



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

**MOUNTAIN VIEW APARTMENTS  
US Highway 76 and Ross Lloyd Road  
Hiawassee, Towns County, Georgia 30546**

**Effective Date: April 20, 2016  
Report Date: April 26, 2016**

*Prepared For*

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*Prepared By*

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April 26, 2016

Mr. Brandon Dampier  
TISHCO Companies  
2409 Bemiss Road  
Valdosta, GA 30546

**Re: Market Study for Mountain View Apartments in Hiawassee, Georgia**

Dear Mr. Dampier:

At your request, Novogradac & Company LLP performed a market study of the family rental market in the Hiawassee, Towns County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Mountain View Apartments, a proposed multifamily development that will consist of 53 revenue generating units and one employee unit. The units will be restricted to households earning 50 and 60 percent of the AMI, or less. The Subject will also offer unrestricted market rate units.

We previously completed a market study of Mountain View Apartments for Georgia Department of Community Affairs (DCA) in June 2012.

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 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.

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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Partner  
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Edward R. Mitchell, MAI  
Manager



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Senior Analyst

## **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

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

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:

Mountain View Apartments (the Subject) will be located at the northeast corner of the intersection of US Highway 76 and Ross Lloyd Road in Hiawassee, Towns County, Georgia 30546. The Subject will target family households and will consist of three, two-story walk-up garden-style buildings and one, one-story community building. The buildings will consist of brick, stone, and fiber cement siding exteriors. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance. The Subject site is located in a USDA Rural Development eligible area. Per Georgia DCA guidelines, the national non-metropolitan rent and income limits cannot be used despite the Subject being located in a rural area. Therefore, we have used the rent and income restrictions for Towns County.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HUD Fair Market Rents
			<i>50% AMI</i>				
1BR/1BA	815	4	\$319	\$136	\$455	\$459	\$510
2BR/2BA	1,105	7	\$373	\$172	\$545	\$551	\$656
			<i>60% AMI</i>				
1BR/1BA	815	24	\$409	\$136	\$545	\$551	\$510
2BR/2BA	1,105	16	\$439	\$172	\$611	\$661	\$656
			<i>Market Rate</i>				
2BR/2BA	1,105	2	\$500	N/A	N/A	N/A	N/A
			<i>Employee Units</i>				
2BR/2BA	1,105	1	N/A	N/A	N/A	N/A	N/A
<b>Total</b>		<b>54</b>					

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

The Subject will offer the following amenities: balcony/patio, blinds, carpeting, central air conditioning, coat closet, dishwasher, exterior storage, microwave, oven, refrigerator, walk-in closet, and washer/dryer connection. With regards to community amenities, the Subject will offer a clubhouse/community room, exercise facility, business center/computer lab, on-site management, off-street parking, central laundry facilities, picnic area, playground, video surveillance, and life skills classes. The

Subject will be competitive with the comparable properties in terms of amenities.

**2. Site Description/Evaluation:**

The Subject site is currently vacant and elevated off of Highway 76/Main Street. The majority of uses in the Subject's neighborhood are office, retail, and commercial in nature as Highway 76 serves as the main thoroughfare and commercial corridor in Hiawassee. Overall, the commercial buildings in the Subject's neighborhood appeared to be 95 percent occupied. All locational amenities are located within 1.5 miles of the Subject site. Positive attributes of the Subject site include its excellent visibility from Highway 76/Main Street. Traffic along this major thoroughfare is significant and the Subject site is located within walking distance of restaurants, retail uses, public offices, a hospital, and private medical/dental offices. The Subject site does not have any negative attributes. The total crime risk index in the PMA is lower than the SMA, and both the PMA and SMA have lower total crime risk indices than the nation as a whole. The Subject will be a compatible use within the immediate neighborhood.

**3. Market Area Definition:**

The boundaries of the PMA are as follows:

North – Georgia/North Carolina state line  
South – Towns County/White County line  
East – Towns County/Rabun County line  
West – Highway 129/19

This area includes the northeast portion of Union County and all of Towns County, both of which border North Carolina to the north. The area was defined based on interviews with local market participants as well as property managers at comparable properties. According to management at Enota Village Apartments and Oakmont Knoll Apartments, most tenants are from Towns and Union counties, with some tenants originating from other areas in the region or out of state. Per GA DCA's 2016 market study guidelines, GA DCA does not take into account leakage from outside of the PMA. The farthest PMA boundary is approximately 18.5 miles from the Subject site.

**4. Community Demographic**

**Data:**

The PMA is expected to experience strong population and household growth from 2015 through 2020. The population in the PMA is expected to increase at an annual rate of 1.3

percent from 2015 through 2020, which is faster than rates of the SMA and nation as a whole. The average household size in the PMA was 2.20 persons in 2015 and is expected to slightly decrease through 2020. The Subject will target one to three-person households. The average household size in the PMA bodes well for the Subject's one and two-bedroom unit sizes. The majority of households in the Subject's PMA are owner-occupied. However, the percentage of renter-occupied units is expected to increase through 2020. The Subject will target households earning \$15,600 to \$26,460 for its LIHTC units. Approximately 31.1 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of October 2018, this percentage is projected to increase to 33.1 percent. As the population and number of households increase, there is expected to be a greater number of low-income renters seeking affordable housing.

According to [www.RealtyTrac.com](http://www.RealtyTrac.com), one in every 1,404 homes in Hiawassee, GA was in foreclosure, as of March 2016. Nationally, one in every 1,212 homes was in foreclosure and one in every 1,109 homes in Georgia was in foreclosure. As indicated, Hiawassee has a lower foreclosure rate than Georgia and the nation as a whole. Overall, it appears that the local market is faring better than the state and nation as a whole in terms of foreclosure rates. During our site inspection, we did not witness any abandoned homes in the Subject's immediate neighborhood.

## **5. Economic Data:**

Hiawassee is primarily a resort and vacation area for Georgia and the surrounding states of North Carolina, Alabama, and Tennessee. Chatuge Lake is located in Hiawassee and is the main draw for visitors. Many resorts and vacation homes dot Chatuge Lake's shoreline. Therefore, a significant portion of total employment in the area is concentrated in industries servicing the resorts and vacationing tourists. The third largest employer in Towns County is Brasstown Valley Resort, which employs 240 workers. Construction, retail trade, educational services, and health care/social assistance are the largest industries within the PMA. These industries account for approximately 52.1 percent of total employment within the PMA. The SMA experienced a significant decrease in total employment between 2008 and 2011, when total employment decreased 23.5 percent. The decrease in

employment suggests that the national recession negatively impacted the local area. With the exception of 2013, total employment in the SMA has increased every year since 2012. Further, the SMA experienced growth in total employment of 4.6 percent from December 2014 to December 2015. Despite recent growth, total employment in the SMA remains below pre-recession levels. The unemployment rate in the SMA was lower than that of the nation from 2005 through 2007. However, the unemployment rate in the SMA has remained at rate above the nation since 2008. As of December 2015, the unemployment rate in the SMA was 0.6 percentage points higher than that of the nation. The recent growth in total employment and decrease in unemployment is evidence of an improving local economy.

According to the Georgia Department of Economic Development's Workforce Division, there have been no Worker Adjustment and Retraining Notification (WARN) filings in the PMA between 2013 and April 2016.

We spoke with Ms. Candace Lee, President of the Towns County Chamber of Commerce, regarding the general economic outlook for the area. Ms. Lee indicated that when Harrah's Cherokee Valley River Casino opened in Murphy, NC (approximately 24 miles northwest of the Subject site) in 2015, the hospitality industry in Hiawassee was negatively impacted. A significant number of retail-sector employees in Hiawassee and Blairsville quit their jobs for better paying jobs at the new casino. The fast food restaurants, resorts, and other small businesses in the local area have been having difficulty finding new workers. According to Ms. Lee, the retail industry is just beginning to show signs of improvement from the most recent recession. The recovery has been slower in Hiawassee but recent increases in real estate sales and home building are positive economic indicators of a recovering economy.

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

The following table illustrates the Subject's capture rates.

**CAPTURE RATE ANALYSIS CHART**

<b>Unit Size</b>	<b>Units Proposed</b>	<b>Total Demand</b>	<b>Supply</b>	<b>Net Demand</b>	<b>Capture Rate</b>	<b>Absorption</b>	<b>Average Market Rent</b>	<b>Market Rents Band Min-Max</b>	<b>Proposed Rents</b>
1 BR @ 50% AMI	4	59	0	59	6.7%	Seven months	\$513	\$360-\$649	\$319
2 BR @ 50% AMI	7	45	0	45	15.6%	Seven months	\$562	\$406-\$749	\$373
<b>50% AMI Overall</b>	<b>11</b>	<b>104</b>	<b>0</b>	<b>104</b>	<b>10.6%</b>	<b>Seven months</b>	<b>\$513-\$562</b>	<b>\$360-\$749</b>	<b>\$319-\$358</b>
1 BR @ 60% AMI	24	63	0	63	38.1%	Seven months	\$564	\$460-\$649	\$409
2 BR @ 60% AMI	16	48	0	48	33.6%	Seven months	\$639	\$543-\$749	\$439
<b>60% AMI Overall</b>	<b>40</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>36.2%</b>	<b>Seven months</b>	<b>\$564-\$639</b>	<b>\$460-\$749</b>	<b>\$394-\$419</b>
2 BR @ Market Rate	2	93	0	93	2.2%	Seven months	\$684	\$625-\$749	\$500
<b>Market Rate Overall</b>	<b>2</b>	<b>93</b>	<b>0</b>	<b>93</b>	<b>2.2%</b>	<b>Seven months</b>	<b>\$684</b>	<b>\$625-\$749</b>	<b>\$500</b>
1 BR Overall	28	94	0	94	29.9%	Seven months	\$513	\$360-\$649	\$319-\$394
2 BR Overall	23	71	0	71	32.4%	Seven months	\$639	\$406-\$749	\$358-\$419
<b>Overall</b>	<b>53</b>	<b>165</b>	<b>0</b>	<b>165</b>	<b>31.0%</b>	<b>Seven months</b>	<b>\$513-\$562</b>	<b>\$360-\$749</b>	<b>\$319-\$419</b>

As the previous table demonstrates, the Subject’s capture rates are within GA DCA’s capture rate threshold.

**7. Competitive Rental Analysis:**

The availability of LIHTC data is considered adequate to support our conclusions. There is one unsubsidized family LIHTC property in the PMA, Enota Village Apartments. Due to the rural nature of Hiawassee and the lack of LIHTC data in the local market, we used additional LIHTC comparables in the cities of Cornelia, Blairsville, Rabun Gap, and Cleveland. These properties are located between 17.7 and 42.3 miles from the Subject and outside the PMA. The LIHTC comparables were built between 1997 and 2008. We chose comparable properties based on physical characteristics and quality, rather than location. We understand that rental housing located in these cities is not directly comparable to rental housing located in Hiawassee. However, due to the lack of local LIHTC data, we have used several properties in other markets for comparison purposes.

The availability of market rate data is considered adequate to support our conclusions. We included one market rate comparable located in the PMA, Oakmont Knoll Apartments. This property is located 0.5 miles from the Subject in Hiawassee. Due to the lack of market rate data in the PMA, we used additional market rate comparables in the cities of Clarkesville and Demorest. These properties are located 35.9 to 38.8 miles from the proposed Subject and were built between 1997 and 2004.

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**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR @ 50%	\$319	\$360	\$649	\$513	38%
2 BR @ 50%	\$373	\$406	\$749	\$562	34%
1 BR @ 60%	\$409	\$460	\$649	\$564	27%
2 BR @ 60%	\$439	\$543	\$749	\$639	31%
2 BR @ Market	\$500	\$625	\$749	\$684	27%

The Subject’s proposed 50 and 60 percent AMI rents, as well as the market rate rents, will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition and will offer a competitive common area amenity package, unit sizes, and location. Overall, the Subject’s proposed rents are below the range of comparables and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

**8. Absorption/Stabilization Estimate:**

Due to the limited amount of new construction in the Subject’s area, only three of the comparable properties were able to report absorption information, and all three were constructed in 2006 or earlier. Enota Village and Whitehall Commons were constructed in 2008 and 2009, respectively. Management at these properties could not provide absorption data. The most recently constructed property reporting absorption data, Vista Ridge Apartments, reported an absorption rate of two units per month in 2006, while Cameron at Clarkesville reported an absorption rate of five units per month in 2005.

**ABSORPTION**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Location</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
Vista Ridge Apartments	LIHTC	Rabun Gap	2006	64	2
Cameron At Clarkesville	Market	Clarkesville	2005	60	5
Heritage Gardens	LIHTC/Market	Cornelia	1998	80	9

\*Properties located in PMA

Due to the limited absorption data among the Subject’s comparable properties, we expanded our search to include several additional counties in Northern Georgia. The following table illustrates absorption rates of LIHTC and market rate developments in Cherokee and Forsyth Counties. It should be noted that two of these properties feature senior tenancy.

**ABSORPTION**

<b>Property Name</b>	<b>Rent Structure</b>	<b>County</b>	<b>Tenancy</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Units Absorbed / Month</b>
Hearthside Towne Lake	LIHTC	Cherokee	Senior	2011	100	9
Riverview Apartments	Market	Cherokee	Family	2009	138	11
Alta Johns Creek	Market	Forsyth	Senior	2008	215	5

The more recently constructed properties in the region experienced absorption rates of five to 11 units per month.

It should be noted that Enota Village and Nantahala Village, used as comparables and located within 18 miles of the Subject, have a combined waiting list of 109 households. This illustrates pent-up demand for affordable housing in the PMA and region. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of eight units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

**9. Overall Conclusion:**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. There is limited multifamily housing in Hiawassee and therefore the Subject will face limited competition. The one unsubsidized LIHTC property in Hiawassee is Big Sky Village, which is a senior LIHTC property that is currently 98 percent occupied with a waiting list of nine households. The Subject will offer new construction in a desirable location along a major thoroughfare that is lined with commercial and retail uses that are in good to excellent condition. Many of these uses are within walking distance of the Subject site. The

Subject will fill a void in the Hiawassee market given the area's general lack of rental housing. Further, the Subject's proposed rents will offer value in the market as they are below the average surveyed rents in the market.

**Summary Table:**

Development Name:	<b>Mountain View Apartments</b>	Total # Units:	<b>54</b>
Location:	US Highway 76 and Ross Lloyd Road Hiawassee, GA 30546	# LIHTC Units:	<b>51</b>
PMA Boundary:	North: Georgia/North Carolina state line, West: Highway 129/19, South: Towns/White County line,		
East: Towns/Rabun County line	Farthest Boundary Distance to Subject:		18.5 miles

**Rental Housing Stock (found on page 61-111)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	424	4	99.1%
Market-Rate Housing	6	149	3	98.0%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
<b>LIHTC</b>	5	275	1	99.6%
Stabilized Comps	8	424	4	99.1%
Properties in Construction & Lease Up	N/Ap	N/Ap	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
4	1BR at 50% AMI	1	815	\$319	\$513	\$0.63	38%	\$649	\$0.82
7	2BR at 50% AMI	2	1,105	\$373	\$562	\$0.51	34%	\$749	\$0.69
24	1BR at 60% AMI	1	815	\$409	\$564	\$0.69	27%	\$649	\$0.82
16	2BR at 60% AMI	2	1,105	\$439	\$639	\$0.58	31%	\$749	\$0.69
2	2BR at Mkt	2	1,105	\$500	\$684	\$0.62	27%	\$749	\$0.69

**Demographic Data (found on page 31)**

	2010		2015		2018	
Renter Households	1,491	19.20%	1,786	21.70%	1,878	21.80%
Income-Qualified Renter HHs (LIHTC)	359	24.11%	431	24.11%	453	24.11%

**Targeted Income-Qualified Renter Household Demand (found on pages 41-59)**

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	14	16	43	N/Ap	22
Existing Households (Overburdened + Substandard)	N/Ap	117	134	228	N/Ap	185
Homeowner conversion (Seniors)	N/Ap	0	0	0	N/Ap	0
<b>Total Primary Market Demand</b>						
Less Comparable/Competitive Supply	N/Ap	0	0	0	N/Ap	0
<b>Adjusted Income-qualified Renter HHs**</b>	N/Ap	131	150	271	N/Ap	207

**Capture Rates (found on page 54)**

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	10.6%	36.2%	2.2%	N/Ap	31.0%

\*Includes LIHTC and unrestricted (when applicable)

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

**Project Address and Development Location:**

The Subject site is located at the northeast corner of the intersection of US Highway 76 and Ross Lloyd Road in Hiawassee, Towns County, Georgia 30546. The Subject site has frontage on US Highway 76 and Ross Lloyd Road.

**Construction Type:**

The Subject will consist of three, two-story walk-up garden-style buildings and one, one-story community building. The buildings will consist of brick, stone, and fiber cement siding exteriors.

**Occupancy Type:**

Family.

**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:**

None of the units will operate with Project-Based Rental Assistance.

**Proposed Development Amenities:**

**See following property profile.**

Mountain View Apartments												
<b>Location</b>	U.S. Highway 76 And Ross Lloyd Road Hiawassee, GA 30546 Town's County											
<b>Units</b>	54											
<b>Type</b>	Garden (2 stories)											
<b>Year Built / Renovated</b>	Proposed											
<b>Tenant Characteristics</b>	Family											
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 -- electric					<b>Sewer</b>		not included				
<b>Heat</b>	not included -- electric					<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?	
1	1	Garden (2 stories)	4	815	\$319	\$0	@50%	N/A	N/A	N/A	no	
1	1	Garden (2 stories)	24	815	\$409	\$0	@60%	N/A	N/A	N/A	no	
2	2	Garden (2 stories)	7	1,105	\$373	\$0	@50%	N/A	N/A	N/A	no	
2	2	Garden (2 stories)	16	1,105	\$439	\$0	@60%	N/A	N/A	N/A	no	
2	2	Garden (2 stories)	2	1,105	\$500	\$0	Market Rate	N/A	N/A	N/A	N/A	
2	2	Garden (2 stories)	1	1,105	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	
Amenities												
<b>In-Unit</b>	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup					<b>Security</b>		Video Surveillance				
<b>Property</b>	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground					<b>Premium</b>		none				
<b>Services</b>	Adult Education					<b>Other</b>		Gazebo				
Comments												
The property will offer social development and life skills classes. There will be 78 surface parking spaces.												

<b>Scope of Renovations:</b>	The Subject will be new construction.
<b>Current Rents:</b>	The Subject will be new construction. Therefore, there are no current rents to report.
<b>Current Occupancy:</b>	<b>Not applicable.</b>
<b>Current Tenant Income:</b>	<b>Not applicable.</b>
<b>Placed in Service Date:</b>	According to the sponsor, the Subject will enter the market in October 2018.
<b>Conclusion:</b>	The Subject will be an excellent-quality brick, stone, and fiber cement siding two-story, walk-up garden-style multifamily rental development. As new construction, the Subject will be in excellent condition. We have reviewed the floor plans and they appear to be functional and market-oriented.

## **C. SITE EVALUATION**

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

Brendan Kelly visited the site on April 20, 2016.

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

The following illustrates the physical features of the site.

*Frontage:*

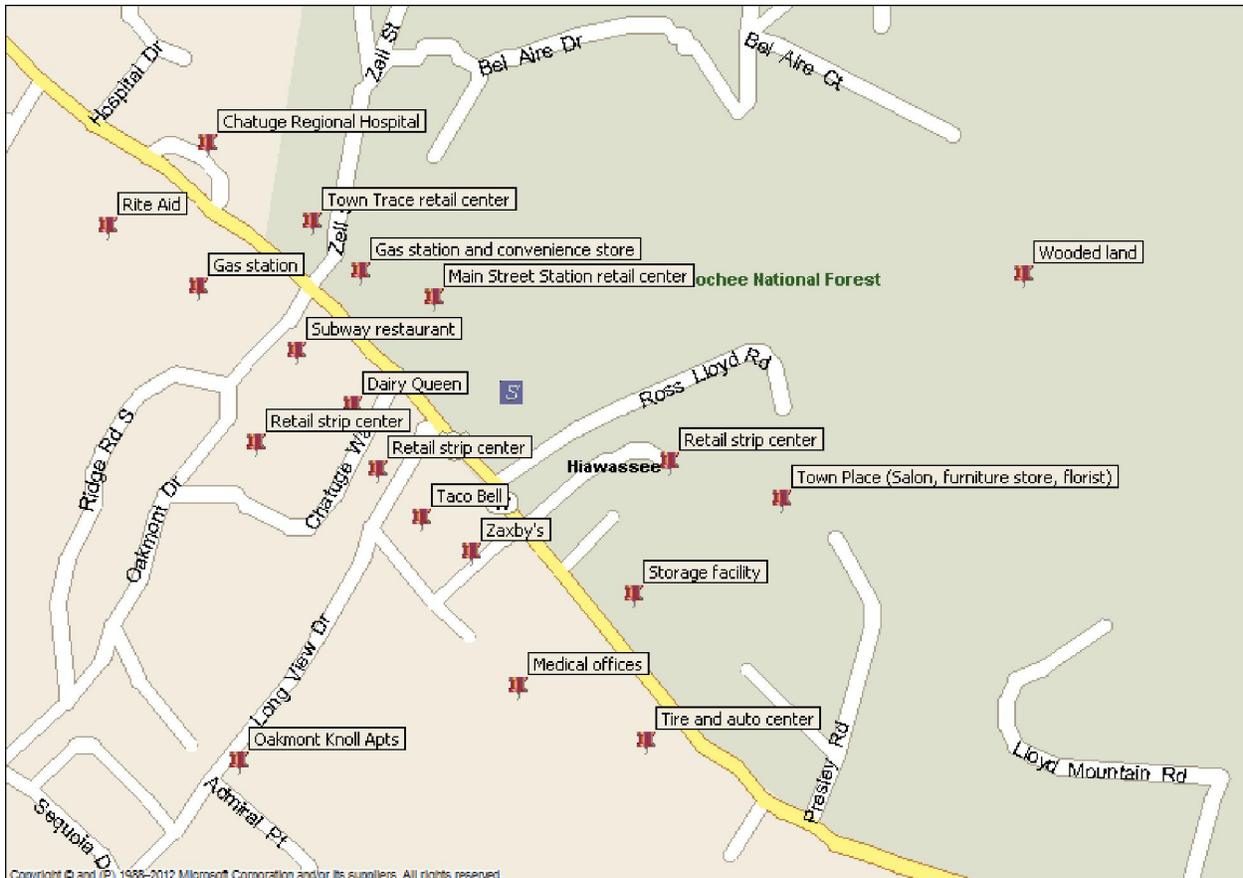
The Subject site has frontage along the east side of Highway 76/Main Street and on the north side of Ross Lloyd Road.

*Visibility/Views:*

The site has excellent access and visibility from Highway 76. Highway 76 is a heavily-trafficked primary commercial corridor in Hiawasse. Views from the site primarily include retail, commercial, and office uses; wooded undeveloped land, and fast food restaurants. The commercial buildings in the Subject's neighborhood are in good to excellent condition. Overall, views are considered good.

*Surrounding Uses:*

The following map and pictures illustrate the surrounding land uses.



Uses east of the Subject site include undeveloped wooded land and a retail strip center. Uses immediately north,

south, and west of the Subject site consist of commercial and office centers and standalone fast food restaurants including Zaxby's, Taco Bell, Dairy Queen, and Subway. Overall, the commercial buildings in the Subject's neighborhood appeared to be 95 percent occupied. There are few residential uses in the Subject's immediate neighborhood. The surrounding uses are in good to excellent condition.

*Positive/Negative Attributes of Site:* Positive attributes of the Subject site include its excellent visibility from Highway 76/Main Street. Traffic along this major thoroughfare is significant and the Subject site is located within walking distance of restaurants, retail uses, public offices, a hospital, and private medical/dental offices. The Subject site does not have any negative attributes.

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

The Subject site is located at the intersection of Highway 76 and Ross Lloyd Road in a neighborhood consisting of a variety of restaurants, retail uses, places of worship, a hospital, and private medical/dental offices. Towns County does not offer fixed-route bus service. However, it offers Towns County Transit which provides curb-to-curb public transportation throughout the county, similar to a taxi service. All locational amenities are located within 1.5 miles of the Subject site, which can be attributed to the Subject's central location in Hiawassee. The Subject is projected to have a positive impact on the local neighborhood.

4. Pictures of Site and Adjacent Uses:



*Subject site*



*Subject site*



*Subject site*



*View north on Ross Lloyd Road*



*View northwest on Highway 76*



*View southeast on Highway 76*



*Retail strip center immediately south of Subject site*



*View west of Subject site of Zaxby's*



*View west of Subject site of Taco Bell*



*Commercial uses west of Subject site*



*Main Street Station immediately north of Subject site*



*Medical offices south of Subject site*



*Chatuge Regional Hospital*



*Retail strip center in Subject's neighborhood*



*Dairy Queen west of Subject site*



*Typical home in Subject's neighborhood*



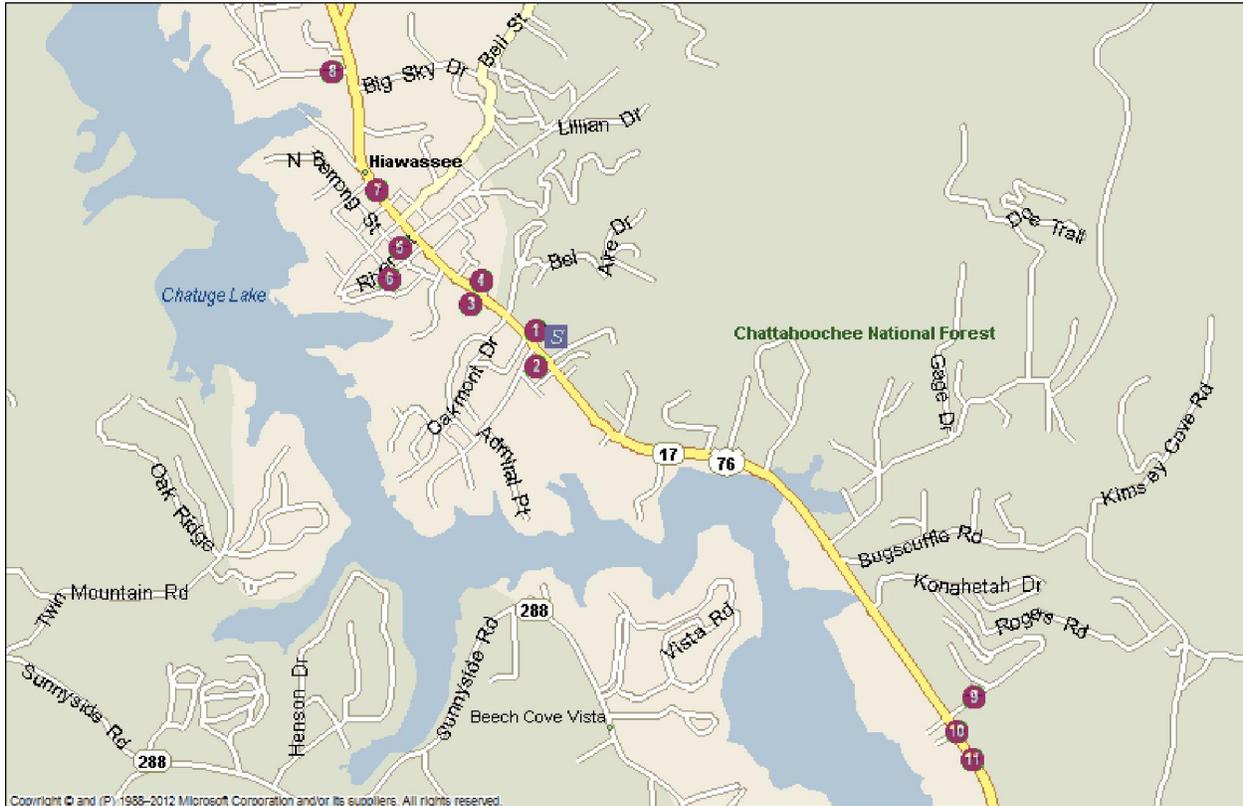
*Typical home in Subject's neighborhood*



*Typical home in Subject's neighborhood*

**5. Proximity to Locational Amenities:**

The following table details the Subject’s distance from key locational amenities.



**LOCATIONAL AMENITIES**

Map #	Service/Amenity	Distance from Subject
1	Main Street Station Retail Center	Adjacent
2	Employment Center	Adjacent
3	Rite Aid	0.1 miles
4	Chatuge Regional Hospital	0.1 miles
5	Hiawasse Police Department	0.5 miles
6	Mountain Regional Library	0.5 miles
7	Ingles Market	0.6 miles
8	Towns County Fire Department	0.9 miles
9	Towns County Elementary School	1.4 miles
10	Towns County High School	1.4 miles
11	Towns County Middle School	1.5 miles

**6. Description of Land Uses:**

The surrounding uses are in good to excellent condition. Uses east of the Subject site include undeveloped wooded land and a retail strip center. Uses immediately north, south, and west of the Subject site consist of commercial

and office centers and standalone fast food restaurants including Zaxby’s, Taco Bell, Dairy Queen, and Subway. Overall, the commercial buildings in the Subject’s neighborhood appeared to be 95 percent occupied. There are few residential uses in the Subject’s immediate neighborhood. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for multifamily rental housing.

**7. Public Safety Issues:**

Based upon our site inspection, there appeared to be limited crime issues in the Subject’s neighborhood and property managers did not report having issues with crime. The following table illustrates crime statistics in the Subject’s PMA compared to the SMA.

**2015 CRIME RISK INDICES**

	<b>PMA</b>	<b>SMA</b>
<b>Total Crime*</b>	67	77
<b>Personal Crime*</b>	35	71
Murder	28	59
Rape	51	51
Robbery	13	13
Assault	44	101
<b>Property Crime*</b>	72	78
Burglary	87	111
Larceny	72	71
Motor Vehicle Theft	25	39

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

\*Unweighted aggregations

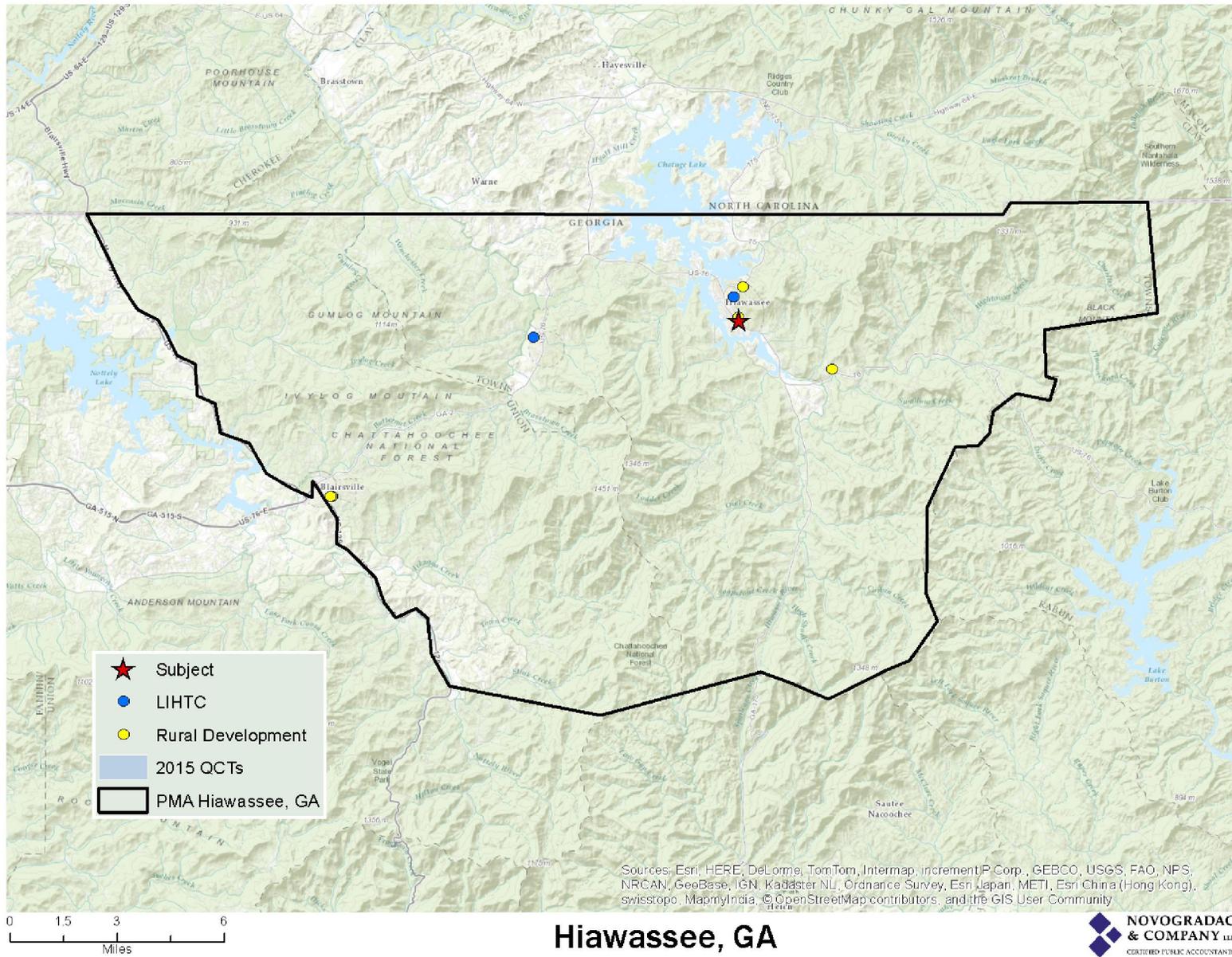
The total crime risk index in the PMA is lower than the SMA, and both the PMA and SMA have lower total crime risk indices than the nation as a whole. Given the Subject’s location in a well-trafficked mixed-use area, we do not anticipate crime will be a concern at the proposed Subject. The Subject will offer video surveillance. Most of the comparables do not offer security features.

**8. Existing Assisted Rental Housing Property Map:**

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

QCT LIST

Property	Address	City	County	State	Type	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion	Distance from Subject
Tan Yard Branch I	230 Tanyard Street	Blairsville	Union	GA	Rural Development	Family	Yellow	Excluded	Subsidized	17.6 miles
Tan Yard Branch II	234 Tanyard Street	Blairsville	Union	GA	Rural Development	Senior		Excluded	Subsidized	17.6 miles
Cottage Hill Apartments	500 Bell Street	Hiawassee	Towns	GA	Rural Development	Senior		Excluded	Subsidized	1.1 miles
Hiawassee Apartments	269 Zell Street	Hiawassee	Towns	GA	Rural Development	Family		Excluded	Subsidized	0.2 miles
Young Harris Apartments	269 Zell Street	Hiawassee	Towns	GA	Rural Development	Family		Excluded	Subsidized	0.2 miles
Carol Stroud	1449 Beameat Road	Hiawassee	Towns	GA	Rural Development	Family		Excluded	Subsidized	4.1 miles
Big Sky Village	200 Blue Sky Drive	Hiawassee	Towns	GA	LIHTC	Senior	Blue	Excluded	Tenancy	1.2 miles
The Gardens	388 US Highway 76	Young Harris	Towns	GA	LIHTC	Senior		Excluded	Tenancy	8.6 miles
Enota Village	55 Enota Village Drive	Young Harris	Towns	GA	LIHTC/Market	Family		Included	-	8.7 miles
<b>Mountain View Apartments</b>	<b>US Hwy 76/Ross Lloyd Road</b>	<b>Hiawassee</b>	<b>Towns</b>	<b>GA</b>	<b>LIHTC</b>	<b>Family</b>	<b>Red Star</b>	<b>SUBJECT</b>	<b>-</b>	<b>-</b>



Hiawasse, GA



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

We witnessed no road/infrastructure improvements during our site inspection.

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

The Subject site is accessed via Highway 76/Main Street, which is a major thoroughfare that travels northwest-southeast through Hiawassee. Overall, the Subject's access and visibility are considered excellent.

**11. Environmental Concerns:**

None visible upon site inspection.

**12. Conclusion:**

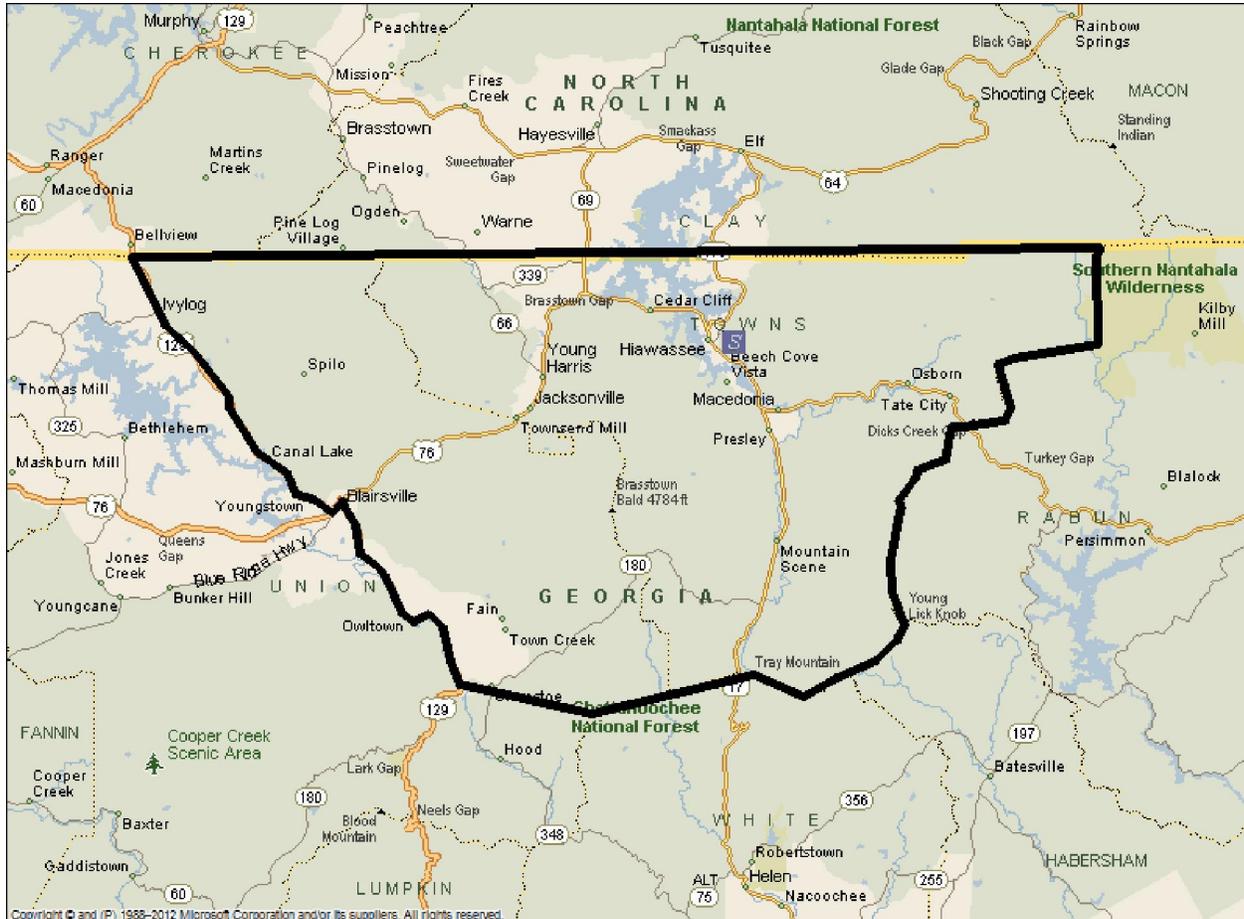
The Subject site is currently vacant and elevated off of Highway 76/Main Street. The majority of uses in the Subject's neighborhood are office, retail, and commercial in nature as Highway 76 serves as the main thoroughfare and commercial corridor in Hiawassee. Overall, the commercial buildings in the Subject's neighborhood appeared to be 95 percent occupied. All locational amenities are located within 1.5 miles of the Subject site. Positive attributes of the Subject site include its excellent visibility from Highway 76/Main Street. Traffic along this major thoroughfare is significant and the Subject site is located within walking distance of restaurants, retail uses, public offices, a hospital, and private medical/dental offices. The Subject site does not have any negative attributes. The Subject will be a compatible use within the immediate neighborhood.

## **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) are areas of growth or contraction. The SMA is comprised of Towns, Union, and Rabun Counties.

The boundaries of the PMA are as follows:

- North – Georgia/North Carolina state line
- South – Towns County/White County line
- East – Towns County/Rabun County line
- West – Highway 129/19

This area includes the northeast portion of Union County and all of Towns County, both of which border North Carolina to the north. The area was defined based on interviews with local market participants as well as property managers at comparable properties. According to management at Enota Village Apartments and Oakmont Knoll Apartments, most tenants are from Towns and Union counties, with some tenants originating from other areas in the region or out of state. Per GA DCA's 2016 market study guidelines, GA DCA does not take into account leakage from outside of the PMA. The farthest PMA boundary is approximately 18.5 miles from the Subject site.

## **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 the SMA 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 SMA.

**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 the SMA, the PMA and nationally from 2000 through 2020.

**TOTAL POPULATION**

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	15,739	-	41,654	-	281,421,906	-
2010	18,225	1.6%	48,103	1.5%	308,745,538	1.0%
2015	19,254	1.1%	50,098	0.8%	318,536,439	0.6%
Projected Mkt Entry October 2018	20,043	1.3%	51,757	1.0%	326,392,427	0.8%
2020	20,468	1.3%	52,650	1.0%	330,622,575	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

**POPULATION BY AGE GROUP**

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry October 2018	2020
0-4	699	700	711	720	725
5-9	727	805	785	804	814
10-14	822	912	876	915	936
15-19	1,059	1,221	1,309	1,336	1,350
20-24	742	894	1,008	968	947
25-29	741	680	776	767	762
30-34	847	726	801	856	885
35-39	906	890	801	873	911
40-44	1,037	987	1,015	978	958
45-49	1,007	1,103	1,057	1,103	1,127
50-54	1,065	1,228	1,253	1,237	1,229
55-59	1,108	1,310	1,462	1,477	1,485
60-64	1,200	1,610	1,606	1,733	1,801
65-69	1,181	1,556	1,750	1,783	1,801
70-74	998	1,371	1,500	1,660	1,746
75-79	738	953	1,153	1,268	1,330
80-84	431	682	718	843	910
85+	430	597	672	723	751
<b>Total</b>	<b>15,738</b>	<b>18,225</b>	<b>19,253</b>	<b>20,043</b>	<b>20,468</b>

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

**NUMBER OF ELDERLY AND NON-ELDERLY**

Year	PMA			SMA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
2000	15,738	11,960	3,778	41,658	32,791	8,867
2010	18,225	13,066	5,159	48,103	35,908	12,195
2015	19,253	13,460	5,793	50,098	36,167	13,931
Projected Mkt Entry October 2018	20,043	13,766	6,277	51,757	36,586	15,171
2020	20,468	13,930	6,538	52,650	36,811	15,839

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Total population in the PMA is growing at faster rate than the SMA and nation as of 2015. This trend is expected to continue through market entry and 2020. In 2015, approximately 42 percent of the PMA’s population was 20 to 59 years old. The PMA demonstrates a larger 60 to 74 age cohort when compared to other age cohorts. The Subject will be a family property targeting all age groups. The strong population growth in both the PMA and SMA is a positive indication for new affordable housing such as the Subject.

**2. Household Trends**

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

**TOTAL NUMBER OF HOUSEHOLDS**

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	6,530	-	17,435	-	105,480,101	-
2010	7,752	1.9%	20,406	1.7%	116,716,292	1.1%
2015	8,231	1.2%	21,365	0.9%	120,746,349	0.7%
Projected Mkt Entry October 2018	8,607	1.4%	22,126	1.1%	123,821,637	0.8%
2020	8,809	1.4%	22,536	1.1%	125,477,562	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

**AVERAGE HOUSEHOLD SIZE**

Year	PMA		SMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.27	-	2.32	-	2.59	-
2010	2.21	-0.3%	2.29	-0.1%	2.58	-0.1%
2015	2.20	-0.1%	2.27	-0.1%	2.57	0.0%
Projected Mkt Entry October 2018	2.19	-0.1%	2.27	0.0%	2.57	0.0%
2020	2.19	-0.1%	2.27	0.0%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Similar to population trends, total household growth in the PMA is projected to increase at a faster rate than household growth in both the SMA and nation through 2020. Between 2010 and

2015, the number of households in the PMA increased 1.2 percent annually. The number of households in the PMA is expected to increase at a slightly faster rate through 2020. The average household size in the PMA was 2.20 persons in 2015 and is expected to slightly decrease through 2020. The Subject will target one to three-person households. The average household size in the PMA bodes well for the Subject’s one and two-bedroom unit sizes.

**2b. Households by Tenure**

The following table illustrates household growth by tenure from 2000 through 2020.

**TENURE PATTERNS PMA**

Year	Owner-Occupied		Renter-Occupied	
	Units	Percentage Owner-Occupied	Units	Percentage Renter-Occupied
2000	5,518	84.5%	1,012	15.5%
2010	6,261	80.8%	1,491	19.2%
2015	6,445	78.3%	1,786	21.7%
Projected Mkt Entry				
October 2018	6,728	78.2%	1,878	21.8%
2020	6,881	78.1%	1,928	21.9%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

As the table above indicates, the majority of households in the Subject’s PMA are owner-occupied. However, the percentage of renter-occupied units is expected to increase through 2020. As of 2015, the percentage of renter-occupied households in the PMA was less than that of the nation, with approximately 31.7 percent of the nation residing in renter-occupied units. The growth in renter-occupied households is a positive indication for the proposed Subject.

**2c. Households by Income**

The following table depicts household income distribution in 2010, 2015, market entry, and 2020 for the PMA.

**HOUSEHOLD INCOME DISTRIBUTION - PMA**

Income Cohort	2010		2015		Projected Mkt Entry October 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	698	9.0%	944	11.5%	1,058	12.3%	1,119	12.7%
\$10,000-19,999	1,049	13.5%	1,387	16.9%	1,510	17.5%	1,576	17.9%
\$20,000-29,999	957	12.4%	1,180	14.3%	1,338	15.5%	1,422	16.1%
\$30,000-39,999	1,112	14.3%	1,282	15.6%	1,323	15.4%	1,346	15.3%
\$40,000-49,999	916	11.8%	1,119	13.6%	1,162	13.5%	1,185	13.5%
\$50,000-59,999	887	11.4%	743	9.0%	690	8.0%	662	7.5%
\$60,000-74,999	650	8.4%	512	6.2%	504	5.9%	500	5.7%
\$75,000-99,999	577	7.4%	479	5.8%	478	5.6%	477	5.4%
\$100,000-124,999	309	4.0%	245	3.0%	220	2.6%	207	2.3%
\$125,000-149,999	248	3.2%	103	1.2%	104	1.2%	105	1.2%
\$150,000-199,999	137	1.8%	124	1.5%	113	1.3%	108	1.2%
\$200,000+	211	2.7%	113	1.4%	105	1.2%	101	1.1%
<b>Total</b>	<b>7,752</b>	<b>100.0%</b>	<b>8,231</b>	<b>100.0%</b>	<b>8,607</b>	<b>100.0%</b>	<b>8,809</b>	<b>100.0%</b>

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2016

The Subject will target households earning \$15,600 to \$26,460 for its LIHTC units. The market rate units will not have a maximum income restriction. As the previous table illustrates,

approximately 31.1 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of October 2018, this percentage is projected to increase to 33.1 percent.

**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**

	2010		2015		Projected Mkt Entry October 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	660	44.3%	792	44.3%	840	44.7%	867	45.0%
With 2 Persons	379	25.4%	449	25.1%	472	25.1%	485	25.2%
With 3 Persons	174	11.7%	217	12.1%	227	12.1%	232	12.1%
With 4 Persons	144	9.6%	171	9.6%	178	9.5%	182	9.4%
With 5+ Persons	134	9.0%	158	8.9%	160	8.5%	162	8.4%
<b>Total Renter</b>	<b>1,491</b>	<b>100.0%</b>	<b>1,786</b>	<b>100.0%</b>	<b>1,878</b>	<b>100.0%</b>	<b>1,928</b>	<b>100.0%</b>

Source: Ribbon Demographics 2015, Novogradac & Company LLP, April 2016

The largest renter household cohort has remained a one-person household since 2010, followed by two and three-person households. These three cohorts are projected to remain the largest through 2020. The Subject will target one, two, and three-person households. In 2015, one to three-person households accounted for approximately 81.6 percent of renter households in the PMA. The strong presence of one to three-person renter households in the PMA bodes well for the Subject’s units.

**2e and f. Elderly and HFOP**

Per DCA’s guidelines, elderly household populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

**Conclusion**

The PMA is expected to experience strong population and household growth from 2015 through 2020. The population in the PMA is expected to increase at an annual rate of 1.3 percent from 2015 through 2020, which is faster than rates of the SMA and nation as a whole. The average household size in the PMA was 2.20 persons in 2015 and is expected to slightly decrease through 2020. The Subject will target one to three-person households. The average household size in the PMA bodes well for the Subject’s one and two-bedroom unit sizes. The majority of households in the Subject’s PMA are owner-occupied. However, the percentage of renter-occupied units is expected to increase through 2020. The Subject will target households earning \$15,600 to \$26,460. Approximately 31.1 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of October 2018, this percentage is projected to increase to 33.1 percent. As the population and number of households increase, there is expected to be a greater number of low-income renters seeking affordable housing.

## **F. EMPLOYMENT TRENDS**

**EMPLOYMENT TRENDS**

The Subject is located in Hiawassee, Towns County, Georgia. Hiawassee is primarily a resort and vacation area for Georgia and the surrounding states of North Carolina, Alabama, and Tennessee. Chatuge Lake is located in Hiawassee and is the main draw for visitors. Many resorts and vacation homes dot Chatuge Lake’s shoreline. Therefore, a significant portion of total employment in the area is concentrated in industries servicing the resorts and vacationing tourists, including retail trade, accommodation and food services, and construction. The third largest employer in Towns County is Brasstown Valley Resort, which employs 240 workers. The county’s other major employers are in the government, education, healthcare, and utilities sectors.

**1. Total Jobs**

The following table illustrates the total jobs (also known as “covered employment”) in Towns County.

**Total Jobs in Towns County, Georgia**

Year	Total Employment	% Change
2005	5,445	-
2006	5,728	4.94%
2007	5,803	1.29%
2008	5,485	-5.80%
2009	5,241	-4.66%
2010	3,783	-38.54%
2011	3,810	0.71%
2012	3,936	3.20%
2013	3,737	-5.33%
2014	3,704	-0.89%
2015 YTD Average	3,712	0.21%
Dec-14	3,482	-
Dec-15	3,515	0.94%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

The U.S. Bureau of Labor Statistics found errors in their historical data and adjusted total employment figures, beginning in 2010. Although it is likely that total employment in Towns County decreased in 2010 as a result of the most recent recession, it is unlikely that the county experienced a decrease of nearly 39 percent. Since 2011, the county has experienced employment growth in three out of five years. Between December 2014 and December 2015, total covered employment increased 0.9 percent, indicating a slowly growing economy.

**2. Total Jobs by Industry**

The following table illustrates the total jobs by employment sectors within Towns County, as of the Second Quarter 2015.

**Second Quarter 2015 Covered Employment  
Towns County, Georgia**

	<b>Number</b>	<b>Percent</b>
<b>Total, all industries</b>	<b>3,105</b>	-
<b>Goods-producing</b>	<b>223</b>	-
Natural resources and mining	-	-
Construction	<b>108</b>	3.48%
Manufacturing	-	-
<b>Service-providing</b>	<b>2,882</b>	-
Trade, transportation, and utilities	<b>648</b>	20.87%
Information	<b>31</b>	1.00%
Financial activities	<b>178</b>	5.73%
Professional and business services	<b>203</b>	6.54%
Education and health services	<b>1,143</b>	36.81%
Leisure and hospitality	<b>645</b>	20.77%
Other services	<b>18</b>	0.58%
Unclassified	<b>16</b>	0.52%

Source: Bureau of Labor Statistics, 2015

Employment by industry in Towns County is heavily concentrated in the service industry including education and health services; leisure and hospitality; and trade, transportation and utilities. The leisure and hospitality industry is vulnerable to economic downturns and is a historically volatile sector. However, education and health services are typically considered stable employment sectors. Young Harris College and Towns County School District account for a significant percentage of employment in the education sector.

**2015 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Construction	1,139	13.2%	9,392,204	6.4%
Retail Trade	1,131	13.1%	17,089,319	11.6%
Educational Services	1,120	12.9%	13,529,510	9.2%
Health Care/Social Assistance	1,116	12.9%	20,205,674	13.7%
Accommodation/Food Services	711	8.2%	10,915,815	7.4%
Manufacturing	545	6.3%	15,651,841	10.6%
Other Services (excl Publ Adm)	466	5.4%	7,548,482	5.1%
Finance/Insurance	398	4.6%	7,026,905	4.8%
Public Administration	302	3.5%	7,099,307	4.8%
Agric/Forestry/Fishing/Hunting	288	3.3%	1,941,156	1.3%
Transportation/Warehousing	282	3.3%	6,200,837	4.2%
Arts/Entertainment/Recreation	200	2.3%	3,193,724	2.2%
Prof/Scientific/Tech Services	176	2.0%	9,981,082	6.8%
Admin/Support/Waste Mgmt Svcs	171	2.0%	6,242,568	4.2%
Utilities	164	1.9%	1,190,608	0.8%
Real Estate/Rental/Leasing	120	1.4%	2,759,067	1.9%
Wholesale Trade	113	1.3%	3,742,526	2.5%
Information	110	1.3%	2,965,498	2.0%
Mining	58	0.7%	997,794	0.7%
Mgmt of Companies/Enterprises	47	0.5%	115,436	0.1%
<b>Total Employment</b>	<b>8,657</b>	<b>100.0%</b>	<b>147,789,353</b>	<b>100.0%</b>

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Construction, retail trade, educational services, and health care/social assistance are the largest industries within the PMA. These industries account for approximately 52.1 percent of total employment within the PMA. The PMA is overrepresented in the construction, retail trade, educational services, agriculture/forestry/fishing/hunting industries relative to the nation. Comparatively, the manufacturing, professional/scientific/tech services, and admin/support/waste management services sectors are underrepresented in the PMA. Employment in the PMA is concentrated around the tourism industry and the employment sectors surrounding it including construction, retail trade, and accommodation/food services.

**3. Major Employers**

The following table illustrates the major employers in Towns County, GA.

**MAJOR EMPLOYERS**

Towns County, GA

#	Company	Industry	Number of Employees
1	Towns County Government and Schools	Government/Education	412
2	Catuge Regional Hospital	Healthcare	256
3	Brasstown Valley Resort	Resort	240
4	Blue Ridge Mountain EMC	Utilities	158
5	Young Harris College	Education	120

Source: Southeast Industrial Development Association, April 2016

As indicated in the previous table, the major employers in Towns County are in the government, education, healthcare, tourism, and utilities sectors. The largest employer in the county is Towns

County government and Towns County School District. A breakdown of employees for these two employers was not available. Overall, most of the largest employers in the area are in historically stable industries including government, education, and healthcare.

**Expansions/Contractions**

According to the Georgia Department of Economic Development’s Workforce Division, there have been no Worker Adjustment and Retraining Notification (WARN) filings in the PMA between 2013 and April 2016.

We spoke with Ms. Candace Lee, President of the Towns County Chamber of Commerce, regarding the general economic outlook for the area. Ms. Lee indicated that when Harrah's Cherokee Valley River Casino opened in Murphy, NC (approximately 24 miles northwest of the Subject site) in 2015, the hospitality industry in Hiawassee was negatively impacted. A significant number of retail-sector employees in Hiawassee and Blairsville quit their jobs for better paying jobs at the new casino. The fast food restaurants, resorts, and other small businesses in the local area have been having difficulty finding new workers. According to Ms. Lee, the retail industry is just beginning to show signs of improvement from the most recent recession. The recovery has been slower in Hiawassee but recent increases in real estate sales and home building are positive economic indicators of a recovering economy.

**4. Employment and Unemployment Trends**

The following table details employment and unemployment trends for the SMA and nation from 2001 to December 2015.

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

Year	SMA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	19,065	-	3.8%	-	136,933,000	-	4.7%	-
2002	19,889	4.3%	4.2%	0.5%	136,485,000	-0.3%	5.8%	1.1%
2003	21,173	6.5%	3.9%	-0.3%	137,736,000	0.9%	6.0%	0.2%
2004	21,783	2.9%	3.9%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	22,649	4.0%	4.3%	0.5%	141,730,000	1.8%	5.1%	-0.4%
2006	23,179	2.3%	4.2%	-0.1%	144,427,000	1.9%	4.6%	-0.5%
2007	23,684	2.2%	4.3%	0.1%	146,047,000	1.1%	4.6%	0.0%
2008	22,536	-4.8%	6.0%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	21,428	-4.9%	9.6%	3.5%	139,877,000	-3.8%	9.3%	3.5%
2010	18,537	-13.5%	11.7%	2.1%	139,064,000	-0.6%	9.6%	0.3%
2011	18,486	-0.3%	11.4%	-0.3%	139,869,000	0.6%	8.9%	-0.7%
2012	18,875	2.1%	10.1%	-1.3%	142,469,000	1.9%	8.1%	-0.8%
2013	18,465	-2.2%	9.0%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2014	18,524	0.3%	7.6%	-1.4%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	18,797	1.5%	6.2%	-1.4%	148,833,417	1.7%	5.3%	-0.9%
Dec-2014	18,053	-	6.7%	-	147,190,000	-	5.4%	-
Dec-2015	18,889	4.6%	5.4%	-1.3%	149,703,000	1.7%	4.8%	-0.6%

Source: U.S. Bureau of Labor Statistics April 2016

\*2015 data is through Mar

Total employment grew every year between 2005 and 2007 in the SMA. The SMA experienced a significant decrease in total employment between 2008 and 2011, when total employment decreased 23.5 percent. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a much smaller decline in total employment than the SMA from 2008 to 2011. With the exception of 2013, total employment in the SMA has increased every year since 2012. Further, the SMA experienced

growth in total employment of 4.6 percent from December 2014 to December 2015. Despite recent growth, total employment in the SMA remains below pre-recession levels.

The unemployment rate in the SMA was lower than that of the nation from 2005 through 2007. However, the unemployment rate in the SMA has remained at rate above the nation since 2008. The SMA experienced its highest level of unemployment in 2010 when it reached 11.7 percent. The unemployment rate in the SMA decreased every year from 2011 through 2015. As of December 2015, the unemployment rate in the SMA was 0.6 percentage points higher than that of the nation. The recent growth in total employment and decrease in unemployment is evidence of an improving local economy.

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

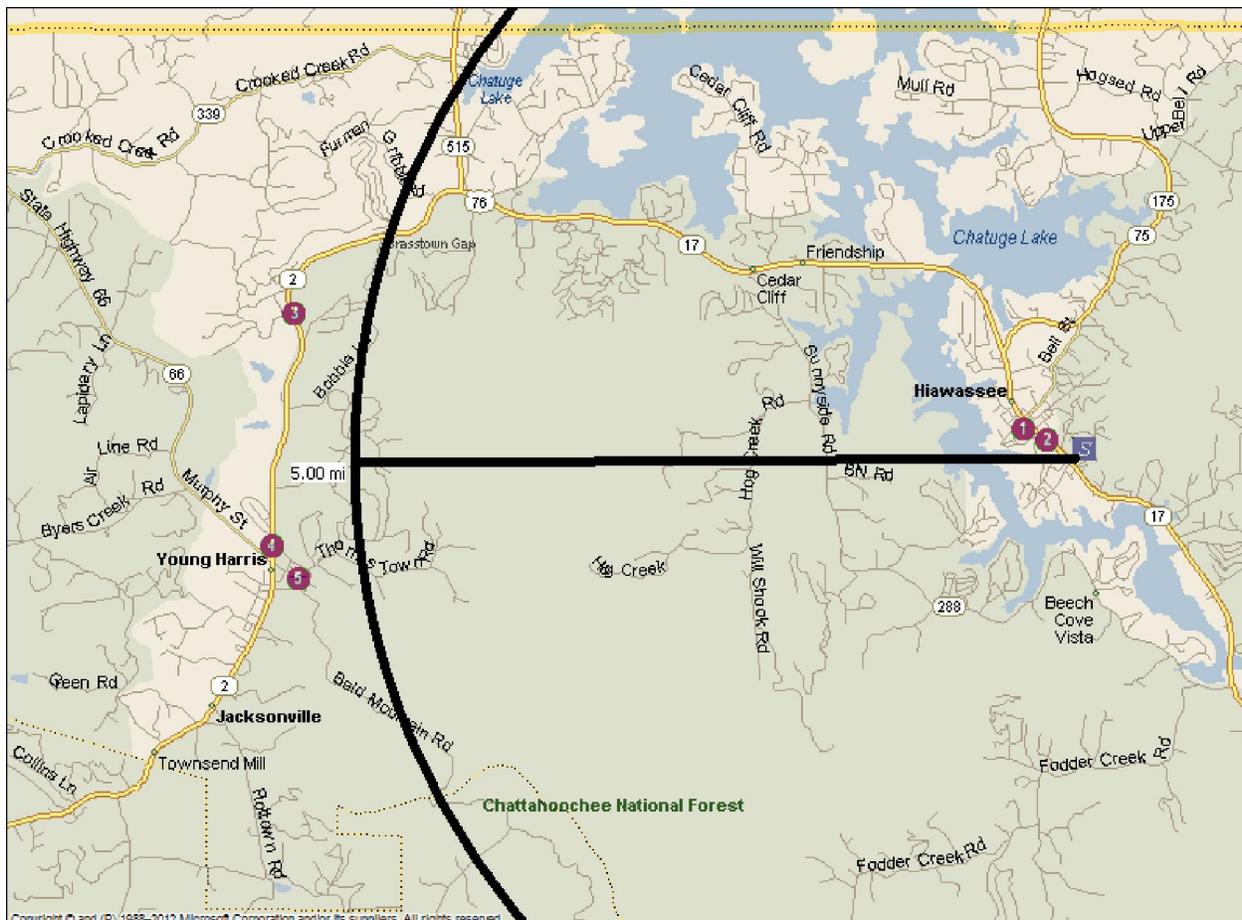
The following map and table details the largest employers in Towns County, GA.

#### MAJOR EMPLOYERS

Towns County, GA

#	Company	Industry	Number of Employees
1	Towns County Government and Schools	Government/Education	412
2	Catuge Regional Hospital	Healthcare	256
3	Brasstown Valley Resort	Resort	240
4	Blue Ridge Mountain EMC	Utilities	158
5	Young Harris College	Education	120

Source: Southeast Industrial Development Association, April 2016



**Conclusion**

Hiawassee is primarily a resort and vacation area for Georgia and the surrounding states of North Carolina, Alabama, and Tennessee. Chatuge Lake is located in Hiawassee and is the main draw for visitors. Many resorts and vacation homes dot Chatuge Lake's shoreline. Therefore, a significant portion of total employment in the area is concentrated in industries servicing the resorts and vacationing tourists. The third largest employer in Towns County is Brasstown Valley Resort, which employs 240 workers. Construction, retail trade, educational services, and health care/social assistance are the largest industries within the PMA. These industries account for approximately 52.1 percent of total employment within the PMA. The SMA experienced a significant decrease in total employment between 2008 and 2011, when total employment decreased 23.5 percent. The decrease in employment suggests that the national recession negatively impacted the local area. With the exception of 2013, total employment in the SMA has increased every year since 2012. Further, the SMA experienced growth in total employment of 4.6 percent from December 2014 to December 2015. Despite recent growth, total employment in the SMA remains below pre-recession levels. The unemployment rate in the SMA was lower than that of the nation from 2005 through 2007. However, the unemployment rate in the SMA has remained at rate above the nation since 2008. As of December 2015, the unemployment rate in the SMA was 0.6 percentage points higher than that of the nation. The recent growth in total employment and decrease in unemployment is evidence of an improving local economy.

## **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 family 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).

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. The Subject’s market rate units will not have a maximum allowable income level. For the purposes of this demand analysis, we utilized a maximum income limit of \$50,000 for the market rate units.

### **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 seniors. 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 October 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to October 2018 by interpolation of the difference between 2015 estimates and 2020 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 October 2018. This number takes the overall growth from 2015 to October

2018 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.

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. Elderly Homeowners Likely to Convert to Rentership**

The third source 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.

### **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 2014 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 2014 and 2015.
- Vacancies in projects placed in service prior to 2014 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 2014 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, there were no properties awarded LIHTC in the PMA in 2014 or 2015.

The Gardens (HFOP) was allocated LIHTC in 2013 and targets seniors age 55 and older. This property is currently in absorption. The Gardens is restricted to seniors age 55 and older and will not directly compete with the Subject.

The Meadows was allocated LIHTC in 2015 and will target families. Although The Meadows will offer a similar type product as the proposed Subject, it is located outside of the PMA. Therefore, we have not removed these units from the demand analysis.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2014 and present.

<b>Additions To Supply (Cumulative)/Existing Units</b>	<b>50%</b>	<b>60%</b>	<b>Overall</b>
One Bedroom	0	0	0
Two Bedroom	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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**

<b>#</b>	<b>Property Name</b>	<b>Type</b>	<b>Tenancy</b>	<b>Location</b>	<b>Total Units</b>	<b>Occupied Units</b>	<b>Occupancy Rate</b>
1	Enota Village Apartments	LIHTC/Mkt	Family	Young Harris	62	61	98.4%
2	Oakmont Knoll Apartments	Market	Family	Hiawassee	16	13	81.3%
<b>OVERALL</b>					<b>78</b>	<b>74</b>	<b>94.9%</b>

The previous table illustrates family LIHTC occupancy in the PMA, not including subsidized properties. Overall, occupancy is considered high with 74 of 78 units occupied. Therefore, we believe a PMA occupancy rate of 95 percent or higher is reasonable. We will discuss the lower than average occupancy rate at Oakmont Knoll Apartments in the supply section of the report.

**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.

None of the Subject's units will operate with PBRA and the Subject is proposed; therefore, there are no existing tenants. We have conducted the Demand Analysis based upon the 53 revenue-generating units proposed at the Subject.

**Capture Rates**

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

Renter Household Income Distribution 2015 to Projected Market Entry October 2018					
Mountain View Apartments					
PMA					
	2015		Projected Mkt Entry October 2018		Percent Growth
	#	%	#	%	
\$0-9,999	298	16.7%	331	17.6%	9.8%
\$10,000-19,999	439	24.6%	481	25.6%	8.7%
\$20,000-29,999	344	19.3%	374	19.9%	7.9%
\$30,000-39,999	156	8.7%	166	8.8%	5.8%
\$40,000-49,999	201	11.2%	191	10.2%	-5.3%
\$50,000-59,999	135	7.5%	122	6.5%	-10.1%
\$60,000-74,999	60	3.3%	63	3.3%	4.4%
\$75,000-99,999	52	2.9%	54	2.9%	3.2%
\$100,000-124,999	42	2.3%	37	2.0%	-12.0%
\$125,000-149,999	18	1.0%	22	1.2%	19.0%
\$150,000-199,999	25	1.4%	25	1.3%	0.4%
\$200,000+	17	1.0%	14	0.7%	-22.0%
Total	1,786	100.0%	1,878	100.0%	4.9%

Renter Household Income Distribution Projected Market Entry October 2018			
Mountain View Apartments			
	PMA		
	Projected Mkt Entry October 2018		Change 2015 to Prj Mrkt Entry October 2018
	#	%	
\$0-9,999	331	17.6%	16
\$10,000-19,999	481	25.6%	24
\$20,000-29,999	374	19.9%	18
\$30,000-39,999	166	8.8%	8
\$40,000-49,999	191	10.2%	9
\$50,000-59,999	122	6.5%	6
\$60,000-74,999	63	3.3%	3
\$75,000-99,999	54	2.9%	3
\$100,000-124,999	37	2.0%	2
\$125,000-149,999	22	1.2%	1
\$150,000-199,999	25	1.3%	1
\$200,000+	14	0.7%	1
Total	1,878	100.0%	92

Tenure Prj Mrkt Entry October 2018	
Renter	21.8%
Owner	78.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry October 2018		
Size	Number	Percentage
1 Person	840	44.7%
2 Person	472	25.1%
3 Person	227	12.1%
4 Person	178	9.5%
5+ Person	160	8.5%
Total	1,878	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	418	41.3%
2 Person	266	26.3%
3 Person	148	14.6%
4 Person	93	9.2%
5+ Person	87	8.6%
Total	1,012	100.0%

50% AMI

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

Percent of AMI Level			50%		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$22,050 3		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	16.24			
\$10,000-19,999	23.62	25.6%	4,399	44.0%	10
\$20,000-29,999	18.36	19.9%	2,050	20.5%	4
\$30,000-39,999	8.13	8.8%		0.0%	0
\$40,000-49,999	9.37	10.2%		0.0%	0
\$50,000-59,999	6.01	6.5%		0.0%	0
\$60,000-74,999	3.07	3.3%		0.0%	0
\$75,000-99,999	2.66	2.9%		0.0%	0
\$100,000-124,999	1.83	2.0%		0.0%	0
\$125,000-149,999	1.10	1.2%		0.0%	0
\$150,000-199,999	1.21	1.3%		0.0%	0
\$200,000+	0.69	0.7%		0.0%	0
	92	100.0%			14
Percent of renter households within limits versus total number of renter households					15.34%

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

Percent of AMI Level			50%		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$22,050 3		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	331			
\$10,000-19,999	481	25.6%	4,399	44.0%	211
\$20,000-29,999	374	19.9%	2,050	20.5%	77
\$30,000-39,999	166	8.8%		0.0%	0
\$40,000-49,999	191	10.2%		0.0%	0
\$50,000-59,999	122	6.5%		0.0%	0
\$60,000-74,999	63	3.3%		0.0%	0
\$75,000-99,999	54	2.9%		0.0%	0
\$100,000-124,999	37	2.0%		0.0%	0
\$125,000-149,999	22	1.2%		0.0%	0
\$150,000-199,999	25	1.3%		0.0%	0
\$200,000+	14	0.7%		0.0%	0
	1,878	100.0%			288
Percent of renter households within limits versus total number of renter households					15.34%

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 October 2018

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%	
	\$32,044	
	\$41,780	
	\$9,736	
	23.3%	
	0.3%	
	0.3%	Two year adjustment 1.0000
	\$22,050	
	\$22,050	
	3	
	50%	
	\$455	
	\$455.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	80%	20%	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 October 2018

Income Target Population		50%
New Renter Households PMA		92
Percent Income Qualified		15.3%
New Renter Income Qualified Households		14

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		1,878
Income Qualified		15.3%
Income Qualified Renter Households		288
Percent Rent Overburdened Prj Mrkt Entry October 2018		40.3%
Rent Overburdened Households		116

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		288
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		1

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		117
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		117
Total New Demand		14
Total Demand (New Plus Existing Households)		131

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	44.7%	59
Two Persons	25.1%	33
Three Persons	12.1%	16
Four Persons	9.5%	12
Five Persons	8.5%	11
Total	100.0%	131

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	53
Of two-person households in 1BR units	20%	7
Of one-person households in 2BR units	10%	6
Of two-person households in 2BR units	80%	26
Of three-person households in 2BR units	80%	13
Of three-person households in 3BR units	20%	3
Of four-person households in 3BR units	80%	10
Of five-person households in 3BR units	70%	8
Of four-person households in 4BR units	20%	2
Of five-person households in 4BR units	30%	3
Total Demand		131
Check		OK

Total Demand by Bedroom	50%
1 BR	59
2 BR	45
Total Demand	104

Additions To Supply 2015 to Prj Mrkt Entry October 2018	50%
1 BR	0
2 BR	0
Total	0

Net Demand	50%
1 BR	59
2 BR	45
Total	104

Developer's Unit Mix	50%
1 BR	4
2 BR	7
Total	11

Capture Rate Analysis	50%
1 BR	6.7%
2 BR	15.6%
Total	10.6%

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$18,686			
Maximum Income Limit		\$26,460		3	
		New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Renter Households within Bracket	
Income Category		Income Brackets	Percent within Cohort		
\$0-9,999	16.24		0.0%	0	
\$10,000-19,999	23.62	1,313	13.1%	3	
\$20,000-29,999	18.36	6,460	64.6%	12	
\$30,000-39,999	8.13		0.0%	0	
\$40,000-49,999	9.37		0.0%	0	
\$50,000-59,999	6.01		0.0%	0	
\$60,000-74,999	3.07		0.0%	0	
\$75,000-99,999	2.66		0.0%	0	
\$100,000-124,999	1.83		0.0%	0	
\$125,000-149,999	1.10		0.0%	0	
\$150,000-199,999	1.21		0.0%	0	
\$200,000+	0.69		0.0%	0	
	92		100.0%	15	
Percent of renter households within limits versus total number of renter households				16.21%	

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

Percent of AMI Level		60%			
Minimum Income Limit		\$18,686			
Maximum Income Limit		\$26,460		3	
		Total Renter Households PMA Prj Mrkt Entry October 2018		Households within Bracket	
Income Category		Income Brackets	Percent within Cohort		
\$0-9,999	3.31		0.0%	0	
\$10,000-19,999	4.81	1,313	13.1%	63	
\$20,000-29,999	3.74	6,460	64.6%	241	
\$30,000-39,999	1.66		0.0%	0	
\$40,000-49,999	1.91		0.0%	0	
\$50,000-59,999	1.22		0.0%	0	
\$60,000-74,999	0.63		0.0%	0	
\$75,000-99,999	0.54		0.0%	0	
\$100,000-124,999	0.37		0.0%	0	
\$125,000-149,999	0.22		0.0%	0	
\$150,000-199,999	0.25		0.0%	0	
\$200,000+	0.14		0.0%	0	
	1,878		100.0%	305	
Percent of renter households within limits versus total number of renter households				16.21%	

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 October 2018  
 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%	
	\$32,044	
	\$41,780	
	\$9,736	
	23.3%	
	0.3%	
	0.3%	Two year adjustment 1.0000
	\$26,460	
	\$26,460	
	3	
	60%	
	\$545	
	\$545.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	80%	20%	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 October 2018

Income Target Population		60%
New Renter Households PMA		92
Percent Income Qualified		16.2%
New Renter Income Qualified Households		15

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		1,878
Income Qualified		16.2%
Income Qualified Renter Households		305
Percent Rent Overburdened Prj Mrkt Entry October 2018		40.3%
Rent Overburdened Households		123

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		305
Percent Living in Substandard Housing		0.4%
Households Living in Substandard Housing		1

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		124
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		124
Total New Demand		15
Total Demand (New Plus Existing Households)		139

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	44.7%	62
Two Persons	25.1%	35
Three Persons	12.1%	17
Four Persons	9.5%	13
Five Persons	8.5%	12
Total	100.0%	139

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	56
Of two-person households in 1BR units	20%	7
Of one-person households in 2BR units	10%	6
Of two-person households in 2BR units	80%	28
Of three-person households in 2BR units	80%	13
Of three-person households in 3BR units	20%	3
Of four-person households in 3BR units	80%	11
Of five-person households in 3BR units	70%	8
Of four-person households in 4BR units	20%	3
Of five-person households in 4BR units	30%	4
Total Demand		139
Check		OK

Total Demand by Bedroom	60%
1 BR	63
2 BR	48
Total Demand	111

Additions To Supply 2015 to Prj Mrkt Entry October 2018	60%
1 BR	0
2 BR	0
Total	0

Net Demand	60%
1 BR	63
2 BR	48
Total	111

Developer's Unit Mix	60%
1 BR	24
2 BR	16
Total	40

Capture Rate Analysis	60%
1 BR	38.1%
2 BR	33.6%
Total	36.2%

Market Rate

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$17,143			
Maximum Income Limit		\$50,000 3			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	16.24	17.6%		0.0%	0
\$10,000-19,999	23.62	25.6%	\$2,856	28.6%	7
\$20,000-29,999	18.36	19.9%	\$9,999	100.0%	18
\$30,000-39,999	8.13	8.8%	\$9,999	100.0%	8
\$40,000-49,999	9.37	10.2%	\$9,999	100.0%	9
\$50,000-59,999	6.01	6.5%		0.0%	0
\$60,000-74,999	3.07	3.3%		0.0%	0
\$75,000-99,999	2.66	2.9%		0.0%	0
\$100,000-124,999	1.83	2.0%		0.0%	0
\$125,000-149,999	1.10	1.2%		0.0%	0
\$150,000-199,999	1.21	1.3%		0.0%	0
\$200,000+	0.69	0.7%		0.0%	0
	92	100.0%			43
Percent of renter households within limits versus total number of renter households					46.17%

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$17,143			
Maximum Income Limit		\$50,000 3			
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	331	17.6%		0.0%	0
\$10,000-19,999	481	25.6%	\$2,856	28.6%	137
\$20,000-29,999	374	19.9%	\$9,999	100.0%	374
\$30,000-39,999	166	8.8%	\$9,999	100.0%	166
\$40,000-49,999	191	10.2%	\$9,999	100.0%	191
\$50,000-59,999	122	6.5%		0.0%	0
\$60,000-74,999	63	3.3%		0.0%	0
\$75,000-99,999	54	2.9%		0.0%	0
\$100,000-124,999	37	2.0%		0.0%	0
\$125,000-149,999	22	1.2%		0.0%	0
\$150,000-199,999	25	1.3%		0.0%	0
\$200,000+	14	0.7%		0.0%	0
	1,878	100.0%			867
Percent of renter households within limits versus total number of renter households					46.17%

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 October 2018

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%		
\$32,044		
\$41,780		
\$9,736		
23.3%		
0.3%		
0.3%	Two year adjustment	1.0000
\$50,000		
\$50,000		
3		
Market Rate		
\$500		
\$500.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	80%	20%	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 October 2018

	Market Rate
Income Target Population	
New Renter Households PMA	92
Percent Income Qualified	46.2%
New Renter Income Qualified Households	43

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	1,878
Income Qualified	46.2%
Income Qualified Renter Households	867
Percent Rent Overburdened Prj Mrkt Entry October 2018	26.0%
Rent Overburdened Households	225

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	867
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	3

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	228
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	228
Total New Demand	43
Total Demand (New Plus Existing Households)	271

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	44.7%	121
Two Persons	25.1%	68
Three Persons	12.1%	33
Four Persons	9.5%	26
Five Persons	8.5%	23
Total	100.0%	271

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	109
Of two-person households in 1BR units	20%	14
Of one-person households in 2BR units	10%	12
Of two-person households in 2BR units	80%	55
Of three-person households in 2BR units	80%	26
Of three-person households in 3BR units	20%	7
Of four-person households in 3BR units	80%	21
Of five-person households in 3BR units	70%	16
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	7
Total Demand		271
Check		OK

Total Demand by Bedroom	Market Rate
2 BR	93
Total Demand	93

Additions To Supply 2015 to Prj Mrkt Entry October 2018	Market Rate
2 BR	0
Total	0

Net Demand	Market Rate
2 BR	93
Total	93

Developer's Unit Mix	Market Rate
2 BR	2
Total	2

Capture Rate Analysis	Market Rate
2 BR	2.2%
Total	2.2%

Overall

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$26,460		
			3		
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	16.24			
\$10,000-19,999	23.62	25.6%	4,399	44.0%	10
\$20,000-29,999	18.36	19.9%	6,460	64.6%	12
\$30,000-39,999	8.13	8.8%		0.0%	0
\$40,000-49,999	9.37	10.2%		0.0%	0
\$50,000-59,999	6.01	6.5%		0.0%	0
\$60,000-74,999	3.07	3.3%		0.0%	0
\$75,000-99,999	2.66	2.9%		0.0%	0
\$100,000-124,999	1.83	2.0%		0.0%	0
\$125,000-149,999	1.10	1.2%		0.0%	0
\$150,000-199,999	1.21	1.3%		0.0%	0
\$200,000+	0.69	0.7%		0.0%	0
	92	100.0%			22
Percent of renter households within limits versus total number of renter households					24.11%

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

Percent of AMI Level			Overall		
Minimum Income Limit			\$15,600		
Maximum Income Limit			\$26,460		
			3		
Income Category	Total Renter Households PMA Prj Mrkt Entry October 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	331			
\$10,000-19,999	481	25.6%	4,399	44.0%	211
\$20,000-29,999	374	19.9%	6,460	64.6%	241
\$30,000-39,999	166	8.8%		0.0%	0
\$40,000-49,999	191	10.2%		0.0%	0
\$50,000-59,999	122	6.5%		0.0%	0
\$60,000-74,999	63	3.3%		0.0%	0
\$75,000-99,999	54	2.9%		0.0%	0
\$100,000-124,999	37	2.0%		0.0%	0
\$125,000-149,999	22	1.2%		0.0%	0
\$150,000-199,999	25	1.3%		0.0%	0
\$200,000+	14	0.7%		0.0%	0
	1,878	100.0%			453
Percent of renter households within limits versus total number of renter households					24.11%

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 October 2018  
 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%
\$32,044
\$41,780
\$9,736
23.3%
0.3%
0.3%
Two year adjustment
1.0000
\$26,460
\$26,460
3
Overall
\$455
\$455.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	80%	20%	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 October 2018

	Overall
Income Target Population	
New Renter Households PMA	92
Percent Income Qualified	24.1%
New Renter Income Qualified Households	22

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	1,878
Income Qualified	24.1%
Income Qualified Renter Households	453
Percent Rent Overburdened Prj Mrkt Entry October 2018	40.3%
Rent Overburdened Households	183

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	453
Percent Living in Substandard Housing	0.4%
Households Living in Substandard Housing	2

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

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	184
Adjustment Factor - Leakage from SMA	100%
Adjusted Demand from Existing Households	184
Total New Demand	22
Total Demand (New Plus Existing Households)	207

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	44.7%	93
Two Persons	25.1%	52
Three Persons	12.1%	25
Four Persons	9.5%	20
Five Persons	8.5%	18
Total	100.0%	207

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	83
Of two-person households in 1BR units	20%	10
Of one-person households in 2BR units	10%	9
Of two-person households in 2BR units	80%	42
Of three-person households in 2BR units	80%	20
Of three-person households in 3BR units	20%	5
Of four-person households in 3BR units	80%	16
Of five-person households in 3BR units	70%	12
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	5
Total Demand		207
Check		OK

Total Demand by Bedroom	Overall
1 BR	94
2 BR	71
Total Demand	165

Additions To Supply 2015 to Prj Mrkt Entry October 2018	Overall
1 BR	0
2 BR	0
Total	0

Net Demand	Overall
1 BR	94
2 BR	71
Total	165

Developer's Unit Mix	Overall
1 BR	28
2 BR	23
Total	51

Capture Rate Analysis	Overall
1 BR	29.9%
2 BR	32.4%
Total	31.0%

**Conclusions**

We have conducted such an analysis to determine a base of demand for the 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 1.1 percent between 2015 and October 2018. This rate of growth is strong given the rural nature of the PMA.
- There is one vacant LIHTC unit at the five LIHTC comparables used in our analysis. The overall vacancy rate of the comparables is 0.9 percent.
- There will be limited competition for the Subject’s one-bedroom units.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from outside of the PMA 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.

**CAPTURE RATE ANALYSIS CHART**

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1 BR @ 50% AMI	4	59	0	59	6.7%	Seven months	\$513	\$360-\$649	\$319
2 BR @ 50% AMI	7	45	0	45	15.6%	Seven months	\$562	\$406-\$749	\$373
<b>50% AMI Overall</b>	<b>11</b>	<b>104</b>	<b>0</b>	<b>104</b>	<b>10.6%</b>	<b>Seven months</b>	<b>\$513-\$562</b>	<b>\$360-\$749</b>	<b>\$319-\$358</b>
1 BR @ 60% AMI	24	63	0	63	38.1%	Seven months	\$564	\$460-\$649	\$409
2 BR @ 60% AMI	16	48	0	48	33.6%	Seven months	\$639	\$543-\$749	\$439
<b>60% AMI Overall</b>	<b>40</b>	<b>111</b>	<b>0</b>	<b>111</b>	<b>36.2%</b>	<b>Seven months</b>	<b>\$564-\$639</b>	<b>\$460-\$749</b>	<b>\$394-\$419</b>
2 BR @ Market Rate	2	93	0	93	2.2%	Seven months	\$684	\$625-\$749	\$500
<b>Market Rate Overall</b>	<b>2</b>	<b>93</b>	<b>0</b>	<b>93</b>	<b>2.2%</b>	<b>Seven months</b>	<b>\$684</b>	<b>\$625-\$749</b>	<b>\$500</b>
1 BR Overall	28	94	0	94	29.9%	Seven months	\$513	\$360-\$649	\$319-\$394
2 BR Overall	23	71	0	71	32.4%	Seven months	\$639	\$406-\$749	\$358-\$419
<b>Overall</b>	<b>53</b>	<b>165</b>	<b>0</b>	<b>165</b>	<b>31.0%</b>	<b>Seven months</b>	<b>\$513-\$562</b>	<b>\$360-\$749</b>	<b>\$319-\$419</b>

**Demand and Net Demand**

	HH at 50% AMI	HH at 60% AMI	HH at Market Rate	All Tax Credit Households
Demand from New Households (age and income appropriate)	14	15	43	22
<b>PLUS</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Substandard Housing	1	1	3	2
<b>PLUS</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Rent Overburdened Households	116	123	225	183
<b>PLUS</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>+</b>
<b>Secondary Market Demand adjustment IF ANY Subject to 15% Limitation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total</b>	<b>131</b>	<b>139</b>	<b>271</b>	<b>207</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0
<b>Equals Total Demand</b>	<b>131</b>	<b>139</b>	<b>271</b>	<b>207</b>
<b>Less</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	0	0	0	0
<b>Equals Net Demand</b>	<b>131</b>	<b>139</b>	<b>271</b>	<b>207</b>

As the analysis illustrates, the Subject's 50 percent capture rates range from 6.7 to 15.6 percent, with an overall capture rate of 10.6 percent. The Subject's 60 percent AMI capture rates range from 33.6 to 38.1 percent, with an overall capture rate of 36.2 percent. The Subject's market rate capture rate is 2.2 percent. The overall capture rate for the Subject's 50 and 60 percent units is 31.0 percent. Therefore, we believe there is adequate demand for the Subject.

## **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 eight comparable properties containing 424 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 adequate to support our conclusions. There is one unsubsidized family LIHTC property in the PMA, Enota Village Apartments. Due to the rural nature of Hiawassee and the lack of LIHTC data in the local market, we used additional LIHTC comparables in the cities of Cornelia, Blairsville, Rabun Gap, and Cleveland. These properties are located between 17.7 and 42.3 miles from the Subject and outside the PMA. The LIHTC comparables were built between 1997 and 2008. We chose comparable properties based on physical characteristics and quality, rather than location. We understand that rental housing located in these cities is not directly comparable to rental housing located in Hiawassee. However, due to the lack of local LIHTC data, we have used several properties in other markets for comparison purposes.

The availability of market rate data is considered adequate to support our conclusions. We included one market rate comparable located in the PMA, Oakmont Knoll Apartments. This property is located 0.5 miles from the Subject in Hiawassee. Due to the lack of market rate data in the PMA, we used additional market rate comparables in the cities of Clarkesville and Demorest. These properties are located 35.9 to 38.8 miles from the proposed Subject and were built between 1997 and 2004.

**Excluded Properties**

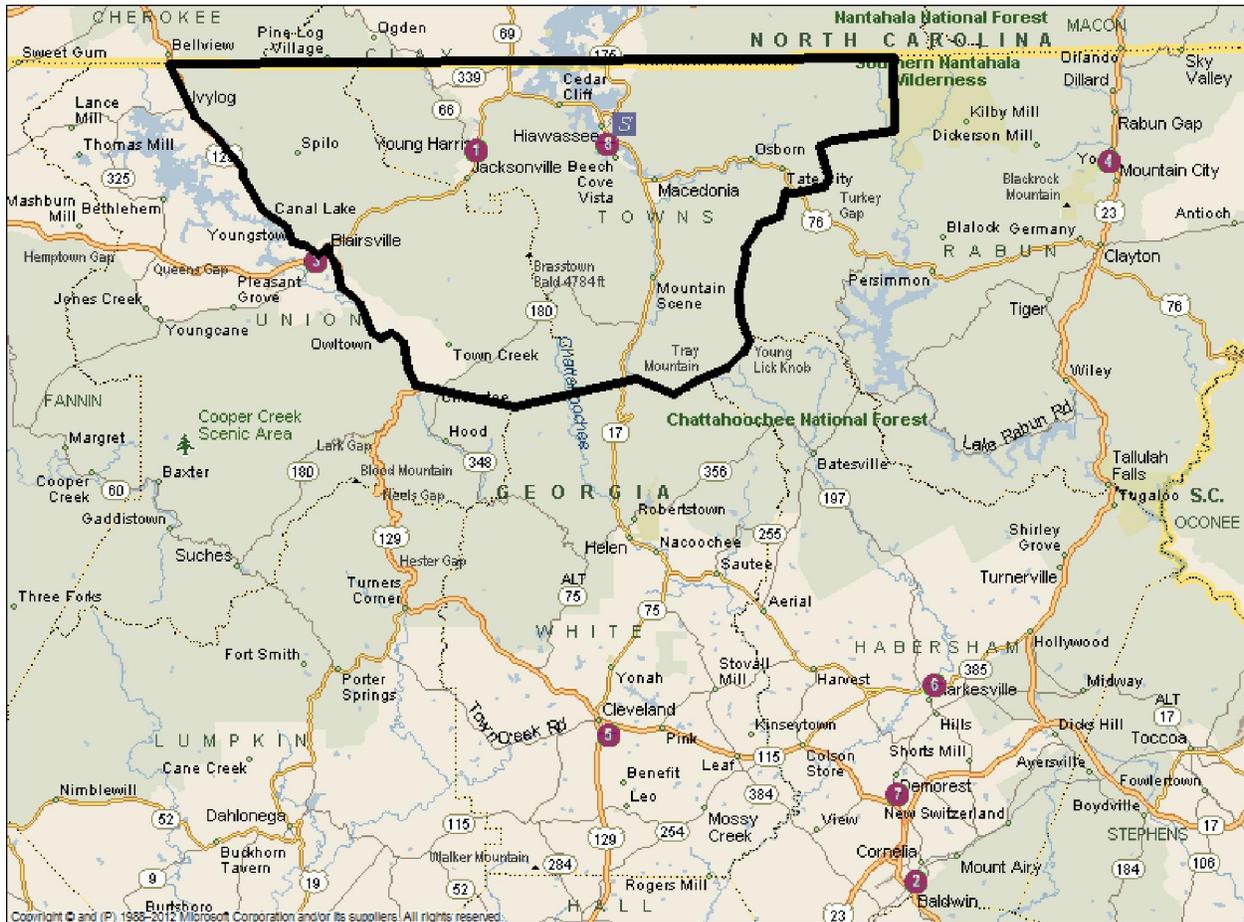
The following table illustrates properties within the PMA that have been excluded from our analysis.

EXCLUDED PROPERTIES IN PMA				
Name	City	Type	Tenancy	Reason for Exclusion
Tan Yard Branch I	Blairsville	Rural Development	Family	Subsidized
Tan Yard Branch II	Blairsville	Rural Development	Senior	Subsidized
Cottage Hill Apartments	Hiawassee	Rural Development	Senior	Subsidized
Hiawassee Apartments	Hiawassee	Rural Development	Family	Subsidized
Young Harris Apartments	Hiawassee	Rural Development	Family	Subsidized
Carol Stroud	Hiawassee	Rural Development	Family	Subsidized
Big Sky Village	Hiawassee	LIHTC	Senior	Tenancy
The Gardens	Young Harris	LIHTC	Senior	Tenancy

Big Sky Village and The Gardens are Housing for Older Persons (HFOP) developments restricted to seniors age 55 and older. Big Sky Village is located in Hiawassee and was constructed in 2008. It consists of 48 one and two-bedroom units restricted at 50 and 60 percent AMI. The property is 97.9 percent occupied and maintains a waiting list of nine households.

The Gardens is located in Young Harris and was constructed in 2015. It consists of 50 one and two-bedroom units restricted at 50 and 60 percent AMI. The property is currently in absorption and is 72.0 percent occupied.

**Comparable Rental Property Map**



**COMPARABLE PROPERTIES**

#	Property Name	City	County	Type	Distance
1	Enota Village Apartments	Young Harris	Towns	LIHTC/Market	8.7 miles
2	Heritage Gardens	Comelia	Habersham	LIHTC/Market	42.3 miles
3	Nantahala Village Apartments	Blairsville	Union	LIHTC	17.7 miles
4	Vista Ridge Apartments	Rabun Gap	Rabun	LIHTC	29.7 miles
5	Whitehall Commons	Cleveland	White	LIHTC/Market	30.2 miles
6	Cameron At Clarkesville	Clarkesville	Habersham	Market	35.9 miles
7	Kensington Townhomes	Demorest	Habersham	Market	38.8 miles
8	Oakmont Knoll Apartments	Hiawassee	Towns	Market	0.5 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	Mountain View Apartments US Highway 76 And Ross Lloyd Road Hiawassee, GA 30546 Towns County	n/a	Garden (2 stories) Proposed	LIHTC/Mkt	1BR / 1BA	4	7.40%	@50%	\$319	815	no		N/A	N/A	
					1BR / 1BA	24	44.40%	@60%	\$409	815	no		N/A	N/A	
					2BR / 2BA	7	13.00%	@50%	\$373	1,105	no		N/A	N/A	
					2BR / 2BA	16	29.60%	@60%	\$439	1,105	no		N/A	N/A	
					2BR / 2BA	2	3.70%	Market	\$500	1,105	n/a		N/A	N/A	
					2BR / 2BA	1	1.90%	Non-Rental	N/A	1,105	n/a		N/A	N/A	
						54	100%							N/A	N/A
1	Enota Village Apartments 55 Enota Village Drive Young Harris, GA 30582 Towns County	8.7 miles	Garden (3 stories) 2008	LIHTC/Mkt	2BR / 2BA	2	3.20%	@30%	\$197	1,143	yes	Yes	0	0.00%	
					2BR / 2BA	14	22.60%	@50%	\$406	1,143	yes	Yes	1	7.10%	
					2BR / 2BA	4	6.50%	Market	\$656	1,143	n/a	Yes	0	0.00%	
					3BR / 2BA	6	9.70%	@30%	\$209	1,412	yes	Yes	0	0.00%	
					3BR / 2BA	23	37.10%	@50%	\$451	1,412	yes	Yes	0	0.00%	
					3BR / 2BA	5	8.10%	Market	\$817	1,412	n/a	Yes	0	0.00%	
					4BR / 2BA	2	3.20%	@30%	\$202	1,615	yes	Yes	0	0.00%	
					4BR / 2BA	2	3.20%	@50%	\$473	1,615	yes	Yes	0	0.00%	
					4BR / 2BA	4	6.50%	Market	\$942	1,615	n/a	Yes	0	0.00%	
						62	100%							1	1.60%
2	Heritage Gardens 110 Heritage Gardens Drive Cornelia, GA 30531 Habersham County	42.3 miles	Garden (4 stories) 1998 / 2006	LIHTC/Mkt	1BR / 1BA	2	2.50%	@30%	\$162	856	yes	Yes	0	0.00%	
					1BR / 1BA	11	13.80%	@50%	\$360	856	yes	No	0	0.00%	
					1BR / 1BA	3	3.80%	@60%	\$460	856	yes	No	0	0.00%	
					1BR / 1BA	4	5.00%	Market	\$583	856	n/a	No	0	0.00%	
					2BR / 2BA	5	6.20%	@30%	\$185	1,074	yes	Yes	0	0.00%	
					2BR / 2BA	18	22.50%	@50%	\$424	1,074	yes	No	0	0.00%	
					2BR / 2BA	9	11.20%	@60%	\$543	1,074	yes	No	0	0.00%	
					2BR / 2BA	8	10.00%	Market	\$676	1,074	n/a	No	0	0.00%	
					3BR / 2BA	2	2.50%	@30%	\$195	1,304	yes	Yes	0	0.00%	
					3BR / 2BA	11	13.80%	@50%	\$471	1,304	yes	No	0	0.00%	
					3BR / 2BA	3	3.80%	@60%	\$608	1,304	yes	No	0	0.00%	
					3BR / 2BA	4	5.00%	Market	\$761	1,304	n/a	No	0	0.00%	
											80	100%			
3	Nantahala Village Apartments 501 Nantahala Lane Blairsville, GA 30512 Union County	17.7 miles	Garden (3 stories) 1997	LIHTC	2BR / 2BA	8	14.50%	@45%	\$374	878	yes	Yes	0	0.00%	
					2BR / 2BA	9	16.40%	@50%	\$414	878	yes	Yes	0	0.00%	
					3BR / 2BA	12	21.80%	@45%	\$413	1,100	yes	Yes	0	0.00%	
					3BR / 2BA	18	32.70%	@55%	\$554	1,100	yes	Yes	0	0.00%	
					4BR / 2BA	4	7.30%	@45%	\$430	1,372	yes	Yes	0	0.00%	
					4BR / 2BA	4	7.30%	@55%	\$587	1,372	yes	Yes	0	0.00%	
						55	100%							0	0.00%
4	Vista Ridge Apartments 160 Marson Knob Drive Rabun Gap, GA 30568 Rabun County	29.7 miles	Garden (2 stories) 2006	LIHTC	2BR / 2BA	N/A	N/A	@50%	\$436	878	yes	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	@60%	\$558	878	yes	Yes	0	N/A	
					3BR / 3BA	N/A	N/A	@50%	\$470	1,104	yes	Yes	0	N/A	
					3BR / 3BA	N/A	N/A	@60%	\$626	1,104	yes	Yes	0	N/A	
					4BR / 2BA	N/A	N/A	@50%	\$512	1,372	yes	Yes	0	N/A	
						64	100%							0	0.00%
5	Whitehall Commons 29 Whitehall Commons Lane Cleveland, GA 30528 White County	30.2 miles	Garden (3 stories) 2009	LIHTC/Mkt	2BR / 2BA	9	14.10%	@50%	\$430	1,099	yes	Yes	0	0.00%	
					2BR / 2BA	6	9.40%	@60%	\$550	1,099	yes	Yes	0	0.00%	
					2BR / 2BA	9	14.10%	Market	\$650	1,099	n/a	Yes	0	0.00%	
					3BR / 2BA	12	18.80%	@50%	\$475	1,308	yes	Yes	0	0.00%	
					3BR / 2BA	9	14.10%	@60%	\$625	1,308	yes	Yes	0	0.00%	
					3BR / 2BA	9	14.10%	Market	\$799	1,308	n/a	Yes	0	0.00%	
					4BR / 2BA	4	6.20%	@50%	\$505	1,442	yes	Yes	0	0.00%	
					4BR / 2BA	3	4.70%	@60%	\$665	1,442	yes	Yes	0	0.00%	
					4BR / 2BA	3	4.70%	Market	\$925	1,442	n/a	Yes	0	0.00%	
						64	100%							0	0.00%
6	Cameron At Clarkesville 130 Cameron Circle Clarkesville, GA 30523 Habersham County	35.9 miles	Garden (3 stories) 2005 / Ongoing	Market	1BR / 1BA	4	6.70%	Market	\$649	790	n/a	Yes	0	0.00%	
					2BR / 2BA	20	33.30%	Market	\$749	1,078	n/a	Yes	0	0.00%	
					3BR / 2BA	36	60.00%	Market	\$789	1,234	n/a	Yes	0	0.00%	
											60	100%			
7	Kensington Townhomes 101 Hyde Park Lane Demorest, GA 30535 Habersham County	38.8 miles	Townhouse (2 stories) 2004	Market	2BR / 1.5BA	16	69.60%	Market	\$745	1,080	n/a	Yes	0	0.00%	
					3BR / 2BA	7	30.40%	Market	\$845	1,400	n/a	Yes	0	0.00%	
											23	100%			
8	Oakmont Knoll Apartments 388 Long View Dr Hiawassee, GA 30546 Towns County	0.5 miles	Garden (2 stories) 1997	Market	2BR / 2BA	16	100.00%	Market	\$625	1,200	n/a	No	3	18.80%	
											16	100%			

**RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.**

Effective Rent Date:	Apr-16	Units Surveyed:	424	Weighted Occupancy:	99.10%
		Market Rate	99	Market Rate	97.00%
		Tax Credit	325	Tax Credit	99.70%

**One Bedroom One Bath**

**Two Bedrooms Two Bath**

	Property	Average	Property	Average
<b>RENT</b>	Cameron At Clarkesville	\$649	Cameron At Clarkesville	\$749
	Heritage Gardens * (M)	\$583	Kensington Townhomes (1.5BA)	\$745
	Heritage Gardens * (60%)	\$460	Heritage Gardens * (M)	\$676
	<b>Mountain View Apartments * (60%)</b>	<b>\$409</b>	Enota Village Apartments * (M)	\$656
	Heritage Gardens * (50%)	\$360	Whitehall Commons * (M)	\$650
	<b>Mountain View Apartments * (50%)</b>	<b>\$319</b>	Oakmont Knoll Apartments	\$625
	Heritage Gardens * (30%)	\$162	Vista Ridge Apartments * (60%)	\$558
			Whitehall Commons * (60%)	\$550
			Heritage Gardens * (60%)	\$543
			<b>Mountain View Apartments * (Market)</b>	<b>\$500</b>
			<b>Mountain View Apartments * (60%)</b>	<b>\$439</b>
			Vista Ridge Apartments * (50%)	\$436
			Whitehall Commons * (50%)	\$430
	<b>SQUARE FOOTAGE</b>	Heritage Gardens * (30%)	856	Oakmont Knoll Apartments
Heritage Gardens * (50%)		856	Enota Village Apartments * (30%)	1,143
Heritage Gardens * (60%)		856	Enota Village Apartments * (50%)	1,143
Heritage Gardens * (M)		856	Enota Village Apartments * (M)	1,143
<b>Mountain View Apartments * (50%)</b>		<b>815</b>	<b>Mountain View Apartments * (50%)</b>	<b>1,105</b>
<b>Mountain View Apartments * (60%)</b>		<b>815</b>	<b>Mountain View Apartments * (60%)</b>	<b>1,105</b>
Cameron At Clarkesville		790	<b>Mountain View Apartments * (Market)</b>	<b>1,105</b>
			Whitehall Commons * (50%)	1,099
			Whitehall Commons * (60%)	1,099
			Whitehall Commons * (M)	1,099
			Kensington Townhomes (1.5BA)	1,080
			Cameron At Clarkesville	1,078
			Heritage Gardens * (30%)	1,074
			Heritage Gardens * (50%)	1,074
		Heritage Gardens * (60%)	1,074	
		Heritage Gardens * (M)	1,074	
		Nantahala Village Apartments * (45%)	878	
		Nantahala Village Apartments * (50%)	878	
		Vista Ridge Apartments * (50%)	878	
		Vista Ridge Apartments * (60%)	878	
<b>RENT PER SQUARE FOOT</b>	Cameron At Clarkesville	\$0.82	Cameron At Clarkesville	\$0.69
	Heritage Gardens * (M)	\$0.68	Kensington Townhomes (1.5BA)	\$0.69
	Heritage Gardens * (60%)	\$0.54	Vista Ridge Apartments * (60%)	\$0.64
	<b>Mountain View Apartments * (60%)</b>	<b>\$0.50</b>	Heritage Gardens * (M)	\$0.63
	Heritage Gardens * (50%)	\$0.42	Whitehall Commons * (M)	\$0.59
	<b>Mountain View Apartments * (50%)</b>	<b>\$0.39</b>	Enota Village Apartments * (M)	\$0.57
	Heritage Gardens * (30%)	\$0.19	Oakmont Knoll Apartments	\$0.52
			Heritage Gardens * (60%)	\$0.51
			Whitehall Commons * (60%)	\$0.50
			Vista Ridge Apartments * (50%)	\$0.50
			Nantahala Village Apartments * (50%)	\$0.47
			<b>Mountain View Apartments * (Market)</b>	<b>\$0.45</b>
			Nantahala Village Apartments * (45%)	\$0.43
			<b>Mountain View Apartments * (60%)</b>	<b>\$0.40</b>
		Heritage Gardens * (50%)	\$0.39	
		Whitehall Commons * (50%)	\$0.39	
		Enota Village Apartments * (50%)	\$0.36	
		<b>Mountain View Apartments * (50%)</b>	<b>\$0.34</b>	
		Enota Village Apartments * (30%)	\$0.17	
		Heritage Gardens * (30%)	\$0.17	

# PROPERTY PROFILE REPORT

## Enota Village Apartments

<b>Effective Rent Date</b>	3/17/2016
<b>Location</b>	55 Enota Village Drive Young Harris, GA 30582 Township County
<b>Distance</b>	8.7 miles
<b>Units</b>	62
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.6%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2008 / 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>	N/A
<b>Tenant Characteristics</b>	Majority singles; Some tenants rely on SSI; Tenants come from Blairsville and Haysville, NC
<b>Contact Name</b>	Angie
<b>Phone</b>	706-379-3001



### Market Information

<b>Program</b>	@30%, @50%, Market
<b>Annual Turnover Rate</b>	N/A
<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>	N/A
<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
2	2	Garden (3 stories)	2	1,143	\$197	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	14	1,143	\$406	\$0	@50%	Yes	1	7.1%	yes	None
2	2	Garden (3 stories)	4	1,143	\$656	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	6	1,412	\$209	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	23	1,412	\$451	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	5	1,412	\$817	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Garden (3 stories)	2	1,615	\$202	\$0	@30%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,615	\$473	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	4	1,615	\$942	\$0	Market	Yes	0	0.0%	N/A	None

## Enota Village Apartments, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$197	\$0	\$197	\$0	\$197	2BR / 2BA	\$406	\$0	\$406	\$0	\$406
3BR / 2BA	\$209	\$0	\$209	\$0	\$209	3BR / 2BA	\$451	\$0	\$451	\$0	\$451
4BR / 2BA	\$202	\$0	\$202	\$0	\$202	4BR / 2BA	\$473	\$0	\$473	\$0	\$473

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$656	\$0	\$656	\$0	\$656
3BR / 2BA	\$817	\$0	\$817	\$0	\$817
4BR / 2BA	\$942	\$0	\$942	\$0	\$942

### Amenities

#### In-Unit

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

#### Security

None

#### Services

Afterschool Program

#### Property

Business Center/Computer Lab	Clubhouse/Meeting
Exercise Facility	Central Laundry
Off-Street Parking	On-Site Management

#### Premium

None

#### Other

None

### Comments

Royal American Management started managing the property in January 2016. Therefore, the annual turnover rate, absorption rate, and change in rents were not available. The information in the property profile was provided by the regional manager. None of the current tenants are using vouchers. Enota Village and Nantahala Village are managed by the same entity. The properties have a combined waiting list of 109 households.

# Enota Village Apartments, continued

## Trend Report

### Vacancy Rates

2Q12	1Q16	2Q16
13.3%	1.6%	1.6%

### Trend: @30%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$201	\$8	\$193	\$193
2016	1	0.0%	\$197	\$0	\$197	\$197
2016	2	0.0%	\$197	\$0	\$197	\$197

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$212	\$9	\$203	\$203
2016	1	0.0%	\$209	\$0	\$209	\$209
2016	2	0.0%	\$209	\$0	\$209	\$209

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$207	\$9	\$198	\$198
2016	1	0.0%	\$202	\$0	\$202	\$202
2016	2	0.0%	\$202	\$0	\$202	\$202

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$370	\$15	\$355	\$355
2016	1	7.1%	\$406	\$0	\$406	\$406
2016	2	7.1%	\$406	\$0	\$406	\$406

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	33.3%	\$410	\$17	\$393	\$393
2016	1	0.0%	\$451	\$0	\$451	\$451
2016	2	0.0%	\$451	\$0	\$451	\$451

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	50.0%	\$432	\$18	\$414	\$414
2016	1	0.0%	\$473	\$0	\$473	\$473
2016	2	0.0%	\$473	\$0	\$473	\$473

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$559	\$23	\$536	\$536
2016	1	0.0%	\$656	\$0	\$656	\$656
2016	2	0.0%	\$656	\$0	\$656	\$656

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$599	\$25	\$574	\$574
2016	1	0.0%	\$817	\$0	\$817	\$817
2016	2	0.0%	\$817	\$0	\$817	\$817

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	0.0%	\$639	\$27	\$612	\$612
2016	1	0.0%	\$942	\$0	\$942	\$942
2016	2	0.0%	\$942	\$0	\$942	\$942

### Trend: Comments

**2Q12** The property is 87 percent occupied and 88 percent leased. The property manager reported that demand is highest for the two-bedroom units as a considerable portion of tenants are single-person households. Management could not comment on absorption data for the property as the property manager began working at the property in 2011. The concession has been offered for three months.

**1Q16** Royal American Management started managing the property in January 2016. Therefore, the annual turnover rate, absorption rate, and change in rents were not available. The information in the property profile was provided by the regional manager. None of the current tenants are using vouchers. Enota Village and Nantahala Village are managed by the same entity. The properties have a combined waiting list of 109 households.

**2Q16** N/A

# Enota Village Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Heritage Gardens

**Effective Rent Date** 3/31/2016  
**Location** 110 Heritage Gardens Drive  
 Cornelia, GA 30531  
 Habersham County  
**Distance** 42.3 miles  
**Units** 80  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (4 stories)  
**Year Built/Renovated** 1998 / 2006  
**Marketing Began** N/A  
**Leasing Began** 10/01/2006  
**Last Unit Leased** N/A  
**Major Competitors** Pine Forest and Demorest Apts  
**Tenant Characteristics** Mixed tenancy from the area  
**Contact Name** Rhonda  
**Phone** 706.778.1814



### Market Information

**Program** @30%, @50%, @60%, Market  
**Annual Turnover Rate** 22%  
**Units/Month Absorbed** 9  
**HCV Tenants** 5%  
**Leasing Pace** Preleased to 1 week  
**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** 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 (4 stories)	2	856	\$199	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Garden (4 stories)	11	856	\$397	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (4 stories)	3	856	\$497	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (4 stories)	4	856	\$620	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	5	1,074	\$229	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	18	1,074	\$468	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (4 stories)	9	1,074	\$587	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (4 stories)	8	1,074	\$720	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (4 stories)	2	1,304	\$254	\$0	@30%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	11	1,304	\$530	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (4 stories)	3	1,304	\$667	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (4 stories)	4	1,304	\$820	\$0	Market	No	0	0.0%	N/A	None

## Heritage Gardens, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$199	\$0	\$199	-\$37	\$162	1BR / 1BA	\$397	\$0	\$397	-\$37	\$360
2BR / 2BA	\$229	\$0	\$229	-\$44	\$185	2BR / 2BA	\$468	\$0	\$468	-\$44	\$424
3BR / 2BA	\$254	\$0	\$254	-\$59	\$195	3BR / 2BA	\$530	\$0	\$530	-\$59	\$471
@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$497	\$0	\$497	-\$37	\$460	1BR / 1BA	\$620	\$0	\$620	-\$37	\$583
2BR / 2BA	\$587	\$0	\$587	-\$44	\$543	2BR / 2BA	\$720	\$0	\$720	-\$44	\$676
3BR / 2BA	\$667	\$0	\$667	-\$59	\$608	3BR / 2BA	\$820	\$0	\$820	-\$59	\$761

### Amenities

#### In-Unit

Balcony/Patio  
 Carpet/Hardwood  
 Coat Closet  
 Ceiling Fan  
 Oven  
 Walk-In Closet  
 Washer/Dryer hookup

Blinds  
 Central A/C  
 Dishwasher  
 Microwave  
 Refrigerator  
 Washer/Dryer

#### Security

Perimeter Fencing

#### Services

None

#### Property

Business Center/Computer Lab  
 Exercise Facility  
 Off-Street Parking  
 Picnic Area  
 Swimming Pool

Clubhouse/Meeting  
 Central Laundry  
 On-Site Management  
 Playground

#### Premium

None

#### Other

None

### Comments

The contact stated that the property maintains a waiting list of five households for the units at 30 percent AMI.

# Heritage Gardens, continued

## Trend Report

### Vacancy Rates

1Q07	1Q08	3Q14	2Q16
43.8%	7.5%	0.0%	0.0%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$204	\$0	\$204	\$167
2008	1	0.0%	\$193	\$8	\$185	\$148
2014	3	0.0%	\$204	\$0	\$204	\$167
2016	2	0.0%	\$199	\$0	\$199	\$162

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$237	\$0	\$237	\$193
2008	1	0.0%	\$223	\$10	\$213	\$169
2014	3	0.0%	\$236	\$0	\$236	\$192
2016	2	0.0%	\$229	\$0	\$229	\$185

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$282	\$0	\$282	\$223
2008	1	0.0%	\$247	\$12	\$235	\$176
2014	3	0.0%	\$264	\$0	\$264	\$205
2016	2	0.0%	\$254	\$0	\$254	\$195

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$425	\$0	\$425	\$388
2008	1	0.0%	\$425	\$27	\$398	\$361
2014	3	0.0%	\$500	\$0	\$500	\$463
2016	2	0.0%	\$497	\$0	\$497	\$460

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$495	\$0	\$495	\$451
2008	1	0.0%	\$495	\$33	\$462	\$418
2014	3	0.0%	\$592	\$0	\$592	\$548
2016	2	0.0%	\$587	\$0	\$587	\$543

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$560	\$0	\$560	\$501
2008	1	0.0%	\$560	\$38	\$522	\$463
2014	3	0.0%	\$675	\$0	\$675	\$616
2016	2	0.0%	\$667	\$0	\$667	\$608

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$391	\$0	\$391	\$354
2008	1	9.1%	\$380	\$23	\$357	\$320
2014	3	0.0%	\$401	\$0	\$401	\$364
2016	2	0.0%	\$397	\$0	\$397	\$360

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$402	\$0	\$402	\$358
2008	1	11.1%	\$448	\$29	\$419	\$375
2014	3	0.0%	\$473	\$0	\$473	\$429
2016	2	0.0%	\$468	\$0	\$468	\$424

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$525	\$0	\$525	\$466
2008	1	9.1%	\$507	\$34	\$473	\$414
2014	3	0.0%	\$538	\$0	\$538	\$479
2016	2	0.0%	\$530	\$0	\$530	\$471

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$460	\$0	\$460	\$423
2008	1	25.0%	\$460	\$30	\$430	\$393
2014	3	0.0%	\$575	\$0	\$575	\$538
2016	2	0.0%	\$620	\$0	\$620	\$583

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$510	\$0	\$510	\$466
2008	1	12.5%	\$510	\$34	\$476	\$432
2014	3	0.0%	\$625	\$0	\$625	\$581
2016	2	0.0%	\$720	\$0	\$720	\$676

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	1	N/A	\$580	\$0	\$580	\$521
2008	1	0.0%	\$580	\$40	\$540	\$481
2014	3	0.0%	\$700	\$0	\$700	\$641
2016	2	0.0%	\$820	\$0	\$820	\$761

## Heritage Gardens, continued

### Trend: Comments

- 1Q07** Heritage Garden Apartments is the newest tax credit property in Cornelia and is still in lease up. Management noted that the property has been renting at a pace of approximately nine units per month.
- 1Q08** The contact stated that there is strong demand for affordable housing in the area because many heads of households in the area are employed by the local plants, which do not offer high wages for those who have to support families of three or four. The concession has been offered for six to eight months and will run indefinitely. Given the current wages of the tenants, management does not believe a rent increase is feasible at this time.
- 3Q14** The contact stated that the property maintains a waiting list of five households. As units turnover, a washer/dryer is being added.
- 2Q16** The contact stated that the property maintains a waiting list of five households for the units at 30 percent AMI.

# Heritage Gardens, continued

## Photos



# PROPERTY PROFILE REPORT

## Nantahala Village Apartments

**Effective Rent Date** 3/17/2016  
**Location** 501 Nantahala Lane  
 Blairsville, GA 30512  
 Union County  
**Distance** 17.7 miles  
**Units** 55  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 1997 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** N/A  
**Contact Name** Angie  
**Phone** 706-781-1834



### Market Information

**Program** LIHTC  
**Annual Turnover Rate** N/A  
**Units/Month Absorbed** N/A  
**HCV Tenants** 8%  
**Leasing Pace** Within two weeks  
**Annual Chg. in Rent** N/A  
**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
2	2	Garden (3 stories)	8	878	\$374	\$0	@45%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	9	878	\$414	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	12	1,100	\$413	\$0	@45%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	18	1,100	\$554	\$0	@55%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	4	1,372	\$430	\$0	@45%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	4	1,372	\$587	\$0	@55%	Yes	0	0.0%	yes	None

### Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$374	\$0	\$374	\$0	\$374	2BR / 2BA	\$414	\$0	\$414	\$0	\$414
3BR / 2BA	\$413	\$0	\$413	\$0	\$413						
4BR / 2BA	\$430	\$0	\$430	\$0	\$430						
@55%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
3BR / 2BA	\$554	\$0	\$554	\$0	\$554						
4BR / 2BA	\$587	\$0	\$587	\$0	\$587						

## Nantahala Village Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Microwave  
Refrigerator  
Washer/Dryer

Blinds  
Central A/C  
Garbage Disposal  
Oven  
Walk-In Closet  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area

Central Laundry  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

Royal American Management started managing the property in January 2016. Therefore, the annual turnover rate, absorption rate, and change in rents were not available. The information in the property profile was provided by the regional manager. Enota Village and Nantahala Village are managed by the same entity. The properties have a combined waiting list of 109 households.

# Nantahala Village Apartments, continued

## Trend Report

### Vacancy Rates

1Q12	2Q12	1Q16
21.4%	7.1%	0.0%

### Trend: @45%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$374	\$0	\$374	\$374

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$413	\$0	\$413	\$413

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$430	\$0	\$430	\$430

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$385	\$16	\$369	\$369
2012	2	N/A	\$385	\$16	\$369	\$369
2016	1	0.0%	\$414	\$0	\$414	\$414

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$405	\$17	\$388	\$388
2012	2	N/A	\$405	\$17	\$388	\$388

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$400	\$17	\$383	\$383
2012	2	N/A	\$400	\$17	\$383	\$383

### Trend: @55%

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$554	\$0	\$554	\$554

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$587	\$0	\$587	\$587

## Trend: Comments

- 1Q12** Property consists of seven three story buildings. Contact indicated that he is a new hire, and could not answer to the square footage of the units, or the change in rents over the past year. Contact reported that there is stronger demand for family units than senior units and. Contact opined that the high vacancy rate is due to the slow time of year, and reported that they have several applications that are currently pending.
- 2Q12** The contact indicated that the property experienced high turnover and slow leasing during first quarter 2012 but the vacancy was temporary as the property is currently 93 percent occupied with a waiting list for the two- and three-bedroom units. The property manager indicated that a property in Hiawassee would be able to achieve higher rents than one in Blairsville as Hiawassee is considered a more desirable area with more locational amenities to offer.
- 1Q16** Royal American Management started managing the property in January 2016. Therefore, the annual turnover rate, absorption rate, and change in rents were not available. The information in the property profile was provided by the regional manager. Enota Village and Nantahala Village are managed by the same entity. The properties have a combined waiting list of 109 households.

# Nantahala Village Apartments, continued

## Photos



# PROPERTY PROFILE REPORT

## Vista Ridge Apartments

<b>Effective Rent Date</b>	3/11/2016
<b>Location</b>	160 Marson Knob Drive Rabun Gap, GA 30568 Rabun County
<b>Distance</b>	29.7 miles
<b>Units</b>	64
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2006 / N/A
<b>Marketing Began</b>	10/01/2011
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	6/04/2012
<b>Major Competitors</b>	No other LIHTC properties in county.
<b>Tenant Characteristics</b>	Many single parents from Rabun County
<b>Contact Name</b>	Angie
<b>Phone</b>	706-746-2333



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	4%
<b>Units/Month Absorbed</b>	2
<b>HCV Tenants</b>	2%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	Increased, amount N/Av
<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
2	2	Garden (2 stories)	N/A	878	\$480	\$0	@50%	Yes	0	N/A	yes	None
2	2	Garden (2 stories)	N/A	878	\$602	\$0	@60%	Yes	0	N/A	yes	None
3	3	Garden (2 stories)	N/A	1,104	\$529	\$0	@50%	Yes	0	N/A	yes	None
3	3	Garden (2 stories)	N/A	1,104	\$685	\$0	@60%	Yes	0	N/A	yes	None
4	2	Garden (2 stories)	N/A	1,372	\$585	\$0	@50%	Yes	0	N/A	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$480	\$0	\$480	-\$44	\$436	2BR / 2BA	\$602	\$0	\$602	-\$44	\$558
3BR / 3BA	\$529	\$0	\$529	-\$59	\$470	3BR / 3BA	\$685	\$0	\$685	-\$59	\$626
4BR / 2BA	\$585	\$0	\$585	-\$73	\$512						

## Vista Ridge Apartments, continued

### Amenities

**In-Unit**

Blinds  
Central A/C  
Ceiling Fan  
Refrigerator

Carpeting  
Dishwasher  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Exercise Facility  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

The waiting list consists of 25 households.

# Vista Ridge Apartments, continued

## Trend Report

### Vacancy Rates

2Q12	1Q16	2Q16
28.1%	0.0%	0.0%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$395	\$8	\$387	\$343
2016	1	N/A	\$480	\$0	\$480	\$436
2016	2	N/A	\$480	\$0	\$480	\$436

#### 3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$436	\$8	\$428	\$369
2016	1	N/A	\$529	\$0	\$529	\$470
2016	2	N/A	\$529	\$0	\$529	\$470

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$459	\$8	\$451	\$378
2016	1	N/A	\$585	\$0	\$585	\$512
2016	2	N/A	\$585	\$0	\$585	\$512

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$459	\$8	\$451	\$407
2016	1	N/A	\$602	\$0	\$602	\$558
2016	2	N/A	\$602	\$0	\$602	\$558

#### 3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$436	\$8	\$428	\$369
2016	1	N/A	\$685	\$0	\$685	\$626
2016	2	N/A	\$685	\$0	\$685	\$626

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	N/A	\$654	\$8	\$646	\$573

## Trend: Comments

**2Q12** The property changed hands in October or November of last year. At that time, our contact who had only been at the property since April, believed the property was only 50 percent occupied. Currently, the property is only 72 percent occupied and leasing up at one to two units per month. Management "cleaned house" at the time of takeover, so this accounts for a lot of the vacancy. Our contact noted that economic conditions are bad and getting worse for the surrounding area. She mentioned that a couple of manufacturers in the area are shutting down, and that there are rumors of more closings in the works. She noted that unemployment in Rabun is at 14 percent. Management is offering \$99 off first months rent for all floor plans and income levels.

**1Q16** The waiting list consists of 25 households.

**2Q16** N/A

## Vista Ridge Apartments, continued

### Photos



# PROPERTY PROFILE REPORT

## Whitehall Commons

<b>Effective Rent Date</b>	3/30/2016
<b>Location</b>	29 Whitehall Commons Lane Cleveland, GA 30528 White County
<b>Distance</b>	30.2 miles
<b>Units</b>	64
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2009 / 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>	None Identified
<b>Tenant Characteristics</b>	Mixed tenancy; majority families 2-3 kids from White CO.
<b>Contact Name</b>	Karen
<b>Phone</b>	706-219-4100



### Market Information

<b>Program</b>	@50%, @60%, Market
<b>Annual Turnover Rate</b>	38%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	2%
<b>Leasing Pace</b>	Pre-leased to one-week
<b>Annual Chg. in Rent</b>	Increase 5%
<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
2	2	Garden (3 stories)	9	1,099	\$430	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	6	1,099	\$550	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	9	1,099	\$650	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,308	\$475	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	9	1,308	\$625	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	9	1,308	\$799	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Garden (3 stories)	4	1,442	\$505	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	3	1,442	\$665	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	3	1,442	\$925	\$0	Market	Yes	0	0.0%	N/A	None

## Whitehall Commons, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$430	\$0	\$430	\$0	\$430	2BR / 2BA	\$550	\$0	\$550	\$0	\$550
3BR / 2BA	\$475	\$0	\$475	\$0	\$475	3BR / 2BA	\$625	\$0	\$625	\$0	\$625
4BR / 2BA	\$505	\$0	\$505	\$0	\$505	4BR / 2BA	\$665	\$0	\$665	\$0	\$665

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$650	\$0	\$650	\$0	\$650
3BR / 2BA	\$799	\$0	\$799	\$0	\$799
4BR / 2BA	\$925	\$0	\$925	\$0	\$925

### Amenities

#### In-Unit

Blinds	Carpet/Hardwood
Central A/C	Coat Closet
Dishwasher	Ceiling Fan
Garbage Disposal	Microwave
Oven	Refrigerator
Walk-In Closet	Washer/Dryer hookup

#### Security

None

#### Services

Adult Education  
Computer Tutoring

#### Property

Business Center/Computer Lab	Clubhouse/Meeting
Exercise Facility	Central Laundry
Off-Street Parking	On-Site Management
Picnic Area	Playground
Recreation Areas	Service Coordination
Swimming Pool	

#### Premium

None

#### Other

Gazebo, dog park

### Comments

The property maintains a waiting list, which can vary from three months for market rate units up to a year for the LIHTC units. The contact reported current occupancy rate has been typical during the past year.

# Whitehall Commons, continued

## Trend Report

### Vacancy Rates

1Q12	2Q12	3Q14	1Q16
3.3%	3.3%	0.0%	0.0%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$409	\$0	\$409	\$409
2012	2	0.0%	\$409	\$0	\$409	\$409
2014	3	0.0%	\$409	\$0	\$409	\$409
2016	1	0.0%	\$430	\$0	\$430	\$430

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$452	\$0	\$452	\$452
2012	2	0.0%	\$452	\$0	\$452	\$452
2014	3	0.0%	\$452	\$0	\$452	\$452
2016	1	0.0%	\$475	\$0	\$475	\$475

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$475	\$0	\$475	\$475
2012	2	0.0%	\$475	\$0	\$475	\$475
2014	3	0.0%	\$475	\$0	\$475	\$475
2016	1	0.0%	\$505	\$0	\$505	\$505

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$575	\$0	\$575	\$575
2012	2	0.0%	\$575	\$0	\$575	\$575
2014	3	0.0%	\$524	\$0	\$524	\$524
2016	1	0.0%	\$550	\$0	\$550	\$550

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$644	\$0	\$644	\$644
2012	2	0.0%	\$644	\$0	\$644	\$644
2014	3	0.0%	\$584	\$0	\$584	\$584
2016	1	0.0%	\$625	\$0	\$625	\$625

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$689	\$0	\$689	\$689
2012	2	0.0%	\$689	\$0	\$689	\$689
2014	3	0.0%	\$623	\$0	\$623	\$623
2016	1	0.0%	\$665	\$0	\$665	\$665

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$652	\$0	\$652	\$652
2012	2	0.0%	\$652	\$0	\$652	\$652
2014	3	0.0%	\$650	\$0	\$650	\$650
2016	1	0.0%	\$650	\$0	\$650	\$650

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$799	\$0	\$799	\$799
2012	2	0.0%	\$799	\$0	\$799	\$799
2014	3	0.0%	\$799	\$0	\$799	\$799
2016	1	0.0%	\$799	\$0	\$799	\$799

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	66.7%	\$925	\$75	\$850	\$850
2012	2	66.7%	\$925	\$75	\$850	\$850
2014	3	0.0%	\$925	\$0	\$925	\$925
2016	1	0.0%	\$925	\$0	\$925	\$925

### Trend: Comments

- 1Q12** Contact reported that the units at 50 percent restriction are "affordable," as well as tax-credit units. Since time of last interview, in 2007, rents for units at 50 percent restriction have decreased between five and nine percent. For all other unit types -except two-bedrooms at market, which remained the same- rents increased between four and 24 percent. Contact reported that demand in the area is stronger for affordable senior housing than family housing. Contact indicated that their four-bedroom units have been harder to rent, and that many seniors on fixed incomes have inquired as to whether or not the property has one-bedrooms.
- 2Q12** N/A
- 3Q14** According to the contact, the property maintains a waiting list, but could not provide its length. The contact added that rents have not been increased for four years.
- 1Q16** The property maintains a waiting list, which can vary from three months for market rate units up to a year for the LIHTC units. The contact reported current occupancy rate has been typical during the past year.

Photos



# PROPERTY PROFILE REPORT

## Cameron At Clarkesville

**Effective Rent Date** 3/31/2016  
**Location** 130 Cameron Circle  
 Clarkesville, GA 30523  
 Habersham County  
**Distance** 35.9 miles  
**Units** 60  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 2005 / Ongoing  
**Marketing Began** N/A  
**Leasing Began** 6/01/2005  
**Last Unit Leased** 6/01/2006  
**Major Competitors** Properties in Demorest  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Marcia  
**Phone** (706) 839-1067



### Market Information

**Program** Market  
**Annual Turnover Rate** 33%  
**Units/Month Absorbed** 5  
**HCV Tenants** 0%  
**Leasing Pace** Pre-leased to one-week  
**Annual Chg. in Rent** Increased 5% during 2015  
**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	Garden (3 stories)	4	790	\$649	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	20	1,078	\$749	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	36	1,234	\$789	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$649	\$0	\$649	\$0	\$649
2BR / 2BA	\$749	\$0	\$749	\$0	\$749
3BR / 2BA	\$789	\$0	\$789	\$0	\$789

## Cameron At Clarkesville, continued

### Amenities

#### In-Unit

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator  
Walk-In Closet

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management

Garage  
Off-Street Parking  
Swimming Pool

#### Premium

None

#### Other

None

### Comments

According to the contact, the property maintains a waiting list of five to six households. The property accepts Housing Choice Vouchers, but does not currently have any tenants utilizing them. The contact noted strong demand during the past year.

## Cameron At Clarkesville, continued

### Trend Report

#### Vacancy Rates

1Q08	3Q14	2Q16
8.3%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$599	\$0	\$599	\$599
2014	3	0.0%	\$599	\$0	\$599	\$599
2016	2	0.0%	\$649	\$0	\$649	\$649

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$669 - \$719	\$0	\$669 - \$719	\$669 - \$719
2014	3	0.0%	\$699	\$0	\$699	\$699
2016	2	0.0%	\$749	\$0	\$749	\$749

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	\$694 - \$759	\$21	\$673 - \$738	\$673 - \$738
2014	3	0.0%	\$750	\$0	\$750	\$750
2016	2	0.0%	\$789	\$0	\$789	\$789

### Trend: Comments

- 1Q08** The contact stated that the property typically has fewer than five vacancies and that management prefers to treat tenants on a first-come, first-serve basis; therefore, there is no waiting list. The concession has been running since January 1, 2008 and will run until the three-bedroom vacancies are filled. The contact stated that the property's comparables are located in Cornelia because the majority of properties in Clarkesville are much smaller than Cameron at Clarkesville. The contact reported that demand for housing in the area is decent especially with new businesses moving into the area, none of which the contact could name.
- 3Q14** According to the contact, the property maintains a waiting list of six households. The property accepts Housing Choice Vouchers, but does not currently have any tenants utilizing them. Tenants pay \$14 per month for water to the property.
- 2Q16** According to the contact, the property maintains a waiting list of five to six households. The property accepts Housing Choice Vouchers, but does not currently have any tenants utilizing them. The contact noted strong demand during the past year.

Photos





## **Kensington Townhomes, continued**

### **Comments**

The contact reported there is a waiting list of five households. She noted strong demand and rents have steadily increased during the past 18 months.

## Kensington Townhomes, continued

### Trend Report

#### Vacancy Rates

3Q14	2Q16
0.0%	0.0%

### Trend: Market

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$660	\$0	\$660	\$660
2016	2	0.0%	\$745	\$0	\$745	\$745

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$725	\$0	\$725	\$725
2016	2	0.0%	\$845	\$0	\$845	\$845

### Trend: Comments

**3Q14** According to the contact, the property maintains a waiting list of four households.

**2Q16** The contact reported there is a waiting list of five households. She noted strong demand and rents have steadily increased during the past 18 months.

Photos



# PROPERTY PROFILE REPORT

## Oakmont Knoll Apartments

**Effective Rent Date** 3/11/2016  
**Location** 388 Long View Dr  
 Hiawassee, GA 30546  
 Towns County  
**Distance** 0.5 miles  
**Units** 16  
**Vacant Units** 3  
**Vacancy Rate** 18.8%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1997 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** Most tenants are from Hiawassee and Towns County  
**Contact Name** Theresa  
**Phone** 706-745-2670



### Market Information

**Program** Market  
**Annual Turnover Rate** 38%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** One month  
**Annual Chg. in Rent** N/Av  
**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
2	2	Garden (2 stories)	16	1,200	\$625	\$0	Market	No	3	18.8%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$625	\$0	\$625	\$0	\$625

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Dishwasher		
Oven		
Washer/Dryer		
Property	Premium	Other
Off-Street Parking	None	None

### Comments

The owner provided limited information. She indicated that the market rate rental market in Hiawassee is soft and she consistently has vacancies. She believes that there is likely demand for low income and affordable rental units in the local area.

## Oakmont Knoll Apartments, continued

### Trend Report

#### Vacancy Rates

2Q12	1Q16
6.2%	18.8%

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	2	6.2%	\$675	\$0	\$675	\$675
2016	1	18.8%	\$625	\$0	\$625	\$625

### Trend: Comments

**2Q12** The owner indicated that the property typically remains fully occupied and that the majority of tenants are students.

**1Q16** The owner provided limited information. She indicated that the market rate rental market in Hiawassee is soft and she consistently has vacancies. She believes that there is likely demand for low income and affordable rental units in the local area.

# Oakmont Knoll Apartments, continued

## Photos



**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**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Location</b>	<b>Housing Choice Voucher Tenants</b>
Enota Village Apartments*	LIHTC/Market	Young Harris	0%
Heritage Gardens	LIHTC/Market	Cornelia	5%
Nantahala Village Apartments	LIHTC	Blairsville	8%
Vista Ridge Apartments	LIHTC	Rabun Gap	2%
Whitehall Commons	LIHTC/Market	Cleveland	2%
Cameron At Clarkesville	Market	Clarkesville	0%
Kensington Townhomes	Market	Demorest	0%
Oakmont Knoll Apartments*	Market	Hiawassee	0%

\*Properties located in PMA

As illustrated in the previous table, Housing Choice Voucher (HCV) reliance is low at the comparable properties. All of the comparables reported voucher usage of eight percent or less. Therefore, we do not anticipate that the Subject will need to rely on HCV tenants to maintain a stabilized occupancy rate.

**Waiting Lists**

The following table illustrates the presence of waiting lists at the comparable properties, where applicable.

**WAITING LISTS**

<b>Comparable Property</b>	<b>Rent Structure</b>	<b>Location</b>	<b>Length of Waiting List</b>
Enota Village Apartments*	LIHTC/Market	Young Harris	Combined waiting list of 109 households
Heritage Gardens	LIHTC/Market	Cornelia	Five households for 30% units
Nantahala Village Apartments	LIHTC	Blairsville	Combined waiting list of 109 households
Vista Ridge Apartments	LIHTC	Rabun Gap	25 households
Whitehall Commons	LIHTC/Market	Cleveland	Yes, length N/AV
Cameron At Clarkesville	Market	Clarkesville	Five to six households
Kensington Townhomes	Market	Demorest	Five households
Oakmont Knoll Apartments*	Market	Hiawassee	None

\*Properties located in PMA

\*\*Enota Village and Nantahala Village have a combined waiting list of 109 households

Seven of the eight comparables currently maintain waiting lists. Enota Village Apartments and Nantahala Village Apartments, the two closest LIHTC properties to the Subject, maintain a combined waiting list of 109 households. These two properties have one combined vacancy. Most of the remaining comparable properties maintain short to moderate waiting lists. The presence of waiting lists at the LIHTC comparables, especially Enota Village and Nantahala Village, is a positive indication of a strong rental market. Based on the performance of the

comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

**Lease Up History**

Due to the limited amount of new construction in the Subject’s area, only three of the comparable properties were able to report absorption information, and all three were constructed in 2006 or earlier. Enota Village and Whitehall Commons were constructed in 2008 and 2009, respectively. Management at these properties could not provide absorption data. The most recently constructed property reporting absorption data, Vista Ridge Apartments, reported an absorption rate of two units per month in 2006, while Cameron at Clarkesville reported an absorption rate of five units per month in 2005.

**ABSORPTION**

Comparable Property	Rent Structure	Location	Year Built	Number of Units	Units Absorbed / Month
Vista Ridge Apartments	LIHTC	Rabun Gap	2006	64	2
Cameron At Clarkesville	Market	Clarkesville	2005	60	5
Heritage Gardens	LIHTC/Market	Cornelia	1998	80	9

\*Properties located in PMA

Due to the limited absorption data among the Subject’s comparable properties, we expanded our search to include several additional counties in Northern Georgia. The following table illustrates absorption rates of LIHTC and market rate developments in Cherokee and Forsyth Counties. It should be noted that two of these properties feature senior tenancy.

**ABSORPTION**

Property Name	Rent Structure	County	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Hearthside Towne Lake	LIHTC	Cherokee	Senior	2011	100	9
Riverview Apartments	Market	Cherokee	Family	2009	138	11
Alta Johns Creek	Market	Forsyth	Senior	2008	215	5

The more recently constructed properties in the region experienced absorption rates of five to 11 units per month.

It should be noted that Enota Village and Nantahala Village, used as comparables and located within 18 miles of the Subject, have a combined waiting list of 109 households. This illustrates pent-up demand for affordable housing in the PMA and region. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of eight units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

**Phased Developments**

The Subject is not part of a phased development.

**Rural Areas**

The Subject is located in Hiawassee, which is a USDA Rural Development eligible area. There is a general lack of multifamily housing, both subsidized and conventional, in the local market.

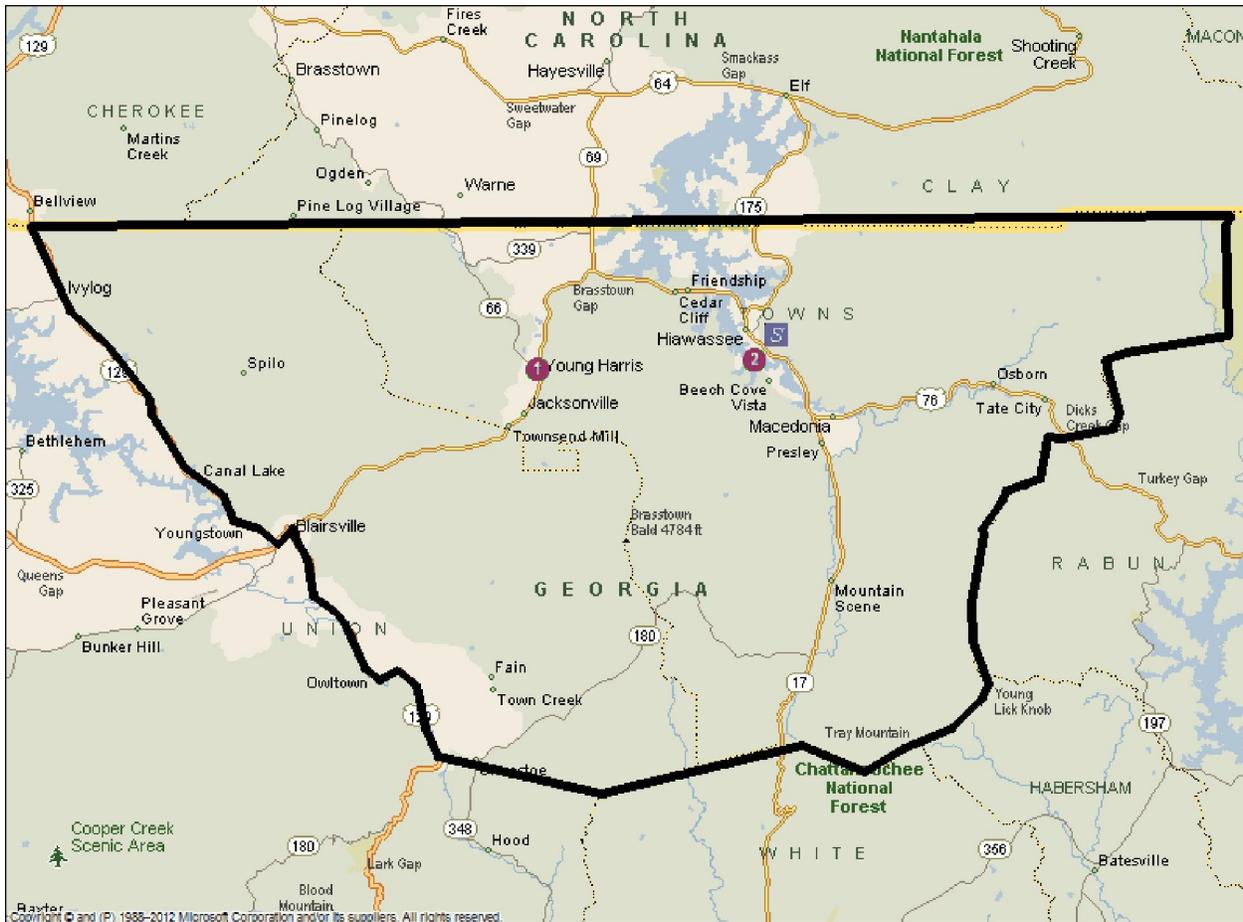
Given the local economy’s reliance on tourism, a significant portion of the housing stock are second homes or vacation rentals. We surveyed rental properties in several cities and counties throughout northern Georgia. Most of the region is rural in nature and median household incomes and median home sale prices are similar to those of Hiawassee, as illustrated in the following table.

**LOCATION COMPARISON**

City	Zip Code	Median HH Income	Median Sale Price
<b>Hiawassee (Subject)</b>	<b>30546</b>	<b>\$42,728</b>	<b>\$145,000</b>
Young Harris	30582	\$40,467	\$172,000
Cornelia	30531	\$43,352	\$132,500
Blairsville	30512	\$35,752	\$150,000
Rabun Gap	30568	\$42,074	\$156,400
Cleveland	30528	\$33,341	\$139,900
Clarksville	30523	\$37,243	\$132,000
Demorest	30535	\$35,820	\$149,000

Source: ESRI Demographics 2015, Trulia.com, April 2016

**3. Competitive Project Map**



**COMPETITIVE PROJECTS IN PMA**

#	Property Name	Type	Tenancy	Location	Distance
1	Enota Village Apartments	LIHTC/Mkt	Family	Young Harris	8.7 miles
2	Oakmont Knoll Apartments	Market	Family	Hiawassee	0.5 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. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

**UNIT MATRIX REPORT**

	Mountain View Apartments	Enota Village Apartments	Heritage Gardens	Nantahala Village Apartments	Vista Ridge Apartments	Whitehall Commons	Cameron At Clarkesville	Kensington Townhomes	Oakmont Knoll Apartments
Comp #	Subject	1	2	3	4	5	6	7	8
<b>Property Information</b>									
Property Type	Garden (2 stories)	Garden (3 stories)	Garden (4 stories)	Garden (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Townhouse (2 stories) 2004 Market	Garden (2 stories)
Year Built / Renovated Market (Conv./Subsidy Type)	Proposed LIHTC/Market	2008 LIHTC/Market	1998 / 2006 LIHTC/Market	1997 LIHTC	2006 LIHTC	2009 LIHTC/Market	2005 / Ongoing Market		1997 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	no	yes	no	no	no	no
Sewer	no	no	yes	no	yes	no	no	no	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>In-Unit Amenities</b>									
Balcony/Patio	yes	no	yes	yes	no	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	no	no	yes	yes	yes	no
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	no	no	no	yes	no	no
Ceiling Fan	no	no	yes	no	yes	yes	yes	yes	no
Garbage Disposal	no	yes	no	yes	no	yes	yes	no	yes
Microwave	yes	no	yes	yes	no	yes	no	no	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	no	no
Walk-In Closet	yes	no	yes	yes	no	yes	yes	yes	no
Washer/Dryer	no	no	yes	yes	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>									
Business Center/Computer Lab	yes	yes	yes	no	no	yes	no	no	no
Clubhouse/Community Room	yes	yes	yes	yes	yes	yes	yes	no	no
Exercise Facility	yes	yes	yes	no	yes	yes	no	no	no
Garage	no	no	no	no	no	no	yes	no	no
Central Laundry	yes	yes	yes	yes	no	yes	yes	no	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	no	no
Picnic Area	yes	no	yes	yes	yes	yes	no	no	no
Playground	yes	no	yes	yes	yes	yes	no	no	no
Service Coordination	no	no	no	no	no	yes	no	no	no
Swimming Pool	no	no	yes	no	yes	yes	yes	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	\$50.00	N/A	N/A
<b>Services</b>									
Adult Education	yes	no	no	no	no	yes	no	no	no
Afterschool Program	no	yes	no	no	no	no	no	no	no
Computer Tutoring	no	no	no	no	no	yes	no	no	no
<b>Security</b>									
Perimeter Fencing	no	no	yes	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no
<b>Other Amenities</b>									
Other	Gazebo	n/a	n/a	n/a	n/a	Gazebo, dog park	n/a	n/a	n/a

The Subject will offer exterior storage and a microwave, amenities not offered by most of the comparables. The Subject will offer washer/dryer connections. The Subject will be slightly inferior to the comparables that offer in-unit washer/dryers. The Subject’s common area amenity package will be competitive as the Subject will offer a business center/computer lab, a clubhouse, an exercise facility, a picnic area, and a playground. Four of the eight comparables offer swimming pools, an amenity that will not be offered by the Subject. Enota Village and Nantahala Village, the closest LIHTC comparables, do not offer a swimming pool. These properties are experiencing vacancy rates of less than two percent and lengthy waiting lists. Therefore, the lack of a swimming pool is not negatively impacting the performance of these properties.

5. The Subject will target family households. Therefore, per DCA’s guidelines, senior properties were not included. There are two unsubsidized senior LIHTC properties in the PMA: Big Sky Village and The Gardens.

**6. Vacancy**

The following table illustrates the vacancy rates in the market.

**OVERALL VACANCY**

Comparable Property	Rent Structure	Location	Total Units	Vacant Units	Vacancy Rate
Enota Village Apartments*	LIHTC/Market	Young Harris	62	1	1.6%
Heritage Gardens	LIHTC/Market	Cornelia	80	0	0.0%
Nantahala Village Apartments	LIHTC	Blairsville	55	0	0.0%
Vista Ridge Apartments	LIHTC	Rabun Gap	64	0	0.0%
Whitehall Commons	LIHTC/Market	Cleveland	64	0	0.0%
Cameron At Clarkesville	Market	Clarkesville	60	0	0.0%
Kensington Townhomes	Market	Demorest	23	0	0.0%
Oakmont Knoll Apartments*	Market	Hiawassee	<u>16</u>	<u>3</u>	<u>18.8%</u>
<b>Total</b>			<b>424</b>	<b>4</b>	<b>0.9%</b>

\*Properties located in PMA

The comparable properties reported vacancy rates of zero to 18.8 percent, with an average of 0.9 percent. Six of the eight comparables currently have zero vacancy. Oakmont Knoll is the only property that reported vacancy above 1.6 percent. According to management at Oakmont Knoll, the market rate rental market is soft in Hiawassee. However, management indicated that there is demand for affordable housing in the local area. Enota Village, located 8.7 miles from the proposed Subject in Young Harris, is 1.6 percent vacant with a lengthy waiting list. This property’s 13 market rate units are occupied. Additionally, there are no vacancies at the remaining comparables in the region. We believe that the elevated vacancy rate at Oakmont Knoll is property specific and likely due to inadequate management and its small size. Therefore, the vacancy rate at this property is not cause for concern. Overall, the market is performing well. Based on the strong performance of most of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.

## 7. Properties Under Construction and Proposed

According to the Georgia Department of Community Affairs, there were no properties awarded LIHTC in the PMA in 2014 or 2015.

The Gardens (HFOP) was allocated LIHTC in 2013 and targets seniors age 55 and older. This property is currently in absorption.

1. The Gardens is located 8.6 miles west of the proposed Subject.
2. Investors Management Company of Valdosta is the sponsor for The Gardens.
3. The property offers 50 units.
4. The property consists of one and two-bedroom units.
5. The property offers units restricted at 50 and 60 percent AMI.
6. Construction was completed in August 2015.
7. The property is currently in absorption and 72 percent occupied. The Gardens is restricted to seniors age 55 and older and will not directly compete with the Subject.

The Meadows was allocated LIHTC in 2015 and will target families.

1. The Meadows will be located 18.0 miles southwest of the Subject and approximately 0.5 miles outside of the PMA.
2. Investors Management Company of Valdosta is the sponsor.
3. The property will offer 73 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI.
6. The construction timeline was not available but the development is expected to be complete in 2017.
7. The anticipated LIHTC rents for this project are \$300, \$330, and \$375 for the one, two, and three-bedroom 50 percent AMI units, respectively. The one, two, and three-bedroom proposed 60 percent AMI rents are \$350, \$405, and \$450, respectively.

Although The Meadows will offer a similar type product as the proposed Subject, it is located outside of the PMA. We expect this property to draw most of its tenants from Blairsville and other towns in Union County and Fannin County along Highway 76. Therefore, we have not removed these 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.

**Mountain View Apartments, Hiawassee, GA; Market Study**

**Similarity Matrix**

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Comparison
1	Enota Village Apartments	LIHTC/Market	Slightly Inferior	Inferior	Similar	Slightly Inferior	Slightly Superior	-15
2	Heritage Gardens	LIHTC/Market	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	Similar	5
3	Nantahala Village Apartments	LIHTC	Inferior	Similar	Similar	Inferior	Inferior	-30
4	Vista Ridge Apartments	LIHTC	Similar	Inferior	Similar	Slightly Inferior	Inferior	-25
5	Whitehall Commons	LIHTC/Market	Slightly Superior	Similar	Similar	Slightly Inferior	Similar	0
6	Cameron At Clarkesville	Market	Slightly Inferior	Similar	Similar	Slightly Inferior	Similar	-10
7	Kensington Townhomes	Market	Inferior	Similar	Similar	Slightly Inferior	Similar	-15
8	Oakmont Knoll Apartments	Market	Inferior	Similar	Similar	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 tables. It should be noted that the Subject is restricted at the 2015 LIHTC rent limits for Towns County. The corresponding maximum allowable rent limits for each of the LIHTC comparables has been included in the following tables.

**LIHTC Rent Comparison - @50%**

Property Name	1BR	2BR
Mountain View Apartments (Subject)	\$319	\$373
<b>2015 LIHTC Maximum (Net) - Towns County</b>	<b>\$323</b>	<b>\$379</b>
Enota Village Apartments	-	\$406
<b>2015 HERA Special Limits (Net) - Towns County</b>	<b>\$376</b>	<b>\$443</b>
Heritage Gardens	\$360	\$424
<b>2015 HERA Special Limits (Net) - Habersham County</b>	<b>\$360</b>	<b>\$424</b>
Nantahala Village Apartments	-	\$414
<b>2015 HERA Special Limits (Net) - Union County</b>	<b>\$370</b>	<b>\$435</b>
Vista Ridge Apartments	-	\$436
<b>2015 HERA Special Limits (Net) - Rabun County</b>	<b>\$367</b>	<b>\$431</b>
Whitehall Commons	-	\$430
<b>2015 HERA Special Limits (Net) - White County</b>	<b>\$376</b>	<b>\$443</b>
<b>Average (excluding Subject)</b>	<b>\$360</b>	<b>\$422</b>

**LIHTC Rent Comparison - @60%**

Property Name	1BR	2BR
Mountain View Apartments (Subject)	\$409	\$439
<b>2015 LIHTC Maximum (Net) - Towns County</b>	<b>\$415</b>	<b>\$489</b>
Heritage Gardens	\$460	\$543
<b>2015 HERA Special Limits (Net) - Habersham County</b>	<b>\$460</b>	<b>\$543</b>
Vista Ridge Apartments	-	\$558
<b>2015 HERA Special Limits (Net) - Rabun County</b>	<b>\$467</b>	<b>\$552</b>
Whitehall Commons	-	\$550
<b>2015 HERA Special Limits (Net) - White County</b>	<b>\$479</b>	<b>\$566</b>
<b>Average (excluding Subject)</b>	<b>\$460</b>	<b>\$550</b>

The Subject's proposed rents at all set asides are set below the maximum allowable levels. All of the comparables reported maximum allowable rents at the 50 and 60 percent AMI levels. It appears that some of the comparables are achieving rents below the maximum allowable levels. This is attributed to different utility allowance schedules. Despite differences in location, the comparable rents are generally in a tight range for each bedroom and AMI level.

Enota Village is located 8.7 miles from the Subject in the PMA. This is the only family LIHTC property located in the PMA. Enota Village was built in 2008 and is slightly inferior to the proposed Subject in terms of age and condition. The Subject will offer a similar location when compared to Enota Village. Enota Village offers slightly larger two-bedroom unit sizes. This property does not offer one-bedroom units. The Subject will offer slightly superior to superior unit and common area amenities when compared to Enota Village. Overall, the Subject is slightly superior to Enota Village. Therefore, we believe the Subject could achieve higher rents than Enota Village.

Overall, the Subject is most similar to Whitehall Commons. The Subject will be similar to Whitehall Commons in terms of location, in-unit amenities, and unit sizes. Whitehall Commons offers slightly superior common area amenities when compared to the proposed Subject. The Subject will be slightly superior to Whitehall Commons in terms of age and condition. Therefore, we believe the Subject could achieve rents in line with this property.

We believe the Subject's asking rents are reasonable and achievable as proposed, but the Subject could achieve maximum allowable rents for all of its LIHTC units. The rents at the comparable properties are held harmless at the HERA Special Limits for their respective counties. Therefore, the Subject's proposed rents are well below the rents at all of the comparable properties.

### **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**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Subject Rent Advantage</b>
1 BR @ 50%	\$319	\$360	\$649	\$513	38%
2 BR @ 50%	\$373	\$406	\$749	\$562	34%
1 BR @ 60%	\$409	\$460	\$649	\$564	27%
2 BR @ 60%	\$439	\$543	\$749	\$639	31%
2 BR @ Market	\$500	\$625	\$749	\$684	27%

The Subject’s proposed 50 and 60 percent AMI rents, as well as the market rate rents, will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition and will offer a competitive common area amenity package, unit sizes, and location. Overall, the Subject’s proposed rents are below the range of comparables and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

**Classified Listings**

There is limited rent data from the comparable properties in the Subject’s immediate market area. Therefore, we also researched classified rental listings. Although there are significant number of rental options in the local market, the majority of these homes and condominiums are vacation rentals with weekly rental rates and are not comparable to long-term rentals such as the Subject. We used the following sources to obtain classified information: Mountain Realty, Hiawassee Realty, Coldwell Banker, Century 21, Craigslist, The Towns County Herald, and Homes.com. The following table illustrates our findings. It should be noted that our research did not yield any two-bedroom rental units.

<b>RENTAL CLASSIFIED LISTINGS</b>							
<b>BR/BA</b>	<b>Type</b>	<b>City</b>	<b>Location</b>	<b>Utilities Included</b>	<b>Rent</b>	<b>Utility Adjustment</b>	<b>Adjusted Rent</b>
1BR/2BA	Single Family	Hiawassee	485 Twin Oaks	All	\$675	-\$136	\$539
1BR/1BA	Duplex	Hiawassee	N/Av	All	\$550	-\$136	\$414
1BR/1BA	Single Family	Blairsville	N/Av	All	\$850	-\$136	\$714
<b>Classified Average</b>							<b>\$556</b>

H: heat, HW: hot water, W: water, S: sewer, T: trash, E: electricity

As illustrated in the previous table, the one-bedroom classified rents in the Subject’s market area fall within the range of market rate rents illustrated at the comparable properties. Additionally, the one-bedroom average classified rent is similar to the average one-bedroom market rent at the surveyed properties.

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

According to the Georgia Department of Community Affairs, there were no properties awarded LIHTC in the PMA in 2014 or 2015.

The Gardens (HFOP) was allocated LIHTC in 2013 and targets seniors age 55 and older. This property is currently in absorption.

1. The Gardens is located 8.6 miles west of the proposed Subject.
2. Investors Management Company of Valdosta is the sponsor for The Gardens.
3. The property offers 50 units.
4. The property consists of one and two-bedroom units.
5. The property offers units restricted at 50 and 60 percent AMI.
6. Construction was completed in August 2015.
7. The property is currently in absorption and 72 percent occupied. The Gardens is restricted to seniors age 55 and older and will not directly compete with the Subject.

The Meadows was allocated LIHTC in 2015 and will target families.

1. The Meadows will be located 18.0 miles southwest of the Subject and approximately 0.5 miles outside of the PMA.
2. Investors Management Company of Valdosta is the sponsor.
3. The property will offer 73 units.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer units restricted at 50 and 60 percent AMI.
6. The construction timeline was not available but the development is expected to be complete in 2017.
7. The anticipated LIHTC rents for this project are \$300, \$330, and \$375 for the one, two, and three-bedroom 50 percent AMI units, respectively. The one, two, and three-bedroom proposed 60 percent AMI rents are \$350, \$405, and \$450, respectively.

Although The Meadows will offer a similar type product as the proposed Subject, it is located outside of the PMA. We expect this property to draw most of its tenants from Blairsville and other towns in Union County and Fannin County along Highway 76. Therefore, we have not removed these units from the demand analysis.

The comparable properties reported vacancy rates of zero to 18.8 percent, with an average of 0.9 percent. Excluding the outlier, all of the comparables reported vacancy rates of zero to 1.6 percent. The presence of waiting lists at seven of the eight comparables is a positive indication of a strong regional rental market. Based upon the strong performance of the LIHTC comparables in the PMA, we believe there is adequate demand for the proposed Subject.

**10. Rental Trends in the PMA**

The following table depicts household growth by tenure from 2000 through 2020.

**TENURE PATTERNS PMA**

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	5,518	84.5%	1,012	15.5%
2010	6,261	80.8%	1,491	19.2%
2015	6,445	78.3%	1,786	21.7%
Projected Mkt Entry				
October 2018	6,728	78.2%	1,878	21.8%
2020	6,881	78.1%	1,928	21.9%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

As the table above indicates, the majority of households in the Subject’s PMA are owner-occupied. However, the percentage of renter-occupied units is expected to increase through 2020. As of 2015, the percentage of renter-occupied households in the PMA was less than that of the nation, with approximately 31.7 percent of the nation residing in renter-occupied units. The growth in renter-occupied households is a positive indication for the proposed Subject.

**Historical Vacancy**

The following table illustrates the historical vacancy trends at the comparable properties.

**HISTORICAL VACANCY RATES**

Comparable Property	Rent Structure	Total Units	2QTR	3QTR	2QTR
			2012	2014	2016
Enota Village Apartments*	LIHTC/Market	62	13.3%	-	1.6%
Heritage Gardens	LIHTC/Market	80	-	0.0%	0.0%
Nantahala Village Apartments	LIHTC	55	7.1%	-	0.0%
Vista Ridge Apartments	LIHTC	64	28.1%	-	0.0%
Whitehall Commons	LIHTC/Market	64	3.3%	0.0%	0.0%
Cameron At Clarkesville	Market	60	-	0.0%	0.0%
Kensington Townhomes	Market	23	-	0.0%	0.0%
Oakmont Knoll Apartments*	Market	16	6.2%	-	18.8%

\*Properties located in PMA

As illustrated in the previous table, vacancy rates at the comparable properties have generally decreased over the past several years with the exception of Oakmont Knoll. As illustrated previously, we believe the elevated vacancy rate at this property is property specific. Overall, the regional market is stable and has successfully absorbed additions to supply while maintaining low vacancy rates.

**Change in Rental Rates**

The following table illustrates changes in rent among the comparable properties, where applicable.

**RENT GROWTH**

Comparable Property	Rent Structure	Location	Rent Growth
Enota Village Apartments*	LIHTC/Market	Young Harris	Increased, amount N/Av; LIHTC at max allowable
Heritage Gardens	LIHTC/Market	Cornelia	At max allowable
Nantahala Village Apartments	LIHTC	Blairsville	Increased, amount N/Av; LIHTC at max allowable
Vista Ridge Apartments	LIHTC	Rabun Gap	Increased, amount N/Av; LIHTC at max allowable
Whitehall Commons	LIHTC/Market	Cleveland	Increased 5%, LIHTC at max allowable
Cameron At Clarkesville	Market	Clarkesville	Increased 5%
Kensington Townhomes	Market	Demorest	Increased 6-7%
Oakmont Knoll Apartments*	Market	Hiawassee	None

\*Properties located in PMA

All of the comparable LIHTC properties reported maximum allowable rents. Two of the three market rate comparables reported rent growth of five to seven percent over the past year. Overall, the rent growth reported by the comparable properties is positive. We anticipate that the Subject will be able to achieve moderate rent growth in the short term based upon the LIHTC comparables.

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

According to www.RealtyTrac.com, one in every 1,404 homes in Hiawassee, GA was in foreclosure, as of March 2016. Nationally, one in every 1,212 homes was in foreclosure and one in every 1,109 homes in Georgia was in foreclosure. As indicated, Hiawassee has a lower foreclosure rate than Georgia and the nation as a whole. Overall, it appears that the local market is faring better than the state and nation as a whole in terms of foreclosure rates. During our site inspection, we did not witness any abandoned homes in the Subject’s immediate neighborhood.

**12. Primary Housing Void**

The comparable family LIHTC and mixed-income properties are two percent vacant or less and all maintain waiting lists. Based on the demand analysis, performance of the comparable properties, and conversations with local property managers, we believe there is demand for additional family affordable housing in the local market.

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

There is one family LIHTC/market rate comparable (Enota Village) located in the PMA. This property is 1.6 percent vacant with a lengthy waiting list. We do not believe that the Subject will negatively impact the performance of the comparable family properties.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. There is limited multifamily housing in Hiawassee and therefore the Subject will face limited competition. The one unsubsidized LIHTC property in Hiawassee is Big Sky Village, which is a senior LIHTC property that is currently 98 percent occupied with a waiting list of nine households. The Subject will offer new construction in a desirable location along a major thoroughfare that is lined with commercial and retail uses that are in good to excellent condition. Many of these uses are within walking

distance of the Subject site. The Subject will fill a void in the Hiawassee market given the area's general lack of rental housing. Further, the Subject's proposed rents will offer value in the market as they are below the average surveyed rents in the market.

# **I. ABSORPTION & STABILIZATION RATES**

**Stabilization/Absorption Rate**

Due to the limited amount of new construction in the Subject’s area, only three of the comparable properties were able to report absorption information, and all three were constructed in 2006 or earlier. Enota Village and Whitehall Commons were constructed in 2008 and 2009, respectively. Management at these properties could not provide absorption data. The most recently constructed property reporting absorption data, Vista Ridge Apartments, reported an absorption rate of two units per month in 2006, while Cameron at Clarkesville reported an absorption rate of five units per month in 2005.

**ABSORPTION**

Comparable Property	Rent Structure	Location	Year Built	Number of Units	Units Absorbed / Month
Vista Ridge Apartments	LIHTC	Rabun Gap	2006	64	2
Cameron At Clarkesville	Market	Clarkesville	2005	60	5
Heritage Gardens	LIHTC/Market	Cornelia	1998	80	9

\*Properties located in PMA

Due to the limited absorption data among the Subject’s comparable properties, we expanded our search to include several additional counties in Northern Georgia. The following table illustrates absorption rates of LIHTC and market rate developments in Cherokee and Forsyth Counties. It should be noted that two of these properties feature senior tenancy.

**ABSORPTION**

Property Name	Rent Structure	County	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Hearthside Towne Lake	LIHTC	Cherokee	Senior	2011	100	9
Riverview Apartments	Market	Cherokee	Family	2009	138	11
Alta Johns Creek	Market	Forsyth	Senior	2008	215	5

The more recently constructed properties in the region experienced absorption rates of five to 11 units per month.

It should be noted that Enota Village and Nantahala Village, used as comparables and located within 18 miles of the Subject, have a combined waiting list of 109 households. This illustrates pent-up demand for affordable housing in the PMA and region. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of eight units per month, which equates to an absorption period of approximately six to seven months for the Subject to reach 93 percent occupancy.

## **J. INTERVIEWS**

**Georgia Department of Community Affairs, Choice Voucher Program, North-Athens Office**

We spoke with Nancy Dove regarding Housing Choice Voucher use in Towns County. Ms. Dove reported that there are five vouchers in use in the county. The waiting list consists of six households and is currently closed. The 2016 DCA gross payment standards for Towns County are illustrated in the table below.

<b>Gross Payment Standards</b>	
1BR	\$559
2BR	\$656

The Subject’s proposed gross rents at 50 and 60 percent AMI, as well as the market rate level, are below the payment standards.

**Planning**

We spoke with a representative of the Towns County Building Permit Department who indicated that there are no new or proposed multifamily developments in the county. The only commercial development in Hiawassee is a new Dollar General store located at 3800 US Highway 76 West.

**Chamber of Commerce**

We spoke with Ms. Candace Lee, President of the Towns County Chamber of Commerce, regarding the general economic outlook for the area. Ms. Lee indicated that when Harrah's Cherokee Valley River Casino opened in Murphy, NC (approximately 24 miles northwest of the Subject site) in 2015, the hospitality industry in Hiawassee was negatively impacted. A significant number of retail-sector employees in Hiawassee and Blairsville quit their jobs for better paying jobs at the new casino. The fast food restaurants, resorts, and other small businesses in the local area have been having difficulty finding new workers. According to Ms. Lee, the retail industry is just beginning to show signs of improvement from the most recent recession. The recovery has been slower in Hiawassee but recent increases in real estate sales and home building are positive economic indicators of a recovering economy.

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

## **K. CONCLUSIONS AND RECOMMENDATIONS**

## Conclusions

- The PMA is expected to experience strong population and household growth from 2015 through 2020. The population in the PMA is expected to increase at an annual rate of 1.3 percent from 2015 through 2020, which is faster than rates of the SMA and nation as a whole. The average household size in the PMA was 2.20 persons in 2015 and is expected to slightly decrease through 2020. The Subject will target one to three-person households. The average household size in the PMA bodes well for the Subject's one and two-bedroom unit sizes. The majority of households in the Subject's PMA are owner-occupied. However, the percentage of renter-occupied units is expected to increase through 2020. The Subject will target households earning \$15,600 to \$26,460 for its LIHTC units. Approximately 31.1 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of October 2018, this percentage is projected to increase to 33.1 percent. As the population and number of households increase, there is expected to be a greater number of low-income renters seeking affordable housing.
- Hiawassee is primarily a resort and vacation area for Georgia and the surrounding states of North Carolina, Alabama, and Tennessee. Chatuge Lake is located in Hiawassee and is the main draw for visitors. Many resorts and vacation homes dot Chatuge Lake's shoreline. Therefore, a significant portion of total employment in the area is concentrated in industries servicing the resorts and vacationing tourists. The third largest employer in Towns County is Brasstown Valley Resort, which employs 240 workers. Construction, retail trade, educational services, and health care/social assistance are the largest industries within the PMA. These industries account for approximately 52.1 percent of total employment within the PMA. The SMA experienced a significant decrease in total employment between 2008 and 2011, when total employment decreased 23.5 percent. The decrease in employment suggests that the national recession negatively impacted the local area. With the exception of 2013, total employment in the SMA has increased every year since 2012. Further, the SMA experienced growth in total employment of 4.6 percent from December 2014 to December 2015. Despite recent growth, total employment in the SMA remains below pre-recession levels. The unemployment rate in the SMA was lower than that of the nation from 2005 through 2007. However, the unemployment rate in the SMA has remained at rate above the nation since 2008. As of December 2015, the unemployment rate in the SMA was 0.6 percentage points higher than that of the nation. The recent growth in total employment and decrease in unemployment is evidence of an improving local economy.
- The Subject's 50 percent capture rates range from 6.7 to 15.6 percent, with an overall capture rate of 10.6 percent. The Subject's 60 percent AMI capture rates range from 33.6 to 38.1 percent, with an overall capture rate of 36.2 percent. The Subject's market rate capture rate is 2.2 percent. The overall capture rate for the Subject's 50 and 60 percent units is 31.0 percent. Therefore, we believe there is adequate demand for the Subject.

- The comparable properties reported vacancy rates of zero to 18.8 percent, with an average of 0.9 percent. Six of the eight comparables currently have zero vacancy. Oakmont Knoll is the only property that reported vacancy above 1.6 percent. According to management at Oakmont Knoll, the market rate rental market is soft in Hiawassee. However, management indicated that there is demand for affordable housing in the local area. Enota Village, located 8.7 miles from the proposed Subject in Young Harris, is 1.6 percent vacant with a lengthy waiting list. This property's 13 market rate units are occupied. Additionally, there are no vacancies at the remaining comparables in the region. We believe that the elevated vacancy rate at Oakmont Knoll is property specific and likely due to inadequate management and its small size. Therefore, the vacancy rate at this property is not cause for concern. Overall, the market is performing well. Based on the strong performance of most of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.
- Seven of the eight comparables currently maintain waiting lists. Enota Village Apartments and Nantahala Village Apartments, the two closest LIHTC properties to the Subject, maintain a combined waiting list of 109 households. These two properties have one combined vacancy. Most of the remaining comparable properties maintain short to moderate waiting lists. The presence of waiting lists at the LIHTC comparables, especially Enota Village and Nantahala Village, is a positive indication of a strong rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. There is limited multifamily housing in Hiawassee and therefore the Subject will face limited competition. The one unsubsidized LIHTC property in Hiawassee is Big Sky Village, which is a senior LIHTC property that is currently 98 percent occupied with a waiting list of nine households. The Subject will offer new construction in a desirable location along a major thoroughfare that is lined with commercial and retail uses that are in good to excellent condition. Many of these uses are within walking distance of the Subject site. The Subject will fill a void in the Hiawassee market given the area's general lack of rental housing. Further, the Subject's proposed rents will offer value in the market as they are below the average surveyed rents in the market.

## **Recommendations**

- We have no recommendations for the proposed Subject development.

## **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.



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Brad Weinberg, MAI, CVA,  
CCIM  
Partner  
Novogradac & Company LLP

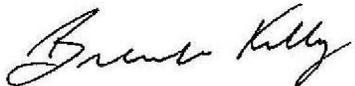
April 26, 2016  
Date



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Edward R. Mitchell, MAI  
Manager

April 26, 2016  
Date



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Brendan Kelly  
Senior Analyst

April 26, 2016  
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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Brad Weinberg, MAI, CVA,  
CCIM  
Partner  
Novogradac & Company LLP

April 26, 2016  
Date



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Edward R. Mitchell, MAI  
Manager

April 26, 2016  
Date



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Brendan Kelly  
Real Estate Analyst

April 26, 2016  
Date

## **N. QUALIFICATIONS**

**CURRICULUM VITAE**  
**BRAD E. WEINBERG, MAI, CVA, CCIM**

**I. Education**

University of Maryland, Masters of Science in Accounting & Financial Management  
University of Maryland, Bachelors of Arts in Community Planning

**II. Licensing and Professional Affiliations**

MAI Member, Appraisal Institute, No. 10790  
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)

Member, The Counselors of Real Estate (CRE)

Certified Investment Member (CCIM), Commercial Investment Real Estate Institute

Member, Urban Land Institute

Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628

State of California – Certified General Real Estate Appraiser, No. 27638

State of Connecticut – Certified General Real Estate Appraiser, No. RCG.0001439

Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340

State of Florida – Certified General Real Estate Appraiser; No. RZ3249

State of Georgia – Certified General Real Property Appraiser; No. 221179

State of Maine – Certified General Real Estate Appraiser, No. CG3435

State of Maryland – Certified General Real Estate Appraiser; No. 6048

Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769

State of Michigan – Certified General Real Estate Appraiser, No. 1201074327

State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R

State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900

State of Ohio – Certified General Real Estate Appraiser; No. 2006007302

State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111

State of South Carolina – Certified General Real Estate Appraiser; No. 4566

**III. Professional Experience**

Partner, Novogradac & Company LLP

President, Capital Realty Advisors, Inc.

Vice President, The Community Partners Realty Advisory Services Group, LLC

President, Weinberg Group, Real Estate Valuation & Consulting

Manager, Ernst & Young LLP, Real Estate Valuation Services

Senior Appraiser, Joseph J. Blake and Associates

Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

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

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

#### **V. Speaking Engagements and Authorship**

Numerous speaking engagements at Affordable Housing Conferences throughout the Country  
Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

#### **VI. Real Estate Assignments**

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private,

unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL, MAI**

### **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 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. Certifications & Licenses**

- Alabama State Certified General Real Property Appraiser #G01192
- Florida State Certified General Real Property Appraiser #RZ3784
- Georgia State Certified General Real Property Appraiser #4649
- Mississippi State Certified Real Property Appraiser #GA 1135
- North Carolina State Certified General Real Property Appraiser #A7996
- South Carolina State Certified General Property Appraiser #7354
- West Virginia State Certified Real Property Appraiser #CG 524
- Licensed Real Estate Salesperson (Georgia)

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS BRENDAN KELLY**

## **I. Education**

Pennsylvania State University, University Park, PA  
Bachelor of Science in Finance

## **II. Professional Experience**

Independent Real Estate Analyst  
Senior Real Estate Analyst, Novogradac & Company LLP  
Research Assistant, Novogradac & Company LLP

## **III. Real Estate Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Work assignments completed in various states include: Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming, and Virginia.