



**A MARKET CONDITIONS AND PROJECT  
EVALUATION SUMMARY OF**

**Live Oak Villas Of Midway  
Georgia Highway 38  
Midway, Liberty County, Georgia 31320**

**Effective Date: May 12, 2015  
Report Date: May 15, 2015**

*Prepared For*

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*Prepared By*

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May 15, 2015

Mr. David S. Searles, Jr.  
Beverly J. Searles Foundation, Inc.  
5030 Nesbit Ferry Lane  
Sandy Springs, GA 30350

**Re: Market Study for Live Oak Villas Of Midway located in Midway, Georgia**

Dear Mr. Searles, Jr:

At your request, Novogradac & Company LLP performed a market study of the rental market in the Midway, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, (Subject). The purpose of this market study is to assess the viability of the proposed family development Live Oak Villas Of Midway consisting of 60 revenue generating units. Units will be income restricted to households earning 50 and 60 percent of the AMI, or less. Additionally, the Subject will offer one unrestricted market rate unit. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, both Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

Mr. Searles, Jr.  
Beverly J. Searles Foundation, Inc.  
May 15, 2015  
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Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



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## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

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10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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Addendum

## **A. EXECUTIVE SUMMARY AND CONCLUSIONS**



**EXECUTIVE SUMMARY AND CONCLUSIONS**

**1. Project Description:**

Live Oak Villas Of Midway will be a newly constructed property located in Midway, Georgia, which will consist of 60 attached villa buildings. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

<b>PROPOSED RENTS</b>							
<b>Unit Type</b>	<b>Unit Size (SF)</b>	<b>Number of Units</b>	<b>Asking Rent</b>	<b>Utility Allowance (1)</b>	<b>Gross Rent</b>	<b>2014 LIHTC</b>	<b>HUD Fair Market Rents</b>
						<b>Maximum Allowable Gross Rent*</b>	
<i>50% AMI</i>							
1BR/1BA	750	5	\$336	\$132	\$468	\$468	\$598
2BR/1BA	1050	7	\$394	\$168	\$562	\$562	\$747
<i>60% AMI</i>							
1BR/1BA	750	21	\$430	\$132	\$562	\$562	\$598
2BR/1BA	1050	26	\$507	\$168	\$675	\$675	\$747
<i>Market Rate</i>							
2BR/1BA	1050	1	\$675	\$0	\$675	N/A	N/A
<b>Total</b>		<b>60</b>					

Notes (1) Source of Utility Allowance provided by the Developer.

\*Per the Georgia DCA 2015 guidelines, the market study analyst must use the maximum rent and income limits from the same year as the utility allowance. The GA DCA utility allowance is effective as of 7/1/2014; therefore, we have utilized the 2014 maximum income and rent limits.

The Subject will offer the following amenities: balcony/patio, central air conditioning, dishwasher, microwave, oven, refrigerator, in-unit washer and dryer hookups, community room, off-street parking, on-site management, picnic area, and playground. Overall, the Subject’s amenities will be competitive with those offered at the comparable properties.

**2. Site Description/Evaluation:**

The Subject will be located on the north side of Georgia Highway 38 (E. Oglethorpe Highway), west of the intersection of Georgia Highway 38 and Butler Avenue. The Subject site is currently vacant. The Subject site is located in a mixed-use neighborhood. The main commercial district in Midway is located directly east of the Subject site. There are several commercial retail uses along Butler Avenue including Heritage Bank, Coastal Discount Pharmacy, IGA Grocery Store, Family Dollar, Dollar General, US Post Office, and Gas Station within 0.4 miles of the Subject site. Overall, the Subject site is considered good for multifamily housing, and the

surrounding uses exhibit generally good condition. Access and visibility to the Subject site are considered good.

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

The PMA is defined as portions of Liberty County, Long County, and Bryan County. This area is generally identified as the area north of Highway 57, south of Fort Stewart Military Reservation, west of the Ogeechee River, Bear River, South Newport River, and Sapelo River, and east of Highway 25. This area was defined based on interviews with the local housing authority and local market participants. Furthermore, the determination of this market area was influenced by conversations with surveyed property managers, who reported that the majority of rental traffic originates primarily from the area surrounding Fort Stewart and southwest of the outskirts of Savannah. We believe the size of the PMA is reasonable based on the 20 minute drive time to Hinesville and similar relative distance to the west of Hinesville, where tenants would be likely to commute to Hinesville from.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is approximately 13 miles.

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

From 2010 to 2015 the population in the PMA increased faster than the population in the MSA and nation. From 2015 to 2019 the population in the PMA is expected to continue to increase at a faster rate than the population in the MSA and nation. The majority of the population in the PMA is non-elderly; however, the non-elderly population growth rate is expected to be slightly lower than the elderly population growth rate through 2019. From 2010 to 2015 the household growth rate in the PMA declined, but remained above the household growth rate in the MSA and nation. Through market entry in January 2017, the number of households in the PMA is expected to increase at a rate similar to the MSA and significantly faster than the nation. Overall, the projected increase in households is a positive indicator for the proposed Subject's units. Additionally, the Subject is located in a rural area and the majority of rural areas across the country are experiencing stable or decreasing populations and number of households. Therefore, given the rural location, the strong population

and total households growth in the PMA is a positive indication of future demand.

Renter households earning under \$30,000 in the PMA comprise 31.1 percent of all income cohorts. The Subject will target households earning between \$16,046 and \$27,000, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Liberty County has declined in 2013 and 2015. However, the AMI in Liberty County peaked in 2014 and has increased 3.2 percent annually since 1999. The Subject's proposed rents are at the 2014 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

Overall, the demographic data points to a growing population with household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

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

Midway is a rural town in southeast Georgia, which is located southeast of Hinesville and south of Savannah. Midway has a concentration of health care/social services, retail trade, and educational services. The largest employment growth occurred in these three industries and the accommodation/food services industry since 2000. Construction is also an important industry and is overrepresented in the PMA. The area is not particularly reliant on manufacturing, which has been declining since 2000.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling "The U.S. Manufacturing Renaissance." This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that exist within the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by decreased energy costs and increasing labor costs in emerging markets.

The MSA has experienced employment growth in 2015 year to date. From February 2014 to February 2015, total employment in the MSA increased slightly slower than the total employment in the nation. Total employment in the MSA remains two percent below the 2011 peak total employment, which indicates a weaker local economy. In comparison, total employment in the nation is 0.7 percent above the 2007 peak total employment.

The unemployment rate in the MSA peaked at 9.3 percent in 2011 and has since declined at a slightly slower pace in comparison to the unemployment rate in the nation. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.4 percentage points, while the unemployment rate in the nation decreased 1.2 percentage points. The unemployment rate in the nation is currently 1.0 percentage point below the unemployment rate in the MSA. Overall, the local economy has not recovered in terms of total employment and unemployment since the national recession, which is an indication of a slightly weaker overall economy. There appears to be signs of employment growth in 2015, which is a positive indication.

**6. Project-Specific Affordability And Demand Analysis:**

Our demand analysis indicates that there are 460 income qualified renter households in the PMA. The following table indicates the capture rates for the Subject’s units.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
1BR/1BA @50%	\$16,046-\$20,000	5	113	0	113	4.4%
2BR/1BA @50%	\$19,269-\$22,500	7	159	6	153	4.6%
Overall @50%	\$16,046-\$22,500	12	272	6	266	4.5%
1BR/1BA @60%	\$19,269-\$24,000	21	134	1	133	15.8%
2BR/1BA @60%	\$23,143-\$27,000	26	188	24	164	15.8%
Overall @60%	\$19,269-\$27,000	47	322	25	297	15.8%
1BR/1BA Overall	\$16,046-\$24,000	26	191	1	190	13.7%
2BR/1BA Overall	\$19,269-\$27,000	33	268	30	238	13.8%
Overall Demand	\$16,046-\$27,000	59	460	31	429	13.8%

All capture rates are within DCA threshold requirements and indicate demand for the Subject. Note that we have accounted for the direct competition of the proposed Liberty Place LIHTC property in Hinesville. Overall, we recommend the Subject as proposed.

**7. Competitive Rental Analysis:**

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**Subject Comparison to Market Rents**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @ 50%	\$336	\$320	\$646	\$530	37%
2 BR @ 50%	\$394	\$370	\$770	\$586	33%
1 BR @ 60%	\$430	\$320	\$646	\$530	19%
2 BR @ 60%	\$507	\$370	\$780	\$586	13%
2 BR - Market	\$675	\$591	\$780	\$586	-15%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average of all the comparables, both LIHTC and market rate. The Subject’s proposed LIHTC rents are higher than the surveyed minimum. This is considered reasonable given that there are very few newly constructed market rate properties and

the Subject will be superior to the market rate inventory. The Subject's LIHTC units offer a 13 to 37 percent rent advantage over the surveyed average rents.

The Subject's proposed 50 and 60 percent rents are set at the maximum allowable level. Note that Twin Oaks Apartments offers 45 percent units. Twin Oaks Apartments and The Pines At Willowbrook reported achieving the maximum allowable rent. Differences in maximum allowable rents are attributed to differences in utility allowances. The Pines At Willowbrook is considered the most similar property. The Subject will offer slightly inferior property amenities. The Pines At Willowbrook offers an exercise facility, swimming pool, tennis court, and volleyball court, which the Subject will lack. The Subject will offer similar in-unit amenities. The neighborhood surrounding the Subject site offers a slightly higher median household income in comparison to the neighborhood surrounding The Pines At Willowbrook. Additionally, the Subject's neighborhood crime rate is significantly below the national average, while the neighborhood crime rate of The Pines At Willowbrook is above the national average. The Subject is located further from centers of employment and locational amenities, but is located within one mile of a grocery store and other retail uses. Overall, based on our site inspection, we believe the Subject site offers a slightly superior location to The Pines At Willowbrook and all of the comparable properties in Hinesville. Upon completion, the Subject will exhibit excellent condition, which will be superior to The Pines At Willowbrook, which was built in 2003 and exhibits average condition. The Subject's proposed unit sizes are slightly superior to The Pines At Willowbrook. Overall, we believe the Subject will be slightly superior to The Pines At Willowbrook based largely on condition, location, and unit sizes. Therefore, we believe the Subject will be able to achieve the maximum allowable rent level, similar to The Pines At Willowbrook. The Pines At Willowbrook is exhibiting a vacancy rate of zero percent and maintains a waiting list.

Ashton At Richmond Hill Phases I & II is located 15.1 miles north of the Subject site in Richmond Hill, a suburb of Savannah. The Subject site offers a slightly inferior location based on our site inspection, proximity to employment centers, and median household income. The Subject will offer slightly inferior property amenities, similar in-unit amenities, and similar unit sizes. As new

construction, the Subject will exhibit superior condition in comparison to Ashton At Richmond Hill Phases I & II. The property is achieving rents significantly higher than the proposed rents at the Subject. Given the difference in location, we believe the differential is supportive of the Subject’s proposed rents.

Overall, the Subject is considered slightly superior to The Pines At Willowbrook. The Subject will be uniquely positioned to compete in the local rental market as there are no existing LIHTC properties in Midway. The average LIHTC vacancy rate among the comparable properties is 1.1 percent, which indicates a supply constrained market. We believe there is demand for affordable housing in the PMA and that the Subject will be able to achieve the proposed rents, while maintaining a vacancy rate of five percent or less. Given the lack of competition in Midway and the anticipated excellent condition of the Subject, we believe that the maximum allowable rents are achievable in the market.

**8. Absorption/Stabilization Estimate:**

The Pines At Willowbrook is the newest comparable property, which was built in 2003. However, we were not able to obtain absorption information for this property. Note that the Subject will be directly competitive with 31 units at Liberty Place located in Hinesville, approximately 15.2 miles from the Subject site. Liberty Place should be completed prior to the proposed Subject, but will compete with the proposed Subject upon completion. We have expanded our search for absorption information to Pooler and Savannah. We have included additional properties built since 2009 that are located outside of the PMA. The following properties are located within 38 miles of the Subject site. Several of the following properties have been used as comparables in our report.

**ABSORPTION**

Property name	City	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Pinewood Village	Pooler	LIHTC	Senior	2014	64	21
Savannah Gardens III	Savannah	LIHTC	Family	2012	95	14
Sustainable Fellwood III	Savannah	LIHTC	Senior	2012	100	30
Savannah Gardens I	Savannah	LIHTC	Family	2011	115	11
Sustainable Fellwood II	Savannah	LIHTC	Family	2011	110	18
Sheppard Station	Pooler	LIHTC	Senior	2009	65	12
Sustainable Fellwood I	Savannah	LIHTC	Family	2009	110	18

As illustrated in the previous table, the properties were constructed between 2009 and 2014 and reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is a senior LIHTC property that was built in 2014 and experienced an absorption rate of 21 units per month. Savannah Gardens III is a family LIHTC property that was built in 2012 and experienced an absorption rate of 14 units per month. The Subject offers an inferior location based on median household income and proximity to centers of employment. Therefore, we expect the Subject to experience a slower absorption rate than the previously illustrated properties. We estimate that the Subject will experience an absorption rate of 10 units per month, which equates to an initial lease up period of approximately six months.

### **9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The Subject will be directly competitive with 31 units at the proposed LIHTC development, Liberty Place. Liberty Place was allocated tax credits in 2014 and will be located 15.2 miles from the Subject site. Even accounting for the proposed new supply, the overall capture rate for the Subject remaining low and we believe there is strong demand for affordable housing in the PMA. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.1 percent, which indicates a supply constrained market. The Subject will offer similar in-unit amenities in comparison to the LIHTC properties and slightly inferior to similar property amenities in comparison to the LIHTC comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. The Subject will offer a slightly superior location in comparison to the majority of the comparable properties based on our site inspection, walkscore, crime, and median household income. We have accounted for the differences in location in our analysis. In general, the Subject will be slightly superior to superior to the comparable properties.

The overall vacancy rate is 5.6 percent. Among the market rate properties, the average vacancy rate is 12.5 percent,



which is considered high. The proximity to Fort Stewart and the prevalence of military personnel has affected the performance of the market rate properties. All of the comparable market rate properties reported a significant percent of military tenants. Military deployments cause higher turnover rates among the market rate properties. The property managers all attributed the current high vacancy rates to the recent deployments in the area. The Subject as a LIHTC property will not have any active duty military tenants due to the income qualifications. Therefore, we do not believe the Subject will be similarly affected. We believe the Subject's proposed rents are achievable in the market and offer a significant discount in comparison to average market rents. We believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

**Summary Table:**

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

Development Name:	<b>Live Oak Villas Of Midway</b>	Total # Units:	<b>60</b>
Location:	Georgia Highway 38	# LIHTC Units:	<b>60</b>
	Midway, Liberty County, Georgia 31320		
PMA Boundary:	This area is generally identified as the area north of Highway 57, south of Fort Stewart Military Reservation, west of the Ogeechee River, Bear River, South Newport River, and Sapelo River, and east of Highway 25.		
	Farthest Boundary Distance to Subject:		13

**Rental Housing Stock (found on page 48)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	1,302	94	92.8%
Market-Rate Housing	9	697	87	87.5%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	5	605	6	98.9%
Stabilized Comps	8	929	52	94.4%
Properties in Construction & Lease Up	1	72	N/Ap	N/Ap

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	1BR @ 50%	1	750	\$336	\$530	\$0.71	37%	\$650	\$0.87
7	2BR @ 50%	1	1,050	\$394	\$586	\$0.56	33%	\$820	\$0.78
21	1BR @ 60%	1	750	\$430	\$530	\$0.71	19%	\$650	\$0.87
26	2BR @ 60%	1	1,050	\$507	\$586	\$0.56	13%	\$820	\$0.78
1	2BR - Market	1	1,050	\$675	\$586	\$0.56	-15%	\$820	\$0.78

**Demographic Data (found on page 30 & 53)**

	2010		2015		Dec-17	
Renter Households	11,301	35.40%	13,146	38.00%	13,814	38.00%
Income-Qualified Renter HHs (LIHTC)	1,934	17.11%	2,249	17.11%	2,364	17.11%

**Targeted Income-Qualified Renter Household Demand (found on page 57)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	68	80	N/Ap	N/Ap	114
Existing Households (Overburdened + Substandard)	N/Ap	345	408	N/Ap	N/Ap	583
Homeowner conversion (Seniors)	N/Ap	0	0	N/Ap	N/Ap	0
<b>Total Primary Market Demand</b>	<b>N/Ap</b>	<b>413</b>	<b>489</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>697</b>
Less Comparable/Competitive Supply	N/Ap	6	25	N/Ap	N/Ap	31
<b>Adjusted Income-qualified Renter HHs**</b>	<b>N/Ap</b>	<b>407</b>	<b>464</b>	<b>N/Ap</b>	<b>N/Ap</b>	<b>666</b>

**Capture Rates (found on page 57)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	4.50%	15.80%	N/Ap	N/Ap	13.80%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject site is located along the north side of Georgia Highway 38 (E. Oglethorpe Highway), west of the intersection of Georgia Highway 38 and Butler Avenue. The Subject site is located in Midway, Liberty County, Georgia 31320. The Subject site is currently vacant.

**Construction Type:**

The Subject will consist of 60 attached villas that will appear similar to townhome units. Construction will consist of a large percentage of brick exterior and decorative gable.

**Occupancy Type:**

The Subject will target the general population.

**Special Population Target:**

None.

**Number of Units by Bedroom Type and AMI Level:**

**See following property profile.**

**Unit Size:**

**See following property profile.**

**Structure Type:**

**See following property profile.**

**Rents and Utility Allowances:**

**See following property profile.**

**Existing or Proposed Project Based Rental Assistance:**

The Subject will not operate with additional project-based rental assistance.

**Proposed Development Amenities: See following property profile.**

**Live Oak Villas Of Midway**

**Location** GA Highway 38  
Midway, GA 31320  
Liberty County  
Intersection: Highway  
38 and Butler Avenue

**Units** 60

**Type** One-story

**Year Built / Renovated** 2017 / n/a



**Utilities**

<b>A/C</b>	not included -- central	<b>Other Electric</b>	not included
<b>Cooking</b>	not included -- electric	<b>Water</b>	not included
<b>Water Heat</b>	not included -- gas	<b>Sewer</b>	not included
<b>Heat</b>	not included -- electric	<b>Trash Collection</b>	included

**Unit Mix (face rent)**

<b>Beds</b>	<b>Baths</b>	<b>Type</b>	<b>Units</b>	<b>Size (SF)</b>	<b>Rent</b>	<b>Concession (monthly)</b>	<b>Restriction</b>	<b>Waiting List</b>	<b>Vacant</b>	<b>Vacancy Rate</b>	<b>Max rent?</b>
1	1	One-story	5	750	\$336	\$0	@50%	n/a	N/A	N/A	yes
1	1	One-story	21	750	\$430	\$0	@60%	n/a	N/A	N/A	yes
2	1	One-story	7	1,050	\$394	\$0	@50%	n/a	N/A	N/A	yes
2	1	One-story	26	1,050	\$507	\$0	@60%	n/a	N/A	N/A	yes
2	1	One-story	1	1,050	\$675	\$0	Market	n/a	N/A	N/A	N/A

**Amenities**

<b>In-Unit</b>	Balcony/Patio Central A/C Dishwasher Microwave Oven Refrigerator Washer/Dryer hookup	<b>Security</b>	none
<b>Property</b>	Clubhouse/Meeting Room/Community Room Off-Street Parking On-Site Management Picnic Area Playground	<b>Premium</b>	none
<b>Services</b>	none	<b>Other</b>	none

<b>Scope of Renovations:</b>	<b>The Subject will be new construction</b>
<b>Current Rents:</b>	<b>The Subject will be new construction</b>
<b>Current Occupancy:</b>	<b>The Subject will be new construction</b>
<b>Current Tenant Income:</b>	<b>The Subject will be new construction</b>
<b>Placed in Service Date:</b>	The Subject is expected to be completed by September 2017.
<b>Conclusion:</b>	The Subject will be an excellent-quality villa-style apartment complex, superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

## **C. SITE EVALUATION**

**1. Date of Site Visit and Name of Site Inspector:**

Sterling Battle visited the site on May 12, 2015.

**2. Physical Features of the Site:**

The following illustrates the physical features of the site.

*Frontage:*

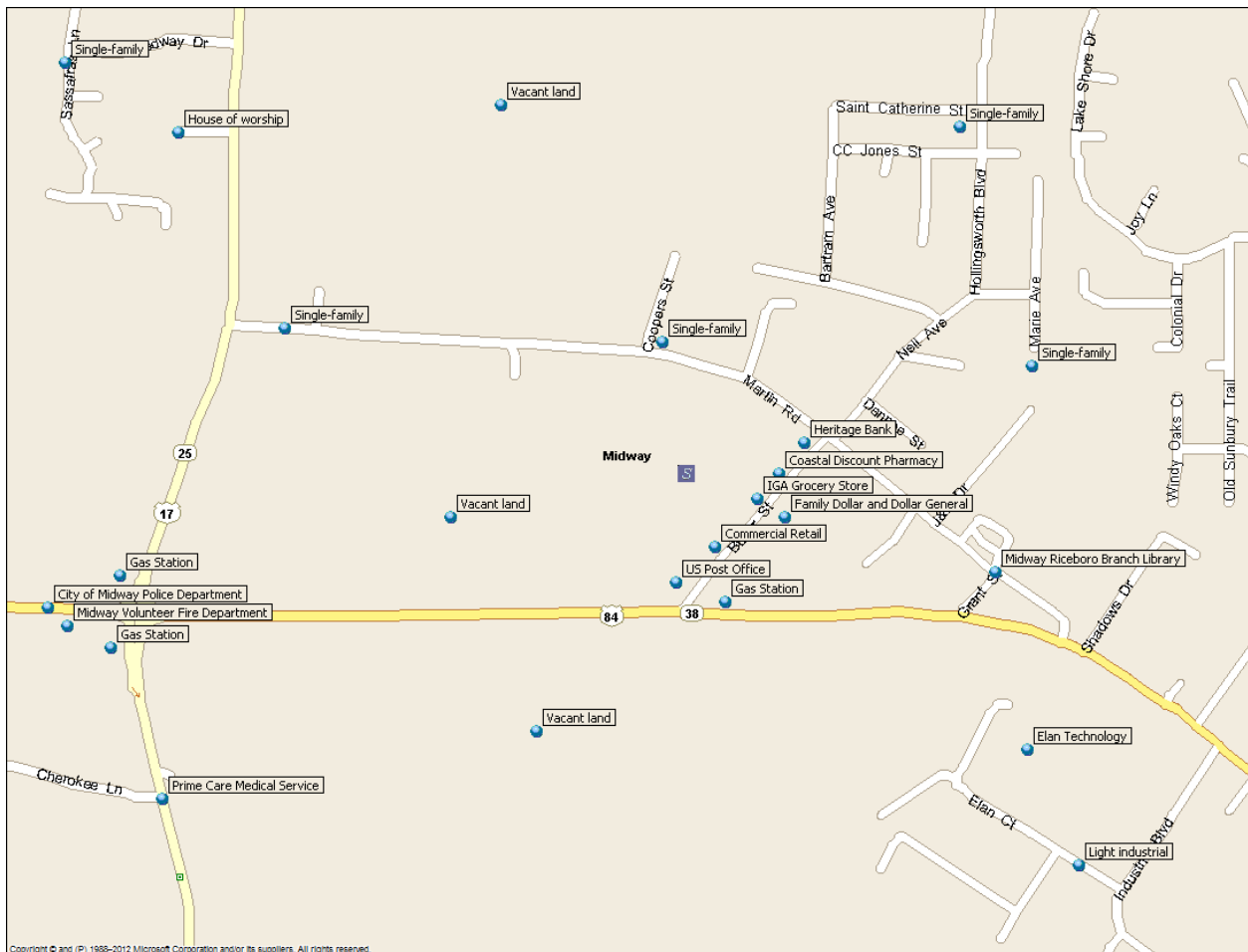
The Subject site has frontage along the north side of Georgia Highway 38 (E. Oglethorpe Highway) and the south side of Martin Road.

*Visibility/Views:*

The Subject will be located on the north side of Georgia Highway 38 (E. Oglethorpe Highway), west of the intersection of Georgia Highway 38 and Butler Avenue. Visibility and views from the site will be good. The Subject will have views of vacant land with vegetation to the east and west. Views to the north will consist of single-family homes. Views to the south will consist of single-family homes and commercial retail uses.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.





The Subject will be located on the north side of Georgia Highway 38 (E. Oglethorpe Highway), west of the intersection of Georgia Highway 38 and Butler Avenue. The Subject site is currently vacant. The Subject site is located in a mixed-use neighborhood. The Subject site is located north and east of vacant land with vegetation. Further west of the Subject site are two gas stations that exhibit average condition, the City of Midway Police Department and the Midway Volunteer Fire Department. Prime Care Medical Service is also located southwest of the Subject site. Directly north of the Subject site are single-family homes, which exhibit average to good condition. The main commercial district in Midway is located directly east of the Subject site. There are several commercial retail uses along Butler Avenue including Heritage Bank, Coastal Discount Pharmacy, IGA Grocery Store, Family Dollar, Dollar General, US Post Office, and Gas Station within 0.4 miles of the Subject site. The commercial uses range from average to excellent condition. Based on our site inspection, the commercial occupancy in the Subject's neighborhood is approximately 90 percent. Further east of the Subject site is the Midway Riceboro Branch Library and single-family homes, which exhibit average to good condition. Southeast of the Subject site is a light industrial district, which includes Elan Technology. The light industrial area exhibits good condition. Overall, the Subject site is considered good for multifamily housing, and the surrounding uses exhibit generally good condition.

*Positive/Negative Attributes of Site:* The Subject is located within close proximity to the majority of locational amenities. There are no detrimental uses surrounding the Subject site. The Subject site is located within one mile of the majority of commercial uses in Midway. Negative aspects include the Subject sites proximity to a full service hospital and the local high school.

### **3. Physical Proximity to Locational Amenities:**

The Subject is located within 13.4 miles of all locational amenities. However, the Subject is located within 2.6 miles of the majority of the locational amenities. Additionally, it is within one mile of Butler Avenue, which offers a variety of commercial retail uses.

4. Pictures of Site and Adjacent Uses:



*View of Subject site from E. Oglethorpe Highway*



*View of Subject site from Martin Road*



*IGA grocery store*



*Heritage Bank*



*Retail uses along Butler Avenue*



*US Post Office along Butler Avenue*



*Family Dollar along Butler Avenue*



*Dollar General along Butler Avenue*



*Gas Station along Butler Avenue*



*House of worship*



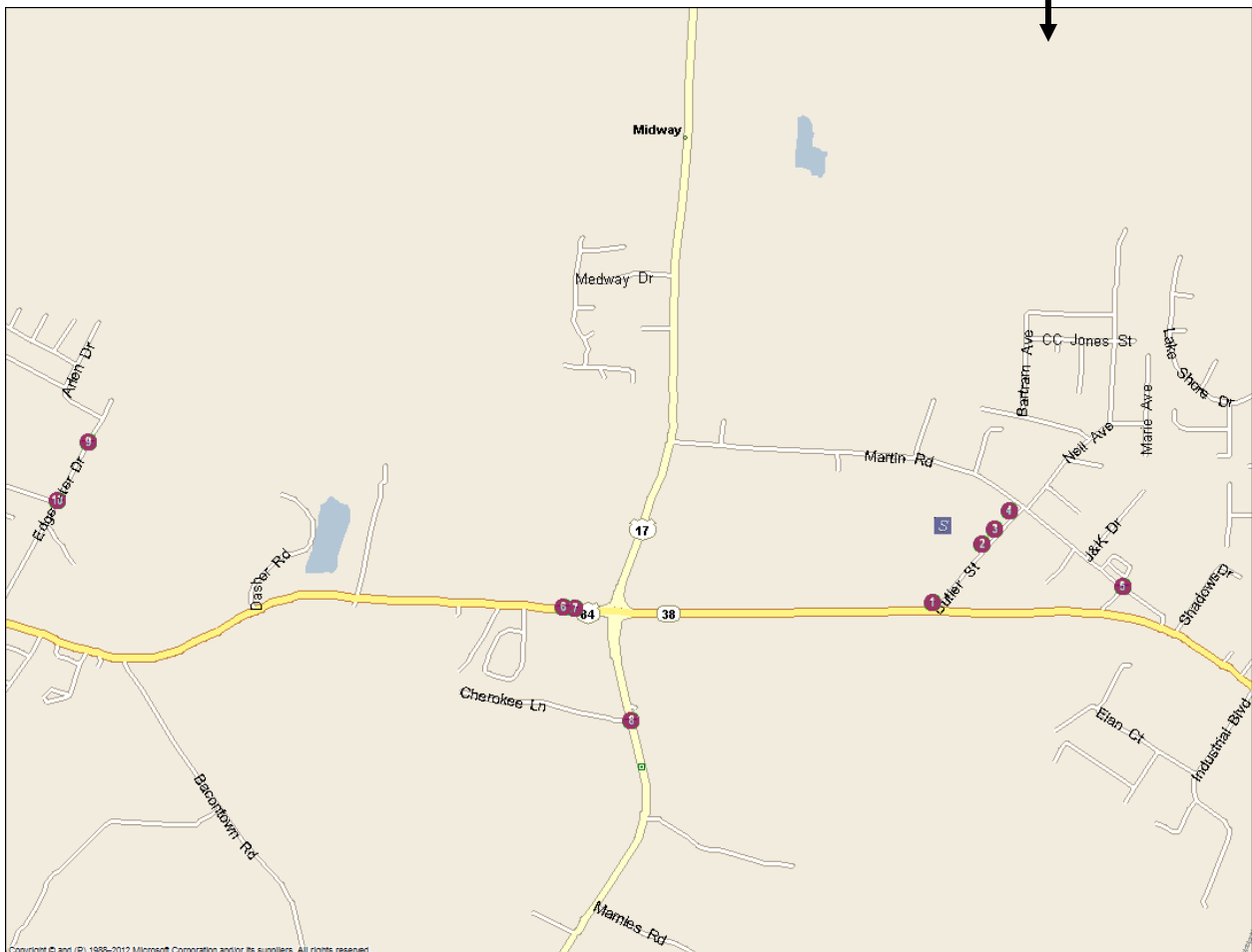
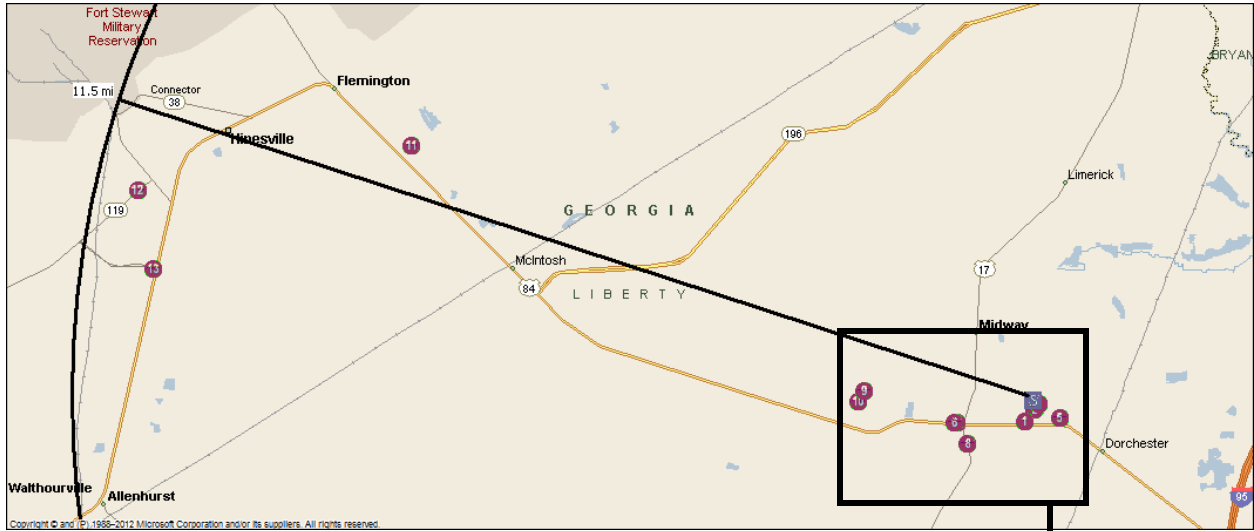
*Single-family home in Subject's neighborhood*



*Single-family home in Subject's neighborhood*

**5. Proximity to Locational Amenities:**

The following map and table details the Subject's distance from key locational amenities.



**LOCATIONAL AMENITIES**

Map Number	Service or Amenity	Miles From Subject
1	US Post Office	0.2 miles
2	IGA Grocery Store	0.3 miles
3	Coastal Discount Pharmacy	0.3 miles
4	Heritage Bank	0.4 miles
5	Midway Riceboro Branch Library	0.6 miles
6	City of Midway Police Department	0.7 miles
7	Midway Volunteer Fire Department	0.7 miles
8	Prime Care Medical Service	0.7 miles
9	Midway Middle School	2.5 miles
10	Liberty Elementary	2.6 miles
11	Liberty County High School	8.6 miles
12	Liberty Regional Medical Center	12.8 miles
13	Walmart	13.4 miles

**6. Description of Land Uses:**

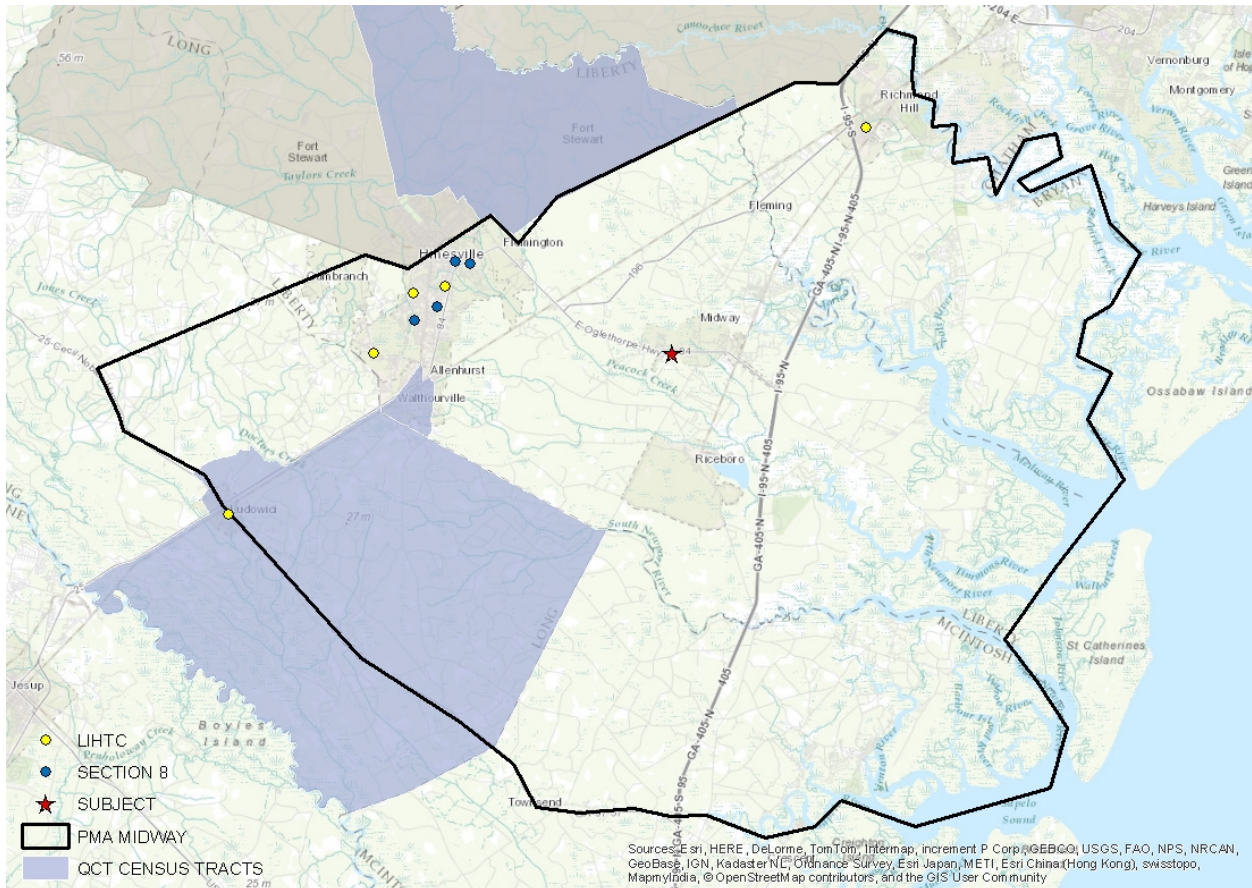
The Subject will be located on the north side of Georgia Highway 38 (E. Oglethorpe Highway), west of the intersection of Georgia Highway 38 and Butler Avenue. The Subject site is currently vacant. The Subject site is located in a mixed-use neighborhood. The Subject site is located north and east of vacant land with vegetation. Further west of the Subject site are two gas stations that exhibit average condition, the City of Midway Police Department and the Midway Volunteer Fire Department. Prime Care Medical Service is also located southwest of the Subject site. Directly north of the Subject site are single-family homes, which exhibit average to good condition. The main commercial district in Midway is located directly east of the Subject site. There are several commercial retail uses along Butler Avenue including Heritage Bank, Coastal Discount Pharmacy, IGA Grocery Store, Family Dollar, Dollar General, US Post Office, and Gas Station within 0.4 miles of the Subject site. The commercial uses range from average to excellent condition. Based on our site inspection, the commercial occupancy in the Subject’s neighborhood is approximately 90 percent. Further east of the Subject site is the Midway Riceboro Branch Library and single-family homes, which exhibit average to good condition. Southeast of the Subject site is a light industrial district, which includes Elan Technology. The light industrial area exhibits good condition. Overall, the Subject site is considered good for multifamily housing, and the surrounding uses exhibit generally good condition.

7. Existing Assisted Rental Housing

Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

Name	Address	City	State	Zip Code	Type	Map Color	Included/Excluded	Reason for Exclusion	
Live Oak Villas of Midway	Georgia Highway 38	Midway	GA	31320	LIHTC	Red Star	N/Ap	N/Ap	
Ashton At Richmond Hill Phase I & II	505 Harris Trail	Richmond Hill	GA	31324	LIHTC	Yellow	Included	N/Ap	
Grove Park Apartments	450 S Main Street	Hinesville	GA	31313	LIHTC		Excluded	Unable to contact	
Pines At Willowbrook	841 Willowbrook Drive	Hinesville	GA	31313	LIHTC		Included	N/Ap	
Ashton Place Apartments	643 Airport Road	Hinesville	GA	31313	LIHTC		Included	N/Ap	
Twin Oaks Apartments	200 Twin Oaks Drive	Ludowici	GA	31316	LIHTC		Included	N/Ap	
Harbor Square I, II, III Apartments	217 Bradwell Street	Hinesville	GA	31313	Section 8		Blue	Excluded	Subsidized
Liberty Group Homes	760-A S Main Street	Hinesville	GA	31313	Section 8			Excluded	Subsidized
Pineland Square	1001 Pineland Avenue	Hinesville	GA	31313	Section 8			Excluded	Subsidized
Regency Park Apartments	100 Regency Place	Hinesville	GA	31313	Section 8			Excluded	Subsidized



Midway, GA



**8. Road/Infrastructure  
Proposed Improvements:**

We did not witness any road/infrastructure improvements during our field work.

**9. Access, Ingress/Egress and  
Visibility of site:**

The Subject site can be accessed from the north side of Georgia Highway 38 (E. Oglethorpe Highway), which is a moderately-trafficked four-lane highway. Based on the amount of traffic during our site inspection, we do not believe access to the Subject site will be affected. Georgia Highway 38 provides access southeast to Interstate 76 and northwest to Hinesville. Interstate 76 runs north to Savannah and south along the east coast. Overall, access and visibility are considered good.

**10. Environmental Concerns:**

None visible upon site inspection.

**11. Conclusion:**

The Subject will be located on the north side of Georgia Highway 38 (E. Oglethorpe Highway), west of the intersection of Georgia Highway 38 and Butler Avenue. The Subject site is currently vacant. The Subject site is located in a mixed-use neighborhood. The main commercial district in Midway is located directly east of the Subject site. There are several commercial retail uses along Butler Avenue including Heritage Bank, Coastal Discount Pharmacy, IGA Grocery Store, Family Dollar, Dollar General, US Post Office, and Gas Station within 0.4 miles of the Subject site. Overall, the Subject site is considered good for multifamily housing, and the surrounding uses exhibit generally good condition. Access and visibility to the Subject site are considered good.

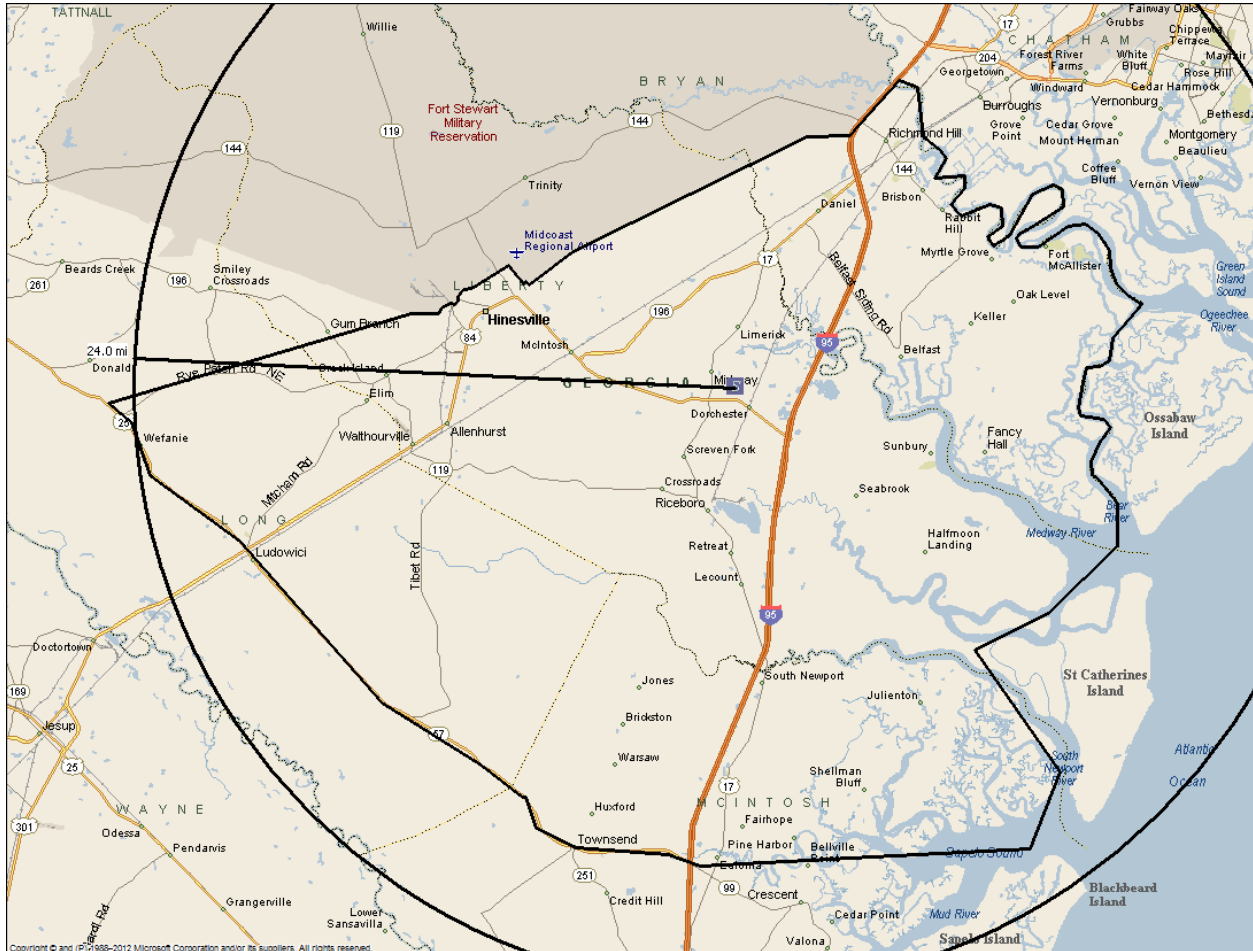
## **D. MARKET AREA**



## PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

## Primary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA), which consists of the Hinesville, GA MSA, are areas of growth or contraction.

The PMA is defined as portions of Liberty County, Long County, and Bryan County. This area is generally identified as the area north of Highway 57, south of Fort Stewart Military Reservation, west of the Ogeechee River, Bear River, South Newport River, and Sapelo River, and east of Highway 25. This area was defined based on interviews with the local housing authority and local market participants. Furthermore, the determination of this market area was influenced by

conversations with surveyed property managers, who reported that the majority of rental traffic originates primarily from the area surrounding Fort Stewart and southwest of the outskirts of Savannah. The PMA is approximately 774 square miles. We believe the size of the PMA is reasonable based on the 20 minute drive time to Hinesville and similar relative distance to the west of Hinesville, where tenants would be likely to commute to Hinesville from.

We do believe the Subject will experience leakage from outside the PMA boundaries; however, per the 2015 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is approximately 13 miles.

## **E. COMMUNITY DEMOGRAPHIC DATA**

## COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Metropolitan Statistical Area (MSA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

### 1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2019.

TOTAL POPULATION						
Year	PMA		Hinesville, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	-
2000	71,418	-	71,913	-	281,421,906	-
2010	87,011	2.2%	77,917	0.8%	308,745,538	1.0%
2015	93,653	1.5%	83,419	1.3%	314,467,933	0.4%
Projected Mkt Entry September 2017	98,080	2.2%	87,026	2.0%	320,629,847	0.9%
2019	101,825	1.7%	90,078	1.6%	325,843,774	0.7%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

### POPULATION BY AGE GROUP

Age Cohort	Hinesville, GA MSA				
	2000	2010	2015	Projected Mkt Entry September 2017	2019
0-4	7,545	7,907	8,135	8,490	8,790
5-9	6,665	6,442	7,328	7,559	7,754
10-14	5,752	5,728	5,856	6,329	6,730
15-19	6,056	6,094	5,653	5,708	5,754
20-24	9,611	7,782	8,004	7,603	7,264
25-29	7,365	7,194	8,083	8,357	8,589
30-34	6,143	5,549	6,674	7,328	7,882
35-39	5,932	4,966	5,154	5,877	6,488
40-44	4,661	4,759	4,817	4,813	4,809
45-49	3,445	5,139	4,571	4,494	4,428
50-54	2,493	4,690	4,924	4,619	4,361
55-59	1,822	3,805	4,436	4,583	4,707
60-64	1,398	2,836	3,493	3,872	4,193
65-69	1,016	1,967	2,579	2,977	3,313
70-74	822	1,322	1,660	2,015	2,316
75-79	594	760	998	1,203	1,377
80-84	333	556	570	673	760
85+	261	421	484	527	563
<b>Total</b>	<b>71,914</b>	<b>77,917</b>	<b>83,419</b>	<b>87,026</b>	<b>90,078</b>

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

NUMBER OF ELDERLY AND NON-ELDERLY						
Year	PMA			Hinesville, GA MSA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
2000	71,418	67,377	4,041	71,914	68,888	3,026
2010	87,011	80,053	6,958	77,917	72,891	5,026
2015	93,654	84,924	8,730	83,419	77,128	6,291
Projected Mkt Entry September 2017	98,081	87,986	10,095	87,026	79,631	7,395
2019	101,827	90,577	11,250	90,078	81,749	8,329

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

The general population in the PMA increased significantly from 2000 to 2010 at a faster rate than the general population in the MSA and nation. From 2010 to 2015 the population in the PMA increased faster than the population in the MSA and nation. The above average population growth in the PMA is a positive indication of demand for new housing units, similar to the Subject. From 2015 to 2019 the population in the PMA is expected to continue to increase at a faster rate than the population in the MSA and nation. The majority of the population in the PMA is non-elderly; however, the non-elderly population growth rate is expected to be slightly lower than the elderly population growth rate through 2019.

## 2. Household Trends

### 2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS						
Year	PMA		Hinesville, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	25,302	-	23,193	-	105,991,193	-
2010	31,880	2.6%	27,178	1.7%	116,716,292	1.0%
2015	34,620	1.6%	29,427	1.6%	118,979,182	0.4%
Projected Mkt Entry September 2017	36,378	2.3%	30,866	2.3%	121,408,943	0.9%
2019	37,866	1.9%	32,083	1.8%	123,464,895	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Hinesville, GA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.81	-	2.89	-	2.58	-
2010	2.70	-0.4%	2.76	-0.5%	2.58	0.0%
2015	2.68	-0.2%	2.74	-0.2%	2.58	0.0%
Projected Mkt Entry September 2017	2.67	-0.1%	2.73	-0.2%	2.57	0.0%
2019	2.67	-0.1%	2.72	-0.1%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

The total number of households in the PMA increased at a rate significantly faster than the MSA and nation from 2000 to 2010. From 2010 to 2015 the household growth rate in the PMA declined, but remained above the household growth rate in the MSA and nation. Through market entry in January 2017, the number of households in the PMA is expected to increase at a rate similar to the MSA and significantly faster than the nation. Average household size in the PMA is currently 2.68 persons; this is expected to decrease slightly through 2019. Overall, the projected increase in households is a positive indicator for the proposed Subject's units. Additionally, the Subject is located in a rural area and the majority of rural areas across the country are experiencing stable or decreasing populations and number of households. Therefore, given the rural location, the strong population and total households growth in the PMA is a positive indication of future demand.

## 2b. Households by Tenure

The table below depicts senior household growth by tenure from 2000 through 2019.

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				Hinesville, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	15,767	62.3%	9,535	37.7%	12,190	52.6%	11,003	47.4%
2010	20,579	64.6%	11,301	35.4%	15,272	56.2%	11,906	43.8%
2015	21,474	62.0%	13,146	38.0%	15,783	53.6%	13,644	46.4%
Projected Mkt Entry September 2017	22,564	62.0%	13,814	38.0%	16,564	53.7%	14,302	46.3%
2019	23,487	62.0%	14,379	38.0%	17,224	53.7%	14,859	46.3%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Owner-occupied housing units dominate the PMA and in the MSA. The percent of renter-occupied housing in the PMA is slightly higher than the national average of approximately 33 percent. The percentage of renter-occupied units is expected to remain stable through 2019. However, the number of renter-occupied units is expected to increase slightly through 2019.

## 2c. Households by Income

The following table depicts senior household income in 2015, the projected market entry January 2017, and 2019 for the PMA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA								
Income Cohort	2010		2015		Projected Mkt Entry September 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,336	11.8%	1,679	12.8%	1,713	12.4%	1,742	12.1%
\$10,000-19,999	2,007	17.8%	2,203	16.8%	2,189	15.8%	2,177	15.1%
\$20,000-29,999	1,887	16.7%	2,102	16.0%	2,140	15.5%	2,171	15.1%
\$30,000-39,999	1,568	13.9%	1,950	14.8%	1,988	14.4%	2,020	14.1%
\$40,000-49,999	1,379	12.2%	1,514	11.5%	1,603	11.6%	1,679	11.7%
\$50,000-59,999	1,063	9.4%	1,150	8.7%	1,216	8.8%	1,271	8.8%
\$60,000-74,999	846	7.5%	1,023	7.8%	1,132	8.2%	1,224	8.5%
\$75,000-99,999	780	6.9%	952	7.2%	1,071	7.8%	1,172	8.2%
\$100,000-124,999	243	2.2%	332	2.5%	425	3.1%	503	3.5%
\$125,000-149,999	37	0.3%	54	0.4%	89	0.6%	119	0.8%
\$150,000-199,999	84	0.7%	83	0.6%	97	0.7%	108	0.8%
\$200,000+	71	0.6%	105	0.8%	152	1.1%	192	1.3%
<b>Total</b>	<b>11,301</b>	<b>100.0%</b>	<b>13,146</b>	<b>100.0%</b>	<b>13,814</b>	<b>100.0%</b>	<b>14,379</b>	<b>100.0%</b>

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2015

Renter households earning under \$30,000 in the PMA comprise 31.1 percent of all income cohorts. The Subject will target households earning between \$16,046 and \$27,000, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Liberty County has declined in 2013 and 2015. However, the AMI in Liberty County peaked in 2014 and has increased 3.2 percent annually since 1999. The Subject's proposed rents are at the 2014 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

## 2d. Renter Households by Number of Persons in the Household

The following table illustrates the number of persons per household among renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA										
	2000		2010		2015		Projected Mkt Entry September 2017		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,150	22.6%	3,007	26.6%	3,599	27.4%	3,831	27.7%	4,027	28.0%
With 2 Persons	2,727	28.6%	2,991	26.5%	3,445	26.2%	3,615	26.2%	3,759	26.1%
With 3 Persons	1,985	20.8%	2,268	20.1%	2,639	20.1%	2,771	20.1%	2,883	20.0%
With 4 Persons	1,509	15.8%	1,634	14.5%	1,860	14.2%	1,935	14.0%	1,998	13.9%
With 5+ Persons	1,163	12.2%	1,402	12.4%	1,602	12.2%	1,662	12.0%	1,713	11.9%
Total Renter Households	9,535	100.0%	11,301	100.0%	13,146	100.0%	13,814	100.0%	14,379	100.0%

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2015

The household size with the largest percentage of households is one person households, followed by two person households. In general, households with one and two people are expected to remain stable. The Subject will be a general household development with one and two-bedroom floor plans, so this large percentage of one and two-person households bodes well for the proposed Subject.

### Conclusion

From 2010 to 2015 the population in the PMA increased faster than the population in the MSA and nation. From 2015 to 2019 the population in the PMA is expected to continue to increase at a faster rate than the population in the MSA and nation. The majority of the population in the PMA is non-elderly; however, the non-elderly population growth rate is expected to be slightly lower than the elderly population growth rate through 2019. From 2010 to 2015 the household growth rate in the PMA declined, but remained above the household growth rate in the MSA and nation. Through market entry in January 2017, the number of households in the PMA is expected to increase at a rate similar to the MSA and significantly faster than the nation. Overall, the projected increase in households is a positive indicator for the proposed Subject's units. Additionally, the Subject is located in a rural area and the majority of rural areas across the country are experiencing stable or decreasing populations and number of households. Therefore, given the rural location, the strong population and total households growth in the PMA is a positive indication of future demand.

Renter households earning under \$30,000 in the PMA comprise 31.1 percent of all income cohorts. The Subject will target households earning between \$16,046 and \$27,000, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Liberty County has declined in 2013 and 2015. However, the AMI in Liberty County peaked in 2014 and has increased 3.2 percent annually since 1999. The Subject's proposed rents are at the 2014 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

Overall, the demographic data points to a growing population with household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

## **F. EMPLOYMENT TRENDS**



## EMPLOYMENT TRENDS

The Subject is located in Midway, Liberty County, Georgia. The Subject, as proposed, will be a family property with strict income limits.

Midway is a rural town in southeast Georgia, which is located southeast of Hinesville and south of Savannah. Midway has a concentration of health care/social services, retail trade, and educational services. The largest employment growth occurred in these three industries and the accommodation/food services industry since 2000. Construction is also an important industry and is overrepresented in the PMA. The area is not particularly reliant on manufacturing, which has been declining since 2000.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling “The U.S. Manufacturing Renaissance.” This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that exist within the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by decreased energy costs and increasing labor costs in emerging markets.

Midway is located southeast of Fort Stewart. According to *Stewart.army.mil*, the 3<sup>rd</sup> Infantry Division is located at Fort Stewart. The base is located in five counties including Liberty, Long, Tattnall, Evans, and Bryan and consists of 280,000 acres. Fort Stewart is located 14.7 miles northwest of the Subject site. Fort Stewart is home to 21,000 active soldiers and 3,500 civilian workers. There are approximately 29,500 family members that live on and off the base. According to a January 2013 *Savannnow.com* article, “Expansion Continues at Fort Stewart Hospital,” the Winn Army Community Hospital is undergoing a two part expansion. The \$23.1 million first expansion started in January 2012. The second expansion started in January 2013 and will consist of a \$37 million emergency room expansion. The hospital is expected to be complete by October 2016.

According to a February 2015 *Savannnow.com* article, “3,000 Fort Stewart Soldiers Prepared For Eastern Europe Deployment,” troops from Fort Stewart are being deployed to at least seven countries for Operation Atlantic Resolve, where US troops train with NATO allies. The 3,000 troops will be in Europe for approximately three months. Recent deployments have affected the Hinesville market rate properties, which are exhibiting elevated vacancy rates. Note that the further investment in Fort Stewart with the construction of the hospital addition is a positive sign for the future of the based with the impending BRAC hearings and drawdown of troops.

According to the *WJCL News*, Caesarstone will create 130 new jobs in Richmond Hill, north of the Subject site. Caesarstone is a manufacturer of high-quality engineered quartz surfaces. Caesarstone opened its first US based plant in Richmond Hill, approximately 16 miles northeast of the Subject site, in November 2013.

## 1. Total Jobs

The following table illustrates the total jobs (also known as “covered employment”) in Liberty County. Note that the data below was the most recent data available.

**Total Jobs in Liberty County, Georgia**

Year	Total Employment	% Change
2005	21,562	-
2006	22,585	4.53%
2007	23,006	1.83%
2008	23,961	3.99%
2009	23,796	-0.69%
2010	24,493	2.84%
2011	25,010	2.07%
2012	24,717	-1.19%
2013	23,987	-3.04%
2014	23,772	-0.91%
2015 YTD Average	23,887	0.48%
Feb-14	23,739	-
Feb-15	24,018	1.16%

Source: U.S. Bureau of Labor Statistics

YTD as of Feb 2015

As illustrated in the table above, Liberty County experienced a decline in total jobs in 2009 during the national recession and again from 2012 to 2014. However, from February 2014 and February 2015, covered employment increased 1.16 percent, which is positive for the local area. Overall, the local economy has appeared unstable in recent years, with several years of decreasing employment.

## 2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Liberty County as of March 2015.

### March 2014 Covered Employment Liberty County, Georgia

	Number	Percent
<b>Total, all industries</b>	<b>10,671</b>	-
<b>Goods-producing</b>	<b>2,399</b>	-
Natural resources and mining	-	-
Construction	-	-
Manufacturing	<b>1,930</b>	18.09%
<b>Service-providing</b>	<b>8,272</b>	-
Trade, transportation, and utilities	<b>2,818</b>	26.41%
Information	<b>104</b>	0.97%
Financial activities	<b>673</b>	6.31%
Professional and business services	<b>992</b>	9.30%
Education and health services	<b>1,228</b>	11.51%
Leisure and hospitality	<b>1,904</b>	17.84%
Other services	<b>522</b>	4.89%
Unclassified	<b>31</b>	0.29%

Source: Bureau of Labor Statistics, 2015

Trade, transportation, and utilities is the largest industry in Liberty County. Manufacturing is the second largest percentage of total employment in Liberty County. The recent declines in total employment can be attributed to the high concentration in cyclical industries, with the exception of utilities. Leisure and hospitality is the third largest industry. Education and health services is the fourth largest industry in Liberty County and is typically considered a stable industry.

## 2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Health Care/Social Assistance	4,962	13.5%	20,080,547	14.0%
Retail Trade	4,676	12.7%	16,592,605	11.6%
Educational Services	4,228	11.5%	12,979,314	9.1%
Public Administration	3,811	10.4%	6,713,073	4.7%
Accommodation/Food Services	3,169	8.6%	10,849,114	7.6%
Construction	2,527	6.9%	8,291,595	5.8%
Manufacturing	2,403	6.5%	15,162,651	10.6%
Other Services (excl Publ Adm)	2,232	6.1%	7,850,739	5.5%
Transportation/Warehousing	1,853	5.0%	5,898,791	4.1%
Admin/Support/Waste Mgmt Svcs	1,252	3.4%	6,316,579	4.4%
Prof/Scientific/Tech Services	1,158	3.1%	9,808,289	6.8%
Finance/Insurance	993	2.7%	6,884,133	4.8%
Real Estate/Rental/Leasing	882	2.4%	2,627,562	1.8%
Wholesale Trade	868	2.4%	3,628,118	2.5%
Arts/Entertainment/Recreation	619	1.7%	3,151,821	2.2%
Information	451	1.2%	2,577,845	1.8%
Agric/Forestry/Fishing/Hunting	423	1.2%	1,800,354	1.3%
Utilities	229	0.6%	1,107,105	0.8%
Mining	26	0.1%	868,282	0.6%
Mgmt of Companies/Enterprises	0	0.0%	97,762	0.1%
<b>Total Employment</b>	<b>36,762</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

Source: ESRI Demographics 2010, Novogradac & Company LLP, April 2015

Health care/social assistance, retail trade, and educational services are the largest industries within the PMA. Combined they represent 37.7 percent of total employment within the PMA. With the exception of retail trade, the top industries in the PMA are considered stable. Since 2000, the educational services and health care/social assistance sectors have experienced the strongest annual growth relative the other industries. The PMA is overrepresented in the retail trade, educational services, public administration, accommodation/food services, and construction, relative to the nation. Comparatively, health care/social assistance, manufacturing, admin/support/waste mgmt services, prof/scientific/tech services, and finance/insurance are underrepresented in the PMA.

### 3. Major Employers

The following table is a list of the top employers in Liberty County, the most recent available data.

#### MAJOR EMPLOYERS - 2013 LIBERTY COUNTY

#	Employer	Industry	Employees
1	Fort Stewart Civilian Employees	Military	3,875
2	Liberty County Board of Education	Education	1,825
3	SNF, Inc.	Chemical Manufacturer	1,275
4	Liberty Regional Medical Center	Healthcare	550
5	Walmart Supercenter	Retail	495
6	Target	Retail Distributor	475
7	Liberty County Board of Commissioners	Government	348
8	Interstate Paper Corporation	Paper Manufacturer	232
9	City of Hinesville	Government	206
10	Hugo Boss	High-End Clothing Distributor	200

Source: Hinesville, GA Comprehensive Annual Financial Report 2013, May 2015

The previous table illustrates the top 10 employers in Liberty County, with the exception of troops stationed at Fort Stewart. A variety of major employers are represented on the list. Fort Stewart is the largest employer in the county, with a significantly higher number of employees than the remaining large employers. There are several manufacturers among the largest employers despite the underrepresentation of manufacturing in the PMA relative to the nation. The top 10 employers represent approximately 26 percent of the total employment in the PMA, which is considered significant.

#### Liberty County Development Authority

We attempted to contact the Liberty County Development Authority. However, our calls were not returned. Based on our online research, we are not aware of any major business expansions within the PMA.

According to the Georgia Department of Labor Worker Adjustment and Retraining Notification (WARN) list, there have been no announced layoffs within the PMA since 2013.

#### 4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA and nation from 2004 to February 2015.

##### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Hinesville, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	25,979	5.8%	5.2%	0.3%	139,252,000	1.1%	5.5%	-0.5%
2005	27,079	4.2%	5.5%	0.4%	141,730,000	1.8%	5.1%	-0.4%
2006	28,077	3.7%	5.4%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	28,716	2.3%	4.9%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	30,194	5.1%	5.6%	0.7%	145,362,000	-0.5%	5.8%	1.2%
2009	30,017	-0.6%	8.1%	2.5%	139,877,000	-3.8%	9.3%	3.5%
2010	30,199	0.6%	8.9%	0.8%	139,064,000	-0.6%	9.6%	0.3%
2011	30,817	2.0%	9.3%	0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	30,791	-0.1%	8.9%	-0.4%	142,469,000	1.9%	8.1%	-0.8%
2013	30,141	-2.1%	8.5%	-0.4%	143,929,000	1.0%	7.4%	-0.7%
2014	29,918	-0.7%	7.7%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	30,108	0.6%	6.9%	-0.8%	146,835,000	0.4%	6.0%	-0.3%
Feb-2014	29,841	-	8.2%	-	144,134,000	-	7.0%	-
Feb-2015	30,247	1.4%	6.8%	-1.4%	147,118,000	2.1%	5.8%	-1.2%

Source: U.S. Bureau of Labor Statistics May 2015

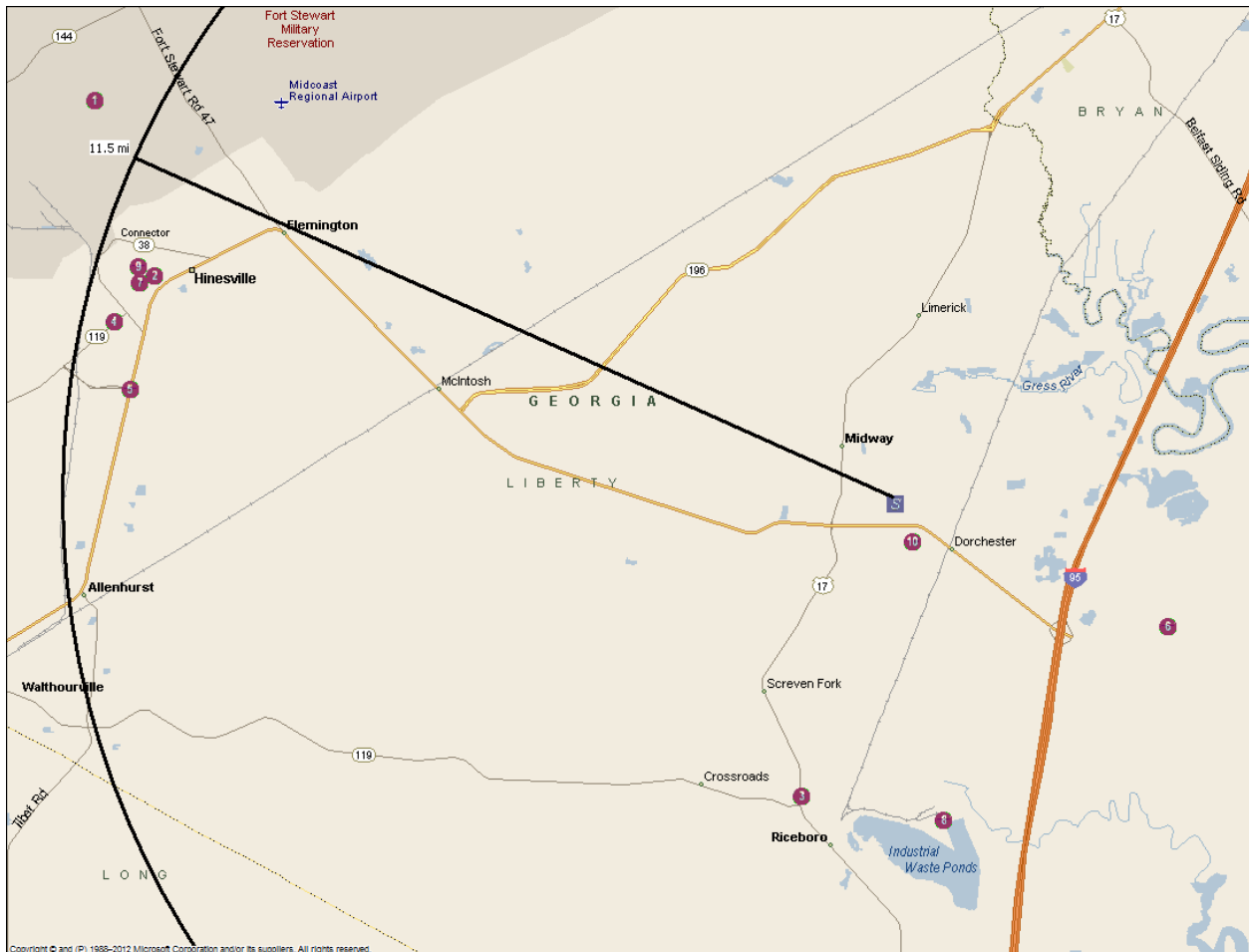
\*2015 data is through Dec

As the previous table demonstrates, total employment growth prior to the national recession was strong. In 2009, the total employment in the MSA decreased slightly relative to the national decline in total employment. Following total employment growth in 2010 and 2011, the MSA experienced decreasing employment for three straight years. Conversely, the total employment in the nation has increased since 2011. The MSA has experienced employment growth in 2015 year to date. From February 2014 to February 2015, total employment in the MSA increased slightly slower than the total employment in the nation. Total employment in the MSA remains two percent below the 2011 peak total employment, which indicates a weaker local economy. In comparison, total employment in the nation is 0.7 percent above the 2007 peak total employment.

The unemployment rate in the MSA peaked at 9.3 percent in 2011 and has since declined at a slightly slower pace in comparison to the unemployment rate in the nation. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.4 percentage points, while the unemployment rate in the nation decreased 1.2 percentage points. The unemployment rate in the nation is currently 1.0 percentage point below the unemployment rate in the MSA. Overall, the local economy has not recovered in terms of total employment and unemployment since the national recession, which is an indication of a slightly weaker overall economy. There appears to be signs of employment growth in 2015, which is a positive indication.

### 5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Liberty County, Georgia.



#### MAJOR EMPLOYERS - 2013 LIBERTY COUNTY

#	Employer	Industry	Employees
1	Fort Stewart Civilian Employees	Military	3,875
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3	SNF, Inc.	Chemical Manufacturer	1,275
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10	Hugo Boss	High-End Clothing Distributor	200

Source: Hinesville, GA Comprehensive Annual Financial Report 2013, May 2015

## Conclusion

Midway is a rural town in southeast Georgia, which is located southeast of Hinesville and south of Savannah. Midway has a concentration of health care/social services, retail trade, and educational services. The largest employment growth occurred in these three industries and the accommodation/food services industry since 2000. Construction is also an important industry and is overrepresented in the PMA. The area is not particularly reliant on manufacturing, which has been declining since 2000.

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## **G. PROJECT-SPECIFIC DEMAND ANALYSIS**

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

### **1. Income Restrictions**

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). However, very few senior households have more than two persons. Therefore, we have used a maximum household size of two persons in our analysis.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

### **2. Affordability**

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for senior households. We will use these guidelines to set the minimum income levels for the demand analysis.

### **3. Demand**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

#### **3A. Demand from New Households**

The number of new households entering the market is the first level of demand calculated. We have utilized September 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to September 2017 by interpolation of the difference between 2015 estimates and 2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in September 2017. This number takes the overall

growth from 2015 to September 2017 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

### **3B. Demand from Existing Households**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (2b.) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (2c.) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

### **3C. Secondary Market Area**

Per the 2015 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

### **3D. Other**

DCA does not consider household turnover to be a source of market demand. Therefore, we have not accounted for household turnover in our demand analysis.

## **4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS**

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2013 to the present.

### **ADDITIONS TO SUPPLY**

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2013 and 2014.
- Vacancies in projects placed in service prior to 2013 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).

- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2013 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, 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.

According to the Georgia Department of Community Affairs allocation lists, two properties have been awarded tax credits within the PMA since 2013. Renaissance Park and Liberty Place were allocated tax credits in 2013 and 2014, respectively. Renaissance Park is a proposed Housing for Older Persons (HFOP) development that will consist of 42 one and two-bedroom units income restricted to 50 and 60 percent of the AMI or less. Due to the dissimilar tenancy, the Subject will be directly competitive with Renaissance Park. The Subject site is located 11.6 miles from the proposed Renaissance Park site. Liberty Place is a proposed general household development that will consist of 72 one, two, and three-bedroom units. The Subject will be located 15.2 miles from Liberty Place. The following table illustrates the proposed unit-mix at Liberty Place.

PROPOSED RENTS - LIBERTY PLACE					
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance	Gross Rent
<b>50% AMI</b>					
1BR/1BA*	750	11	\$345	\$121	\$466
2BR/2BA	950	6	\$400	\$157	\$557
3BR/2BA	1100	5	\$455	\$190	\$645
<b>60% AMI</b>					
1BR/1BA	750	1	\$440	\$121	\$561
2BR/2BA	950	24	\$515	\$157	\$672
3BR/2BA	1100	25	\$585	\$190	\$775
<b>Total</b>		<b>72</b>			

\*Operate with a project-based Section 811 subsidy and will target disabled households.

Note that the one-bedroom 50 percent units will operate with an additional subsidy, where tenants pay 30 percent of their income towards rents. Therefore, these units will be directly competitive with the Subject. Additionally, the Subject will not offer three-bedroom units. Therefore, the Subject will face limited competition during its initial lease up. We have deducted a total of one one-bedroom unit and 30 two-bedroom units from the demand analysis.

**PMA Occupancy**

Per DCA’s guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

PMA OCCUPANCY

Property Name	Occupancy	Type	Tenancy	Included/Excluded	Reason for Exclusion	Distance from Subject
Ashton At Richmond Hill Phase I & II	99%	LIHTC	Family	Included	N/Ap	15.1 miles
Grove Park Apartments	N/A	LIHTC	Family	Excluded	Unable to contact	13.2 miles
The Pines At Willowbrook	100%	LIHTC	Family	Included	N/Ap	14.7 miles
Ashton Place Apartments	100%	LIHTC	Family	Included	N/Ap	17.7 miles
Twin Oaks Apartments	98%	LIHTC	Family	Included	N/Ap	26.6 miles
Liberty Woods Apartments	88%	Market	Family	Included	N/Ap	13.7 miles
Link Terrace Apartments	82%	Market	Family	Included	N/Ap	13.0 miles
Ray Futch Apartments	N/A	Market	Family	Excluded	Unable to contact	11.4 miles
Stewart Way Apartments	96%	Market	Family	Included	N/Ap	12.3 miles
Treetop Apartments	70%	Market	Family	Included	N/Ap	12.3 miles
Wyngrove Apartments	N/A	Market	Family	Excluded	Unable to contact	14.5 miles
Colonial Park Apartments	N/A	Market	Family	Excluded	Dissimilar unit types	14.8 miles
Wedgewood Apartments	N/A	Market	Family	Excluded	Dissimilar unit types	14.4 miles
Windover Apartments	N/A	Market	Family	Excluded	Dissimilar unit types	13.7 miles
<b>Total</b>	<b>90%</b>					

**Rehab Developments and PBRA**

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

**Capture Rates**

The above calculations and derived capture rates are illustrated in the following tables.

Renter Household Income Distribution 2015-2019							
Live Oak Villas Of Midway							
PMA							
	2015		Projected Mkt Entry September 2017		2019		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	1,679	12.8%	1,713	12.4%	1,742	12.1%	3.6%
\$10,000-19,999	2,203	16.8%	2,189	15.8%	2,177	15.1%	-1.2%
\$20,000-29,999	2,102	16.0%	2,140	15.5%	2,171	15.1%	3.2%
\$30,000-39,999	1,950	14.8%	1,988	14.4%	2,020	14.1%	3.5%
\$40,000-49,999	1,514	11.5%	1,603	11.6%	1,679	11.7%	9.8%
\$50,000-59,999	1,150	8.7%	1,216	8.8%	1,271	8.8%	9.6%
\$60,000-74,999	1,023	7.8%	1,132	8.2%	1,224	8.5%	16.4%
\$75,000-99,999	952	7.2%	1,071	7.8%	1,172	8.2%	18.8%
\$100,000-124,999	332	2.5%	425	3.1%	503	3.5%	34.1%
\$125,000-149,999	54	0.4%	89	0.6%	119	0.8%	54.5%
\$150,000-199,999	83	0.6%	97	0.7%	108	0.8%	22.9%
\$200,000+	105	0.8%	152	1.1%	192	1.3%	45.5%
Total	13,146	100.0%	13,814	100.0%	14,379	100.0%	0

Renter Household Income Distribution 2015 to Projected Market Entry September 2017					
Live Oak Villas Of Midway					
PMA					
	2015		Projected Mkt Entry September 2017		Percent Growth
	#	%	#	%	
\$0-9,999	1,679	12.8%	1,713	12.4%	2.0%
\$10,000-19,999	2,203	16.8%	2,189	15.8%	-0.6%
\$20,000-29,999	2,102	16.0%	2,140	15.5%	1.7%
\$30,000-39,999	1,950	14.8%	1,988	14.4%	1.9%
\$40,000-49,999	1,514	11.5%	1,603	11.6%	5.6%
\$50,000-59,999	1,150	8.7%	1,216	8.8%	5.4%
\$60,000-74,999	1,023	7.8%	1,132	8.2%	9.6%
\$75,000-99,999	952	7.2%	1,071	7.8%	11.1%
\$100,000-124,999	332	2.5%	425	3.1%	21.9%
\$125,000-149,999	54	0.4%	89	0.6%	39.3%
\$150,000-199,999	83	0.6%	97	0.7%	13.9%
\$200,000+	105	0.8%	152	1.1%	31.1%
Total	13,146	100.0%	13,814	100.0%	4.8%

Tenure Prj Mrkt Entry September 2017	
Renter	38.0%
Owner	62.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry September 2017		
Size	Number	Percentage
1 Person	3,831	27.7%
2 Person	3,615	26.2%
3 Person	2,771	20.1%
4 Person	1,935	14.0%
5+ Person	1,662	12.0%
Total	13,814	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,150	22.6%
2 Person	2,727	28.6%
3 Person	1,985	20.8%
4 Person	1,509	15.8%
5+ Person	1,163	12.2%
Total	9,535	100.0%

50%AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level Minimum Income Limit Maximum Income Limit			50% \$16,046 \$22,500		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	September 2017			
\$0-9,999	1,713	12.4%			
\$10,000-19,999	2,189	15.8%	\$3,954	39.5%	866
\$20,000-29,999	2,140	15.5%	\$2,500	25.0%	535
\$30,000-39,999	1,988	14.4%			
\$40,000-49,999	1,603	11.6%			
\$50,000-59,999	1,216	8.8%			
\$60,000-74,999	1,132	8.2%			
\$75,000-99,999	1,071	7.8%			
\$100,000-124,999	425	3.1%			
\$125,000-149,999	89	0.6%			
\$150,000-199,999	97	0.7%			
\$200,000+	152	1.1%			
	13,814	100.0%			1,401
Percent of renter households within limits versus total number of renter households					10.14%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level Minimum Income Limit Maximum Income Limit			50% \$16,046 \$22,500		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry September 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	83			
\$10,000-19,999	106	15.8%	\$3,954	39.5%	42
\$20,000-29,999	103	15.5%	\$2,500	25.0%	26
\$30,000-39,999	96	14.4%			
\$40,000-49,999	77	11.6%			
\$50,000-59,999	59	8.8%			
\$60,000-74,999	55	8.2%			
\$75,000-99,999	52	7.8%			
\$100,000-124,999	21	3.1%			
\$125,000-149,999	4	0.6%			
\$150,000-199,999	5	0.7%			
\$200,000+	7	1.1%			
	668	100.0%			68
Percent of renter households within limits versus total number of renter households					10.14%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry September 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$36,836		
\$53,714		
\$16,878		
31.4%		
0.4%		
0.4%	Two year adjustment	1.0000
\$22,500		
\$22,500		
3		
50%		
\$468		
\$468		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry September 2017

Income Target Population	50%
New Renter Households PMA	668
Percent Income Qualified	10.1%
New Renter Income Qualified Households	68

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	13,814
Income Qualified	10.1%
Income Qualified Renter Households	1,401
Percent Rent Overburdened Prj Mrkt Entry September 2017	23.9%
Rent Overburdened Households	335

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,401
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	10

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		345
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		345
Total New Demand		68
Total Demand (New Plus Existing Households)		413

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	27.7%	115
Two Persons	26.2%	108
Three Persons	20.1%	83
Four Persons	14.0%	58
Five Persons	12.0%	50
Total	100.0%	413



To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	80%	92
Of two-person households in 1BR units	20%	22
Of one-person households in 2BR units	20%	23
Of two-person households in 2BR units	80%	86
Of three-person households in 2BR units	60%	50
Of three-person households in 3BR units	40%	33
Of four-person households in 3BR units	80%	46
Of five-person households in 3BR units	70%	35
Of four-person households in 4BR units	20%	12
Of five-person households in 4BR units	30%	15
Total Demand		413
Check		OK
Total Demand by Bedroom		50%
1 BR		113
2 BR		159
Total Demand		272
Additions To Supply 2015 to Pri Mrkt Entry September 2017		50%
1 BR		0
2 BR		6
Total		6
Net Demand		50%
1 BR		113
2 BR		153
Total		266
Developer's Unit Mix		50%
1 BR		5
2 BR		7
Total		12
Capture Rate Analysis		50%
1 BR		4.4%
2 BR		4.6%
Total		4.5%

60%AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$19,269		
Maximum Income Limit			\$27,000		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within Cohort	Households within Bracket
	Mrkt Entry	September 2017			
\$0-9,999	1,713	12.4%			
\$10,000-19,999	2,189	15.8%	\$730	7.3%	160
\$20,000-29,999	2,140	15.5%	\$7,000	70.0%	1,498
\$30,000-39,999	1,988	14.4%			
\$40,000-49,999	1,603	11.6%			
\$50,000-59,999	1,216	8.8%			
\$60,000-74,999	1,132	8.2%			
\$75,000-99,999	1,071	7.8%			
\$100,000-124,999	425	3.1%			
\$125,000-149,999	89	0.6%			
\$150,000-199,999	97	0.7%			
\$200,000+	152	1.1%			
	13,814	100.0%			1,658
Percent of renter households within limits versus total number of renter households					12.00%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$19,269		
Maximum Income Limit			\$27,000		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry September 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	83	12.4%			
\$10,000-19,999	106	15.8%	730	7.3%	8
\$20,000-29,999	103	15.5%	7,000	70.0%	72
\$30,000-39,999	96	14.4%			
\$40,000-49,999	77	11.6%			
\$50,000-59,999	59	8.8%			
\$60,000-74,999	55	8.2%			
\$75,000-99,999	52	7.8%			
\$100,000-124,999	21	3.1%			
\$125,000-149,999	4	0.6%			
\$150,000-199,999	5	0.7%			
\$200,000+	7	1.1%			
	668	100.0%			80
Percent of renter households within limits versus total number of renter households					12.00%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry September 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$36,836		
\$53,714		
\$16,878		
31.4%		
0.4%		
0.4%	Two year adjustment	1.0000
\$27,000		
\$27,000		
3		
60%		
\$562		
\$562		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry September 2017

Income Target Population	60%
New Renter Households PMA	668
Percent Income Qualified	12.0%
New Renter Income Qualified Households	80

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population	60%
Total Existing Demand	13,814
Income Qualified	12.0%
Income Qualified Renter Households	1,658
Percent Rent Overburdened Prj Mrkt Entry September 2017	23.9%
Rent Overburdened Households	396

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,658
Percent Living in Substandard Housing	0.7%
Households Living in Substandard Housing	12

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		409
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		409
Total New Demand		80
Total Demand (New Plus Existing Households)		489

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	27.7%	136
Two Persons	26.2%	128
Three Persons	20.1%	98
Four Persons	14.0%	68
Five Persons	12.0%	59
Total	100.0%	489

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	80%	108
Of two-person households in 1BR units	20%	26
Of one-person households in 2BR units	20%	27
Of two-person households in 2BR units	80%	102
Of three-person households in 2BR units	60%	59
Of three-person households in 3BR units	40%	39
Of four-person households in 3BR units	80%	55
Of five-person households in 3BR units	70%	41
Of four-person households in 4BR units	20%	14
Of five-person households in 4BR units	30%	18
Total Demand		489
Check		OK
Total Demand by Bedroom		60%
1 BR		134
2 BR		188
Total Demand		322
Additions To Supply 2015 to Pri Mrkt Entry September 2017		60%
1 BR		1
2 BR		24
Total		25
Net Demand		60%
1 BR		133
2 BR		164
Total		297
Developer's Unit Mix		60%
1 BR		21
2 BR		26
Total		47
Capture Rate Analysis		60%
1 BR		15.8%
2 BR		15.8%
Total		15.8%

Overall

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$16,046		
Maximum Income Limit			\$27,000		
Income Category	Total Renter Households PMA Prj		Income Brackets	Percent within	Households
\$0-9,999	1,713	12.4%			
\$10,000-19,999	2,189	15.8%	\$3,953	39.5%	866
\$20,000-29,999	2,140	15.5%	\$7,000	70.0%	1,498
\$30,000-39,999	1,988	14.4%			
\$40,000-49,999	1,603	11.6%			
\$50,000-59,999	1,216	8.8%			
\$60,000-74,999	1,132	8.2%			
\$75,000-99,999	1,071	7.8%			
\$100,000-124,999	425	3.1%			
\$125,000-149,999	89	0.6%			
\$150,000-199,999	97	0.7%			
\$200,000+	152	1.1%			
	13,814	100.0%			2,363
Percent of renter households within limits versus total number of renter households					17.11%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$16,046		
Maximum Income Limit			\$27,000		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry September 2017		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	83	12.4%			
\$10,000-19,999	106	15.8%	3,953	39.5%	42
\$20,000-29,999	103	15.5%	7,000	70.0%	72
\$30,000-39,999	96	14.4%			
\$40,000-49,999	77	11.6%			
\$50,000-59,999	59	8.8%			
\$60,000-74,999	55	8.2%			
\$75,000-99,999	52	7.8%			
\$100,000-124,999	21	3.1%			
\$125,000-149,999	4	0.6%			
\$150,000-199,999	5	0.7%			
\$200,000+	7	1.1%			
	668	100.0%			114
Percent of renter households within limits versus total number of renter households					17.11%

Does the Project Benefit from Rent Subsidy? (Y/N)  
 Type of Housing (Family vs Senior)  
 Location of Subject (Rural versus Urban)  
 Percent of Income for Housing  
 2000 Median Income  
 2015 Median Income  
 Change from 2015 to Prj Mrkt Entry September 2017  
 Total Percent Change  
 Average Annual Change  
 Inflation Rate  
 Maximum Allowable Income  
 Maximum Allowable Income Inflation Adjusted  
 Maximum Number of Occupants  
 Rent Income Categories  
 Initial Gross Rent for Smallest Unit  
 Initial Gross Rent for Smallest Unit Inflation Adjusted

No
Family
Rural
35%
\$36,836
\$53,714
\$16,878
31.4%
0.4%
0.4%
Two year adjustment
1.0000
\$27,000
\$27,000
3
Overall
\$468
\$468

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	80%	20%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry September 2017

Income Target Population		Overall
New Renter Households PMA		668
Percent Income Qualified		17.1%
New Renter Income Qualified Households		114

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		13,814
Income Qualified		17.1%
Income Qualified Renter Households		2,363
Percent Rent Overburdened Prj Mrkt Entry September 2017		23.9%
Rent Overburdened Households		565

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		2,363
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		18

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		583
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		583
Total New Demand		114
Total Demand (New Plus Existing Households)		697

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	27.7%	193
Two Persons	26.2%	182
Three Persons	20.1%	140
Four Persons	14.0%	98
Five Persons	12.0%	84
Total	100.0%	697

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	80%	155
Of two-person households in 1BR units	20%	36
Of one-person households in 2BR units	20%	39
Of two-person households in 2BR units	80%	146
Of three-person households in 2BR units	60%	84
Of three-person households in 3BR units	40%	56
Of four-person households in 3BR units	80%	78
Of five-person households in 3BR units	70%	59
Of four-person households in 4BR units	20%	20
Of five-person households in 4BR units	30%	25
Total Demand		697
Check		OK

Total Demand by Bedroom

	Overall
1 BR	191
2 BR	268
Total Demand	460

Additions To Supply 2015 to Pri Mrkt Entry September 2017

	Overall
1 BR	1
2 BR	30
Total	31

Net Demand

	Overall
1 BR	190
2 BR	238
Total	429

Developer's Unit Mix

	Overall
1 BR	26
2 BR	33
Total	59

Capture Rate Analysis

	Overall
1 BR	13.7%
2 BR	13.8%
Total	13.8%

## Conclusions

We have conducted such an analysis to determine a base of demand for the proposed Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 1.9 percent between 2015 and 2019.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

As the analysis illustrates, the Subject's capture rates at the 50 percent AMI level will range from 4.4 to 4.6 percent, with an overall capture rate of 4.5 percent. The Subject's capture rates at the 60 percent AMI level will range from 15.8 to 15.8 percent, with an overall capture rate of 15.8 percent. The Subject's overall capture rate is 13.8 percent. Therefore, we believe there is adequate demand for the Subject.



**Demand and Net Demand**

	HH at 50% AMI (\$16,046-\$22,500)	HH at 60% AMI (\$19,269-\$27,000)	All Tax Credit Households
Demand from New Households (age and income appropriate)	68	80	114
<b>PLUS</b>	+	+	+
Demand from Existing Renter Households - Substandard Housing	10	12	18
<b>PLUS</b>	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	335	396	565
<b>PLUS</b>	+	+	+
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>413</b>	<b>489</b>	<b>697</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
<b>Equals Total Demand</b>	<b>413</b>	<b>489</b>	<b>697</b>
<b>Less</b>	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	6	25	31
<b>Equals Net Demand*</b>	<b>407</b>	<b>464</b>	<b>666</b>

\*Not adjusted for bedroom specific demand

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1BR/1BA @50%	\$16,046-\$20,000	5	113	0	113	4.4%	Six months	\$530	\$320-\$370	\$336
2BR/1BA @50%	\$19,269-\$22,500	7	159	6	153	4.6%	Six months	\$586	\$370-\$770	\$394
Overall @50%	\$16,046-\$22,500	12	272	6	266	4.5%	Six months	-	-	-
1BR/1BA @60%	\$19,269-\$24,000	21	134	1	133	15.8%	Six months	\$628	\$320-\$370	\$430
2BR/1BA @60%	\$23,143-\$27,000	26	188	24	164	15.8%	Six months	\$685	\$370-\$770	\$507
Overall @60%	\$19,269-\$27,000	47	322	25	297	15.8%	Six months	-	-	-
1BR/1BA Overall	\$16,046-\$24,000	26	191	1	190	13.7%	Six months	-	-	-
2BR/1BA Overall	\$19,269-\$27,000	33	268	30	238	13.8%	Six months	-	-	-
Overall Demand	\$16,046-\$27,000	59	460	31	429	13.8%	Six months	-	-	-

## **H. COMPETITIVE RENTAL ANALYSIS**

### Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 929 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered average; there are five LIHTC properties in the PMA. We have included four LIHTC comparable properties. Note that none of the comparable properties are located in Midway. The comparable LIHTC properties are located in Hinesville and Ludowici. Overall, we believe that the Subject will offer a slightly superior location in comparison to the properties in Hinesville and slightly inferior location to the comparable property located in Richmond Hill. The Subject will target the general population and all of the comparable properties target the general population. The comparable LIHTC properties are located 14.7 to 26.6 miles from the proposed Subject site.

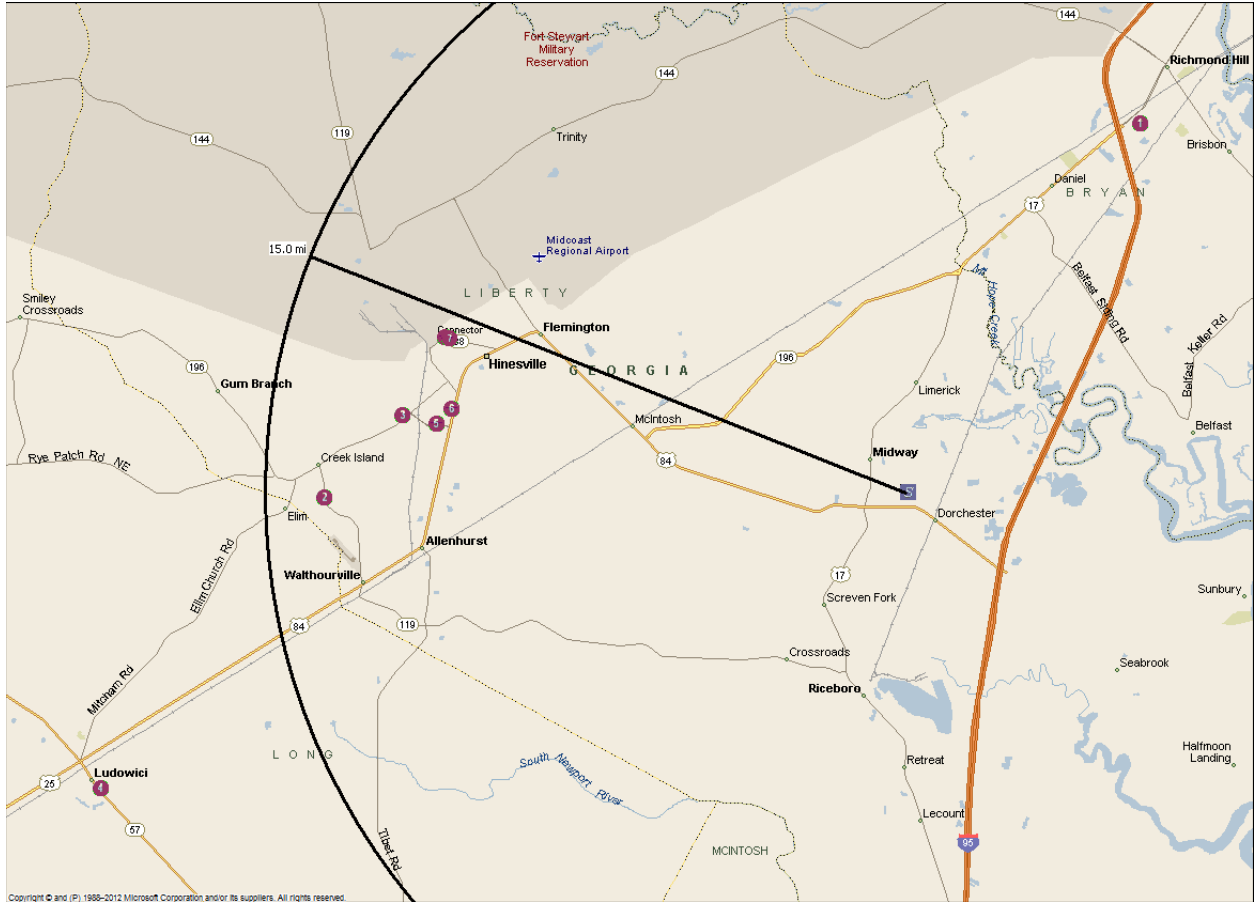
The availability of market rate data is considered average. All of the comparable market rate properties are located within the PMA in Hinesville. Hinesville is located directly south of Fort Stewart and all of the comparable market rate properties reported military tenants. The market rate properties are exhibiting elevated vacancies at this time due to military deployments that affect their performance. The comparable market rate properties are located between 12.3 and 13.7 miles from the Subject site. These comparables were built or renovated between the 1970s and 1983. There are a limited number of new construction market rate properties in the area. Overall, we believe the market rate properties we have used in our analysis are the most comparable.

### Excluded Properties

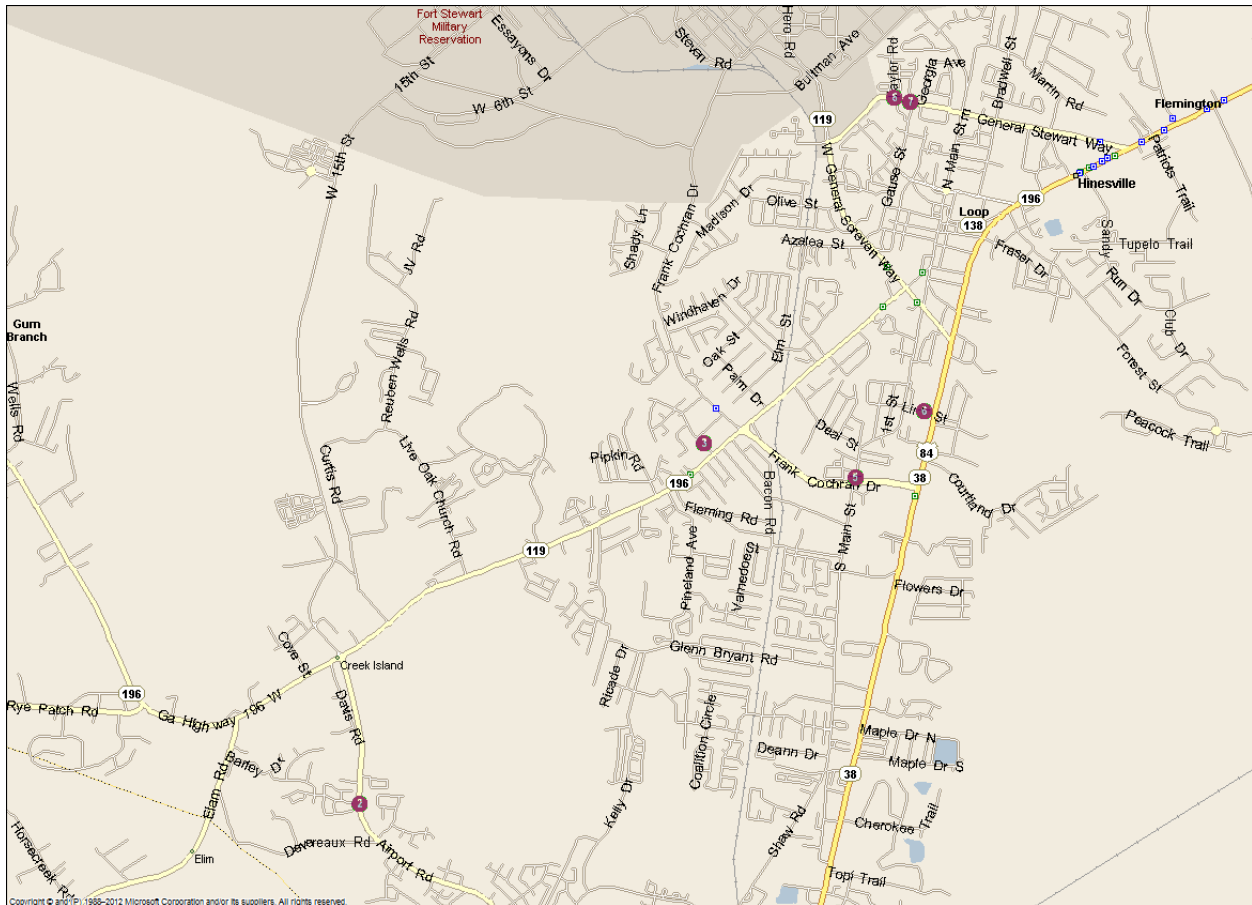
The following table illustrates properties within the PMA that have been excluded from our analysis along with their reason for exclusion.

<b>EXCLUDED PROPERTIES</b>				
<b>Property Name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Reason for Exclusion</b>	<b>Distance from Subject</b>
Grove Park Apartments	LIHTC	Family	Unable to contact	13.2 miles
Ray Futch Apartments	Market	Family	Unable to contact	11.4 miles
Wyngrove Apartments	Market	Family	Unable to contact	14.5 miles
Colonial Park Apartments	Market	Family	Dissimilar unit types	14.8 miles
Wedgewood Apartments	Market	Family	Dissimilar unit types	14.4 miles
Windover Apartments	Market	Family	Dissimilar unit types	13.7 miles

### Comparable Rental Property Map



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**COMPARABLE PROPERTIES**

#	Property Name	City	Type	Distance
1	Ashton At Richmond Hill Phases I And II	Richmond Hill	LIHTC	15.1 miles
2	Ashton Place Apartments	Hinesville	LIHTC	17.7 miles
3	The Pines At Willowbrook	Hinesville	LIHTC/Market	14.7 miles
4	Twin Oaks Apartments	Ludowici	LIHTC	26.6 miles
5	Liberty Woods Apartments	Hinesville	Market	13.7 miles
6	Link Terrace Apartments	Hinesville	Market	13.0 miles
7	Stewart Way Apartments	Hinesville	Market	12.3 miles
8	Treetop Apartments	Hinesville	Market	12.3 miles

1. The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Live Oak Villas Of Midway GA Highway 38 Midway, GA 31320 Liberty County	n/a	One-story 2017 / n/a	@50%, @60%, Market	1BR / 1BA	5	8.30%	@50%	\$336	750	yes		N/A	N/A
					1BR / 1BA	21	35.00%	@60%	\$430	750	yes	N/A	N/A	
					2BR / 1BA	7	11.70%	@50%	\$394	1,050	yes	N/A	N/A	
					2BR / 1BA	26	43.30%	@60%	\$507	1,050	yes	N/A	N/A	
					2BR / 1BA	1	1.70%	Market	\$675	1,050	n/a	N/A	N/A	
					60	100%						N/A	N/A	
1	Ashton At Richmond Hill Phases I And II 505 Harris Trail Richmond Hill, GA 31324 Bryan County	15.1 miles	Garden (2 stories) 1993/1995 / n/a	@60%	1BR / 1BA	N/A	N/A	@60%	\$593	770	no	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	@50%	\$689	920	no	Yes	N/A	N/A
					2BR / 2BA	N/A	N/A	@60%	\$698	980	no	Yes	N/A	N/A
					3BR / 2BA	N/A	N/A	@60%	\$792	1,150	no	Yes	N/A	N/A
										392	100%			
2	Ashton Place Apartments 634 Airport Road Hinesville, GA 31313 Liberty County	17.7 miles	Garden (2 stories) 1993 / n/a	@30%, @50%, @60%	1BR / 1BA	10	20.80%	@30%	\$165	708	no	Yes	0	0.00%
					2BR / 2BA	7	14.60%	@50%	\$394	912	no	Yes	0	0.00%
					2BR / 2BA	12	25.00%	@60%	\$484	912	no	Yes	0	0.00%
					3BR / 2BA	7	14.60%	@50%	\$466	1,134	no	Yes	0	0.00%
					3BR / 2BA	12	25.00%	@60%	\$574	1,134	no	Yes	0	0.00%
					48	100%					0	0.00%		
3	The Pines At Willowbrook 841 Willowbrook Drive Hinesville, GA 31313 Liberty County	14.7 miles	Garden (2 stories) 2003 / n/a	@50%, @60%, Market	1BR / 1BA	2	2.50%	@50%	\$377	703	yes	Yes	0	0.00%
					1BR / 1BA	4	5.00%	@60%	\$475	703	yes	Yes	0	0.00%
					1BR / 1BA	2	2.50%	Market	\$609	703	n/a	Yes	0	0.00%
					2BR / 1BA	7	8.70%	@50%	\$441	923	yes	Yes	0	0.00%
					2BR / 1BA	3	3.80%	@60%	\$559	923	yes	Yes	0	0.00%
					2BR / 1BA	5	6.20%	Market	\$729	923	n/a	Yes	0	0.00%
					2BR / 2BA	5	6.20%	@50%	\$441	960	yes	Yes	0	0.00%
					2BR / 2BA	24	30.00%	@60%	\$559	960	yes	Yes	0	0.00%
					2BR / 2BA	4	5.00%	Market	\$769	960	n/a	Yes	0	0.00%
					3BR / 2BA	4	5.00%	@50%	\$498	1,150	yes	Yes	0	0.00%
					3BR / 2BA	15	18.80%	@60%	\$634	1,150	yes	Yes	0	0.00%
					5	6.20%	Market	\$838	1,150	n/a	Yes	0	0.00%	
					80	100%					0	0.00%		
4	Twin Oaks Apartments 158 Twin Oaks Dr Ludowici, GA 31316 Long County	26.6 miles	Garden (2 stories) 1996 / n/a	@45%, @50%	1BR / 1BA	12	30.00%	@45%	\$320	596	yes	No	0	0.00%
					2BR / 1.5BA	20	50.00%	@45%	\$370	806	yes	No	0	0.00%
					3BR / 2BA	8	20.00%	@50%	\$425	990	yes	No	1	12.50%
										40	100%			
5	Liberty Woods Apartments 740 S. Main St. Hinesville, GA 31313 Liberty County	13.7 miles	Townhouse (2 stories) 1978 / n/a	Market	1BR / 1BA	8	16.70%	Market	\$625	700	n/a	No	0	0.00%
					2BR / 1BA	36	75.00%	Market	\$700	850	n/a	No	6	16.70%
					3BR / 1.5BA	4	8.30%	Market	\$750	1,050	n/a	No	0	0.00%
										48	100%			
6	Link Terrace Apartments 110 Link St Hinesville, GA 31313 Liberty County	13 miles	One-story 1980s / n/a	Market	Studio / 1BA	7	13.00%	Market	\$526	288	n/a	No	N/A	N/A
					1BR / 1BA	29	53.70%	Market	\$617	576	n/a	No	N/A	N/A
					2BR / 1BA	9	16.70%	Market	\$717	864	n/a	No	N/A	N/A
					2BR / 2BA	9	16.70%	Market	\$726	864	n/a	No	N/A	N/A
										54	100%			
7	Stewart Way Apartments 302 W General Stewart Way Hinesville, GA 31313 Liberty County	12.3 miles	One-story 1970s / n/a	Market	Studio / 1BA	36	18.80%	Market	\$546	288	n/a	No	5	13.90%
					1BR / 1BA	129	67.50%	Market	\$646	576	n/a	No	2	1.60%
					2BR / 1BA	9	4.70%	Market	\$770	864	n/a	No	0	0.00%
					2BR / 2BA	17	8.90%	Market	\$780	864	n/a	No	0	0.00%
										191	100%			
8	Treetop Apartments 600 Taylor Road Hinesville, GA 31313 Liberty County	12.3 miles	Garden (2 stories) 1983 / n/a	Market	1BR / 1BA	16	21.10%	Market	\$509	634	n/a	No	N/A	N/A
					2BR / 1BA	44	57.90%	Market	\$591	830	n/a	No	N/A	N/A
					3BR / 2BA	16	21.10%	Market	\$672	925	n/a	No	N/A	N/A
										76	100%			

## Live Oak Villas Of Midway, Midway, GA; Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Apr-15	Units Surveyed:	929	Weighted Occupancy:	94.40%
			Market Rate	369	Market Rate	87.50%
			Tax Credit	560	Tax Credit	98.90%
One Bedroom One Bath			Two Bedrooms One Bath			
RENT	Property	Average	Property	Average	Property	Average
	Stewart Way Apartments	\$646	Stewart Way Apartments	\$770		
	Liberty Woods Apartments	\$625	The Pines At Willowbrook * (M)	\$729		
	Link Terrace Apartments	\$617	Link Terrace Apartments	\$717		
	The Pines At Willowbrook * (M)	\$609	Liberty Woods Apartments	\$700		
	Ashton At Richmond Hill Phases I And II * (60%)	\$593	Ashton At Richmond Hill Phases I And II * (60%)	\$689		
	Treetop Apartments	\$509	<b>Live Oak Villas Of Midway * (M)</b>	<b>\$675</b>		
	The Pines At Willowbrook * (60%)	\$475	Treetop Apartments	\$591		
	<b>Live Oak Villas Of Midway * (60%)</b>	<b>\$430</b>	The Pines At Willowbrook * (60%)	\$559		
	The Pines At Willowbrook * (50%)	\$377	<b>Live Oak Villas Of Midway * (60%)</b>	<b>\$507</b>		
	<b>Live Oak Villas Of Midway * (50%)</b>	<b>\$336</b>	Ashton Place Apartments * (2BA 60%)	\$484		
	Twin Oaks Apartments * (45%)	\$320	The Pines At Willowbrook * (50%)	\$441		
	Ashton Place Apartments * (30%)	\$165	Ashton Place Apartments * (2BA 50%)	\$394		
			<b>Live Oak Villas Of Midway * (50%)</b>	<b>\$394</b>		
			Twin Oaks Apartments * (1.5BA 45%)	\$370		
SQUARE FOOTAGE	Ashton At Richmond Hill Phases I And II * (60%)	770	<b>Live Oak Villas Of Midway * (50%)</b>	<b>1,050</b>		
	<b>Live Oak Villas Of Midway * (50%)</b>	<b>750</b>	<b>Live Oak Villas Of Midway * (60%)</b>	<b>1,050</b>		
	<b>Live Oak Villas Of Midway * (60%)</b>	<b>750</b>	<b>Live Oak Villas Of Midway * (M)</b>	<b>1,050</b>		
	Ashton Place Apartments * (30%)	708	The Pines At Willowbrook * (50%)	923		
	The Pines At Willowbrook * (50%)	703	The Pines At Willowbrook * (60%)	923		
	The Pines At Willowbrook * (60%)	703	The Pines At Willowbrook * (M)	923		
	The Pines At Willowbrook * (M)	703	Ashton At Richmond Hill Phases I And II * (60%)	920		
	Liberty Woods Apartments	700	Ashton Place Apartments * (2BA 50%)	912		
	Treetop Apartments	634	Ashton Place Apartments * (2BA 60%)	912		
	Twin Oaks Apartments * (45%)	596	Link Terrace Apartments	864		
	Link Terrace Apartments	576	Stewart Way Apartments	864		
	Stewart Way Apartments	576	Liberty Woods Apartments	850		
			Treetop Apartments	830		
			Twin Oaks Apartments * (1.5BA 45%)	806		
RENT PER SQUARE FOOT	Stewart Way Apartments	\$1.12	Stewart Way Apartments	\$0.89		
	Link Terrace Apartments	\$1.07	Link Terrace Apartments	\$0.83		
	Liberty Woods Apartments	\$0.89	Liberty Woods Apartments	\$0.82		
	The Pines At Willowbrook * (M)	\$0.87	The Pines At Willowbrook * (M)	\$0.79		
	Treetop Apartments	\$0.80	Ashton At Richmond Hill Phases I And II * (60%)	\$0.75		
	Ashton At Richmond Hill Phases I And II * (60%)	\$0.77	Treetop Apartments	\$0.71		
	The Pines At Willowbrook * (60%)	\$0.68	<b>Live Oak Villas Of Midway * (M)</b>	<b>\$0.64</b>		
	<b>Live Oak Villas Of Midway * (60%)</b>	<b>\$0.57</b>	The Pines At Willowbrook * (60%)	\$0.61		
	Twin Oaks Apartments * (45%)	\$0.54	Ashton Place Apartments * (2BA 60%)	\$0.53		
	The Pines At Willowbrook * (50%)	\$0.54	<b>Live Oak Villas Of Midway * (60%)</b>	<b>\$0.48</b>		
	<b>Live Oak Villas Of Midway * (50%)</b>	<b>\$0.45</b>	The Pines At Willowbrook * (50%)	\$0.48		
	Ashton Place Apartments * (30%)	\$0.23	Twin Oaks Apartments * (1.5BA 45%)	\$0.46		
			Ashton Place Apartments * (2BA 50%)	\$0.43		
			<b>Live Oak Villas Of Midway * (50%)</b>	<b>\$0.38</b>		

# PROPERTY PROFILE REPORT

## Ashton At Richmond Hill Phases I And II

<b>Effective Rent Date</b>	4/20/2015
<b>Location</b>	505 Harris Trail Richmond Hill, GA 31324 Bryan County
<b>Distance</b>	15.1 miles
<b>Units</b>	392
<b>Vacant Units</b>	5
<b>Vacancy Rate</b>	1.3%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1993/1995 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Plantation Apartments, Bradley Point
<b>Tenant Characteristics</b>	some military, 20% seniors
<b>Contact Name</b>	Shaina
<b>Phone</b>	912-756-4870



### Market Information

<b>Program</b>	@60%
<b>Annual Turnover Rate</b>	24%
<b>Units/Month Absorbed</b>	19
<b>HCV Tenants</b>	N/A
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	Increased one to two percent
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	770	\$579	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	920	\$675	\$0	@60%	Yes	N/A	N/A	no	None
2	2	Garden (2 stories)	N/A	980	\$684	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	N/A	1,150	\$778	\$0	@60%	Yes	N/A	N/A	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$579	\$0	\$579	\$14	\$593
2BR / 1BA	\$675	\$0	\$675	\$14	\$689
2BR / 2BA	\$684	\$0	\$684	\$14	\$698
3BR / 2BA	\$778	\$0	\$778	\$14	\$792



## Ashton At Richmond Hill Phases I And II, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Ceiling Fan  
Microwave  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Oven  
Walk-In Closet

#### Security

None

#### Services

None

#### Property

Exercise Facility  
Off-Street Parking  
Picnic Area  
Swimming Pool  
Volleyball Court

Central Laundry  
On-Site Management  
Playground  
Tennis Court

#### Premium

None

#### Other

None

### Comments

The property does maintain a waiting list but the contact did not know the length of the list. The property accepts Housing Choice Vouchers, but the contact did not know how many tenants were using vouchers.

# Ashton At Richmond Hill Phases I And II, continued

## Trend Report

### Vacancy Rates

2Q12	2Q13	2Q14	2Q15
3.4%	3.0%	0.0%	1.3%

## Trend: @60%

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$545	\$0	\$545	\$559
2013	2	N/A	\$560	\$0	\$560	\$574
2014	2	0.0%	\$570	\$0	\$570	\$584
2015	2	N/A	\$579	\$0	\$579	\$593

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$635	\$0	\$635	\$649
2013	2	N/A	\$655	\$0	\$655	\$669
2014	2	0.0%	\$670	\$0	\$670	\$684
2015	2	N/A	\$675	\$0	\$675	\$689

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$660	\$0	\$660	\$674
2013	2	N/A	\$670	\$0	\$670	\$684
2014	2	N/A	\$675	\$0	\$675	\$689
2015	2	N/A	\$684	\$0	\$684	\$698

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$750	\$0	\$750	\$764
2013	2	N/A	\$765	\$0	\$765	\$779
2014	2	0.0%	\$770	\$0	\$770	\$784
2015	2	N/A	\$778	\$0	\$778	\$792

## Trend: Comments

- 2Q12** Property Manager indicated that they recently increased the rents once they obtained approval to do so. She states the property is 20 percent seniors currently, and that the majority of seniors live in "Magnolia Manor" an age-restricted community that is very expensive. She also mentioned that there are no market properties in the Richmond Hills area, that all of the properties are LIHTC or subsidized.
- 2Q13** Property manager stated that the property is 20 percent seniors currently, and that the majority of seniors live in "Magnolia Manor" an age-restricted community that is very expensive. She also mentioned that there is limited market rate supply in the Richmond Hills area.
- 2Q14** The property manager stated that the property is 20 percent seniors currently. She also mentioned that there is limited market rate supply in the Richmond Hills area. The majority of residents are from Richmond Hills and few residents come from Pembroke. According to the property manager, there is demand for more affordable housing.
- 2Q15** The property does maintain a waiting list but the contact did not know the length of the list. The property accepts Housing Choice Vouchers, but the contact did not know how many tenants were using vouchers.

# Ashton At Richmond Hill Phases I And II, continued

## Photos



# PROPERTY PROFILE REPORT

## Ashton Place Apartments

<b>Effective Rent Date</b>	4/20/2015
<b>Location</b>	634 Airport Road Hinesville, GA 31313 Liberty County
<b>Distance</b>	17.7 miles
<b>Units</b>	48
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1993 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Pines at Willowbrook, Twin Oaks
<b>Tenant Characteristics</b>	Majority of tenants come from Hinesville 20% Senior
<b>Contact Name</b>	Martina
<b>Phone</b>	(912) 876-8762



### Market Information

<b>Program</b>	@30%, @50%, @60%
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	19%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increased zero to four percent
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	708	\$206	\$0	@30%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	7	912	\$445	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	12	912	\$535	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	7	1,134	\$528	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	12	1,134	\$636	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$206	\$0	\$206	-\$41	\$165	2BR / 2BA	\$445	\$0	\$445	-\$51	\$394
						3BR / 2BA	\$528	\$0	\$528	-\$62	\$466

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$535	\$0	\$535	-\$51	\$484
3BR / 2BA	\$636	\$0	\$636	-\$62	\$574

## Ashton Place Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Oven  
Walk-In Closet

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking  
Playground

**Premium**

None

**Other**

Gazebo

### Comments

The property maintains a waiting list of at least a year for each unit type.

# Ashton Place Apartments, continued

## Trend Report

### Vacancy Rates

2Q09	4Q11	1Q13	2Q15
2.1%	0.0%	8.3%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$179	\$0	\$179	\$138
2011	4	0.0%	\$182	\$0	\$182	\$141
2013	1	10.0%	\$192	\$0	\$192	\$151
2015	2	0.0%	\$206	\$0	\$206	\$165

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$403	\$0	\$403	\$352
2011	4	0.0%	\$428	\$0	\$428	\$377
2013	1	14.3%	\$440	\$0	\$440	\$389
2015	2	0.0%	\$445	\$0	\$445	\$394

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	14.3%	\$470	\$0	\$470	\$408
2011	4	0.0%	\$500	\$0	\$500	\$438
2013	1	14.3%	\$508	\$0	\$508	\$446
2015	2	0.0%	\$528	\$0	\$528	\$466

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$487	\$0	\$487	\$436
2011	4	0.0%	\$510	\$0	\$510	\$459
2013	1	8.3%	\$525	\$0	\$525	\$474
2015	2	0.0%	\$535	\$0	\$535	\$484

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$566	\$0	\$566	\$504
2011	4	0.0%	\$595	\$0	\$595	\$533
2013	1	0.0%	\$610	\$0	\$610	\$548
2015	2	0.0%	\$636	\$0	\$636	\$574

### Trend: Comments

- 2Q09** The property offers LIHTC and HOME units that are restricted to various income levels: 30, 49, 50, 57, and 58 percent of AMI. The contact was unable to provide the rents for each AMI level; therefore, we have illustrated the rents to be set at the 30 percent AMI level, 50 percent AMI rent level for units restricted with 49 and 50 percent income levels, and 60 percent AMI rent level for units restricted with 57 and 58 percent income levels. The contact reported that the property typically remains full and is currently 100 percent leased. Management is only on-site for a few days out of the week. The contact also confirmed that the property does not offer a clubhouse.
- 4Q11** Twin Oaks is no longer a sister property as it is under new management. Some residents also come from Savannah and Brunswick.
- 1Q13** Management indicated an extensive wait list that they estimated to be in the hundreds and stated they still have people from 2011 waiting. Their four vacancies can be attributed to the fact that their maintenance staff has been very ill and out for a while, and they have not been able to turn the vacant units over for new residents. They are currently looking for intermittent maintenance staff to help them while their staff is out sick. Management stated they are typically occupied at 98 percent.
- Management indicated that there is a demand for LIHTC housing for both family and seniors. Management indicated there was certainly demand for senior LIHTC properties, and that they estimated a property their size (48) or larger than theirs would fare well including a property up to 75 units. They were unsure of how many 50 and 60 percent units the senior complex should have, but stated that they have no problem leasing their 50 or 60 units, so any mix would probably fare well. Management further indicated that seniors prefer the one-bedroom units over two-bedrooms almost always as far as price goes, but some do request for a second bedroom should family visit, or for storage. Management was unsure of where the the senior tenancy would come from, as they stated their tenancy was from Hinesville and the outskirts of Hinesville. Management stated the did not believe seniors living in Savannah or the Richmond Hill area would relocated to Hinesville. Management estimated there to be approximately 10 units, or 20 percent of their tenancy that are seniors 55+.
- 2Q15** The property maintains a waiting list of at least a year for each unit type.

# PROPERTY PROFILE REPORT

## The Pines At Willowbrook

<b>Effective Rent Date</b>	4/20/2015
<b>Location</b>	841 Willowbrook Drive Hinesville, GA 31313 Liberty County
<b>Distance</b>	14.7 miles
<b>Units</b>	80
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2003 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Wyngrove, Ashton Place, Twin Oaks
<b>Tenant Characteristics</b>	60% Liberty Cty, 40% from other military bases including Richmond Hill & Ludowici
<b>Contact Name</b>	Cynthia
<b>Phone</b>	(912) 877-2162



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	9%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	Increased to maximum
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- gas
<b>Heat</b>	not included -- gas
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	703	\$418	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	4	703	\$516	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	2	703	\$650	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	7	923	\$492	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	3	923	\$610	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	5	923	\$780	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	960	\$492	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	24	960	\$610	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	4	960	\$820	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	4	1,150	\$560	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	15	1,150	\$696	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	5	1,150	\$900	\$0	Market	Yes	0	0.0%	N/A	None



## The Pines At Willowbrook, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$418	\$0	\$418	-\$41	\$377	1BR / 1BA	\$516	\$0	\$516	-\$41	\$475
2BR / 1BA	\$492	\$0	\$492	-\$51	\$441	2BR / 1BA	\$610	\$0	\$610	-\$51	\$559
2BR / 2BA	\$492	\$0	\$492	-\$51	\$441	2BR / 2BA	\$610	\$0	\$610	-\$51	\$559
3BR / 2BA	\$560	\$0	\$560	-\$62	\$498	3BR / 2BA	\$696	\$0	\$696	-\$62	\$634

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	-\$41	\$609
2BR / 1BA	\$780	\$0	\$780	-\$51	\$729
2BR / 2BA	\$820	\$0	\$820	-\$51	\$769
3BR / 2BA	\$900	\$0	\$900	-\$62	\$838

### Amenities

#### In-Unit

Balcony/Patio  
 Carpeting  
 Coat Closet  
 Ceiling Fan  
 Oven  
 Walk-In Closet

Blinds  
 Central A/C  
 Dishwasher  
 Garbage Disposal  
 Refrigerator  
 Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Business Center/Computer Lab  
 Exercise Facility  
 Off-Street Parking  
 Picnic Area  
 Recreation Areas

Clubhouse/Meeting  
 Central Laundry  
 On-Site Management  
 Playground

#### Premium

None

#### Other

Gazebo

### Comments

The property maintains a waiting list of approximately 50 households.

# The Pines At Willowbrook, continued

## Trend Report

### Vacancy Rates

4Q11	3Q12	1Q13	2Q15
1.3%	2.5%	1.3%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$398	\$0	\$398	\$357
2012	3	0.0%	\$398	\$0	\$398	\$357
2013	1	0.0%	\$398	\$0	\$398	\$357
2015	2	0.0%	\$418	\$0	\$418	\$377

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$468	\$0	\$468	\$417
2012	3	0.0%	\$468	\$0	\$468	\$417
2013	1	0.0%	\$468	\$0	\$468	\$417
2015	2	0.0%	\$492	\$0	\$492	\$441

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$468	\$0	\$468	\$417
2012	3	0.0%	\$468	\$0	\$468	\$417
2013	1	0.0%	\$468	\$0	\$468	\$417
2015	2	0.0%	\$492	\$0	\$492	\$441

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$537	\$0	\$537	\$475
2012	3	0.0%	\$537	\$0	\$537	\$475
2013	1	0.0%	\$537	\$0	\$537	\$475
2015	2	0.0%	\$560	\$0	\$560	\$498

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$491	\$0	\$491	\$450
2012	3	0.0%	\$491	\$0	\$491	\$450
2013	1	0.0%	\$491	\$0	\$491	\$450
2015	2	0.0%	\$516	\$0	\$516	\$475

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$579	\$0	\$579	\$528
2012	3	0.0%	\$579	\$0	\$579	\$528
2013	1	33.3%	\$579	\$0	\$579	\$528
2015	2	0.0%	\$610	\$0	\$610	\$559

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$579	\$0	\$579	\$528
2012	3	0.0%	\$579	\$0	\$579	\$528
2013	1	0.0%	\$579	\$0	\$579	\$528
2015	2	0.0%	\$610	\$0	\$610	\$559

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$665	\$0	\$665	\$603
2012	3	0.0%	\$665	\$0	\$665	\$603
2013	1	0.0%	\$665	\$0	\$665	\$603
2015	2	0.0%	\$696	\$0	\$696	\$634

## The Pines At Willowbrook, continued

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$650	\$0	\$650	\$609
2012	3	0.0%	\$650	\$0	\$650	\$609
2013	1	0.0%	\$650	\$0	\$650	\$609
2015	2	0.0%	\$650	\$0	\$650	\$609

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$780	\$0	\$780	\$729
2012	3	0.0%	\$780	\$0	\$780	\$729
2013	1	0.0%	\$780	\$0	\$780	\$729
2015	2	0.0%	\$780	\$0	\$780	\$729

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$820	\$0	\$820	\$769
2012	3	0.0%	\$820	\$0	\$820	\$769
2013	1	0.0%	\$820	\$0	\$820	\$769
2015	2	0.0%	\$820	\$0	\$820	\$769

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	20.0%	\$900	\$0	\$900	\$838
2012	3	40.0%	\$900	\$0	\$900	\$838
2013	1	0.0%	\$900	\$0	\$900	\$838
2015	2	0.0%	\$900	\$0	\$900	\$838

### Trend: Comments

- 4Q11** Management indicated a significant demand for additional LIHTC housing in the market and that the LIHTC rents are set at the maximum allowable for both AMI levels. The greatest demand is for two-bedroom units which has the longest waiting list. This is a result of single-parent households. Additionally, there is demand for at least 12 to 15 more one-bedroom units. Demand for one-bedroom units comes from elderly/disabled residents many of whom live on fixed incomes. There are approximately six seniors at the property. Approximately 90 percent of the market rate units are occupied by military households. The property competes primarily with Ashton Place in Hinesville, but also with Twin Oaks in Ludowici which is slightly more affordable than housing in Hinesville. Management also indicated that the two LIHTC properties in Richmond Hill are minimally competitive with the property; Richmond Hill is more expensive than Hinesville and is more of a secondary market area of Savannah. Management indicated that the majority of the LIHTC residents are from the Liberty County area. Rents have increased by about 3% for LIHTC units and they remain at the maximum allowable level. Rents for market units have increased between 6-10% over the last year.
- 3Q12** The contact indicated that the two vacancies have already been leased, as they work from their waiting list. The contact noted that the combined waiting list consists of approximately 100 households. The contact also stated that demand is strong for affordable housing units.
- 1Q13** Management indicated that there is demand for senior housing from their experience but it would have to be at the 30 to 50 percent AMI levels. Management indicated that they have some senior tenancy but not sure on the exact figure. They reported that generally the senior tenancy is from out of town who moved here to be close to their families associated with the military. Management was reluctant to think tenancy would come from the Richmond Hill/Savannah area unless it was somehow associated with the military or family. Management could not provide an estimated number of units that the market needed for senior units as they only deal with family tax credit units and market units.
- 2Q15** The property maintains a waiting list of approximately 50 households.

# PROPERTY PROFILE REPORT

## Twin Oaks Apartments

<b>Effective Rent Date</b>	5/12/2015
<b>Location</b>	158 Twin Oaks Dr Ludowici, GA 31316 Long County
<b>Distance</b>	26.6 miles
<b>Units</b>	40
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	2.5%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1996 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	The Pines at Willowbrook, Ashton Place
<b>Tenant Characteristics</b>	Tenants come from Ludowici, Hinesville, Jesup, Glenville
<b>Contact Name</b>	Takara
<b>Phone</b>	(912) 545-3161



### Market Information

<b>Program</b>	@45%, @50%
<b>Annual Turnover Rate</b>	15%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	10%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increased two percent
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	12	596	\$320	\$0	@45%	No	0	0.0%	yes	None
2	1.5	Garden (2 stories)	20	806	\$370	\$0	@45%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	8	990	\$425	\$0	@50%	No	1	12.5%	yes	None

### Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$320	\$0	\$320	\$0	\$320	3BR / 2BA	\$425	\$0	\$425	\$0	\$425
2BR / 1.5BA	\$370	\$0	\$370	\$0	\$370						

## Twin Oaks Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Exterior Storage  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Playground

Central Laundry  
On-Site Management

**Premium**

None

**Other**

None

### Comments

The property is located in Ludowici, but stated that of their senior tenancy, tenants come from Hinesville, Glenville, Ludowici, and Jesup. Management stated that seniors prefer two-bedroom units for at the very least additional storage room. Management stated that recently they have struggled to find tenants who are income qualified to live at the property.

# Twin Oaks Apartments, continued

## Trend Report

### Vacancy Rates

2Q09	4Q11	1Q13	2Q15
2.5%	7.5%	0.0%	2.5%

### Trend: @45%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	8.3%	\$267	\$0	\$267	\$267
2013	1	0.0%	\$275	\$0	\$275	\$275
2015	2	0.0%	\$320	\$0	\$320	\$320

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$319	\$0	\$319	\$319
2011	4	10.0%	\$311	\$0	\$311	\$311
2013	1	0.0%	\$319	\$0	\$319	\$319
2015	2	0.0%	\$370	\$0	\$370	\$370

### Trend: @50%

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	0.0%	\$420	\$0	\$420	\$420
2011	4	0.0%	\$411	\$0	\$411	\$411
2013	1	0.0%	\$422	\$0	\$422	\$422
2015	2	12.5%	\$425	\$0	\$425	\$425

## Trend: Comments

- 2Q09** Rents for tenants with Housing Choice Vouchers are \$10 less than the rents listed because the utility allowance that applies to voucher tenants differs from non-voucher tenants.
- 4Q11** Rents for tenants with Housing Choice Vouchers are \$10 less than the rents listed because the utility allowance that applies to voucher tenants differs from non-voucher tenants. Vacant units have been released.
- 1Q13** The property is located in Ludowici, but stated that of their senior tenancy, tenants come from Hinesville, Glenville, Ludowici, and Jesup. Twin Oaks is a family property, but management stated that they have a decent senior tenancy, and a wait list currently of eight to twelve months and have seniors on this wait list. Management was unsure of a specific HFOP figure for their tenancy but stated that because they have seniors on their wait list and see a decent amount of senior traffic, that there is demand at least within Ludowici for affordable senior housing. Management stated that seniors prefer two-bedroom units for at the very least additional storage room. Management was unsure if seniors would move from Richmond Hill/Savannah to Hinesville for housing. Management stated their AMI levels seem to suit seniors so would recommend 45 and 50 percent AMI rents.
- 2Q15** The property is located in Ludowici, but stated that of their senior tenancy, tenants come from Hinesville, Glenville, Ludowici, and Jesup. Management stated that seniors prefer two-bedroom units for at the very least additional storage room. Management stated that recently they have struggled to find tenants who are income qualified to live at the property.

# PROPERTY PROFILE REPORT

## Liberty Woods Apartments

**Effective Rent Date** 4/20/2015  
**Location** 740 S. Main St.  
 Hinesville, GA 31313  
 Liberty County  
**Distance** 13.7 miles  
**Units** 48  
**Vacant Units** 6  
**Vacancy Rate** 12.5%  
**Type** Townhouse (2 stories)  
**Year Built/Renovated** 1978 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Many military families  
**Contact Name** Bud  
**Phone** 912-977-2631



### Market Information

**Program** Market  
**Annual Turnover Rate** 38%  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	8	700	\$625	\$0	Market	No	0	0.0%	N/A	None
2	1	Townhouse (2 stories)	36	850	\$700	\$0	Market	No	6	16.7%	N/A	None
3	1.5	Townhouse (2 stories)	4	1,050	\$750	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$625	\$0	\$625	\$0	\$625
2BR / 1BA	\$700	\$0	\$700	\$0	\$700
3BR / 1.5BA	\$750	\$0	\$750	\$0	\$750

## Liberty Woods Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Refrigerator  
Washer/Dryer hookup

Blinds  
Central A/C  
Oven  
Walk-In Closet

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
On-Site Management  
Volleyball Court

Off-Street Parking  
Recreation Areas

**Premium**

None

**Other**

None

### Comments

The contact stated that the high vacancy is not typical of the property and it is due to a recent military deployment in the area.



## Liberty Woods Apartments, continued

### Trend Report

#### Vacancy Rates

4Q11	3Q12	2Q15
0.0%	0.0%	12.5%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$600	\$0	\$600	\$600
2012	3	0.0%	\$625	\$0	\$625	\$625
2015	2	0.0%	\$625	\$0	\$625	\$625

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$675	\$0	\$675	\$675
2012	3	0.0%	\$700	\$0	\$700	\$700
2015	2	16.7%	\$700	\$0	\$700	\$700

#### 3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$725	\$0	\$725	\$725
2012	3	0.0%	\$750	\$0	\$750	\$750
2015	2	0.0%	\$750	\$0	\$750	\$750

### Trend: Comments

4Q11	Management stated the property is usually 100% occupied or has one or two vacant units at any given time.
3Q12	Management stated the property is usually 100% occupied.
2Q15	The contact stated that the high vacancy is not typical of the property and it is due to a recent military deployment in the area.

# PROPERTY PROFILE REPORT

## Link Terrace Apartments

<b>Effective Rent Date</b>	4/23/2015
<b>Location</b>	110 Link St Hinesville, GA 31313 Liberty County
<b>Distance</b>	13 miles
<b>Units</b>	54
<b>Vacant Units</b>	10
<b>Vacancy Rate</b>	18.5%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1980s / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Wyn Grove (Dryden Props), Stewart Way (sister prop)
<b>Tenant Characteristics</b>	Majority Military, minimal senior tenancy
<b>Contact Name</b>	Danielle
<b>Phone</b>	(912) 368-3555



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	89%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	\$199 move in and first month's rent

### Utilities

<b>A/C</b>	not included -- wall
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	One-story	7	288	\$540	\$28	Market	No	N/A	N/A	N/A	None
1	1	One-story	29	576	\$640	\$37	Market	No	N/A	N/A	N/A	None
2	1	One-story	9	864	\$749	\$46	Market	No	N/A	N/A	N/A	None
2	2	One-story	9	864	\$759	\$47	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$540	\$28	\$512	\$14	\$526
1BR / 1BA	\$640	\$37	\$603	\$14	\$617
2BR / 1BA	\$749	\$46	\$703	\$14	\$717
2BR / 2BA	\$759	\$47	\$712	\$14	\$726

## Link Terrace Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

Blinds  
Coat Closet  
Ceiling Fan  
Microwave  
Refrigerator  
Wall A/C

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

None

### Comments

The contact indicated that a the high vacancy was not typical of the property, but due to the recent military deployment. The property accepts Housing Choice Vouchers, but currently has no tenants using vouchers.

## Link Terrace Apartments, continued

### Trend Report

#### Vacancy Rates

4Q11	3Q12	1Q13	2Q15
6.6%	6.6%	14.8%	18.5%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	5.6%	\$633	\$0	\$633	\$647
2012	3	5.6%	\$633	\$0	\$633	\$647
2013	1	20.7%	\$633	\$0	\$633	\$647
2015	2	N/A	\$640	\$37	\$603	\$617

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	22.2%	\$749	\$0	\$749	\$763
2012	3	22.2%	\$749	\$0	\$749	\$763
2013	1	22.2%	\$749	\$0	\$749	\$763
2015	2	N/A	\$749	\$46	\$703	\$717

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$759	\$0	\$759	\$773
2012	3	0.0%	\$759	\$0	\$759	\$773
2013	1	0.0%	\$759	\$0	\$759	\$773
2015	2	N/A	\$759	\$47	\$712	\$726

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$525	\$0	\$525	\$539
2012	3	0.0%	\$525	\$0	\$525	\$539
2013	1	0.0%	\$533	\$0	\$533	\$547
2015	2	N/A	\$540	\$28	\$512	\$526

### Trend: Comments

- 4Q11** Management noted there have been about four vacants for at least three months. Rents have increased nine percent and two percent on studios and one-bedrooms, respectively. Rents have not changed in the last year on two-bedrooms.
- 3Q12** The contact stated that the demand, turnover, and leasing pace depend on the military personnel activity on base.
- 1Q13** Management indicated that they experience seasonality in vacancies as it is contingent upon military personnel activity on base. They were not familiar with demand for senior units on any level in the area, as they stated they only have two senior households and don't see much senior traffic. They stated that when they do see senior tenancy, they are looking for one-bedrooms over two-bedrooms. All of their senior tenancy comes from Hinesville.
- Management does accept housing choice vouchers but does not have any tenants utilizing them currently. Management attributed their high turnover to military deployments every couple of months.
- 2Q15** The contact indicated that a the high vacancy was not typical of the property, but due to the recent military deployment. The property accepts Housing Choice Vouchers, but currently has no tenants using vouchers.

# PROPERTY PROFILE REPORT

## Stewart Way Apartments

<b>Effective Rent Date</b>	4/20/2015
<b>Location</b>	302 W General Stewart Way Hinesville, GA 31313 Liberty County
<b>Distance</b>	12.3 miles
<b>Units</b>	191
<b>Vacant Units</b>	7
<b>Vacancy Rate</b>	3.7%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1970s / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Wyngrove, Link Terrace (sister property)
<b>Tenant Characteristics</b>	85 percent military
<b>Contact Name</b>	Sharon
<b>Phone</b>	(912) 368-3777



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	75%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	Increased one to two percent
<b>Concession</b>	\$100 off first month

### Utilities

<b>A/C</b>	not included -- wall
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	One-story	36	288	\$540	\$8	Market	No	5	13.9%	N/A	None
1	1	One-story	129	576	\$640	\$8	Market	No	2	1.6%	N/A	None
2	1	One-story	9	864	\$764	\$8	Market	No	0	0.0%	N/A	None
2	2	One-story	17	864	\$774	\$8	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$540	\$8	\$532	\$14	\$546
1BR / 1BA	\$640	\$8	\$632	\$14	\$646
2BR / 1BA	\$764	\$8	\$756	\$14	\$770
2BR / 2BA	\$774	\$8	\$766	\$14	\$780

## Stewart Way Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Ceiling Fan  
Microwave  
Refrigerator  
Walk-In Closet  
Washer/Dryer hookup

Blinds  
Dishwasher  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Wall A/C

**Security**

None

**Services**

None

**Property**

Central Laundry  
On-Site Management

Off-Street Parking

**Premium**

None

**Other**

Courtesy officer

### Comments

The property does not accept Housing Choice Vouchers. Vacancy fluctuates based on military deployments.

# Stewart Way Apartments, continued

## Trend Report

### Vacancy Rates

2Q09	4Q11	1Q13	2Q15
4.2%	17.8%	28.3%	3.7%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$620	\$0	\$620	\$634
2011	4	N/A	\$619	\$0	\$619	\$633
2013	1	N/A	\$619	\$0	\$619	\$633
2015	2	1.6%	\$640	\$8	\$632	\$646

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$749	\$0	\$749	\$763
2011	4	N/A	\$749	\$0	\$749	\$763
2013	1	N/A	\$749	\$0	\$749	\$763
2015	2	0.0%	\$764	\$8	\$756	\$770

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$759	\$0	\$759	\$773
2011	4	N/A	\$759	\$0	\$759	\$773
2013	1	N/A	\$759	\$0	\$759	\$773
2015	2	0.0%	\$774	\$8	\$766	\$780

### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$480	\$0	\$480	\$494
2011	4	N/A	\$519	\$0	\$519	\$533
2013	1	N/A	\$519	\$0	\$519	\$533
2015	2	13.9%	\$540	\$8	\$532	\$546

## Trend: Comments

- 2Q09** Occupancy and rents have increased significantly since the last interview in October 2007, which is likely due to the timing of military deployments.
- 4Q11** Rents for studios increased 8% over the last year. Rents for all other unit types have remained the same. Management could not break down number of vacant units by unit type. Vacancy is the highest it has been in at least a year as of October 2011, however management could not say why this was the case.
- 1Q13** The property currently has 72 percent occupancy and management estimated turnover to be between 50 and 75 percent. This is due to the fact that Hinesville is a military town in which deployments occur every couple months. They attributed this to military being extremely transition tenancy, and management stated that their property is contingent upon this military tenancy which makes up of 85 percent of their tenancy. The property does not have many tenants 55 years of age or older, and management was unable to comment on the demand for senior units on any level.
- 2Q15** The property does not accept Housing Choice Vouchers. Vacancy fluctuates based on military deployments.

# PROPERTY PROFILE REPORT

## Treetop Apartments

**Effective Rent Date** 4/20/2015  
**Location** 600 Taylor Road  
 Hinesville, GA 31313  
 Liberty County  
**Distance** 12.3 miles  
**Units** 76  
**Vacant Units** 23  
**Vacancy Rate** 30.3%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1983 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Stewart  
**Tenant Characteristics** 85 percent military tenants  
**Contact Name** Ashley  
**Phone** (912) 369-8211



### Market Information

**Program** Market  
**Annual Turnover Rate** 55%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 20%  
**Leasing Pace** Within one month  
**Annual Chg. in Rent** Decreased three to four percent  
**Concession** One month free

### Utilities

**A/C** not included -- central  
**Cooking** not included -- gas  
**Water Heat** not included -- gas  
**Heat** not included -- gas  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	634	\$600	\$50	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	44	830	\$700	\$58	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	16	925	\$800	\$66	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$600	\$50	\$550	-\$41	\$509
2BR / 1BA	\$700	\$58	\$642	-\$51	\$591
3BR / 2BA	\$800	\$66	\$734	-\$62	\$672

### Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Garbage Disposal		
Refrigerator		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		



## **Treetop Apartments, continued**

### **Comments**

The high vacancy is not typical of the property. The contact indicated that it is due to the recent military deployment.

# Treetop Apartments, continued

## Trend Report

### Vacancy Rates

4Q11	3Q12	1Q13	2Q15
6.6%	9.2%	13.2%	30.3%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	N/A	\$575	\$0	\$575	\$534
2012	3	25.0%	\$575	\$0	\$575	\$534
2013	1	6.2%	\$600	\$0	\$600	\$559
2015	2	N/A	\$600	\$50	\$550	\$509

### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	N/A	\$630	\$0	\$630	\$579
2012	3	6.8%	\$630	\$0	\$630	\$579
2013	1	18.2%	\$675	\$0	\$675	\$624
2015	2	N/A	\$700	\$58	\$642	\$591

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	N/A	\$675	\$0	\$675	\$613
2012	3	0.0%	\$675	\$0	\$675	\$613
2013	1	6.2%	\$710	\$0	\$710	\$648
2015	2	N/A	\$800	\$66	\$734	\$672

## Trend: Comments

- 4Q11** The property is very close to Fort Stewart and therefore approximately 85 percent of the tenants are in the military. Management noted that 16 units are set aside for Project Based Voucher residents. They stated that the presence of the voucher residents has not been detrimental to leasing market rate units at the property. Management stated that the rental assistance is able to be used on any units which helps with the dynamic at the property. The wait list for market units is 4 HH. The wait list for the Project Based Section 8 units lasts four to five years. Typically there is an extensive waiting list for both market and subsidized units. All five vacant units are preleased.
- 3Q12** The contact said that new management took over the property in January 2012 and converted all Section 8 units to market rate. Management reported that recent turnover has been high due to military deployment and that this is not unusual; vacancy at the property has been averaging approximately five percent.
- 1Q13** Management estimated their annual turnover rate to be 100 percent due to their reliance on military tenancy which is extremely transitional, incurring deployments every couple months. Management estimated that 85 to 90 percent of their tenancy was military, with a very nominal HFOP population. Management was not able to provide any insight on the need for LIHTC senior housing.
- 2Q15** The high vacancy is not typical of the property. The contact indicated that it is due to the recent military deployment.

## 2. The following information is provided as required by DCA:

### Housing Choice Vouchers

The following table illustrates the percentage of Housing Choice Voucher tenants at the comparable properties.

TENANTS WITH VOUCHERS		
Comparable Property	Rent Structure	Housing Choice Voucher Tenants
Ashton At Richmond Hill Phases I And II	LIHTC	N/A
Ashton Place Apartments	LIHTC	19%
The Pines At Willowbrook	LIHTC/Market	9%
Twin Oaks Apartments	LIHTC	10%
Liberty Woods Apartments	Market	N/A
Link Terrace Apartments	Market	0%
Stewart Way Apartments	Market	0%
Treetop Apartments	Market	20%

Ashton At Richmond Hill Phase I & II and Liberty Woods Apartments were unable to report the number of Housing Choice Voucher tenants. The voucher usage in the local market appears to be low. The average voucher usage among the LIHTC comparable properties is 13 percent. Therefore, we expect the Subject to operate with a similar percentage of voucher tenants. We believe the Subject will operate with approximately 15 percent Housing Choice Vouchers.

### Lease Up History

The Pines At Willowbrook is the newest comparable property, which was built in 2003. However, we were not able to obtain absorption information for this property. Note that the Subject will be directly competitive with 31 units at Liberty Place located in Hinesville, approximately 15.2 miles from the Subject site. Liberty Place should be completed prior to the proposed Subject, but will compete with the proposed Subject upon completion. We have expanded our search for absorption information to Pooler and Savannah. We have included additional properties built since 2009 that are located outside of the PMA. The following properties are located within 38 miles of the Subject site. Several of the following properties have been used as comparables in our report.

ABSORPTION						
Property name	City	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Pinewood Village	Pooler	LIHTC	Senior	2014	64	21
Savannah Gardens III	Savannah	LIHTC	Family	2012	95	14
Sustainable Fellwood III	Savannah	LIHTC	Senior	2012	100	30
Savannah Gardens I	Savannah	LIHTC	Family	2011	115	11
Sustainable Fellwood II	Savannah	LIHTC	Family	2011	110	18
Sheppard Station	Pooler	LIHTC	Senior	2009	65	12
Sustainable Fellwood I	Savannah	LIHTC	Family	2009	110	18

As illustrated in the previous table, the properties were constructed between 2009 and 2014 and reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is a senior LIHTC property that was built in 2014 and experienced an absorption rate of 21 units per month. Savannah Gardens III is a family LIHTC property that was built in 2012 and experienced an absorption rate of 14 units per month. The Subject offers an

inferior location based on median household income and proximity to centers of employment. Therefore, we expect the Subject to experience a slower absorption rate than the previously illustrated properties. We estimate that the Subject will experience an absorption rate of 10 units per month, which equates to an initial lease up period of approximately six months.

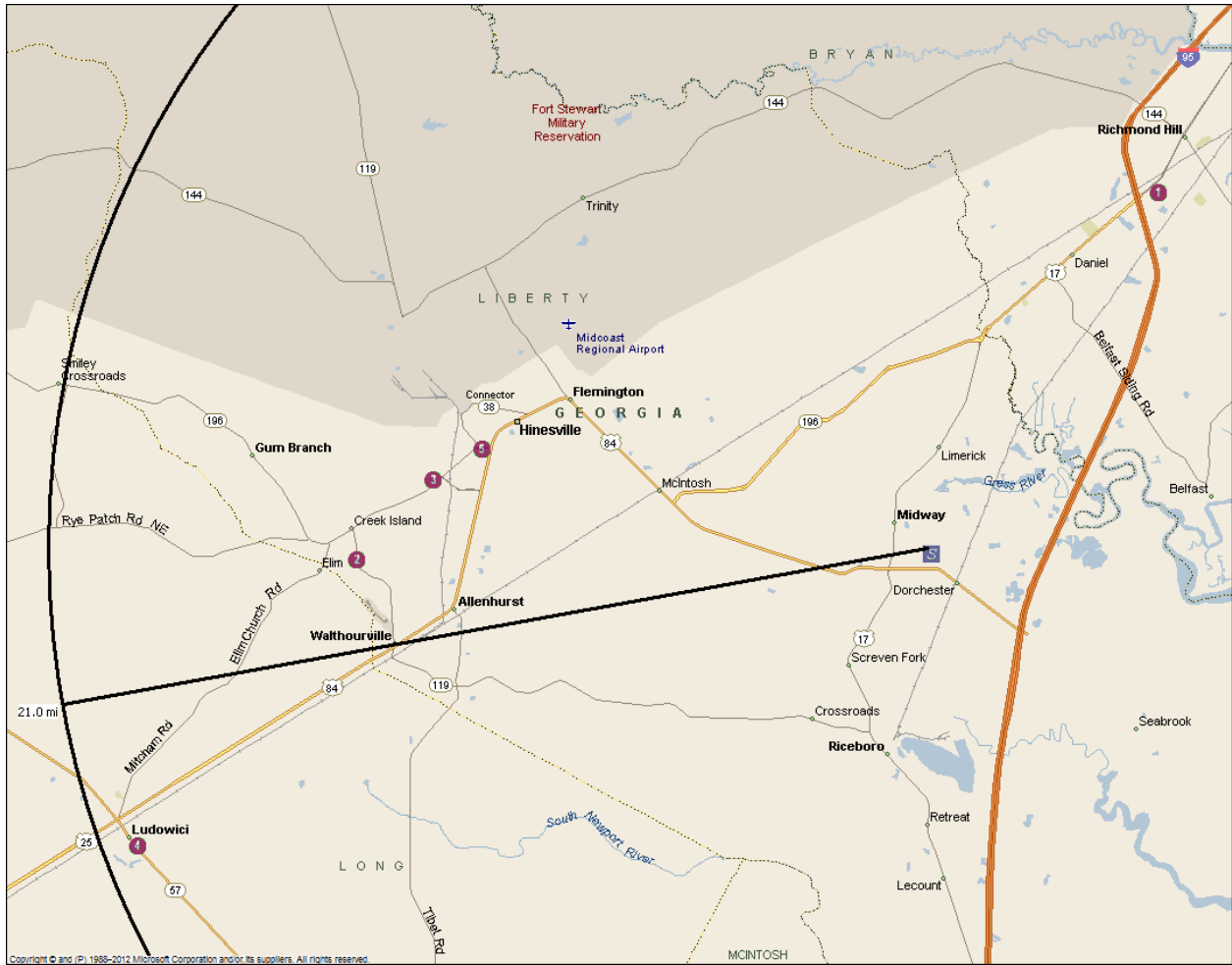
**Phased Developments**

The proposed Subject is not part of a phased development.

**Rural Areas**

The Subject is located in a rural area in Liberty County.

**3. Competitive Project Map**



**COMPETITIVE PROPERTIES**

#	Property Name	City	Type	Distance
1	Ashton At Richmond Hill Phases I And II	Richmond Hill	LIHTC	15.1 miles
2	Ashton Place Apartments	Hinesville	LIHTC	17.7 miles
3	The Pines At Willowbrook	Hinesville	LIHTC/Market	14.7 miles
4	Twin Oaks Apartments	Ludowici	LIHTC	26.6 miles
5	Grove Park Apartments	Hinesville	LIHTC	13.2 miles

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

UNIT MATRIX REPORT

Comp#	Live Oak Villas Of Midway Subject	Ashton At Richmond Hill Phases I And II 1	Ashton Place Apartments 2	The Pines At Willowbrook 3	Twin Oaks Apartments 4	Liberty Woods Apartments 5	Link Terrace Apartments 6	Stewart Way Apartments 7	Treetop Apartments 8
<b>Property Information</b>									
Property Type	One-story	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Garden (2 stories)	Townhouse (2 stories)	One-story	One-story	Garden (2 stories)
Year Built / Renovated	2017 / n/a	1993/1995 / n/a	1993 / n/a	2003 / n/a	1996 / n/a	1978 / n/a	1980s / n/a	1970s / n/a	1983 / n/a
Market (Conv)/Subsidy Type	LIHTC/Market	LIHTC	LIHTC	LIHTC/Market	LIHTC	Market	Market	Market	Market
<b>Utility Adjustments</b>									
Cooking	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	no	yes	yes	no	no	no	no	yes
Sewer	no	no	yes	yes	no	no	no	no	yes
Trash Collection	yes	no	yes	yes	yes	yes	no	no	yes
<b>In-Unit Amenities</b>									
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no
Blinds	no	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	no	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	no	no	yes
Coat Closet	no	yes	no	yes	no	yes	yes	no	no
Dishwasher	yes	yes	yes	yes	yes	no	yes	yes	yes
Exterior Storage	no	no	no	no	yes	no	no	no	no
Ceiling Fan	no	yes	no	yes	no	no	yes	yes	no
Garbage Disposal	no	yes	no	yes	yes	no	yes	yes	yes
Microwave	yes	yes	no	no	no	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	yes	yes	no
Walk-In Closet	no	yes	yes	yes	no	yes	no	yes	no
Wall A/C	no	no	no	no	no	no	yes	yes	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	no
<b>Property Amenities</b>									
Business Center/Computer Lab	no	no	no	yes	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	no	no	yes	yes	yes	no	no	no
Exercise Facility	no	yes	no	yes	no	no	no	no	no
Central Laundry	no	yes	yes	yes	yes	no	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	yes	no	no	no	no	no
Playground	yes	yes	yes	yes	yes	no	no	no	no
Recreation Areas	no	no	no	yes	no	yes	no	no	no
Swimming Pool	no	yes	no	no	no	no	no	no	yes
Tennis Court	no	yes	no	no	no	no	no	no	no
Volleyball Court	no	yes	no	no	no	yes	no	no	no

The Subject will lack garbage disposals, ceiling fans, and coat closets, which several of the comparable properties offer. However, we believe the differences in in-unit amenities are limited and that the Subject will be generally similar to the comparable properties. The Subject will offer a picnic area, playground, and community room, which several of the comparable properties lack. The majority of the comparable properties offer a central laundry room, which the Subject will not offer. Ashton At Richmond Hills Phase I & II and The Pines At Willowbrook offer several additional property amenities and are considered slightly superior to the Subject’s proposed property amenity package. The remaining LIHTC comparable properties are considered similar to the proposed Subject. The Subject will offer a slightly superior property amenity package in comparison to the market rate properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

## 5. Senior Tenancy

The Subject will target the general population.

## 6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY				
Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton At Richmond Hill Phases I And II	LIHTC	392	5	1.3%
Ashton Place Apartments	LIHTC	48	0	0.0%
The Pines At Willowbrook	LIHTC/Market	80	0	0.0%
Twin Oaks Apartments	LIHTC	40	1	2.5%
Liberty Woods Apartments	Market	48	6	12.5%
Link Terrace Apartments	Market	54	10	18.5%
Stewart Way Apartments	Market	191	7	3.7%
Treetop Apartments	Market	76	23	30.3%
<b>LIHTC Average</b>		<b>560</b>	<b>6</b>	<b>1.1%</b>
<b>Market Rate Average</b>		<b>369</b>	<b>46</b>	<b>12.5%</b>
<b>Total</b>		<b>929</b>	<b>52</b>	<b>5.6%</b>

The LIHTC comparable properties reported a weighted average vacancy rate of 1.1 percent, which indicates a supply constrained market. Two of the LIHTC comparable properties are exhibiting vacancy rates of zero percent. The property managers reported strong demand for affordable rental housing and three of the comparable LIHTC properties maintain waiting lists. Overall, we believe there is demand within the PMA and that the Subject, as a LIHTC property, will operate with a vacancy rate of five percent or less.

The overall vacancy rate is 5.6 percent. Three of the market rate properties are exhibiting elevated vacancy rates above five percent. Among the market rate properties, the average vacancy rate is 12.5 percent, which is considered high. The proximity to Fort Stewart and the prevalence of military personnel has affected the performance of the market rate properties. All of the comparable market rate properties reported a significant percent of military tenants. Military deployments cause higher turnover rates among the market rate properties. The property managers all attributed the current high vacancy rates to the recent deployments in the area. The Subject as a LIHTC property will not have any active duty military tenants due to the income qualifications. Therefore, we do not believe the Subject will be similarly affected.

The Subject's proposed rents offer a discount relative to the market rate properties in Hinesville. Additionally, the Subject will offer excellent condition upon completion and a competitive amenity package. Therefore, we believe the Subject will operate with a vacancy rate of five percent or less upon completion.

## 7. Properties Under Construction and Proposed

According to the Georgia Department of Community Affairs allocation lists, two properties have been awarded tax credits within the PMA since 2013. Renaissance Park and Liberty Place were allocated tax credits in 2013 and 2014, respectively. Renaissance Park is a proposed Housing for Older Persons (HFOP) development that will consist of 42 one and two-bedroom units income restricted to 50 and 60 percent of the AMI or less. Due to the dissimilar tenancy, the Subject will be directly competitive with Renaissance Park. The Subject site is located 11.6 miles from the proposed Renaissance Park site. Liberty Place is a proposed general household development that

will consist of 72 one, two, and three-bedroom units. The Subject will be located 15.2 miles from Liberty Place. The following table illustrates the proposed unit-mix at Liberty Place.

PROPOSED RENTS - LIBERTY PLACE					
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance	Gross Rent
<b>50% AMI</b>					
1BR/1BA*	750	11	\$345	\$121	\$466
2BR/2BA	950	6	\$400	\$157	\$557
3BR/2BA	1100	5	\$455	\$190	\$645
<b>60% AMI</b>					
1BR/1BA	750	1	\$440	\$121	\$561
2BR/2BA	950	24	\$515	\$157	\$672
3BR/2BA	1100	25	\$585	\$190	\$775
<b>Total</b>		<b>72</b>			

\*Operate with a project-based Section 811 subsidy and will target disabled households.

Note that the one-bedroom 50 percent units will operate with an additional subsidy, where tenants pay 30 percent of their income towards rents. Therefore, these units will be directly competitive with the Subject. Additionally, the Subject will not offer three-bedroom units. Therefore, the Subject will face limited competition during its initial lease up. We have deducted a total of one one-bedroom unit and 30 two-bedroom units from the demand analysis.

**8. Rental Advantage**

The following table illustrates the Subject’s similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report

Similarity Matrix								
#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Ashton At Richmond Hill Phases I And II	LIHTC	Slightly Superior	Similar	Slightly Superior	Inferior	Similar	0
2	Ashton Place Apartments	LIHTC	Similar	Similar	Slightly Inferior	Inferior	Slightly Superior	-10
3	The Pines At Willowbrook	LIHTC/Market	Slightly Superior	Similar	Slightly Inferior	Inferior	Slightly Superior	-5
4	Twin Oaks Apartments	LIHTC	Similar	Similar	Slightly Inferior	Inferior	Slightly Superior	-10
5	Liberty Woods Apartments	Market	Slightly Inferior	Similar	Slightly Inferior	Inferior	Slightly Superior	-15
6	Link Terrace Apartments	Market	Slightly Inferior	Similar	Slightly Inferior	Inferior	Slightly Superior	-15
7	Stewart Way Apartments	Market	Slightly Inferior	Similar	Slightly Inferior	Inferior	Slightly Superior	-15
8	Treetop Apartments	Market	Slightly Inferior	Similar	Slightly Inferior	Inferior	Slightly Superior	-15

\*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table. Note that Ashton At Richmond Hill Phase I & II is located in Bryan County. Since Bryan County has higher rent and income limits, we have illustrated the 2014 Bryan County maximum allowable net rent level.

**LIHTC Rent Comparison - @50%**

<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>
<b>Live Oak Villas Of Midway (Subject)</b>	<b>\$336</b>	<b>\$394</b>
<b>2014 LIHTC Maximum (Net)</b>	<b>\$336</b>	<b>\$394</b>
Ashton Place Apartments	-	\$394
The Pines At Willowbrook	\$377	\$441
Twin Oaks Apartments (@45%)	\$320	\$370
<b>Average (excluding Subject)</b>	<b>\$349</b>	<b>\$402</b>
<b>Achievable LIHTC Rent</b>	<b>\$336</b>	<b>\$394</b>

**LIHTC Rent Comparison - @60%**

<b>Property Name</b>	<b>County</b>	<b>1BR</b>	<b>2BR</b>
<b>Live Oak Villas Of Midway (Subject)</b>	<b>Liberty</b>	<b>\$430</b>	<b>\$507</b>
<b>2014 LIHTC Maximum (Net) - Liberty County</b>	<b>Liberty</b>	<b>\$430</b>	<b>\$507</b>
<b>2014 LIHTC Maximum (Net) - Bryan County</b>	<b>Bryan</b>	<b>\$558</b>	<b>\$660</b>
Ashton At Richmond Hill Phases I And II	Bryan	\$593	\$698
Ashton Place Apartments	Liberty	-	\$689
The Pines At Willowbrook	Liberty	\$475	\$484
<b>Average (excluding Subject)</b>		<b>\$534</b>	<b>\$608</b>
<b>Achievable LIHTC Rent</b>		<b>\$430</b>	<b>\$507</b>

The Subject’s proposed 50 and 60 percent rents are set at the maximum allowable level. Note that Twin Oaks Apartments offers 45 percent units. Twin Oaks Apartments and The Pines At Willowbrook reported achieving the maximum allowable rent. Differences in maximum allowable rents are attributed to differences in utility allowances. The Pines At Willowbrook is considered the most similar property. The Subject will offer slightly inferior property amenities. The Pines At Willowbrook offers an exercise facility, swimming pool, tennis court, and volleyball court, which the Subject will lack. The Subject will offer similar in-unit amenities. The neighborhood surrounding the Subject site offers a slightly higher median household income in comparison to the neighborhood surrounding The Pines At Willowbrook. Additionally, the Subject’s neighborhood crime rate is significantly below the national average, while the neighborhood crime rate of The Pines At Willowbrook is above the national average. The Subject is located further from centers of employment and locational amenities, but is located within one mile of a grocery store and other retail uses. Overall, based on our site inspection, we believe the Subject site offers a slightly superior location to The Pines At Willowbrook and all of the comparable properties in Hinesville. Upon completion, the Subject will exhibit excellent condition, which will be superior to The Pines At Willowbrook, which was built in 2003 and exhibits average condition. The Subject’s proposed unit sizes are slightly superior to The Pines At Willowbrook. Overall, we believe the Subject will be slightly superior to The Pines At Willowbrook based largely on condition, location, and unit sizes. Therefore, we believe the Subject will be able to achieve the maximum allowable rent level, similar to The Pines At Willowbrook. The Pines At Willowbrook is exhibiting a vacancy rate of zero percent and maintains a waiting list.

Ashton At Richmond Hill Phases I & II is located 15.1 miles north of the Subject site in Richmond Hill, a suburb of Savannah. The Subject site offers a slightly inferior location based on our site inspection, proximity to employment centers, and median household income. The Subject will offer slightly inferior property amenities, similar in-unit amenities, and similar unit



sizes. As new construction, the Subject will exhibit superior condition in comparison to Ashton At Richmond Hill Phases I & II. The property is achieving rents significantly higher than the proposed rents at the Subject. Given the difference in location, we believe the differential is supportive of the Subject’s proposed rents.

Overall, the Subject is considered slightly superior to The Pines At Willowbrook. The Subject will be uniquely positioned to compete in the local rental market as there are no existing LIHTC properties in Midway. The average LIHTC vacancy rate among the comparable properties is 1.1 percent, which indicates a supply constrained market. We believe there is demand for affordable housing in the PMA and that the Subject will be able to achieve the proposed rents, while maintaining a vacancy rate of five percent or less. Given the lack of competition in Midway and the anticipated excellent condition of the Subject, we believe that the maximum allowable rents are achievable in the market.

**Analysis of “Market Rents”**

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not “Achievable unrestricted market rent.” In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comps. In a small rural market there may be neither tax credit comps nor market rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.”

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**Subject Comparison to Market Rents**

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1 BR @50%	\$336	\$320	\$646	\$530	37%
2 BR @50%	\$394	\$370	\$770	\$586	33%
1 BR @60%	\$430	\$320	\$646	\$530	19%
2 BR @60%	\$507	\$370	\$780	\$586	13%
2 BR - Market	\$675	\$591	\$780	\$586	-15%

As illustrated the Subject’s proposed 50 and 60 percent rents are well below the surveyed average of all the comparables, both LIHTC and market rate. The Subject’s proposed LIHTC

rents are higher than the surveyed minimum. This is considered reasonable given that there are very few newly constructed market rate properties and the Subject will be superior to the market rate inventory. The Subject’s LIHTC units offer a 13 to 37 percent rent advantage over the surveyed average rents.

**9. LIHTC Competition – DCA Funded Properties within the PMA**

According to the Georgia Department of Community Affairs allocation lists, two properties have been awarded tax credits within the PMA since 2013. Renaissance Park and Liberty Place were allocated tax credits in 2013 and 2014, respectively. Renaissance Park is a proposed Housing for Older Persons (HFOP) development that will consist of 42 one and two-bedroom units income restricted to 50 and 60 percent of the AMI or less. Due to the dissimilar tenancy, the Subject will be directly competitive with Renaissance Park. The Subject site is located 11.6 miles from the proposed Renaissance Park site. Liberty Place is a proposed general household development that will consist of 72 one, two, and three-bedroom units. The Subject will be located 15.2 miles from Liberty Place. The following table illustrates the proposed unit-mix at Liberty Place.

PROPOSED RENTS - LIBERTY PLACE					
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance	Gross Rent
<b>50% AMI</b>					
1BR/1BA*	750	11	\$345	\$121	\$466
2BR/2BA	950	6	\$400	\$157	\$557
3BR/2BA	1100	5	\$455	\$190	\$645
<b>60% AMI</b>					
1BR/1BA	750	1	\$440	\$121	\$561
2BR/2BA	950	24	\$515	\$157	\$672
3BR/2BA	1100	25	\$585	\$190	\$775
<b>Total</b>		<b>72</b>			

\*Operate with a project-based Section 811 subsidy and will target disabled households.

Note that the one-bedroom 50 percent units will operate with an additional subsidy, where tenants pay 30 percent of their income towards rents. Therefore, these units will be directly competitive with the Subject. Additionally, the Subject will not offer three-bedroom units. Therefore, the Subject will face limited competition during its initial lease up. We have deducted a total of one one-bedroom unit and 30 two-bedroom units from the demand analysis.

**10. Rental Trends in the PMA**

The table below depicts senior household growth by tenure from 2000 through 2019.

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				Hinesville, GA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	15,767	62.3%	9,535	37.7%	12,190	52.6%	11,003	47.4%
2010	20,579	64.6%	11,301	35.4%	15,272	56.2%	11,906	43.8%
2015	21,474	62.0%	13,146	38.0%	15,783	53.6%	13,644	46.4%
Projected Mkt Entry September 2017	22,564	62.0%	13,814	38.0%	16,564	53.7%	14,302	46.3%
2019	23,487	62.0%	14,379	38.0%	17,224	53.7%	14,859	46.3%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2015

Owner-occupied housing units dominate the PMA and in the MSA. The percent of renter-occupied housing in the PMA is slightly higher than the national average of approximately 33 percent. The percentage of renter-occupied units is expected to remain stable through 2019. However, the number of renter-occupied units is expected to increase slightly through 2019.

*Historical Vacancy*

The following table illustrates the historical vacancy at the comparable properties when available.

<b>HISTORICAL VACANCY</b>					
<b>Comparable Property</b>	<b>Rent Structure</b>	<b>4QTR 2011</b>	<b>3QTR 2012</b>	<b>1QTR 2013</b>	<b>2QTR 2015</b>
Ashton At Richmond Hill Phases I And II	LIHTC	N/A	N/A	N/A	1.3%
Ashton Place Apartments	LIHTC	0.0%	N/A	8.3%	0.0%
The Pines At Willowbrook	LIHTC/Market	1.3%	2.5%	1.3%	0.0%
Twin Oaks Apartments	LIHTC	7.5%	N/A	0.0%	2.5%
Liberty Woods Apartments	Market	0.0%	0.0%	N/A	12.5%
Link Terrace Apartments	Market	6.6%	6.6%	14.8%	18.5%
Stewart Way Apartments	Market	17.8%	N/A	28.3%	3.7%
Treetop Apartments	Market	6.6%	9.2%	13.2%	30.3%

As illustrated in the table, we were able to obtain the historical vacancy rates at several of the comparable properties over the last four years. However, we were not able to obtain all the historical vacancy rates for each individual year. The market rate properties have historically exhibited elevated vacancy rates, above five percent. However, the current vacancy rate among the market rate properties is the highest since the fourth quarter of 2011. The proximity to Fort Stewart and the prevalence of military personnel has affected the performance of the market rate properties. Military deployments cause higher turnover rates among the market rate properties. We do not believe the Subject, as a LIHTC property with no military personnel, will be affected this effect. Therefore, we believe there is demand for affordable housing in the PMA.

*Change in Rental Rates*

The following table illustrates rental rate increases as reported by the comparable properties.

<b>RENT GROWTH</b>		
<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Rent Growth</b>
Ashton At Richmond Hill Phases I And II	LIHTC	Increased one to two percent
Ashton Place Apartments	LIHTC	Increased zero to four percent
The Pines At Willowbrook	LIHTC/Market	Increased to maximum
Twin Oaks Apartments	LIHTC	Increased two percent
Liberty Woods Apartments	Market	None
Link Terrace Apartments	Market	None
Stewart Way Apartments	Market	Increased one to two percent
Treetop Apartments	Market	Decreased three to four percent

The comparable LIHTC properties reported rent growth ranging from zero to four percent, which is an indication of a strong affordable rental market. Stewart Way Apartments reported rent growth of one to two percent, while Treetop Apartments, which is exhibiting a high vacancy rate, reported rent decreases ranging from three to four percent. It should be noted that the area median income (AMI) in Liberty County has declined in 2013 and 2015. However, the AMI in Liberty County peaked in 2014 and has increased 3.2 percent annually since 1999. The Subject’s proposed rents are at the 2014 maximum allowable rents. Therefore, the Subject’s future rent growth will not be directly dependent on increases in the AMI level.

**11. Impact of Foreclosed, Abandoned and Vacant Structures**

According to RealtyTrac.com statistics, 13 properties in the Subject site’s zip code are in some stage of foreclosure as of March 2015. Midway is experiencing one foreclosure in every 1,429 housing units. Liberty County has a higher foreclosure rate of one in every 996 housing units, while Georgia experienced one in every 1,085 housing units, and the nation experienced one foreclosure in every 1,082 housing units. The foreclosure rate within the PMA is lower than the national average and state average, which indicates a slightly stronger single-family home market.

**12. Primary Housing Void**

The average LIHTC vacancy rate among the comparable properties is 1.1 percent. There are no LIHTC properties located in Midway and in general the LIHTC housing stock is older and exhibits average condition. The Subject’s units will help to fill the housing void in the market.

**13. Affect of Subject on Other Affordable Units in Market**

There are no LIHTC properties located in Midway and in general the LIHTC housing stock is older and exhibits average condition. According to the Georgia Department of Community Affairs allocation lists, two properties have been awarded tax credits within the PMA since 2013. Renaissance Park and Liberty Place were allocated tax credits in 2013 and 2014, respectively. Renaissance Park is a proposed Housing for Older Persons (HFOP) development that will consist of 42 one and two-bedroom units income restricted to 50 and 60 percent of the AMI or less. Due to the dissimilar tenancy, the Subject will be directly competitive with Renaissance Park. The Subject site is located 11.6 miles from the proposed Renaissance Park site. Liberty Place is a proposed general household development that will consist of 72 one, two, and three-bedroom units. The Subject will be located 15.2 miles from Liberty Place. The following table illustrates the proposed unit-mix at Liberty Place.

PROPOSED RENTS - LIBERTY PLACE					
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance	Gross Rent
<b>50% AMI</b>					
1BR/1BA *	750	11	\$345	\$121	\$466
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1BR/1BA	750	1	\$440	\$121	\$561
2BR/2BA	950	24	\$515	\$157	\$672
3BR/2BA	1100	25	\$585	\$190	\$775
<b>Total</b>		<b>72</b>			

\*Operate with a project-based Section 811 subsidy and will target disabled households.

Note that the one-bedroom 50 percent units will operate with an additional subsidy, where tenants pay 30 percent of their income towards rents. Therefore, these units will be directly competitive with the Subject. Additionally, the Subject will not offer three-bedroom units. Therefore, the Subject will face limited competition during its initial lease up. We have deducted a total of one one-bedroom unit and 30 two-bedroom units from the demand analysis.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The Subject will be directly competitive with 31 units at the proposed LIHTC development, Liberty Place. Liberty Place was allocated tax credits in 2014 and will be located 15.2 miles from the Subject site. Even accounting for the proposed new supply, the overall capture rate for the Subject remaining low and we believe there is strong demand for affordable housing in the PMA. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.1 percent, which indicates a supply constrained market. The Subject will offer similar in-unit amenities in comparison to the LIHTC properties and slightly inferior to similar property amenities in comparison to the LIHTC comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. The Subject will offer a slightly superior location in comparison to the majority of the comparable properties based on our site inspection, walkscore, crime, and median household income. We have accounted for the differences in location in our analysis. In general, the Subject will be slightly superior to superior to the comparable properties.

The overall vacancy rate is 5.6 percent. Among the market rate properties, the average vacancy rate is 12.5 percent, which is considered high. The proximity to Fort Stewart and the prevalence of military personnel has affected the performance of the market rate properties. All of the comparable market rate properties reported a significant percent of military tenants. Military deployments cause higher turnover rates among the market rate properties. The property managers all attributed the current high vacancy rates to the recent deployments in the area. The Subject as a LIHTC property will not have any active duty military tenants due to the income qualifications. Therefore, we do not believe the Subject will be similarly affected. We believe the Subject's proposed rents are achievable in the market and offer a significant discount in comparison to average market rents. We believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

# **I. ABSORPTION & STABILIZATION RATES**

### Stabilization/Absorption Rate

The Pines At Willowbrook is the newest comparable property, which was built in 2003. However, we were not able to obtain absorption information for this property. Note that the Subject will be directly competitive with 31 units at Liberty Place located in Hinesville, approximately 15.2 miles from the Subject site. Liberty Place should be completed prior to the proposed Subject, but will compete with the proposed Subject upon completion. We have expanded our search for absorption information to Pooler and Savannah. We have included additional properties built since 2009 that are located outside of the PMA. The following properties are located within 38 miles of the Subject site. Several of the following properties have been used as comparables in our report.

ABSORPTION						
Property name	City	Type	Tenancy	Year Built	Number of Units	Units Absorbed/ Month
Pinewood Village	Pooler	LIHTC	Senior	2014	64	21
Savannah Gardens III	Savannah	LIHTC	Family	2012	95	14
Sustainable Fellwood III	Savannah	LIHTC	Senior	2012	100	30
Savannah Gardens I	Savannah	LIHTC	Family	2011	115	11
Sustainable Fellwood II	Savannah	LIHTC	Family	2011	110	18
Sheppard Station	Pooler	LIHTC	Senior	2009	65	12
Sustainable Fellwood I	Savannah	LIHTC	Family	2009	110	18

As illustrated in the previous table, the properties were constructed between 2009 and 2014 and reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is a senior LIHTC property that was built in 2014 and experienced an absorption rate of 21 units per month. Savannah Gardens III is a family LIHTC property that was built in 2012 and experienced an absorption rate of 14 units per month. The Subject offers an inferior location based on median household income and proximity to centers of employment. Therefore, we expect the Subject to experience a slower absorption rate than the previously illustrated properties. We estimate that the Subject will experience an absorption rate of 10 units per month, which equates to an initial lease up period of approximately six months.

## **J. INTERVIEWS**



**Georgia Department of Community Affairs, Waycross Regional Office**

We spoke with Mr. Pat McNally, Section 8 Office Manager for the Georgia Department of Community Affairs (DCA) Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Mr. McNally indicated that 131 Housing Choice Vouchers are in use in Liberty County. Mr. McNally stated that due to budget cuts, the Georgia DCA is not currently issuing additional vouchers, and added that there are no applicants on the waiting list as it is currently closed. The DCA hopes to open the waiting list again later this year. The payment standards for Liberty County are listed below.

Payment Standards	
1BR	\$613
2BR	\$765

Payment standards for the county are 90 percent of FMR. The Subject’s current HAP contract rents are below the current payment standards.

**Liberty County Consolidated Planning Commission**

We attempted to contact the Liberty County Consolidated Planning Commission, but our calls were not returned. Based on our online research, there are no new market rate multifamily projects under construction within the PMA.

**Liberty County Development Authority**

We attempted to contact the Liberty County Development Authority. However, our calls were not returned. Based on our online research, we are not aware of any major business expansions within the PMA.

**Additional interviews can be found in the comments section of the property profiles.**

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## Conclusions

- From 2010 to 2015 the population in the PMA increased faster than the population in the MSA and nation. From 2015 to 2019 the population in the PMA is expected to continue to increase at a faster rate than the population in the MSA and nation. The majority of the population in the PMA is non-elderly; however, the non-elderly population growth rate is expected to be slightly lower than the elderly population growth rate through 2019. From 2010 to 2015 the household growth rate in the PMA declined, but remained above the household growth rate in the MSA and nation. Through market entry in January 2017, the number of households in the PMA is expected to increase at a rate similar to the MSA and significantly faster than the nation. Overall, the projected increase in households is a positive indicator for the proposed Subject's units. Additionally, the Subject is located in a rural area and the majority of rural areas across the country are experiencing stable or decreasing populations and number of households. Therefore, given the rural location, the strong population and total households growth in the PMA is a positive indication of future demand.

Renter households earning under \$30,000 in the PMA comprise 31.1 percent of all income cohorts. The Subject will target households earning between \$16,046 and \$27,000, therefore, the Subject should be well-positioned to service this market. It should be noted that the area median income (AMI) in Liberty County has declined in 2013 and 2015. However, the AMI in Liberty County peaked in 2014 and has increased 3.2 percent annually since 1999. The Subject's proposed rents are at the 2014 maximum allowable rents. Therefore, the Subject's future rent growth will not be directly dependent on increases in the AMI level.

Overall, the demographic data points to a growing population with household incomes in line with the Subject's target. We believe the expected population and household growth in the PMA bodes well for the Subject's proposed units.

- Midway is a rural town in southeast Georgia, which is located southeast of Hinesville and south of Savannah. Midway has a concentration of health care/social services, retail trade, and educational services. The largest employment growth occurred in these three industries and the accommodation/food services industry since 2000. Construction is also an important industry and is overrepresented in the PMA. The area is not particularly reliant on manufacturing, which has been declining since 2000.

According to an article by The Royce Funds dated February 2015, although domestic manufacturing has previously been on a long-term decline, the past several years have shown a trend reversal in what many are calling "The U.S. Manufacturing Renaissance." This is due mainly to large manufacturers such as Dow, Nucor, Boeing, BMW, and Mercedes Benz seeing the risks in a globally stretched supply chain and opening or expanding U.S. plants. This U.S. expansion has been trickling down to smaller companies that exist within the supply chains of these larger companies. The increase in domestic manufacturing has also been driven by decreased energy costs and increasing labor costs in emerging markets.

The MSA has experienced employment growth in 2015 year to date. From February 2014 to February 2015, total employment in the MSA increased slightly slower than the total employment in the nation. Total employment in the MSA remains two percent below the 2011 peak total employment, which indicates a weaker local economy. In comparison, total employment in the nation is 0.7 percent above the 2007 peak total employment.

The unemployment rate in the MSA peaked at 9.3 percent in 2011 and has since declined at a slightly slower pace in comparison to the unemployment rate in the nation. From February 2014 to February 2015, the unemployment rate in the MSA decreased 1.4 percentage points, while the unemployment rate in the nation decreased 1.2 percentage points. The unemployment rate in the nation is currently 1.0 percentage point below the unemployment rate in the MSA. Overall, the local economy has not recovered in terms of total employment and unemployment since the national recession, which is an indication of a slightly weaker overall economy. There appears to be signs of employment growth in 2015, which is a positive indication.

- The Subject’s capture rates at the 50 percent AMI level will range from 4.4 to 4.6 percent, with an overall capture rate of 4.5 percent. The Subject’s capture rates at the 60 percent AMI level will range from 15.8 to 15.8 percent, with an overall capture rate of 15.8 percent. The Subject’s overall capture rate is 13.8 percent. Therefore, we believe there is adequate demand for the Subject.
- The Pines At Willowbrook is the newest comparable property, which was built in 2003. However, we were not able to obtain absorption information for this property. Therefore, we have expanded our search for absorption information to Pooler and Savannah. We have included additional properties built since 2009 that are located outside of the PMA. The following properties are located within 38 miles of the Subject site. Several of the following properties have been used as comparables in our report.

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As illustrated in the previous table, the properties were constructed between 2009 and 2014 and reported absorption rates of 11 to 30 units per month, with an average of 18 units per month. Pinewood Village is a senior LIHTC property that was built in 2014 and experienced an absorption rate of 21 units per month. Savannah Gardens III is a family LIHTC property that was built in 2012 and experienced an absorption rate of 14 units per month. The Subject offers an inferior location based on median household income and proximity to centers of employment. Therefore, we expect the Subject to experience a slower absorption rate than the previously illustrated properties. We estimate that the

Subject will experience an absorption rate of 10 units per month, which equates to an initial lease up period of approximately six months.

- The LIHTC comparable properties reported a weighted average vacancy rate of 1.1 percent, which indicates a supply constrained market. Two of the LIHTC comparable properties are exhibiting vacancy rates of zero percent. The property managers reported strong demand for affordable rental housing and three of the comparable LIHTC properties maintain waiting lists. Overall, we believe there is demand within the PMA and that the Subject, as a LIHTC property, will operate with a vacancy rate of five percent or less.

The overall vacancy rate is 5.6 percent. Three of the market rate properties are exhibiting elevated vacancy rates above five percent. Among the market rate properties, the average vacancy rate is 12.5 percent, which is considered high. The proximity to Fort Stewart and the prevalence of military personnel has affected the performance of the market rate properties. All of the comparable market rate properties reported a significant percent of military tenants. Military deployments cause higher turnover rates among the market rate properties. The property managers all attributed the current high vacancy rates to the recent deployments in the area. The Subject as a LIHTC property will not have any active duty military tenants due to the income qualifications. Therefore, we do not believe the Subject will be similarly affected.

The Subject's proposed rents offer a discount relative to the market rate properties in Hinesville. Additionally, the Subject will offer excellent condition upon completion and a competitive amenity package. Therefore, we believe the Subject will operate with a vacancy rate of five percent or less upon completion.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The Subject will be directly competitive with 31 units at the proposed LIHTC development, Liberty Place. Liberty Place was allocated tax credits in 2014 and will be located 15.2 miles from the Subject site. Even accounting for the proposed new supply, the overall capture rate for the Subject remaining low and we believe there is strong demand for affordable housing in the PMA. The LIHTC comparables are performing well, with a weighted vacancy rate of 1.1 percent, which indicates a supply constrained market. The Subject will offer similar in-unit amenities in comparison to the LIHTC properties and slightly inferior to similar property amenities in comparison to the LIHTC comparable properties. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. The Subject will offer a slightly superior location in comparison to the majority of the comparable properties based on our site inspection, walkscore, crime, and median household income. We have accounted for the differences in location in our analysis. In general, the Subject will be slightly superior to superior to the comparable properties.

The overall vacancy rate is 5.6 percent. Among the market rate properties, the average vacancy rate is 12.5 percent, which is considered high. The proximity to Fort Stewart and the prevalence of military personnel has affected the performance of the market rate properties. All of the comparable market rate properties reported a significant percent of military tenants. Military deployments cause higher turnover rates among the market rate properties. The property managers all attributed the current high vacancy rates to the recent deployments in the area. The Subject as a LIHTC property will not have any active duty military tenants due to the income qualifications. Therefore, we do not believe the Subject will be similarly affected. We believe the Subject's proposed rents are achievable in the market and offer a significant discount in comparison to average market rents. We believe that the Subject is feasible as proposed and will fill a void in the market and will perform well.

### **Recommendations**

- We recommend the Subject as proposed.

## **L. SIGNED STATEMENT REQUIREMENTS**

I affirm that I (or one of the persons signing below) have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP  
5-15-2015  
Date



Edward R. Mitchell  
Senior Real Estate Analyst  
Novogradac & Company LLP  
5-15-2015  
Date



Daniel W. Mabry  
Researcher  
Novogradac & Company LLP  
5-15-2015  
Date



## **M. MARKET STUDY REPRESENTATION**

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



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H. Blair Kincer, MAI  
Partner  
Novogradac & Company LLP  
5-15-2015  
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Senior Real Estate Analyst  
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Daniel W. Mabry  
Researcher  
Novogradac & Company LLP  
5-15-2015  
Date

## **N. QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI, CRE

### I. Education

Duquesne University, Pittsburgh, Pennsylvania  
Masters in Business Administration  
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia  
Bachelor of Science in Business Administration  
Graduated Magna Cum Laude

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Member, The Counselors of Real Estate (CRE)  
LEED Green Associate  
Member, National Council of Housing Market Analysts (NCHMA)  
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut  
Certified General Real Estate Appraiser, No 4206 – State of Kentucky  
Certified General Real Estate Appraiser, No. 1326 – State of Maryland  
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi  
Certified General Real Estate Appraiser, No. 46000039124 – State of New York  
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina  
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina  
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee  
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia  
Certified General Real Estate Appraiser, No. 1101008 – State of Washington  
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia  
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

### III. Professional Experience

*Partner*, Novogradac & Company LLP  
*Vice President*, Capital Realty Advisors, Inc.  
*Vice President - Acquisitions*, The Community Partners Development Group, LLC  
*Commercial Loan Officer/Work-Out Specialist*, First Federal Savings Bank of Western MD  
*Manager* - Real Estate Valuation Services, Ernst & Young LLP  
*Senior Associate*, Joseph J. Blake and Associates, Inc.  
*Senior Appraiser*, Chevy Chase, F.S.B.  
*Senior Consultant*, Pannell Kerr Forster

#### **IV. Professional Training**

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

#### **V. Real Estate Assignments – Examples**

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value

## **H. Blair Kincer**

### **Qualifications**

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are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL**

### **I. Education**

Master of Science – Financial Planning  
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation  
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science  
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management  
San Antonio College, San Antonio, Texas

### **II. Work History**

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia  
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia  
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia  
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida  
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia  
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

### **III. Relevant Experience**

- Managed and prepared market studies and appraisals throughout the U.S. for proposed family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

### **IV. Licensure**

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
DANIEL W. MABRY**

**I. Education**

Marist College – Poughkeepsie, NY  
Bachelor of Arts, Economics  
Bachelor of Science, Business Administration

**II. Professional Experience**

*Novogradac & Company LLP* – July 2013 - Present  
Real Estate Analyst

**III. Real Estate Assignments**

A representative sample of work on various types of projects:

- Prepared market studies for proposed new construction and existing Low Income Housing Tax Credit, Section 8, and market rate developments for use by real estate developers, governmental entities, and financial institutions. Property types included special needs and age restricted developments. Studies included property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, and market rate multifamily developments. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.