PROFESSIONAL MARKET STUDY

FOR THE WOOD MEADOW TOWNHOMES

A PROPOSED LIHTC FAMILY DEVELOPMENT

LOCATED IN:

ADAIRSVILLE, BARTOW COUNTY, GA

PREPARED FOR:

WOOD MEADOW TOWNHOMES, LP

PREPARED BY:

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P.O. BOX 37523
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MAY 2016

Table of Contents

SECTION A

EXECUTIVE SUMMARY

1. *Project Description*:

. ***Brief description of project location including address and/or position relative to the closest cross-street.***

. The proposed LIHTC/Market multi-family development will target the general population in Adairsville and Bartow County, Georgia. The subject property is located off Woody Road, approximately .8 miles west of US Highway 41.

. ***Construction and occupancy types.***

. The proposed new construction development project design comprises 1 four-plex and 10 six-plex townhouse residential buildings. The development design provides for 128-parking spaces. The development will include a separate building to be used as a clubhouse/community room, central laundry, and a manager’s office.

The proposed *Occupancy Type* is for the **General Population** and is not age restricted.

. ***Unit mix including bedrooms, bathrooms, square footage, income targeting rents, utility allowance.***

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	797	888
2BR/2b	32	1234	1392
3BR/2b	24	1459	1632
Total	64		

Project Rents:

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 65% of the units at 60% AMI and approximately 15% of the units at Market. Rent excludes water and sewer, but includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	7	$450	$156	$606
2BR/2b	3	$500	$194	$694
3BR/2b	3	$550	$241	$791

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	1	$450	$156	$606
2BR/2b	24	$500	$194	$694
3BR/2b	16	$550	$241	$791

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
2BR/2b	5	$550	$194	$744
3BR/2b	5	$600	$241	$841

*Based upon Energy Consulting, Inc., estimated Utility Allowances, 4/11/16.

. ***Any additional subsidies available including project based rental assistance (PBRA).***

. The proposed LIHTC/Market Rate development will not include any additional deep subsidy rental assistance, including PBRA. The proposed LIHTC development will accept deep subsidy Section 8 vouchers.

. ***Brief description of proposed amenities and how they compare to existing properties.***

. Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.

2. ***Site Description/Evaluation***:

• ***A brief description of physical features of the site and adjacent parcels. In addition, a brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).***

- The approximately 21.02-acre, polygon shaped tract is mostly cleared and relatively flat. At present, no physical structures are located on the tract.

- The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: low density single-family residential use, with nearby industrial and commercial use.

- Directly north of the site is primarily low density single-family development land use. A small subdivision, Woody Farms is located directly north of the site. Directly west of the site is vacant land and low density single-family land use. Directly south of the site is vacant land. The Adairsville Shopping Center is located 1 mile southeast of the site. Directly east of the site is vacant land and low density single-family land use. The rear entrance to the new Shaw Plant is located .4 miles east of the site off Woody Road.

- ***A discussion of site access and visibility.***

- Access to the site is available off Woody Road. Woody Road is a secondary connector, which links the site to US Highway 41, .8 miles east. It is a low density road, with a speed limit of 35 miles per hour in the immediate vicinity of the site. Also, the location of the site off Woody Road does not present problems of egress and ingress to the site.

- The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities, including: noxious odors, very close proximity to cemeteries, high tension power lines, rail lines and junk yards.

- ***Any significant positive or negative aspects of the subject site.***

- Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	**WEAKNESSES**
Good accessibility to services, trade, employment nodes, as well as nearby health care and educational facilities	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

- ***A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc...***

- Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, schools, and area churches. All major facilities within Adairsville can be accessed within a 5-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

- ***An overall conclusion of the site's appropriateness for the proposed development.***

- The site location is considered to be marketable. In the opinion of the analyst, the proposed site location offers attributes that will enhance the rent-up process of the proposed LIHTC/Market Rate development.

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

- ***A brief definition of the primary market area including boundaries of the market area and their approximate distance from the subject property.***

- The Primary Market Area (PMA) for the proposed multi-family development consists of the following 2010 Census Tracts and Census Block Groups in Bartow County and Gordon Counties:

  Bartow County: Census Tract 9602
  Census Block 1 of Census Tract 9603
  Census Block 3 of Census Tract 9601.02

  Gordon County: Census Block 1 of Census Tract 9707
  Census Block 3 of Census Tract 9708

- The PMA is located in the northwest portion of Georgia. Adairsville is approximately 10 miles south of Calhoun and 15 miles north of Cartersville. Adairsville is the largest populated place in the PMA, as well as being the only incorporated place in the PMA, representing approximately 22% of the total PMA population.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	the Calhoun PMA	5 miles
East	remainder of Bartow County	6 - 12 miles
South	the Cartersville PMA	10 miles
West	Floyd & Gordon Counties	4 - 5 miles

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

- ***Current and projected household and population counts for the primary market area. For senior reports, data should be presented for both overall and senior households and populations/households.***

- Total population and household gains over the next several years, (2016-2018) are forecasted for the PMA, represented by a rate of change approximating +0.62% per year. In the PMA, in 2010, the total population count was 21,294 versus 22,104 projected for 2018.

- In the PMA, in 2016, the total household count was 7,648 versus 7,725 projected by 2018. This represents an increase of +0.50% per year.

- ***Households by tenure including trends in rental rates.***

- The 2016 to 2018 tenure forecast trend exhibited an increase in both owner and renter-occupied households within the PMA, at a comparable percentage rate.

- ***Households by income level.***

- It is projected that in 2018, approximately **24.5**% of the renter-occupied households in the PMA will be in the subject's 50% AMI LIHTC target income group of $20,775 to $36,850.

- It is projected that in 2018, approximately **32.5%** of the renter-occupied households in the PMA will be in the subject's 60% AMI LIHTC target income group of $20,775 to $44,220.

- In order to adjust for income overlap between the targeted income segments, the following adjustments were made: (1) the 50% AMI estimate was reduced to **13%**, and (2) the 60% AMI estimate was reduced to **19.5%**.

- It is projected that in 2018, **16%** of the renter-occupied households in the PMA will be in the Market Rate target income group of $35,000 to $50,000.

- ***Impact of foreclosed, abandoned and vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development should be discussed.***

- The foreclosure problem is still very much evident Nationwide, Statewide, as well as in Adairsville and Bartow County. ForeclosureListings.com is a nationwide data base with approximately 987,505 listings (84% foreclosures, 4% short sales, 12% auctions, and 1% brokers listings). As of 5/5/16, there were 114 foreclosure and foreclosure auction listings within Adairsville, of which 38 of the 114 foreclosure listings had a listed value of greater than $100,000.

- In the Adairsville PMA, the relationship between the local area foreclosure market and existing or new LIHTC supply is not crystal clear.

- Note: Recent anecdotal news information points to the fact that in Georgia the majority of the foreclosure problem is concentrated in the Atlanta Metro Region more so than in rural markets within the State. Still, there are other metro housing markets in the State, as well as some rural housing markets that are severely impacted by a significant amount of foreclosures. Based on available data at the time of the survey, Bartow County does not appear to be one of the semi-urban housing markets that have been placed in jeopardy due to the recent foreclosure phenomenon.

5. ***Economic Data***:

- ***Trends in employment for the county and/or region. Employment should be based on the number of jobs in the county (i.e., covered employment).***

- Between 2005 and 2007, the average increase in employment in Bartow County was approximately 793 workers or approximately +1.9% per year. The rate of employment loss between 2008 and 2010, was very significant at almost -4%, representing a net loss of -1,585 workers. The rate of employment gain between 2011 and 2013, was moderate at approximately +0.86% per year. The 2014 to 2015, rate of gain was very significant when compared to the preceding year at +2.36%. The rate of employment change thus far into 2016, is forecasted to exhibited a comparable increase in the level of employment when compared to 2015.

- The 2014 and the 1st three Quarters in 2015 trend data suggests an overall increase in covered employment in 2015, which is a positive indicator for an increase in covered employment in 2016.

- ***Employment by sector for the county and/or region.***

- The top four employment sectors are: manufacturing, trade, government and service. The 2016 forecast is for the healthcare sector to increase and the manufacturing sector to stabilize.

- ***Unemployment trends for the county and/or region for the past 5 years.***

- Monthly unemployment rates in 2015 were improved when compared to the 2009 to 2014 period. Monthly unemployment rates in 2015, were for the most part improving on a month to month basis, ranging between 4.9% and 6.6%. The National forecast for 2016 (at present) is for the unemployment rate to approximate 4.5% to 5% in the later portion of the year. The annual unemployment rate in 2016 in Bartow County is forecasted to continue to decline, to the vicinity of 5% and improving on a relative year to year basis.

- **A brief discussion of any recent or planned m*ajor employment contractions or expansions.***

- The Bartow-Cartersville Joint Development Authority (BCJDA) is the lead economic development entity for Bartow County. The stated mission is to "develop and promote trade, commerce, industry, and employment opportunities for the public good and general welfare of Cartersville, Bartow County and of the state of Georgia." The core strategy is to "maintain a balance of industrial, commercial and residential growth while protecting resources, the environment and the quality of life in Cartersville and Bartow County."

- On February 16, 2016 the BCJDA released its 2015 annual report. Some of the highlights included several expansions during 2015 including Vista Metals Georgia, Sheet Metal Component, several small but important industrial projects and the Indoor Sports Complex at LakePoint. New companies in 2015 include Airman USA, Value Feeds, LLC and Constellium Automotive Structures North America (which will create more than 150 jobs). Another notable project was a 265,200SF speculative building constructed in the Cartersville Business Park.

- During 2015, 10 projects created/committed to investment of $93,125,648 and the creation of 263 new jobs. Construction continued on facilities for previously announced projects, including Shaw Industries Group Plant T1, Toyo Tire North America, voestalpine Automotive Body Parts, Surya Rugs and Beauflor USA.

- ***An overall conclusion regarding the stabili*ty of the county's overall economic environment. This conclusion should include an opinion if the current economic environment will negatively impact the demand for additional or renovated rental housin**g.

- Over the last two years the Adairsville / Bartow County economy has: (1) stabilized and (2) exhibited signs of continuing growth.

- The Bartow County area economy has a large number of low to moderate wage workers employed in the service, trade, hospitality, and healthcare sectors. Given the acceptable site location of the subject, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters from these sectors of the workforce who are in need of affordable housing and a reasonable commute to work.

- The proposed subject property net rents at both 50% and 60% AMI, and at Market Rate are very marketable, and competitive with the area competitive environment.

- In the opinion of the market analyst, a new LIHTC/Market Rate family development located within the Wood Meadow PMA should fare well. The opportunities for income qualified LIHTC households to buy a home are and will become ever more challenging, in the current underwriting and mortgage due diligence environment.

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

- ***Number of renter households income qualified for the proposed development given the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households.***

- The forecasted number of income qualified renter households for the LIHTC segment of the proposed development is 461. The forecasted number households for the Market Rate segment of the proposed development is 58.

- ***Overall estimate of demand based on DCA's demand methodology.***

- The overall forecasted number of income qualified households for the proposed LIHTC/Market Rate development taking into consideration like-kind competitive supply introduced into the market since 2014 is 461 and 58, respectively.

- Capture Rates including: LIHTC & Market Rate

Proposed Project Capture Rate All Units	**12.3%**
Proposed Project Capture Rate LIHTC Units	**11.7%**
Proposed Project Capture Rate LIHTC Units @ 50% AMI	**7.0%**
Proposed Project Capture Rate LIHTC Units @ 60% AMI	**14.9%**
Proposed Project Capture Rate Market Rate Units	**17.2%**

- ***A conclusion regarding the achievability of the above Capture Rates.***

- The above capture rates are well below the GA-DCA thresholds. They are considered to be a reliable quantitative indicator of market support for the proposed subject development.

7. *Competitive Rental Analysis*:

- ***An analysis of the competitive properties in the PMA.***

- At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was 3.3%.

- At the time of the survey, two of the three program assisted family properties were 100% occupied. Two of the three properties reported to have a waiting list. The size of the waiting lists ranged between 8 and 70-applicants.

- At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties targeting the general population was 2.5%.

- The typical occupancy rate reported for most of the surveyed properties is in the low 90's to high 90's%. Half of the surveyed properties were 100% occupied.

- ***Number of properties.***

- Three program assisted properties representing 92 units were surveyed in the subject's competitive environment.

- Six market rate properties, representing 888 units were surveyed in the subject's competitive environment, in detail. Owing to the lack of traditional market rate apartment properties within the Adairsville PMA, all six of the surveyed market rate properties are located outside in the PMA, in nearby Cartersville.

- ***Rent bands for each bedroom type proposed.***

Bedroom type	Rent Band (Subject)	Rent Band (Market Rate)
1BR/1b	$450	$575 - $990
2BR/1b	Na	Na
2BR/2b	$525-$550	$675 - $1174
3BR/2b	$600-$650	$775 - $1205

- ***Average Market rents.***

Bedroom type	Average Market Rent
1BR/1b	$729 (adjusted = $715)
2BR/1b	Na
2BR/2b	$927 (adjusted = $845)
3BR/2b	$1012 (adjusted = $980)

8. ***Absorption/Stabilization Estimate:***

- ***An estimate of the number of units to be leased at the subject property, on average.***

- The forecasted rent-up scenario suggests an average of 8-units being leased per month.

- ***Number of units expected to be leased by AMI Targeting.***

AMI Target Group	Number of units Expected to be Leased*
50% AMI	13
60% AMI	61
Market	10

* at the end of the 1 to 8-month absorption period

- ***Number of months required for the project to reach stabilization of 93% occupancy.***

- A 93% occupancy rate is forecasted to occur within 8-months of the placed in service date. Stabilized occupancy is expected to be 93%+ up to but no later than a 3 month period beyond the absorption period.

- ***The absorption rate should coincide with other key conclusions. For example, insufficient demand or unachievable rents should be reflected in the absorption rate.***

- A reconciliation of the proposed LIHTC net rents by bedroom type with current average market rate net rents by bedroom type are supportive of the forecasted absorption and stabilization periods.

9. *Overall Conclusion*:

- ***A narrative detailing the key conclusions of the report including the analyst's opinion regarding the potential for success of the proposed development.***

- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings**, ***as presently configured.***

- Total population and household growth within the PMA is exhibited with annual growth rates approximating +0.62% per year for population growth and +0.50% for household growth over the forecast period.

- At the time of the survey, the overall estimated vacancy rate of the surveyed USDA-RD program assisted apartment properties located within the PMA was 3.3%. In addition, the nearest LIHTC-Family development to Adairsville is located in Calhoun (about 10-miles north). At the time of the survey, the 56-unit East Gate Apartments were 100% occupied and had 150-applicants on the waiting list.

- The 1BR net rent advantage at 50% AMI is approximately 37%. At 60% AMI the 1BR net rent advantage is approximately 37%.

- The 2BR net rent advantage at 50% AMI is approximately 41%. At 60% AMI the 2BR net rent advantage is approximately 41%.

- The 3BR net rent advantage at 50% AMI is approximately 44%. At 60% AMI the 2BR net rent advantage is approximately 44%.

- The overall project rent advantage for the LIHTC segment is estimated at approximately 41.5%.

- The subject will offer 1BR, 2BR and 3BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. All household sizes will be targeted, from single person households to large family households.

- The proposed LIHTC family development will not negatively impact the existing supply of program assisted family properties located within the Adairsville PMA competitive environment in the short or long term. At the time of the survey, the existing USDA-RD family properties were on average 96.7% occupied. At the time of the survey, two of the three program assisted family properties were 100% occupied. Two of the three properties reported to have a waiting list. The size of the waiting lists ranged between 8 and 70-applicants. Presently, there are no LIHTC-family apartment developments located within the Adairsville PMA.

Summary Table				
Development Name: Wood Meadow Townhomes			Total Number of Units: 64	
Location: Adairsville, GA (Bartow Co)			# LIHTC Units: 54	
PMA Boundary: North 5 miles; East 6-12 miles South 10 miles; West 4-5 miles			Farthest Boundary Distance to Subject: 12 miles	
Rental Housing Stock (found on pages 77 - 90)				
Type	# Properties	Total Units	Vacant Units	Avg Occupancy
All Rental Housing	9	980	25	97.7%
Market Rate Housing	6	888	22	97.5%
Assisted/Subsidized Housing Ex LIHTC	3	92	3	96.7%
LIHTC	0	0	0	0.0%
Stabilized Comps	6	888	22	97.5%
Properties in Lease Up	Na	Na	Na	Na

Subject Development					**Average Market Rent**			**Highest Unadjusted Comp Rent**	
Number Units	Number Bedrooms	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Adv (%)	Per Unit	Per SF
8	1	1	797	$450	$715	$.92	37%	$835	$1.26
27	2	2	1234	$500	$845	$.78	41%	$1003	$0.96
19	3	2	1459	$550	$980	$.78	44%	$1174	$0.86
5	2	2	1234	$550	$845	$.78	35%	$1003	$0.96
5	3	2	1459	$600	$980	$.78	39%	$1174	$0.86

LIHTC Segment Market Rate Segment

Demographic Data (found on pages 39 & 65)						
	2010		**2016**		**2018**	
Renter Households	1,670	23.03%	1,770	23.14%	1,790	23.17%
Income-Qualified Renter HHs (LIHTC)	417	25.00%	451	25.50%	461	25.75%
Income-Qualified Renter HHs (MR)	50	3.00%	57	3.20%	58	3.24%

Targeted Income Qualified Renter Household Demand (found on pages 63 - 65)						
Type of Demand	30%	50%	60%	MR	Other	Overall
Renter Household Growth		3	4	3		10
Existing Households (Overburdened + Substandard)		182	272	55		509
Homeowner Conversion (Seniors)		Na	Na	Na		Na
Total Primary Market Demand		185	276	58		519
Less Comparable Supply		0	0	0		0
Adjusted Income-Qualified Renter HHs		185	276	58*		519
Capture Rates (found on page 66 - 68)						
Targeted Population	30%	50%	60%	MR	Other	Overall
Capture Rate		7.0%	14.9%	17.2%		12.3%

*Adjusted for proposed BR mix at Market.

MARKET STUDY FOLLOWS

SECTION B

PROPOSED PROJECT DESCRIPTION

The proposed LIHTC/Market Rate multi-family development will target the general population in Adairsville and Bartow County, Georgia. The subject property is located off Woody Road, .8 miles west of US Highway 41.

Scope of Work

The market study assignment was to ascertain market demand for a proposed new construction multi-family LIHTC development to be known as the **Wood Meadow Townhomes**, for Wood Meadow Townhomes, LP, under the following scenario:

Project Description:

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	797	888
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Total	64		

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The proposed *Occupancy Type* is for the **General Population.**

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The proposed new construction development will not have any project based rental assistance, nor private rental assistance. The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 65% of the units at 60% AMI and approximately 15% of the units at Market. Rent excludes water and sewer, but includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
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*Based upon Energy Consulting, Inc., estimated Utility Allowances, 4/11/16 .

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PROPOSED PROJECT RENTS @ Market				
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*Based upon Energy Consulting, Inc., estimated Utility Allowances, 4/11/16.

Project Amenity Package

The proposed development will include the following amenity package:

Unit Amenities

- range
- microwave
- central air
- smoke alarms
- carpet
- ceiling fans
- energy star refrigerator
- energy star dish washer
- cable ready
- washer/dryer hook-ups
- window coverings
- patio/balcony w/storage closet

Development Amenities

- manager's office
- laundry facility
- swimming pool
- community building w/covered porch
- equipped playground
- covered pavilion w/picnic and barbeque grills

The projected first full year that the **Wood Meadow Townhomes** will be placed in service as a new construction property, is mid to late 2018. The first full year of occupancy is forecasted to be in 2019. Note: The 2016 GA QAP states that "owners of projects receiving credits in the 2016 round must place all buildings in the project in service by December 31, 2018".

The architectural firm for the proposed development is McKean & Associates Architects, LLC. At the time of the market study, the floor plans and elevations had not been completed. However, the conceptual site plan submitted to the market analyst was reviewed.

Utility allowances are based upon estimates for the City of Adairsville as calculated by Energy Consulting, Inc. Effective date: April 11, 2016.

SECTION C

SITE & NEIGHBORHOOD

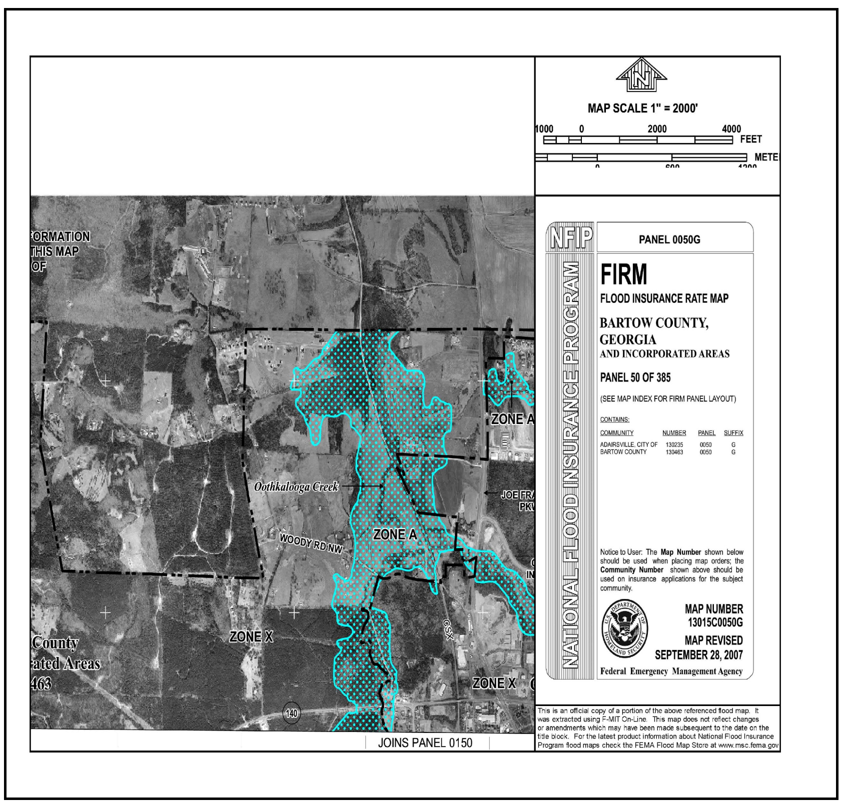
The site of the proposed LIHTC/Market Rate new construction apartment development is located off Woody Road, .8 miles west of US Highway 41. Specifically, the site is located within the Adairsville city limits in Census Tract 9602, and Zip Code 30103.

Note: The site is not located within a Qualified Census Tract (QCT).

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers, and schools. All major facilities in Adairsville and the PMA can be accessed within a 5-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site. Source: Mr. Casey Early, Community Development Director, City of Adairsville, (770) 733-3451. Ext 115.

Site Characteristics

The approximately 21.02-acre, polygon shaped tract is mostly cleared and relatively flat. At present, no physical structures are located on the tract. The buildable area of the site is not located within a 100-year flood plain. Source: FEMA website (www:msc.fema.gov), Map Number 13015C0050G, Panel 59 of 385, Effective Date: September 28, 2007. The site does contain an ephemeral stream and allows for buffering of the stream within the buildable area of the site.



The site is zoned MF, Multi-Family. All public utility services are available to the tract and excess capacity exists. However, these assessments are subject to both environmental and engineering studies.

Crime & Perceptions of Crime

The overall setting of the site is considered to be one that is very acceptable for residential development and commercial development within the present neighborhood setting. The site and the immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. The most recent crime rate data for Bartow County reported by the Georgia Bureau of Investigation - Uniform Crime Report revealed that violent crime and property crime rate for Bartow County was extremely low, particularly for violent Crime (homicide, rape, robbery and assault).

Detailed crime data are not available for Adairsville from the Georgia Bureau of Investigation. Data for 2015 reported by safewise.com indicates a very low crime rate, at only 0.77 per 1,000 population for violent crimes and 11.10 per 1,000 population for property crimes in Adairsville, which is 60% less than the typical American city. In addition, Safewise named Adairsville as number 6 among the 40 safest cities in Georgia.

Source: http://www.safewise.com/blog/safest-cities-georgia-2015/

Crime data for Bartow County as a whole is available for 2013 and 2014. Overall, between 2013 and 2014 violent crime in Bartow County increased by 30.2%. The actual number of such crimes in 2014 was relatively low at 487 overall, of whih 419 were assault. Property crimes increased by 42.7% in Bartow County between 2013 and 2014, mainly due to an increase in larceny. Again, it must be noted than in areas with low numbers of crimes, any numerical change results in a large percentage increase.

Bartow County			
Type of Offence	**2013**	**2014**	**Change**
Homicide	0	2	2
Rape	13	32	19
Robbery	32	34	1
Assault	329	419	90
Burglary	806	1,044	238
Larceny	2,263	3,397	1,134
Motor Vehicle Theft	264	14	50
Bartow County Total	3,707	5,242	1,535

Source: Georgia Bureau of Investigation, Uniform Crime Report

Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: low density single-family residential use, with nearby industrial and commercial use.

Directly north of the site is primarily low density single-family development land use. A small subdivision, Woody Farms is located directly north of the site. At present, 3 homes are located within the subdivision.

Directly west of the site is vacant land and low density single-family land use.

Directly south of the site is vacant land. The new Shaw (carpet) Plant is located about .4 miles southeast of the site. The Adairsville Shopping Center (Food Lion & Ford's Pharmacy) is located 1 mile southeast of the site.

Directly east of the site is vacant land and low density single-family land use. The rear entrance to the new Shaw Plant is located .4 miles east of the site off Woody Road.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.

(1) Near site access, off Woody Rd, north to south.

(2) Site to the right, west to east.

(3) Site to the left, east to west.

(4) Site off Woody Road, northwest to southeast.

(5) Entrance into Woody Farms subdivision.

(6) Typical home in Woody Farms subdivision.

(7) Rear entrance into Shaw, .4 miles from site.

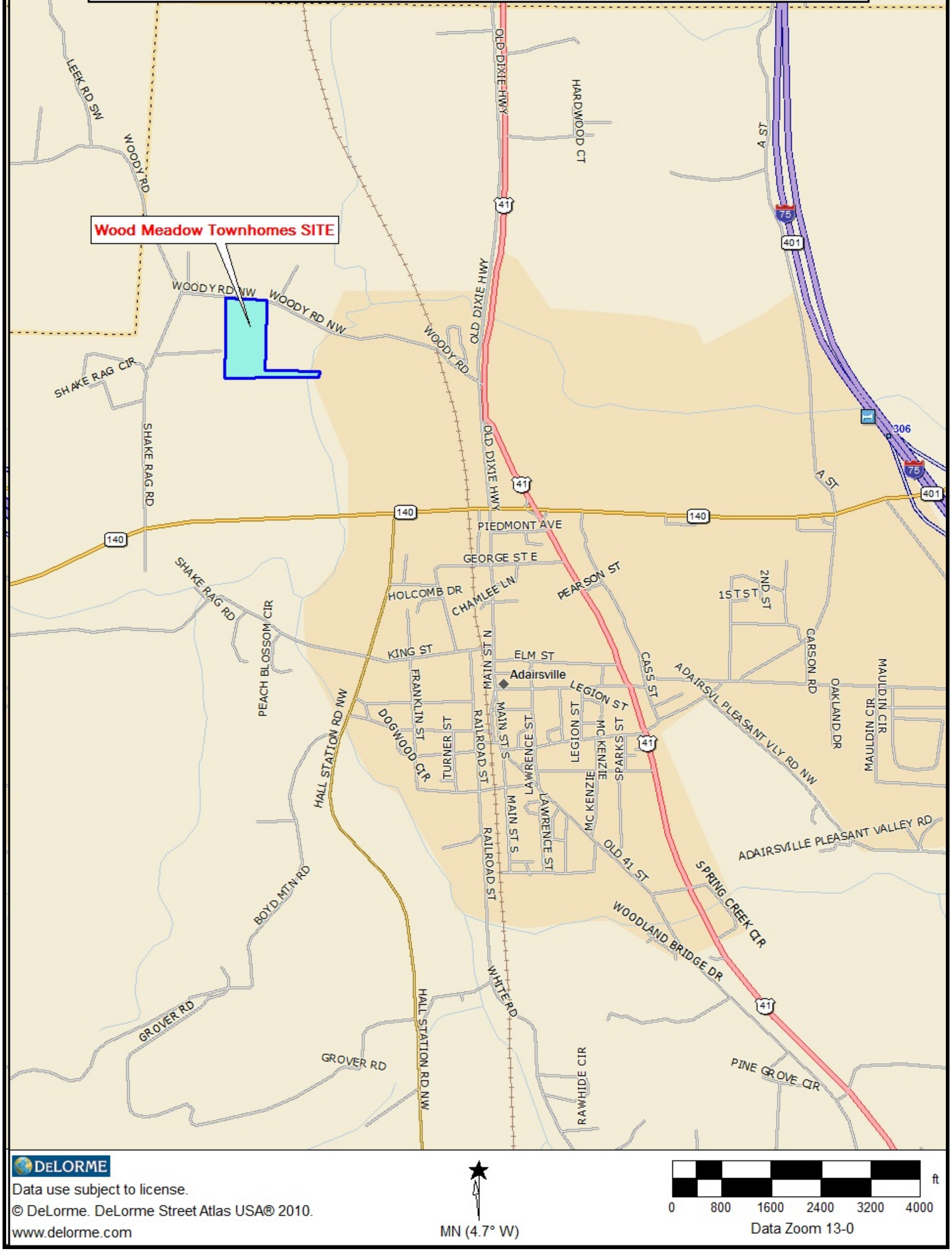
(8) Shaw Plant off GA 140, 1 mile from site.

(9) EMS & Fire Station, 1 mile from site entrance.

(10) Food Lion Grocery, 1 mile from site entrance.

(11) Ford's Pharmacy, 1.1 mile from site entrance.

Wood Meadow Townhomes Site Location



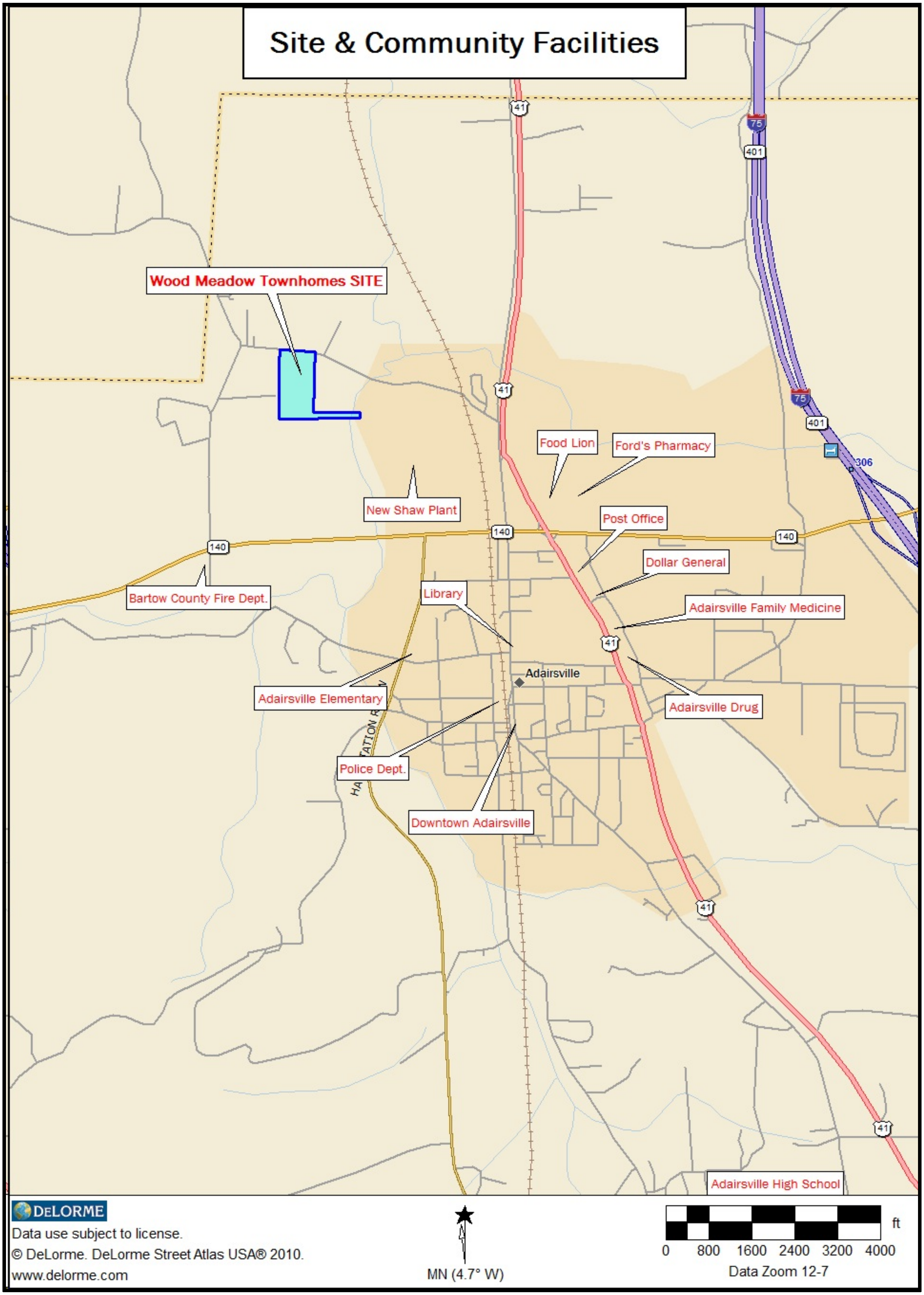
Access to Services

The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Subject
New Shaw (carpet) Plant	0.4
Access to US 41	0.8
Access to GA 140	1.0
Fire Station	1.0
Food Lion	1.0
Ford's Pharmacy	1.1
Post Office	1.4
Dollar General	1.6
Library	1.7
Adairsville Family Medicine	1.7
Adairsville Drug	1.8
Downtown Adairsville	1.9
Adairsville Elementary School	2.1
Access to I-75	2.3
Police Department	2.5
Adairsville High School	4.0
Adairsville Middle School	4.3
Kroger (Calhoun)	7.5
Ingles Market (Calhoun)	7.7
Walmart (Calhoun)	8.0
Calhoun Premium Outlets	9.4
Cartersville Medical Center	18.0

Note: Distance from subject is in tenths of miles and are approximated.


Site & Community Facilities
Wood Meadow Townhomes SITE
New Shaw Plant
Food Lion
Ford's Pharmacy
Post Office
Dollar General
Library
Adairsville Family Medicine
Bartow County Fire Dept.
Adairsville
Adairsville Elementary
Adairsville Drug
Police Dept.
Downtown Adairsville
Adairsville High School
41
75
401
140
306
DELORME
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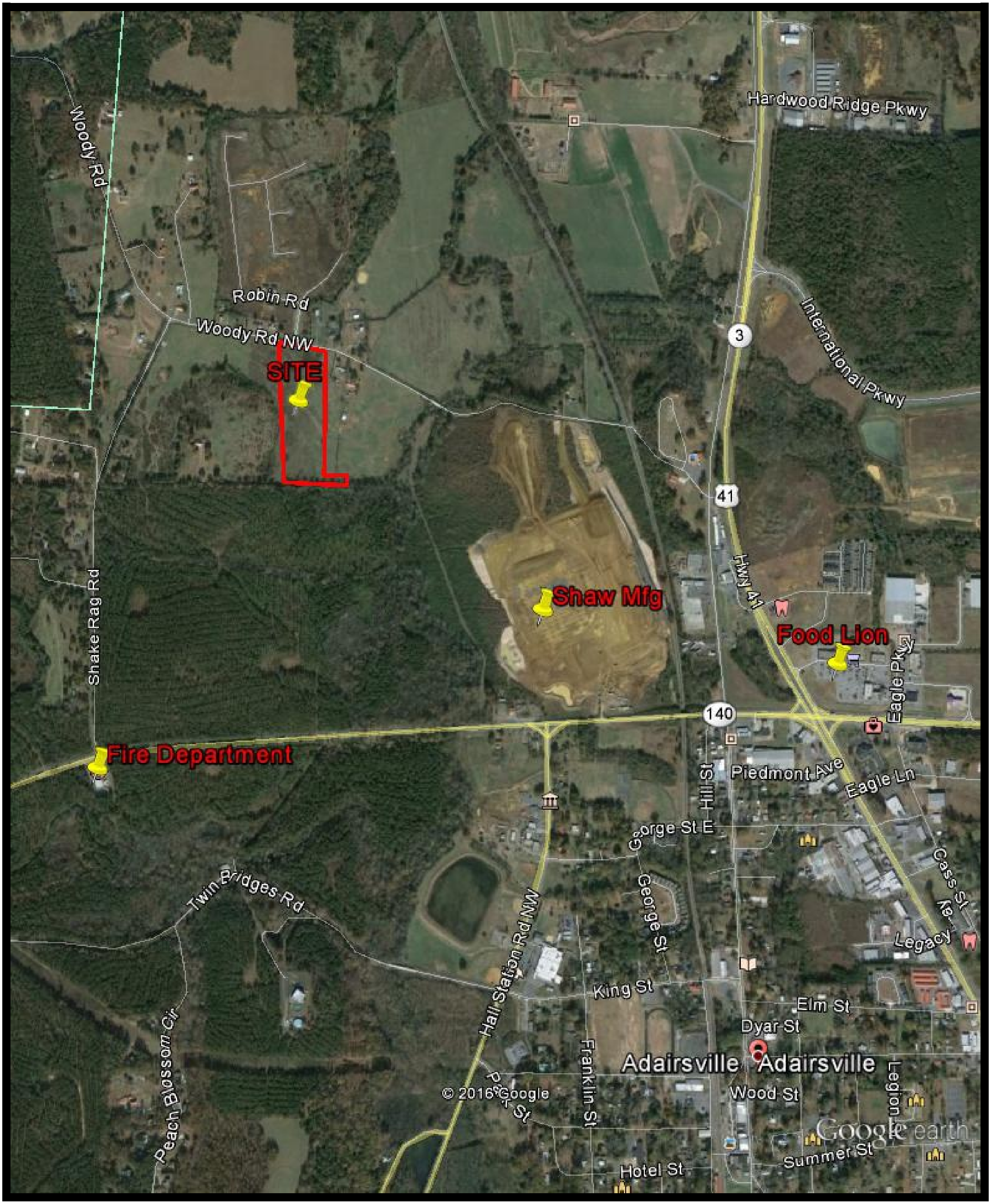
www.delorme.com
MN (4.7° W)
0 800 1600 2400 3200 4000 ft
Data Zoom 12-7


Woody Rd
Hardwood Ridge Pkwy
Robin Rd
Woody Rd NW
SITE
3
International Pkwy
41
Shaw Mfg
Hwy 41
Food Lion
Shake Rag Rd
Eagle Pkwy
140
Fire Department
Piedmont Ave
Eagle Ln
Hill St
George St E
Twin Bridges Rd
George St
Cass St
Legacy Key
Hall Station Rd NW
King St
Elm St
Dyar St
Peach Blossom Cir
Franklin St
Adairsville
Adairsville
© 2016 Google
Park St
Wood St
Legion St
Google earth
Summer St
Hotel St

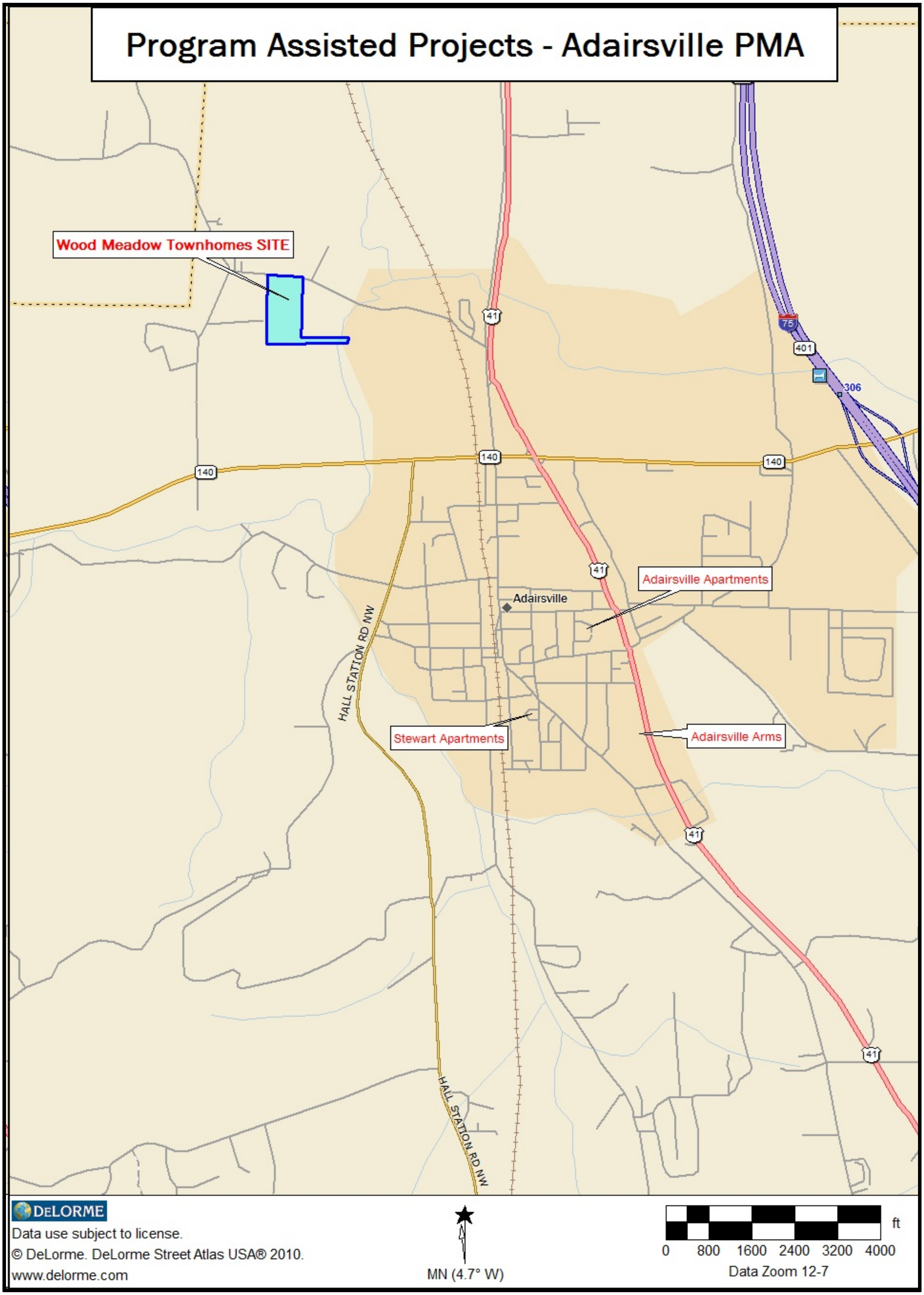
Program Assisted Apartments in Adairsville PMA

At present there are three existing program assisted apartment complexes in Adairsville. A map (on the next page) exhibits the program assisted properties within Adairsville in relation to the site.

Project Name	Program Type	Number of Units	Distance from Site
Adairsville Apartments	USDA 515-FM	24	2.0 miles
Adairsville Arms	LIHTC/USDA 515-FM	48	2.3 miles
Stewart Apartments	USDA 515-FM	20	2.5 miles

Distance in tenths of miles

Program Assisted Projects - Adairsville PMA



SUMMARY

The field visit for the site and surrounding market area was conducted on May 21 and 22, 2016. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: low density single-family residential use, with nearby industrial and commercial use.

Access to the site is available off Woody Road. Woody Road is a secondary connector in Adairsville, which links the site to US Highway 41, less than a mile to the east. It is a low density road, with a speed limit of 35 miles per hour in the immediate vicinity of the site. Also, the location of the site off Woody Road does not present problems of egress and ingress to the site.

The site offers very good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities including: noxious odors, very proximity to cemeteries, high tension power lines, rail lines and junk yards.

The site in relation to the subject and the surrounding roads is very agreeable to signage, and offers good visibility via nearby traffic along the surrounding neighborhood residential streets, in particular Woody Road.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered appropriate as a LIHTC/Market Rate multi-family development.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	**WEAKNESSES**
Good accessibility to services, trade, employment nodes, as well as nearby health care and educational facilities	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

SECTION D

MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the **location** and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined.** This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Adairsville and a 10 to 15 mile area, along with an assessment: of the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers, the Primary Market Area (PMA) for the proposed LIHTC/Market Rate multi-family development consists of the following 2010 Census Tracts and Census Block Groups in Bartow and Gordon Counties:

Bartow County: Census Tract 9602
Census Block Group 1 of Census Tract 9603
Census Block Group 3 of Census Tract 9601.02

Gordon County: Census Block Group 1 of Census Tract 9707
Census Block Group 3 of Census Tract 9708

The PMA is located in the northwest portion of Georgia. Adairsville is approximately 10 miles south of Calhoun and 15 miles north of Cartersville. Adairsville is the largest populated place in the PMA, as well as being the only incorporated place in the PMA, representing approximately 22% of the total PMA population.

Transportation access to the Adairsville is excellent. State Road 140 is the major east/west connector and I-75 and US Highway 41 is the major north/south connectors.

In addition, comments from managers and/or management companies of the existing LIHTC family properties located within the market were surveyed, as to where the majority of their existing tenants previously resided. These comments were taken into consideration when delineating the subject PMA.

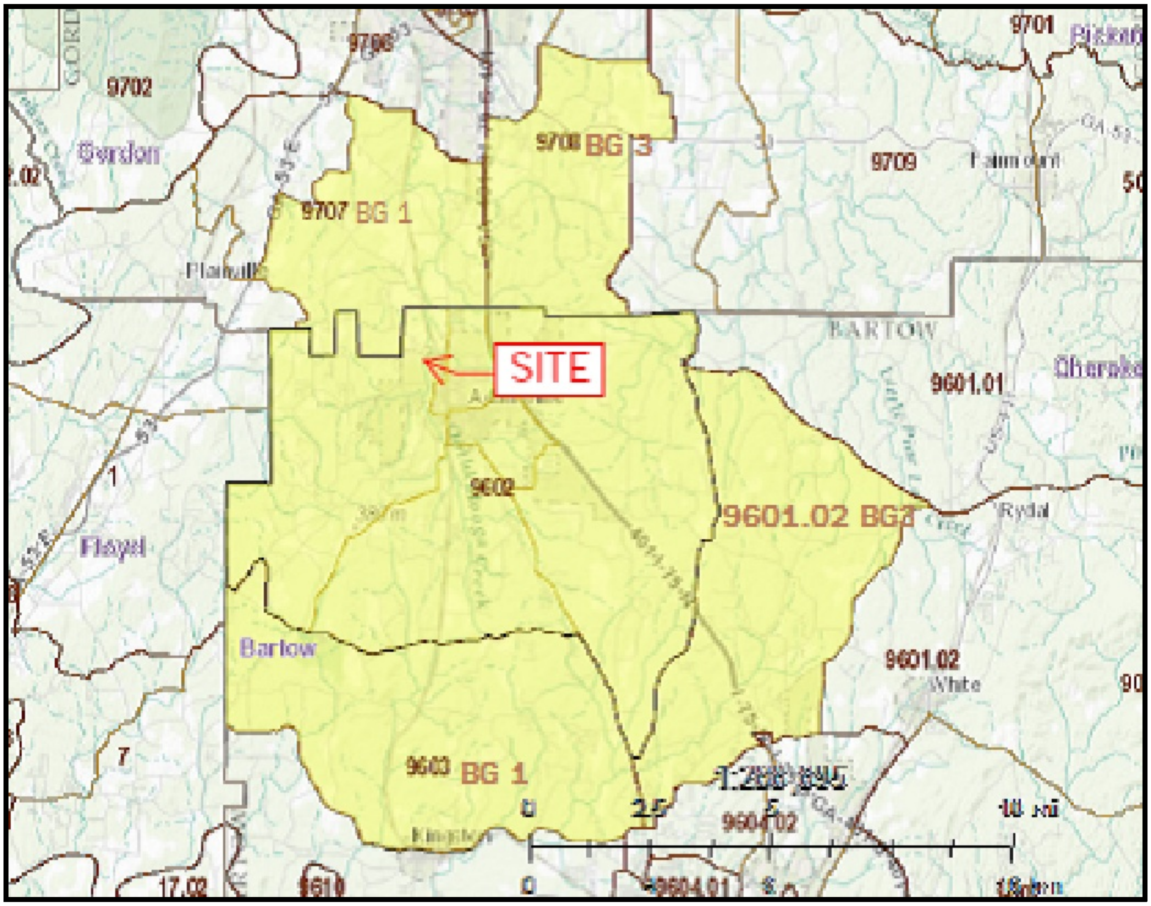
The PMA is bounded as follows:

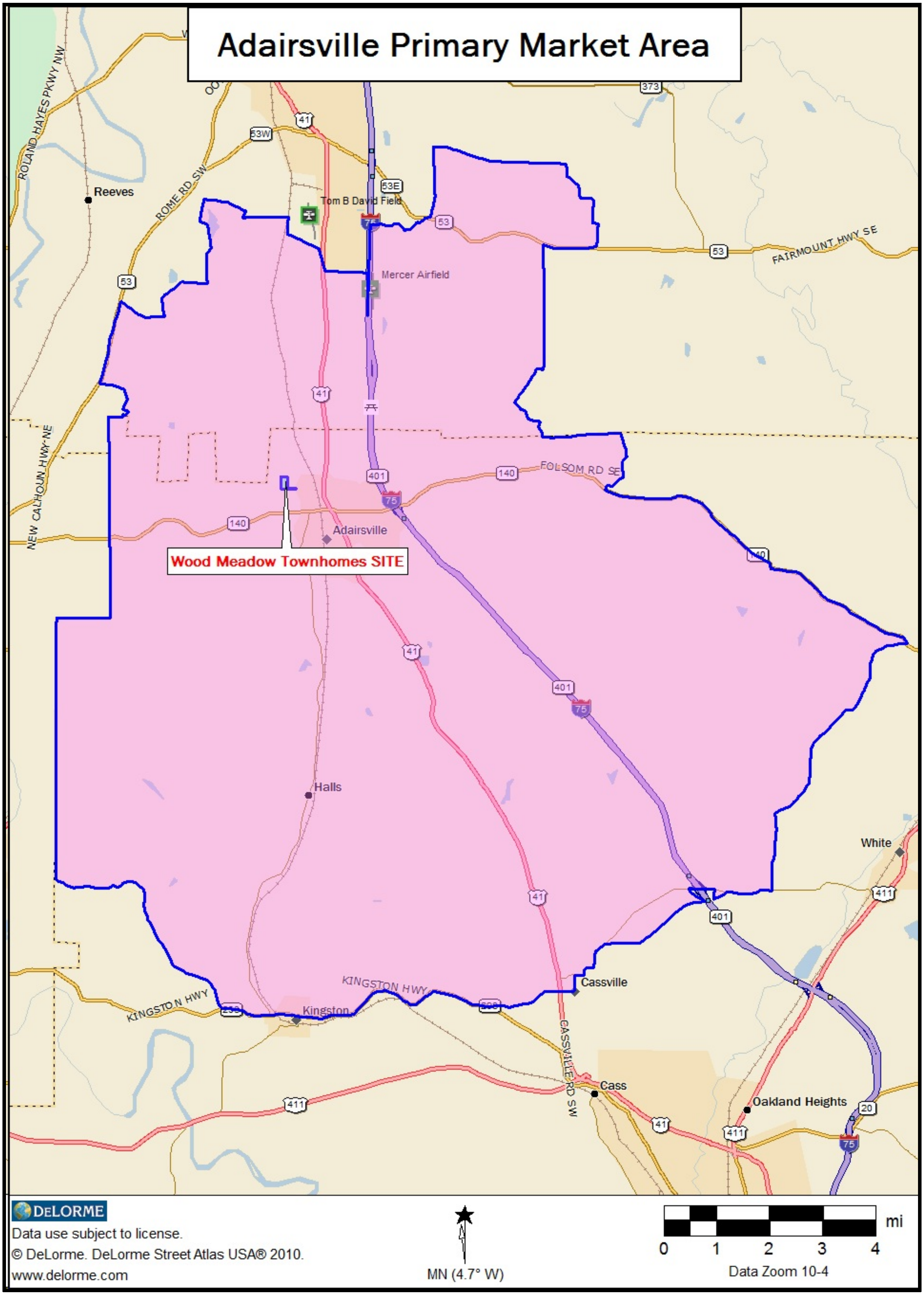
Direction	Boundary	Distance from Subject Site
North	the Calhoun PMA	5 miles
East	remainder of Bartow County	6 - 12 miles
South	the Cartersville PMA	10 miles
West	Floyd & Gordon Counties	4 - 5 miles

Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the PMA, principally from the surrounding counties, nearby places, as well as from out of state. Note: The demand methodology *excluded* any potential demand from a SMA.

Wood Meadow PMA - 2010 Census Tracts & Block Groups





Adairsville Primary Market Area
Reeves
ROLAND HAYES PKWY NW
ROME RD SW
Tom B David Field
Mercer Airfield
FAIRMOUNT HWY SE
NEW CALHOUN HWY NE
FOLSOM RD SE
Adairsville
Wood Meadow Townhomes SITE
Halls
White
Cassville
KINGSTON HWY
Kingston
CASSVILLE RD SW
Cass
Oakland Heights
DELORME
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www.delorme.com
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SECTION E

COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 6 exhibit indicators of trends in total population and household growth, for Adairsville, the Wood Meadow PMA, and Bartow County.

Population Trends

Table 1, exhibits the change in **total** population in Adairsville, the Wood Meadow PMA, and Bartow County between 2000 and 2021.

The year 2018 is estimated to be the first year of availability for occupancy of the subject property. The year 2016 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure.

The City of Adairsville and the Wood Meadow PMA mostly exhibited moderate population gains between 2010 and 2021. Within the Wood Meadow PMA the rate of increase between 2000 and 2010, approximated +2.28% per year versus +2.80% for Bartow County as a whole. More moderate population gains are forecasted within the PMA between 2016 and 2018 at a rate of +0.62% per year. The forecast for the 2018 to 2021 period is for population change within the PMA to be comparable to the preceding period at +0.61% per year.

The majority of the rate of change within the PMA is subject to: (1) in and out-migration of population, and (2) a reduction in the local area labor force participation rate, owing to: (a) the cyclical economic environment within the region during much of the last decade, and (b) an increase in the number of baby boomers entering retirement. The majority of the population gain within Bartow County and the PMA is along the I-75 and US 41 & 411 transportation corridors and the nearby road network connecting.

The projected change in population for Adairsville is subject to local annexation policy and in-migration of rural county and surrounding county residents into Adairsville. Recent indicators, including the 2014 and 2015 US Census estimates (at the place level) suggest that the population trend of the mid to late 2000's in Adairsville has continued at a similar rate of increase.

Population Projection Methodology

The forecast for total population is based primarily upon the 2000 and 2010 census, as well as the Nielsen-Claritas population projections. The Georgia Office of Planning and Budget county projections were examined and use as a cross check to the direction of trend in population over the forecast period.

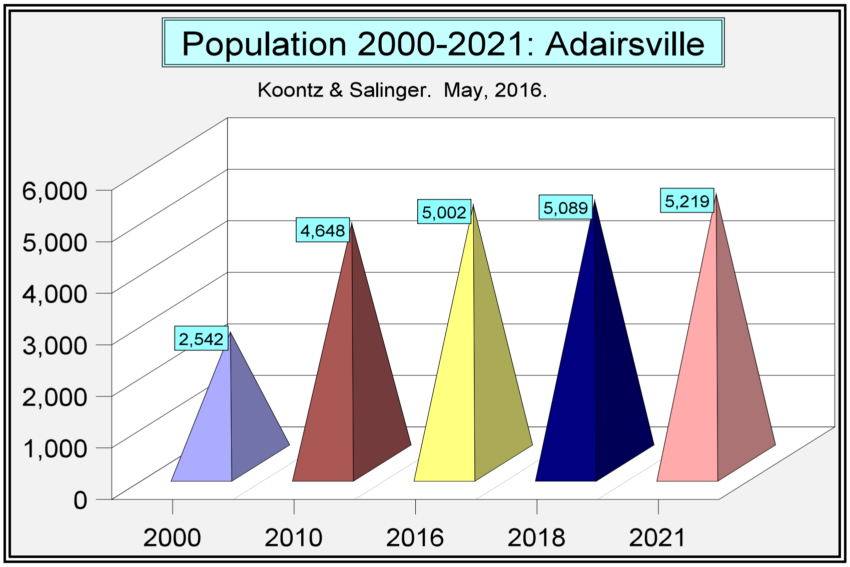
Sources: (1) 2000 and 2010 US Census.
(2) Nielsen Claritas 2016 and 2021 Projections.
(3) 2014 and 2015 US Census population estimates.
(4) Georgia Residential Population Projections by Age & County, 2010-2020, GA Governor's Office of Planning & Budget.

Table 1 **Total Population Trends and Projections: Adairsville, the Wood Meadow PMA and Bartow County**					
Year	Population	Total Change	Percent	Annual Change	Percent
Adairsville					
2000	2,542	-------	-------	------	-------
2010	4,648	+ 2,106	+ 82.85	+ 211	+ 6.22
2016	5,002	+ 354	+ 7.62	+ 59	+ 1.23
2018*	5,089	+ 87	+ 1.74	+ 43	+ 0.87
2021	5,219	+ 130	+ 2.55	+ 43	+ 0.84
Wood Meadow PMA					
2000	17,000	-------	-------	------	-------
2010	21,294	+ 4,294	+ 25.26	+ 429	+ 2.28
2016	21,834	+ 540	+ 2.54	+ 90	+ 0.42
2018*	22,104	+ 270	+ 1.24	+ 135	+ 0.62
2021	22,509	+ 405	+ 1.83	+ 135	+ 0.61
Bartow County					
2000	76,019	-------	-------	------	-------
2010	100,157	+24,138	+ 31.75	+2,414	+ 2.80
2016	102,472	+ 2,315	+ 2.31	+ 386	+ 0.38
2018*	103,807	+ 1,335	+ 1.30	+ 668	+ 0.65
2021	105,809	+ 2,002	+ 1.93	+ 667	+ 0.64

* 2018 - Estimated year that project will be placed in service.

Calculations - Koontz and Salinger. May, 2016.

Between 2000 and 2010, population increased (significantly) at a annual rate of +6.22% within Adairsville. Between 2016 and 2018, population within Adairsville is forecasted to increase at a more moderate annual rate of +0.8725%. The figure below presents a graphic display of the numeric change in population in Adairsville between 2000 and 2021.



Between 2000 and 2010, PMA population increased at a annual rate of +2.28%. The majority of the increase is occurring along the major transportation corridors both, within and outside the Adairsville city limits. Between 2016 and 2018 the PMA population is forecasted to increase at a moderate annual rate of +0.62%. The figure below presents a graphic display of the numeric change in population in the PMA between 2000 and 2021.

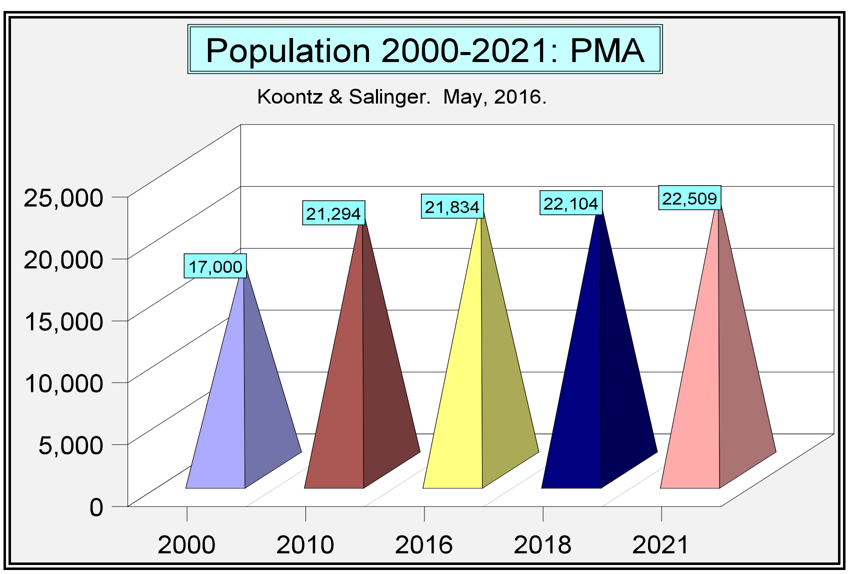


Table 2A exhibits the change in population by age group within Adairsville between 2010 and 2018. The most significant increase exhibited between 2016 and 2018 within Adairsville was in the 75+ age group representing an increase of almost 13% over the two year period.

Table 2A **Population by Age Groups: Adairsville, 2010 - 2018**						
	2010 Number	2010 Percent	2016 Number	2016 Percent	2018 Number	2018 Percent
Age Group						
0 - 24	1,831	39.39	1,879	37.57	1,895	37.24
25 - 44	1,401	30.14	1,433	28.65	1,420	27.90
45 - 54	551	11.85	639	12.77	659	12.95
55 - 64	460	9.90	501	10.02	516	10.14
65 - 74	252	5.42	358	7.16	379	7.45
75 +	153	3.29	192	3.84	220	4.32

Table 2B exhibits the change in population by age group within the Wood Meadow PMA between 2010 and 2018. The most significant increase exhibited between 2016 and 2018 within the Wood Meadow PMA was in the 65-74 age group representing an increase of almost 7% over the two year period. The 75+ age group is forecasted to increase by over 90 persons, or by almost +2.5%.

Table 2B **Population by Age Groups: Wood Meadow PMA, 2010 - 2018**						
	2010 Number	2010 Percent	2016 Number	2016 Percent	2018 Number	2018 Percent
Age Group						
0 - 24	7,539	35.40	7,464	34.19	7,448	33.70
25 - 44	5,914	27.77	5,494	25.16	5,449	24.65
45 - 54	3,105	14.58	3,155	14.45	3,156	14.28
55 - 64	2,511	11.79	2,761	12.64	2,831	12.81
65 - 74	1,475	6.93	1,958	8.97	2,074	9.38
75 +	750	3.52	1,002	4.59	1,146	5.18

Sources: 2010 Census of Population, Georgia
Nielsen Claritas Projections
Koontz and Salinger. May, 2016

HOUSEHOLD TRENDS & CHARACTERISTICS

Table 3 exhibits the change in total households in the Wood Meadow PMA between 2000 and 2021. The moderate increase in household formations in the Wood Meadow PMA has continued since the 2010 census and reflects the recent population trends and near term forecasts.

The ratio of persons per household is projected to stabilize in the vicinity of 2.86 and 2.87 between 2016 and 2021 within the Wood Meadow PMA. The reduction in the rate of decline is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters supply since the 2010 census was taken.

The projection of household formations in the PMA between 2016 and 2018 exhibited a modest increase of +77 households or approximately +0.50% per year.

Table 3

Household Formations: 2000 to 2021
Wood Meadow PMA

Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
PMA					
2000	17,000	0	17,000	2.9877	5,690
2010	21,294	0	21,294	2.9362	7,252
2016	21,834	0	21,834	2.8549	7,648
2018	22,104	0	22,104	2.8613	7,725
2021	22,509	0	22,509	2.8710	7,840

Sources: Nielsen Claritas Projections.
2000 and 2010 Census of Population, Georgia.

Calculations: Koontz & Salinger. May, 2016.

Table 4 exhibits households in the Wood Meadow PMA by owner-occupied and renter-occupied tenure. The 2016 to 2018 tenure trend revealed a modest increase in renter-occupied tenure, in the Wood Meadow PMA on a percentage basis, exhibiting an annual increase of approximately +0.56%.

Overall, modest net numerical gains are forecasted for both owner-occupied and renter-occupied households within the PMA.

Table 4

Households by Tenure: 2000-2021
Wood Meadow PMA

Year/ **Place**	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	5,690	4,470	78.56	1,220	21.44
2010	7,252	5,582	76.97	1,670	23.03
2016	7,648	5,878	76.86	1,770	23.14
2018	7,725	5,935	76.83	1,790	23.17
2021	7,840	6,025	76.85	1,815	23.15

Sources: 2000 & 2010 Census of Population, Georgia.
Nielsen Claritas Projections.
Koontz and Salinger. May, 2016.

For Sale Market

The figure below exhibits home sales in Adairsville between 2012 and Q3 2014. The average sales price shows some variation quarter-to-quarter, but the overall trend for the entire period indicates increasing prices. The number of sales showed a relatively stable trend throughout the entire period, with sales typically in the 60-70 per quarter range. There was a drop in the number of sales in Q3 of 2014, but this may be incomplete data rather than a decline in sales volume.

Source: www.city-data.com/housing/houses-Adairsville-Georgia.html

According to data from Trulia (www.trulia.com/real estate/), the median sales price for homes in Adairsville for the January 7 to April 6, 2016 period was $133,900 based on 21 home sales. The median sales price has fluctuated month-to-month over the past year, but the overall trend showed an increase of 14%. The price per square foot increased by 3% during the period, at $80/SF compared to $77/SF one year ago. At the same time, Trulia notes that rents in the Adairsville area have remained about the same over the past year.

Current median list prices vary by location within Bartow County as a whole. For the week ending April 27, 2016 the median list price for homes for sale in Zip Code 30103 (which includes Adairsville) was $171,191. Average list prices for the Cartersville area (Zip Code 30121) were $236,795, and the highest average was in Zip Code 30145 at $341,482. Median sales prices for the January-April 2016 period were lower, at $129,000 in the Adairsville area, and $117,250 in the Cartersville area. The highest average sale price ($175,000) was in Zip Code 30184. (Analyst Note: Sales/listings include foreclosures and short sales; data for Zip Code geographies may vary from data for municipalities.)

For-Sale Market (Buy Versus Rent)

The following analysis illustrates the comparative costs of home ownership of a typical single-family residence in Adairsville and environs compared to renting a unit in the subject development. According to Trulia (www.trulia.com) the current median list price for all houses in Zip Code 30103 is $171,491. The median sales price for the January-April 2016 period was about the same at $129,000. In order to remain conservative, the lower median sales price is used to illustrate the cost of buying versus renting a home in the subject development.

Based on an average price of $129,000, and assuming a 95% LTV ratio (5% down payment), an interest rate of 5.25% and a 30 year term, the estimated monthly mortgage payment including taxes, hazard insurance and private mortgage insurance (PMI), is shown below:

COST OF TYPICAL HOME PURCHASE

Average Home Price (Trulia)	$129,000
Mortgaged Value = 95% of Average Home Price	$122,550
Interest Rate	5.25%
Term (years)	30
Monthly Principal and Interest	$677
Taxes, Hazard Insurance and PMI	$193
Total Estimated Monthly Cost	$870

While it is possible that some tenants in LIHTC properties could afford the monthly payments, the number who could afford the down payment and other closing costs is likely to be minimal. In the example above, the required down payment would be $6,450. Additional closing costs could include the first years's hazard insurance premium, mortgage "points", and various bank fees. If total closing costs (including down payment) are equal to 6% of the purchase price, a prospective buyer would need $7,740. Accordingly, home purchase is not considered to be competitive among LIHTC income qualified households.

With respect to mobile homes, the overall ratio of this housing type is quite small in the Adairsville PMA, and the ratio of renter occupied units is even smaller. Given the insignificant number of mobile homes in this market, little to no competition is expected from this housing type.

In summary, the proposed LIHTC family new construction development most likely would lose few (if any) tenants to turnover owing to the tenants changing tenure to home ownership in the majority of the Adairsville, GA home buying market. The majority of the tenants at the subject property will have annual incomes in the $20,000 to $35,000 range. Today's home buying market, both stick-built, modular, and mobile home requires that one meet a much higher standard of income qualification, long term employment stability, credit standing, and a savings threshold. These are difficult hurdles for the majority of LIHTC family households to achieve in today's home buying environment.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents and/or the availability of deep subsidy rental assistance (RA) for USDA-RD developments.

The estimate of the upper income limit is based on the most recent set of HUD MTSP income limits for five person households (the maximum household size for a 3BR unit, for the purpose of establishing income limits) in Bartow County, Georgia at 50% and 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income.

Tables 5A and 5B exhibit renter households, by income group, in the Wood Meadow PMA estimated in 2010, and forecasted to 2016 and 2018.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2016 and 2021, with a base year data set comprising a 2010 average, based upon the 2006 to 2010 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2006 to 2010 American Community Survey.

Tables 5A and 5B exhibit renter-occupied households, by income in the Wood Meadow PMA in 2010, and projected in 2016 and 2018.

Table 5A

Wood Meadow PMA: Renter-Occupied Households, by Income Groups

Households by Income	2010 Number	2010 Percent	2016 Number	2016 Percent
Under $10,000	241	14.43	299	16.89
10,000 - 20,000	410	24.55	433	24.46
20,000 - 30,000	310	18.56	298	16.84
30,000 - 40,000	260	15.57	232	13.11
40,000 - 50,000	136	8.14	171	9.66
50,000 - 60,000	71	4.25	65	3.67
60,000 +	241	14.43	272	15.37
Total	**1,670**	**100%**	**1,770**	**100%**

Table 5B

Wood Meadow PMA: Renter-Occupied Households, by Income Groups

Households by Income	2016 Number	2016 Percent	2018 Number	2018 Percent
Under $10,000	299	16.89	294	16.42
10,000 - 20,000	433	24.46	425	23.74
20,000 - 30,000	298	16.84	295	16.48
30,000 - 40,000	232	13.11	240	13.41
40,000 - 50,000	171	9.66	165	9.22
50,000 - 60,000	65	3.67	71	3.97
60,000 +	272	15.37	300	16.76
Total	**1,770**	**100%**	**1,790**	**100%**

Sources: 2006 - 2010 American Community Survey.
Nielsen Claritas, HISTA Data, Ribbon Demographics.
Koontz and Salinger. May, 2016.

Table 6A

Households by Owner-Occupied Tenure, by Person Per Household
Wood Meadow PMA, 2010 - 2018

Households	**Owner**				**Owner**			
	2010	2016	Change	% 2016	2016	2018	Change	% 2018
1 Person	854	862	+ 8	14.66%	862	868	+ 6	14.63%
2 Person	1,960	2,045	+ 85	34.79%	2,045	2,060	+ 15	34.71%
3 Person	1,067	1,146	+ 79	19.50%	1,146	1,160	+ 14	19.55%
4 Person	986	1,047	+ 61	17.81%	1,047	1,057	+ 10	17.81%
5 + Person	714	778	+ 64	13.24%	778	790	+ 12	13.31%
Total	5,582	5,878	+ 296	100%	5,878	5,935	+ 57	100%

Table 6B

Households by Renter-Occupied Tenure, by Person Per Household
Wood Meadow PMA, 2010 - 2018

Households	**Renter**				**Renter**			
	2010	2016	Change	% 2016	2016	2018	Change	% 2018
1 Person	456	515	+ 59	29.10%	515	524	+ 9	29.27%
2 Person	443	436	- 7	24.63%	436	436	0	24.36%
3 Person	290	303	+ 13	17.12%	303	305	+ 3	17.04%
4 Person	262	251	- 11	14.18%	251	251	0	14.02%
5 + Person	219	266	+ 47	15.02%	266	274	+ 8	15.31%
Total	1,670	1,770	+ 100	100%	1,770	1,790	+ 20	100%

Sources: Nielsen Claritas Projections
Koontz and Salinger. May, 2016

Table 6B indicates that in 2018 approximately 95% of the renter-occupied households in the Wood Meadow PMA contain 1 to 5 persons (the target group by household size).

A modest increase in renter households by size is exhibited by 1 person households between 2016 and 2018. Note: No significant changes are exhibited by 2 through 5+ person per households. One person households are typically attracted to both 1 and 2 bedroom rental units and 2 and 3 person households are typically attracted to 2 bedroom units, and to a lesser degree three bedroom units. It is estimated that between 20% and 25% of the renter households in the PMA fit the bedroom profile for a 3BR unit.

SECTION F

ECONOMIC & EMPLOYMENT TRENDS

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net in-migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 7 through 13 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Bartow County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 7

Civilian Labor Force and Employment Trends, Bartow County: 2005, 2014 and 2015

	2005	2014	2015
Civilian Labor Force	44,608	46,613	47,007
Employment	42,034	43,285	44,306
Unemployment	2,574	3,328	2,701
Rate of Unemployment	5.8%	7.1%	5.7%

Table 8
Change in Employment, Bartow County

Years	# Total	# Annual*	% Total	% Annual*
2005 - 2007	+ 1,586	+ 793	+ 3.77	+ 1.89
2008 - 2010	- 1,585	- 792	- 3.64	- 1.82
2011 - 2013	+ 726	+ 363	+ 1.72	+ 0.86
2014 - 2015	+ 1,021	Na	+ 2.36	Na

* Rounded Na - Not applicable

Sources: Georgia Labor Force Estimates, 2005 - 2015. Georgia Department of Labor, Workforce Information Analysis.
Koontz and Salinger. May, 2016.

Table 9 exhibits the annual change in civilian labor force employment in Bartow County between 2005 and the 1st three months in 2016. Also, exhibited are unemployment rates for the County, State and Nation.

Table 9

Change in Labor Force: 2005 - 2016

	Bartow County					GA	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2005	44,608	42,034	-----	2,574	5.8%	5.3%	5.1%
2006	44,896	42,696	662	2,200	4.9%	4.7%	4.6%
2007	45,865	43,620	924	2,245	4.9%	4.5%	4.6%
2008	46,936	43,592	(28)	3,344	7.1%	6.2%	5.8%
2009	46,443	40,810	(2,782)	5,633	12.1%	9.9%	9.3%
2010	47,837	42,007	1,197	5,830	12.2%	10.5%	9.6%
2011	47,746	42,279	272	5,467	11.5%	10.2%	8.9%
2012	47,427	42,733	454	4,694	9.9%	9.2%	8.1%
2013	47,081	43,005	272	4,076	8.7%	8.2%	7.4%
2014	46,613	43,285	280	3,328	7.1%	7.1%	6.2%
2015	47,007	44,306	1,021	2,701	5.7%	5.9%	5.3%
Month							
1/2016	47,227	44,762	-----	2,465	5.2%	5.4%	5.3%
2/2016	47,447	44,924	162	2,523	5.3%	5.6%	5.2%
3/2016	47,742	45,267	343	2,475	5.2%	5.4%	5.1%

Sources: Georgia Labor Force Estimates, 2005 - 2016.
Georgia Department of Labor, Workforce Information Analysis.
Koontz and Salinger. May, 2016.

Table 10 exhibits the annual change in covered employment in Bartow County between 2003 and 2015. Covered employment data differs from civilian labor force data in that it is based on at-place employment within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers.

Table 10

Change in Covered Employment: 2003 - 2015

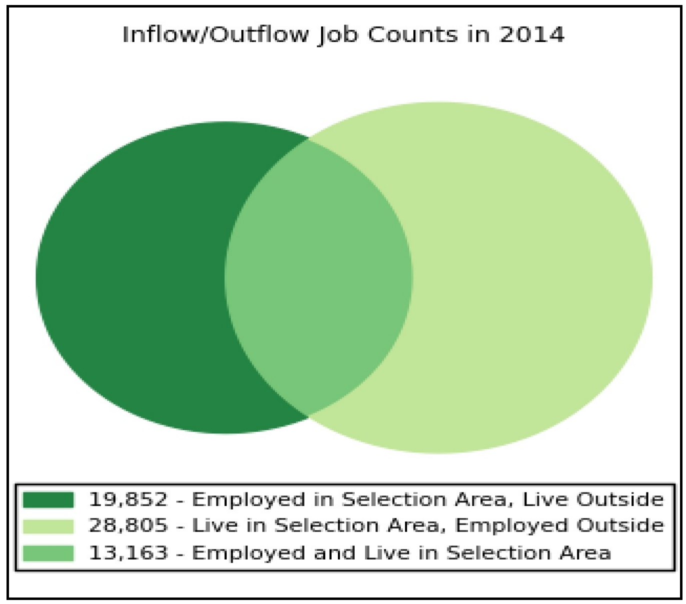
Year	Employed	Change
2003	31,240	-----
2004	32,357	1,117
2005	33,247	890
2006	34,652	1,405
2007	34,892	240
2008	34,389	(503)
2009	31,177	(3,212)
2010	30,443	(734)
2011	31,412	969
2012	31,365	(47)
2013	31,365	0
2014	32,618	1,253
2015 1st Q	33,636	-----
2015 2nd Q	34,279	643
2015 3rd Q	34,545	261

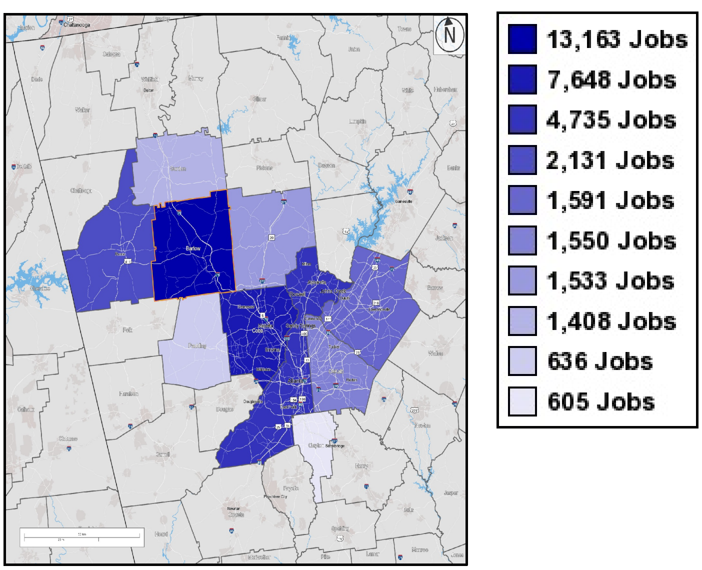
Sources: Georgia Department of Labor, Workforce Information Analysis, 2003 and 2014.
Koontz and Salinger. May, 2016.

Commuting

The majority of the workforce within the Adairsville PMA has relatively short commutes to work, and slightly more than half (51.8%) have jobs within their home county (Bartow or Gordon County). Nearly 46% work in another county in Georgia, but only 2.5% work out of state. A slightly higher ratio of residents of the Bartow County portion of the PMA worked in another county in Georgia – 46.2% compared to 43.5% among residents of the Gordon County portion. Data from the 2010-2014 American Community Survey also indicate that some 59.9% of workers who did not work at home had commutes of less than 30 minutes, inclusive of 19.9% with commutes of less than 15 minutes; the mean commuting time for residents of the Adairsville PMA is around 25 minutes.

Bartow County provides a significant number of jobs for workers living outside the area. However, commuting data for 2014 published by the US Census Bureau indicates that the inflow of workers into Bartow County is less than the outflow, which would be expected given the location just north of the Atlanta metro area. Some 19,852 persons who work in Bartow County live outside the county while 28,805 residents of Bartow commuted to jobs outside the county; some 13,163 persons live and work in Bartow. The majority of Bartow County residents who worked in another Georgia County commuted to adjacent counties within Georgia. The following map and table indicate the counties where most of Bartow County residents work. The chart shows the ratio of the resident work force employed within Bartow and surrounding counties.





Jobs Counts by Counties Where Workers are Employed - All Jobs

	2014 Count	2014 Share
All Counties	41,968	100.0%
Bartow County, GA	13,163	31.4%
Cobb County, GA	7,648	18.2%
Fulton County, GA	4,735	11.3%
Floyd County, GA	2,131	5.1%
Gwinnett County, GA	1,591	3.8%
DeKalb County, GA	1,550	3.7%
Cherokee County, GA	1,533	3.7%
Gordon County, GA	1,408	3.4%
Paulding County, GA	636	1.5%
Clayton County, GA	605	1.4%
All Other Locations	6,968	16.6%

Source: 2010-2014 American Community Survey, US Census.

Table 11 Average Monthly Covered Employment by Sector, Bartow County, 3rd Quarter 2014 and 2015							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2014	32,660	1,353	8,556	4,707	996	2,450	4,659
2015	34,545	1,648	9,564	4,878	1,022	2,477	4,684
14-15 # Ch.	+1,885	+ 295	+1,008	+ 171	+ 26	+ 27	+ 25
14-15 % Ch.	+ 5.8	+21.8	+ 11.8	+3.6	+ 2.6	+ 1.1	+ 0.5

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade; FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and Social Services; G - Federal, State & Local Government

Figure 1 exhibits employment by sector in Bartow County in the 3rd Quarter of 2015. The top four employment sectors are: manufacturing, trade, government and service. The 2016 forecast is for the healthcare sector to increase and the manufacturing sector to stabilize.

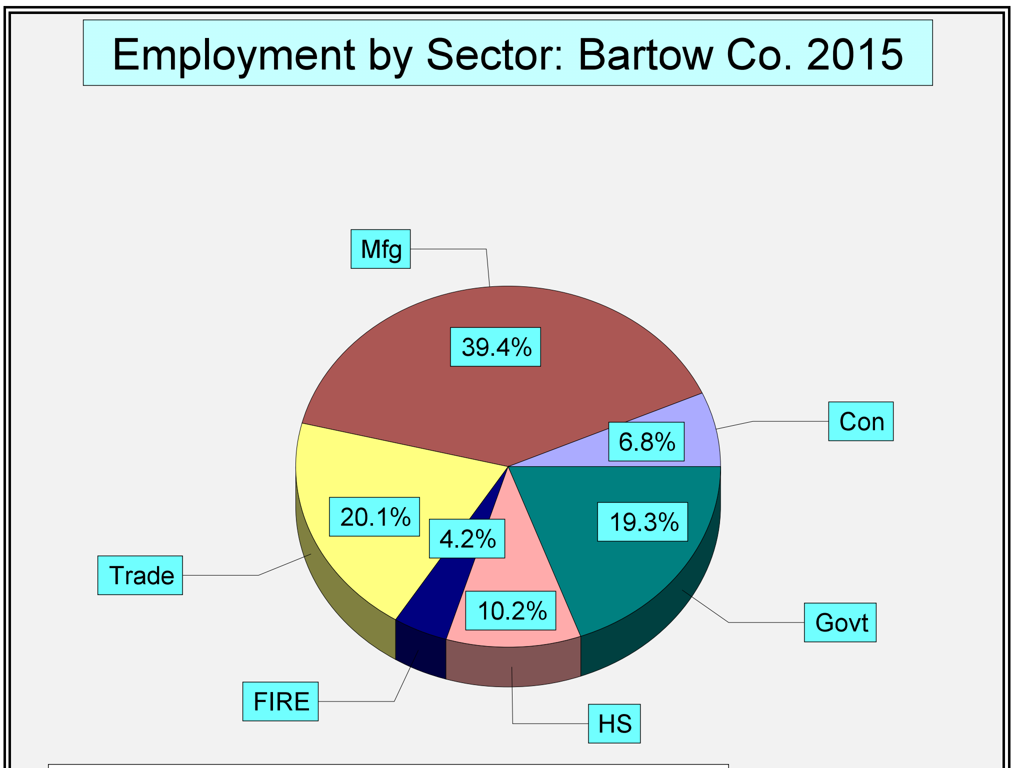


Figure 1. Koontz and Salinger. May, 2016.

Sources:
Georgia Department of Labor, Workforce Information Analysis, Covered Employment, 2014 and 2015.
Koontz and Salinger. May, 2016.

Table 12, exhibits average annual weekly wages in the 3rd Quarter of 2014 and 2015 in the major employment sectors in Bartow County. It is estimated that the majority of workers in the service and trade sectors (excluding accommodation and food service workers) in 2016 will have average weekly wages between $500 and $900. Workers in the accommodation and food service sectors in 2016 will have average weekly wages in the vicinity of $300.

Table 12

Average 3rd Quarter Weekly Wages, 2014 and 2015
Bartow County

Employment Sector	2014	2015	% Numerical Change	Annual Rate of Change
Total	$ 752	$ 777	+ 25	+ 3.3
Construction	$ 821	$ 935	+114	+13.9
Manufacturing	$ 954	$ 937	- 17	- 1.8
Wholesale Trade	$ 847	$ 885	+ 38	+ 4.5
Retail Trade	$ 491	$ 505	+ 14	+ 2.9
Transportation & Warehouse	$ 840	$ 811	- 29	- 3.5
Finance & Insurance	$ 899	$1068	+169	+18.8
Real Estate Leasing	$ 567	$ 620	+ 53	+ 9.3
Health Care Services	$ 904	$ 923	+ 19	+ 2.1
Educational Services	$ 858	$ 889	+ 31	+ 3.6
Hospitality	$ 288	$ 300	+ 12	+ 4.2
Federal Government	$1156	$1115	- 41	- 3.5
State Government	$ 696	$ 655	- 41	- 5.9
Local Government	$ 757	$ 796	+ 39	+ 5.2

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2014 and 2015.
Koontz and Salinger. May, 2016.

Major Employers

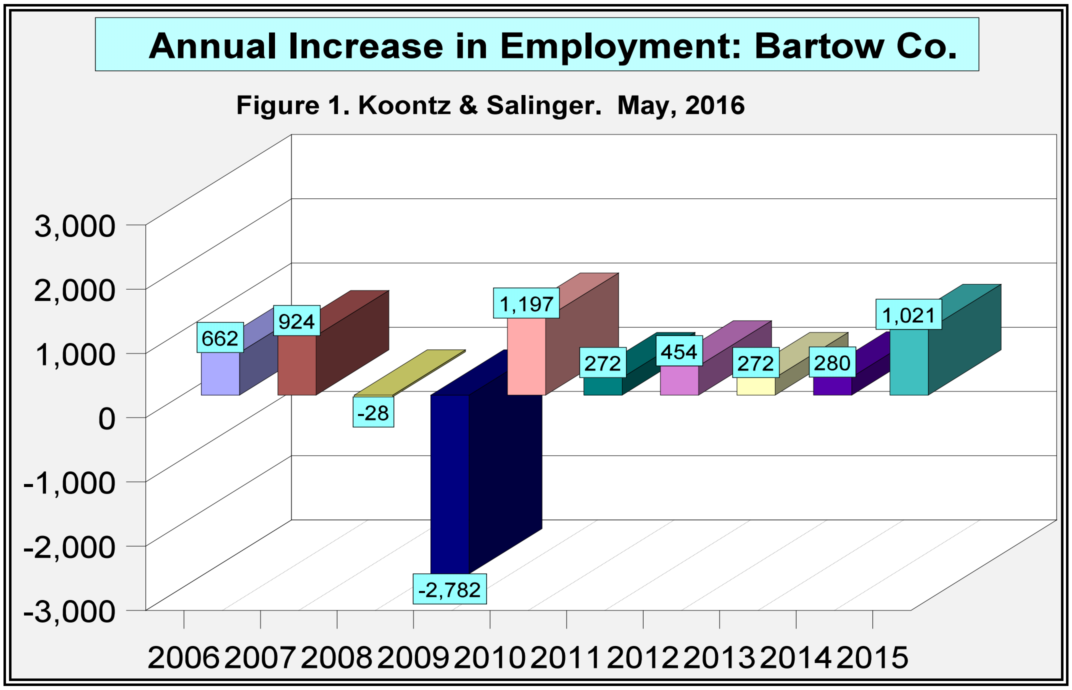
The major employers in the Adairsville/Bartow County labor market are listed in Table 13.

Table 13 Major Employers		
Firm	**Product/Service**	**Employees**
Manufacturing		
Anheuser Bush	Malt Beverages	500
Daiki Corp.	Metal Parts	140
Faltec America	Automotive Stampings	100
Gerdau Inc.	Steel Mill	230
Nucor Corp.	Cold Finishing	110
Shaw Industries	Carpet	1,651
Southern Yarn Dyers	Yarn Spinning	100
Springs Industries	Yarn Spinning	130
Ti Group	Steel Pipe & Tubes	175
Toyo Tire Mfg	Tires	800
Trinity Rail Operations	Rail Cars	1,140
Zep Inc.	Agricultural Chemicals	200
Non Manufacturing		
Bartow County School System	Education	1,618
Cartersville Medical Center	Health Care	750
Cartersville City Schools	Education	503
Bartow County	Government	555
Georgia Power	Utility	400
City of Cartersville	Government	Na
Walmart	Retail	Na

Sources: www.cartersville.com
www.georgiafacts.org

SUMMARY

The economic situation for Bartow County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 7-13, Bartow County experienced employment losses between 2008 and 2009. Like much of the state and nation, significant employment losses were exhibited in both years. Between 2010 and 2015, the overall local unemployment rate declined significantly, and overall gains in employment were exhibited in each year. Moderate gains were exhibited in 2014, followed by very significant gains were exhibited in 2015.



As represented in Figure 1 (and Table 8), between 2005 and 2007, the average increase in employment in Bartow County was approximately 793 workers or approximately +1.9% per year. The rate of employment loss between 2008 and 2010, was very significant at almost -4%, representing a net loss of -1,585 workers. The rate of employment gain between 2011 and 2013, was moderate at approximately +0.86% per year. The 2014 to 2015, rate of gain was very significant when compared to the preceding year at +2.36%. The rate of employment change thus far into 2016, is forecasted to exhibited a comparable increase in the level of employment when compared to 2015.

Monthly unemployment rates in 2015 were improved when compared to the 2009 to 2014 period. Monthly unemployment rates in 2015, were for the most part improving on a month to month basis, ranging between 4.9% and 6.6%.

The National forecast for 2016 (at present) is for the unemployment rate to approximate 4.5% to 5% in the later portion of the year. Typically, during the last five years, the overall unemployment rate in Bartow County has been above the state and national average unemployment rates. The annual unemployment rate in 2016 in Bartow County is forecasted to continue to decline, to the vicinity of 5% and improving on a relative year to year basis.

The Bartow-Cartersville Joint Development Authority (BCJDA) is the lead economic development entity for Bartow County. The stated mission is to "develop and promote trade, commerce, industry, and employment opportunities for the public good and general welfare of Cartersville, Bartow County and of the state of Georgia." The core strategy is to "maintain a balance of industrial, commercial and residential growth while protecting resources, the environment and the quality of life in Cartersville and Bartow County."

On February 16, 2016 the BCJDA released its 2015 annual report. Some of the highlights included several expansions during 2015 including Vista Metals Georgia, Sheet Metal Component, several small but important industrial projects and the Indoor Sports Complex at LakePoint. New companies in 2015 include Airman USA, Value Feeds, LLC and Constellium Automotive Structures North America (which will create more than 150 jobs). Another notable project was a 265,200SF speculative building constructed in the Cartersville Business Park.

During 2015, 10 projects created/committed to investment of $93,125,648 and the creation of 263 new jobs. Construction continued on facilities for previously announced projects, including Shaw Industries Group Plant T1, Toyo Tire North America, voestalpine Automotive Body Parts, Surya Rugs and Beauflor USA.

The Shaw Plant (carpets) is located .4 miles from the subject site and will open mid to late 2016.

Sources: http://www.locationofchoice.com
http://www.georgiatrend.com
http://www.business.cartersvillechamber.com
http://www.northwestgeorgianews.com

Local Economy - Relative to Subject & Impact on Housing Demand

Over the last two years the Adairsville / Bartow County economy has: (1) stabilized and (2) exhibited signs of continuing growth.

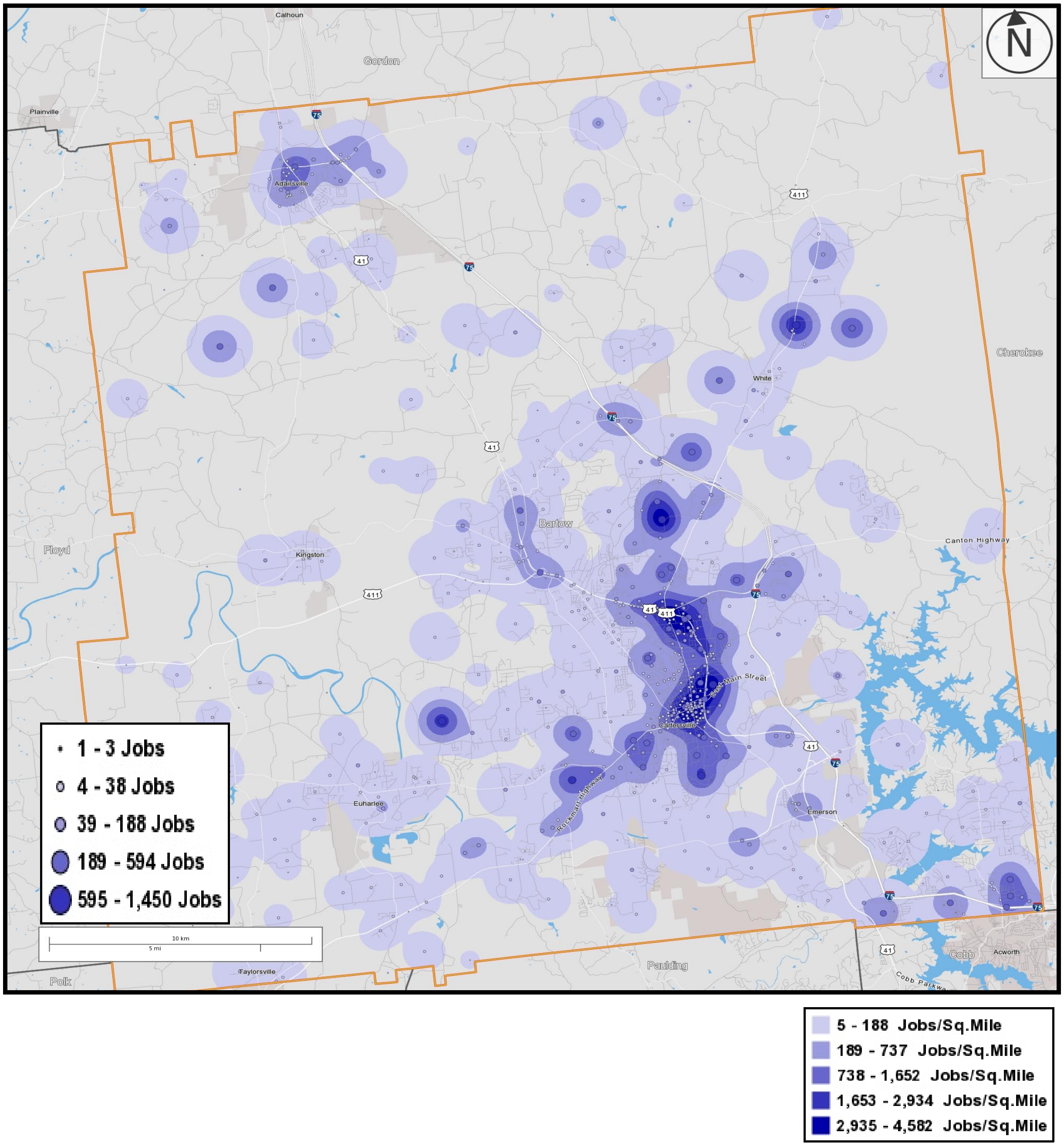
The Adairsville / Bartow County area economy has a large number of low to moderate wage workers employed in the service, trade, hospitality, and healthcare sectors. Given the acceptable site location of the subject, with good proximity to several employment nodes, the proposed subject development will very likely attract potential renters from these sectors of the workforce who are in need of affordable housing and a reasonable commute to work.

The proposed subject property net rents at both 50% and 60% AMI, and at Market Rate are very marketable, and competitive with the area competitive environment.

In the opinion of the market analyst, a new LIHTC/Market Rate family development located within the Wood Meadow PMA should fare well. The opportunities for income qualified LIHTC households to buy a home are and will become ever more challenging, in the current underwriting and mortgage due diligence environment.

The major employment nodes within Bartow County are exhibited on the Map on the following page.

Major Employment Nodes in Bartow County



SECTION G

PROJECT-SPECIFIC DEMAND ANALYSIS

This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from existing renter households already in the Adairsville market. In addition, given the amount of substandard housing that still exists in the PMA market, the potential demand from substandard housing will be examined.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon the estimated year that the subject will be placed in service in 2018.

In this section, the effective project size is 64-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 5A and 5B from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered within the context of the current market conditions. This analysis assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like-kind competitive supply. In this case discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted family apartment projects in the market area.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

(1) - Occupied by households at 60 percent or below of area median income.

(2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.

(3) - The proposed development be available to Section 8 voucher holders.

(4) - The 2015 HUD Income Guidelines were used.

(5) - 15% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 64 one, two and three bedroom units. The expected occupancy of people per unit is:

1BR - 1 and 2 persons
2BR - 2, 3 and 4 persons
3BR - 3, 4, 5 and 6 persons

Analyst Note: As long as the unit in demand is income qualified there is no minimum number of people per unit.

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 65% of the units at 60% AMI and approximately 15% of the units at Market.

LIHTC Segment

The lower portion of the LIHTC target income ranges is set by the proposed subject 1BR, 2BR and 3BR rents at 50% and 60% AMI.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property's intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income on rent. GA-DCA has set the estimate for non elderly applications at 35%.

The proposed 1BR net rent at 50% AMI is $450. The estimated utility costs is $156. The proposed 1BR gross rent at 50% AMI is $606. Based on the proposed gross rents the lower income limits at 50% AMI was established at $20,775.

The proposed 1BR net rent at 60% AMI is $450. The estimated utility costs is $156. The proposed 1BR gross rent at 60% AMI is $606. Based on the proposed gross rent the lower income limits at 60% AMI was established at $20,775.

The maximum income at 50% and 60% AMI for 1 to 5 person households in Bartow County follows:

	50% AMI	**60% AMI**
1 Person -	**$23,900**	**$28,680**
2 Person -	**$27,300**	**$32,760**
3 Person -	**$30,700**	**$36,840**
4 Person -	**$34,100**	**$40,920**
5 Person -	**$36,850**	**$44,220**

Source: 2015 HUD MTSP income limits.

LIHTC Target Income Ranges

The overall income range for the targeting of income eligible households at 50% AMI is $20,775 to $36,850.

The overall income range for the targeting of income eligible households at 60% AMI is $20,775 to $44,220.

Market Rate Segment

In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income, with an estimated expenditure (for the Bartow County market) of gross rent to income set at 25%.

The estimated 2BR gross rent is $744. The 2BR lower income limit based on a rent to income ratio of 25% is established at $35,710, adjusted to $35,000.

Technically there is no upper income limit for conventional apartment developments. Sometimes, an arbitrary limit can be placed upon a proposed development, taking into consideration, project design, intended targeted use, site location and the proposed unit and development amenity package. After examining the overall subject development project parameters, the upper income limit will be capped at $50,000.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The subject will position 13-units at 50% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is $20,775 to $36,850.

It is projected that in 2018, approximately **24.5%** of the renter households in the PMA will be in the subject property 50% AMI LIHTC target income group.

60% AMI

The subject will position 51-units at 60% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is $20,775 to $44,220.

It is projected that in 2018, approximately **32.5%** of the renter households in the PMA will be in the subject property 60% AMI LIHTC target income group.

Adjustments

In order to adjust for income overlap between the targeted income segments, the following adjustment was made. The 50% and 60% income segment estimates were reduced in order to account for overlap with each other, but only moderately at 60%, given fact that only 13-units will target renters at 50% AMI.

	Renter-Occupied
50% AMI	13.0%
60% AMI	19.5%

Market Rate

The overall **Target Income Range** for the proposed subject property targeting households at Market is $35,000 to $50,000.

It is projected that in 2018, approximately **16%** of the renter-occupied households in the PMA will be in the subject property Market Rate target income group of $35,000 to $50,000.

Effective Demand Pool

In this methodology, there are three basic sources of demand for an apartment project to acquire potential tenants:

* net household formation (normal growth),

* existing renters who are living in substandard housing, and

* existing renters who choose to move to another unit, typically based on affordability (rent overburdened), project location and features.

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

(1) taking into consideration like-kind competitive units now in the “pipeline”, and/or under construction within the 2016 to 2018 forecast period, and

(2) taking into consideration like-kind competition introduced into the market between 2014 and 2015.

Growth

For the PMA, forecast housing demand through household formation totals 77 households over the 2016 to 2018 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2016 to 2018 forecast period it is calculated that 20 or approximately 26% of the new households formations would be renters.

Based on 2018 income forecasts, 3 new renter households fall into the 50% AMI target income segment of the proposed subject property, 4 into the 60% AMI target income segment, and 3 at Market.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2010-2014 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2010-2014 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 99 renter-occupied households were defined as residing in substandard housing. Based upon 2010-2014 American Community Survey data, 84 renter-occupied households were defined as residing in substandard housing. The forecast in 2018 was for 75 renter occupied households residing in substandard housing in the PMA.

Based on 2018 income forecasts, 10 substandard renter households fall into the target income segment of the proposed subject property at 50% AMI, and 15 are in the 60% AMI segment. This segment of the demand methodology is considered to be not applicable at Market.

Demand from Existing Renters that are Rent Overburdened

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*****. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2010-2014 American Community Survey provides the most current estimated update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2018 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to the recent 2009-2013 national and worldwide recession since the report of the findings in the 2010-2014 American Community Survey. The 2010-2014 ACS indicates that within Bartow County about 50% of all households age 18 to 64 (owners & renters) are rent or cost overburdened and the approximately 77% of all renters (regardless of age) within the $20,000 to $34,999 income range, and 26% in the $35,000 to $50,000 income range.

It is estimated that approximately 77% of the renters with incomes in the 50% AMI target income segment are rent overburdened, 77% of the renters with incomes in the 60% AMI target income segment are rent overburdened, and 26% of the renters with incomes in the Market Rate target income segment are rent overburdened.

In the PMA it is estimated that 172 existing renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property, 257 are in the 60% AMI segment, and 74 are in the Market Rate segment.

*****Note: HUD and the US Census define a rent over burdened household at 30% of income to rent.

Total Effective Tenant Pool

The potential demand from these sources (within the PMA) total 185 households/units for the subject apartment development at 50% AMI. The potential demand from these sources (within the PMA) total 276 households/units for the subject apartment development at 60% AMI. The potential demand from these sources (within the PMA) total 77 households/units for the subject apartment development at Market.

The total potential LIHTC demand from the PMA is 461 households/units for the subject apartment development at 50% to 60% AMI. This estimate comprises the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA.

Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

These estimates of demand will still need to be adjusted for the introduction of new like-kind LIHTC supply into the PMA that is either: (1) built in 2015, placed in service in 2015, or currently in the rent-up process, (2) under construction, and/or (3) in the pipeline for development.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct, like-kind competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there are no LIHTC or Market Rate apartment developments under construction within the PMA. Source: Mr. Casey Early, Community Development Director, City of Adairsville, (770) 733-3451. Ext 115.

A review of the 2013 to 2015 list of awards for both LIHTC & Bond applications made by the Georgia Department of Community Affairs revealed that no awards were made for a LIHTC family development within the Wood Meadow PMA.

The segmented, effective demand pool for the proposed LIHTC/Market Rate new construction development is summarized in Tables 14A and 14B.

Table 14A: LIHTC Family

Quantitative Demand Estimate: Wood Meadow PMA

	50% AMI	60% AMI
• Demand from New Growth - Renter Households		
Total Projected Number of Households (2018)	1,790	1,790
Less: Current Number of Households (2016)	1,770	1,770
Change in Total Renter Households	+ 20	+ 20
% of Renter Households in Target Income Range	13%	19.5%
Total Demand from New Growth	**3**	**4**
• Demand from Substandard Housing with Renter Households		
Number of Households in Substandard Housing(2010)	84	84
Number of Households in Substandard Housing(2018)	75	75
% of Substandard Households in Target Income Range	13%	19.5%
Number of Income Qualified Renter Households	**10**	**15**
• Demand from Existing Renter Households		
Number of Renter Households (2018)	1,790	1,790
Minus substandard housing segment	75	75
Net Number of Existing Renter Households	1,715	1,715
% of Households in Target Income Range	13%	19.5%
Number of Income Qualified Renter Households	223	334
Proportion Income Qualified (that are Rent Overburdened)	77%	77%
Total	**172**	**257**
• Net Total Demand	185	276
Minus New Supply of Competitive Units (2014-2015)	- 0	- 0
• **Gross Total Demand**	**185**	**276**

Table 14B

Market Quantitative Demand Estimate: Wood Meadow PMA

• Demand from New Growth - Renter Households	Market
Total Projected Number of Households (2018)	1,790
Less: Current Number of Households (2016)	1,770
Change in Total Renter Households	+ 20
% of Renter Households in Target Income Range	16%
Total Demand from New Growth	3
• Demand from Existing Elderly Renter Households	
Number of Renter Households (2018)	1,790
% of Households in Target Income Range	16%
Number of Income Qualified Renter Households	286
Proportion Income Qualified (that are Rent Overburdened)	26%
Total	74
• Total Demand From Renters	77
• Minus New Supply of Competitive Units (2014-2015)	- 0
• **Gross Total Demand - Market Rate**	**77**

Table 14 - Converted w/in GA-DCA Required Table					
	HH @30% AMI xx,xxx to xx,xxx	HH @50% AMI $20,775 to $36,850	HH@ 60% AMI $20,775 to $44,220	HH @ Market $35,000 to $50,000	All LIHTC Households
Demand from New Households (age & income appropriate)		3	4	3	7
Plus					
Demand from Existing Renter Households - Substandard Housing		10	15	0	25
Plus					
Demand from Existing Renter Households - Rent Overburdened households		172	257	74	429
Sub Total		185	276	77	461
Demand from Existing Households - Elderly Homeowner Turnover (limited to 2%)		Na	Na	Na	Na
Equals Total Demand		185	276	77	461
Less					
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the project market between 2014 and the present		0	0	0	0
Equals Net Demand		185	276	77*	461

*When adjusted for the proposed subject BR Mix at Market this estimate is reduced to 58 further into the demand and capture rate analysis.

Capture Rate Analysis

LIHTC Segment

After adjusting for new like kind supply, the total number of LIHTC Income Qualified Households = 461. For the subject 54 LIHTC units this equates to an overall LIHTC Capture Rate of 11.7%.

- Capture Rate (54 unit subject, by AMI)

	50% AMI	60% AMI
Number of Units in Subject Development	13	41
Number of Income Qualified Households	185	276
Required Capture Rate	**7.0%**	**14.9%**

Market Rate Segment

After adjusting for new like kind supply, the total number of Market Rate Income Qualified Households = 77. For the subject 10 Market Rate units this equates to an overall Market Capture Rate of 13.0%.

- Capture Rate @ Market

	Market
Number of Units in Subject Development	10
Number of Income Qualified Households	77
Required Capture Rate	**13.0%**

Adjusted for the Market Rate bedroom mix (2BR & 3BR only) results in the following overall Market Capture Rate of 17.2%.

- Capture Rate @ Market

	Market
Number of Units in Subject Development	10
Number of Income Qualified Households	58
Required Capture Rate	**17.2%**

- Total Demand by Bedroom Mix

It is estimated that approximately 25% of the target group fits the profile for a 1BR unit, 50% for a 2BR unit, and 25% of the target group is estimated to fit a 3BR unit profile. Source: Table 6B and Survey of the Competitive Environment.

***** At present there are no LIHTC (family) like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 50% AMI)

1BR - 46
2BR - 93
3BR - 46
Total - 185

	Total Demand	New Supply*	Net Demand	Units Proposed	Capture Rate
1BR	46	0	46	7	15.2%
2BR	93	0	93	3	3.2%
3BR	46	0	46	3	6.5%

Total Demand by Bedroom Type (at 60% AMI)

1BR - 69
2BR - 138
3BR - 69
Total - 276

	Total Demand	New Supply*	Net Demand	Units Proposed	Capture Rate
1BR	69	0	69	1	1.5%
2BR	138	0	138	24	17.4%
3BR	69	0	69	16	23.2%

Total Demand by Bedroom Type (at Market)

1BR - 19
2BR - 39
3BR - 19
Total - 77

	Total Demand	New Supply*	Net Demand	Units Proposed	Capture Rate
1BR	19	0	19	0	Na
2BR	39	0	39	5	12.8%
3BR	19	0	19	5	26.3%

Capture Rate Analysis Chart

Income Targeting	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Abspt
30% AMI							
1BR							
2BR							
3BR							
4BR							
50% AMI							
1BR	$20,775-$23,900	7	46	0	46	15.2%	2 mos.
2BR	$23,795-$30,700	3	93	0	93	3.2%	1 mo.
3BR	$27,120-$36,850	3	46	0	46	6.5%	1 mo.
4BR							
60% AMI							
1BR	$20,775-$28,680	1	69	0	69	1.5%	1 mo.
2BR	$23,795-$36,840	24	138	0	138	17.4%	8 mos.
3BR	$27,120-$44,220	16	69	0	69	23.2%	4 mos.
4BR							
Market Rate							
1BR							
2BR	$35,000-$40,370	5	39	0	39	12.8%	2 mos.
3BR	$40,370-$50,000	5	19	0	19	26.3%	2 mos.
4BR							
Total 30%							
Total 50%	$20,775-$36,850	13	185	0	185	7.0%	2 mos.
Total 60%	$20,775-$44,220	41	276	0	276	14.9%	8 mos.
Total LIHTC	$20,775-$44,220	54	461	0	461	11.7%	8 mos.
Total Market	$35,000-$50,000	10	58	0	58	17.2%	2 mos.

- Penetration Rate:

The NCHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

Overall Impact to the Rental Market

The proposed LIHTC family development will not negatively impact the existing supply of program assisted family properties located within the Adairsville PMA competitive environment in the short or long term. At the time of the survey, the existing USDA-RD family properties were on average 96.7% occupied. At the time of the survey, two of the three program assisted family properties were 100% occupied. Two of the three properties reported to have a waiting list. The size of the waiting lists ranged between 8 and 70-applicants.

Presently, there are no LIHTC-family apartment developments located within the Adairsville PMA.

SECTION H

COMPETITIVE ENVIRONMENT & SUPPLY ANALYSIS

This section of the report evaluates the general rental housing market conditions in the PMA apartment market, for both program assisted family properties and market rate properties.

Part I of the survey focused upon the existing program assisted family properties within the PMA. Part II consisted of a sample survey of conventional apartment properties in the competitive environment. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Adairsville apartment market is representative of a semi-urban apartment market, greatly influenced by a much larger, surrounding rural hinterland. The Adairsville apartment market does not have any traditional market rate properties of size. The local market does contain three USDA-RD family properties. Outside of Adairsville the rental market is primarily composed of single-family homes and single-wide trailers for rent. Owing to the fact that Adairsville lacks a sizable number of non subsidized / market rate properties the sample set included market rate properties located approximately 15 miles south of Adairsville, yet still within Bartow County, in Cartersville.

The selection process of "comparables" focused upon including those properties within the surveyed data set offering one, two and three-bedroom units, are non subsidized, were professionally managed, and in very good to excellent condition.

Part I - Survey of the Program Assisted Apartment Market

Three family program assisted properties representing 92 units were surveyed in the subject's competitive environment, in detail. Several key findings in the local program assisted apartment market include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted family apartment properties was 3.3%.

* At the time of the survey, two of the three program assisted family properties were 100% occupied. Two of the three properties reported to have a waiting list. The size of the waiting lists ranged between 8 and 70-applicants.

* The bedroom mix of the surveyed program assisted properties is 35% 1BR, 61% 2BR and 4% 3BR.

* In addition, the nearest LIHTC-Family development to Adairsville is located in Calhoun (about 8-miles north). At the time of the survey, the 56-unit East Gate Apartments (built in 2001) were 100% occupied and had around 150-applicants on the waiting list.

Part II - Sample Survey of Market Rate Apartments

Six market rate properties located within the Adairsville competitive environment, representing 888 units, were surveyed in detail. Several key findings in the conventional market include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties was 2.5%.

* The typical occupancy rate reported for most of the surveyed properties is in the low 90's to high 90's%. Half of the surveyed properties were 100% occupied on the day surveyed. Overall, the rental market is considered to be very tight, owing primarily to the fact that: most of the traditional apartment properties in the market are professionally managed, are well amenitized, and are in very good to excellent condition.

* The bedroom mix of the surveyed market rate properties is 2% 0BR; 32.5% 1BR; 50% 2BR; and 15.5% 3BR.

* Rent concessions are not typical within the surveyed market rate environment.

* The sample survey of the conventional apartment market, exhibited the following: average, median and range of net rents, by bedroom type, within the surveyed competitive environment.

Market Rate Competitive Environment - Net Rents			
BR/Rent	**Average**	**Median**	**Range**
0BR/1b	$729	$729	$729-$729
1BR/1b	$811	$785	$575-$990
2BR/2b	$927	$915	$675-$1174
3BR/2b	$1012	$1025	$775-$1205

Source: Koontz & Salinger. May, 2016

* 50% of the surveyed market rate properties exclude water and sewer and include trash removal within the net rent; and 50% of the surveyed market rate properties exclude all utilities.

* Security deposits range between $150 and $300, with an estimated median of $200.

* One of the surveyed market rate properties was built in the 1980's, two in the 1990's, and three in the 2000's.

* The sample survey of the conventional apartment market, exhibited the following: average, median and range of unit size, by bedroom type, within the surveyed competitive environment.

Market Rate Competitive Environment - Unit Size (sf)			
BR/Size	**Average sf**	**Median sf**	**Range sf**
0BR/1b	575	575	575-575
1BR/1b	811	828	660-912
2BR/2b	1107	1085	938-1337
3BR/2b	1293	1280	1170-1439

Source: Koontz & Salinger. May, 2016

* In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, by floor plan, in comparison with the existing market rate properties. The proposed subject 1BR heated square footage is approximately 2% less than the 1BR market average unit size. The proposed subject 2BR/2b heated square footage is 11% greater than the 2BR/2b market average unit size. The proposed subject 3BR/2b heated square footage is 13% greater than the 3BR/2b market average unit size.

Section 8 Vouchers

The Section 8 voucher program for Bartow County is managed by the Georgia Department of Community Affairs. At the time of the survey the Georgia DCA regional office stated that 72 vouchers were under contract within Bartow County. In addition, it was reported that presently there are 14 applicants on the Bartow County waiting list. Presently, the waiting list is closed. Source: Ms. Nancy Dove, Athens Office Manager,(706) 396-5636, April 15, 2016.

Most Comparable Property

* The selection process of "comparables" focused upon including those properties within the surveyed data set offering one, two and three-bedroom units, are located within Bartow County, are non subsidized, were professionally managed, and in good to very good condition. The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Alexandria Landing	Alexandria Landing	Alexandria Landing
Avonlea Highlands	Avonlea Highlands	Avonlea Highlands
The Evergreens @ Vineyards	The Evergreens @ Vineyards	The Evergreens @ Vineyards
The Glen	The Glen	The Glen
Rosewood	Rosewood	Rosewood
Stonemill	Stonemill	Stonemill

Source: Koontz & Salinger. May, 2016

* In terms of market rents, and subject rent advantage, the most comparable properties, comprise the six surveyed market rate properties located within the Adairsville competitive environment.

Fair Market Rents

The 2016 Fair Market Rents for Bartow County, GA are as follows:

Efficiency = $ 764
1 BR Unit = $ 820
2 BR Unit = $ 949
3 BR Unit = $1253
4 BR Unit = $1532

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.gov

Note: The proposed subject property LIHTC 1BR, 2BR and 3BR gross rents at 50% and 60% AMI are below the maximum Fair Market Rents. Thus, the subject property LIHTC 1BR, 2BR and 3BR units at 50% and 60% AMI will be marketable to Section 8 voucher holders in Bartow County.

Housing Voids

At the time of the market study, no LIHTC family or elderly apartment were available within the Adairsville PMA. In addition, the supply of traditional market rate apartments within the Adairsville PMA is very thin.

Rent Increase/Decrease

Between the Spring of 2015 and the Spring of 2016, the Adairsville competitive environment conventional apartment market exhibited the following change in average net rents, by bedroom type:

	Average 2015	Average 2016	% Change	% Increase
1BR/1b	$713	$811	+13.7%	+12.1%
2BR/2b	$897	$927	+ 3.3%	+ 3.2%
3BR/2b	$965	$1012	+ 4.9%	+ 4.6%

Table 15 exhibits building permit data between 2000 and February 2016. The permit data is for Bartow County (including Adairsville).

Between 2000 and 2016, 10,516 permits were issued in Bartow County, of which, 1,267, or approximately 12% were multi-family units.

Table 15

New Housing Units Permitted: Bartow County, 2000-2016[1]

Year	Net Total[2]	Single-Family Units	Multi-Family Units
2000	1,355	1,222	133
2001	1,418	1,031	387
2002	1,153	918	172
2003	1,188	882	306
2004	1,099	1,023	76
2005	1,085	1,047	38
2006	1,053	1,003	50
2007	606	572	34
2008	360	351	9
2009	128	128	--
2010	144	82	62
2011	77	77	--
2012	73	73	--
2013	150	150	--
2014	221	221	--
2015	339	339	--
2016	67	67	--
Total	**10,516**	**9,249**	**1,267**

[1]Source: SOCDS Building Permits Database.

[2]Net total equals new SF and MF dwellings units.

Table 16, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed program assisted apartment properties in the Adairsville PMA.

Table 16

SURVEY OF PROGRAM ASSISTED FAMILY COMPETITIVE SUPPLY PROJECT PARAMETERS

Complex	Total Units	1BR	2BR	3BR-4BR	Vac. Units	1BR Rent	2BR Rent	3&4BR Rent	SF 1BR	SF 2BR	SF 3 & 4BR
Subject	64	8	32	24	Na	$450	$525 $550	$600-$650	797	1234	1459
Adairsville Apartments	24	10	10	4	0	$470	$495	$520	550	650	800
Adairsville Arms	48	16	32	--	0	$434	$450	--	550	750	--
Stewart	20	6	14	--	3	$345	$385	--	576	812	--
Total*	**92**	**32**	**56**	**4**	**3**						

* - Excludes the subject property

Note: The basic rent was noted for the USDA-RD properties

Comparable properties highlighted in red.

Source: Koontz and Salinger. May, 2016.

Table 17 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed market rate apartment properties within the Adairsville PMA competitive environment.

Table 17

SURVEY OF MARKET RATE COMPETITIVE SUPPLY PROJECT PARAMETERS

Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	64	8	32	24	Na	$450	$525 $550	$600-$650	797	1234	1459
Alexandria Landing	76	16	32	28	0	$575	$675	$775	877	1087	1230
Avonlea Highlands	228	90	102	36	2	$835-$990	$1003 $1174	$1174 $1205	660-912	1048-1337	1366-1439
The Evergreens	152	40	88	24	2	$795	$915	$1025	850	1000	1200
The Glen	108	36	48	24	0	$720-$780	$820-$920	$930-$1020	701-908	938-1305	1290-1406
Rosewood	148	56	84	8	0	$729-$765	$875	$995	575-800	1140	1170
Stonewall	176	68	92	16	18	$766-$821	$906-$946	1071	774-828	1084	1277
Total*	**888**	**306**	**446**	**136**	**22**						

* - Excludes the subject property

Comparable properties highlighted in red.

Source: Koontz and Salinger. May, 2016.

Table 18, exhibits the key amenities of the subject and the surveyed program assisted apartment properties. Overall, the subject is competitive with the existing program assisted family apartment properties located within the PMA regarding the unit and development amenity package.

Table 18

SURVEY OF PROGRAM ASSISTED FAMILY APARTMENT COMPLEXES
UNIT & PROJECT AMENITIES

Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Adairsville Apartments	x	x			x			x	x	x	x		
Adairsville Arms	x	x			x			x	x	x	x	x	x
Stewart	x	x			x			x	x	x	x		

Source: Koontz and Salinger. May, 2016.

Key: A - On-Site Mgmt Office; B - Central Laundry; C - Pool
D - Tennis Court; E - Playground/Rec Area; F - Dishwasher
G - Disposal; H - W/D Hook-ups; I - A/C
J - Cable Ready; K - Mini-Blinds; L - Community Rm/Exercise Rm

M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Table 19, exhibits the key amenities of the subject and the surveyed conventional apartment properties.

Table 19

SURVEY OF CONVENTIONAL COMPETITIVE SUPPLY
UNIT & PROJECT AMENITIES

Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Alexandria Landing	x	x			x	x	x	x	x	x	x	x	x
Avonlea Highlands	x	x	x	x	x	x	x	x	x	x	x	x	x
The Evergreens	x	x	x	x	x	x	x	x	x	x	x	x	x
The Glen	x	x	x		x	x	x	x	x	x	x	x	x
Rosewood	x	x	x	x	x	x	x	x	x	x	x	x	x
Stonemill	x	x	x		x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. May, 2016.

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
D - Tennis Court E - Playground/Rec Area F - Dishwasher
G - Disposal H - W/D Hook-ups I - A/C
J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm

M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the program assisted properties in the Adairsville PMA is provided on page 91. A map showing the location of the surveyed Market Rate properties located within the competitive environment is provided on page 92. A map showing the location of the surveyed Comparable properties located within the competitive environment is provided on page 93.

Survey of Program Assisted Family Properties w/PMA

1. Adairsville Apartments, 101 Legion St (770) 773-7580

Contact: Josh Holton, Mgr (4/19/16)
Type: USDA-RD FM
Date Built: 1984
Condition: Good

Unit Type	Number	Basic Rent	Market Rent	Size sf	Vacant
1BR/1b	10	$470	$517	550	0
2BR/1b	10	$495	$550	650	0
3BR/1.5b	4	$520	$585	800	0
Total	24				0

Typical Occupancy Rate: 100%
Waiting List: Yes (60-70)
Security Deposit: $200
Concessions: No
Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2-story walk-up

Remarks: 21-units have RA; 0 existing tenants have a Section 8 voucher; no negative impact is expected; 1BR UA-$110; 2BR UA-$130; 3BR UA-$179

2. Adairsville Arms, 5535 Joe Frank Harris Hwy (770) 773-3959

Contact: Ms Jessica (4/19/16)
Type: USDA-RD FM
Date Built: 1992
Condition: Good

Unit Type	Number	Basic Rent	Market Rent	Size sf	Vacant
1BR/1b	16	$434	$610	550	0
2BR/1b	32	$450	$620	750	0
Total	48				0

Typical Occupancy Rate: 100%
Waiting List: Yes (8)
Security Deposit: 1 month basic rent
Concessions: No
Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 1 & 2-story

Remarks: 4-units have RA; 0 existing tenants have a Section 8 voucher; no negative impact is expected

3. Stewart Apartments, 100 Lawrence Ct (706) 625-4511

Contact: Martha Smith, Stewart Mgmt (4/18/16) **Type:** USDA-RD FM
Date Built: 1985 **Condition:** Good

Unit Type	**Number**	**Basic Rent**	**Market Rent**	**Size sf**	**Vacant**
1BR/1b	6	$345	$375	576	0
2BR/1b	14	$385	$425	812	3
Total	20				3

Typical Occupancy Rate: 90% **Waiting List:** Unk
Security Deposit: $200 **Concessions:** No
Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 2-story walk-up

Remarks: 0-units have RA; could have some negative impact; 1BR UA-$80; 2BR UA-$111; manager reported that "the location of the town is a little removed and a little challenging to rent; usually there are 2 vacant units"

Survey of the Competitive Environment: Market Rate

1. Alexandria Landing, 370 Old Mill Rd (770) 386-9200

Contact: Cathy, Leasing Agent
Interview Date: 4/27/2016
Date Built: 2000
Condition: Very Good

Unit Type	Number	Rent	Size sf	Vacant
1BR/1b	16	$575	877	0
2BR/2b	32	$675	1087	0
3BR/2b	28	$775	1230	0
Total	76			0

Typical Occupancy Rate: 92% (recently)
Waiting List: Yes (1)
Security Deposit: $150
Concessions: No
Utilities Included: trash
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	No	Picnic Area	No

Design: 2 story walk-up

Remarks: owned by Daniels Investment Group

2. Avonlea Highlands, 950 E Main St (888) 309-8108

Contact: Ms Cathy Smith, Mgr
Interview Date: 4/20/2016
Date Built: 2003
Condition: Very Good

Unit Type	Number	Rent	Size sf	Vacant
1BR/1b	90	$835-$990	660-912	2
2BR/2b	102	$1003-$1174	1048-1337	0
3BR/2b	36	$1174-$1205	1366-1439	0
Total	228			2

Typical Occupancy Rate: 95%
Waiting List: No
Security Deposit: $200
Concessions: No
Utilities Included: None
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Tennis Court	Yes

Design: 3 & 4 story walk-up / gated entry w/detached garages

Remarks: exterior storage w/units; rents based upon Yieldstar

3. The Evergreens @ the Vineyards, 11 Sheffield Pl (866) 754-2863

Contact: Mr Ian, Mgr
Date Built: 1998

Interview Date: 4/18/2016
Condition: Very Good

Unit Type	Number	Rent	Size sf	Vacant
1BR/1b	40	$795	850	1
2BR/2b	88	$915	1000	1
3BR/2b	24	$1025	1200	0
Total	152			2

Typical Occupancy Rate: 97% to 98%
Security Deposit: $150
Utilities Included: None

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis Courts	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Clubhouse	Yes

Design: 2 story walk-up (detached garages)

Remarks: no Section 8; garage premium is $75

4. The Glen Apartments, 200 Governors Ct (770) 386-1483

Contact: Ms Amy **Interview Date:** 4/20/2016

Date Built: 1992 **Condition:** Very Good

Unit Type	Number	Rent	Size sf	Vacant
1BR/1b	36	$720-$780	701-908	0
2BR/2b	48	$820-$920	938-1305	0
3BR/2b	24	$930-$1020	1290-1406	0
Total	108			0

Typical Occupancy Rate: 95%+ **Waiting List:** No
Security Deposit: $200, $250, $300 **Concessions:** No
Utilities Included: trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	No	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	No	Car Wash Area	Yes

Design: 2-story walk-up

Remarks: no Section 8 holders; garage parking $85 premium; storage $25

5. Rosewood Apts, 531 Grassdale Rd (770) 382-5411

Contact: Ms Courtney **Interview Date:** 4/20/2016
Date Built: 1984 rehab-2014 **Condition:** Very Good

Unit Type	Number	Rent	Size sf	Vacant
0BR/1b	18	$729	575	0
1BR/1b	38	$765	800	0
2BR/2b	84	$875	1140	0
3BR/2b	8	$995	1170	0
Total	148			0

Typical Occupancy Rate: 95%+ **Waiting List:** No
Security Deposit: $200 **Concessions:** No
Utilities Included: trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Tennis Court	Yes

Design: 3-story walk-up

6. Stonemill Apartments, 50 Stone Mill Dr (770) 382-0087

Contact: Ms Natalie
Interview Date: 4/20/2016
Date Built: 2001
Condition: Very Good

Unit Type	**Number**	**Rent**	**Size sf**	**Vacant**
1BR/1b	16	$766	774	3
1BR/1b	52	$801-$821	828	5
2BR/2b	92	$906-$946	1084	10
3BR/2b	16	$1071	1277	0
Total	176			18

Typical Occupancy Rate: low to mid 90's
Waiting List: No
Security Deposit: $150
Concessions: No
Utilities Included: None
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

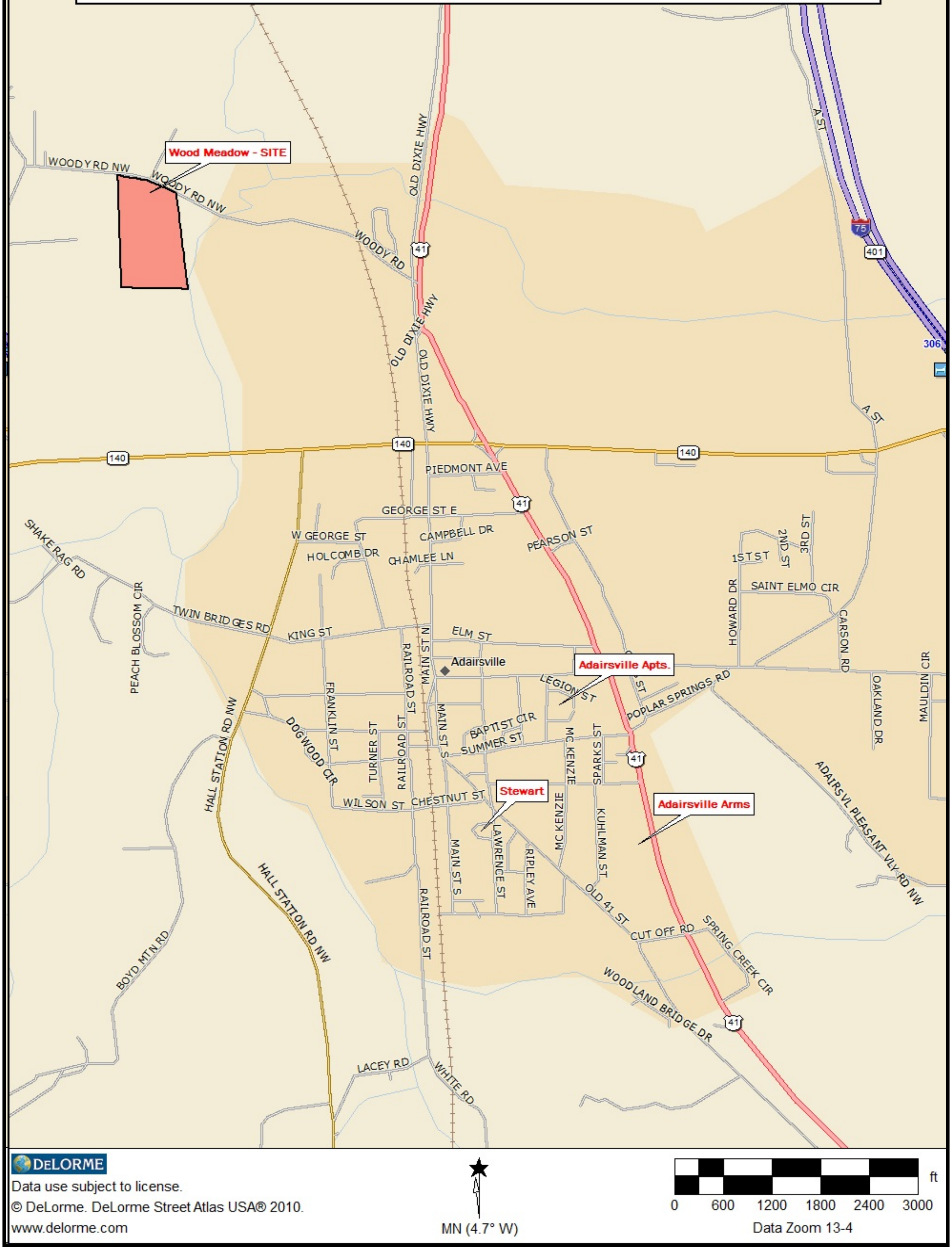
Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Tennis Court	No

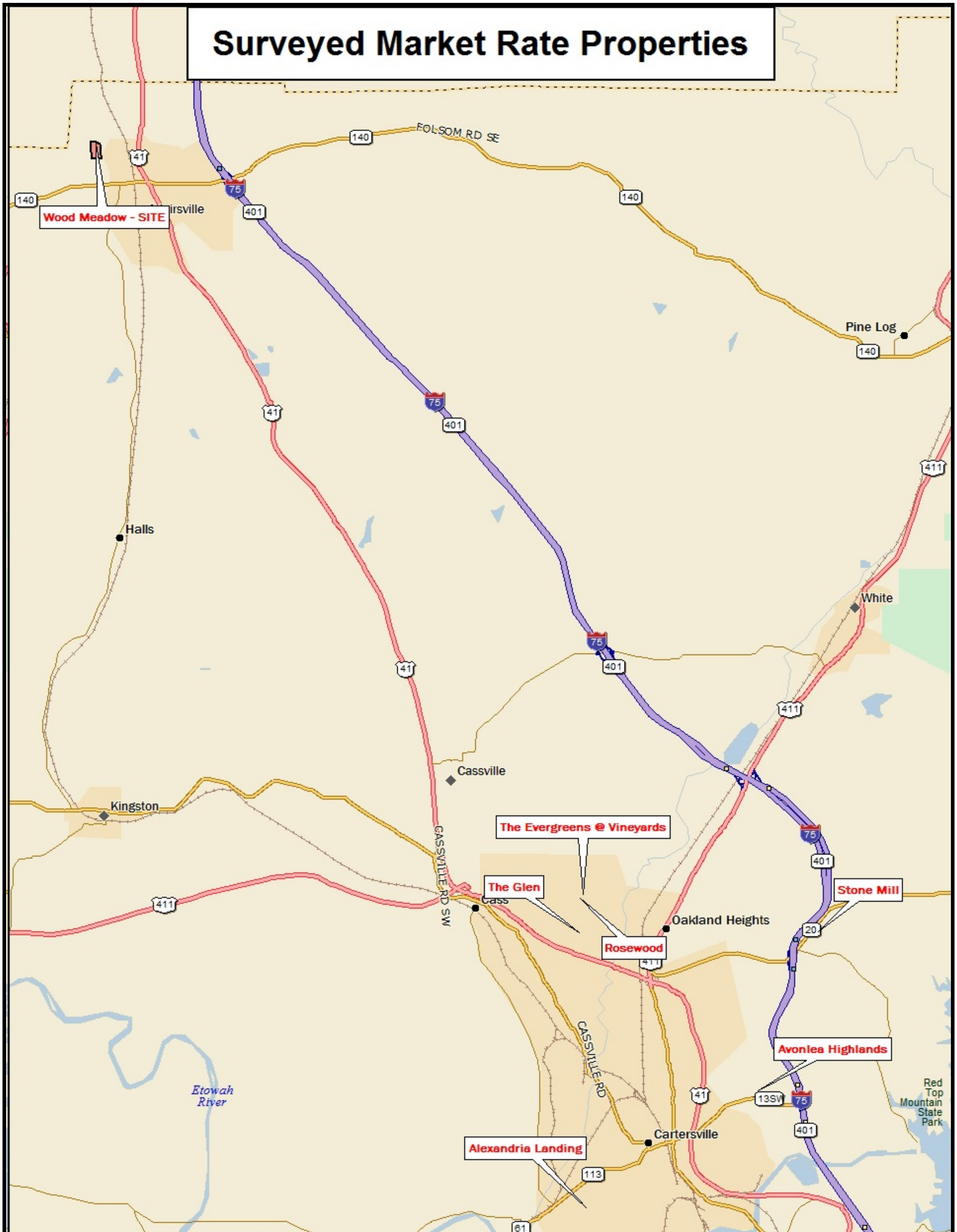
Design: 2-story walk-up w/perimeter fencing & gated entry

Remarks: detached garage premium is $100 per month

Surveyed Program Assisted Family Properties



Surveyed Market Rate Properties



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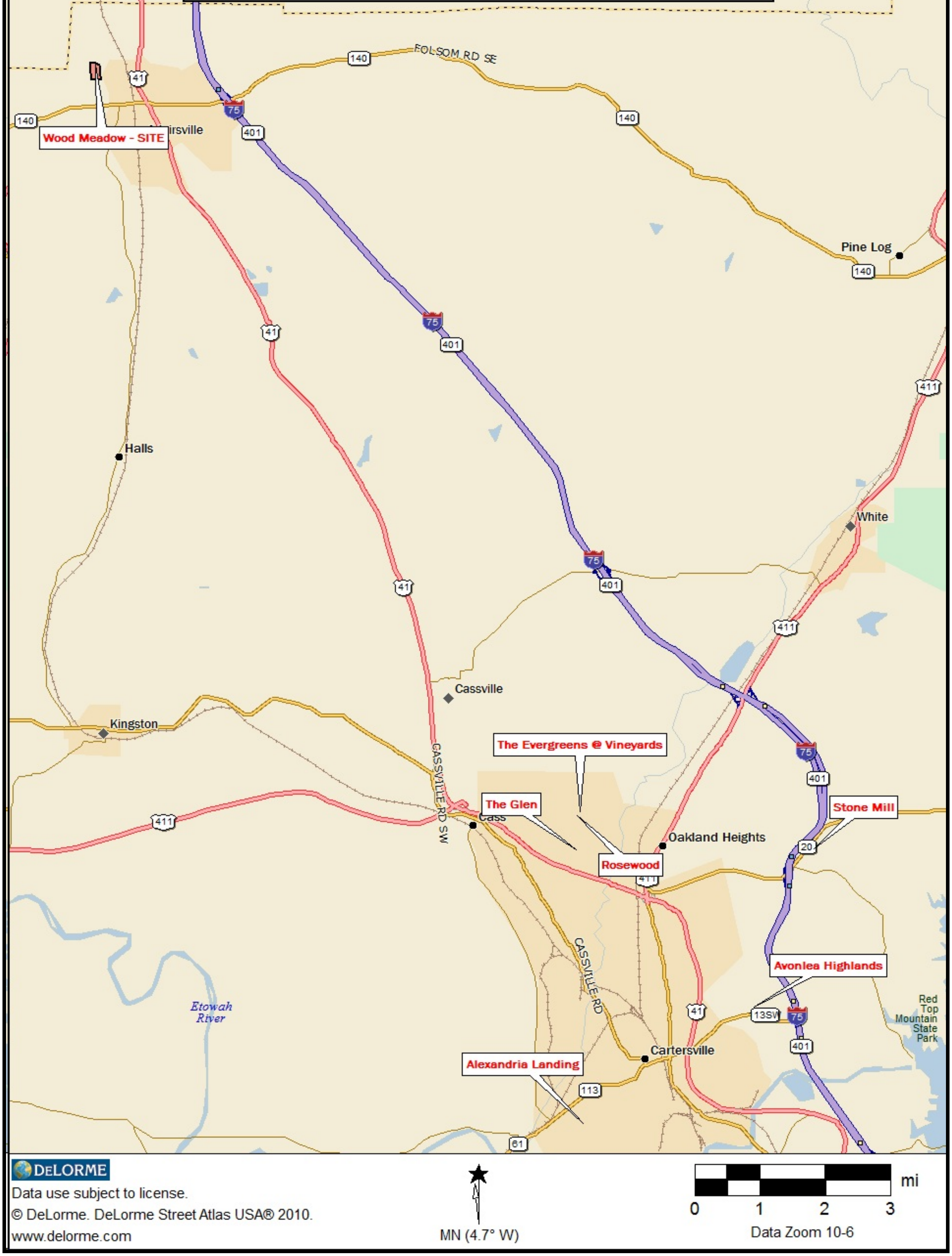
Data Zoom 10-6

Surveyed Comparable Properties



SECTION I

ABSORPTION & STABILIZATION RATES

Given the strength of the demand estimated in Table 14, the most likely/best case scenario for 93% to 100% rent-up is estimated to be within 8 months (at 8-units per month on average).

The rent-up period estimate is based upon two LIHTC elderly developments located within near proximity to Adairsville, GA:

<u>Calhoun</u>

Catoosa Sr Village (2003)	60-units	7-months to attain 100% occupancy

<u>Cartersville</u>

The Cove (2000)	60-units	7-months to attain 100% occupancy

<u>Note</u>: The absorption of the project is contingent upon an attractive product, professional management, and a strong marketing and pre-leasing program.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period.

<u>NCHMA Definitions</u>

Absorption Period: The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of occupancy. The Absorption Period begins when the first certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. This assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption Rate: The average number of units rented each month during the Absorption Period.

Stabilized Level of Occupancy: The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

SECTION J

INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process.

In most instances the project parameters of the proposed development were presented to the *"key contact"*, in particular: the proposed site location, project size, bedroom mix, income targeting and net rents. The following observations/comments were made:

(1) - Mr. Casey Early, Community Development Director for the City of Adairsville reported that no ongoing, nor planned infrastructure development or improvements are in process within the immediate vicinity of the subject site. In addition, he reported on the status of current and upcoming permitted multi-family rental development within Adairsville and the immediate area surrounding Adairsville. *Contact Number: (770) 733-3451, ext 115.*

(2) - Ms Nancy Dove, of the Athens GA-DCA Office made available the number of Section 8 Housing Choice Vouchers being used within Bartow County. At the time of the survey the Georgia DCA regional office stated that 72 vouchers were under contract within Bartow County. In addition, it was reported that presently there are 14 applicants on the Bartow County waiting list. Presently, the waiting list is closed. *Contact Number: (706) 369-5636.*

(3) - The manager of the Adairsville Apartments (USDA-RD Family) was interviewed, Mr Josh Holton. He stated that the proposed subject development would not negatively impact the Adairsville Apartments. At the time of the survey, the Adairsville Apartments were 100% occupied, and maintained a very lengthy waiting list, with 60 to 70 applicants. In addition, the manager stated that Adairsville "could use more affordable rental housing." *Contact Number: (770) 773-7580.*

(4) - The manager of the Stewart Apartments (USDA-RD Family) was interviewed, Ms Martha Smith. She stated that the proposed subject development could have some negative impact on the Stewart Apartments. At the time of the survey, the Stewart Apartments were 85% occupied. Ms Stewart stated that the property is typically 90% occupied. *Contact Number: (770) 625-4511.*

(5) - The manager of the Adairsville Arms Apartments (USDA-RD Family) was interviewed, Ms Jessica. She stated that the proposed subject development would not negatively impact Adairsville Arms. At the time of the survey, the Adairsville Arms Apartments were 100% occupied, and maintained a waiting list with 8 applicants. *Contact Number: (770) 773-3959.*

SECTION K

CONCLUSIONS & RECOMMENDATION

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that Wood Meadow Townhomes (a proposed LIHTC/Market Rate property) targeting the general population should proceed forward with the development process.

Detailed Support of Recommendation

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC/Market Rate family development of **64**-units. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable, and within the GA-DCA threshold limits.**

2. The current USDA-RD program assisted family apartment market is **not** representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was 3.3%. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties located within the competitive environment was 2.5%.

3. The proposed complex amenity package is considered to be very competitive within the PMA apartment market for affordable properties. It will be competitive with older program assisted properties and older, smaller, Class B market rate properties within Adairsville competitive environment.

4. Bedroom Mix - The subject will offer 1BR, 2BR, and 3BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. All household sizes will be targeted, from single person households to large family households.

5. Assessment of rents - The proposed LIHTC net rents, by bedroom type, will be very competitive within the PMA apartment market at 50% and 60% AMI. Market rent advantage is greater than 35% in all AMI segments, and by bedroom type. The table on page 98, exhibits the rent reconciliation of the proposed LIHTC property, by bedroom type, and income targeting, with comparable properties within the competitive environment.

6. Under the assumption that the proposed development will be: (1) built as described within this market study, (2) will be subject to professional management, and (3) will be subject to an extensive marketing and pre-leasing program, the subject is forecasted to be 93% to 100% absorbed within 8-months.

7. Stabilized occupancy, subsequent to initial lease-up, is forecasted to be 93% or higher.

8. The proposed LIHTC family development will not negatively impact the existing supply of program assisted family properties located within the Adairsville PMA competitive environment in the short or long term. At the time of the survey, the existing USDA-RD family properties were on average 96.7% occupied. At the time of the survey, two of the three program assisted family properties were 100% occupied. Two of the three properties reported to have a waiting list. The size of the waiting lists ranged between 8 and 70-applicants. Presently, there are no LIHTC-family apartment developments located within the Adairsville PMA.

The nearest LIHTC-Family development to Adairsville is located in Calhoun (about 10-miles north). At the time of the survey, the 56-unit East Gate Apartments were 100% occupied and had 150-applicants on the waiting list.

9. The site location is considered to be very marketable.

10. No modifications to the proposed project development parameters as currently configured are recommended.

The table below exhibits the findings of the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

Market Rent Advantage

The rent reconciliation process exhibits a very significant subject property rent advantage by bedroom type at 50% and 60% of AMI.

Percent Advantage:

	50% AMI	60% AMI
1BR/1b:	37%	37%
2BR/2b:	41%	41%
3BR/2b:	44%	44%
Overall:	41.5%	

Rent Reconciliation				
50% AMI	**1BR**	**2BR**	**3BR**	**4BR**
Proposed subject net rents	$450	$500	$550	---
Estimated Market net rents	$715	$845	$980	---
Rent Advantage ($)	+$265	+$345	+$430	---
Rent Advantage (%)	37%	41%	44%	---
60% AMI	**1BR**	**2BR**	**3BR**	**4BR**
Proposed subject net rents	$450	$500	$550	---
Estimated Market net rents	$715	$845	$980	---
Rent Advantage ($)	+$265	+$345	+$430	---
Rent Advantage (%)	37%	41%	44%	---

Source: Koontz & Salinger. May, 2016

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that the Wood Meadow Townhomes (a proposed LIHTC/Market Rate new construction family development) proceed forward with the development process.

Negative Impact

The proposed LIHTC family development will not negatively impact the existing supply of program assisted family properties located within the Adairsville PMA competitive environment in the short or long term. At the time of the survey, the existing USDA-RD family properties were on average 96.7% occupied. At the time of the survey, two of the three program assisted family properties were 100% occupied. Two of the three properties reported to have a waiting list. The size of the waiting lists ranged between 8 and 70-applicants.

Presently, there are no LIHTC-family apartment developments located within the Adairsville PMA.

Achievable Restricted (LIHTC) Rent

The proposed gross rents, by bedroom type at 50% and 60% AMI are considered to be very competitively positioned within the market. In addition, they are appropriately positioned in order to attract income qualified Section 8 Housing Choice Voucher holders within Adairsville and Bartow County, for the proposed subject 1BR, 2BR, and 3BR units.

It is recommended that the proposed subject LIHTC net rents at 50% and 60% AMI remain unchanged, neither increased nor decreased. The proposed LIHTC family development, and proposed subject net rents are in line with the other LIHTC and program assisted developments operating in the market without PBRA, deep subsidy USDA rental assistance (RA), or attached Section 8 vouchers, when taking into consideration differences in income restrictions, unit size and amenity package.

Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject net rents could be positioned at a higher level and still attain a rent advantage position greater than 10%. However, it is recommended that the proposed net rents remain unchanged. In addition, the subject's gross rents are already closely positioned to be under Fair Market Rents for Bartow County, while at the same time operating within a competitive environment.

The proposed project design, amenity package, location and net rents are very well positioned to be attractive to the local Section 8 voucher market. Increasing the gross rents to a level beyond the FMR's, even if rent advantage can be achieved, and maintained, is not recommended.

Mitigating Risks

The subject development is very well positioned to be successful in the market place. It will offer a product that will be very competitive regarding: rent positioning, project design, amenity package and professional management. The major unknown mitigating risk to the development process will be the status of the local economy during 2015-2016 and beyond.

At present, economic indicators point to a stable local economy. However, the operative word in forecasting the economic outlook in Bartow County, the State, the Nation , and the Globe, at present is "uncertainty". At present, the Adairsville/Bartow County local economic conditions are considered to be operating within a more positive and certain state compared to the recent past, with recent continuing signs of optimism.

Also, it is possible that the absorption rate could be extended by a few months if the rent-up process for the proposed subject development begins sometime between the Thanksgiving and Christmas holiday season, including the beginning of January.

Rent Reconciliation Process

Six market rate properties in the competitive environment were used as comparables to the subject. The methodology attempts to quantify a number of subject variables regarding the features and characteristics of a target property in comparison to the same variables of comparable properties.

The comparables were selected based upon the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,

- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,

- no adjustment was made for the floor/level of the unit in the building,

- no "time adjustment" was made; all of the comparable properties were surveyed in April, 2016,

- a "distance or neighborhood adjustment" was made; owing to the fact that comparisons are mostly being made between properties located outside of the subject PMA,

- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,

- no adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout,

- an adjustment was made for the age of the property; this adjustment was made on a conservative basis,

- no adjustment was made - Number of Rooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size),

- no adjustment was made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,

- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),

- an adjustment was made for storage,

- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject excludes water and sewer in the net rent and includes trash removal. All of the comparable properties exclude cold water and sewer within the net rent.

ADJUSTMENT ANALYSIS

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

Adjustments:

- Concessions: None of the six comparable market rate properties offers a net rent concession.

- Structure/Floors: No adjustment.

- Year Built: The age adjustment factor utilized is: a $.50 adjustment per year differential between the subject and the comparable property. Note: Many market analyst's use an adjustment factor of $.75 to $1.00 per year. However, in order to remain conservative and allow for overlap when accounting for the adjustments to condition and location, the year built adjustment was kept constant at $.50.

- Square Feet (SF) Area: In order to allow for differences in amenity package, and the balcony/patio adjustment, the overall SF adjustment factor used is .05 per sf per month, for each bedroom type.

- Number of Baths: No adjustment was made. All comparable properties offer the same bedroom/bathroom mix as the subject.

- Balcony/Terrace/Patio: The subject will offer a traditional balcony/patio, with an attached storage closet. The balcony/patio adjustment is based on an examination of the market rate comps. The balcony/patio adjustment resulted in a $5 value for the balcony/patio.

- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is $225; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is $5.

- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is $750; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is $5.

- Washer/Dryer (w/d): The subject will offer a central laundry (CL), as well as w/d/ hook-ups. If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is $40. The assumption is that at a minimum a household will need to set aside $10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also $40.

- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is $10 to $15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is $25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is $4.15 , rounded to $4. Note: The subject and the comparable properties offer carpet and blinds.

- Pool/Recreation Area: The subject offers recreational space on the property. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of $5 for a playground, $10 for a tennis court and $25 for a pool.

- Water: The subject excludes cold water and sewer in the net rent. All of the comparable properties exclude water and sewer in the net rent.

- Storage: The dollar value for storage is estimated to be $5.

- Computer Room: The dollar value for a computer room (with internet service) is estimated to be $2.

- Fitness Room: The dollar value for an equipped fitness room is estimated to be $2.

- Clubhouse: The dollar value for a clubhouse and/or community room is estimated to be $2.

- Location: Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of $10; a better location versus the subject was assigned a value of $15; a superior location was assigned a value of $25. Note: None of the comparable properties are inferior to the subject regarding location.

- Condition: Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of $5; a significantly better condition was assigned a value of $10; and a superior condition / curb appeal was assigned a value of $15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - $10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.

- Trash: The subject includes trash in the net rent. Several of the comparable properties include trash in the net rent. The source for the value adjustment for trash removal is based upon the Georgia Department of Community Affairs Utility Allowances - Northern Region (effective 7/1/2015). See Appendix.

Adjustment Factor Key:

SF - .05 per sf per month

Patio/balcony - $5

Elevator - $15

Storage - $5

Computer Rm, Fitness Rm, Clubhouse, Microwave, Ceiling Fan - $2 (each)

Disposal - $5

Dishwasher - $5

Carpet - $5

Mini-blinds - $4

W/D hook-ups or Central Laundry - $20   W/D Units - $40

Pool - $25   Tennis Court - $10

Playground - $5 (Na for elderly)   Walking Trail - $2

Full bath - $25; ½ bath - $15

Location - Superior - $25; Better - $15; Marginally Better - $10

Condition - Superior - $15; Better - $10; Marginally Better - $5; Inferior - minus $10

Water & Sewer - 1BR - $68; 2BR - $86; 3BR - $102

(Source: Energy Consultant Inc., 4/11/2016)

Trash Removal - $22 (Source: GA-DCA Middle Region, 7/1/15)

Age - $.50 per year (differential) Note: If difference is less than or near to 5/10 years, a choice is provided for no valuation adjustment.*

*Could be included with the year built (age) adjustment, thus in most cases will not be double counted/adjusted.

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Wood Meadow		Alexandria Landing		Avonlea Highlands		The Evergreens	
A. Rents Charged		Data	$ Adj	Data	$ Adj	Data	$ Adj
Street Rent		$575		$835		$795	
Utilities	t	t		None	$22	None	$22
Concessions		No		No		No	
Effective Rent		$575		$857		$817	
B. Design, Location,Condition							
Structures/Stories	2	2		3		2	
Year Built	2018	2000	$9	2003	$7	1998	$10
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	($25)	Distance	($25)	Distance	($25)
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	797	877	($4)	660	$7	850	($3)
Balcony/Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	($5)	Y/Y	($5)	Y/Y	($5)
W/D Unit	N	N		Y	($40)	N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	Y/N	N/N	$25	Y/Y	($10)	Y/Y	($10)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	N/N	Y/N	($2)	Y/Y	($4)	Y/N	($2)
F. Adjustments							
Net Adjustment			-$2		-$70		-$35
G. Adjusted & Achievable Rent		$573		$787		$782	
Estimated Market Rent (Avg of 6 comps, rounded)		next page	Rounded to:		see Table	% Adv	

One Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Wood Meadow		The Glen		Rosewood		Stonemill	
A. Rents Charged		Data	$ Adj	Data	$ Adj	Data	$ Adj
Street Rent		$720		$765		$766	
Utilities	t	t		t		None	$22
Concessions		No		No		No	
Effective Rent		$720		$765		$788	
B. Design, Location,Condition							
Structures/Stories	2	2		2		2	
Year Built	2018	1992	$13	2014		2001	$8
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	($25)	Distance	($25)	Distance	($25)
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	797	701	$5	800		774	$1
Balcony/Patio/Stor	Y/Y	Y/N	$5	Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	($5)	Y/Y	($5)	Y/Y	($5)
W/D Unit	N	Y	($40)	Y		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	Y/N	Y/N		Y/Y	($10)	Y/N	
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	N/N	Y/N	($2)	Y/N	($2)	Y/Y	($4)
F. Adjustments							
Net Adjustment			-$49		-$42		-$25
G. Adjusted & Achievable Rent		$671		$723		$763	
Estimated Market Rent (Avg of 6 comps, rounded)		$716	Rounded to: $715		see Table	% Adv	

Two Bedroom Units

Subject		Comp # 1		Comp # 2		Comp # 3	
Wood Meadow		Alexandria Landing		Avonlea Highlands		The Evergreens	
A. Rents Charged		Data	$ Adj	Data	$ Adj	Data	$ Adj
Street Rent		$675		$1003		$915	
Utilities	t	t		None	$22	None	$22
Concessions		No		No		No	
Effective Rent		$675		$1025		$937	
B. Design, Location,Condition							
Structures/Stories	2	2		3		2	
Year Built	2018	2000	$9	2003	$7	1998	$10
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	($25)	Distance	($25)	Distance	($25)
C. Unit Amenities							
# of BR’s	2	2		2		2	
# of Bathrooms	2	2		2		2	
Size/SF	1234	1087	$7	1048	$9	1200	$2
Balcony/Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	($5)	Y/Y	($5)	Y/Y	($5)
W/D Unit	N	N		Y	($40)	N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	Y/N	N/N	$25	Y/Y	($10)	Y/Y	($10)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	N/N	Y/N	($2)	Y/Y	($4)	Y/N	($2)
F. Adjustments							
Net Adjustment			+$9		-$68		-$30
G. Adjusted & Achievable Rent		$684		$957		$907	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Rounded to:		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Wood Meadow		The Glen		Rosewood		Stonemill	
A. Rents Charged		Data	$ Adj	Data	$ Adj	Data	$ Adj
Street Rent		$820		$875		$906	
Utilities	t	t		t		None	$22
Concessions		No		No		No	
Effective Rent		$820		$875		$928	
B. Design, Location,Condition							
Structures/Stories	2	2		2		2	
Year Built	2018	1992	$13	2014		2001	$8
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	($25)	Distance	($25)	Distance	($25)
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	2		2		2	
Size/SF	1234	938	$15	1140	$5	1084	$7
Balcony/Patio/Stor	Y/Y	Y/N	$5	Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	($5)	Y/Y	($5)	Y/Y	($5)
W/D Unit	N	Y	($40)	N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	Y/N	Y/N		Y/Y	($10)	Y/N	
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	N/N	Y/N	($2)	Y/N	($2)	Y/Y	($4)
F. Adjustments							
Net Adjustment			-$39		-$37		-$19
G. Adjusted & Achievable Rent		$781		$838		$909	
Estimated Market Rent (Avg of 6 comps, rounded)		$846	Rounded to: $845		see Table	% Adv	

Three Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Wood Meadow		Alexandria Landing		Avonlea Highlands		The Evergreens	
A. Rents Charged		Data	$ Adj	Data	$ Adj	Data	$ Adj
Street Rent		$775		$1174		$1025	
Utilities	t	t		None	$22	None	$22
Concessions		No		No		No	
Effective Rent		$775		$1196		$1047	
B. Design, Location,Condition							
Structures/Stories	2	2		3		2	
Year Built	2018	2000	$9	2003	$7	1998	$10
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	($25)	Distance	($25)	Distance	($25)
C. Unit Amenities							
# of BR's	3	3		3		3	
# of Bathrooms	2	2		2		2	
Size/SF	1459	1230	$11	1366	$5	1200	$13
Balcony-Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	($5)	Y/Y	($5)	Y/Y	($5)
W/D Unit	N	N		Y	($40)	N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	Y/N	N/N	$25	Y/Y	($10)	Y/Y	($10)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	N/N	Y/N	($2)	Y/Y	($4)	Y/N	($2)
F. Adjustments							
Net Adjustment			+$13		-$72		-$19
G. Adjusted & Achievable Rent		$788		$1124		$1028	
Estimated Market Rent (Avg of 6 comps, rounded)		Next page	Rounded to:		see Table	% Adv	

Three Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Wood Meadow		The Glen		Rosewood		Stonemill	
A. Rents Charged		Data	$ Adj	Data	$ Adj	Data	$ Adj
Street Rent		$930		$995		$1071	
Utilities	t	t		t		None	$22
Concessions		No		No		No	
Effective Rent		$930		$995		$1093	
B. Design, Location,Condition							
Structures/Stories	2	2		2		2	
Year Built	2018	1992	$13	2014		2001	$8
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	($25)	Distance	($25)	Distance	($25)
C. Unit Amenities							
# of BR's	3	3		3		3	
# of Bathrooms	2	2		2		2	
Size/SF	1459	1290	$8	1170	$14	1277	$9
Balcony-Patio/Stor	Y/Y	Y/N	$5	Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	($5)	Y/Y	($5)	Y/Y	($5)
W/D Unit	N	Y	($40)	N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	Y/N	Y/N		Y/Y	($10)	Y/N	
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	N/N	Y/N	($2)	Y/N	($2)	Y/Y	($4)
F. Adjustments							
Net Adjustment			-$46		-$28		-$17
G. Adjusted & Achievable Rent		$884		$967		$1076	
Estimated Market Rent (Avg of 6 comps, rounded)		$978	Rounded to: $980		see Table	% Adv	

SECTION L & M

IDENTITY OF INTEREST & REPRESENTATION STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property area and that information has been used in the full study of need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

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.

The report was written in accordance with my understanding of the 2016 GA-DCA Market Study Manual and 2016 GA-DCA Qualified Action Plan.

DCA may rely upon the representation made in the market study provided. In addition, the market study is assignable to other lenders that are parties to the DCA loan transaction.

CERTIFICATION

Koontz and Salinger
P.O. Box 37523
Raleigh, North Carolina 27627

Jerry M. Koontz 6-4-2016

Jerry M. Koontz
Real Estate Market Analyst
(919) 362-9085

MARKET ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental agencies.

JERRY M. KOONTZ

EDUCATION:	M.A. Geography	1982	Florida Atlantic Un.
	B.A. Economics	1980	Florida Atlantic Un.
	A.A. Urban Studies	1978	Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC.

1983-1985, Market Research Staff Consultant, Stephens Associates, a consulting firm in real estate development and planning. Raleigh, NC.

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 32+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d)(4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number.

Executive Summary		
1	Executive Summary	3-15
Scope of Work		
2	Scope of Work	16
Projection Description		
General Requirements		
3	Unit mix including bedrooms, bathrooms, & square footage	16&17
4	Utilities (and utility sources) included in rent	16&17
5	Project design description	16
6	Common area and site amenities	16&17
7	Unit features and finishes	16&17
8	Target population description	16
9	Date of construction/preliminary completion	17
10	If rehab, scope of work, existing rents, and existing vacancies	Na
Affordable Requirements		
11	Unit mix with utility allowances, income target, & income limits	16&17
12	Public programs included	17
Location and Market Area		
General Requirements		
13	Concise description of site & adjacent parcels	18&20
14	Description of site characteristics	18&20
15	Site photos/maps	21-23
16	Map of community services	25
17	Visibility and accessibility evaluation	29
18	Crime information	19

Employment & Economy		
General Requirements		
19	At-Place employment trends	47
20	Employment by sector	49
21	Unemployment rates	45&46
22	Area major employers	51
23	Recent or planned employment expansions/reductions	53
24	Typical wages by occupation/sector	50
25	Commuting patterns	48
Market Area		
26	PMA Description	30&31
27	PMA Map	32&33
Demographic Characteristics		
General Requirements		
28	Population & household estimates & projections	34-39
29	Area building permits	76
30	Population & household characteristics	34&38
31	Households income by tenure	42&43
32	Households by tenure	39
33	Households by size	44
Senior Requirements		
34	Senior household projections for appropriate age target	Na
35	Senior households by tenure	Na
36	Senior household income by tenure	Na
Competitive Environment		
General Requirements		
37	Comparable property profiles	82-90
38	Map of comparable properties	93
39	Comparable property photos	82-90
40	Existing rental housing evaluation	71-80
41	Analysis of current effective rents	72&98
42	Vacancy rate analysis	71&72
43	Comparison of subject property to comparable properties	98-111
44	Identification of waiting lists, if any	71

45	Discussion of availability & cost of other affordable housing options including home ownership, if applicable	40&41
46	Rental communities under construction, approved, proposed	62
Affordable Requirements		
47	Current rents by AMI level among LIHTC communities	77
48	Vacancy rates by AMI	77
49	List of all subsidized communities in PMA including LIHTC	77
50	Estimate of Market Rent, achievable rent & market advantage	98-111
51	Availability of Housing Choice Vouchers	73
Senior Requirements		
52	Summary of age restricted communities in market area	Na
Affordability, Demand, and Penetration Rate Analysis		
General Requirements		
53	Estimate of net demand	63-65
54	Affordability analysis with capture rate	66-68
55	Penetration rate analysis	69
Affordable Requirements		
56	Project specific demand estimate & capture rate by AMI	66
Analysis/Conclusions		
General Requirements		
57	Absorption rate	94
58	Estimate of stabilized occupancy for subject property	94
59	Evaluation of proposed rent levels	98
60	Precise statement of key conclusions	96&97
61	Market strengths & weaknesses impacting project	96&Exec
62	Recommendations and/or modification to project discussion	98
63	Discussion of subject property's impact on existing housing	99&Exec
64	Discussion of risks, or other mitigating circumstances impacting project	100
65	Interviews with area housing stakeholders	95
Other requirements		
66	Certifications	112
67	Statement of qualifications	113
68	Sources of data not otherwise identified	Append
69	Utility allowance schedule	Append

NA

10 - Subject is not a rehab development of an existing apt complex

34-36 - Not a senior development

APPENDIX

DATA SET

UTILITY ALLOWANCES

SITE SCHEMATIC PLAN

NCHMA CERTIFICATION

DATA SET

B25074

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS

Universe: Renter-occupied housing units
2010-2014 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Bartow County, Georgia	
	Estimate	Margin of Error
Total:	11,681	+/-669
Less than $10,000:	1,621	+/-291
Less than 20.0 percent	0	+/-30
20.0 to 24.9 percent	0	+/-30
25.0 to 29.9 percent	53	+/-64
30.0 to 34.9 percent	46	+/-44
35.0 to 39.9 percent	36	+/-38
40.0 to 49.9 percent	27	+/-34
50.0 percent or more	1,013	+/-257
Not computed	446	+/-153
$10,000 to $19,999:	1,978	+/-384
Less than 20.0 percent	62	+/-68
20.0 to 24.9 percent	0	+/-30
25.0 to 29.9 percent	0	+/-30
30.0 to 34.9 percent	102	+/-71
35.0 to 39.9 percent	50	+/-56
40.0 to 49.9 percent	446	+/-203
50.0 percent or more	1,083	+/-289
Not computed	235	+/-149
$20,000 to $34,999:	2,727	+/-482
Less than 20.0 percent	43	+/-43
20.0 to 24.9 percent	155	+/-117
25.0 to 29.9 percent	413	+/-189
30.0 to 34.9 percent	374	+/-165
35.0 to 39.9 percent	636	+/-285
40.0 to 49.9 percent	693	+/-269
50.0 percent or more	292	+/-135
Not computed	121	+/-74
$35,000 to $49,999:	1,991	+/-425
Less than 20.0 percent	490	+/-207
20.0 to 24.9 percent	522	+/-250
25.0 to 29.9 percent	349	+/-163
30.0 to 34.9 percent	224	+/-132
35.0 to 39.9 percent	119	+/-76
40.0 to 49.9 percent	134	+/-93
50.0 percent or more	0	+/-30

	Bartow County, Georgia	
	Estimate	Margin of Error
Not computed	153	+/-113
$50,000 to $74,999:	2,132	+/-396
Less than 20.0 percent	1,040	+/-280
20.0 to 24.9 percent	766	+/-246
25.0 to 29.9 percent	228	+/-112
30.0 to 34.9 percent	14	+/-19
35.0 to 39.9 percent	30	+/-39
40.0 to 49.9 percent	0	+/-30
50.0 percent or more	0	+/-30
Not computed	54	+/-48
$75,000 to $99,999:	836	+/-256
Less than 20.0 percent	638	+/-218
20.0 to 24.9 percent	148	+/-152
25.0 to 29.9 percent	14	+/-22
30.0 to 34.9 percent	0	+/-30
35.0 to 39.9 percent	0	+/-30
40.0 to 49.9 percent	0	+/-30
50.0 percent or more	0	+/-30
Not computed	36	+/-41
$100,000 or more:	396	+/-151
Less than 20.0 percent	363	+/-147
20.0 to 24.9 percent	31	+/-44
25.0 to 29.9 percent	0	+/-30
30.0 to 34.9 percent	0	+/-30
35.0 to 39.9 percent	0	+/-30
40.0 to 49.9 percent	0	+/-30
50.0 percent or more	0	+/-30
Not computed	2	+/-4

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:

1. An '**' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

ribbon demographics
www.ribbondata.com

POPULATION DATA

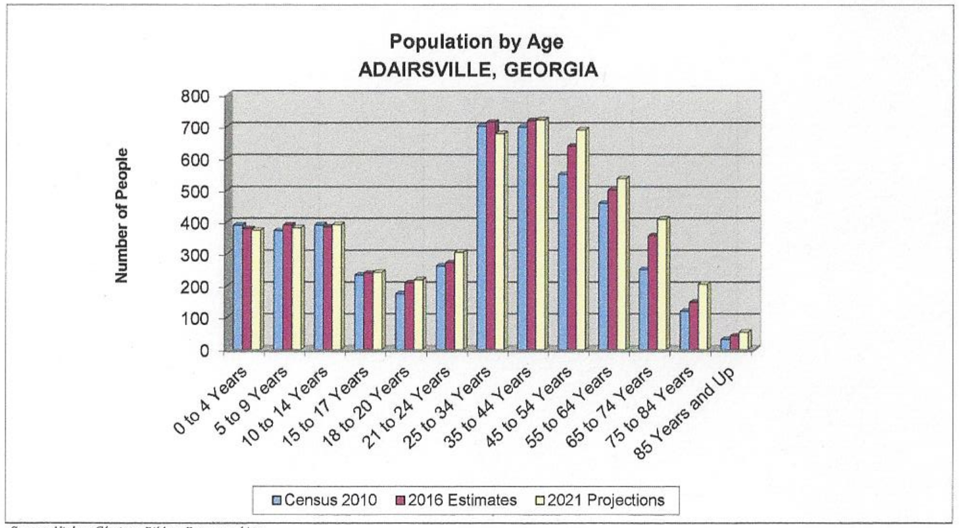
Nielsen Claritas

Population by Age & Sex
ADAIRSVILLE, GEORGIA

Census 2010				Current Year Estimates - 2016				Five-Year Projections - 2021			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	199	192	**391**	0 to 4 Years	188	192	**380**	0 to 4 Years	191	184	**375**
5 to 9 Years	200	174	**374**	5 to 9 Years	199	192	**391**	5 to 9 Years	191	192	**383**
10 to 14 Years	218	174	**392**	10 to 14 Years	205	180	**385**	10 to 14 Years	199	194	**393**
15 to 17 Years	107	128	**235**	15 to 17 Years	133	107	**240**	15 to 17 Years	128	115	**243**
18 to 20 Years	93	83	**176**	18 to 20 Years	111	99	**210**	18 to 20 Years	120	100	**220**
21 to 24 Years	113	150	**263**	21 to 24 Years	132	141	**273**	21 to 24 Years	169	137	**306**
25 to 34 Years	332	370	**702**	25 to 34 Years	329	385	**714**	25 to 34 Years	315	363	**678**
35 to 44 Years	350	349	**699**	35 to 44 Years	344	375	**719**	35 to 44 Years	340	382	**722**
45 to 54 Years	265	286	**551**	45 to 54 Years	316	323	**639**	45 to 54 Years	344	346	**690**
55 to 64 Years	218	242	**460**	55 to 64 Years	245	256	**501**	55 to 64 Years	258	280	**538**
65 to 74 Years	107	145	**252**	65 to 74 Years	155	203	**358**	65 to 74 Years	187	223	**410**
75 to 84 Years	42	79	**121**	75 to 84 Years	61	88	**149**	75 to 84 Years	80	126	**206**
85 Years and Up	7	25	**32**	85 Years and Up	11	32	**43**	85 Years and Up	17	38	**55**
Total	**2,251**	**2,397**	**4,648**	**Total**	**2,429**	**2,573**	**5,002**	**Total**	**2,539**	**2,680**	**5,219**
62+ Years	n/a	n/a	536	62+ Years	n/a	n/a	692	62+ Years	n/a	n/a	811
		Median Age:	**32.0**			**Median Age:**	**33.7**			**Median Age:**	**35.2**

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-880-1644



Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
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Tel: 916-880-1644

ribbon demographics
www.ribbondata.com

POPULATION DATA

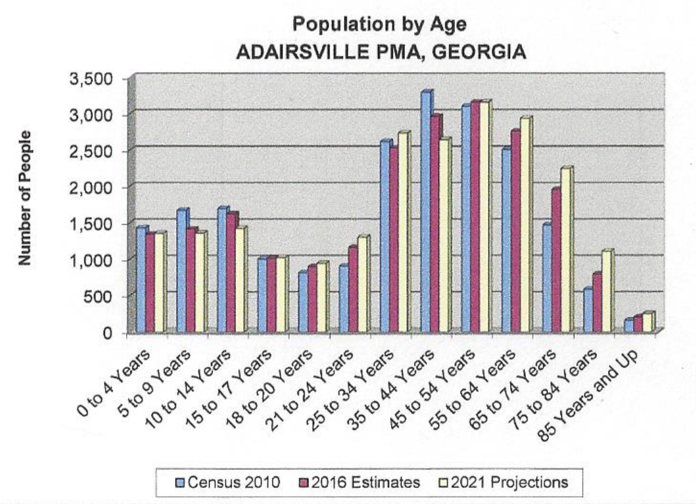
Nielsen Claritas

Population by Age & Sex
ADAIRSVILLE PMA, GEORGIA

Census 2010				Current Year Estimates - 2016				Five-Year Projections - 2021			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	732	704	**1,435**	0 to 4 Years	676	669	**1,345**	0 to 4 Years	692	665	**1,357**
5 to 9 Years	858	815	**1,673**	5 to 9 Years	718	698	**1,415**	5 to 9 Years	685	676	**1,361**
10 to 14 Years	864	835	**1,699**	10 to 14 Years	835	791	**1,626**	10 to 14 Years	723	705	**1,428**
15 to 17 Years	496	510	**1,007**	15 to 17 Years	522	491	**1,014**	15 to 17 Years	524	502	**1,026**
18 to 20 Years	416	400	**816**	18 to 20 Years	462	437	**899**	18 to 20 Years	491	455	**946**
21 to 24 Years	416	493	**909**	21 to 24 Years	574	590	**1,165**	21 to 24 Years	673	632	**1,305**
25 to 34 Years	1,262	1,357	**2,618**	25 to 34 Years	1,208	1,322	**2,530**	25 to 34 Years	1,320	1,415	**2,735**
35 to 44 Years	1,698	1,598	**3,296**	35 to 44 Years	1,475	1,489	**2,964**	35 to 44 Years	1,275	1,372	**2,647**
45 to 54 Years	1,526	1,579	**3,105**	45 to 54 Years	1,581	1,575	**3,155**	45 to 54 Years	1,609	1,549	**3,158**
55 to 64 Years	1,225	1,286	**2,511**	55 to 64 Years	1,351	1,411	**2,761**	55 to 64 Years	1,427	1,509	**2,937**
65 to 74 Years	726	749	**1,475**	65 to 74 Years	932	1,026	**1,958**	65 to 74 Years	1,078	1,172	**2,249**
75 to 84 Years	265	325	**590**	75 to 84 Years	372	425	**797**	75 to 84 Years	498	611	**1,109**
85 Years and Up	47	113	**160**	85 Years and Up	76	129	**205**	85 Years and Up	100	152	**251**
Total	**10,530**	**10,764**	**21,294**	**Total**	**10,781**	**11,053**	**21,834**	**Total**	**11,095**	**11,415**	**22,509**
62+ Years	n/a	n/a	2,951	62+ Years	n/a	n/a	3,713	62+ Years	n/a	n/a	4,428
		Median Age:	**36.3**			**Median Age:**	**37.8**			**Median Age:**	**38.7**

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-880-1644



Source: Nielsen Claritas; Ribbon Demographics

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Tel: 916-880-1644

ribbon demographics
www.ribbondata.com

POPULATION DATA

Nielsen Claritas

Population by Age & Sex
BARTOW COUNTY, GEORGIA

Census 2010				Current Year Estimates - 2016				Five-Year Projections - 2021			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	3,529	3,451	**6,980**	0 to 4 Years	3,256	3,223	**6,479**	0 to 4 Years	3,355	3,213	**6,568**
5 to 9 Years	3,904	3,668	**7,572**	5 to 9 Years	3,444	3,424	**6,868**	5 to 9 Years	3,281	3,251	**6,532**
10 to 14 Years	3,849	3,821	**7,670**	10 to 14 Years	3,822	3,631	**7,453**	10 to 14 Years	3,479	3,459	**6,938**
15 to 17 Years	2,393	2,185	**4,578**	15 to 17 Years	2,317	2,211	**4,528**	15 to 17 Years	2,410	2,297	**4,707**
18 to 20 Years	1,995	1,897	**3,892**	18 to 20 Years	2,103	1,970	**4,073**	18 to 20 Years	2,240	2,080	**4,320**
21 to 24 Years	2,373	2,447	**4,820**	21 to 24 Years	2,724	2,653	**5,377**	21 to 24 Years	3,030	2,854	**5,884**
25 to 34 Years	6,398	6,454	**12,852**	25 to 34 Years	6,351	6,505	**12,856**	25 to 34 Years	6,608	6,607	**13,215**
35 to 44 Years	7,547	7,569	**15,116**	35 to 44 Years	6,709	6,781	**13,490**	35 to 44 Years	6,335	6,553	**12,888**
45 to 54 Years	7,454	7,440	**14,894**	45 to 54 Years	7,418	7,464	**14,882**	45 to 54 Years	7,137	7,215	**14,352**
55 to 64 Years	5,395	5,777	**11,172**	55 to 64 Years	6,269	6,542	**12,811**	55 to 64 Years	6,850	7,112	**13,962**
65 to 74 Years	3,049	3,415	**6,464**	65 to 74 Years	3,991	4,584	**8,575**	65 to 74 Years	4,680	5,338	**10,018**
75 to 84 Years	1,251	1,843	**3,094**	75 to 84 Years	1,629	2,204	**3,833**	75 to 84 Years	2,163	2,832	**4,995**
85 Years and Up	296	757	**1,053**	85 Years and Up	420	827	**1,247**	85 Years and Up	489	941	**1,430**
Total	**49,433**	**50,724**	**100,157**	**Total**	**50,453**	**52,019**	**102,472**	**Total**	**52,057**	**53,752**	**105,809**
62+ Years	n/a	n/a	13,738	62+ Years	n/a	n/a	17,036	62+ Years	n/a	n/a	20,307
		Median Age:	**36.1**			**Median Age:**	**37.7**			**Median Age:**	**38.7**

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
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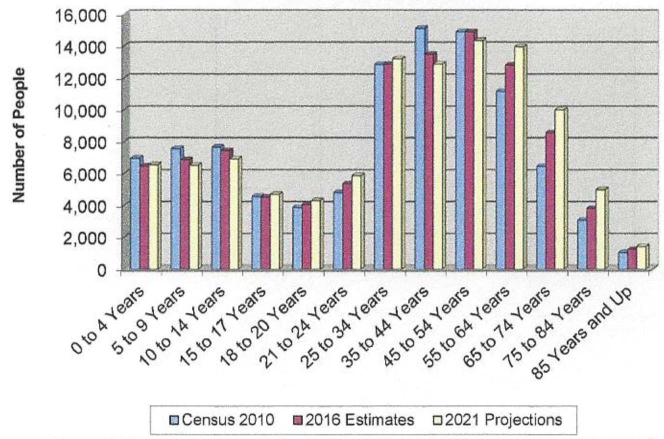
Tel: 916-880-1644



Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-880-1644

ribbon demographics

www.ribbondata.com

HISTA DATA

Adairsville - PMA

Nielsen Claritas

Owner Households

Under Age 55 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	23	38	0	0	2	**63**
$10,000-20,000	99	57	1	17	25	**199**
$20,000-30,000	23	80	43	33	56	**235**
$30,000-40,000	82	66	110	77	17	**352**
$40,000-50,000	95	103	117	26	22	**363**
$50,000-60,000	69	32	119	136	57	**413**
$60,000+	37	300	444	584	411	**1,776**
Total	**429**	**675**	**834**	**873**	**589**	**3,400**

Owner Households

Aged 55-61 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	18	24	3	1	0	**47**
$10,000-20,000	18	41	0	18	14	**91**
$20,000-30,000	15	61	0	0	0	**76**
$30,000-40,000	1	64	6	5	7	**83**
$40,000-50,000	7	73	44	2	8	**134**
$50,000-60,000	16	31	13	0	2	**62**
$60,000+	32	227	34	49	26	**367**
Total	**107**	**521**	**100**	**74**	**57**	**859**

Owner Households

Aged 62+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	51	33	5	0	4	**93**
$10,000-20,000	108	117	15	5	1	**246**
$20,000-30,000	33	92	35	2	9	**171**
$30,000-40,000	35	175	3	2	5	**220**
$40,000-50,000	30	96	25	0	5	**156**
$50,000-60,000	31	57	9	16	1	**113**
$60,000+	32	194	41	14	43	**323**
Total	**318**	**764**	**133**	**39**	**68**	**1,323**

ribbon demographics

www.ribbondata.com

HISTA DATA

Adairsville - PMA

nielsen

Nielsen Claritas

Renter Households

Under Age 55 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	58	38	36	54	19	**205**
$10,000-20,000	137	86	51	18	5	**298**
$20,000-30,000	86	36	90	47	18	**276**
$30,000-40,000	45	44	27	0	94	**211**
$40,000-50,000	6	51	9	11	53	**130**
$50,000-60,000	5	3	21	26	1	**55**
$60,000+	0	40	16	106	18	**182**
Total	**337**	**298**	**250**	**262**	**208**	**1,356**

Renter Households

Aged 55-61 Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	5	4	0	0	1	**9**
$10,000-20,000	3	0	14	0	0	**17**
$20,000-30,000	0	0	0	0	0	**0**
$30,000-40,000	23	1	0	0	0	**25**
$40,000-50,000	0	0	0	0	0	**0**
$50,000-60,000	0	3	10	0	0	**13**
$60,000+	3	27	3	0	0	**32**
Total	**34**	**34**	**27**	**0**	**2**	**97**

Renter Households

Aged 62+ Years

Base Year: 2006 - 2010 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	12	14	0	0	1	**27**
$10,000-20,000	54	39	0	0	2	**95**
$20,000-30,000	8	24	0	0	2	**34**
$30,000-40,000	1	14	9	0	0	**24**
$40,000-50,000	4	0	0	0	2	**6**
$50,000-60,000	0	2	0	0	0	**3**
$60,000+	6	17	4	0	1	**27**
Total	**85**	**109**	**15**	**0**	**8**	**217**

ribbon demographics

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HISTA DATA

Adairsville - PMA

Nielsen Claritas

Owner Households

Under Age 55 Years

Current Year Estimates - 2016

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	31	37	0	0	0	**67**
$10,000-20,000	50	25	0	13	29	**117**
$20,000-30,000	22	50	43	24	62	**200**
$30,000-40,000	34	30	67	51	7	**190**
$40,000-50,000	83	77	139	36	34	**368**
$50,000-60,000	47	15	109	128	61	**360**
$60,000+	25	187	416	613	419	**1,662**
Total	**292**	**421**	**774**	**866**	**611**	**2,964**

Owner Households

Aged 55-61 Years

Current Year Estimates - 2016

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	18	25	6	3	0	**53**
$10,000-20,000	21	56	0	13	11	**101**
$20,000-30,000	28	97	0	0	0	**125**
$30,000-40,000	1	48	7	5	6	**66**
$40,000-50,000	4	52	50	3	9	**116**
$50,000-60,000	26	31	29	0	4	**89**
$60,000+	32	223	45	69	47	**415**
Total	**130**	**531**	**137**	**93**	**75**	**966**

Owner Households

Aged 62+ Years

Current Year Estimates - 2016

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	59	54	7	2	4	**125**
$10,000-20,000	102	95	22	5	0	**224**
$20,000-30,000	46	93	43	3	18	**203**
$30,000-40,000	49	237	3	3	9	**301**
$40,000-50,000	66	135	69	0	7	**277**
$50,000-60,000	39	74	7	26	1	**147**
$60,000+	79	406	84	50	52	**671**
Total	**440**	**1,093**	**235**	**88**	**92**	**1,948**

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HISTA DATA

Adairsville - PMA

nielsen

Nielsen Claritas

Renter Households

Under Age 55 Years

Current Year Estimates - 2016

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	71	38	52	74	14	**249**
$10,000-20,000	137	76	48	15	9	**285**
$20,000-30,000	82	30	81	46	21	**260**
$30,000-40,000	24	33	15	0	98	**170**
$40,000-50,000	10	54	11	13	77	**164**
$50,000-60,000	7	2	17	19	2	**46**
$60,000+	1	29	15	85	35	**164**
Total	**332**	**260**	**240**	**251**	**256**	**1,339**

Renter Households

Aged 55-61 Years

Current Year Estimates - 2016

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	5	6	0	0	0	**12**
$10,000-20,000	4	0	18	0	0	**22**
$20,000-30,000	0	0	0	0	0	**0**
$30,000-40,000	27	1	0	0	0	**28**
$40,000-50,000	0	0	0	0	0	**0**
$50,000-60,000	0	2	15	0	1	**17**
$60,000+	6	37	6	0	0	**49**
Total	**42**	**47**	**39**	**0**	**1**	**128**

Renter Households

Aged 62+ Years

Current Year Estimates - 2016

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	20	19	0	0	0	**38**
$10,000-20,000	82	44	0	0	0	**126**
$20,000-30,000	9	21	1	0	5	**36**
$30,000-40,000	1	22	11	0	0	**34**
$40,000-50,000	6	0	0	0	2	**7**
$50,000-60,000	0	1	1	0	0	**2**
$60,000+	23	22	10	0	3	**59**
Total	**141**	**129**	**24**	**0**	**9**	**303**

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HISTA DATA

Adairsville - PMA

Nielsen Claritas

Owner Households

Under Age 55 Years

Five Year Projections - 2021

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	**Total**
$0-10,000	22	25	0	0	0	**47**
$10,000-20,000	33	18	0	8	21	**80**
$20,000-30,000	16	35	33	19	51	**155**
$30,000-40,000	20	21	57	39	6	**144**
$40,000-50,000	58	52	106	26	24	**266**
$50,000-60,000	46	14	122	127	65	**374**
$60,000+	27	173	451	636	464	**1,751**
Total	**223**	**338**	**769**	**854**	**632**	**2,816**

Owner Households

Aged 55-61 Years

Five Year Projections - 2021

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	**Total**
$0-10,000	17	20	5	3	0	**45**
$10,000-20,000	21	54	0	13	8	**97**
$20,000-30,000	25	90	0	0	0	**115**
$30,000-40,000	1	41	7	5	7	**59**
$40,000-50,000	3	40	42	3	9	**97**
$50,000-60,000	29	33	34	0	4	**100**
$60,000+	42	248	57	76	52	**475**
Total	**138**	**526**	**145**	**100**	**80**	**988**

Owner Households

Aged 62+ Years

Five Year Projections - 2021

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	**Total**
$0-10,000	61	56	8	4	4	**132**
$10,000-20,000	108	95	25	8	0	**236**
$20,000-30,000	53	94	48	4	19	**217**
$30,000-40,000	59	248	4	3	11	**326**
$40,000-50,000	67	121	64	0	7	**259**
$50,000-60,000	48	96	9	30	1	**184**
$60,000+	121	510	109	71	57	**867**
Total	**517**	**1,220**	**267**	**119**	**99**	**2,221**

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HISTA DATA

Adairsville - PMA

Nielsen Claritas

Renter Households

Under Age 55 Years

Five Year Projections - 2021

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	67	30	55	63	15	**230**
$10,000-20,000	118	66	45	13	9	**250**
$20,000-30,000	68	24	80	43	24	**239**
$30,000-40,000	26	31	21	0	101	**179**
$40,000-50,000	11	41	8	14	76	**149**
$50,000-60,000	11	2	21	20	2	**56**
$60,000+	0	35	13	97	44	**190**
Total	**302**	**230**	**242**	**249**	**270**	**1,293**

Renter Households

Aged 55-61 Years

Five Year Projections - 2021

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	4	6	1	0	0	**11**
$10,000-20,000	4	0	14	0	0	**18**
$20,000-30,000	0	0	0	0	0	**0**
$30,000-40,000	27	2	0	0	0	**29**
$40,000-50,000	0	0	0	0	0	**0**
$50,000-60,000	0	3	16	0	1	**20**
$60,000+	9	46	10	0	0	**65**
Total	**45**	**57**	**40**	**0**	**1**	**143**

Renter Households

Aged 62+ Years

Five Year Projections - 2021

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
$0-10,000	26	19	1	0	0	**45**
$10,000-20,000	96	45	0	0	0	**141**
$20,000-30,000	14	24	1	0	8	**47**
$30,000-40,000	2	28	14	0	0	**43**
$40,000-50,000	5	0	0	0	3	**8**
$50,000-60,000	0	2	2	0	0	**4**
$60,000+	42	32	11	0	6	**91**
Total	**186**	**149**	**28**	**0**	**16**	**379**

UTILITY ALLOWANCES

ENERGY AUDITS + UTILITY ALLOWANCES

ENERGY
CONSULTING, INC.

FLAT RENTS + OTHER ENERGY SOLUTIONS

April 11, 2016

Gateway Development Corp.
Attn: Mr. Jason Freeman, President
P.O. Box 220
Florence, AL 35631-0220

Re: Utility Allowances for **Adairsville Apts in Adairsville, GA**

Dear Mr. Freeman:

Below are the estimated Monthly Tenant Utility Allowances by bedroom type based on current rates, plus taxes and applicable fuel adjustments, from the following utilities: Electric is from Georgia Power, and water and sewer are supplied by Adairsville Utilities. Estimates are based on procedures approved by HUD for Public and Section 8 dwelling units. These estimates are generated from the HUD Utility Model.

Average Monthly Utility Allowances Tenant Purchased					
Bedroom Types	1 BR	2BR	3 BR	2 BR TnHse	3 BR TnHse
Electricity	$88	$116	$146	$108	$139
Water	34	43	51	43	51
Sewer	34	43	51	43	51
Totals	$156.	$202.	$248.	$194.	$241.

Specifications include: fluorescent light bulbs, Energy Star refrigerators, electric water heaters, electric ranges, 14 SEER heat pumps, low-flow showerheads, low-flush water closets, R-38 attic insulation, R-13 wall insulation, slab floor, double pane windows, and metal insulated doors.

We appreciate the opportunity of providing these professional services and look forward to working with you on future properties. If you have any questions or if we can be of additional assistance please give us a call.

Best regards,

Larry A. Lewis

Larry A. Lewis

3612 Cheshire Road, Birmingham, AL 35242 Larry A. Lewis, PE, President, O: 205/980-9091, C: 205/478-6485, F: 205/980-1060

SCHEMATIC SITE PLAN

LEGEND

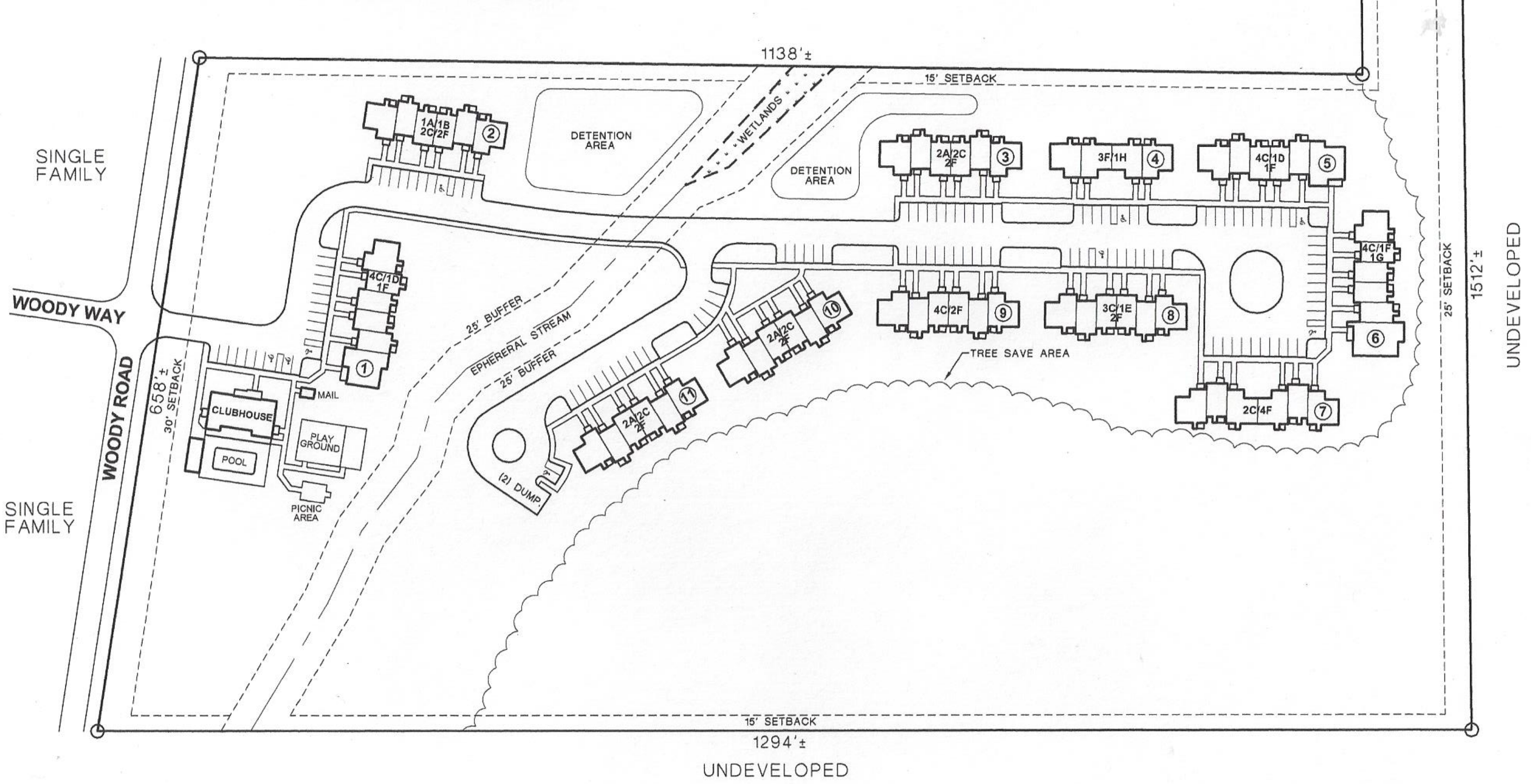
UNIT TYPE	COUNT
UNIT 'A' - ONE BEDROOM TOWNHOME	7 UNITS
UNIT 'B' - ONE BEDROOM - HANDICAP	1 UNIT
UNIT 'C' - TWO BEDROOM TOWNHOME	29 UNITS
UNIT 'D' - TWO BEDROOM - HANDICAP	2 UNITS
UNIT 'E' - TWO BEDROOM TOWNHOME - SENSORY INPAIRED	1 UNIT
UNIT 'F' - THREE BEDROOM TOWNHOME	22 UNITS
UNIT 'G' - THREE BEDROOM - HANDICAP	1 UNIT
UNIT 'H' - THREE BEDROOM TOWNHOME - SENSORY IMPAIRED	1 UNIT
TOTAL UNITS	64 UNITS
PARKING SPACES:	128
SITE AREA:	21.02 ACRES±

OWNER

WOOD MEADOW TOWNHOMES, LP.
920 FLORENCE BOULEVARD
FLORENCE, ALABAMA 35630

ARCHITECT

McKEAN & ASSOCIATES, ARCHITECTS, LLC
2815 ZELDA ROAD
MONTGOMERY, ALABAMA 36106
(334)272-4044



SCHEMATIC SITE PLAN

APRIL 20, 2016

WOOD MEADOW TOWNHOMES
ADAIRSVILLE, GEORGIA

McKEAN & ASSOCIATES
ARCHITECTS LLC
MONTGOMERY ALABAMA

NCHMA CERTIFICATION

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202-939-1750

Membership Term
7/01/2015 to 6/30/2016

Thomas Amdur
Executive Director, NH&RA