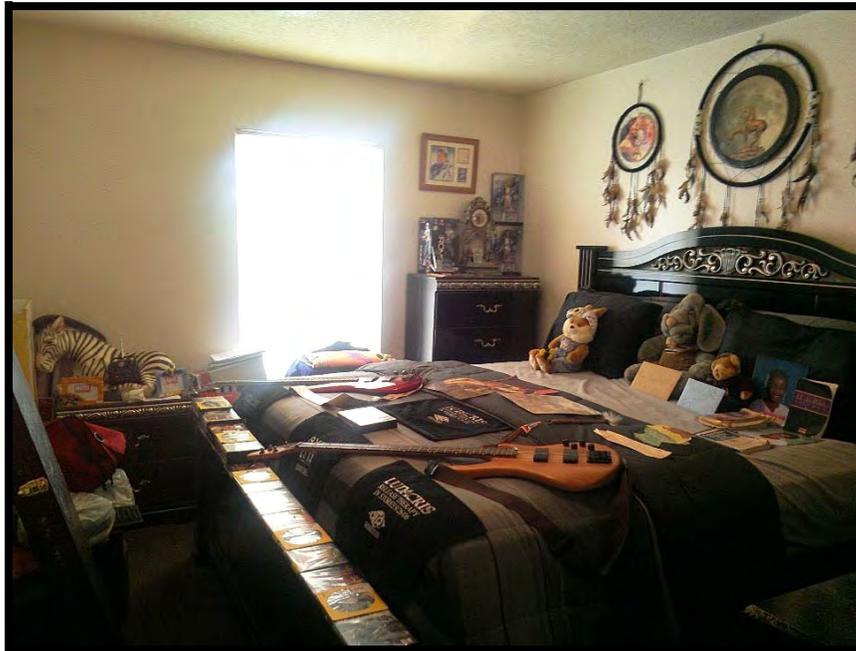
One Bedroom - Living Room



One Bedroom - Dining Room



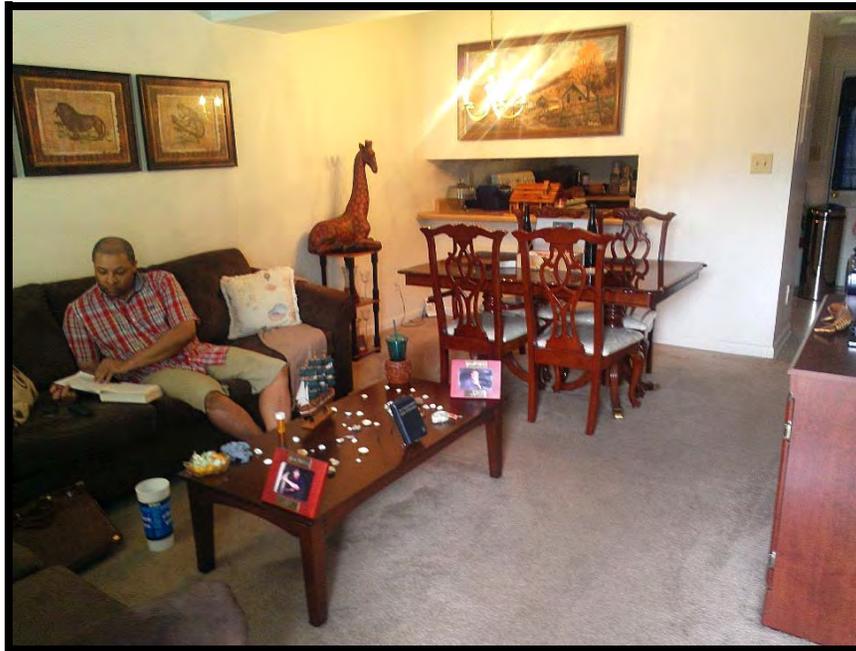
One Bedroom - Kitchen



One Bedroom - Bedroom



One Bedroom - Bath



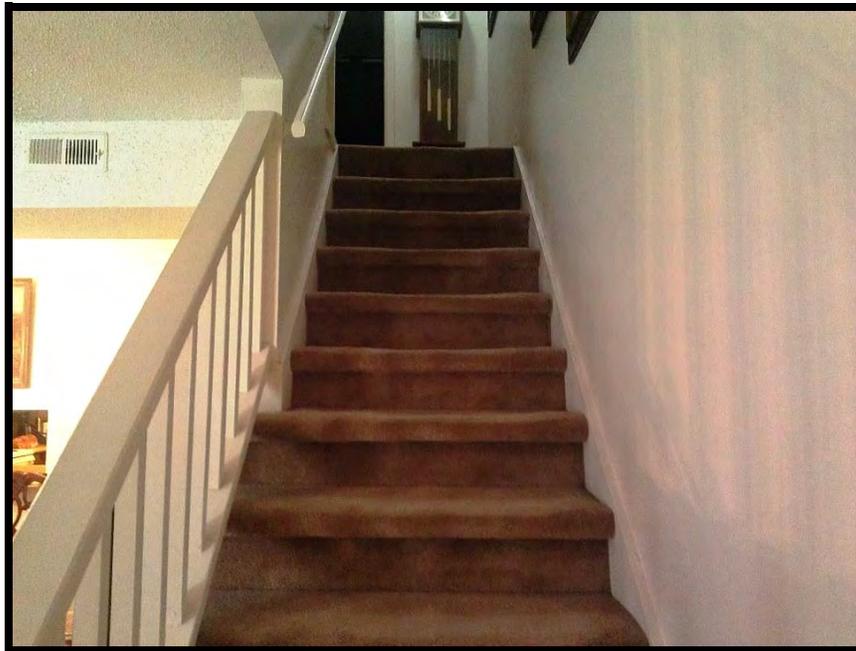
Two Bedroom - Living Room



Two Bedroom - Kitchen



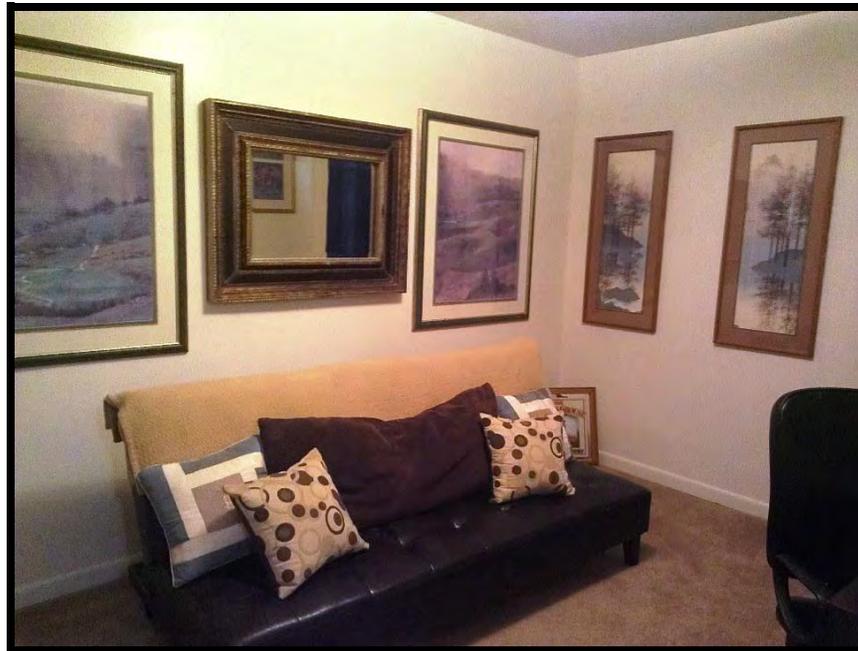
Two Bedroom - Washer/Dryer



Two Bedroom - Staircase



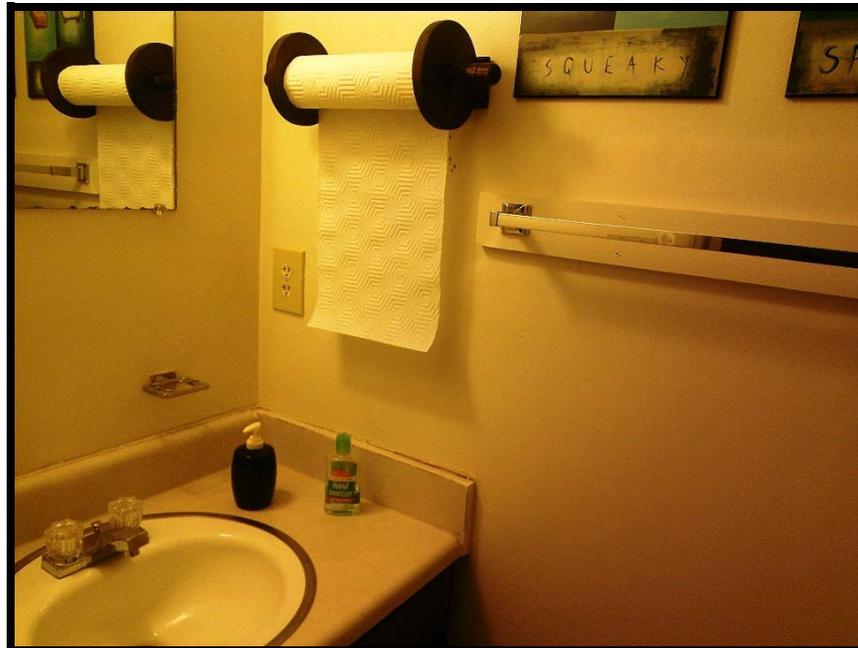
Two Bedroom - Full Bathroom



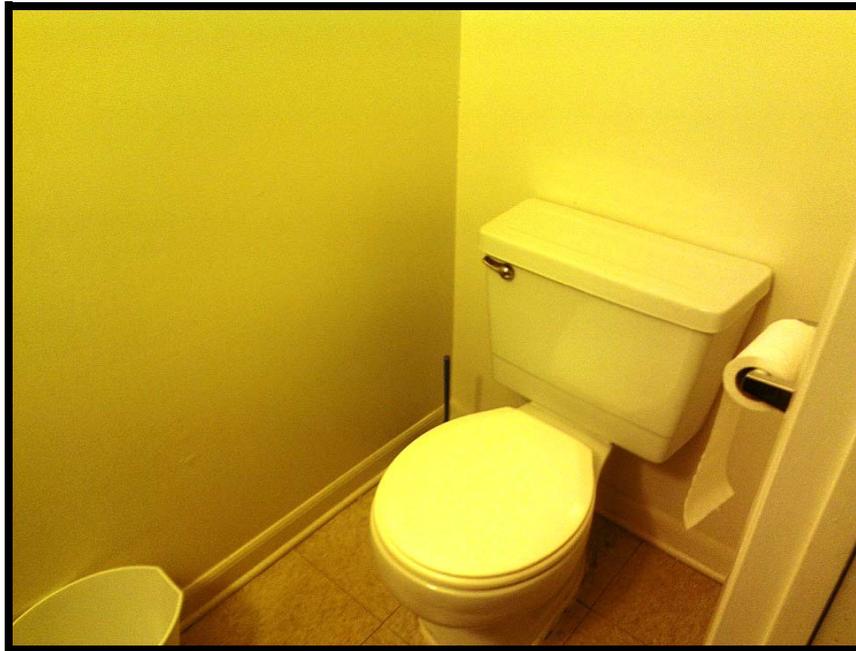
Two Bedroom - Bedroom (1)



Two Bedroom - Bedroom (2)



Two Bedroom - Half Bathroom View (1)



Two Bedroom - Half Bath View (2)

## 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 Highways	State Route 17	0.2 West
	State Route 77	2.2 Northwest
	State Route 72	0.6 South
Major Employers/ Employment Centers	Ingles	0.4 Northwest
	Eagle Granite	2.9 Northeast
	Keystone Memorials, Inc.	5.5 Southeast
Convenience Store	Raceway	0.4 Northwest
	Kennys Korner Store Inc	0.6 Southwest
	Golden Pantry	1.4 Northwest
Grocery	Save-A-Lot	0.4 Northwest
	Ingles	0.4 Northwest
	Walmart	0.5 West
Discount Department Store	Family Dollar Store	0.4 Northwest
	Walmart	0.5 West
Schools:		
Elementary	Elbert County Elementary School	4.9 Southeast
Middle/Junior High	Elbert County Middle School	2.3 Northwest
Senior High	Elbert County High School	3.7 Southeast
Hospital	Elbert Memorial Hospital	2.5 Northwest
Police	Elberton Police Department	1.8 Northwest
Fire	Elberton Fire Department	1.9 Northwest
Post Office	U.S. Post Office	1.9 Northwest
Bank	Northeast Georgia Bank	0.5 West
	Pinnacle Bank	0.9 Northwest
	Regions Bank	1.9 Northwest
Senior Center	Elbert County Senior Citizen Center	0.6 Southwest
Gas Station	Ingles	0.4 Northwest
	Raceway	0.4 Northwest
	Kenny's Korner Store	0.6 Southwest
Pharmacy	Walmart Pharmacy	0.5 West
	Ingles	0.4 Northwest
	Elberton Pharmacy	1.2 Northwest
Restaurant	Hunan Chinese Restaurant	0.4 West
	Dairy Queen	0.9 Northwest
	Huddle House	1.0 Northwest
Day Care	Great Beginnings Daycare Center	0.8 Southwest
	Toddlers Lane	1.8 Northwest
	Kingdom Kids Day Care Center	1.8 North
Library	Elbert County Public Library	1.5 Northwest

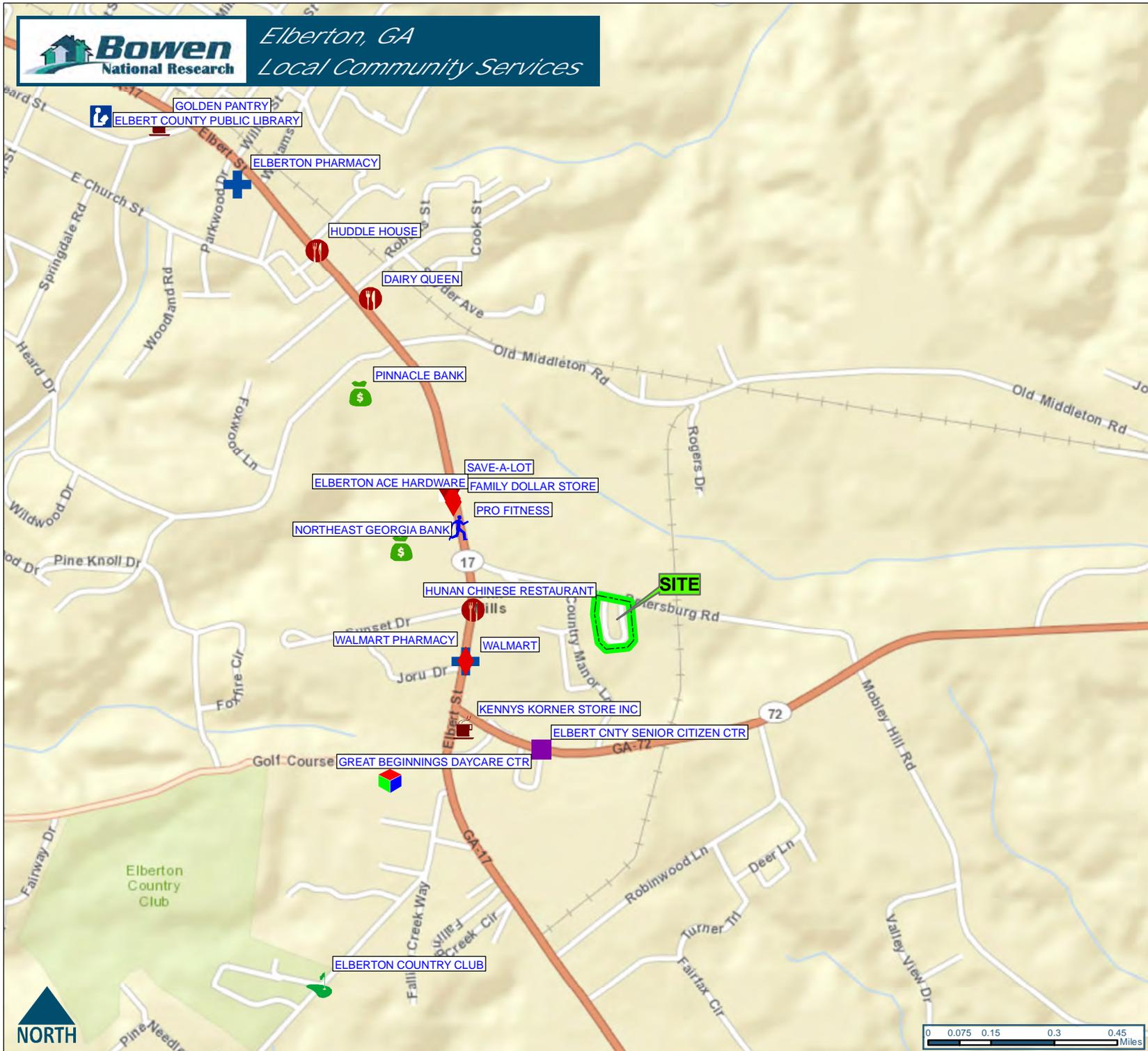
(continued)

<b>Community Services</b>	<b>Name</b>	<b>Driving Distance From Site (Miles)</b>
Fitness Center	Body Plex Fitness	0.4 Northwest
Golf	Elberton Country Club	1.2 Southwest
Park	McWilliam's Memorial Park	0.8 Southeast
	Heard Drive Parks & Recreation	2.3 Northwest
	Burke Street Parks & Recreation	2.3 Northwest
Church	Calvary Baptist Church	0.1 West
	Elberton Christian Church	0.5 South
	Elberton Pentecostal Holiness	0.9 Northwest

The subject site is located within proximity of numerous community services including but not limited to grocery stores, pharmacies, banks, gas stations and discount retailers, many of which are located within 1.5 miles of the subject site. Notable community services located within 1.5 miles of the subject site include but are not limited to Save-A-Lot, Ingles, Walmart, Elberton Pharmacy and multiple dining establishments. It should also be noted that while there is no fixed route public transportation service available within the Elberton area, most community services are easily accessible via a short walk or drive which should contribute to the continued marketability of the subject project.

The Elbert Memorial Hospital is the nearest full-service hospital with emergency services and is located within 2.5 miles of the subject site. Additionally, all public safety services are provided by the Elberton Police and Fire Departments which are each located within 1.9 miles of the subject site. The Elbert County Public School District serves the subject site as all applicable attendance schools are located within 4.9 miles of the subject project.

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



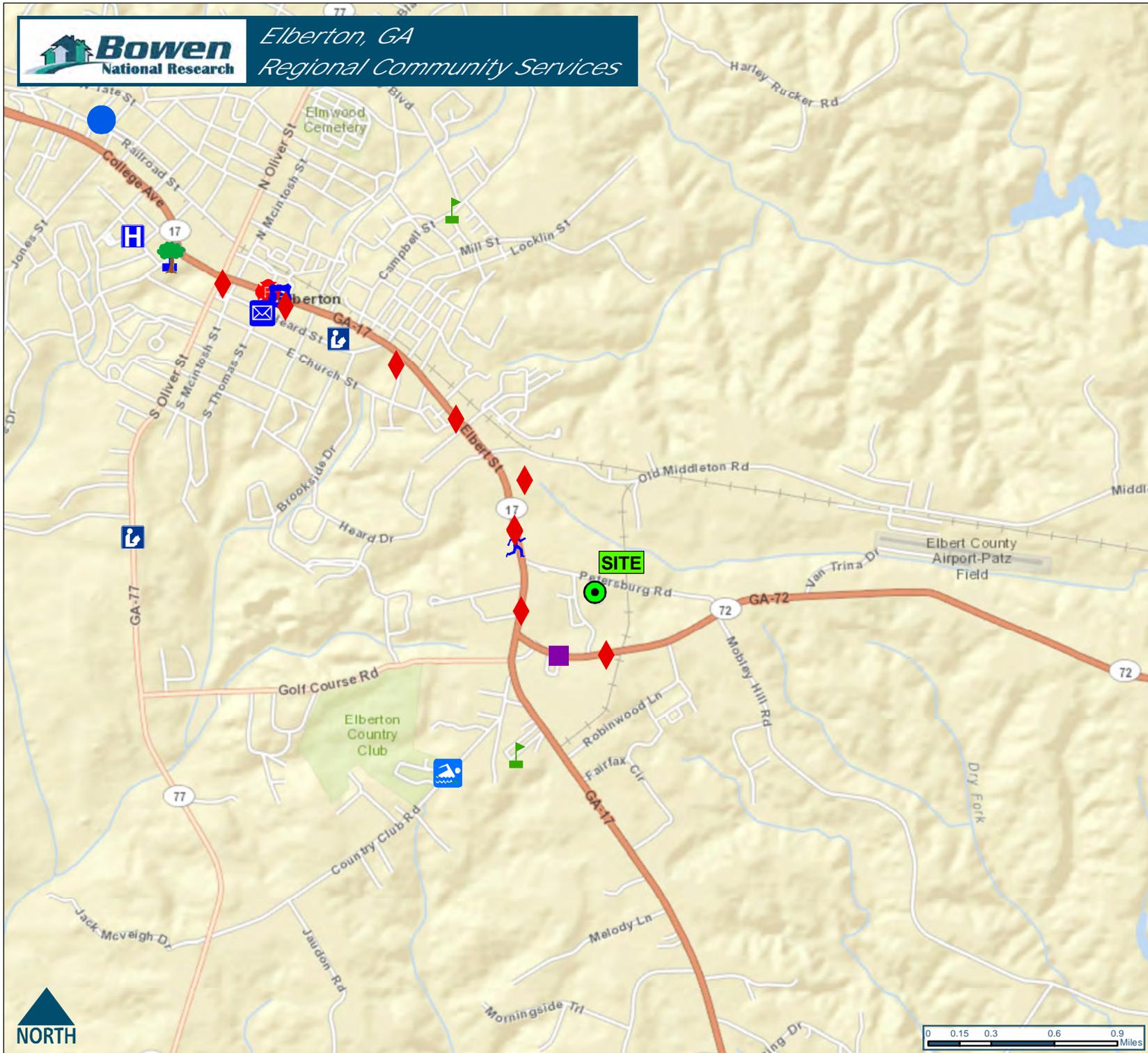
Legend

-  Site Area
-  bank
-  child care
-  convenience store
-  fitness center
-  golf
-  grocery
-  library
-  pharmacy
-  restaurant
-  senior services
-  shopping





Elberton, GA  
Regional Community Services



Legend

- Site
- elementary school
- fire
- fitness center
- hospital
- library
- middle school
- park
- police
- post office
- senior services
- shopping
- swimming
- employers\_1000\_5000



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 (78) for the Site PMA is below the national average with an overall personal crime index of 87 and a property crime index of 63. Total crime risk (78) for Elbert County is below the national average with indexes for personal and property crime of 87 and 63, respectively.

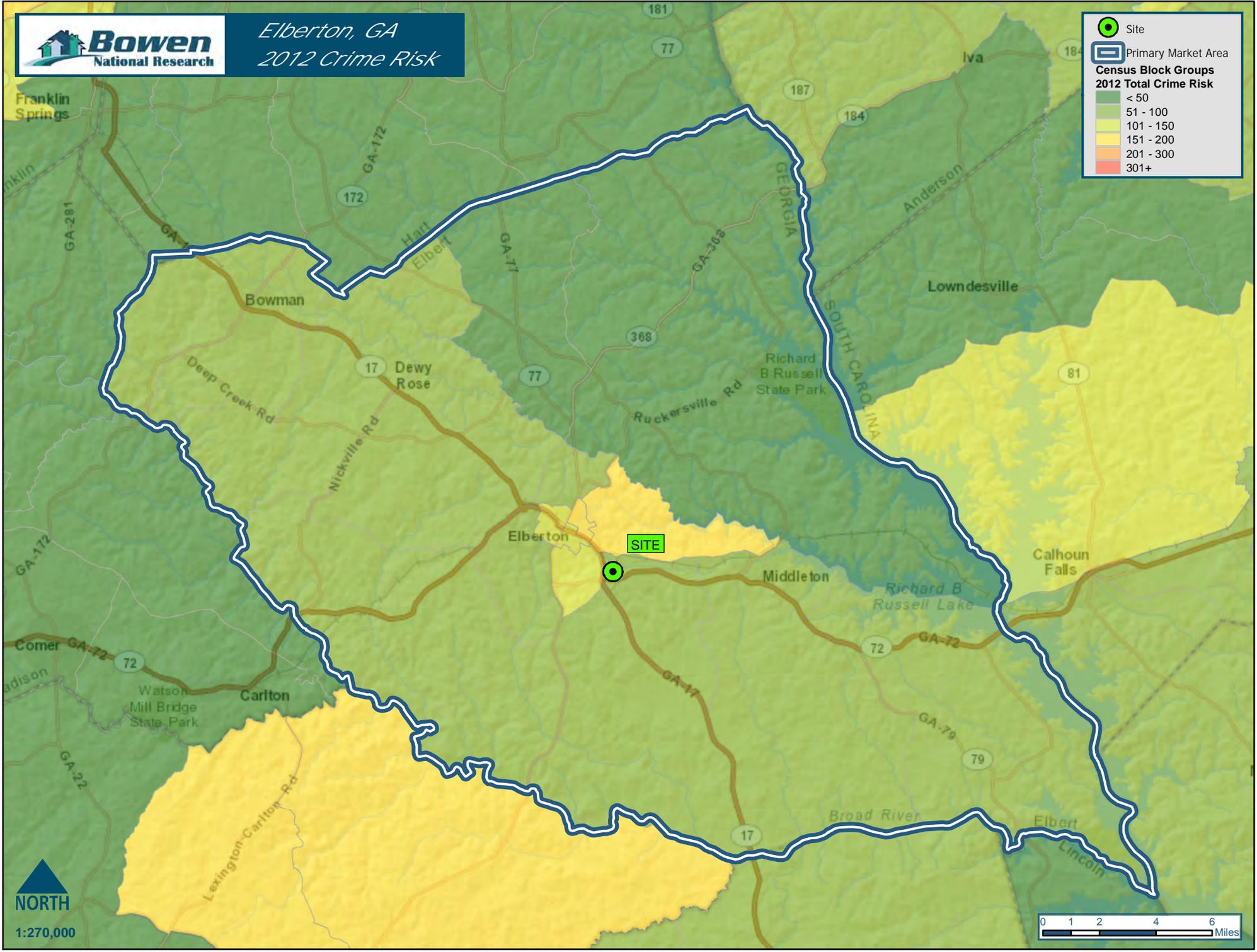
	Crime Risk Index	
	Site PMA	Elbert County
<b>Total Crime</b>	<b>78</b>	<b>78</b>
<b>Personal Crime</b>	<b>87</b>	<b>87</b>
Murder	124	124
Rape	65	65
Robbery	31	31
Assault	131	131
<b>Property Crime</b>	<b>63</b>	<b>63</b>
Burglary	87	87
Larceny	64	64
Motor Vehicle Theft	39	39

Source: Applied Geographic Solutions

Considering that Elbert County was determined to be the Elberton Site PMA, the reported crime indexes illustrated above for each respective area are the same. Notably, the crime index reported for the Site PMA is below the national average of 100. Considering the low crime rates reported within the Site PMA, it is likely that the perception of crime within the immediate site neighborhood is low. Further, the 100.0% occupancy rate reported at the subject project further demonstrates that crime has not adversely impacted marketability of the subject project. Given these low crime rates and high occupancy rate at the subject project, we do not anticipate crime will have any significant impact on the subject project's continued marketability. In fact, it is likely that these low crime rates within the Site PMA will enhance marketability of the subject project as residents in the area 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 Elberton and is surrounded primarily by wooded land which provides a relatively private living environment to residents of the subject project. Further, the subject project fits well with the surrounding multifamily residential structures in the immediate site neighborhood. Visibility and access of the subject project are both considered good as the subject project is clearly visible and easily accessible from Petersburg Road, a moderately traveled roadway which borders the site to the north. Also note that Petersburg Road provides access to multiple arterial roadways which provide access throughout the Elberton area. The subject project is also within proximity of numerous community services, many of which are located within 1.5 miles of the subject project. Overall, the subject project's clear visibility, easy accessibility and proximity to community and public safety services should contribute to the subject project's continued marketability 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.

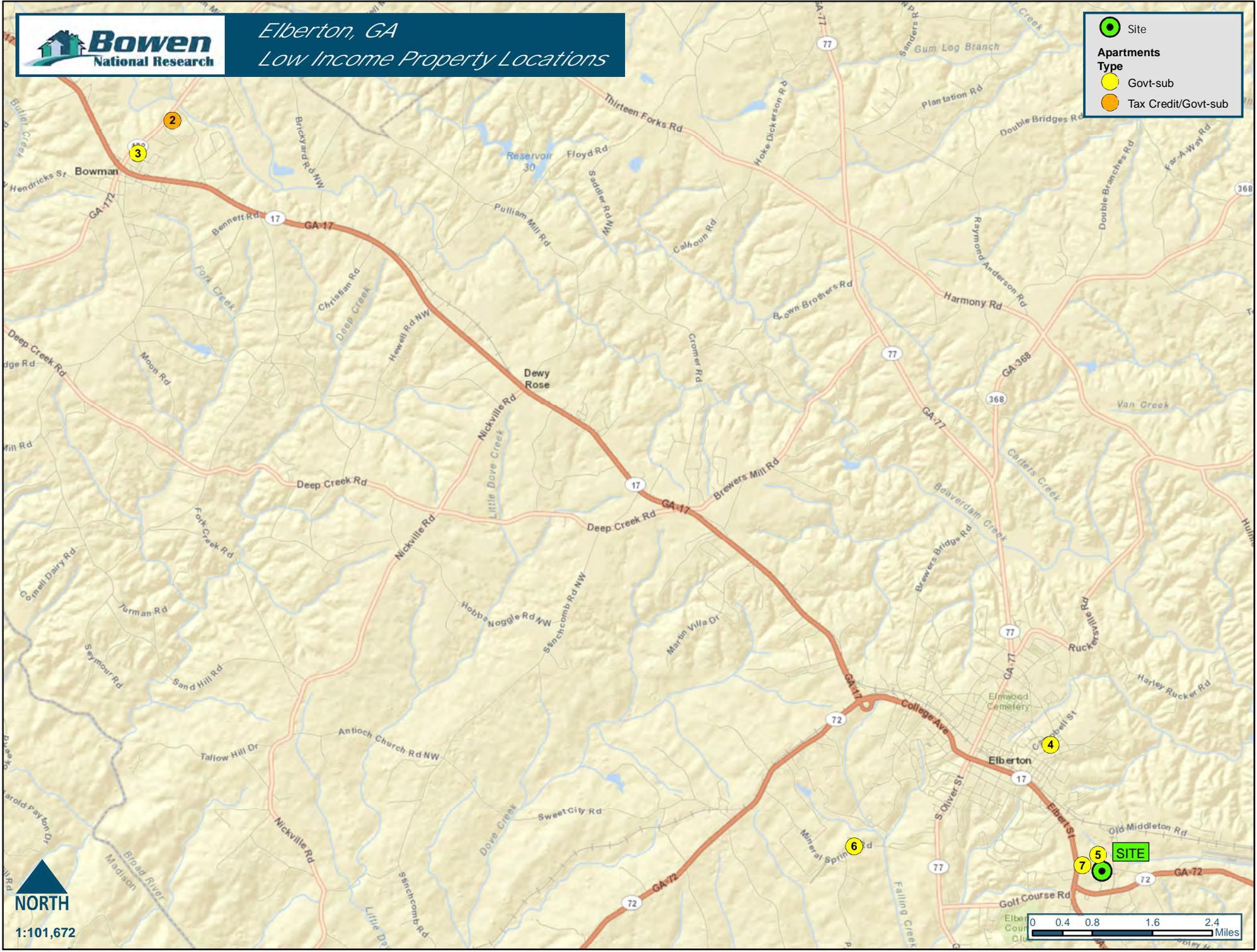


# Elberton, GA Low Income Property Locations

**Site**  
●

**Apartments Type**

- Govt-sub
- Tax Credit/Govt-sub



**NORTH**  
1:101,672



## SECTION D – PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Elberton 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 Elberton Site PMA includes all of Elbert County. As such, the boundaries of the Site PMA are the Elbert County boundaries in each direction.

Amanda Chastang, Property Manager of the subject site Wildwood Apartments, stated that the majority of her tenants originate from the immediate Elberton area. Specifically, Ms. Chastang estimated that approximately 70% of her tenants were from the town of Elberton while approximately 15% originated from the nearby towns of Dewey Rose and Bowman. Ms. Chastang further stated that additional support for her project has derived from some of the surrounding unincorporated portions of Elbert County as well as from residents who have relocated to the area from areas outside of the county.

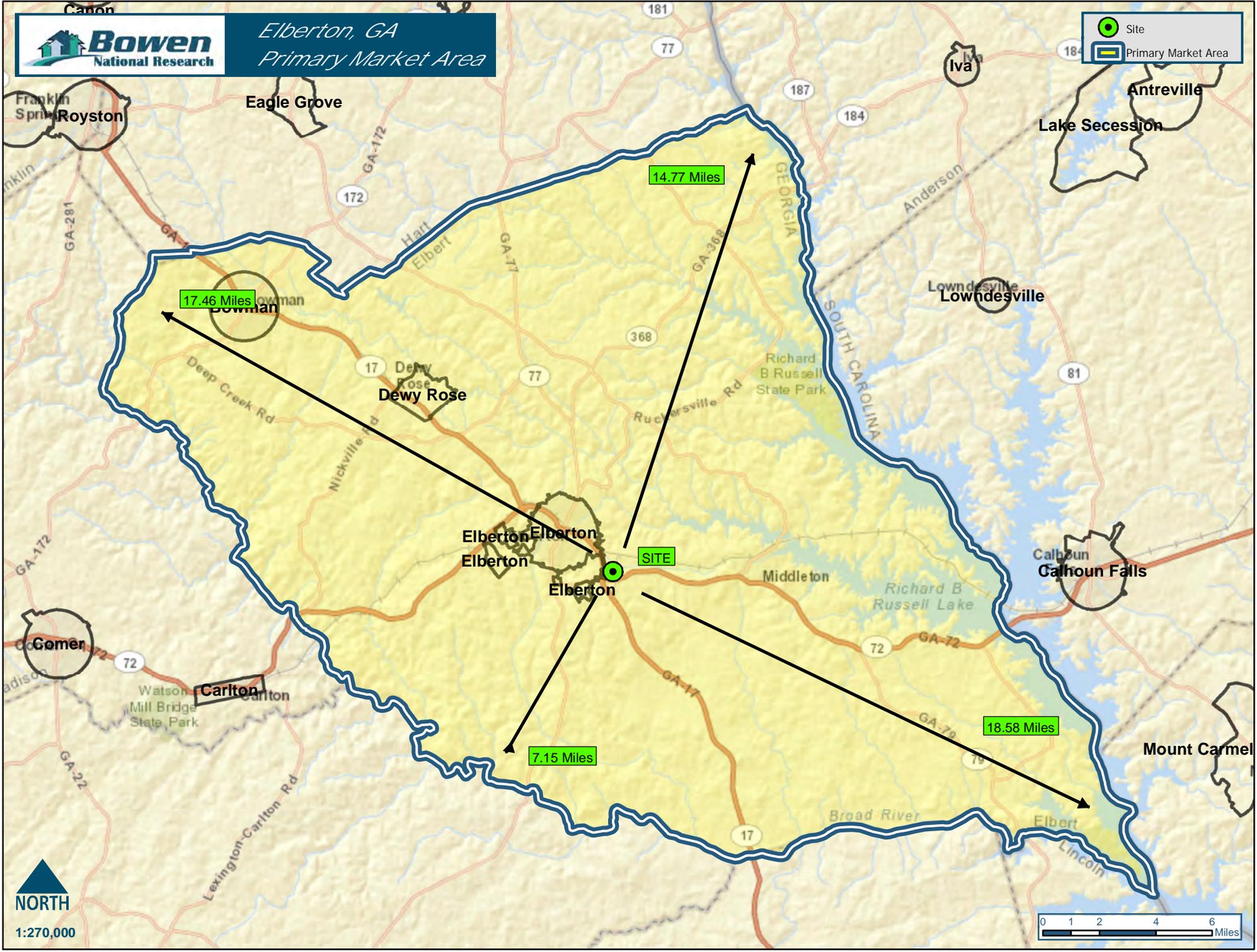
Louise Walton is the Property Manager of the Sunny Brooke Apartments, a general-occupancy government-subsidized project in Elberton. Ms. Walton also stated that the majority of her tenants originate from Elbert County. Specifically, Ms. Walton stated that approximately 75% percent of her tenants were from the immediate Elberton area, while her remaining tenants have originated from the surrounding rural areas within Elbert County. Ms. Walton further stated that residents from nearby areas such as Dewey Rose and Bowman provide support to the subject project as they are typically drawn to the Elberton area due to employment opportunities in the Elberton area. Ms. Walton additionally stated that she does not receive much support from areas such as Royston or Lavonia as residents from these areas are typically drawn the town of Toccoa, which is a larger city with more job opportunities.

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



*Elberton, GA  
Primary Market Area*

Legend:  
● Site  
▭ Primary Market Area



## 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	20,517	20,173	20,135	19,912
Population Change	-	-344	-38	-223
Percent Change	-	-1.7%	-0.2%	-1.1%

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

The Elberton Site PMA population base declined by 344 between 2000 and 2010. This represents a 1.7% decline from the 2000 population, or an annual rate of 0.2%. Between 2010 and 2013, the population declined by 38, or 0.2%. It is projected that the population will decline by 223, or 1.1%, between 2013 and 2015.

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

Population by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	5,276	26.2%	5,127	25.5%	5,029	25.3%	-98	-1.9%
20 to 24	1,170	5.8%	1,165	5.8%	1,112	5.6%	-53	-4.6%
25 to 34	2,226	11.0%	2,252	11.2%	2,226	11.2%	-26	-1.2%
35 to 44	2,478	12.3%	2,382	11.8%	2,321	11.7%	-61	-2.6%
45 to 54	2,935	14.5%	2,788	13.8%	2,663	13.4%	-125	-4.5%
55 to 64	2,697	13.4%	2,824	14.0%	2,833	14.2%	9	0.3%
65 to 74	1,848	9.2%	2,033	10.1%	2,156	10.8%	122	6.0%
75 & Over	1,542	7.6%	1,563	7.8%	1,572	7.9%	10	0.6%
Total	20,173	100.0%	20,135	100.0%	19,912	100.0%	-223	-1.1%

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

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2013. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	8,007	8,066	8,032	7,972
Household Change	-	59	-34	-60
Percent Change	-	0.7%	-0.4%	-0.7%
Household Size	2.56	2.50	2.48	2.47

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

Within the Elberton Site PMA, households increased by 59 (0.7%) between 2000 and 2010. Between 2010 and 2013, households declined by 34 or 0.4%. By 2015, there will be 7,972 households, a decline of 60 households, or 0.7% from 2013 levels. This is a decline of approximately 30 households annually over the next two years.

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

Households by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	313	3.9%	294	3.7%	276	3.5%	-17	-5.9%
25 to 34	995	12.3%	1,001	12.5%	988	12.4%	-13	-1.3%
35 to 44	1,293	16.0%	1,227	15.3%	1,192	15.0%	-35	-2.8%
45 to 54	1,594	19.8%	1,492	18.6%	1,421	17.8%	-71	-4.8%
55 to 64	1,631	20.2%	1,683	20.9%	1,683	21.1%	0	0.0%
65 to 74	1,157	14.3%	1,251	15.6%	1,323	16.6%	72	5.8%
75 to 84	790	9.8%	781	9.7%	781	9.8%	0	-0.1%
85 & Over	293	3.6%	303	3.8%	308	3.9%	4	1.5%
Total	8,066	100.0%	8,032	100.0%	7,972	100.0%	-60	-0.7%

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

As previously stated, the primary age group at the subject project is those between the ages of 25 and 64. Notably, this primary age group is projected to comprise more than 67.0% of all households within the Site PMA in 2013.

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)	3,519	43.6%	3,390	42.2%	3,292	41.3%
Owner-Occupied (Age 62+)	2,210	27.4%	2,254	28.1%	2,317	29.1%
Renter-Occupied (<Age 62)	1,827	22.6%	1,844	23.0%	1,798	22.6%
Renter-Occupied (Age 62+)	510	6.3%	544	6.8%	564	7.1%
Total	8,066	100.0%	8,032	100.0%	7,972	100.0%

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

It is estimated that 23.0% of all occupied housing units within the Site PMA will be occupied by renters under the age of 62 in 2013.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	5,729	71.0%	5,644	70.3%	5,609	70.4%
Renter-Occupied	2,337	29.0%	2,388	29.7%	2,363	29.6%
Total	8,066	100.0%	8,032	100.0%	7,972	100.0%

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

In 2013, homeowners occupied 70.3% of all occupied housing units, while the remaining 29.7% were occupied by renters. The share of renters is moderate and represents a good base of potential renters in the market for the subject project. Note that although the number of renter-occupied households is projected to decline between 2013 and 2015, this decline is considered minimal at less than 13 households annually during this time period. Also note that the 2,363 renter households projected in the Site PMA in 2015 demonstrates a good base of potential renter support in the market.

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

Persons Per Renter Household	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	870	36.4%	865	36.6%	-4	-0.5%
2 Persons	613	25.6%	605	25.6%	-7	-1.1%
3 Persons	400	16.8%	396	16.7%	-5	-1.2%
4 Persons	258	10.8%	253	10.7%	-5	-1.9%
5 Persons+	248	10.4%	244	10.3%	-4	-1.8%
Total	2,388	100.0%	2,363	100.0%	-25	-1.1%

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

Persons Per Owner Household	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,340	23.7%	1,341	23.9%	1	0.1%
2 Persons	2,183	38.7%	2,166	38.6%	-17	-0.8%
3 Persons	930	16.5%	923	16.5%	-7	-0.7%
4 Persons	696	12.3%	688	12.3%	-8	-1.2%
5 Persons+	494	8.8%	491	8.8%	-3	-0.7%
Total	5,644	100.0%	5,609	100.0%	-35	-0.6%

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

Following renovations the subject project will continue to target up to three-person households. Notably, one- through three-person households are estimated to comprise approximately 79.0% of all renter households within the Site PMA in 2013. As such, the subject project will be able to accommodate most renter households in the Site PMA, based on size.

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

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	783	9.7%	1,006	12.5%	1,039	13.0%
\$10,000 to \$19,999	1,559	19.3%	1,670	20.8%	1,685	21.1%
\$20,000 to \$29,999	1,604	19.9%	1,599	19.9%	1,595	20.0%
\$30,000 to \$39,999	1,067	13.2%	1,070	13.3%	1,064	13.3%
\$40,000 to \$49,999	757	9.4%	731	9.1%	696	8.7%
\$50,000 to \$59,999	485	6.0%	451	5.6%	445	5.6%
\$60,000 to \$74,999	527	6.5%	529	6.6%	520	6.5%
\$75,000 to \$99,999	732	9.1%	609	7.6%	578	7.3%
\$100,000 to \$124,999	290	3.6%	163	2.0%	155	1.9%
\$125,000 to \$149,999	89	1.1%	69	0.9%	69	0.9%
\$150,000 to \$199,999	116	1.4%	113	1.4%	105	1.3%
\$200,000 & Over	58	0.7%	21	0.3%	20	0.3%
Total	8,066	100.0%	8,032	100.0%	7,972	100.0%
Median Income	\$30,814		\$28,374		\$27,910	

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

In 2010, the median household income was \$30,814. This declined by 7.9% to \$28,374 in 2013. By 2015, it is projected that the median household income will be \$27,910, a decline of 1.6% from 2013.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	206	90	29	96	26	448
\$10,000 to \$19,999	337	169	83	32	115	736
\$20,000 to \$29,999	143	150	147	34	83	557
\$30,000 to \$39,999	84	72	35	65	11	266
\$40,000 to \$49,999	15	67	74	13	0	168
\$50,000 to \$59,999	16	18	2	13	2	50
\$60,000 to \$74,999	7	25	8	0	1	42
\$75,000 to \$99,999	7	2	4	0	1	15
\$100,000 to \$124,999	7	4	2	1	0	15
\$125,000 to \$149,999	6	2	1	3	3	16
\$150,000 to \$199,999	6	4	3	1	1	16
\$200,000 & Over	4	1	0	1	1	7
<b>Total</b>	<b>840</b>	<b>606</b>	<b>389</b>	<b>258</b>	<b>244</b>	<b>2,337</b>

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	254	119	37	115	36	562
\$10,000 to \$19,999	357	176	102	41	120	796
\$20,000 to \$29,999	142	130	139	25	76	512
\$30,000 to \$39,999	62	71	45	53	10	241
\$40,000 to \$49,999	12	62	61	8	0	143
\$50,000 to \$59,999	17	15	1	8	0	41
\$60,000 to \$74,999	4	24	9	1	0	39
\$75,000 to \$99,999	10	2	2	1	0	15
\$100,000 to \$124,999	6	7	1	0	0	14
\$125,000 to \$149,999	3	1	0	1	1	6
\$150,000 to \$199,999	3	6	2	2	2	15
\$200,000 & Over	0	1	0	1	2	4
<b>Total</b>	<b>870</b>	<b>613</b>	<b>400</b>	<b>258</b>	<b>248</b>	<b>2,388</b>

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	263	121	37	115	37	573
\$10,000 to \$19,999	352	177	103	41	118	790
\$20,000 to \$29,999	139	127	138	24	75	503
\$30,000 to \$39,999	58	69	45	51	9	231
\$40,000 to \$49,999	11	60	56	8	1	136
\$50,000 to \$59,999	16	15	1	8	0	41
\$60,000 to \$74,999	4	23	9	2	1	39
\$75,000 to \$99,999	10	1	2	0	0	14
\$100,000 to \$124,999	6	5	2	1	0	13
\$125,000 to \$149,999	2	2	1	1	1	6
\$150,000 to \$199,999	3	4	2	1	1	12
\$200,000 & Over	1	0	1	1	1	4
<b>Total</b>	<b>865</b>	<b>605</b>	<b>396</b>	<b>253</b>	<b>244</b>	<b>2,363</b>

Source: Ribbon Demographics; ESRI; Urban Decision Group

Between 2013 and 2015 population and household trends are projected to be negative within the Elberton Site PMA. Specifically, the total population within the Site PMA is projected to decline by 223 (1.1%) while the total number of households will decrease by 60 (0.7%) during this time period. However, the primary age group (ages 25 to 64) at the subject project is estimated to comprise more than 67.0% of all households within the Site PMA in 2013. It should also be noted that there will be a significant number of renter households (2,363) in the Site PMA in 2013. Overall, while these demographic trends are projected to be negative, this projected decline is considered minimal and a stable base of renter household support will continue to exist within the Site PMA between 2013 and 2015.

## SECTION F – ECONOMIC TRENDS

### 1. LABOR FORCE PROFILE

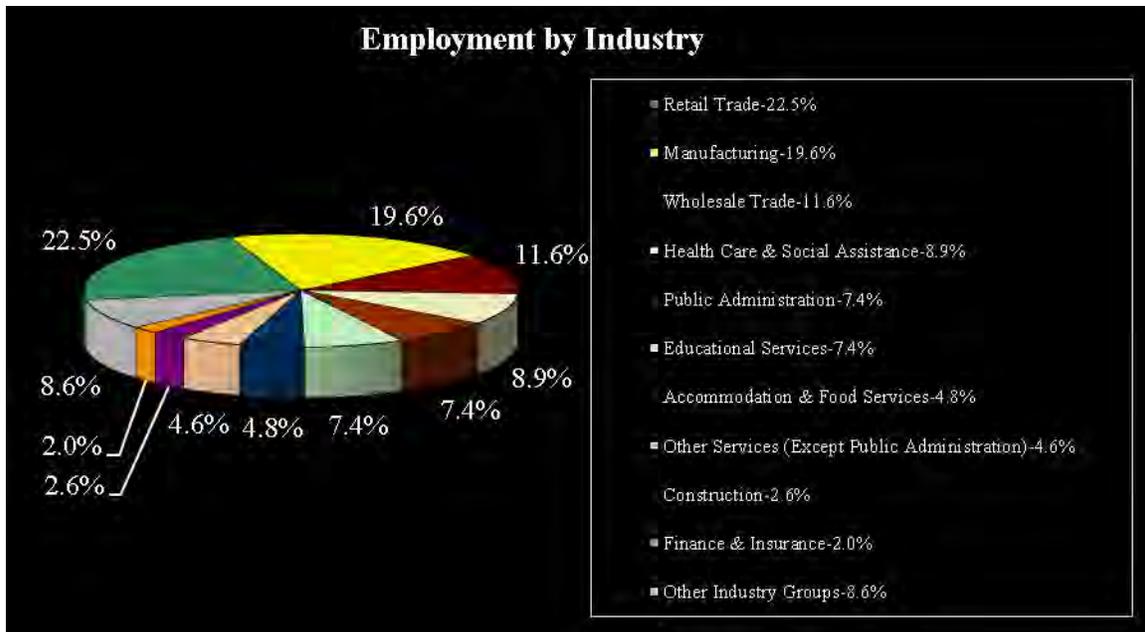
The labor force within the Elberton Site PMA is based primarily in three sectors. Retail Trade (which comprises 22.5%), Manufacturing and Wholesale Trade comprise nearly 54% of the Site PMA labor force. Employment in the Elberton Site PMA, as of 2013, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	16	1.8%	71	0.8%	4.4
Mining	8	0.9%	68	0.7%	8.5
Utilities	1	0.1%	35	0.4%	35.0
Construction	54	5.9%	234	2.6%	4.3
Manufacturing	72	7.9%	1,786	19.6%	24.8
Wholesale Trade	97	10.7%	1,055	11.6%	10.9
Retail Trade	154	16.9%	2,048	22.5%	13.3
Transportation & Warehousing	22	2.4%	116	1.3%	5.3
Information	15	1.6%	67	0.7%	4.5
Finance & Insurance	45	4.9%	185	2.0%	4.1
Real Estate & Rental & Leasing	26	2.9%	62	0.7%	2.4
Professional, Scientific & Technical Services	36	4.0%	120	1.3%	3.3
Management of Companies & Enterprises	1	0.1%	35	0.4%	35.0
Administrative, Support, Waste Management & Remediation Services	16	1.8%	84	0.9%	5.3
Educational Services	14	1.5%	672	7.4%	48.0
Health Care & Social Assistance	41	4.5%	810	8.9%	19.8
Arts, Entertainment & Recreation	11	1.2%	59	0.6%	5.4
Accommodation & Food Services	49	5.4%	433	4.8%	8.8
Other Services (Except Public Administration)	155	17.0%	414	4.6%	2.7
Public Administration	69	7.6%	675	7.4%	9.8
Nonclassifiable	8	0.9%	61	0.7%	7.6
Total	910	100.0%	9,090	100.0%	10.0

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

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the 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 \$25,000. As such, the area employment base has a significant number of income-appropriate occupations from which the subject project will be able to draw renter support.

**2. MAJOR EMPLOYERS**

The largest employers within the Elbert County area are listed in the following table. It should be noted however, that we were unable to obtain the number of employees at each of these major employers during the time of this report.

Employer Name	Business Type
Eagle Granite Co.	Granite
Ingles Markets, Inc.	Grocery
Keystone Memorials, Inc.	Grave Markers
Mathews Granite Co.	Granite
Mollertech South ,LLC	Plastic Products
Nancy Hart Nursing Center	Nursing Home
Pilgrims Pride Corp	Food Processing Co
Pinnacle Bank	Bank
Star Granite Co.Inc	Wholesale
Walmart	Retail

Source: Georgia Department of Labor, Area Profile (Elbert County 2012)

According to a representative with the Elbert County Development Authority, the Elbert County area has struggled to maintain a stable employment base. Further, while extensive information regarding the strength of the Elbert County economy was unavailable from this representative at this time, the following is a summary of a recent announcement which this economic representative believes will positively impact the local economy:

- Hailo USA, a manufacturer of components for wind turbines, announced in 2011 that it would open their new headquarters facility in Elberton. This \$10 million project is expected to create approximately 200 jobs over a five-year period.

**WARN (layoff notices):**

According to the Georgia Department of Labor, there has been only one WARN notice (large-scale layoff/closure) reported for Elbert County since January 2012, as Carlisle Waterproofing, located in Elberton, announced in July 2012 that they would lay off 30 employees.

**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.

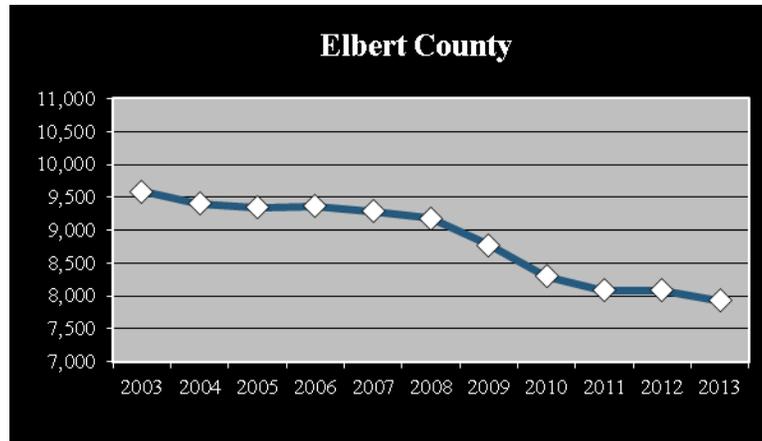
Excluding 2013, the employment base has declined by 11.9% over the past five years in Elbert County, more than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Elbert County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	9,585	-	4,173,787	-	137,936,674	-
2004	9,407	-1.9%	4,249,007	1.8%	138,386,944	0.3%
2005	9,345	-0.7%	4,375,178	3.0%	139,988,842	1.2%
2006	9,366	0.2%	4,500,150	2.9%	142,328,023	1.7%
2007	9,283	-0.9%	4,587,739	1.9%	144,990,053	1.9%
2008	9,177	-1.1%	4,540,706	-1.0%	146,397,529	1.0%
2009	8,772	-4.4%	4,289,819	-5.5%	146,068,824	-0.2%
2010	8,302	-5.4%	4,241,718	-1.1%	140,721,369	-3.7%
2011	8,082	-2.6%	4,295,113	1.3%	140,483,185	-0.2%
2012	8,084	0.0%	4,371,608	1.8%	141,748,955	0.9%
2013*	7,928	-1.9%	4,399,866	0.6%	141,772,241	0.0%

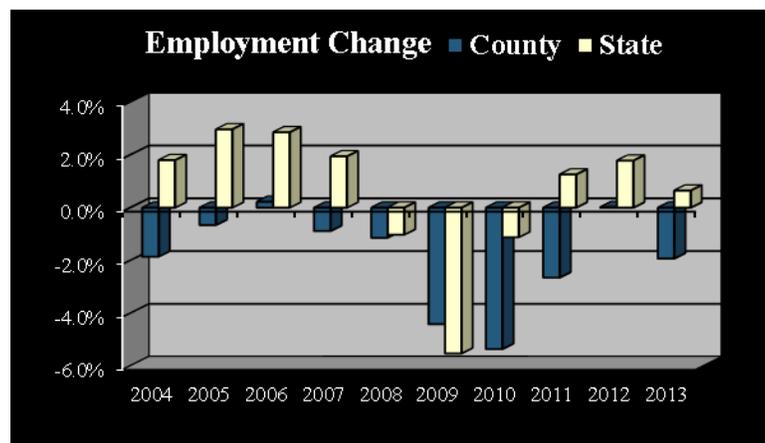
Source: Department of Labor; Bureau of Labor Statistics

\*Through July



As the preceding illustrates, the Elbert County employment base has declined by 1,501 employees since 2003 and has struggled to recover since the impact of the national recession between 2008 and 2010.

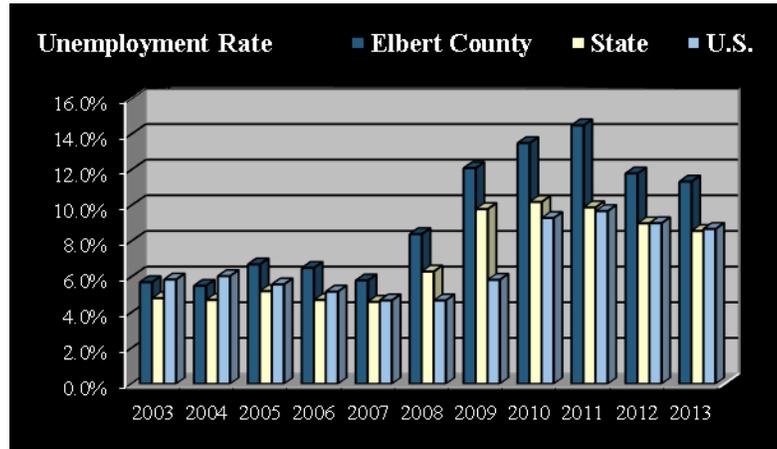
The following table illustrates the percent change in employment for Elbert County and Georgia.



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

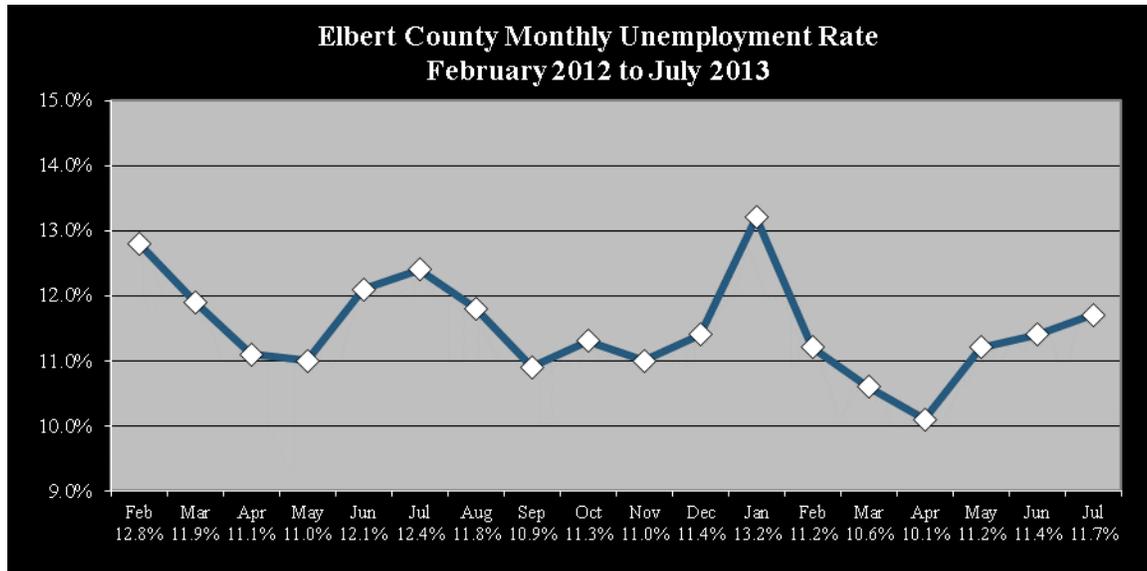
Year	Unemployment Rate		
	Elbert County	Georgia	United States
2003	5.7%	4.8%	5.8%
2004	5.5%	4.7%	6.0%
2005	6.7%	5.2%	5.6%
2006	6.5%	4.7%	5.2%
2007	5.8%	4.6%	4.7%
2008	8.4%	6.3%	4.7%
2009	12.1%	9.8%	5.8%
2010	13.5%	10.2%	9.3%
2011	14.5%	9.9%	9.7%
2012	11.8%	9.0%	9.0%
2013*	11.3%	8.6%	8.7%

Source: Department of Labor, Bureau of Labor Statistics  
 \*Through July



The unemployment rate in Elbert County has ranged between 5.5% and 14.5%, consistently above the state average since 2003. Notably, the Elbert County unemployment rate was significantly impacted by the national recession, increasing from 5.8% in 2007 to 14.5% in 2011. However, it should be noted that the unemployment rate within Elbert County declined by nearly three full percentage points in 2012.

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



As the preceding table illustrates, the unemployment rate within Elbert County has ranged between 10.1% and 13.2% over the past 18-month period. Further, aside from May of 2013, the unemployment rate reported in each of the past six months has been below that reported for the corresponding month one year ago.

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 Elbert County.

In-Place Employment Elbert County			
Year	Employment	Change	Percent Change
2002	7,520	-	-
2003	7,341	-179	-2.4%
2004	7,146	-195	-2.7%
2005	7,068	-78	-1.1%
2006	6,967	-101	-1.4%
2007	6,844	-123	-1.8%
2008	6,777	-67	-1.0%
2009	6,527	-250	-3.7%
2010	5,987	-540	-8.3%
2011	5,726	-261	-4.4%
2012*	5,738	12	0.2%

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 Elbert County to be 70.8% of the total Elbert County employment. This means that Elbert County has a large share of persons who both live and work within the county. This large share of in-place employment will likely contribute to the continued marketability of the subject project as it is likely that most residents of the subject project have minimal commute times to their place of employment.

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

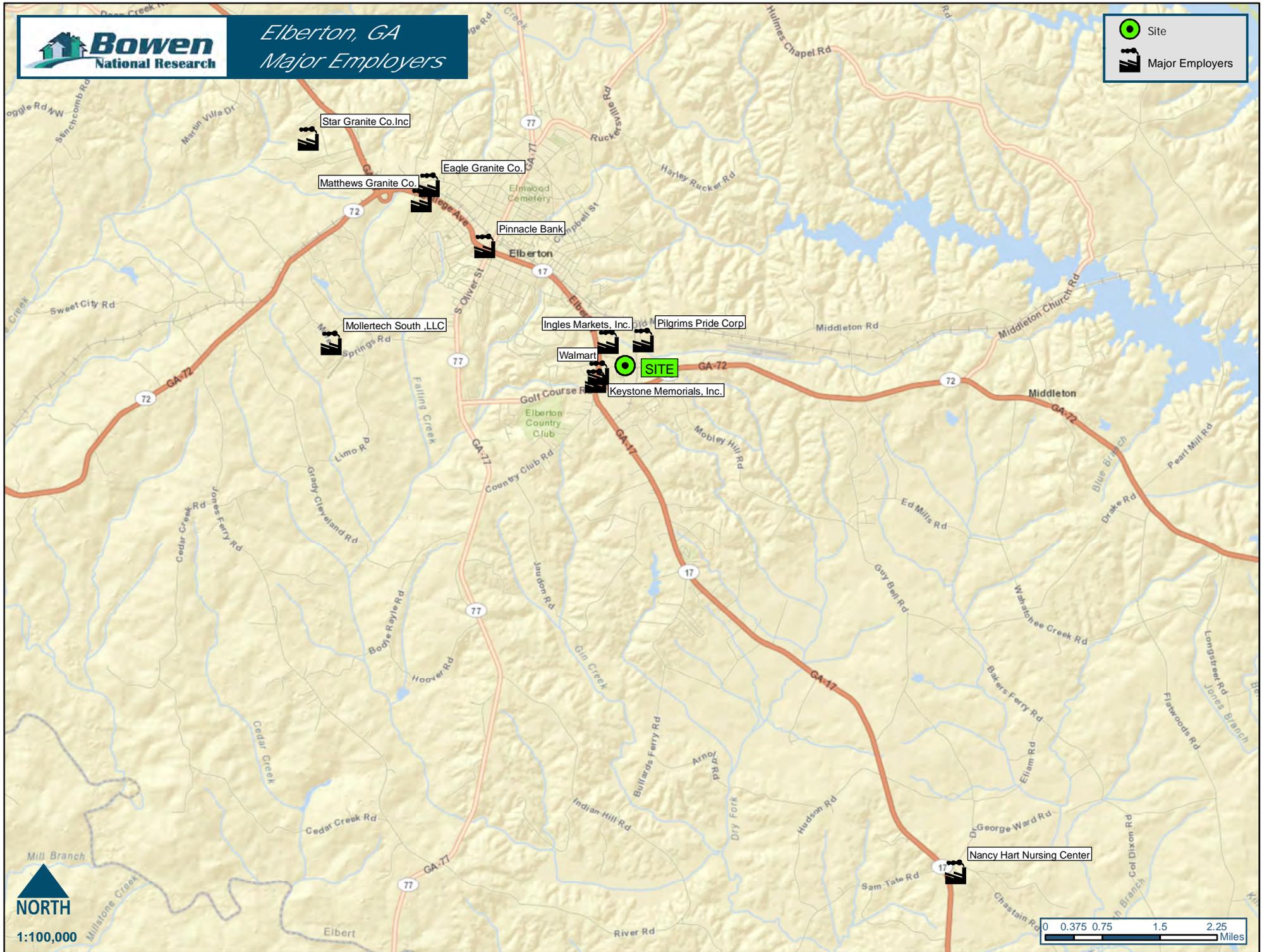
According to data provided by the U.S. Department of Labor, Bureau of Labor Statistics, the Elbert County economy was significantly impacted by the national recession as employment base figures have decreased each year since 2006 and the unemployment rate within Elbert County increased by nearly nine full percentage points between 2007 and 2011. However, it should be noted that the unemployment rate within Elbert County decreased in 2012 for the first time since 2007. It should also be noted however, that while unemployment rate trends have recently shown signs of improvement, the employment base continues to struggle to recover from the impact of the national recession. Considering the struggling employment base and unemployment rates which remain in double digits despite recent improvements, it is likely that the Elbert County economy will continue to experience a slow economic recovery for the foreseeable future. As such, it is likely that the demand for affordable housing will remain high within the Elbert County area.

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



# Elberton, GA Major Employers

 Site  
 Major Employers



## 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 located within Elbert County, which has a median four-person household income of \$37,800 for 2013. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size for Elbert County at 60% of AMHI.

Household Size	Maximum Allowable Income 60% AMHI
One-Person	\$19,200
Two-Person	\$21,900
Three-Person	\$24,660

#### a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to three-person households. As such, the maximum allowable income at the subject site is **\$24,660**.

**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 22 of the 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 \$513. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,156.

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

**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	\$24,660
Tax Credit (Limited to 60% of AMHI) Without Rental Assistance	\$17,589	\$24,660

## 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 47.5% of renter households with incomes below \$24,660, and approximately 23.7% of renter households with incomes between \$17,589 and \$24,660 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, 5.7% 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.*

Note that elderly homeowner conversion has not been considered in our demand calculations, as the subject project is not age-restricted.

- 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 - \$24,660)	RD 515 60% AMHI without RA (\$17,589 - \$24,660)	RD 515 Overall (\$0 - \$24,660)	Tax Credit Only Overall (\$17,589 - \$24,660)
Demand From New Households (Age- And Income-Appropriate)	$1,598 - 1,596 = 2$	$425 - 430 = -5$	$1,598 - 1,596 = 2$	$425 - 430 = -5$
+				
Demand From Existing Households (Rent Overburdened)	$1,596 \times 47.5\% = 758$	$430 \times 23.7\% = 102$	$1,596 \times 47.5\% = 758$	$430 \times 23.7\% = 102$
+				
Demand From Existing Households (Renters In Substandard Housing)	$1,596 \times 5.7\% = 91$	$430 \times 5.7\% = 25$	$1,596 \times 5.7\% = 91$	$430 \times 5.7\% = 25$
=				
Demand Subtotal	851	122	851	122
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2% of total demand	N/A	N/A	N/A	N/A
=				
Total Demand	851	122	851	122
-				
Supply (Directly Comparable Units Built And/Or Funded Since 2011)	0	0	0	0
=				
Net Demand	851	122	851	122
Proposed Units/ Net Demand	$0^* / 851$	$28 / 122$	$28^* / 851$	$50 / 122$
Capture Rate	$= 0.0\%^*$	$= 23.0\%$	$= 3.3\%^*$	$= 41.0\%$

RA – Rental Assistance

\*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 5.9% ( $50 / 851 = 5.9\%$ ). 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 28 non-RA units at the subject development would require a 3.3% capture rate following renovations if all units were vacated.

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 50 units would have a required capture rate of 41.0%. This capture rate is considered relatively high and indicates that there will be a limited base of households to draw support from if the Rental Assistance was ever lost.

The following is our estimated share of demand by bedroom type within the Site PMA:

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	40%
Two-Bedroom	50%
Three-Bedroom	10%
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 (40%)	60%	12*	340	0	340	3.5 %*	6 Months	N/A	\$424
RD 515 Two-Bedroom (50%)	60%	16*	426	0	426	3.8%*	8 Months	N/A	\$509
Tax Credit Only One-Bedroom (40%)	60%	24	49	0	49	49.0%	> 12 Months	N/A	\$424
Tax Credit Only Two-Bedroom (50%)	60%	26	61	0	61	42.6%	> 12 Months	N/A	\$509

\*Under this scenario all Rental Assistance units will continue to be occupied, resulting in effective capture rates between 3.5% and 3.8%.

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

\*\*\*Average of non-subsidized collected rents identified within the market (Note, no non-subsidized product was identified within the Site PMA)

With the preservation of Rental Assistance, the effective capture rates by bedroom type range between 3.5% and 3.8%. 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 are 49.0% and 42.6% for the one- and two-bedroom units, respectively. These capture rates are considered high and illustrate that there will be a slightly 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 Elberton 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	8,066	84.1%	8,032	83.8%
Owner-Occupied	5,729	71.0%	5,644	70.3%
Renter-Occupied	2,337	29.0%	2,388	29.7%
Vacant	1,522	15.9%	1,556	16.2%
Total	9,588	100.0%	9,588	100.0%

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

Based on a 2013 update of the 2010 Census, of the 9,588 total housing units in the market, 16.2% were vacant. It should be noted however, that the number of vacant housing units within the Site PMA also includes abandoned, dilapidated and for-sale rental housing units, and is not likely reflective of the long-term rental housing market within the Elberton Site PMA. As such, we have conducted a field survey of conventional rentals within the Site PMA to determine the strength of the long-term rental housing market within the Site PMA.

We identified and personally surveyed seven conventional housing projects containing a total of 506 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, an excellent rate for rental housing. Notably, there were no non-subsidized (market-rate and/or Tax Credit) properties identified within the Site PMA. The seven projects identified and surveyed within the Site PMA contain 506 government-subsidized units, which are 100.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit/Government-Subsidized	2	74	0	100.0%
Government-Subsidized	5	432	0	100.0%
Total	7	506	0	100.0%

The 100.0% occupancy rates reported among the subsidized Tax Credit and government-subsidized rental projects in the market indicate that there is likely pent-up demand for such housing within the Site PMA. As such, the subject project will continue to provide a rental alternative that is in high demand within the Site PMA following renovations.

The Elberton apartment market offers a limited range of rental product in terms of price point and quality. In fact, as previously discussed, there were no non-subsidized (market-rate or Tax Credit) multifamily projects identified within the Site PMA. As such, it was necessary to identify and survey non-subsidized (market-rate and Tax Credit) product outside of the Site PMA, but within the region in the nearby towns of Athens and Commerce, Georgia. Specifically, we identified and surveyed five market-rate projects located outside of the Site PMA that offer non-subsidized market-rate units. These five market-rate projects include Arbor Creek (Map ID 901), Cambridge Apartments (Map ID 902), Laurel Oaks (Map ID 903), Heritage Crossing (Map ID 904) and Cross Creek (Map ID 905). These five market-rate projects were built between 1977 and 2002, and comprise a total of 590 market-rate units which are 96.1% occupied.

Further, we also identified five non-subsidized Tax Credit projects which are located outside of the Site PMA but within the region, also in the towns of Athens and Commerce, Georgia. These five non-subsidized Tax Credit projects include, Heritage Crossing (Map ID 904), 4<sup>th</sup> Street Village Apartments (Map ID 907), Dogwood Park Apartments (Map ID 908), Oak Hill Apartments (Map ID 909) and Heritage Hills (Map ID 910). These five Tax Credit projects were built between 1995 and 2007, and comprise a total of 617 non-subsidized Tax Credit units which are 95.0% occupied. These high overall occupancy rates reported among both the market-rate and non-subsidized Tax Credit projects identified outside of the Site PMA but within the region indicate that these projects have been well received within the region.

## **2. SUMMARY OF ASSISTED PROJECTS**

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

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)			
						One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Wildwood Apts. (Site)	TAX & RD 515	1987 / 1997	50	100.0%	\$508 - \$610 (24)	\$587 - \$695 (26)	-	-
2	Bowman Village	TAX & RD 515	1991	24	100.0%	\$522 - \$646 (20)	\$568 - \$720 (4)	-	-
3	Willow Lane Apts.	RD 515	1988	18	100.0%	\$541 - \$556 (6)	\$617 - \$632 (12)	-	-
4	Elberton Housing	P.H.	1952 / 1989	185	100.0%	\$352 (23)	\$422 (60)	\$524 (74)	\$597 - \$672 (28)
5	Elberton Oaks Apts.	RD 515	1986	24	100.0%	\$533 - \$674 (20)	\$587 - \$782 (4)	-	-
6	Sunny Brook Apts.	SEC 8	1979	130	100.0%	\$640 (25)	\$785 (60)	\$840 (45)	-
7	Petersburg Towers	SEC 8	1982	75	100.0%	\$796 (72)	\$898 (3)	-	-
<b>Total</b>				<b>506</b>	<b>100.0%</b>				

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

#### HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (GDCA) Athens Office-Union County, there are approximately 51 Housing Choice Voucher holders within the housing authority's jurisdiction and zero people currently on the waiting list for additional Vouchers. The waiting list is indefinitely closed. Annual turnover of persons in the Voucher program is estimated at one percent for the region served by the GDCA Athens Office. This reflects the continuing need for Housing Choice Voucher assistance.

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

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents
One-Bedroom	\$489	\$513
Two-Bedroom	\$599	\$616

As proposed, 22 of the 50 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, it should be noted that even the unassisted units at the subject project are unlikely to accommodate many Voucher holders as the subject project's proposed gross Tax Credit rents are above current Fair Market Rents for Elbert County, as illustrated in the preceding table.

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

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

#### Building Permit Data

The following table illustrates single-family and multifamily building permits issued within the city of Elberton and Elbert County for the past ten years:

<b>Housing Unit Building Permits for Elbert County:</b>										
<b>Permits</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Multifamily Permits	0	2	0	4	2	0	0	0	16	9
Single-Family Permits	2	2	122	114	61	67	32	18	21	10
Total Units	2	4	122	118	63	67	32	18	37	19

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

<b>Housing Unit Building Permits for Elberton, GA:</b>										
<b>Permits</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Multifamily Permits	0	2	0	4	2	0	0	0	16	9
Single-Family Permits	2	2	3	1	0	1	2	0	0	0
Total Units	2	4	3	5	2	1	2	0	16	9

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

As the preceding tables illustrate, there have been minimal multifamily building permits issued within both Elberton and Elbert County since 2003, which is not unusual within rural markets. Given that the combined occupancy rate of rental projects identified and surveyed in the market is 100.0% and based on the limited number of multifamily building permits issued, it is likely that there is great demand for additional 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 general-occupancy households earning up to 60% of Area Median Household Income (AMHI).

Aside from the subject project we identified and surveyed one Low Income Housing Tax Credit (LIHTC) project in the Site PMA. However, this one LIHTC project located within the Site PMA (Bowman Village) is an age-restricted project (age 62 and older) which also operates with Rental Assistance on all of its units. As such, we have not included this project in our comparable analysis.

Due to the lack of non-subsidized general-occupancy LIHTC product in the Site PMA we have identified and surveyed five non-subsidized LIHTC projects located outside of the Site PMA but within the region in the towns of Athens and Commerce, Georgia. These five LIHTC projects offer one- through three-bedroom units targeting general-occupancy households earning up to 30%, 50% and/or 60% of AMHI. As such, these projects should offer an accurate base of comparability for the subject project. However, it should be noted that as these five 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 LIHTC project have been included for comparability purposes only and are not considered to be directly competitive with the subject project.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Wildwood Apartments</b>	<b>1987 / 2014</b>	<b>50</b>	<b>100.0%</b>	-	<b>6 H.H.</b>	<b>Families; 60% AMHI &amp; RD 515</b>
904	Heritage Crossing	2002	96*	97.9%	43.8 Miles	None	Families; 50% & 60% AMHI
907	4th Street Village Apts.	2007	93*	100.0%	35.7 Miles	2 Years	Families; 30% & 50% AMHI
908	Dogwood Park Apts.	1995	127	94.5%	35.5 Miles	None	Families; 30% & 60% AMHI
909	Oak Hill Apts.	2004	220	94.5%	35.4 Miles	None	Families; 60% AMHI
910	Heritage Hills	2000	80	85.0%	41.9 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy

900 series Map IDs are located outside the Site PMA

\*Tax Credit units only

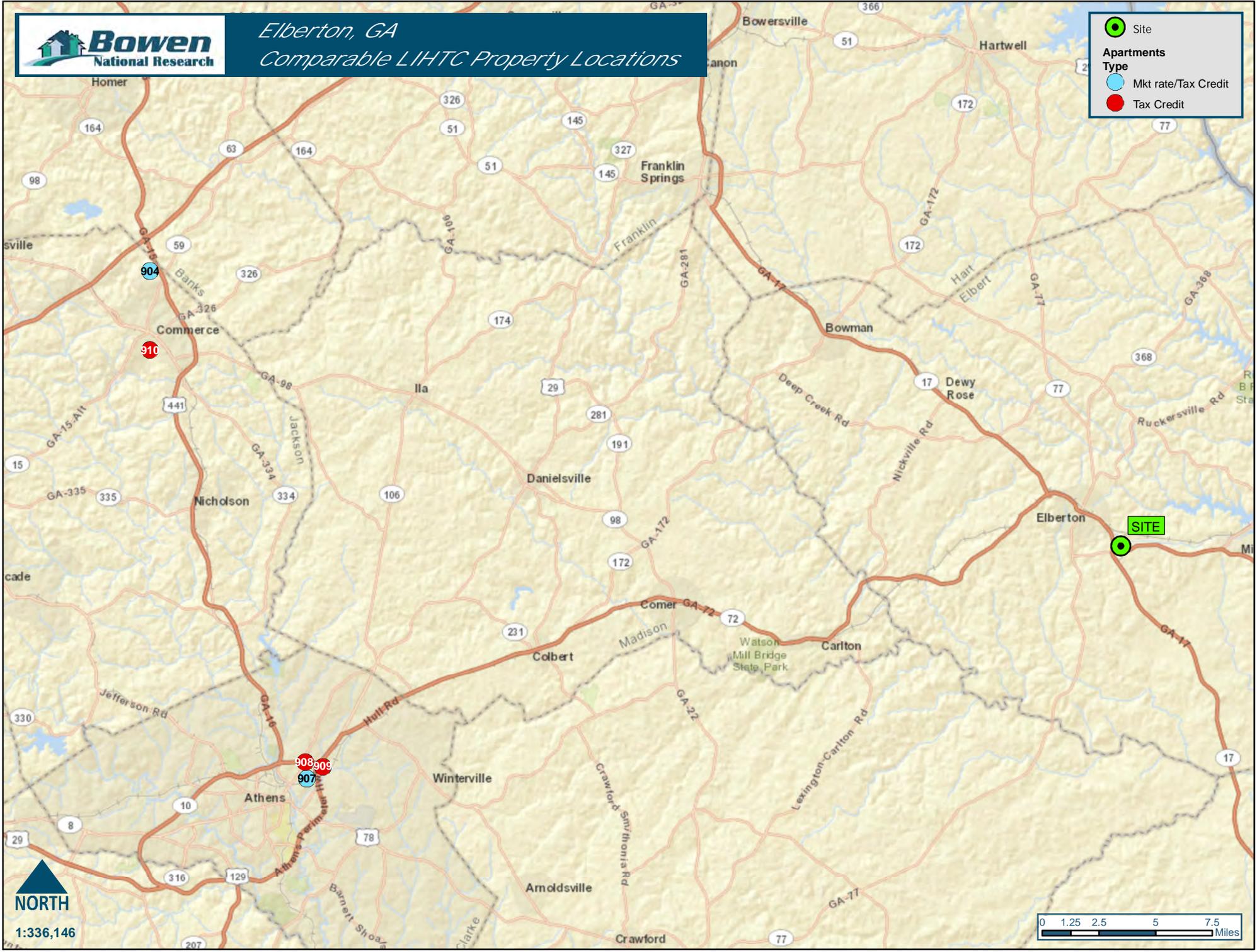
The five LIHTC projects have a combined occupancy rate of 94.6%, indicating that affordable non-subsidized LIHTC product has been well received within the region. It should further be noted that the 85.0% occupancy rate reported at Heritage Hills (Map ID 910) is not considered to be reflective of the non-subsidized Tax Credit rental market within the region as management of this project has attributed this less than stable occupancy to multiple evictions that have recently taken place at this project.

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



*Elberton, GA*  
*Comparable LIHTC Property Locations*

● Site  
● Apartments Type  
● Mkt rate/Tax Credit  
● Tax Credit



**NORTH**  
1:336,146



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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	<b>Wildwood Apartments</b>	<b>\$513/60% (24)</b>	<b>\$616/60% (26)</b>	-	-
904	Heritage Crossing	\$569/50% (4/0) \$673/60% (4/0)	\$682/50% (31/0) \$762/60% (28/1)	\$789/50% (14/0) \$854/60% (15/1)	None
907	4th Street Village Apts.	\$363/30% (2/0) \$596/50% (13/0)	\$460/30% (6/0) \$727/50% (48/0)	\$502/30% (3/0) \$812/50% (21/0)	None
908	Dogwood Park Apts.	\$303/30% (7/0)	\$683/60% (68/3)	\$771/60% (52/4)	None
909	Oak Hill Apts.	\$656/60% (56/8)	\$727/60% (156/2)	\$909/60% (8/2)	None
910	Heritage Hills	\$553/50% (5/0) \$603/60% (5/0)	\$671/50% (25/2) \$721/60% (25/7)	\$767/50% (10/1) \$832/60% (10/2)	None

900 series Map IDs are located outside the Site PMA

The proposed subject gross rents of \$513 and \$616 for the one- and two-bedroom units, respectively, will be the lowest priced LIHTC units in the region as compared to similar bedroom types targeting similar income levels among the comparable LIHTC projects in the region. However, it should be noted that while these proposed gross rents will be the lowest in the region, each of the comparable LIHTC projects are located within areas that are typically comprised of households with slightly higher incomes as compared to the Elberton area. Thus allowing these comparable LIHTC projects to achieve higher non-subsidized Tax Credit rents, than a project located within the Elberton area. As such, it is important to note that the subject project should charge rents which are appropriately positioned within the Elberton market. The appropriateness of subject projects proposed rents is further evaluated within Addendum E of this report. Regardless, the subject project is anticipated to retain Rental Assistance (RA) on 22 of the 50 subject units which will allow tenants of these units to pay up to 30% of their adjusted gross income towards rent. Further, a Private Rental Assistance (PRA) subsidy will also be available to all current unassisted residents at the subject project, preventing a rent increase on all current unassisted residents of the subject project. Considering the retention of RA and the available PRA subsidy, the subject project will remain a substantial value within the market and the region.

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

Weighted Average Collected Rent Of Comparable LIHTC Units	
One-Br.	Two-Br.
\$507 (60%)	\$541 (60%)

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.	\$507 (60%)	- \$424 (60%)	\$83	/ \$424 (60%)	19.6%
Two-Br.	\$541 (60%)	- \$509 (60%)	\$32	/ \$509 (60%)	6.3%

As the preceding table illustrates, the subject’s proposed rents represent rent advantages of 19.6% and 6.3% for the one- and two-bedroom units, respectively. Regardless, as noted throughout this report, the subject project is anticipated to retain RA on 22 of the 50 subject units, thus requiring tenants of these units to pay up to 30% of their adjusted gross income towards housing costs. Additionally, a Private Rental Assistance (PRA) subsidy will also be available to all current unassisted tenants, preventing a rent increase on these unassisted residents of the subject project. Therefore, considering the retention of RA and available PRA subsidy, the subject project will continue to represent a substantial value within the market.

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

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Wildwood Apts.</b>	<b>600</b>	<b>876</b>	<b>-</b>
904	Heritage Crossing	975	1,175	1,350
907	4 <sup>th</sup> Street Village Apts.	866	1,074	1,279 – 1,324
908	Dogwood Park Apts.	650	987 – 1,025	1,153 – 1,187
909	Oak Hill Apts.	815	1,086 – 1,195	1,380 – 1,520
910	Heritage Hills	900	1,150	1,270

900 series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Wildwood Apts.</b>	<b>1.0</b>	<b>1.5</b>	<b>-</b>
904	Heritage Crossing	1.0	2.0	2.0
907	4th Street Village Apts.	1.0	2.0	2.0
908	Dogwood Park Apts.	1.0	2.0	2.0
909	Oak Hill Apts.	1.0	2.0	2.0
910	Heritage Hills	1.0	2.0	2.0

900 series Map IDs are located outside the Site PMA

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

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

# COMPARABLE PROPERTIES AMENITIES - ELBERTON, GEORGIA

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

MAP ID	PROJECT AMENITIES																OTHER		
	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
SITE		X	X		X		X									X			
904	X	X	X	X		X		X					X			X			
907	X	X	X	X		X		X					X	X		X			Walking Trail
908		X	X		X		X		B							X			Bike Trail
909	X	X	X	X		X		X								X			Billiards
910	X	X	X	X			X	X	B							X			

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

X - All Units
S - Some Units
O - Optional

<b>Window Treatments</b>
B - Blinds
C - Curtains
D - Drapes

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

<b>Sports Courts</b>
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

<b>Floor Covering</b>
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

<b>Community Space</b>
A - Activity Room
L - Lounge/Gathering Room
T - Training Room

The subject project's unit amenity package is considered to be relatively competitive with those offered among most of the comparable LIHTC projects within the region. Conversely, the project amenity package offered at the subject project is generally considered to be somewhat limited as compared to those offered among most of the comparable LIHTC projects in the region. Specifically, several of the comparable LIHTC projects in the region offer a swimming pool, fitness center, sports court and or a computer center as project amenities, unlike the subject project. Regardless, the 100.0% occupancy rate reported at the subject project indicates that the amenity package offered at the subject project is appropriate for the targeted tenant population at the subject project and should contribute to the continued marketability of the subject project following renovations.

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. Note that while the subject project will offer the lowest priced LIHTC units in the region, the subject's proposed rents must be competitively positioned within the Elberton Site PMA, as discussed within this report. Regardless, the subject project will retain Rental Assistance on 22 of the 50 subject units, requiring tenants of these units to pay up to 30% of their adjusted gross income towards housing costs, and a PRA subsidy preventing a rent increase on all current unassisted tenants will also be available. As such, the subject project will continue to represent a significant value within the market and the region. Further, the 100.0% occupancy rate reported at the subject project indicates that the unit sizes (square feet) and amenity packages offered are appropriate for the targeted tenant profile and should contribute to the subject project's continued marketability following renovations.

#### Comparable/Competitive Housing Impact

There were no non-subsidized Tax Credit projects identified within the Site PMA and all affordable subsidized rental projects in the market reported 100.0% occupancy rates and waiting lists for their next available units. Further, the renovations to the subject project will not introduce any new units into the Elberton 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 of the existing affordable rental housing product 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 \$84,783. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for an \$84,783 home is \$520, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$84,783
Mortgaged Value = 95% of Median Home Price	\$80,543
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$416
Estimated Taxes and Insurance*	\$104
Estimated Monthly Mortgage Payment	\$520

\*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$424 to \$509 per month. While the cost of owning a typical home in the area is similar to that of renting a unit at the subject project, it is important to note that 22 of the 50 subject units are expected to retain Rental Assistance (RA) following renovations, thus allowing tenants of these units to pay up to 30% of their adjusted gross income towards rent. Furthermore, a Private Rental Assistance (PRA) subsidy will be available to all current unassisted tenants at the subject project, preventing a rent increase on these unassisted tenants. Therefore, we do not anticipate any competitive impact on or from the homebuyer market, as most (if not all) tenants of the subject project will likely continue paying rents below the proposed collected Tax Credit rents due to the aforementioned RA and PRA subsidies available at the subject project.

## **SECTION I – ABSORPTION & STABILIZATION RATES**

According to management, the subject project is currently 100.0% occupied and maintains a six household waiting list. It should also be noted that while residents will be relocated temporarily during renovations, they will not be permanently displaced. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 50 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 22 of the 50 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 50 units at the subject site will reach a stabilized occupancy of 93.0% within approximately 10 to 12 months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately four to five units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA will be maintained on 22 of the 50 subject units as proposed.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 50 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. However, while it is possible the subject project may experience an extended absorption period if RA was lost and all units had to operate exclusively under the LIHTC program and all units were vacated simultaneously, it is unlikely that this scenario would occur. Therefore, in reality the subject project will only have to fill units as they become vacant through typical monthly turnover (one to two units per month in most rural markets). Under this more likely scenario, the market should be able to adequately absorb any current or future vacancies that materialize at the subject project.

In reality, the absorption period for this project will be less than two months as most tenants are expected to remain at the project and 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 Elberton Site PMA.

- Donna McConnell is the Office Manager for the Elberton Housing Authority. According to Ms. McConnell, there is a definite need for affordable rental housing within the Elberton area. Specifically, Ms. McConnell stated that she feels the need is greatest for one- and two-bedroom units, as the waiting lists maintained for such unit types in the area can sometimes be more than one year in length. Ms. McConnell further stated that the waiting lists for senior-oriented units in the area are sometimes even longer than those previously mentioned.
- 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 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 Wildwood Apartments 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 100.0% occupancy rates reported among all affordable (subsidized Tax Credit and government-subsidized) rental projects in the Site PMA, the subject project will continue to offer an affordable rental housing alternative that is in high demand within the market. Additionally, as shown in the Project Specific Demand Analysis section of this report, there is sufficient support for the subject development to operate as proposed, with the retention of Rental Assistance. Considering that the subject project will retain Rental Assistance on 22 of its 50 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. Further, given that the project is 100.0% occupied and will not introduce new units to the market as part of the proposed renovations, it is our opinion that the subject project will have no impact on the existing affordable rental alternatives within 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

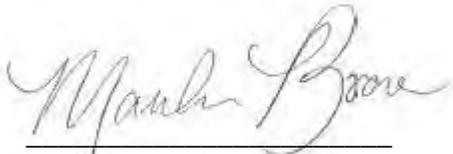
I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any 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  
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(614) 833-9300  
[patrickb@bowenational.com](mailto:patrickb@bowenational.com)  
Date: September 20, 2013



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Marlon Boone  
Market Analyst  
[marlonb@bowenational.com](mailto:marlonb@bowenational.com)  
Date: September 20, 2013



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

### ELBERTON, 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.

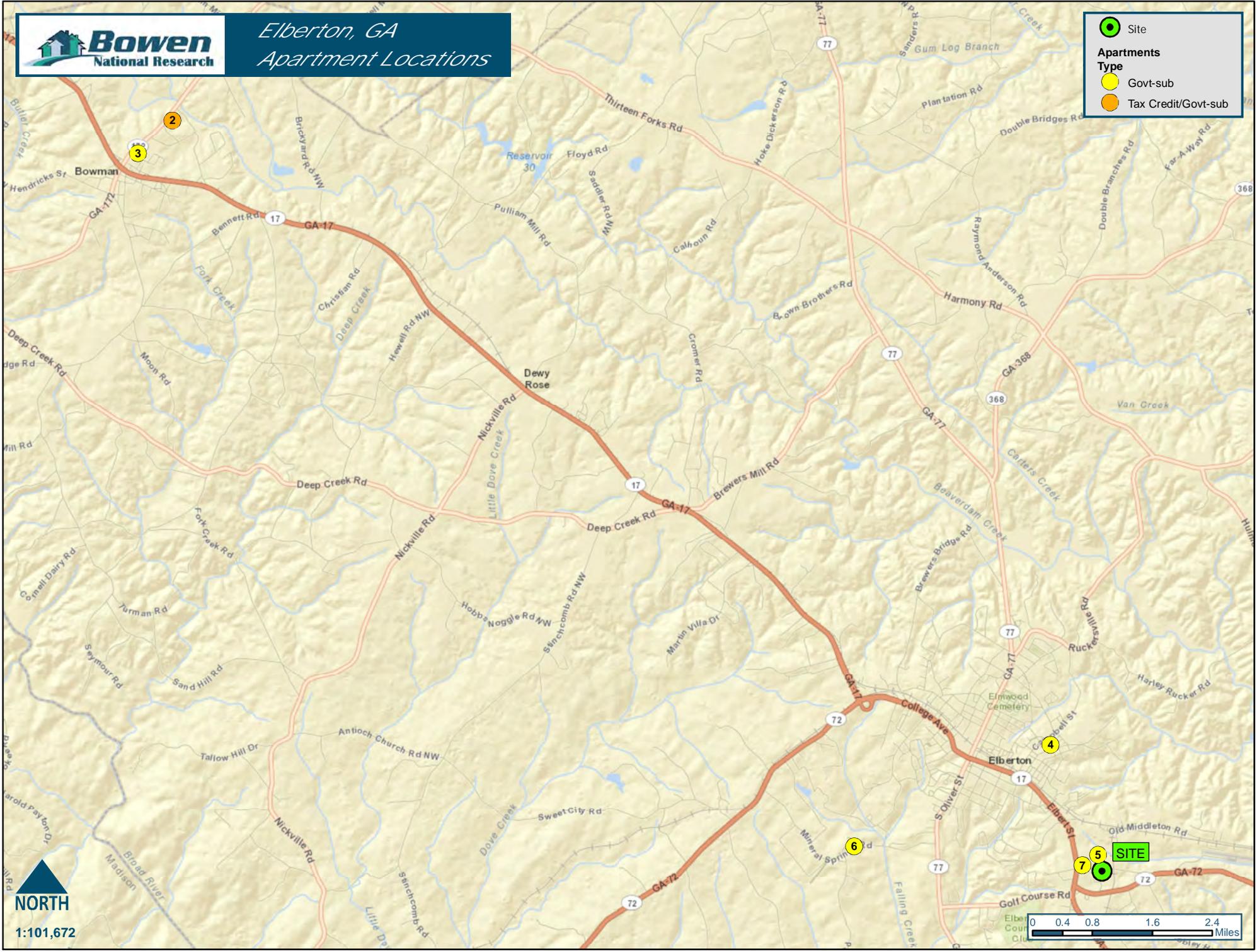
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

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.



# Elberton, GA Apartment Locations

● Site  
● Apartments Type  
● Govt-sub  
● Tax Credit/Govt-sub



**NORTH**  
1:101,672



# MAP IDENTIFICATION LIST - ELBERTON, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Wildwood Apts. (Site)	TGS	B+	1987	50	0	100.0%	-
2	Bowman Village	TGS	B	1991	24	0	100.0%	14.1
3	Willow Lane Apts.	GSS	B	1988	18	0	100.0%	14.0
4	Elberton Housing	GSS	C	1952	185	0	100.0%	1.9
5	Elberton Oaks Apts.	GSS	B	1986	24	0	100.0%	0.1
6	Sunny Brook Apts.	GSS	C+	1979	130	0	100.0%	3.8
7	Petersburg Towers	GSS	B	1982	75	0	100.0%	0.2

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TGS	2	74	0	100.0%	0
GSS	5	432	0	100.0%	0

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

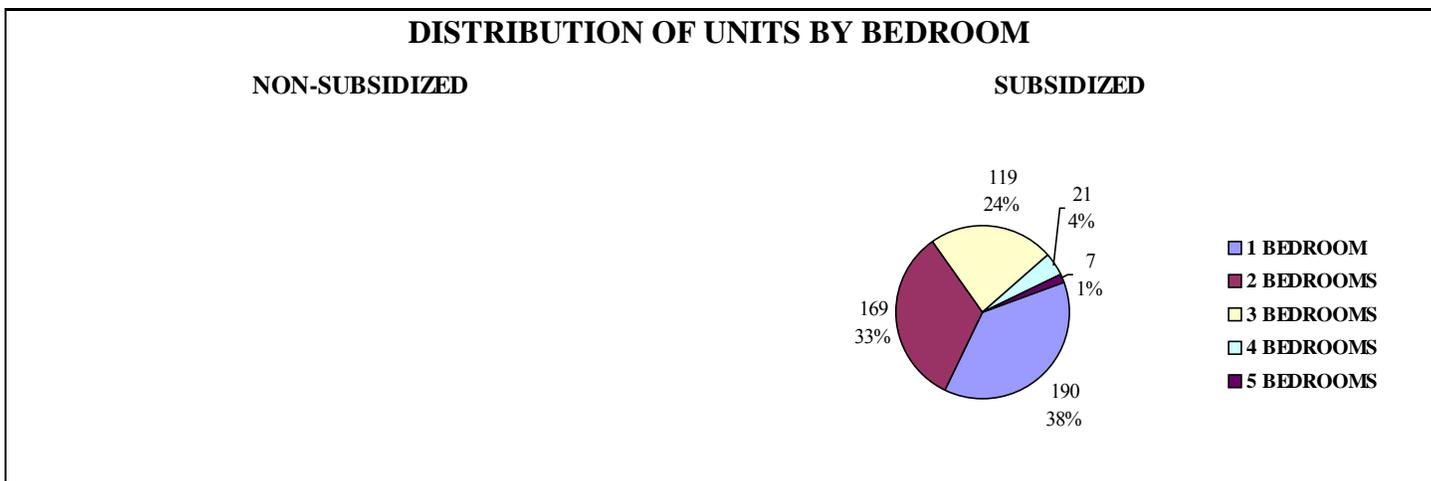
\* - Drive Distance (Miles)

Survey Date: September 2013

# DISTRIBUTION OF UNITS - ELBERTON, GEORGIA

<b>TAX CREDIT, GOVERNMENT-SUBSIDIZED</b>						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	44	59.5%	0	0.0%	N.A.
2	1	4	5.4%	0	0.0%	N.A.
2	1.5	26	35.1%	0	0.0%	N.A.
<b>TOTAL</b>		<b>74</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

<b>GOVERNMENT-SUBSIDIZED</b>						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	146	33.8%	0	0.0%	N.A.
2	1	127	29.4%	0	0.0%	N.A.
2	1.5	12	2.8%	0	0.0%	N.A.
3	1	37	8.6%	0	0.0%	N.A.
3	1.5	37	8.6%	0	0.0%	N.A.
3	2	45	10.4%	0	0.0%	N.A.
4	2	21	4.9%	0	0.0%	N.A.
5	2	7	1.6%	0	0.0%	N.A.
<b>TOTAL</b>		<b>432</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
<b>GRAND TOTAL</b>		<b>506</b>	<b>-</b>	<b>0</b>	<b>0.0%</b>	



# SURVEY OF PROPERTIES - ELBERTON, GEORGIA

1 Wildwood Apts. (Site)			
	<b>Address</b> 1150 Petersburg Rd. Elberton, GA 30635	<b>Phone</b> (706) 283-8940 (Contact in person)	<b>Total Units</b> 50
	<b>Year Built</b> 1987 <b>Renovated</b> 1997	<b>Contact</b> Amanda	<b>Vacancies</b> 0
	<b>Comments</b> 60% AMHI; RD 515, has RA (22 units); HCV (11 units); 2-br have washer/dryer hookups & ceiling fans		<b>Occupied</b> 100.0%
			<b>Floors</b> 1,2
			<b>Quality Rating</b> B+
			<b>Waiting List</b> 6 households
2 Bowman Village			
	<b>Address</b> 396 N. Broad St. Bowman, GA 30624	<b>Phone</b> (706) 245-0280 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1991	<b>Contact</b> Julia	<b>Vacancies</b> 0
	<b>Comments</b> 60% AMHI; RD 515, has RA (24 units)		<b>Occupied</b> 100.0%
			<b>Floors</b> 1
			<b>Quality Rating</b> B
			<b>Senior Restricted (62+)</b> <b>Waiting List</b> 7 households
3 Willow Lane Apts.			
	<b>Address</b> 158 Adams Cir. Bowman, GA 30624	<b>Phone</b> (706) 245-0280 (Contact in person)	<b>Total Units</b> 18
	<b>Year Built</b> 1988	<b>Contact</b> Julia	<b>Vacancies</b> 0
	<b>Comments</b> RD 515, no RA		<b>Occupied</b> 100.0%
			<b>Floors</b> 1,2
			<b>Quality Rating</b> B
			<b>Waiting List</b> 4 households
4 Elberton Housing			
	<b>Address</b> 3rd St. & Campbell St. Elberton, GA 30635	<b>Phone</b> (706) 283-5801 (Contact in person)	<b>Total Units</b> 185
	<b>Year Built</b> 1952 <b>Renovated</b> 1989	<b>Contact</b> Mary Anne	<b>Vacancies</b> 0
	<b>Comments</b> Public Housing; Select units have washer hookup only; Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 1
			<b>Quality Rating</b> C
			<b>Waiting List</b> 2 years
5 Elberton Oaks Apts.			
	<b>Address</b> 1401 Elberts Oaks Ct. Elberton, GA 30635	<b>Phone</b> (706) 283-2150 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1986	<b>Contact</b> Vickie	<b>Vacancies</b> 0
	<b>Comments</b> RD 515, has RA (24 units); Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 1
			<b>Quality Rating</b> B
			<b>Senior Restricted (62+)</b> <b>Waiting List</b> 4 households

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: September 2013

# SURVEY OF PROPERTIES - ELBERTON, GEORGIA

6 Sunny Brook Apts.			
	<b>Address</b> 1300 Mineral Springs Rd. Elberton, GA 30635	<b>Phone</b> (706) 283-3421 (Contact in person)	<b>Total Units</b> 130
	<b>Year Built</b> 1979	<b>Contact</b> Louise	<b>Vacancies</b> 0
	<b>Comments</b> HUD Section 8; 3-br have washer/dryer hookups		<b>Occupied</b> 100.0%
			<b>Floors</b> 1,2
			<b>Quality Rating</b> C+
			<b>Waiting List</b> 1 year
7 Petersburg Towers			
	<b>Address</b> 1050 Petersburg Rd. Elberton, GA 30635	<b>Phone</b> (706) 283-8168 (Contact in person)	<b>Total Units</b> 75
	<b>Year Built</b> 1982	<b>Contact</b> Peggy	<b>Vacancies</b> 0
	<b>Comments</b> HUD Section 8; Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 3
			<b>Quality Rating</b> B
			<b>Senior Restricted (62+)</b>
			<b>Waiting List</b> 3 months

### 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

# TAX CREDIT UNITS - ELBERTON, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Wildwood Apts. (Site)	24	576	1	60%	\$390 - \$492
♦ 2	Bowman Village	20	780	1	60%	\$410 - \$534
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
♦ 2	Bowman Village	4	850	1	60%	\$425 - \$577
1	Wildwood Apts. (Site)	26	876	1.5	60%	\$435 - \$543

♦ - Senior Restricted

# DISTRIBUTION OF UTILITIES - ELBERTON, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
LANDLORD			
GAS	1	75	14.8%
TENANT			
ELECTRIC	3	92	18.2%
GAS	3	339	67.0%
			100.0%
<b>COOKING FUEL</b>			
LANDLORD			
ELECTRIC	1	75	14.8%
TENANT			
ELECTRIC	4	116	22.9%
GAS	2	315	62.3%
			100.0%
<b>HOT WATER</b>			
LANDLORD			
GAS	1	75	14.8%
TENANT			
ELECTRIC	3	92	18.2%
GAS	3	339	67.0%
			100.0%
<b>ELECTRIC</b>			
LANDLORD			
	1	75	14.8%
TENANT			
	6	431	85.2%
			100.0%
<b>WATER</b>			
LANDLORD			
	6	488	96.4%
TENANT			
	1	18	3.6%
			100.0%
<b>SEWER</b>			
LANDLORD			
	6	488	96.4%
TENANT			
	1	18	3.6%
<b>TRASH PICK-UP</b>			
LANDLORD			
	6	488	96.4%
TENANT			
	1	18	3.6%
			100.0%

# UTILITY ALLOWANCE - ELBERTON, 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

**901 Arbor Creek** 37.2 miles to site



<b>Address</b>	155 International Dr. Athens, GA 30605		
<b>Phone</b>	(706) 353-6868	<b>Contact</b>	Allison
<b>Total Units</b>	128	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1997	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	NONE		
<b>Ratings:</b>	<b>Quality</b> B	<b>Neighborhood</b> B	<b>Access/Visibility</b>
<b>Remarks</b>	Does not accept HCV; Phase II built in 2000		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	32	0	475	\$1.09	\$520
2	2	G	9	0	1100	\$0.62	\$685
2	2.5	T	87	0	1100	\$0.62	\$685

**902 Cambridge Apts.** 36.4 miles to site



<b>Address</b>	360 Picadilly Sq. Athens, GA 30605		
<b>Phone</b>	(706) 548-1199	<b>Contact</b>	Brittney
<b>Total Units</b>	180	<b>Vacancies</b>	3
		<b>Percent Occupied</b>	98.3%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1977	<b>Renovated</b>	1989
		<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	NONE		
<b>Ratings:</b>	<b>Quality</b> B	<b>Neighborhood</b> B	<b>Access/Visibility</b>
<b>Remarks</b>	Does not accept HCV; Rent range based on unit location, washer/dryer hookups & ceiling fans		



**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, Club House, Fitness Center, Tennis Court(s), Sports Court, Picnic Area, Pet Walk, Sundeck; WiFi
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	100	0	670 to 750	\$0.76 - \$0.82	\$550 to \$570
2	2	G	64	2	1025	\$0.64 - \$0.67	\$659 to \$689
3	2	G	16	1	1150	\$0.70 - \$0.72	\$800 to \$825

**903 Laurel Oaks**

34.9 miles to site



**Address** 175 Woodlake Pl.  
Athens, GA 30605

**Phone** (706) 549-6254 **Contact** Megan

**Total Units** 238 **Vacancies** 16 **Percent Occupied** 93.3%

**Project Type** Market-Rate

**Year Open** 1979 **Renovated** 2005 **Floors** 2

**Concessions** Deposit \$99

**Age Restrictions** NONE

**Waiting List** NONE

**Ratings:** **Quality** B **Neighborhood** B **Access/Visibility**

**Remarks** Does not accept HCV; Higher rent in 2-br townhomes due to washer/dryer hookups; Rent range based on floor level, location & unit updates

**FEATURES AND UTILITIES**

- Utilities** No landlord paid utilities
- Unit Amenities** Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
- Project Amenities** Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Tennis Court(s), Sports Court, Storage, Computer Lab
- Parking** Surface Parking

**UNIT CONFIGURATION**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	84	4	740	\$0.68 - \$0.85	\$500 to \$630
2	1.5	T	14	0	1290	\$0.51 - \$0.53	\$655 to \$685
2	2	G	120	10	1080	\$0.54 - \$0.66	\$580 to \$710
3	2	G	20	2	1380	\$0.56 - \$0.59	\$775 to \$810

**905 Cross Creek**

43.0 miles to site



**Address** Creekside Dr.  
Commerce, GA 30549

**Phone** (706) 886-3858 **Contact** Karen

**Total Units** 20 **Vacancies** 0 **Percent Occupied** 100.0%

**Project Type** Market-Rate

**Year Open** 1995 **Floors** 1,2

**Concessions** No Rent Specials

**Age Restrictions** NONE

**Waiting List** 2 households

**Ratings:** **Quality** B- **Neighborhood** B **Access/Visibility**

**Remarks** Does not accept HCV

**FEATURES AND UTILITIES**

**Utilities** No landlord paid utilities  
**Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds  
**Project Amenities**  
**Parking** Surface Parking

**UNIT CONFIGURATION**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	1	G	12	0	860	\$0.61	\$525
2	1.5	T	8	0	1020	\$0.54	\$550

**904 Heritage Crossing**

43.8 miles to site



<b>Address</b>	1000 Crossing Pl. Commerce, GA 30529		
<b>Phone</b>	(706) 335-2394	<b>Contact</b>	Kellie
<b>Total Units</b>	120	<b>Vacancies</b>	6
		<b>Percent Occupied</b>	95.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2002	<b>Floors</b>	3
<b>Concessions</b>	50% off 1st month's rent		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	NONE		
<b>Ratings:</b>	<b>Quality</b> A-	<b>Neighborhood</b> A	<b>Access/Visibility</b>
<b>Remarks</b>	Market-rate (24 units); 50% & 60% AMHI (96 units); HCV (1 unit)		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Exterior Storage
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Security Gate, Picnic Area
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	975	\$0.68	\$660	
1	1	G	4	0	975	\$0.57	\$555	60%
1	1	G	4	0	975	\$0.46	\$451	50%
2	2	G	15	1	1115	\$0.69	\$770	
2	2	G	28	1	1175	\$0.52	\$610	60%
2	2	G	31	0	1175	\$0.45	\$530	50%
3	2	G	7	3	1350	\$0.62	\$840	
3	2	G	15	1	1350	\$0.50	\$670	60%
3	2	G	14	0	1350	\$0.45	\$605	50%

**907 4th Street Village Apts.**

35.7 miles to site



<b>Address</b>	690 4th St. Athens, GA 30601		
<b>Phone</b>	(706) 543-5915	<b>Contact</b>	Avion
<b>Total Units</b>	117	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2007	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	2 years		
<b>Ratings:</b>	<b>Quality</b> A	<b>Neighborhood</b> B	<b>Access/Visibility</b>
<b>Remarks</b>	Market-rate (24 units); 30% & 50% AMHI (94 units); HCV (20 units); Units include dryer only; Three 2-br manager/office units not included in total		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Water, Sewer, 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>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Computer Lab, Picnic Area, Walking Trail
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	5	0	866	\$0.67	\$580	
1	1	G	13	0	866	\$0.55	\$478	50%
1	1	G	2	0	866	\$0.28	\$245	30%
2	2	G	13	0	1074	\$0.63	\$680	
2	2	G	48	0	1074	\$0.54	\$575	50%
2	2	G	6	0	1074	\$0.29	\$308	30%
3	2	G	6	0	1279 to 1324	\$0.59 - \$0.61	\$780	
3	2	G	21	0	1279 to 1324	\$0.47 - \$0.49	\$628	50%
3	2	G	3	0	1279 to 1324	\$0.24 - \$0.25	\$318	30%

**908 Dogwood Park Apts.**

35.5 miles to site



<b>Address</b>	198 Old Hull Rd. Athens, GA 30601		
<b>Phone</b>	(706) 369-6992	<b>Contact</b>	Roderick
<b>Total Units</b>	127	<b>Vacancies</b>	7
		<b>Percent Occupied</b>	94.5%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	1995	<b>Floors</b>	1, 2
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	NONE		
<b>Ratings:</b>	<b>Quality</b> B	<b>Neighborhood</b> B	<b>Access/Visibility</b>
<b>Remarks</b>	30% & 60% AMHI; HCV (15 units)		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds, Storage
<b>Project Amenities</b>	On-site Management, Laundry Facility, Meeting Room, Playground, Sports Court, Picnic Area, Bike Trail
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	7	0	650	\$0.26	\$172	30%
2	2	G	68	3	987 to 1025	\$0.50 - \$0.52	\$515	60%
3	2	G	52	4	1153 to 1187	\$0.48 - \$0.49	\$565	60%

**909 Oak Hill Apts.**

35.4 miles to site



**Address** 210 Old Hull Rd.  
Athens, GA 30601

**Phone** (706) 369-9936 **Contact** Pam

**Total Units** 220 **Vacancies** 12 **Percent Occupied** 94.5%

**Project Type** Tax Credit

**Year Open** 2004 **Floors** 2,3,4

**Concessions** No Rent Specials

**Age Restrictions** NONE

**Waiting List** NONE

**Ratings:** **Quality** A **Neighborhood** B **Access/Visibility**

**Remarks** 60% AMHI; HCV (25 units); 3rd floor units have dens

**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, Security System, Blinds, Exterior Storage  
**Project Amenities** Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Car Wash Area, Picnic Area, Billiards  
**Parking** Surface Parking

**UNIT CONFIGURATION**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	56	8	815	\$0.62	\$505	60%
2	2	G	156	2	1086 to 1195	\$0.45 - \$0.49	\$535	60%
3	2	G	8	2	1380 to 1520	\$0.44 - \$0.49	\$671	60%

**910 Heritage Hills**

41.9 miles to site



**Address** 100 Heritage Hills Dr.  
Commerce, GA 30529

**Phone** (706) 335-9550 **Contact** Jessica

**Total Units** 80 **Vacancies** 12 **Percent Occupied** 85.0%

**Project Type** Tax Credit

**Year Open** 2000 **Floors** 2

**Concessions** No Rent Specials

**Age Restrictions** NONE

**Waiting List** NONE

**Ratings:** **Quality** B+ **Neighborhood** B **Access/Visibility** B/B

**Remarks** 50% & 60% AMHI; HCV (3 units); Vacancies due to evictions & job transfers

**FEATURES AND UTILITIES**

**Utilities** Landlord pays Water, Sewer, Trash  
**Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Exterior Storage  
**Project Amenities** Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Tennis Court(s), Sports Court, Picnic Area  
**Parking** Surface Parking

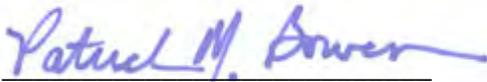
**UNIT CONFIGURATION**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	5	0	900	\$0.54	\$489	60%
1	1	G	5	0	900	\$0.49	\$439	50%
2	2	G	25	7	1150	\$0.50	\$575	60%
2	2	G	25	2	1150	\$0.46	\$525	50%
3	2	G	10	2	1270	\$0.52	\$655	60%
3	2	G	10	1	1270	\$0.46	\$590	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.

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

### **4. SOURCES**

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

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

## ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

### A. INTRODUCTION

Due to the lack of comparable market-rate properties within the Site PMA, we identified and surveyed five market-rate properties outside of the Site PMA but within the region in the nearby towns of Athens and Commerce, Georgia. Note that the Athens and Commerce areas are considered to be socioeconomically different as compared to the Elberton area in terms of household income, home values, rents charged and services offered. 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 proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Wildwood Apartments</b>	<b>1987 / 2014</b>	<b>50</b>	<b>100.0%</b>	<b>24 (100.0%)</b>	<b>26 (100.0%)</b>	<b>-</b>
901	Arbor Creek	1997	128	100.0%	32 (100.0%)	96 (100.0%)	-
902	Cambridge Apts.	1977 / 1989	180	98.3%	100 (100.0%)	64 (96.9%)	16 (93.8%)
903	Laurel Oaks	1979 / 2005	238	93.3%	84 (95.2%)	134 (92.5%)	20 (90.0%)
904	Heritage Crossing	2002	24*	83.3%	2 (100.0%)	15 (93.3%)	7 (57.1%)
905	Cross Creek	1995	20	100.0%	-	20 (100.0%)	-

Occ. – Occupancy

900 series Map IDs are located outside the Site PMA

\*Market-rate units only

The five selected market-rate projects have a combined total of 590 units with an overall occupancy rate of 96.1%. None of the comparable properties has an occupancy rate below 83.3%.

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>	
Wildwood Apartments		Arbor Creek		Cambridge Apts.		Laurel Oaks		Heritage Crossing		Cross Creek	
1150 Petersburg Rd.		155 International Dr.		360 Picadilly Sq.		175 Woodlake Pl.		1000 Crossing Pl.		Creekside Dr.	
Elberton, GA		Athens, GA		Athens, GA		Athens, GA		Commerce, GA		Commerce, GA	
<b>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?		\$520		\$550		\$565		\$660		\$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%		95%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$520	1.09	\$550	0.82	\$565	0.76	\$660	0.68	\$525	0.61
<b>B. Design, Location, Condition</b>											
6 Structure / Stories	R/1	WU/2,3		WU/2		WU/2		WU/3		WU/2	
7 Yr. Built/Yr. Renovated	1987/2014	1997	\$4	1977/1989	\$18	1979/2005	\$9	2002	(\$1)	1995	\$6
8 Condition /Street Appeal	G	G		G		G		E	(\$15)	G	
9 Neighborhood	G	G		G		G		E	(\$10)	G	
10 Same Market?		No	(\$78)	No	(\$83)	No	(\$85)	No	(\$89)	No	(\$79)
<b>C. Unit Equipment/ Amenities</b>											
11 # Bedrooms	1	1		1		1		1		2	(\$50)
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	600	475	\$24	670	(\$13)	740	(\$27)	975	(\$71)	860	(\$49)
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/Y		N/Y		N/Y		N/Y		N/Y	
18 Washer/Dryer	L	W/D	(\$35)	L		L		HU/L	(\$10)	HU	(\$5)
19 Floor Coverings	C	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Storage	Y	N	\$5	N	\$5	Y		Y		N	\$5
22 Garbage Disposal	N	N		Y	(\$5)	N		Y	(\$5)	N	
23 Ceiling Fans	N	Y	(\$5)	N		N		N		Y	(\$5)
<b>D Site Equipment/ Amenities</b>											
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y		N	\$5
26 Security Gate	N	N		N		N		Y	(\$5)	N	
27 Clubhouse/ Meeting Rooms	N/Y	N/N	\$5	Y/N		N/N	\$5	Y/N		N/N	\$5
28 Pool/ Recreation Areas	N	P	(\$10)	P/F/S	(\$18)	P/F/S	(\$18)	P/F	(\$15)	N	
29 Computer Center	N	N		N		Y	(\$3)	N		N	
30 Picnic Area	Y	N	\$3	Y		N	\$3	Y		N	\$3
31 Playground	Y	N	\$3	N	\$3	N	\$3	Y		N	\$3
32 Social Services	N	N		N		N		N		N	
<b>E. Utilities</b>											
33 Heat (in rent?/ type)	N/E	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		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/G	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y/Y	N/N	\$59	N/N	\$59	N/N	\$59	Y/Y		N/N	\$59
39 Trash /Recycling	Y/N	Y/N		N/N	\$20	N/N	\$20	Y/N		N/N	\$20
<b>F. Adjustments Recap</b>											
40 # Adjustments B to D		6	4	3	4	4	4		9	6	5
41 Sum Adjustments B to D		\$44	(\$128)	\$26	(\$119)	\$20	(\$133)		(\$221)	\$27	(\$188)
42 Sum Utility Adjustments		\$59		\$79		\$79				\$79	
		<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)	\$231	(\$14)	\$224	(\$34)	\$232	(\$221)	\$221	(\$82)	\$294
<b>G. Adjusted &amp; Market Rents</b>											
44 Adjusted Rent (5+ 43)		\$495		\$536		\$531		\$439		\$443	
45 Adj Rent/Last rent			95%		97%		94%		67%		84%
46 Estimated Market Rent	\$495	\$0.83	← 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>	
Wildwood Apartments		Arbor Creek		Cambridge Apts.		Laurel Oaks		Heritage Crossing		Cross Creek	
1150 Petersburg Rd.		155 International Dr.		360 Picadilly Sq.		175 Woodlake Pl.		1000 Crossing Pl.		Creekside Dr.	
Elberton, GA		Athens, GA		Athens, GA		Athens, GA		Commerce, GA		Commerce, GA	
<b>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?		\$685		\$689		\$670		\$750		\$550	
2 Date Surveyed		Sep-13		Sep-13		Sep-13		Sep-13		Sep-13	
3 Rent Concessions		None		None		None		Yes (\$32)		None	
4 Occupancy for Unit Type		100%		97%		100%		93%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$685	0.62	\$689	0.67	\$670	0.52	\$718	0.64	\$550	0.54
<b>B. Design, Location, Condition</b>											
6 Structure / Stories	TH/2	TH/2		WU/2		TH/2		WU/3		TH/2	
7 Yr. Built/Yr. Renovated	1987/2014	1997	\$4	1977/1989	\$18	1979/2005	\$9	2002	(\$1)	1995	\$6
8 Condition /Street Appeal	G	G		G		G		E	(\$15)	G	
9 Neighborhood	G	G		G		G		E	(\$10)	G	
10 Same Market?		No	(\$103)	No	(\$103)	No	(\$101)	No	(\$98)	No	(\$83)
<b>C. Unit Equipment/ Amenities</b>											
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1.5	2.5	(\$30)	2	(\$15)	1.5		2	(\$15)	1.5	
13 Unit Interior Sq. Ft.	876	1100	(\$34)	1025	(\$22)	1290	(\$62)	1115	(\$36)	1020	(\$22)
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/Y		N/Y		N/Y		N/Y		N/Y	
18 Washer/Dryer	HU/L	W/D	(\$25)	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 Storage	Y	N	\$5	N	\$5	Y		Y		N	\$5
22 Garbage Disposal	N	N		Y	(\$5)	N		Y	(\$5)	N	
23 Ceiling Fans	Y	Y		Y		N	\$5	N	\$5	Y	
<b>D Site Equipment/ Amenities</b>											
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y		N	\$5
26 Security Gate	N	N		N		N		Y	(\$5)	N	
27 Clubhouse/ Meeting Rooms	N/Y	N/N	\$5	Y/N		N/N	\$5	Y/N		N/N	\$5
28 Pool/ Recreation Areas	N	P	(\$10)	P/F/S	(\$18)	P/F/S	(\$18)	P/F	(\$15)	N	
29 Computer Center	N	N		N		Y	(\$3)	N		N	
30 Picnic Area	Y	N	\$3	Y		N	\$3	Y		N	\$3
31 Playground	Y	N	\$3	N	\$3	N	\$3	Y		N	\$3
32 Social Services	N	N		N		N		N		N	
<b>E. Utilities</b>											
33 Heat (in rent?/ type)	N/E	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		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/G	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y/Y	N/N	\$74	N/N	\$74	N/N	\$74	Y/Y		N/N	\$74
39 Trash /Recycling	Y/N	Y/N		N/N	\$20	N/N	\$20	Y/N		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		5	5	3	5	5	4	1	9	7	2
41 Sum Adjustments B to D		\$20	(\$202)	\$26	(\$163)	\$25	(\$184)	\$5	(\$200)	\$32	(\$105)
42 Sum Utility Adjustments		\$74		\$94		\$94				\$94	
		<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		(\$108)	\$296	(\$43)	\$283	(\$65)	\$303	(\$195)	\$205	\$21	\$231
<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)		\$577		\$646		\$605		\$523		\$571	
45 Adj Rent/Last rent			84%		94%		90%		73%		104%
46 Estimated Market Rent	\$585	\$0.67	←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$495 for a one-bedroom unit and \$585 for a two-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent*	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$424	\$495	14.3%
Two-Bedroom	\$509	\$585	13.0%

\*2013 maximum allowable LIHTC gross rent less the value of tenant-paid utilities  
 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 location, a market rent advantage near 0.0% is acceptable as Tax Credit product often represents some of the most desirable rental housing opportunities available. Regardless, the proposed collected Tax Credit rents represent market rent advantages of 14.3% and 13.0% for the one- and two-bedroom units at the subject project, respectively. As such, the subject project will likely be viewed as a value within the Site PMA.

Further, Rental Assistance (RA) is anticipated to be retained on 22 of the 50 subject units. This RA will allow tenants of these units to pay up to 30% of their adjusted gross income towards housing costs (rent plus tenant-paid utilities). Additionally, a Private Rental Assistance (PRA) subsidy will be available to all current unassisted residents. This subsidy will prevent a rent increase on any current unassisted residents. Considering the retention of RA and the available PRA subsidy, the subject project will likely be viewed as an even greater value than that illustrated above.

**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.
5. The effective rent is the reported rent when considering rent concessions or special promotions. One of the selected properties, Heritage Crossing, offers a rent concession on its two-bedroom units which has been prorated and subtracted from the collected rent.
7. Upon completion of renovations, the subject project will have an effective age of a property built in 2001. The selected properties were built between 1977 and 2002. It should further be noted that two of the selected properties were renovated in 1989 and 2005. 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 subject project will have an improved quality and aesthetic appeal following renovations, one of the selected market-rate properties is considered to be of superior quality as compared to the subject project. As such, we have made an adjustment to this property that we consider to be of superior quality to the subject development.
9. One of the selected market-rate properties (Heritage Crossing) 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, all of the selected properties are located outside of the Site PMA in areas that are considered socioeconomically different than the Elberton market. As such, an adjustment of 15% was applied to the selected properties located outside of the Site PMA in the towns of Athens and Commerce 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 inclusion of an additional bedroom at this property.

12. There is a variety of the number of bathrooms offered among the two-bedroom units 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: Wildwood Apartments (GA) (711) 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>Wildwood Apartments (GA) (711)</b>																	
01	711s1	576	1	Winn, Martha	Rental		AR	06/01/13	492	479	390	390	276	114	89	203	0
02	711s2	840	2	Heard, Tekelia	Assistance(RA) Rental		AR	11/01/12	544	542	435	435	302	133	107	240	0
03	711s2	840	2	Clark, William	Assistance(RA) Rental		AR	08/01/13	544	542	435	435	240	195	107	302	0
04	711s2	840	2	Rivers, Byron	Assistance(RA) No Deep Tenant Subsidy		MI	01/11/13	544	542	435	435	0	435	107	542	0
05	711s2	840	2	Belli, Lanabeth	No Deep Tenant Subsidy		MI	12/28/12	544	542	435	435	0	435	107	542	0
06	711s1	576	1	Watson, Hollis	No Deep Tenant Subsidy		AR	04/01/13	492	479	390	390	0	390	89	479	0
07	711s1	576	1	Clark, Lenora	Rental		AR	04/01/13	492	479	390	390	222	168	89	257	0
08	711s2	840	2	VACANT	Assistance(RA)				544	0	420	0	0	0	107	0	0
09	711s2	840	2	Smith, Sandricka	Rental		AR	10/01/12	544	542	435	435	346	89	107	196	0
10	711s2	840	2	Allen, Larry	Assistance(RA) HUD Voucher		AR	07/01/13	544	542	435	435	0	435	107	542	0
11	711s2	840	2	Hill, Barbara	No Deep Tenant Subsidy		AR	12/01/12	544	542	435	435	0	435	107	542	0
12	711s1	576	1	Nobles, Leon	Rental		AR	01/01/13	492	479	390	390	218	172	89	261	0
13	711s1	576	1	Jones, Destiny	Assistance(RA) No Deep Tenant Subsidy		MI	07/18/13	492	479	390	390	0	390	89	479	0
14	711s1	576	1	Jones, William	Rental		AR	09/01/12	492	479	390	390	273	117	89	206	0
15	711s1	576	1	Dowdy, Faith	Assistance(RA) No Deep Tenant Subsidy		MI	12/28/12	492	479	390	390	0	390	89	479	0
16	711s1	576	1	Wiley, Steve	No Deep Tenant Subsidy		AR	09/01/12	492	479	390	390	0	461	89	550	0
17	711h1	576	1	Bassett, Christopher	Rental		AR	06/01/13	492	479	390	390	276	114	89	203	0
18	711s2	840	2	Butler, Jeannette	Assistance(RA) Rental		AR	07/01/13	544	542	435	435	315	120	107	227	0
19	711s2	840	2	Dubose(S8), Orene	Assistance(RA) HUD Voucher		AR	09/01/12	544	542	435	435	0	435	107	542	0
20	711s2	840	2	Mitchell, Sherry	Rental		AR	03/01/13	544	542	435	435	350	85	107	192	0
21	711s2	840	2	Gartrell, Pamela	Assistance(RA) No Deep Tenant Subsidy		MI	09/14/12	544	542	435	435	0	435	107	542	0
22	711h1	576	1	Allen(S8), Melvin	HUD Voucher		AR	09/01/12	492	479	390	390	0	390	89	479	0
23	711s1	576	1	Hunt, Myrtle	Rental		AR	10/01/12	492	479	390	390	273	117	89	206	0
24	711s1	576	1	Baker, Erma	Assistance(RA) Rental		AR	09/01/12	492	479	390	390	351	39	89	128	0
					Assistance(RA)												

## Affordable Rent Roll

Property: Wildwood Apartments (GA) (711) 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>Wildwood Apartments (GA) (711)</b>																	
25	711s1	576	1	Allen, Courtney	No Deep Tenant Subsidy		MI	08/13/12	492	479	390	390	0	390	89	479	0
26	711s1	576	1	McDaniel, Carolyn	Rental		AR	03/01/13	492	479	390	390	270	120	89	209	0
27	711s1	576	1	Brantley(S8), Joann	Assistance(RA) HUD Voucher		AR	01/01/13	492	479	390	390	0	390	89	479	0
28	711s2	840	2	Hearn, Ryan	No Deep Tenant Subsidy		MI	05/14/13	544	542	435	435	0	435	107	542	0
29	711s2	840	2	Hester, Terra	HUD Voucher		AR	10/01/12	544	542	435	435	0	435	107	542	0
30	711s2	840	2	Willis, Tomeka	HUD Voucher		AR	05/01/13	544	542	435	435	0	435	107	542	0
31	711s2	840	2	Johnson(S8), Delores	HUD Voucher		AR	10/01/12	544	542	435	435	0	435	107	542	0
32	711s1	576	1	Maloy, Littie	No Deep Tenant Subsidy		MI	03/20/13	492	479	390	390	0	396	89	485	0
33	711h1	576	1	Bond, June	No Deep Tenant Subsidy		MI	08/23/12	492	479	390	390	0	390	89	479	0
34	711s2	840	2	Drinkard, Tequila	HUD Voucher		AR	07/01/13	544	542	435	435	0	435	107	542	0
35	711s2	840	2	Kaur, Daljit	No Deep Tenant Subsidy		MI	10/18/12	544	542	435	435	0	435	107	542	0
36	711s2	840	2	Foster, Linda	Rental		AR	04/01/13	544	542	435	435	329	106	107	213	0
37	711s2	840	2	Heard, Sharon	Assistance(RA) Rental		AR	06/01/13	544	542	435	435	482	0	107	60	47
38	711h1	576	1	Banks, Antonio	Assistance(RA) Rental		AR	05/01/13	492	479	390	390	243	147	89	236	0
39	711s1	576	1	Dye, Jim	Assistance(RA) Rental		AR	11/01/12	492	479	390	390	238	152	89	241	0
40	711s2	840	2	Allen, Crawford	No Deep Tenant Subsidy		AR	05/01/13	544	542	435	435	0	435	107	542	0
41	711s2	840	2	Hester, Linda	Rental		AR	12/01/12	544	542	435	435	370	65	107	172	0
42	711s2	840	2	Rucker, Monica	Assistance(RA) HUD Voucher		AR	12/01/12	544	542	435	435	0	435	107	542	0
43	711s2	840	2	Jones, Demetrius	Rental		AR	04/01/13	544	542	435	435	339	96	107	203	0
44	711s2	840	2	Noble, Julia	Assistance(RA) Rental		AR	01/01/13	544	542	435	435	345	90	107	197	0
45	711s2	840	2	Drinkard, Sharon	Assistance(RA) HUD Voucher		AR	01/01/13	544	542	435	435	0	435	107	542	0
46	711s1	576	1	Brown, Otis	No Deep Tenant Subsidy		AR	09/01/12	492	479	390	390	0	390	89	479	0
47	711s1	576	1	Wragg, Sarah	Rental		AR	09/01/12	492	479	390	390	203	187	89	276	0
48	711s1	576	1	Howard, Zola	Assistance(RA) Rental		AR	10/01/12	492	479	390	390	232	158	89	247	0
49	711s1	576	1	Callaway(S8), Janie	Assistance(RA) HUD Voucher		AR	09/01/12	492	479	390	390	0	390	89	479	0

# Affordable Rent Roll

Property: Wildwood Apartments (GA) (711) 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>Wildwood Apartments (GA) (711)</b>																	
50	711s1	576	1	Davis, Jewell	No Deep Tenant Subsidy		AR	02/01/13	492	479	390	390	0	390	89	479	0
<b>Total :</b>		35,664	76		<b>Number of Units: 50</b>				25,952	25,046	20,655	20235	6,493	13,866	4,918	18,630	47
<b>Grand Total :</b>		<u>35,664</u>	<u>76</u>		<b>Total Units: 50</b>				<u>25,952</u>	<u>25,046</u>	<u>20,655</u>		<u>6,493</u>	<u>13,866</u>	<u>4,918</u>	<u>18,630</u>	<u>47</u>