

# Market Feasibility Analysis

**Peaks of Waycross**

**Northeast of Vine Street and Walnut Avenue intersection**

**Waycross, Ware County, Georgia 31501**

*Prepared For*

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**Landbridge Development, LLC**

*(Landbridge Acquisitions, LLC - Developer)*

**Peaks of Waycross Development, LLC**

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*Effective Date*

**April 22, 2016**

*Job Reference Number*

**16-240 CR**



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## SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the proposed Peaks of Waycross rental community to be constructed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Waycross, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject development, assuming it is constructed and operated as proposed in this report.

### 1. Project Description:

The proposed project involves the new construction of the 80-unit Peaks of Waycross on a 9.03-acre site in the northeast quadrant of the Walnut Avenue and Vine Street intersection in Waycross, Georgia. The project will offer 12 one-bedroom, 40 two-bedroom, and 28 three-bedroom garden-style units in five (5), two-story, walk-up residential buildings. In addition, the subject project will also include a free-standing, 1,200 square-foot community building. Peaks of Waycross will be developed using Low-Income Housing Tax Credit (LIHTC) financing and target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$312 to \$534, depending on unit size and AMHI level, and will include the cost of trash collection. All other utility expenses will be the responsibility of the tenant. Up to 10% of the property may provide integrated housing opportunities to persons with disabilities through the use of Section 811 project-based rental assistance or other DCA offered rental assistance. It is of note, however, that this potential subsidy has yet to be secured, at the time of this report. The proposed project is expected to be complete by March of 2018. Additional details regarding the proposed project are included in *Section B* of this report.

### 2. Site Description/Evaluation:

The subject site is situated within a primarily residential neighborhood and most existing structures within proximity of the site were observed to be well-maintained. The wooded land surrounding much of the subject site will also provide an aesthetically pleasing natural buffer to additional surrounding land uses. Visibility of the subject project will be somewhat limited due to the surrounding land uses and light vehicular traffic (limited passerby traffic) within the immediate site neighborhood. However, this is not expected to have any adverse impact on the overall marketability of the subject project, especially when considering the high occupancy rates reported at the existing rental properties within the immediate site neighborhood. The subject site is easily accessible from Walnut Avenue which borders the site to the west and provides direct access to and from Central Avenue and Knight Avenue, two arterial roadways located north and south of the subject site, respectively. The subject site is also within close proximity of multiple highways, including U.S. Highway 82 which is accessible within 0.7 miles of the subject site. The subject's proximity to arterial roadways

and major highways allows for convenient access to most area services, many of which are located within 1.5 miles of the site. The subject site is also located within walking distance of the local middle school, which is considered beneficial to the family-oriented subject project. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability. An in-depth site evaluation is included in *Section C* of this report.

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

The Waycross Site PMA includes Waycross and the surrounding communities of Deenwood, Sunnyside, Blackshear, Waresboro, Dixie Union, Hoboken, and Manor, as well as surrounding unincorporated portions of the counties of Ware, Brantley and Pierce. The boundaries of the PMA generally include Telmore-Dixie Union Road, the northern town limits of Dixie Union, Dixie Union Road and Cason Road to the north; the eastern town limits of Blackshear, State Route 15, and the eastern town limits of Hoboken to the east; Swamp Perimeter Road, the Okefenokee National Wildlife Refuge, 15 Mile Post Road, and Swamp Road to the south; and Suwannee Chapel Road, Manor Millwood Road South, Hasty Road and State Route 158 to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the furthest boundary is 20.9 miles from the site.

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

Demographic trends within the Waycross Site PMA are projected to be negative in terms of overall population and household trends between 2016 and 2018. Both the population and household decline projected for the market during this time period, however, will be minimal, as the total population will decline by just 107 (0.2%) and households will decline by 58 (0.3%). As such, the overall demographic base is generally considered stable within the Waycross market. The number of renter households is also expected to remain stable during this time period and nearly 6,600 renter households are projected to exist in the market in 2018. Notably, approximately 59.0% of all renter households in the market are projected to earn below \$30,000 in 2018. Based on the preceding factors, the Waycross market is stable in terms of overall demographics and a large base of potential income-appropriate renter households exists for affordable rental product such as that proposed at the subject site. Additional demographic data is included in *Section E* of this report.

## **5. Economic Data:**

The employment base within the Waycross Site PMA appears to be relatively well balanced, as no single industry segment represents more than 18.5% of the total workforce. It is of note however, that nearly 40.0% of the local workforce is comprised within the Retail Trade, Public Administration, and Accommodation & Food Services industries. Typically, these aforementioned industry types offer lower wage paying positions, conducive to affordable housing such as that proposed at the subject site. The Ware County economy was severely impacted by the national recession, but has since shown signs of improvement in terms of both total employment and unemployment rates. Specifically, the employment base within the county has increased by 363 jobs, or 2.7%, since 2014, while the unemployment rate has declined by more than five full percentage points since 2011, to a rate of 5.9% through February of 2016. Notably, the 5.9% unemployment rate reported for the county is similar to both state (5.5%) and national (5.4%) averages. Based on the preceding factors, we expect the local economy will continue to improve for the foreseeable future, though we also expect demand to remain high for affordable housing in the Waycross area, due to the relatively large share of lower-wage paying jobs within the area. Additional economic data is included in *Section F* of this report.

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

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the proposed project's overall capture rate of 13.1% is considered low and easily achievable within the Waycross PMA. This is also true of the subject's capture rates by AMHI level, which are 3.1% and 20.9% for the subject units at 50% and 60% of AMHI, respectively. This is especially true, given the high occupancy rates (95.8% or higher) and waiting lists maintained among the comparable LIHTC projects surveyed in the market. Detailed demand calculations are provided in *Section G* of this report.

## **7. Competitive Rental Analysis**

The subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed a total of five non-subsidized LIHTC properties. Two of these five properties, however, target senior households (age 55 or 62 and older) and therefore are not considered competitive with or comparable to the proposed general-occupancy subject project. The three remaining LIHTC properties surveyed target family households earning up to 50% and 60% of AMHI and will therefore serve as accurate benchmarks with which to compare the subject project. Due to the relatively limited supply of comparable LIHTC product within the Site PMA, we also identified and surveyed two additional general-occupancy LIHTC properties located outside the Site

PMA, but within the nearby region. These two properties are located in the towns of Douglas and Jesup, Georgia. Note that since these properties are located outside the Site PMA, they derive demographic support from different geographic areas as compared to the subject project. As such, these properties are not considered competitive with the subject project and have only been included for comparability purposes.

The five comparable properties and the proposed development are summarized as follows. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum B, *Comparable Property Profiles*.

| Map I.D. | Project Name      | Year Built | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market                  |
|----------|-------------------|------------|-------------|-----------|------------------|--------------|--------------------------------|
| Site     | Peaks of Waycross | 2018       | 80          | -         | -                | -            | Families; 50% & 60% AMHI       |
| 2        | Peachwood Place   | 1999       | 72          | 95.8%     | 1.2 Miles        | None         | Families; 50% & 60% AMHI       |
| 4        | Ocean Breeze Park | 2010       | 48          | 100.0%    | 3.4 Miles        | 18 H.H.      | Families; 50% & 60% AMHI       |
| 8        | Ware Hotel        | 2012       | 35          | 100.0%    | 1.7 Miles        | None         | Families; 50% & 60% AMHI       |
| 901      | Estes Park Apts.  | 2004       | 72          | 95.8%     | 37.1 Miles       | 3-Br: 2 H.H. | Families; 30%, 50%, & 60% AMHI |
| 902      | Sunset Pointe     | 2005       | 51*         | 100.0%    | 38.9 Miles       | 6 H.H.       | Families; 30%, 50%, & 60% AMHI |

OCC. – Occupancy

H.H. - Households

\*Tax Credit units only

Map IDs 901 & 902 are located outside the Site PMA

The five LIHTC projects have a combined occupancy rate of 97.8%, with three of the five properties reporting occupancy rates of 100.0%. In addition, three of the comparable LIHTC projects also maintain waiting lists for some, if not all, of their next available unit types. The high occupancy rates and waiting lists reported among the comparable LIHTC projects are good indications of high and pent-up demand for additional family-oriented LIHTC product in the market and region. The subject project will help alleviate a portion of this pent-up demand.

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

| Map I.D.    | Project Name             | Gross Rent/Percent of AMHI<br>(Number of Units/Vacancies) |   |   |                                      | Rent Special |
|-------------|--------------------------|---|---|---|--------------------------------------|--------------|
|             |                          | One-Br.   | Two-Br.   | Three-Br.                                     | Four-Br.                             |              |
| <b>Site</b> | <b>Peaks of Waycross</b> | <b>\$461/50% (3)</b><br><b>\$554/60% (9)</b>              | <b>\$553/50% (8)</b><br><b>\$664/60% (32)</b>           | <b>\$640/50% (6)</b><br><b>\$768/60% (22)</b> | -                                    | -            |
| 2           | Peachwood Place          | -   | \$614/50% (6/0)<br>\$664/60% (10/0)                     | \$711/50% (12/1)<br>\$761/60% (20/1)          | \$829/50% (12/0)<br>\$889/60% (12/1) | None         |
| 4           | Ocean Breeze Park        | -   | \$647/50% (8/0)<br>\$707/60% (12/0)                     | \$760/50% (11/0)<br>\$795/60% (17/0)          | -                                    | None         |
| 8           | Ware Hotel               | \$507/50% (3/0)<br>\$608/60% (14/0)                       | \$621/50% (3/0)<br>\$694/60% (15/0)                     | -   | -                                    | None         |
| 901         | Estes Park Apts.         | \$350/30% (3/1)<br>\$537/50% (12/0)<br>\$577/60% (5/0)    | \$432/30% (2/0)<br>\$652/50% (21/1)<br>\$682/60% (13/1) | \$735/50% (11/0)<br>\$780/60% (5/0)           | -                                    | None         |
| 902         | Sunset Pointe            | \$315/30% (2/0)<br>\$477/50% (10/0)<br>\$477/60% (1/0)    | \$381/30% (3/0)<br>\$602/50% (22/0)<br>\$622/60% (1/0)  | \$442/30% (2/0)<br>\$725/50% (10/0)           | -                                    | None         |

Map IDs 901 & 902 are located outside the Site PMA

As the preceding illustrates, the subject's proposed gross Tax Credit rents will be some of the lowest in the market and region, relative to similar unit types among the comparable properties. In fact, the proposed rents will be the lowest among the three comparable properties located in the Waycross Site PMA. These low proposed gross rents will likely create a marketing advantage for the subject project.

## Comparable/Competitive Tax Credit Summary

None of the comparable LIHTC projects surveyed in the market or region reports an occupancy rate below 95.8%, and three of the five comparables are 100.0% occupied. Some of the comparable LIHTC projects also maintain waiting lists. The high occupancy rates and waiting lists reported among the comparable properties are clear indication of strong demand for family-oriented LIHTC product such as that proposed at the subject site. The subject project will offer some of the lowest priced LIHTC units in the Site PMA, relative to similar unit types among the comparable properties in the market. This will likely create competitive advantage for the subject project. In addition to the project's competitively positioned rents, it will also be competitive in terms of unit design (square footage and number of bathrooms) and amenities. Some of the comparable properties offer additional amenities not offered at the subject project, though this is not expected to have any adverse impact on the overall marketability of the project. This is especially true when considering the newness of the subject project and the low proposed gross rents, as well as the high occupancy rates reported among the comparable properties. Overall, the subject project is considered marketable and is expected to represent a good value to low-income renters within the Waycross market.

An in-depth analysis of the Waycross rental housing market is included in *Section H* of this report.

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

Based on our analysis, it is our opinion that the 80 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately eight months. This absorption period is based on an average monthly absorption rate of approximately nine units per month.

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

Based on the findings reported in our market study, it is our opinion that a market exists for the 80 general-occupancy LIHTC units proposed at the subject site, assuming it is developed and operated as detailed in this report. Changes to the project's site design, rents, amenities or opening date may alter these findings.

The subject project will offer non-subsidized general-occupancy LIHTC units, a product type that is clearly in high demand within the market and region, as the five comparable properties surveyed all report occupancy rates of 95.8% or higher and some maintain waiting lists. The subject project will help alleviate a portion of this pent-up demand. The subject's proposed gross rents will be some of the lowest in the market, relative to similar unit types offered among the existing comparable properties in the Site PMA. This is expected to create a competitive advantage for the subject project. The subject project will also be competitive in terms of unit size (square feet), number of bathrooms offered, and amenities offered. Some of the comparable properties offer a slightly superior amenity package as compared to the subject project, though the additional amenities offered at these properties are not considered necessary to the marketability of a LIHTC property in the Waycross market. This is especially true for the subject project, given the low proposed gross rents.

In addition to the existing LIHTC properties, one general-occupancy LIHTC property (Grove at Oakmont) is planned for the area and is expected to be competitive with the subject project. It is of note however, that a sufficient base of support is expected to exist in the market for both the subject project and this planned property, as evidenced by our demand estimates included in *Section G*. Specifically, the overall capture rate for the subject project is 13.1%, which is considered achievable within the Waycross market, especially when considering the high occupancy rates reported among the comparable properties. Regardless, it is recommended that the development progression of the planned Grove at Oakmont property is closely monitored by the developer, as it is likely that the subject project will experience similar absorption trends given the comparable unit types to be offered.

Based on the preceding analysis and additional information contained within this report, we believe the proposed subject development is marketable and supportable within the Waycross Site PMA as proposed and the project is not expected to have any adverse impact on future occupancy rates among existing comparable LIHTC properties in the market. In fact, we expect the subject project will help alleviate a portion of the pent-up demand for family-oriented LIHTC product within the Site PMA. We do not have any recommendations or modifications to the subject development at this time.

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

|                   |   |                          |
|-------------------|---|--------------------------|
| Development Name: | Peaks of Waycross   | Total # Units: 80        |
| Location:         | Northeast of Vine Street and Walnut Avenue intersection   | # LIHTC Units: <b>80</b> |
| PMA Boundary:     | Telmore-Dixie Union Road, the northern town limits of Dixie Union, Dixie Union Road and Cason Road to the north; the eastern town limits of Blackshear, State Route 15, and the eastern town limits of Hoboken to the east; Swamp Perimeter Road, the Okefenokee National Wildlife Refuge, 15 Mile Post Road, and Swamp Road to the south; and Suwannee Chapel Road, Manor Millwood Road South, Hasty Road and State Route 158 to the west. |                          |
|                   | Farthest Boundary Distance to Subject:  | 20.9 miles               |

**RENTAL HOUSING STOCK (found on page H-1 & A-4 & 5)**

| Type   | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing                               | 9            | 488         | 7            | 98.6%             |
| Market-Rate Housing                              | 2            | 112         | 1            | 99.1%             |
| Assisted/Subsidized Housing not to include LIHTC | 1            | 33          | 3            | 90.9%             |
| <b>LIHTC</b>                                     | 6            | 343         | 3            | 99.1%             |
| Stabilized Comps*                                | 3            | 155         | 3            | 98.1%             |
| Properties in Construction & Lease Up            | 0            | -           | -            | -                 |

\*Comps in PMA only

| Subject Development |            |         |           |                      | Average Market Rent |        |           | Highest Unadjusted Comp Rent |        |
|---------------------|------------|---------|-----------|----------------------|---------------------|--------|-----------|------------------------------|--------|
| # Units             | # Bedrooms | # Baths | Size (SF) | Proposed Tenant Rent | Per Unit            | Per SF | Advantage | Per Unit                     | Per SF |
| 3                   | One-Br.    | 1.0     | 700       | \$312                | \$415               | \$0.47 | 33.0%     | \$595                        | \$0.75 |
| 9                   | One-Br.    | 1.0     | 700       | \$405                | \$415               | \$0.47 | 2.5%      | \$595                        | \$0.75 |
| 8                   | Two-Br.    | 2.0     | 1,000     | \$361                | \$544               | \$0.59 | 50.7%     | \$775                        | \$0.89 |
| 32                  | Two-Br.    | 2.0     | 1,000     | \$472                | \$544               | \$0.59 | 15.3%     | \$775                        | \$0.89 |
| 6                   | Three-Br.  | 2.0     | 1,100     | \$406                | \$633               | \$0.53 | 55.9%     | \$995                        | \$0.90 |
| 22                  | Three-Br.  | 2.0     | 1,100     | \$534                | \$633               | \$0.53 | 18.5%     | \$995                        | \$0.90 |

**DEMOGRAPHIC DATA (found on page E-3 & G-5)**

|   | 2010  |       | 2016  |       | 2018  |       |
|---|-------|-------|-------|-------|-------|-------|
| Renter Households                                   | 6,052 | 32.5% | 6,589 | 35.5% | 6,566 | 35.5% |
| Income-Qualified Renter HHs (LIHTC)                 | N/A   | N/A   | 1,731 | 9.3%  | 1,710 | 9.2%  |
| Income-Qualified Renter HHs (MR)<br>(if applicable) | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)**

| Type of Demand                              | 30% | 50% | 60% | Market-rate | Other: __ | Overall    |
|---|-----|-----|-----|-------------|-----------|------------|
| Renter Household Growth                     | -   | -16 | -18 | -           | -         | -21        |
| Existing Households (Overburd + Substand)   | -   | 583 | 368 | -           | -         | 694        |
| Homeowner conversion (Seniors)              | -   | N/A | N/A | -           | -         | N/A        |
| <b>Total Primary Market Demand</b>          | -   | 567 | 350 | -           | -         | 673        |
| Less Comparable/Competitive Supply          | -   | 12  | 48  | -           | -         | 60         |
| <b>Adjusted Income-Qualified Renter HHs</b> | -   | 555 | 302 | -           | -         | <b>613</b> |

**CAPTURE RATES (found on page G-5)**

| Targeted Population | 30% | 50%  | 60%   | Market-rate | Other: __ | Overall |
|---------------------|-----|------|-------|-------------|-----------|---------|
| Capture Rate        | -   | 3.1% | 20.9% | -           | -         | 13.1%   |

## SECTION B - PROJECT DESCRIPTION

The proposed project involves the new construction of the 80-unit Peaks of Waycross on a 9.03-acre site in the northeast quadrant of the Walnut Avenue and Vine Street intersection in Waycross, Georgia. The project will offer 12 one-bedroom, 40 two-bedroom, and 28 three-bedroom garden-style units in five (5), two-story, walk-up residential buildings. In addition, the subject project will also include a free-standing, 1,200 square-foot community building. Peaks of Waycross will be developed using Low-Income Housing Tax Credit (LIHTC) financing and target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$312 to \$534, depending on unit size and AMHI level, and will include the cost of trash collection. All other utility expenses will be the responsibility of the tenant. Up to 10% of the property may provide integrated housing opportunities to persons with disabilities through the use of Section 811 project-based rental assistance or other DCA offered rental assistance. It is of note, however, that this potential subsidy has yet to be secured, at the time of this report. The proposed project is expected to be complete by March of 2018. Additional details of the subject project are as follows:

### A. PROJECT DESCRIPTION

1. **Project Name:** Peaks of Waycross
2. **Property Location:** Northeast of Vine Street and Walnut Avenue intersection  
Waycross, Georgia 31501  
(Ware County)  
  
Census Tract: 9506  
  
QCT: No                      DDA: No
3. **Project Type:** New Construction
4. **Unit Configuration and Rents:**

| Total Units | Bedroom Type | Baths | Style  | Square Feet | % AMHI | Proposed Rents |                   |            | Max. Allowable LIHTC Gross Rent |
|-------------|--------------|-------|--------|-------------|--------|----------------|-------------------|------------|---------------------------------|
|             |              |       |        |             |        | Collected Rent | Utility Allowance | Gross Rent |                                 |
| 3           | One-Br.      | 1.0   | Garden | 700         | 50%    | \$312          | \$149             | \$461      | \$461                           |
| 9           | One-Br.      | 1.0   | Garden | 700         | 60%    | \$405          | \$149             | \$554      | \$554                           |
| 8           | Two-Br.      | 2.0   | Garden | 1,000       | 50%    | \$361          | \$192             | \$553      | \$553                           |
| 32          | Two-Br.      | 2.0   | Garden | 1,000       | 60%    | \$472          | \$192             | \$664      | \$664                           |
| 6           | Three-Br.    | 2.0   | Garden | 1,100       | 50%    | \$406          | \$234             | \$640      | \$640                           |
| 22          | Three-Br.    | 2.0   | Garden | 1,100       | 60%    | \$534          | \$234             | \$768      | \$768                           |
| 80          | Total        |       |        |             |        |                |                   |            |                                 |

Source: Landbridge Development, LLC  
AMHI - Area Median Household Income (Ware County, Georgia; 2015)

**5. Target Market:** Family Households Earning Up To 50% & 60% of AMHI

**6. Project Design:** Five (5) two-story, walk-up residential buildings with 80 garden-style units and one (1) stand-alone, 1,500 square foot community building.

**7. Original Year Built:** Not Applicable; New Construction

**8. Projected Opening Date:** March 2018

**9. Unit Amenities:**

- Electric Range
- Refrigerator
- Dishwasher
- Garbage Disposal
- Central Air Conditioning
- Carpet
- Window Blinds
- Ceiling Fans
- In-Unit Washer/Dryer Hookups
- Microwave Oven

**10. Community Amenities:**

- On-Site Management
- Club House
- Community Room
- Laundry Facility
- Computer Center
- Playground
- Picnic Area

**11. Resident Services:**

The subject site will not offer any resident services.

**12. Utility Responsibility:**

The cost of trash collection will be included in the monthly rent. Tenants will be responsible for all other utility charges, including the cost of:

- Electric Heat
- Electric Water Heat
- Electric Cooking
- General Electricity
- Cold Water
- Sewer

**13. Rental Assistance:**

According to the developer, up to 10% of the property may potentially operate with a Section 811 subsidy available to persons with disabilities. This subsidy, however, has yet to be secured at the time of this report. As such, we have evaluated the subject project assuming the property operates exclusively under the LIHTC program throughout this report.

**14. Parking:**

The subject site will offer 160 open lot parking spaces, which equates to 2.0 spaces per unit. This is considered appropriate for affordable multifamily rental product.

**15. Current Project Status:**

Not Applicable; New Construction

**16. Statistical Area:**

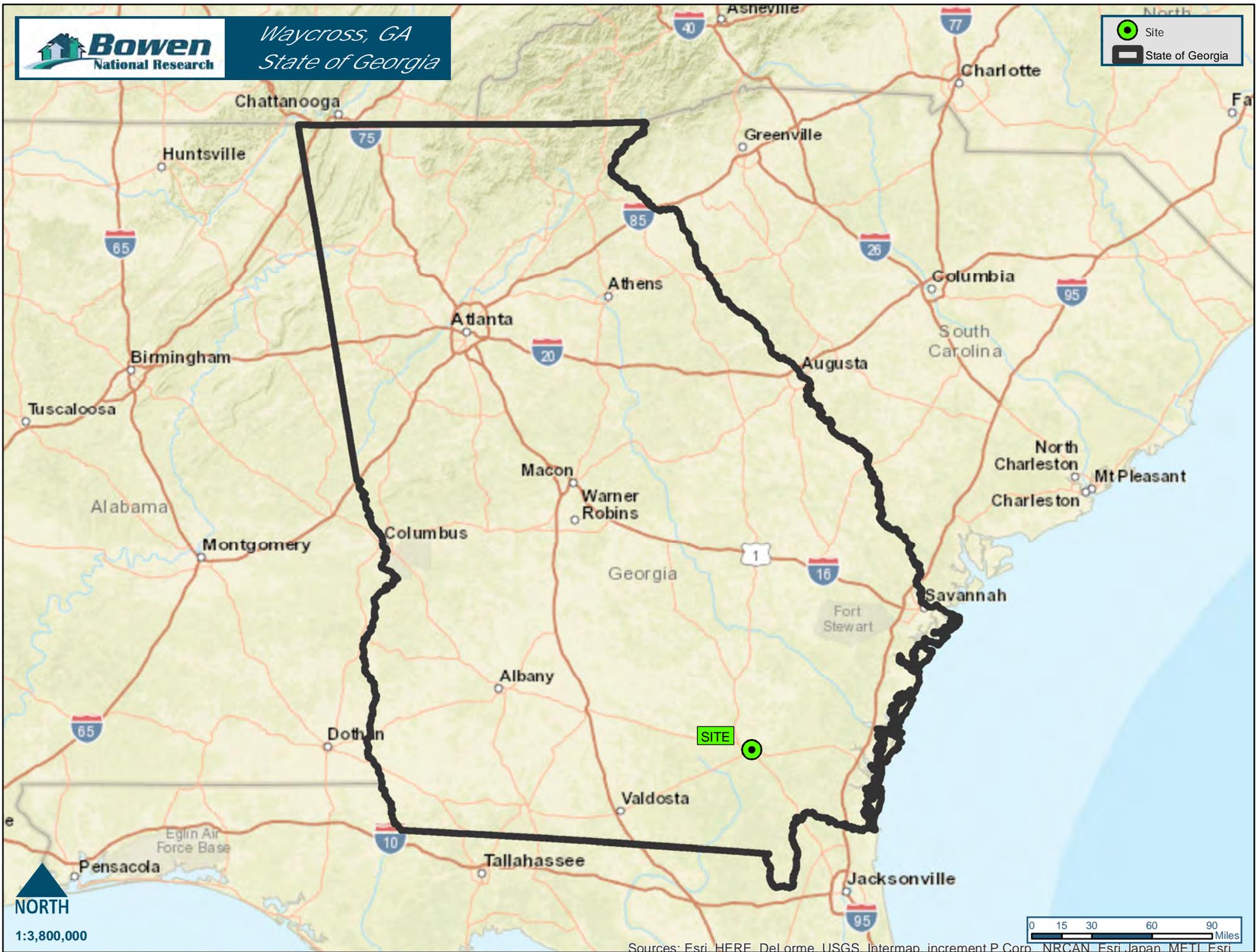
Ware County, Georgia, (2015)

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



Waycross, GA  
State of Georgia

Site  
State of Georgia



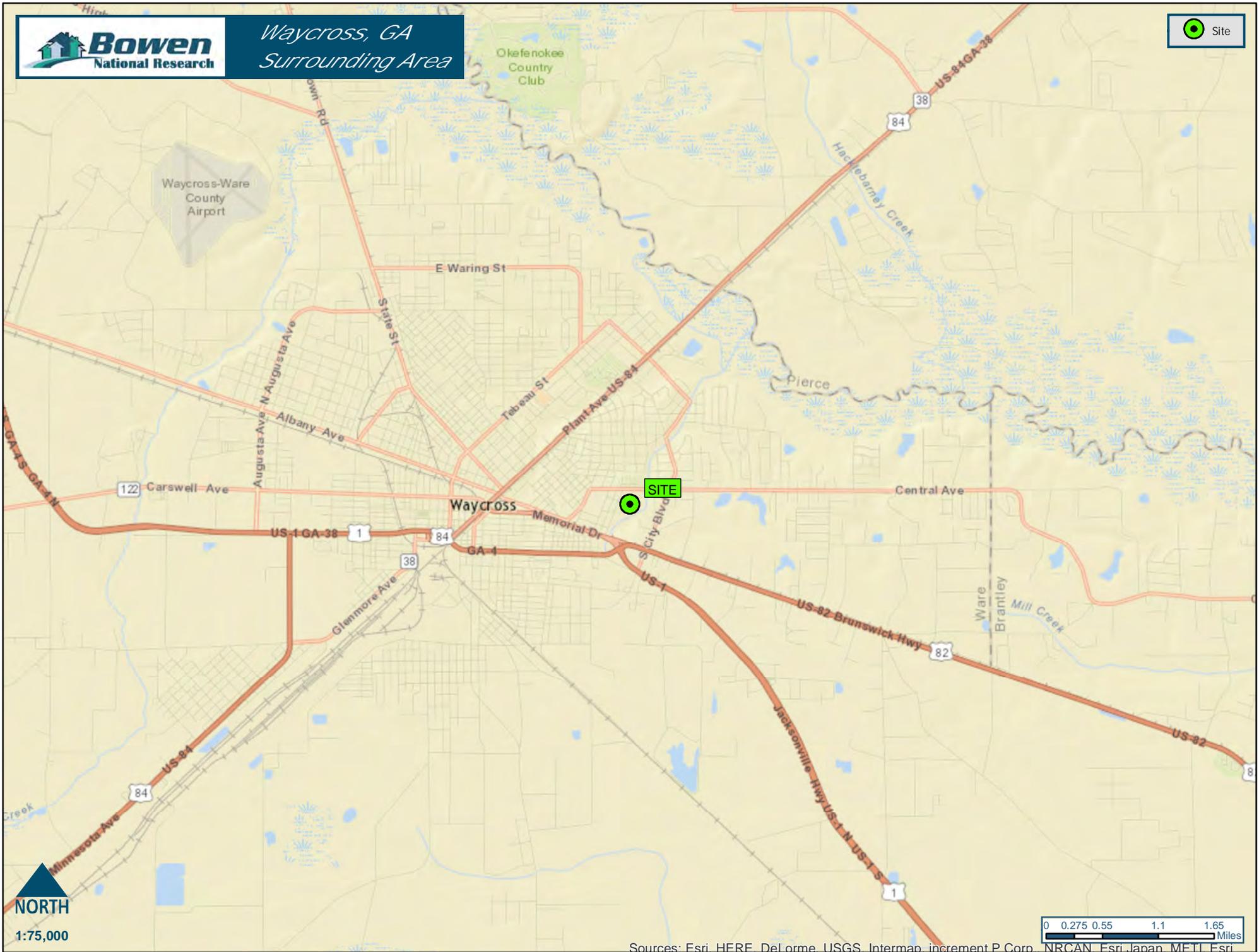
NORTH  
1:3,800,000

0 15 30 60 90 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



# Waycross, GA Surrounding Area



NORTH  
1:75,000



## SECTION C – SITE DESCRIPTION AND EVALUATION

### 1. LOCATION

The proposed subject site is located northeast of the Vine Street and Walnut Avenue intersection in the central portion of Waycross, Georgia. Located in Ware County, Waycross is approximately 60.0 miles northeast of Valdosta, Georgia. Jessica Cassady, an employee of Bowen National Research, inspected the site and area apartments during the week of April 4, 2016.

### 2. SURROUNDING LAND USES

The subject site is within an established residential area of Waycross, Georgia. Surrounding land uses generally include multifamily communities, single-family homes, a middle school, wooded land, a parking lot, and various small businesses. Adjacent land uses are detailed as follows:

|                |  |
|----------------|--|
| <b>North -</b> | Central Walnut Village (Map ID 3), an age-restricted government-subsidized rental community considered to be in good condition, borders the site to the north. Continuing north is Central Avenue, a lightly traveled two-lane residential roadway, followed by the Hazzard Hill Cemetery and Central Park Apartments (Map ID 5), a general-occupancy market-rate community considered to be in average condition. |
| <b>East -</b>  | Undeveloped vacant land defines the eastern boundary of the site. Continuing east is a predominantly residential area comprised of single-family homes in satisfactory condition which extend to South City Boulevard.   |
| <b>South -</b> | Vine Street, a two-lane lightly traveled residential roadway defines the southern boundary of the site. Continuing south is Ware Manor (Map ID 6), a general-occupancy subsidized Tax-Credit rental community considered to be in good condition. Extending beyond is wooded land extending to Knight Avenue and Memorial Drive, two commercial corridors within the Waycross area.                                |
| <b>West -</b>  | Walnut Avenue, a two-lane lightly traveled residential roadway, and duplex-style structures in good condition define the western boundary of the site. Continuing west are additional duplex structures and single-family homes in satisfactory condition, followed by the Waycross Middle School.   |

The proposed subject project will be consistent with the predominantly residential nature of the immediate site neighborhood. The existing residential structures within the site neighborhood are generally considered to be well-maintained. The subject is also expected to benefit from its close proximity to Memorial Drive and Knight Avenue which serve as commercial corridors and provide east/west access throughout the Waycross area. Overall, the subject site is considered conducive to multifamily housing and the surrounding land uses are expected to have a positive impact on the project's overall marketability within the Waycross market.

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

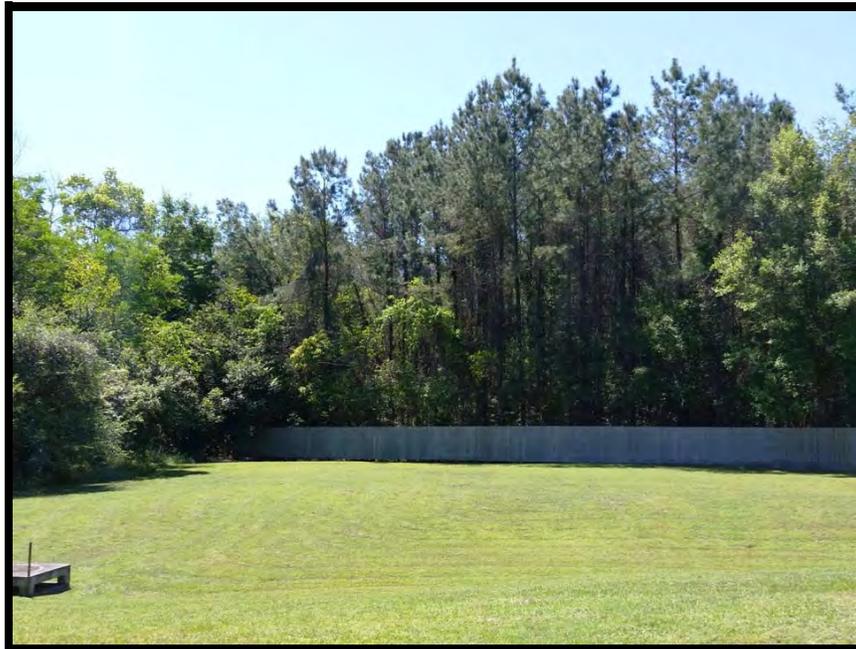
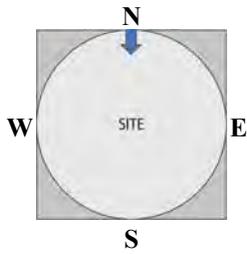
The subject site maintains full or partial frontage along Vine Street and Walnut Avenue, two residential roadways bordering the site to the south and west, respectively. Traffic is relatively light along these aforementioned roadways, thus the subject project will likely receive limited passerby traffic. However, it is expected that proper site signage will be provided and clearly visible at the entrance of the subject project along Walnut Avenue, thus visibility of the subject project upon ingress is expected to be good. Due to the light vehicular traffic patterns and wooded land surrounding much of the subject site, promotional site signage placed near the intersection of Walnut Avenue and Knight Avenue, south of the site, would likely enhance awareness of the subject project during its initial lease-up period. Based on information provided by the developer at the time of this report, the subject project will derive access from Walnut Avenue. The light vehicular traffic patterns within the immediate site neighborhood are expected to allow for unimpeded ingress and egress of the subject project. In addition, Walnut Avenue provides direct access to Central Avenue and Knight Avenue, two arterial roadways located north and south of the subject site, respectively. U.S. Highway 82 is also accessible within 0.7 miles of the subject site, further enhancing accessibility of the subject project and site neighborhood. Based on the preceding analysis, both visibility and access of the subject site are considered adequate and should have a positive impact on the overall marketability of the subject project.

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area. The subject site has convenient access to Memorial Drive and U.S. Highways 23 and 82. Fixed route public transportation is not provided within the Waycross area. However, as most residents of this area are likely accustomed to not having this service readily available to them, we do not anticipate the lack of public transportation to have any adverse impact on marketability of the subject project.

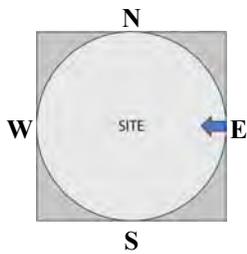
### **4. SITE PHOTOGRAPHS**

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

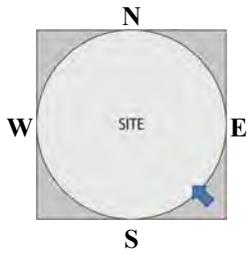
# SITE PHOTOGRAPHS



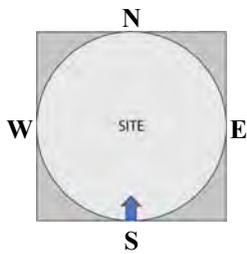
View of site from the north



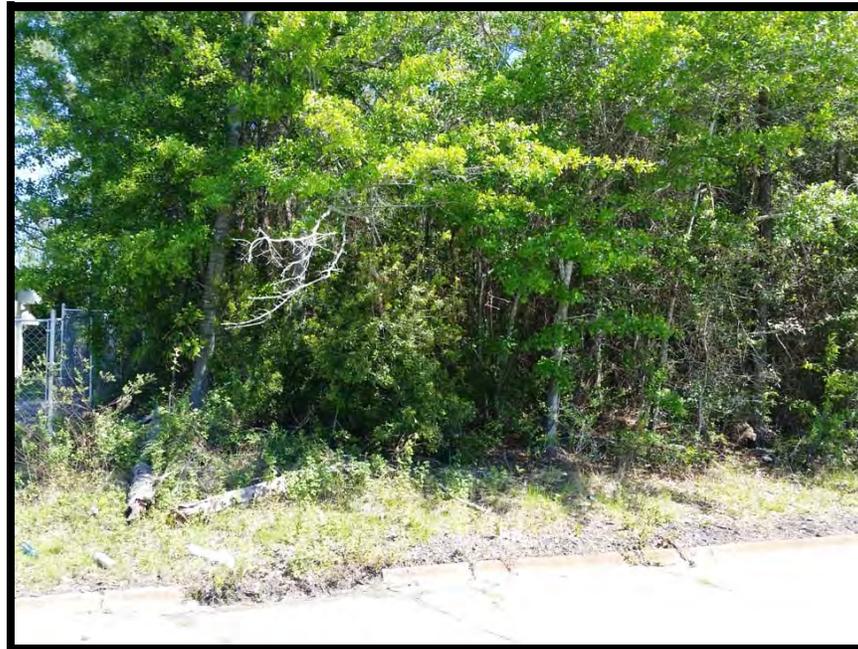
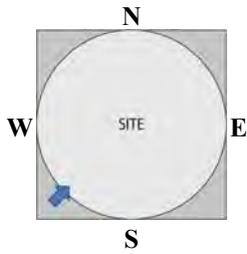
View of site from the east



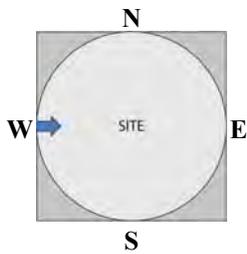
View of site from the southeast



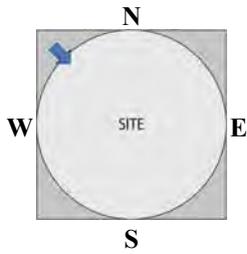
View of site from the south



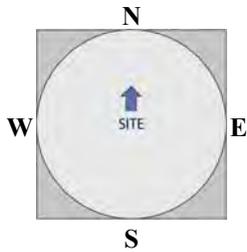
View of site from the southwest



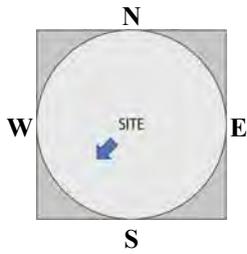
View of site from the west



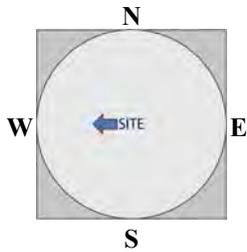
View of site from the northwest



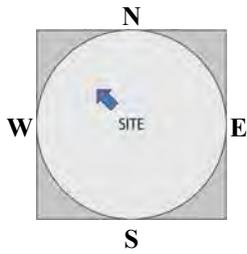
North view from site



Southwest view from site



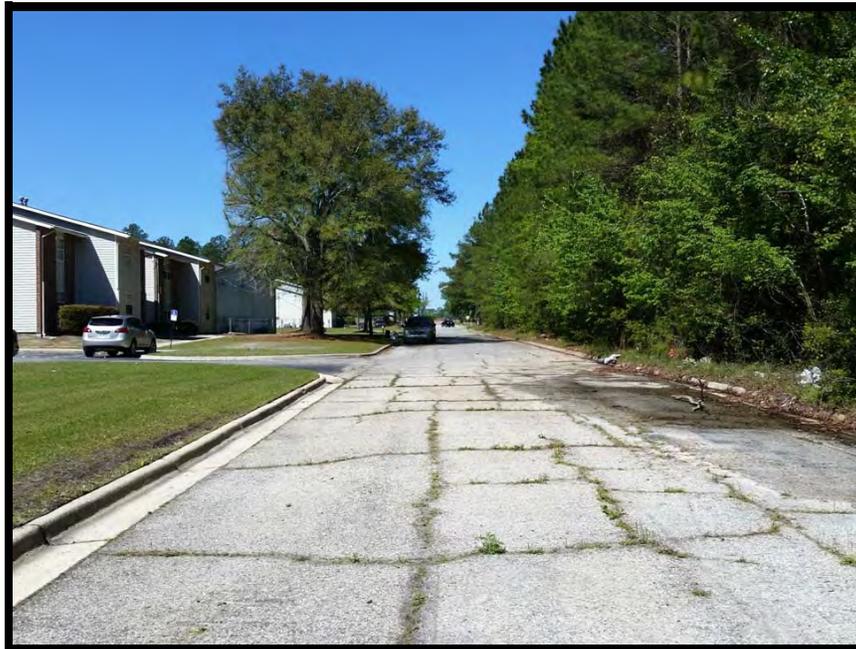
West view from site



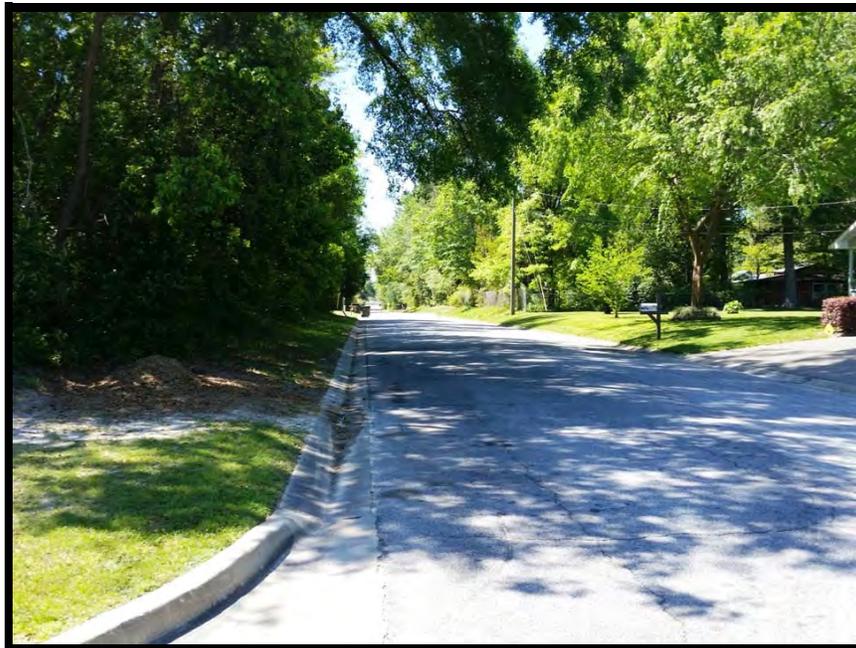
Northwest view from site



Streetscape: East view on Vine Street



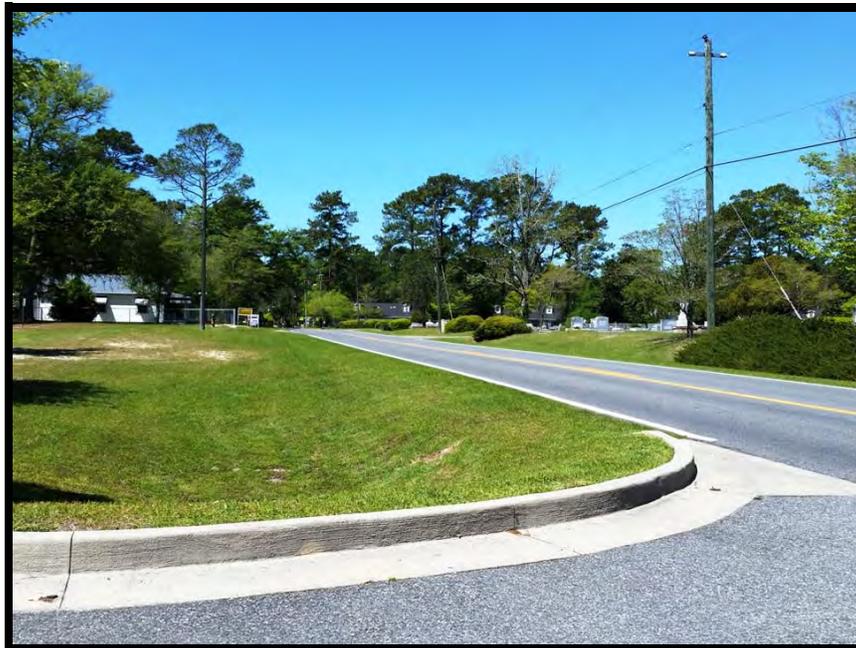
Streetscape: West view on Vine Street



Streetscape: South view on Walnut Avenue



Streetscape: North view on Walnut Avenue



Streetscape: West view on Central Avenue



Streetscape: East view on Central Avenue



Business Adjacent to the West: Satallia Solutions

## 5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

| Community Services                                   | Name  | Driving Distance From Site (Miles)   |
|--|---|--|
| Major Highway(s)                                     | U.S. Highway 82<br>U.S. Highway 23<br>U.S. Highway 84   | 0.7 Southeast<br>1.0 South<br>1.4 West   |
| Public Bus Stop                                      | N/A   | N/A  |
| Major Employers/Employment Centers                   | Satilla Regional Medical Center   | 1.7 Northwest  |
| Convenience Store                                    | Petro Station<br>Flash Foods  | 0.9 West<br>1.5 West   |
| Grocery  | Kroger<br>Walmart<br>Waycross Food & Beverage   | 0.9 Southwest<br>1.5 Southeast<br>2.2 Southwest  |
| Discount Department Store                            | Fred's Store<br>Citi Trends<br>Belk<br>TJMaxx<br>Bealls Outlet<br>Ollie's Bargain Outlet<br>Hobby Lobby<br>Dollar General | 0.6 Southeast<br>0.6 Southeast<br>1.5 Southeast<br>1.5 Southeast<br>1.5 Southeast<br>1.5 Southeast<br>1.5 Southeast<br>1.7 Northwest |
| Shopping Center/Mall                                 | Satilla Square Shopping Center<br>The Mall At Waycross  | 0.6 Southeast<br>1.5 Southeast   |
| Schools:<br>Elementary<br>Middle/Junior High<br>High | Williams Heights Elementary<br>Waycross Middle School<br>Ware County High School  | 0.7 West<br>0.2 West<br>3.5 West   |
| Hospital   | Satilla Regional Medical Center   | 1.7 Northwest  |
| Police   | Waycross Police Department  | 1.6 West   |
| Fire   | Waycross Fire Department  | 3.3 West   |
| Post Office  | U.S. Post Office  | 1.8 West   |
| Bank   | Suntrust Bank<br>Patterson Bank<br>Atlantic Coast Bank  | 0.7 Southeast<br>0.7 West<br>1.3 Southeast   |
| Recreational Facilities                              | YMCA  | 1.3 West   |
| Gas Station  | Friendly Express<br>Kroger<br>Petro Station   | 0.8 Southeast<br>0.9 Southwest<br>0.9 West   |
| Pharmacy   | CVS Pharmacy<br>Kroger Pharmacy<br>Walgreens  | 0.7 Southeast<br>0.9 Southwest<br>1.1 South  |
| Restaurant   | Wong's Palace Restaurant<br>Domino's Pizza<br>Stricklands Diner   | 0.3 Southwest<br>0.4 West<br>0.4 Southwest   |
| Day Care   | YMCA<br>AV Kennedy Early Head Start<br>Cookie Daycare   | 1.3 Northwest<br>1.5 Northwest<br>2.1 West   |

(Continued)

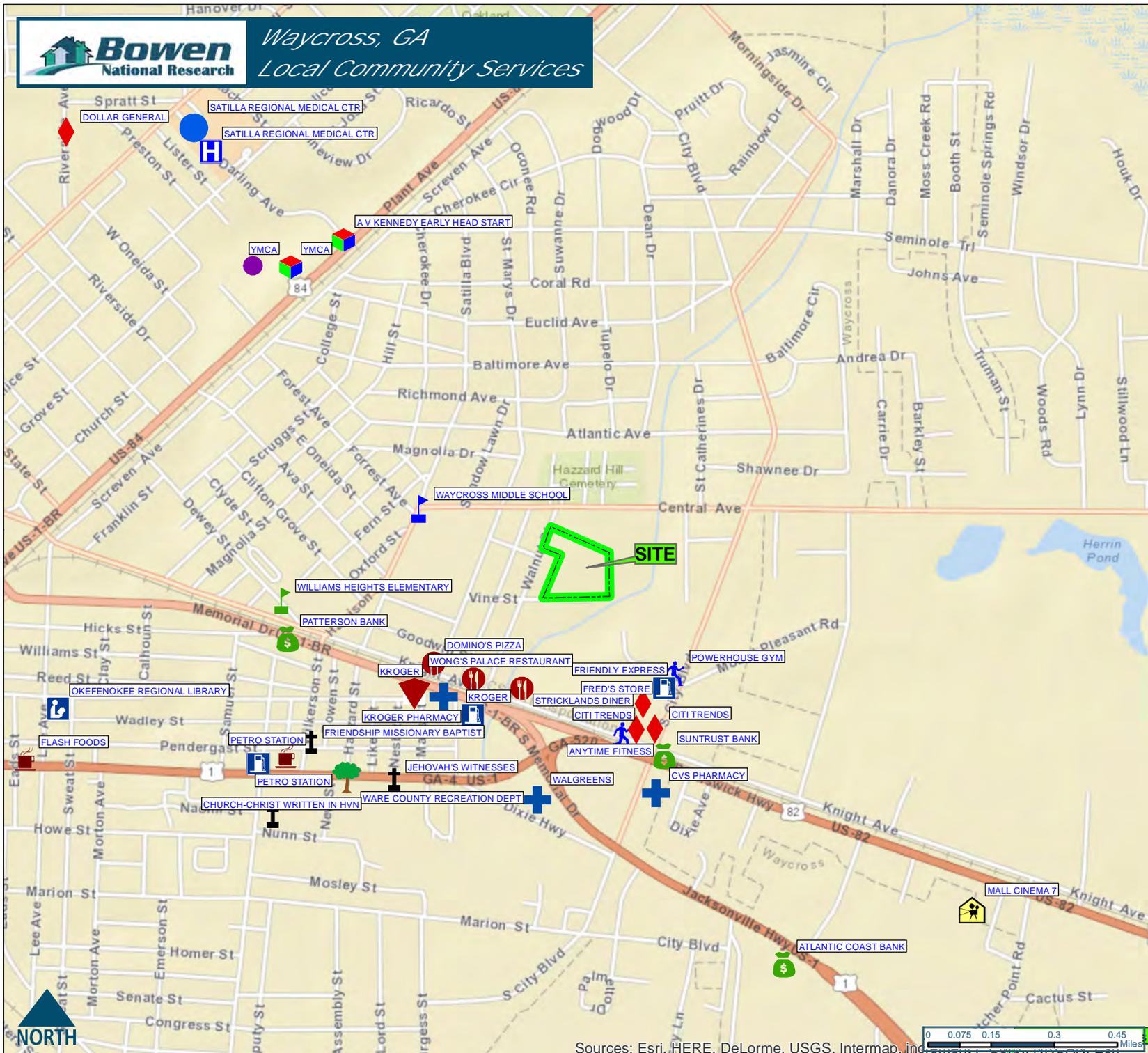
| Community Services | Name                            | Driving Distance From Site (Miles) |
|--------------------|---------------------------------|------------------------------------|
| Community Center   | YMCA                            | 1.3 West                           |
| Library            | Okefenokee Regional Library     | 1.3 West                           |
| Cinema/ Theatre    | Mall Cinema 7                   | 1.5 Southeast                      |
|                    | Waycross Area Community Theatre | 1.6 West                           |
| Fitness Center     | Anytime Fitness                 | 0.6 Southeast                      |
|                    | Powerhouse Gym                  | 0.8 Southeast                      |
| Church             | Friendship Missionary Baptist   | 0.9 West                           |
|                    | Jehovah's Witnesses             | 1.0 Southwest                      |
|                    | Church-Christ Written In Heaven | 1.1 Southwest                      |

The close proximity of the Satilla Square Shopping Center and The Mall at Waycross which include anchor stores such as Belk, TJMaxx, Bealls Outlet, Fred's Store, Citi Trends, Ollies Bargain Outlet, and Hobby Lobby is considered beneficial to the residents of the subject site and will contribute to the marketability of the subject development within the Waycross area. Many area services are also easily accessible from the subject project due to the project's proximity to U.S. Highway 82 and U.S. Highway 84 which serve as commercial corridors within the Waycross area. Fixed route public transportation is not provided within the Waycross area. Regardless, the lack of this service is not expected to have any adverse impact on marketability of the subject project due to the close proximity of most area services and the fact that most area residents are likely accustomed to not having this service readily available.

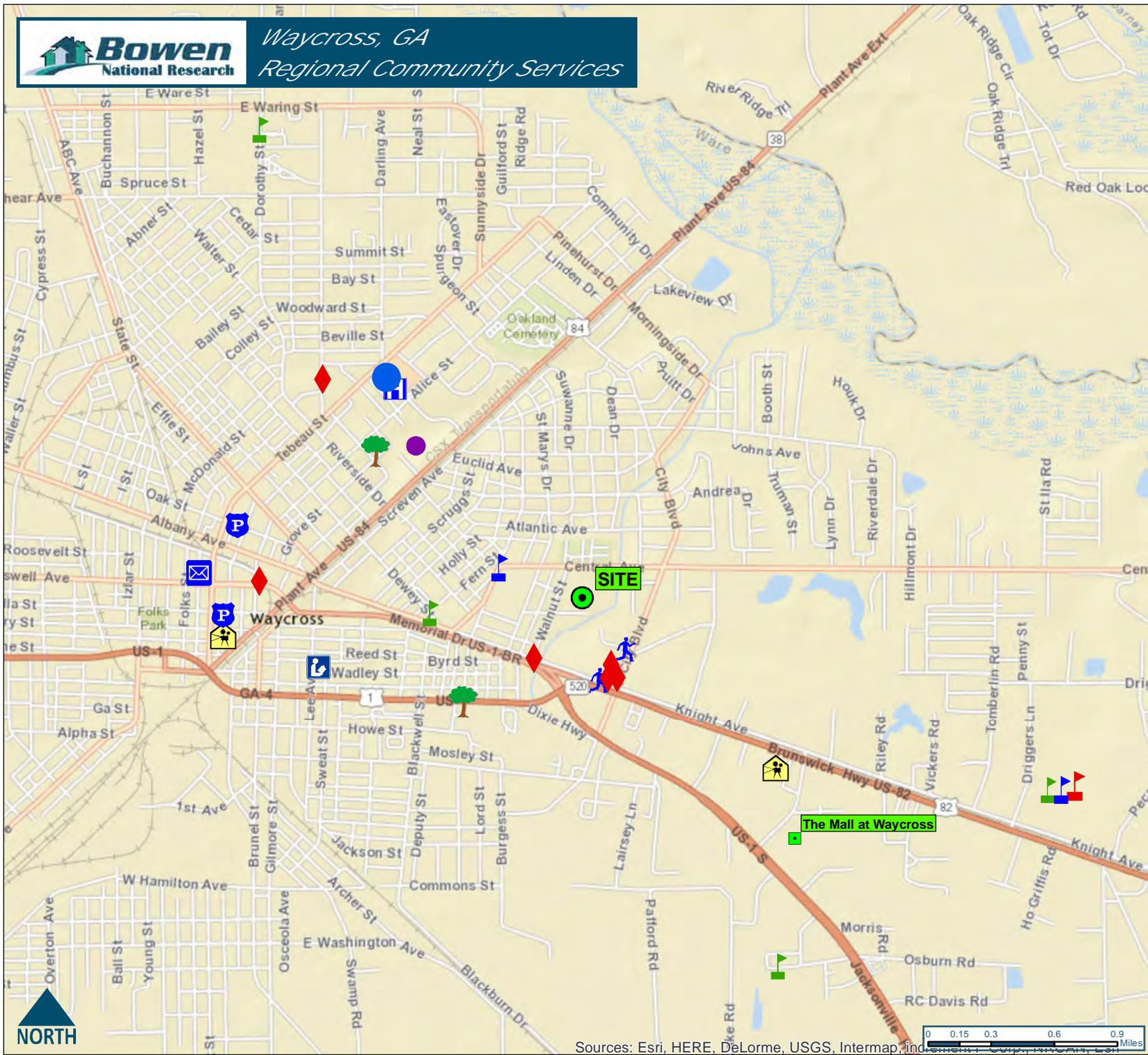
The Ware County School District serves the subject site with all applicable attendance schools located within 3.5 miles of the site. Notably, Waycross Middle School is located within walking distance of the subject site, just 0.2 miles west. The subject site is provided public safety services by the Waycross Police and Fire departments, which are located 1.6 and 3.3 miles from the subject site, respectively. Further, the nearest acute-care hospital is the Satilla Regional Medical Center located just 1.7 northwest of the subject site.

Overall, the site's proximity to community and public safety services is expected to have a positive affect on the marketability of the subject site.

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



- ### Legend
- Site Area
  - bank
  - child care
  - church
  - cinema
  - convenience store
  - elementary school
  - fitness center
  - gas
  - grocery
  - hospital
  - library
  - middle school
  - park
  - pharmacy
  - recreation center
  - restaurant
  - shopping
  - employers\_1000\_5000

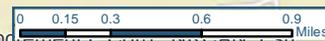


**Legend**

-  Site
-  cinema
-  elementary school
-  fitness center
-  high school
-  hospital
-  library
-  middle school
-  park
-  police
-  post office
-  recreation center
-  shopping
-  employers\_1000\_5000

**Shopping Center  
Gross Leasable Area**

-  < 500,000 sq. ft.
-  < 1,000,000 sq. ft.
-  < 3,200,000 sq. ft.



## 6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the Site PMA is 97, with an overall personal crime index of 87 and property crime index of 95. Total crime risk for Ware County is 99 with indexes for personal and property crime of 98 and 89, respectively.

|                       | Crime Risk Index |             |
|-----------------------|------------------|-------------|
|                       | Site PMA         | Ware County |
| <b>Total Crime</b>    | <b>97</b>        | <b>99</b>   |
| <b>Personal Crime</b> | <b>87</b>        | <b>98</b>   |
| Murder                | 159              | 190         |
| Rape                  | 64               | 64          |
| Robbery               | 80               | 72          |
| Assault               | 67               | 86          |
| <b>Property Crime</b> | <b>95</b>        | <b>89</b>   |
| Burglary              | 111              | 106         |
| Larceny               | 133              | 121         |
| Motor Vehicle Theft   | 42               | 42          |

Source: Applied Geographic Solutions

As the preceding illustrates, the crime risk index reported for the Site PMA (97) is nearly identical to that reported for Ware County (99) as a whole, and both are slightly below the national average of 100. These slightly lower crime indexes along with the high occupancy rates reported among most properties surveyed in the market are good indications that there is likely a low perception of crime within the area. This will likely contribute to the overall marketability of the subject project.

A map illustrating crime risk is on the following page.



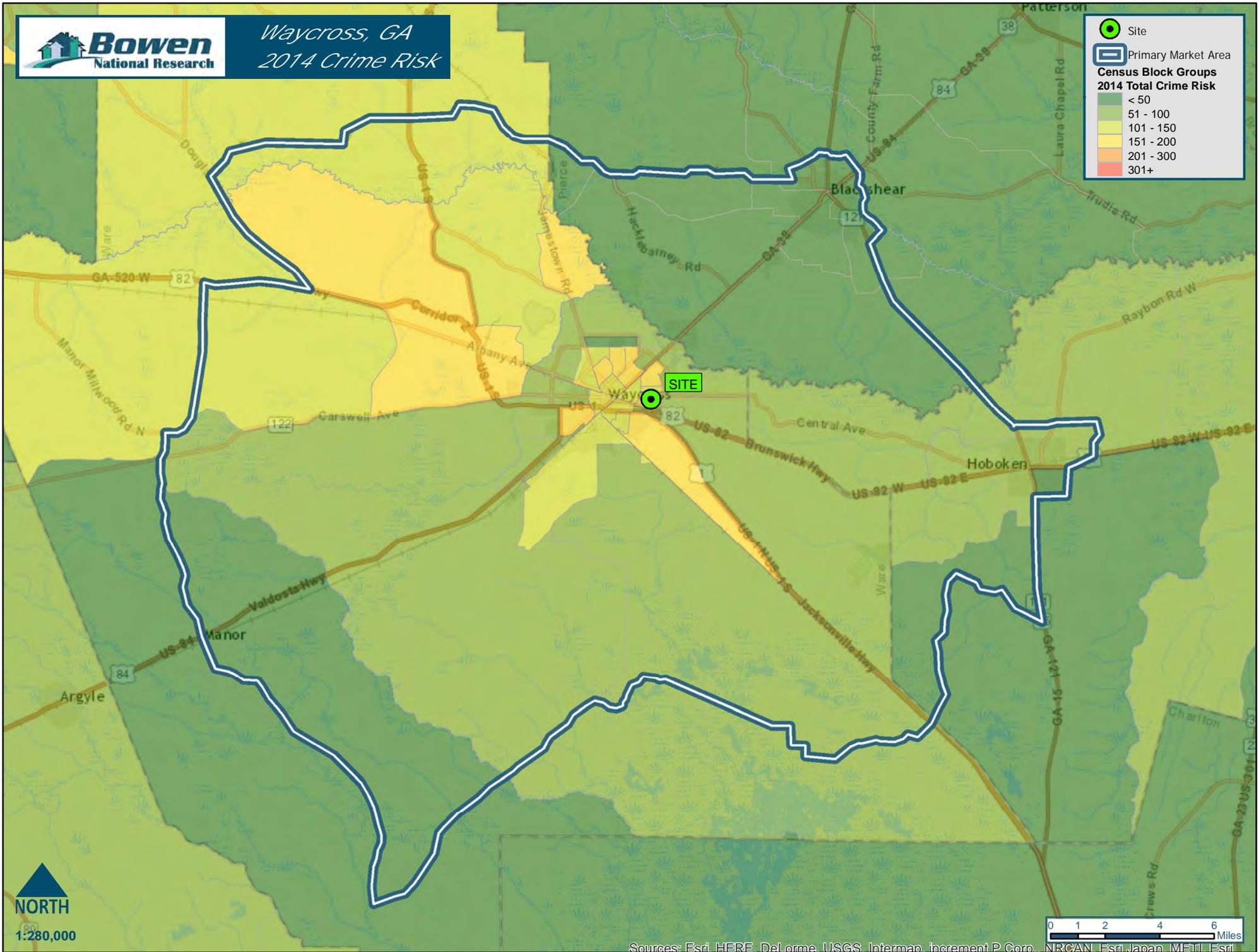
Waycross, GA  
2014 Crime Risk

● Site

▭ Primary Market Area

**Census Block Groups**  
**2014 Total Crime Risk**

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH  
1:280,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

## **7. OVERALL SITE EVALUATION**

The subject site is situated within a primarily residential neighborhood and most existing structures within proximity of the site were observed to be well-maintained. The wooded land surrounding much of the subject site will also provide an aesthetically pleasing natural buffer to additional surrounding land uses. Visibility of the subject project will be somewhat limited due to the surrounding land uses and light vehicular traffic (limited passerby traffic) within the immediate site neighborhood. However, this is not expected to have any adverse impact on the overall marketability of the subject project, especially when considering the high occupancy rates reported at the existing rental properties within the immediate site neighborhood. The subject site is easily accessible from Walnut Avenue which borders the site to the west and provides direct access to and from Central Avenue and Knight Avenue, two arterial roadways located north and south of the subject site, respectively. The subject site is also within close proximity of multiple highways, including U.S. Highway 82 which is accessible within 0.7 miles of the subject site. The subject's proximity to arterial roadways and major highways allows for convenient access to most area services, many of which are located within 1.5 miles of the site. The subject site is also located within walking distance of the local middle school, which is considered beneficial to the family-oriented subject project. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

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

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

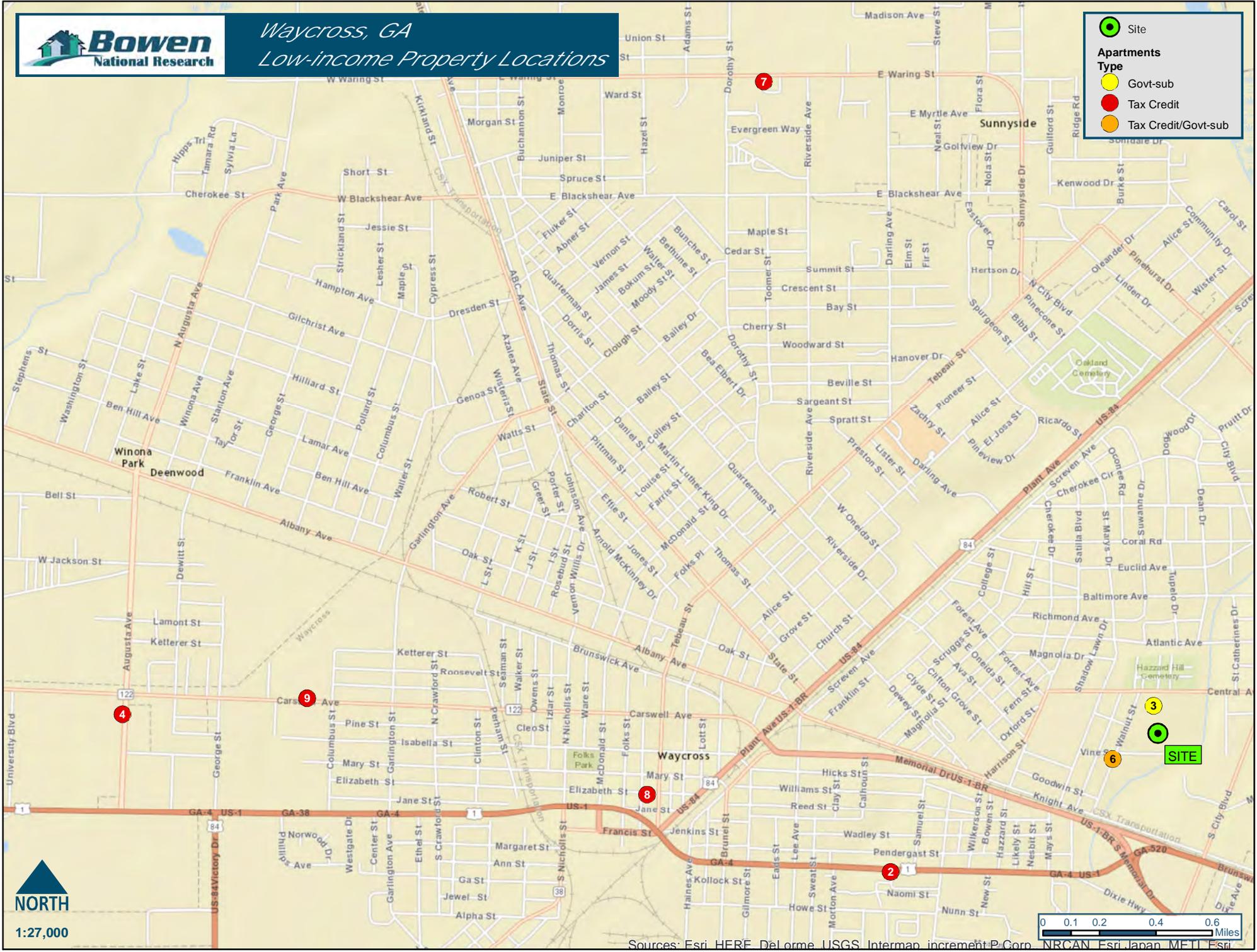


# Waycross, GA Low-income Property Locations

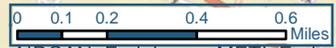
**Site**  
● Site

**Apartments Type**

- Govt-sub
- Tax Credit
- Tax Credit/Govt-sub



**NORTH**  
1:27,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri

## **SECTION D – PRIMARY MARKET AREA DELINEATION**

The Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters are expected to be drawn from. It is also the geographic area expected to generate the most demographic support for the subject development. The Waycross Site PMA was determined through interviews with area leasing agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socio-economic differences in the market and a demographic analysis of the area households and population.

The Waycross Site PMA includes Waycross and the surrounding communities of Deenwood, Sunnyside, Blackshear, Waresboro, Dixie Union, Hoboken, and Manor, as well as surrounding unincorporated portions of the counties of Ware, Brantley and Pierce. The boundaries of the PMA generally include Telmore-Dixie Union Road, the northern town limits of Dixie Union, Dixie Union Road and Cason Road to the north; the eastern town limits of Blackshear, State Route 15, and the eastern town limits of Hoboken to the east; Swamp Perimeter Road, the Okefenokee National Wildlife Refuge, 15 Mile Post Road, and Swamp Road to the south; and Suwannee Chapel Road, Manor Millwood Road South, Hasty Road and State Route 158 to the west.

Levo Wiley is the Assistant Community Manager Administrator of Central Walnut Village, an age-restricted government-subsidized property located in the Site PMA. According to Ms. Wiley, most of her residents at Central Walnut Village have originated from the immediate Waycross area. Ms. Wiley also stated however, that she does also receive support from some of the surrounding communities such as Dixie Union and Blackshear due to the limited supply of rental product in these areas. Ms. Wiley confirmed the Site PMA and does not suspect much support will come from other communities outside the Site PMA boundaries.

Rebecca Blanchard is the Property Manager of Ware Manor, a general-occupancy subsidized Tax Credit property located in the Site PMA. Ms. Blanchard also confirmed the Site PMA, stating that the majority of support for her property has originated from within the boundaries of the Site PMA and suspects the subject development will experience similar trends.

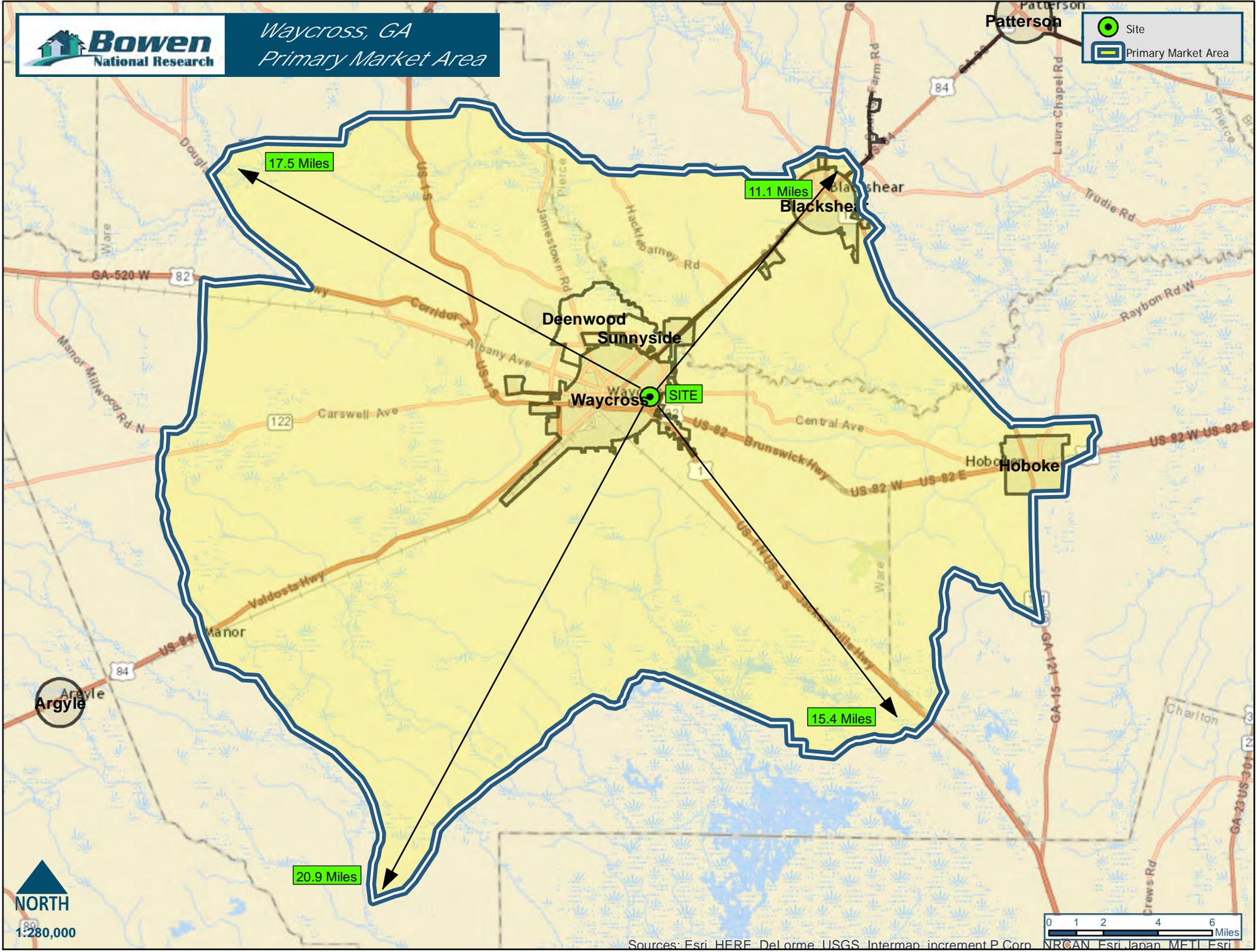
A modest portion of support may originate from some of the smaller communities outside the Site PMA; we have not, however, considered a secondary market area in this report. Areas outside the Site PMA have primarily been excluded from the Site PMA due to their distance from the subject site and/or the very rural nature of these areas.

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



Waycross, GA  
Primary Market Area

● Site  
▭ Primary Market Area



NORTH  
1:280,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

## SECTION E – COMMUNITY DEMOGRAPHIC DATA

### 1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2016 (estimated) and 2018 (projected) are summarized as follows:

|                   | Year             |                  |                     |                     |
|-------------------|------------------|------------------|---------------------|---------------------|
|                   | 2000<br>(Census) | 2010<br>(Census) | 2016<br>(Estimated) | 2018<br>(Projected) |
| Population        | 45,911           | 49,367           | 49,166              | 49,059              |
| Population Change | -                | 3,456            | -201                | -107                |
| Percent Change    | -                | 7.5%             | -0.4%               | -0.2%               |

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

The Waycross Site PMA population base increased by 3,456 between 2000 and 2010. This represents a 7.5% increase over the 2000 population, or an annual rate of 0.7%. Between 2010 and 2016, the population declined by 201, or 0.4%. It is projected that the population will decline by 107, or 0.2%, between 2016 and 2018. Although the overall population is projected to continue to decline during this time period, it will do so at a slower rate than that reported between 2010 and 2016.

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

| Population by Age | 2010 (Census) |         | 2016 (Estimated) |         | 2018 (Projected) |         | Change 2016-2018 |         |
|-------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
|                   | Number        | Percent | Number           | Percent | Number           | Percent | Number           | Percent |
| 19 & Under        | 13,338        | 27.0%   | 12,686           | 25.8%   | 12,684           | 25.9%   | -2               | 0.0%    |
| 20 to 24          | 3,201         | 6.5%    | 3,028            | 6.2%    | 2,871            | 5.9%    | -156             | -5.2%   |
| 25 to 34          | 6,201         | 12.6%   | 6,359            | 12.9%   | 6,213            | 12.7%   | -146             | -2.3%   |
| 35 to 44          | 6,273         | 12.7%   | 6,039            | 12.3%   | 5,986            | 12.2%   | -52              | -0.9%   |
| 45 to 54          | 6,949         | 14.1%   | 6,356            | 12.9%   | 6,218            | 12.7%   | -138             | -2.2%   |
| 55 to 64          | 6,068         | 12.3%   | 6,311            | 12.8%   | 6,346            | 12.9%   | 35               | 0.6%    |
| 65 to 74          | 3,947         | 8.0%    | 4,886            | 9.9%    | 5,061            | 10.3%   | 176              | 3.6%    |
| 75 & Over         | 3,392         | 6.9%    | 3,501            | 7.1%    | 3,678            | 7.5%    | 178              | 5.1%    |
| Total             | 49,369        | 100.0%  | 49,166           | 100.0%  | 49,059           | 100.0%  | -107             | -0.2%   |

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

As the preceding table illustrates, approximately 51% of the population is expected to be between 25 and 64 years old in 2016. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

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

|                  | Year             |                  |                     |                     |
|------------------|------------------|------------------|---------------------|---------------------|
|                  | 2000<br>(Census) | 2010<br>(Census) | 2016<br>(Estimated) | 2018<br>(Projected) |
| Households       | 17,518           | 18,611           | 18,545              | 18,488              |
| Household Change | -                | 1,093            | -66                 | -58                 |
| Percent Change   | -                | 6.2%             | -0.4%               | -0.3%               |
| Household Size   | 2.62             | 2.65             | 2.51                | 2.52                |

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

Within the Waycross Site PMA, households increased by 1,093 (6.2%) between 2000 and 2010. Between 2010 and 2016, households declined by 66 or 0.4%. By 2018, there will be 18,488 households, a decline of 58 households, or 0.3% over 2016 levels. This is a decline of approximately 29 households annually over the next two years, which is considered modest decline and indicative of a relatively stable household base within the Site PMA.

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

| Households<br>by Age | 2010 (Census) |         | 2016 (Estimated) |         | 2018 (Projected) |         | Change 2016-2018 |         |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
|                      | Number        | Percent | Number           | Percent | Number           | Percent | Number           | Percent |
| Under 25             | 855           | 4.6%    | 738              | 4.0%    | 719              | 3.9%    | -19              | -2.6%   |
| 25 to 34             | 2,573         | 13.8%   | 2,617            | 14.1%   | 2,538            | 13.7%   | -79              | -3.0%   |
| 35 to 44             | 3,092         | 16.6%   | 2,888            | 15.6%   | 2,845            | 15.4%   | -44              | -1.5%   |
| 45 to 54             | 3,671         | 19.7%   | 3,290            | 17.7%   | 3,191            | 17.3%   | -98              | -3.0%   |
| 55 to 64             | 3,619         | 19.4%   | 3,678            | 19.8%   | 3,675            | 19.9%   | -2               | -0.1%   |
| 65 to 74             | 2,548         | 13.7%   | 3,063            | 16.5%   | 3,147            | 17.0%   | 84               | 2.7%    |
| 75 to 84             | 1,683         | 9.0%    | 1,663            | 9.0%    | 1,721            | 9.3%    | 59               | 3.5%    |
| 85 & Over            | 569           | 3.1%    | 609              | 3.3%    | 651              | 3.5%    | 41               | 6.8%    |
| Total                | 18,610        | 100.0%  | 18,546           | 100.0%  | 18,487           | 100.0%  | -58              | -0.3%   |

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

As previously mentioned, the primary age cohort of potential renters for the subject project is the 25 to 64 age group. Although this age cohort is projected to experience household decline between 2016 and 2018, more than 66.0% of all households are projected to be within this primary age group in 2018. This indicates that a large base of potential age-appropriate household support will continue to exist in the market for general-occupancy housing such as that proposed at the subject site.

Households by tenure are distributed as follows:

| Tenure          | 2010 (Census) |         | 2016 (Estimated) |         | 2018 (Projected) |         |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
|                 | Number        | Percent | Number           | Percent | Number           | Percent |
| Owner-Occupied  | 12,559        | 67.5%   | 11,956           | 64.5%   | 11,921           | 64.5%   |
| Renter-Occupied | 6,052         | 32.5%   | 6,589            | 35.5%   | 6,566            | 35.5%   |
| Total           | 18,611        | 100.0%  | 18,545           | 100.0%  | 18,488           | 100.0%  |

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

In 2016, homeowners occupied 64.5% of all occupied housing units, while the remaining 35.5% were occupied by renters. This is considered a good share of renter support in a relatively rural market such as the Waycross PMA. The number of renter households is projected to decline between 2016 and 2018, though at a slow annual rate of just eight households. Further, nearly 6,600 renter households will exist in the market in 2018, despite this decline. This indicates that a good base of potential renter support will continue to exist in the market in 2018.

The household sizes by tenure within the Site PMA, based on the 2016 estimates and 2018 projections, were distributed as follows:

| Persons Per Renter Household | 2016 (Estimated) |         | 2018 (Projected) |         | Change 2016-2018 |         |
|------------------------------|------------------|---------|------------------|---------|------------------|---------|
|                              | Households       | Percent | Households       | Percent | Households       | Percent |
| 1 Person                     | 2,281            | 34.6%   | 2,276            | 34.7%   | -5               | -0.2%   |
| 2 Persons                    | 1,520            | 23.1%   | 1,510            | 23.0%   | -10              | -0.7%   |
| 3 Persons                    | 1,097            | 16.6%   | 1,094            | 16.7%   | -3               | -0.3%   |
| 4 Persons                    | 891              | 13.5%   | 885              | 13.5%   | -5               | -0.6%   |
| 5 Persons+                   | 800              | 12.1%   | 801              | 12.2%   | 1                | 0.1%    |
| Total                        | 6,589            | 100.0%  | 6,566            | 100.0%  | -23              | -0.4%   |

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

| Persons Per Owner Household | 2016 (Estimated) |         | 2018 (Projected) |         | Change 2016-2018 |         |
|-----------------------------|------------------|---------|------------------|---------|------------------|---------|
|                             | Households       | Percent | Households       | Percent | Households       | Percent |
| 1 Person                    | 2,748            | 23.0%   | 2,742            | 23.0%   | -7               | -0.2%   |
| 2 Persons                   | 4,510            | 37.7%   | 4,487            | 37.6%   | -23              | -0.5%   |
| 3 Persons                   | 2,059            | 17.2%   | 2,058            | 17.3%   | -2               | -0.1%   |
| 4 Persons                   | 1,602            | 13.4%   | 1,594            | 13.4%   | -7               | -0.5%   |
| 5 Persons+                  | 1,036            | 8.7%    | 1,041            | 8.7%    | 4                | 0.4%    |
| Total                       | 11,956           | 100.0%  | 11,921           | 100.0%  | -34              | -0.3%   |

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

The one- through three-bedroom units proposed at the subject site are expected to house up to five-person households. As such, the subject project will be able to accommodate most renter households in the market, based on household size.

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

| Household Income       | 2010 (Census)   |               | 2016 (Estimated) |               | 2018 (Projected) |               |
|------------------------|-----------------|---------------|------------------|---------------|------------------|---------------|
|                        | Households      | Percent       | Households       | Percent       | Households       | Percent       |
| Less Than \$10,000     | 2,308           | 12.4%         | 2,408            | 13.0%         | 2,368            | 12.8%         |
| \$10,000 to \$19,999   | 2,929           | 15.7%         | 3,095            | 16.7%         | 3,046            | 16.5%         |
| \$20,000 to \$29,999   | 2,625           | 14.1%         | 2,644            | 14.3%         | 2,578            | 13.9%         |
| \$30,000 to \$39,999   | 2,086           | 11.2%         | 2,107            | 11.4%         | 2,122            | 11.5%         |
| \$40,000 to \$49,999   | 1,899           | 10.2%         | 1,823            | 9.8%          | 1,779            | 9.6%          |
| \$50,000 to \$59,999   | 1,390           | 7.5%          | 1,483            | 8.0%          | 1,483            | 8.0%          |
| \$60,000 to \$74,999   | 1,710           | 9.2%          | 1,572            | 8.5%          | 1,582            | 8.6%          |
| \$75,000 to \$99,999   | 1,893           | 10.2%         | 1,667            | 9.0%          | 1,686            | 9.1%          |
| \$100,000 to \$124,999 | 1,002           | 5.4%          | 947              | 5.1%          | 973              | 5.3%          |
| \$125,000 to \$149,999 | 331             | 1.8%          | 329              | 1.8%          | 363              | 2.0%          |
| \$150,000 to \$199,999 | 220             | 1.2%          | 196              | 1.1%          | 218              | 1.2%          |
| \$200,000 & Over       | 218             | 1.2%          | 276              | 1.5%          | 289              | 1.6%          |
| <b>Total</b>           | <b>18,611</b>   | <b>100.0%</b> | <b>18,545</b>    | <b>100.0%</b> | <b>18,488</b>    | <b>100.0%</b> |
| <b>Median Income</b>   | <b>\$36,918</b> |               | <b>\$35,348</b>  |               | <b>\$35,900</b>  |               |

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

In 2010, the median household income was \$36,918. This declined by 4.3% to \$35,348 in 2016. By 2018, it is projected that the median household income will be \$35,900, an increase of 1.6% over 2016.

The following tables illustrate renter household income by household size for 2010, 2016 and 2018 for the Waycross Site PMA:

| Renter Households      | 2010 (Census) |              |            |            |            |              |
|------------------------|---------------|--------------|------------|------------|------------|--------------|
|                        | 1-Person      | 2-Person     | 3-Person   | 4-Person   | 5-Person+  | Total        |
| Less Than \$10,000     | 479           | 507          | 205        | 109        | 78         | 1,378        |
| \$10,000 to \$19,999   | 702           | 162          | 64         | 231        | 26         | 1,185        |
| \$20,000 to \$29,999   | 391           | 144          | 298        | 80         | 17         | 930          |
| \$30,000 to \$39,999   | 195           | 159          | 71         | 120        | 128        | 673          |
| \$40,000 to \$49,999   | 101           | 159          | 51         | 62         | 185        | 558          |
| \$50,000 to \$59,999   | 58            | 141          | 3          | 74         | 88         | 363          |
| \$60,000 to \$74,999   | 71            | 70           | 128        | 12         | 168        | 450          |
| \$75,000 to \$99,999   | 34            | 26           | 122        | 45         | 20         | 247          |
| \$100,000 to \$124,999 | 14            | 14           | 44         | 54         | 2          | 127          |
| \$125,000 to \$149,999 | 26            | 9            | 3          | 17         | 4          | 60           |
| \$150,000 to \$199,999 | 20            | 12           | 2          | 2          | 5          | 41           |
| \$200,000 & Over       | 9             | 7            | 5          | 15         | 4          | 41           |
| <b>Total</b>           | <b>2,100</b>  | <b>1,410</b> | <b>998</b> | <b>819</b> | <b>726</b> | <b>6,052</b> |

Source: Ribbon Demographics; ESRI; Urban Decision Group

| Renter Households      | 2016 (Estimated) |          |          |          |           |       |
|------------------------|------------------|----------|----------|----------|-----------|-------|
|                        | 1-Person         | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000     | 567              | 541      | 214      | 126      | 93        | 1,541 |
| \$10,000 to \$19,999   | 795              | 197      | 87       | 257      | 29        | 1,365 |
| \$20,000 to \$29,999   | 404              | 161      | 347      | 87       | 20        | 1,019 |
| \$30,000 to \$39,999   | 198              | 174      | 80       | 131      | 147       | 730   |
| \$40,000 to \$49,999   | 102              | 146      | 59       | 67       | 195       | 568   |
| \$50,000 to \$59,999   | 59               | 148      | 2        | 86       | 127       | 423   |
| \$60,000 to \$74,999   | 73               | 72       | 127      | 9        | 164       | 445   |
| \$75,000 to \$99,999   | 26               | 27       | 121      | 45       | 18        | 237   |
| \$100,000 to \$124,999 | 16               | 16       | 48       | 45       | 1         | 126   |
| \$125,000 to \$149,999 | 19               | 11       | 5        | 20       | 4         | 59    |
| \$150,000 to \$199,999 | 8                | 9        | 2        | 0        | 0         | 19    |
| \$200,000 & Over       | 14               | 19       | 5        | 18       | 2         | 58    |
| Total                  | 2,281            | 1,520    | 1,097    | 891      | 800       | 6,589 |

Source: Ribbon Demographics; ESRI; Urban Decision Group

| Renter Households      | 2018 (Projected) |          |          |          |           |       |
|------------------------|------------------|----------|----------|----------|-----------|-------|
|                        | 1-Person         | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000     | 559              | 532      | 214      | 120      | 91        | 1,515 |
| \$10,000 to \$19,999   | 790              | 195      | 85       | 258      | 28        | 1,355 |
| \$20,000 to \$29,999   | 397              | 162      | 339      | 85       | 19        | 1,002 |
| \$30,000 to \$39,999   | 204              | 170      | 80       | 130      | 146       | 730   |
| \$40,000 to \$49,999   | 99               | 142      | 56       | 65       | 196       | 558   |
| \$50,000 to \$59,999   | 58               | 150      | 3        | 91       | 133       | 435   |
| \$60,000 to \$74,999   | 78               | 73       | 124      | 9        | 160       | 445   |
| \$75,000 to \$99,999   | 27               | 28       | 125      | 46       | 19        | 246   |
| \$100,000 to \$124,999 | 18               | 17       | 54       | 43       | 0         | 132   |
| \$125,000 to \$149,999 | 23               | 13       | 4        | 22       | 5         | 67    |
| \$150,000 to \$199,999 | 9                | 8        | 3        | 1        | 0         | 21    |
| \$200,000 & Over       | 15               | 20       | 6        | 15       | 3         | 60    |
| Total                  | 2,276            | 1,510    | 1,094    | 885      | 801       | 6,566 |

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

### Demographic Summary

Demographic trends within the Waycross Site PMA are projected to be negative in terms of overall population and household trends between 2016 and 2018. Both the population and household decline projected for the market during this time period, however, will be minimal, as the total population will decline by just 107 (0.2%) and households will decline by 58 (0.3%). As such, the overall demographic base is generally considered stable within the Waycross market. The number of renter households is also expected to remain stable during this time period and nearly 6,600 renter households are projected to exist in the market in 2018. Notably, approximately 59.0% of all renter households in the market are projected to earn below \$30,000 in 2018. Based on the preceding factors, the

Waycross market is stable in terms of overall demographics and a large base of potential income-appropriate renter households exists for affordable rental product such as that proposed at the subject site.

## SECTION F – ECONOMIC TRENDS

### 1. LABOR FORCE PROFILE

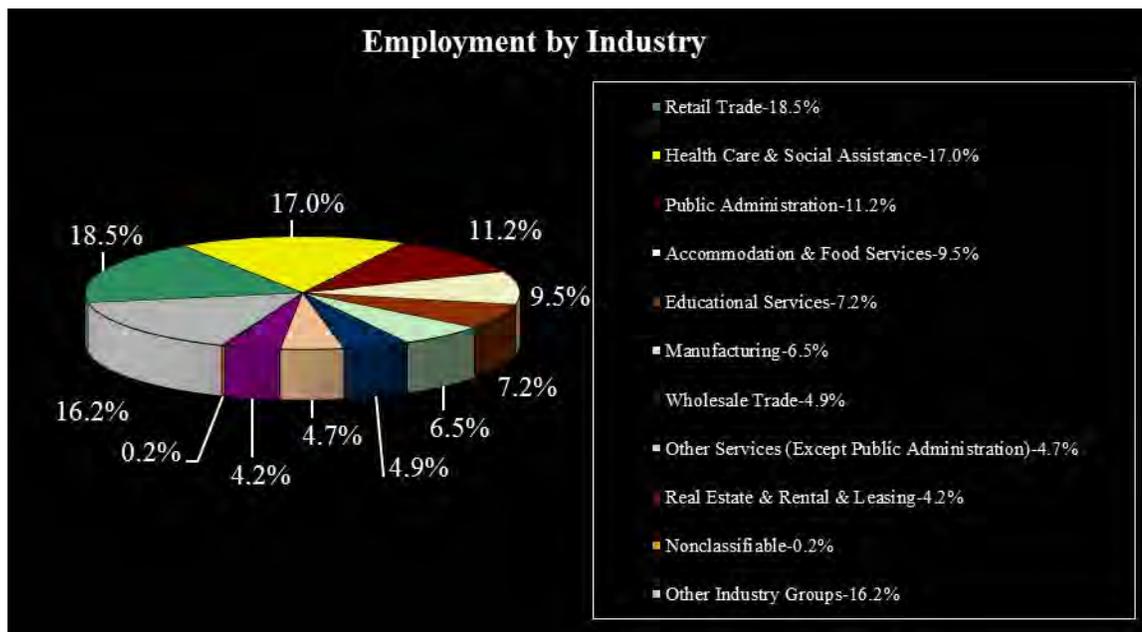
The labor force within the Waycross Site PMA is based primarily in three sectors. Retail Trade (which comprises 18.5%), Health Care & Social Assistance and Public Administration comprise nearly 47% of the Site PMA labor force. Employment in the Waycross Site PMA, as of 2016, was distributed as follows:

| NAICS Group  | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------|-----------|---------|--------|
| Agriculture, Forestry, Fishing & Hunting                         | 20             | 1.0%    | 141       | 0.6%    | 7.1    |
| Mining   | 0              | 0.0%    | 0         | 0.0%    | 0.0    |
| Utilities  | 0              | 0.0%    | 0         | 0.0%    | 0.0    |
| Construction   | 126            | 6.0%    | 844       | 3.8%    | 6.7    |
| Manufacturing  | 56             | 2.7%    | 1,449     | 6.5%    | 25.9   |
| Wholesale Trade  | 95             | 4.5%    | 1,098     | 4.9%    | 11.6   |
| Retail Trade   | 405            | 19.2%   | 4,137     | 18.5%   | 10.2   |
| Transportation & Warehousing                                     | 33             | 1.6%    | 468       | 2.1%    | 14.2   |
| Information  | 34             | 1.6%    | 252       | 1.1%    | 7.4    |
| Finance & Insurance  | 173            | 8.2%    | 603       | 2.7%    | 3.5    |
| Real Estate & Rental & Leasing                                   | 93             | 4.4%    | 937       | 4.2%    | 10.1   |
| Professional, Scientific & Technical Services                    | 102            | 4.8%    | 824       | 3.7%    | 8.1    |
| Management of Companies & Enterprises                            | 0              | 0.0%    | 0         | 0.0%    | 0.0    |
| Administrative, Support, Waste Management & Remediation Services | 58             | 2.8%    | 265       | 1.2%    | 4.6    |
| Educational Services   | 46             | 2.2%    | 1,609     | 7.2%    | 35.0   |
| Health Care & Social Assistance                                  | 198            | 9.4%    | 3,789     | 17.0%   | 19.1   |
| Arts, Entertainment & Recreation                                 | 30             | 1.4%    | 220       | 1.0%    | 7.3    |
| Accommodation & Food Services                                    | 130            | 6.2%    | 2,122     | 9.5%    | 16.3   |
| Other Services (Except Public Administration)                    | 316            | 15.0%   | 1,051     | 4.7%    | 3.3    |
| Public Administration  | 163            | 7.7%    | 2,493     | 11.2%   | 15.3   |
| Nonclassifiable  | 26             | 1.2%    | 44        | 0.2%    | 1.7    |
| Total  | 2,104          | 100.0%  | 22,346    | 100.0%  | 10.6   |

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

E.P.E. - Average Employees Per Establishment

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



Typical wages by job category for the South Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

| Typical Wage by Occupation Type                            |                                    |           |
|--|------------------------------------|-----------|
| Occupation Type  | South Georgia Nonmetropolitan Area | Georgia   |
| Management Occupations                                     | \$83,090                           | \$111,250 |
| Business and Financial Occupations                         | \$56,780                           | \$70,750  |
| Computer and Mathematical Occupations                      | \$62,910                           | \$81,100  |
| Architecture and Engineering Occupations                   | \$67,150                           | \$76,920  |
| Community and Social Service Occupations                   | \$35,330                           | \$44,150  |
| Art, Design, Entertainment and Sports Medicine Occupations | \$38,920                           | \$51,440  |
| Healthcare Practitioners and Technical Occupations         | \$61,800                           | \$74,690  |
| Healthcare Support Occupations                             | \$23,780                           | \$27,640  |
| Protective Service Occupations                             | \$31,270                           | \$34,870  |
| Food Preparation and Serving Related Occupations           | \$18,830                           | \$20,150  |
| Building and Grounds Cleaning and Maintenance Occupations  | \$22,960                           | \$24,510  |
| Personal Care and Service Occupations                      | \$22,200                           | \$24,220  |
| Sales and Related Occupations                              | \$26,900                           | \$37,170  |
| Office and Administrative Support Occupations              | \$29,580                           | \$34,610  |
| Construction and Extraction Occupations                    | \$33,530                           | \$38,540  |
| Installation, Maintenance and Repair Occupations           | \$39,400                           | \$43,540  |
| Production Occupations                                     | \$29,770                           | \$32,590  |
| Transportation and Moving Occupations                      | \$29,120                           | \$33,620  |

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

Most annual blue-collar salaries range from \$18,830 to \$39,400 within the South Georgia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$66,346. It is important to note that most occupational types within the South Georgia Nonmetropolitan Area have lower typical wages than the State of Georgia's typical wages. Regardless, the proposed project will generally target households with incomes between \$15,000 and \$30,000. As such, the area employment base appears to have a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

## 2. MAJOR EMPLOYERS

The ten largest employers within the Ware County area are summarized in the following table. Note that the total number employed for each employer was not available at the time of this report.

| Employer Name                          | Business Type           |
|--|-------------------------|
| Baptist Village, Inc                   | Retirement Community    |
| Carolina Skiff, LLC                    | Boat Builders           |
| Concerted Services, Inc                | Community Action Agency |
| Flash Foods, Inc                       | Retail                  |
| GATX Rail Corporation                  | Rail Car Leasing        |
| Georgia Department of Corrections      | Correction Institution  |
| Surgical Associates of Atlanta*        | Healthcare              |
| The Simmons Manufacturing Company, LLC | Bedding Company         |
| Walmart                                | Retail                  |
| Wayne Frier Home Sales, Inc            | Realty                  |

Source: Georgia Department of Labor Third Quarter of 2015

\* Headquarters based in Atlanta

Despite multiple attempts, we were unable to receive a response from economic development officials within the Ware County/Waycross areas in regards to our requests for information pertaining to recent economic development activity within the area. Based on extensive Internet research conducted at the time of this analysis, and the observations of our analyst while in the field, there appears to be minimal economic development activity within the Waycross area, which is not unusual for more rural markets such as the Waycross Site PMA. Our research did reveal however, that several new businesses opened in Waycross in 2015. These known business openings are listed as follows. Please note that this is likely not an exhaustive list of all new business openings in the area. However, the creation of these new businesses has likely created numerous new jobs in the local market and is evidence of interest and investment within the local economy.

- Olive Garden
- Goodwill Industry store
- Beal's Outlet
- Ross Dress for Less store
- Petsense
- Waycross Retail Center

In addition to the preceding, it is also of note that two additional large-scale retail businesses recently opened in Waycross. These include a Walmart Neighborhood Market and gas station which opened in October of 2015 and created 95 new jobs within the area, as well as a new 55,000 square foot Hobby Lobby store which created 50 new jobs with hourly wages typically between \$10 and \$15. These aforementioned business openings typically offer positions conducive to low-income housing such as that proposed at the subject site.

WARN (layoff notices):

According to the Georgia Department of Economic Development, there been no WARN notices of large-scale layoffs/closures reported for Ware County since January 2015. This is a good indication of the stability of the local economy.

**3. EMPLOYMENT TRENDS**

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

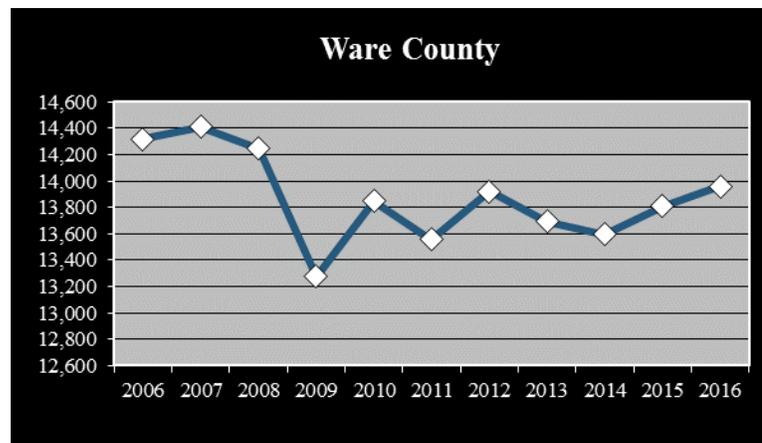
Excluding 2016, the employment base has increased by 1.9% over the past five years in Ware County, less than the Georgia state increase of 5.3%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Ware County, the state of Georgia and the United States.

| Year  | Total Employment |                |              |                |               |                |
|-------|------------------|----------------|--------------|----------------|---------------|----------------|
|       | Ware County      |                | Georgia      |                | United States |                |
|       | Total Number     | Percent Change | Total Number | Percent Change | Total Number  | Percent Change |
| 2006  | 14,321           | -              | 4,489,128    | -              | 142,222,734   | -              |
| 2007  | 14,411           | 0.6%           | 4,597,640    | 2.4%           | 145,000,042   | 2.0%           |
| 2008  | 14,249           | -1.1%          | 4,575,010    | -0.5%          | 146,388,400   | 1.0%           |
| 2009  | 13,276           | -6.8%          | 4,311,854    | -5.8%          | 146,047,748   | -0.2%          |
| 2010  | 13,847           | 4.3%           | 4,202,052    | -2.5%          | 140,696,560   | -3.7%          |
| 2011  | 13,556           | -2.1%          | 4,263,305    | 1.5%           | 140,469,405   | -0.2%          |
| 2012  | 13,920           | 2.7%           | 4,349,796    | 2.0%           | 141,793,976   | 0.9%           |
| 2013  | 13,694           | -1.6%          | 4,369,349    | 0.4%           | 143,692,766   | 1.3%           |
| 2014  | 13,596           | -0.7%          | 4,416,715    | 1.1%           | 145,141,024   | 1.0%           |
| 2015  | 13,810           | 1.6%           | 4,490,931    | 1.7%           | 147,569,657   | 1.7%           |
| 2016* | 13,959           | 1.1%           | 4,553,540    | 1.4%           | 149,753,758   | 1.5%           |

Source: Department of Labor; Bureau of Labor Statistics

\*Through February



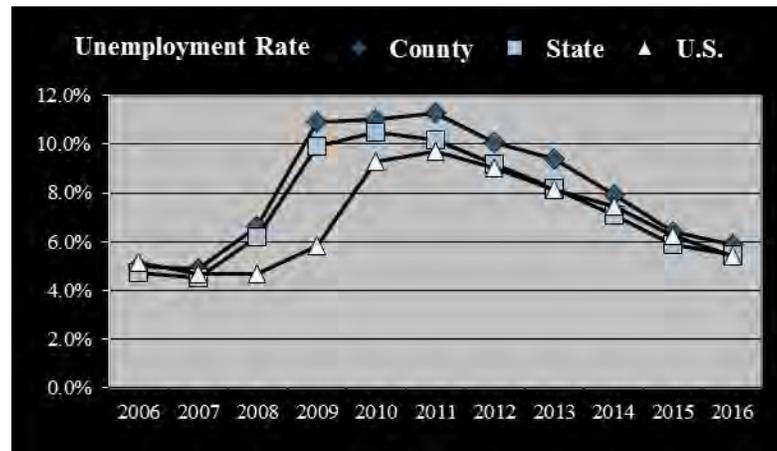
As the preceding illustrates, the Ware County employment base declined sharply during the national recession, declining by 1,135 jobs, or 7.9%, between 2007 and 2009. Between 2009 and 2014 the employment base fluctuated. However, since 2014 the employment base has increased by 363 jobs, or 2.7%. Although modest, this increase is a good indication of an improving economy and the total employment base reported through February of 2016 is the highest reported in the county since 2008.

Unemployment rates for Ware County, the state of Georgia and the United States are illustrated as follows:

| Year  | Unemployment Rate |         |               |
|-------|-------------------|---------|---------------|
|       | Ware County       | Georgia | United States |
| 2006  | 5.0%              | 4.7%    | 5.2%          |
| 2007  | 4.9%              | 4.5%    | 4.7%          |
| 2008  | 6.6%              | 6.2%    | 4.7%          |
| 2009  | 10.9%             | 9.9%    | 5.8%          |
| 2010  | 11.0%             | 10.5%   | 9.3%          |
| 2011  | 11.3%             | 10.2%   | 9.7%          |
| 2012  | 10.1%             | 9.2%    | 9.0%          |
| 2013  | 9.4%              | 8.2%    | 8.1%          |
| 2014  | 7.9%              | 7.1%    | 7.4%          |
| 2015  | 6.4%              | 5.9%    | 6.2%          |
| 2016* | 5.9%              | 5.5%    | 5.4%          |

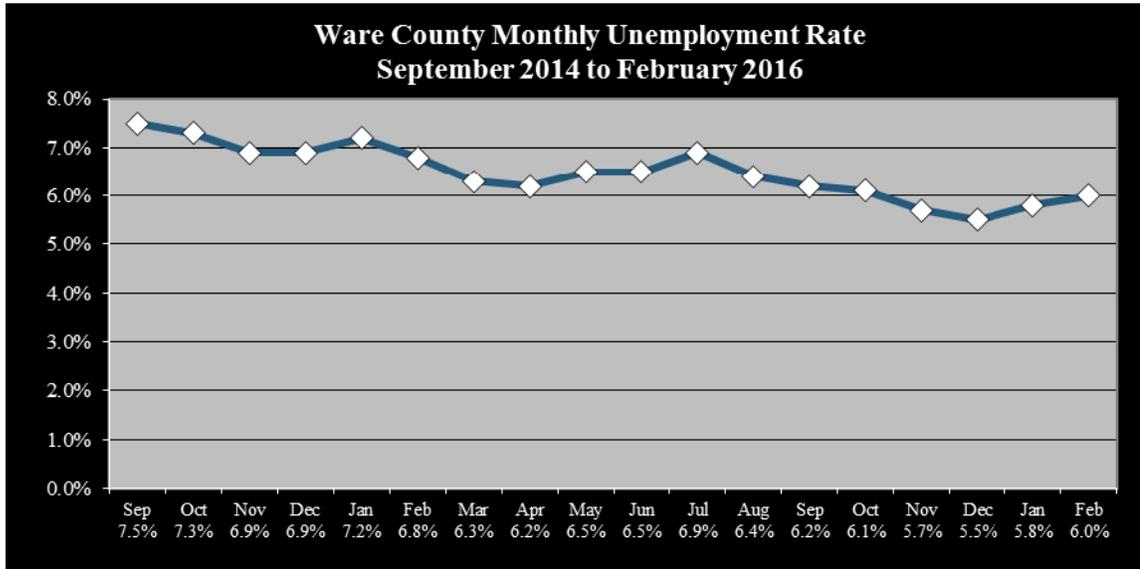
Source: Department of Labor, Bureau of Labor Statistics

\*Through February



The Ware County unemployment rate was also severely impacted by the national recession, as it more than doubled between 2007 and 2011. It is of note however, that the unemployment rate has steadily improved each year since 2011, declining by more than five full percentage points to a rate of 5.9% through February of 2016.

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



As the preceding illustrates, the monthly unemployment rate within the county has generally trended downward over the past 18-month period. Also note that the unemployment rate has remained equal to or below 6.0% each month since October of 2015.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Ware County.

| Year  | In-Place Employment Ware County |        |                |
|-------|---------------------------------|--------|----------------|
|       | Employment                      | Change | Percent Change |
| 2005  | 15,210                          | -      | -              |
| 2006  | 15,363                          | 153    | 1.0%           |
| 2007  | 15,386                          | 23     | 0.1%           |
| 2008  | 15,014                          | -372   | -2.4%          |
| 2009  | 14,231                          | -783   | -5.2%          |
| 2010  | 14,641                          | 410    | 2.9%           |
| 2011  | 14,366                          | -275   | -1.9%          |
| 2012  | 14,321                          | -45    | -0.3%          |
| 2013  | 14,265                          | -56    | -0.4%          |
| 2014  | 14,285                          | 20     | 0.1%           |
| 2015* | 14,671                          | 386    | 2.7%           |

Source: Department of Labor, Bureau of Labor Statistics

\*Through September

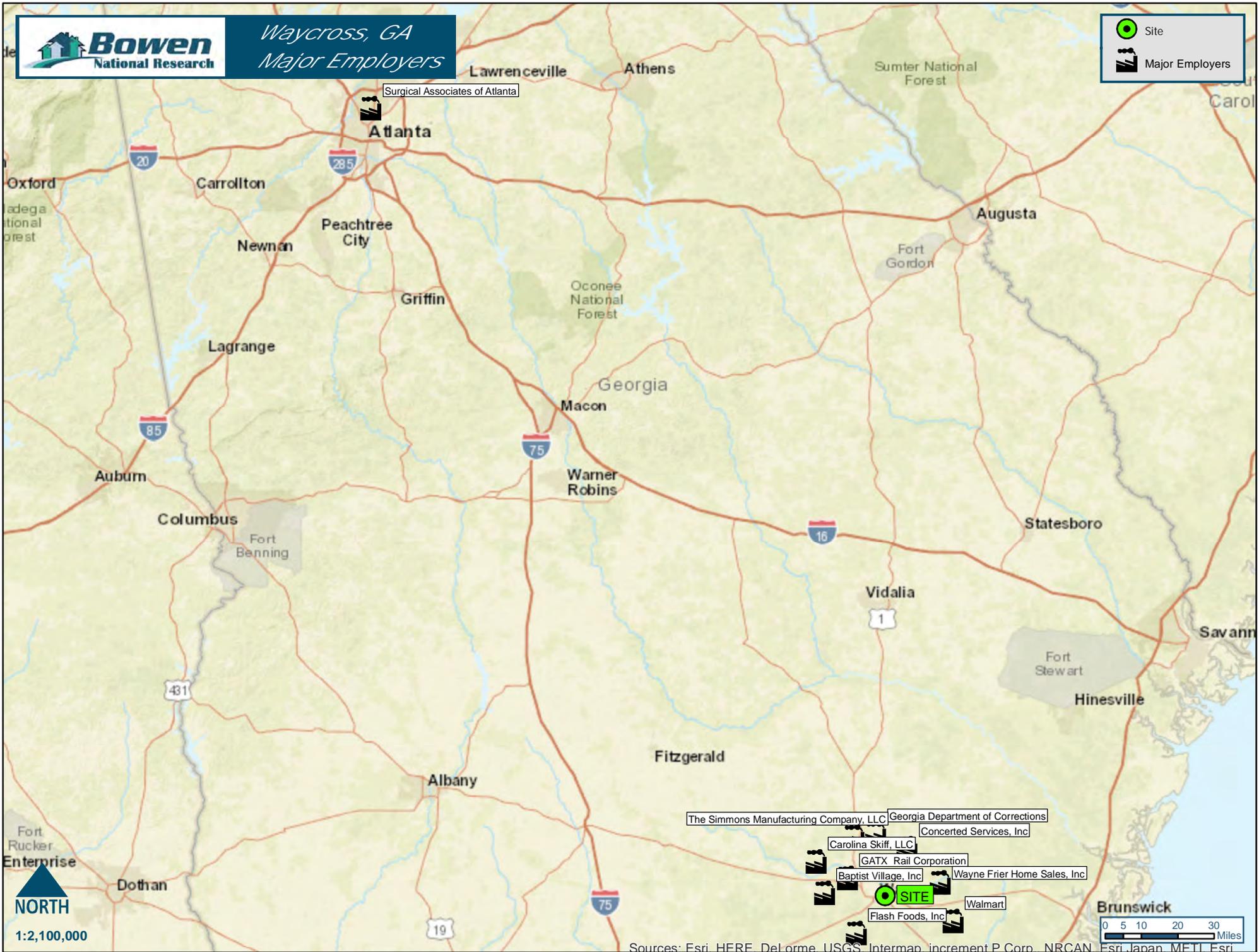
Data for 2014, the most recent year that year-end figures are available, indicates in-place employment in Ware County to be 105.1% of the total Ware County employment. This means that Ware County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there. This is a good indication that a relatively large share of employment opportunities likely exists within close proximity of the subject site, which will likely contribute to the overall marketability of the subject project.

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

The employment base within the Waycross Site PMA appears to be relatively well balanced, as no single industry segment represents more than 18.5% of the total workforce. It is of note however, that nearly 40.0% of the local workforce is comprised within the Retail Trade, Public Administration, and Accommodation & Food Services industries. Typically, these aforementioned industry types offer lower wage paying positions, conducive to affordable housing such as that proposed at the subject site. The Ware County economy was severely impacted by the national recession, but has since shown signs of improvement in terms of both total employment and unemployment rates. Specifically, the employment base within the county has increased by 363 jobs, or 2.7%, since 2014, while the unemployment rate has declined by more than five full percentage points since 2011, to a rate of 5.9% through February of 2016. Notably, the 5.9% unemployment rate reported for the county is similar to both state (5.5%) and national (5.4%) averages. Based on the preceding factors, we expect the local economy will continue to improve for the foreseeable future, though we also expect demand to remain high for affordable housing in the Waycross area, due to the relatively large share of lower-wage paying jobs within the area.

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

 Site  
 Major Employers



  
**NORTH**  
 1:2,100,000

- The Simmons Manufacturing Company, LLC
- Georgia Department of Corrections
- Concerted Services, Inc.
- Carolina Skiff, LLC
- GATX Rail Corporation
- Baptist Village, Inc.
- Wayne Frier Home Sales, Inc.
- Flash Foods, Inc.
- Walmart

0 5 10 20 30 Miles

## SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

### 1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Ware County, Georgia, which has a median four-person household income of \$49,200 for 2015. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size for Ware County at various levels of AMHI.

| Household Size | Maximum Allowable Income |          |
|----------------|--------------------------|----------|
|                | 50%                      | 60%      |
| One-Person     | \$17,250                 | \$20,700 |
| Two-Person     | \$19,700                 | \$23,640 |
| Three-Person   | \$22,150                 | \$26,580 |
| Four-Person    | \$24,600                 | \$29,520 |
| Five-Person    | \$26,600                 | \$31,920 |

#### a. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$31,920**.

#### b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed Low-Income Housing Tax Credit (LIHTC) units will have a lowest gross rent of \$461 (one-bedroom unit at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,532. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$15,806.

c. **Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate range required for living at the proposed project with units built to serve households at 50% and 60% of AMHI is as follows:

| Unit Type                           | Income Range |          |
|-------------------------------------|--------------|----------|
|                                     | Minimum      | Maximum  |
| Tax Credit (Limited To 50% Of AMHI) | \$15,806     | \$26,600 |
| Tax Credit (Limited To 60% Of AMHI) | \$18,960     | \$31,920 |
| Tax Credit Overall                  | \$15,806     | \$31,920 |

2. **METHODOLOGY**

**Demand**

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households*
- b. **Demand from Existing Households:** The second source of demand should be projected from:
  - **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent.*

Based on Table B25074 of the American Community Survey (ACS) 2009-2013 5-year estimates, approximately 22.3% to 40.8% (depending upon targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing.*

Based on Table B25016 of the American Community Survey (ACS) 2009-2013 5-year estimates, 6.0% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure that accounts for more than 2% of total demand must be based on actual market conditions, as documented in the study.*

Not applicable, as the subject project will not be age-restricted.

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

## Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2014/2015) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2014 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

As detailed in *Section H*, there is one planned non-subsidized general-occupancy Tax Credit property within the Site PMA. The Grove at Oakmont, to be located at the southeast corner of Monroe Street and East Waring Street in Waycross received LIHTC financing in 2015 and is scheduled for completion in December 2017. Once completed, it will target family households earning up to 50% (12 units) and 60% (48 units) of AMHI. This property is expected to be competitive with the subject project, given the similar unit types to be offered and population to be targeted. This planned property is summarized as follows and has been considered in our demand estimates for the subject project on the following page.

| Project Name     | Year Built          | Number Of Bedrooms | Units At Targeted AMHI |          |
|------------------|---------------------|--------------------|------------------------|----------|
|                  |                     |                    | 50% AMHI               | 60% AMHI |
| Grove at Oakmont | 2015<br>(Allocated) | One                | 2                      | 7        |
|                  |                     | Two                | 7                      | 26       |
|                  |                     | Three              | 3                      | 15       |
|                  |                     | Four               | -                      | -        |

The following is a summary of our demand calculations:

| Demand Component  | Percent Of Median Household Income |                                    |                                   |
|---|------------------------------------|------------------------------------|-----------------------------------|
|   | 50% AMHI<br>(\$15,806 To \$26,600) | 60% AMHI<br>(\$18,960 To \$31,920) | Overall<br>(\$15,806 To \$31,920) |
| Demand From New Households<br>(Age- And Income-Appropriate)                           | 1,229 - 1,245 = -16                | 1,283 - 1,301 = -18                | 1,710 - 1,731 = -21               |
| +   |                                    |                                    |                                   |
| Demand From Existing Households<br>(Rent Overburdened)                                | 1,245 X 40.8% = 508                | 1,301 X 22.3% = 290                | 1,731 X 34.1% = 590               |
| +   |                                    |                                    |                                   |
| Demand From Existing Households<br>(Renters In Substandard Housing)                   | 1,245 X 6.0% = 75                  | 1,301 X 6.0% = 78                  | 1,731 X 6.0% = 104                |
| =   |                                    |                                    |                                   |
| Demand Subtotal   | 567                                | 350                                | 673                               |
| +   |                                    |                                    |                                   |
| Demand From Existing Homeowners<br>(Elderly Homeowner Conversion)<br>Cannot exceed 2% | N/A                                | N/A                                | N/A                               |
| =   |                                    |                                    |                                   |
| Total Demand  | 567                                | 350                                | 673                               |
| -   |                                    |                                    |                                   |
| Supply<br>(Directly Comparable Units Built And/<br>Or Funded Since 2014)              | 12                                 | 48                                 | 60                                |
| =   |                                    |                                    |                                   |
| Net Demand  | 555                                | 302                                | 613                               |
| Proposed Units / Net Demand   | 17 / 555                           | 63 / 302                           | 80 / 613                          |
| Capture Rate  | = 3.1%                             | = 20.9%                            | = 13.1%                           |

N/A - Not Applicable

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the proposed project's overall capture rate of 13.1% is considered low and easily achievable within the Waycross PMA. This is especially true, given the high occupancy rates (95.8% or higher) and waiting lists maintained among the comparable LIHTC projects surveyed in the market. The capture rates by AMHI level are also considered achievable within the Site PMA.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows.

| Estimated Demand By Bedroom |         |
|-----------------------------|---------|
| Bedroom Type                | Percent |
| One-Bedroom                 | 25%     |
| Two-Bedroom                 | 50%     |
| Three-Bedroom               | 25%     |
| Total                       | 100.0%  |

Applying these shares to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows:

| Bedroom Size<br>(Share Of Demand) | Target<br>% of<br>AMHI | Subject<br>Units | Total<br>Demand* | Supply**  | Net<br>Demand | Capture<br>Rate | Absorption      | Average<br>Market<br>Rent | Subject<br>Rents |
|-----------------------------------|------------------------|------------------|------------------|-----------|---------------|-----------------|-----------------|---------------------------|------------------|
| One-Bedroom (25%)                 | 50%                    | 3                | 142              | 2         | 140           | 2.1%            | 1 Month         | \$415                     | \$298            |
| One-Bedroom (25%)                 | 60%                    | 9                | 88               | 7         | 81            | 11.1%           | 2 Months        | \$415                     | \$388            |
| <b>One-Bedroom</b>                | <b>Total</b>           | <b>12</b>        | <b>230</b>       | <b>9</b>  | <b>221</b>    | <b>5.4%</b>     | <b>2 Months</b> |                           | <b>-</b>         |
|                                   |                        |                  |                  |           |               |                 |                 |                           |                  |
| Two-Bedroom (50%)                 | 50%                    | 8                | 283              | 7         | 276           | 2.9%            | 2 Months        | \$544                     | \$345            |
| Two-Bedroom (50%)                 | 60%                    | 32               | 175              | 26        | 149           | 21.5%           | 7 Months        | \$544                     | \$452            |
| <b>Two-Bedroom</b>                | <b>Total</b>           | <b>40</b>        | <b>458</b>       | <b>33</b> | <b>425</b>    | <b>9.4%</b>     | <b>8 Months</b> |                           | <b>-</b>         |
|                                   |                        |                  |                  |           |               |                 |                 |                           |                  |
| Three-Bedroom (25%)               | 50%                    | 6                | 142              | 3         | 139           | 4.3%            | 2 Months        | \$633                     | \$386            |
| Three-Bedroom (25%)               | 60%                    | 22               | 87               | 15        | 72            | 30.6%           | 4 Months        | \$633                     | \$510            |
| <b>Three-Bedroom</b>              | <b>Total</b>           | <b>28</b>        | <b>229</b>       | <b>18</b> | <b>211</b>    | <b>13.3%</b>    | <b>5 Months</b> |                           | <b>-</b>         |

\*Includes overlap between the targeted income levels at the subject site.

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

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in *Addendum E*.

The capture rates by bedroom type and AMHI level range from 2.1% to 30.6%, depending upon unit type. Utilizing this methodology, these capture rates are considered achievable and demonstrate a good base of potential income-eligible renter households in the Waycross market for the proposed subject development. This is especially true when considering the high occupancy rates and waiting lists maintained among the existing comparable LIHTC projects in the market, as evidenced by our Field Survey of Conventional Rentals (*Addendum A*).

## SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

### 1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Waycross Site PMA in 2010 and 2016 (estimated) are summarized in the following table:

| Housing Status  | 2010 (Census) |         | 2016 (Estimated) |         |
|-----------------|---------------|---------|------------------|---------|
|                 | Number        | Percent | Number           | Percent |
| Total-Occupied  | 18,611        | 85.6%   | 18,545           | 83.9%   |
| Owner-Occupied  | 12,559        | 67.5%   | 11,956           | 64.5%   |
| Renter-Occupied | 6,052         | 32.5%   | 6,589            | 35.5%   |
| Vacant          | 3,124         | 14.4%   | 3,554            | 16.1%   |
| Total           | 21,735        | 100.0%  | 22,099           | 100.0%  |

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

Based on a 2016 update of the 2010 Census, of the 22,099 total housing units in the market, 16.1% were vacant. This is considered a moderate share of vacant housing units. It is of note however, that the number of vacant housing units reflected in the preceding table includes dilapidated, abandoned, and/or for-sale housing units, as well as those utilized solely for recreation/seasonal purposes. Therefore, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental housing market within the Site PMA.

#### Conventional Rentals

We identified and personally surveyed nine conventional rental housing projects containing a total of 488 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.6%, a strong rate for rental housing. Each of the rental housing segments surveyed is summarized in the following table.

| Project Type                     | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-Rate                      | 2                 | 112         | 1            | 99.1%          |
| Tax Credit                       | 5                 | 259         | 3            | 98.8%          |
| Tax Credit/Government-Subsidized | 1                 | 84          | 0            | 100.0%         |
| Government-Subsidized            | 1                 | 33          | 3            | 90.9%          |
| Total                            | 9                 | 488         | 7            | 98.6%          |

As the preceding illustrates, the Waycross rental market is primarily comprised of affordable (Tax Credit and/or Government-Subsidized) product, as such product represents 77.0% of the rental units surveyed in the Site PMA. This share, along with the high occupancy rates, is a good indication that affordable rental product is in high demand within the Site PMA. Note only three (3) vacant units are reported among the non-subsidized Tax Credit product surveyed, demonstrating a very limited supply of such product in the market.

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

| Market-Rate                |       |            |               |          |             |                   |
|----------------------------|-------|------------|---------------|----------|-------------|-------------------|
| Bedroom                    | Baths | Units      | Distribution  | Vacancy  | % Vacant    | Median Gross Rent |
| One-Bedroom                | 1.0   | 14         | 12.5%         | 0        | 0.0%        | \$531             |
| Two-Bedroom                | 1.0   | 51         | 45.5%         | 1        | 2.0%        | \$619             |
| Two-Bedroom                | 2.0   | 32         | 28.6%         | 0        | 0.0%        | \$644             |
| Three-Bedroom              | 2.0   | 15         | 13.4%         | 0        | 0.0%        | \$781             |
| <b>Total Market-rate</b>   |       | <b>112</b> | <b>100.0%</b> | <b>1</b> | <b>0.9%</b> | -                 |
| Tax Credit, Non-Subsidized |       |            |               |          |             |                   |
| Bedroom                    | Baths | Units      | Distribution  | Vacancy  | % Vacant    | Median Gross Rent |
| One-Bedroom                | 1.0   | 69         | 26.6%         | 0        | 0.0%        | \$507             |
| Two-Bedroom                | 1.0   | 68         | 26.3%         | 0        | 0.0%        | \$614             |
| Two-Bedroom                | 2.0   | 38         | 14.7%         | 0        | 0.0%        | \$694             |
| Three-Bedroom              | 2.0   | 60         | 23.2%         | 2        | 3.3%        | \$761             |
| Four-Bedroom               | 2.0   | 24         | 9.3%          | 1        | 4.2%        | \$829             |
| <b>Total Tax Credit</b>    |       | <b>259</b> | <b>100.0%</b> | <b>3</b> | <b>1.2%</b> | -                 |

The market-rate units are 99.1% occupied and the non-subsidized Tax Credit units are 98.8% occupied. Note that there is a variety of bedroom types offered among the existing non-subsidized Tax Credit properties surveyed in the market, all of which appear to be in high demand as no single unit type reports a vacancy rate above 4.2%. Although some of the median gross Tax Credit rents are similar to or higher than those reported among similar market-rate units in the market, this is likely due to the fact that non-subsidized Tax Credit product is the newest and highest quality rental product in the Waycross market and is thus setting the standard for non-subsidized rental product in the area. Regardless, the 98.8% occupancy rate reported is a clear indication that non-subsidized Tax Credit product has been well received and likely represents a value in the market.

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

| Market-Rate               |          |             |              |
|---------------------------|----------|-------------|--------------|
| Quality Rating            | Projects | Total Units | Vacancy Rate |
| C                         | 2        | 112         | 0.9%         |
| Non-Subsidized Tax Credit |          |             |              |
| Quality Rating            | Projects | Total Units | Vacancy Rate |
| B                         | 5        | 259         | 1.2%         |

As the preceding illustrates, non-subsidized Tax Credit product in the market is of higher quality than unrestricted market-rate product, which is not unusual for more rural markets such as the Waycross Site PMA. The subject project is expected to have an excellent quality finish and attractive aesthetic appeal upon completion which should contribute to its marketability within the Waycross market.

## 2. SUMMARY OF ASSISTED PROJECTS

A total of seven federally subsidized and/or Tax Credit apartment developments were identified and surveyed in the Waycross Site PMA. These projects were surveyed in April of 2016 and are summarized as follows.

| Map I.D.     | Project Name           | Type        | Year Built/<br>Renovated | Total Units | Occupancy Rate | Gross Rent<br>(Unit Mix) |                       |                       |                       |
|--------------|------------------------|-------------|--------------------------|-------------|----------------|--------------------------|-----------------------|-----------------------|-----------------------|
|              |                        |             |                          |             |                | One-Br.                  | Two-Br.               | Three-Br.             | Four-Br.              |
| 2            | Peachwood Place        | TAX         | 1999                     | 72          | 95.8%          | -                        | \$614 - \$664<br>(16) | \$711 - \$761<br>(32) | \$829 - \$889<br>(24) |
| 3            | Central Walnut Village | SEC 202     | 2006                     | 33          | 90.9%          | \$570 (33)               | -                     | -                     | -                     |
| 4            | Ocean Breeze Park      | TAX         | 2010                     | 48          | 100.0%         | -                        | \$647 - \$707<br>(20) | \$760 - \$795<br>(28) | -                     |
| 6            | Ware Manor Apts.       | TAX & SEC 8 | 1974 / 1999              | 84          | 100.0%         | \$594 (20)               | \$679 (28)            | \$790 (36)            | -                     |
| 7            | Waring Apts. I         | TAX         | 1999                     | 40          | 100.0%         | \$511 (20)               | \$626 (20)            | -                     | -                     |
| 8            | Ware Hotel             | TAX         | 2012                     | 35          | 100.0%         | \$507 - \$608<br>(17)    | \$621 - \$694<br>(18) | -                     | -                     |
| 9            | Westport Village       | TAX         | 2005                     | 64          | 100.0%         | \$381 - \$503<br>(32)    | \$559 - \$604<br>(32) | -                     | -                     |
| <b>Total</b> |                        |             |                          | <b>376</b>  | <b>98.4%</b>   |                          |                       |                       |                       |

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

TAX - Tax Credit

SEC - Section

\*Market-rate units not included

The seven federally subsidized and/or Tax Credit properties surveyed in the market have a combined occupancy rate of 98.4% and no individual property reports an occupancy rate below 90.9%. In addition, four of the seven properties maintain waiting lists for their next available units. The high occupancy rates and waiting lists reported among these properties are good indications of high and pent-up demand for additional affordable rental housing product within the Waycross market. The subject project will help alleviate a portion of this pent-up demand.

**Tax Credit Property Disclosure:** In addition to the six properties surveyed, we also identified two additional properties that operate or were awarded a Tax Credit allocation under the Low-Income Housing Tax Credit (LIHTC) program that we were unable to survey within the Site PMA. The known details of these projects based on previous surveys conducted by Bowen National Research in the Waycross area and from the state Tax Credit allocation list are summarized in the following table:

| Name                  | Location                           | Year Built/<br>Renovated | Total<br>Units | Target<br>Population                           | Occupancy at Last<br>Survey            |
|-----------------------|------------------------------------|--------------------------|----------------|--|--|
| Waring Apts. II       | 806 E. Waring St.,<br>Waycross, GA | 2003                     | 28*            | Seniors (55+); 50% &<br>60% AMHI               | 100.0%; 4 H.H Waitlist<br>(April 2012) |
| Village at Blackshear | 940 Ware St.,<br>Blackshear, GA    | 1971/2014                | 46             | Seniors (62+); 50% &<br>60% AMHI and Section 8 | 100.0%; 3 H.H Waitlist<br>(April 2013) |

\*Tax Credit units only; property also offers unrestricted market-rate units  
H.H. – Households

As indicated above, both of the properties we were unable to survey are age-restricted properties. In addition, one of these properties, Village at Blackshear, also operates with a Section 8 subsidy available to all units. Based on the preceding factors, these two additional LIHTC properties are not considered directly competitive with the subject project.

#### HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (GDCA) Administration of Housing Choice Vouchers Program-Waycross Regional Office, there are approximately 211 Housing Choice Voucher holders within the housing authority’s jurisdiction and 100 people currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. Annual turnover within the Voucher program is estimated at 58 households. This reflects the continuing need for affordable housing and/or Housing Choice Voucher assistance within the Waycross area.

The following table identifies the existing non-subsidized Tax Credit properties surveyed within the Site PMA that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers:

| Map<br>I.D. | Project Name      | Total<br>Units | Number of<br>Vouchers | Share of<br>Vouchers |
|-------------|-------------------|----------------|-----------------------|----------------------|
| 2           | Peachwood Place   | 69**           | 15                    | 20.8%                |
| 4           | Ocean Breeze Park | 48             | 13                    | 27.1%                |
| 7*          | Waring Apts. I    | 40             | 25                    | 62.5%                |
| 8           | Ware Hotel        | 35             | 2                     | 5.7%                 |
| 9*          | Westport Village  | 64             | 14                    | 21.9%                |
| Total       |                   | 256**          | 69                    | 27.0%                |

\*Age-Restricted  
\*\*Occupied units only

As the preceding table illustrates, there are a total of 69 Voucher holders residing at the existing non-subsidized LIHTC properties in the market. This comprises 27.0% of the 256 total non-subsidized LIHTC units occupied among these properties. This is a good indication that the subject project will likely receive some support from Voucher holders within the Site PMA. However, when considering that approximately 73.0% of the occupied units at these LIHTC projects are occupied by non-voucher holders, it can also be concluded that the rents at these properties are achievable and will serve as accurate benchmarks with which to compare the subject project.

If the rents do not exceed Fair Market Rents, households with Housing Choice Vouchers may be eligible to reside at a LIHTC project. The following table outlines the HUD 2015 Fair Market Rents for Ware County, Georgia and the proposed subject gross rents.

| Bedroom Type  | Fair Market Rents | Proposed Tax Credit Gross Rents |
|---------------|-------------------|---------------------------------|
| One-Bedroom   | \$433             | \$461 (50%)<br>\$553 (60%)      |
| Two-Bedroom   | \$586             | \$554 (50%)<br>\$664 (60%)      |
| Three-Bedroom | \$730             | \$640 (50%)<br>\$768 (60%)      |

As the preceding illustrates, the two- and three-bedroom units at 50% have proposed gross rents set below the current Fair Market Rents. As such, the subject project will be able to accommodate Housing Choice Voucher holders within those unit types. This will likely increase the base of income-appropriate renter households within the Waycross Site PMA for the subject development and has been considered in our absorption estimates in *Section I* of this report.

### 3. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with local planning officials and our review of the state Tax Credit allocation list, it was determined that there is one multifamily property currently planned within the Site PMA. The known details of this planned project are summarized as follows:

- The Grove at Oakmont, to be located at the southeast corner of Monroe Street and East Waring Street in Waycross, is a planned LIHTC project by The Vantage Group. The project received LIHTC financing in 2015 and is scheduled for completion in December of 2017. Once completed, it will target family households earning up to 50% (12 units) and 60% (48 units) of AMHI. The unit sizes will include one-, two- and three-bedroom garden-style units and two- and three-bedroom townhomes. Proposed collected rents at this property range from \$317 to \$480, depending upon unit type and will include the cost of trash collection. Unit sizes (square feet) at this property will range

from 769 to 1,422 square feet. The one-bedroom units will include 1.0-bath while the two- and three-bedroom garden units will include 2.0-baths. The two- and three-bedroom townhomes will both offer 2.5-baths. Amenities to be offered at this property will include a refrigerator, dishwasher, electric range, central air conditioning, carpet, window blinds, washer/dryer hookups, on-site management, a laundry facility, club house, playground, and picnic area.

The aforementioned property is expected to be competitive with the subject project, given the similar unit types to be offered and population to be targeted. Thus, this property has been considered in our demand estimates for the subject project in *Section G*. It is also of note that local planning officials also indicated that a small duplex/triplex building is in the development pipeline within the Site PMA. However, this property is in the very early stages of development and is expected to offer a minimal number of unrestricted market-rate units and thus is not considered competitive with the subject project.

### Building Permit Data

The following table illustrates single-family and multifamily building permits issued within Ware County for the past ten years. Note building permit data was unavailable for the city of Waycross.

| Housing Unit Building Permits for Ware County: |      |      |      |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|------|------|
| Permits  | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Multifamily Permits                            | 0    | 0    | 0    | 2    | 2    | 0    | 0    | 0    | 0    | 0    |
| Single-Family Permits                          | 126  | 120  | 76   | 60   | 42   | 76   | 75   | 77   | 91   | 94   |
| Total Units                                    | 126  | 120  | 76   | 62   | 44   | 76   | 75   | 77   | 91   | 94   |

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

As the preceding illustrates, there have been only four multifamily permits issued over the past ten years within the Ware County area. It is important to note however, that several rental properties have been constructed within the Waycross Site PMA during this time period, as evidenced by our Field Survey of Conventional Rentals. As such, the number of multifamily building permits illustrated in the preceding table is believed to be underestimated.

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

##### Tax Credit Units

The subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed a total of five non-subsidized LIHTC properties. Two of these five properties, however, target senior households (age 55 or 62 and older) and therefore are not considered competitive with or comparable to the proposed general-occupancy subject project. The three remaining LIHTC properties surveyed target family households earning up to 50% and 60% of AMHI and will therefore serve as accurate benchmarks with which to compare the subject project. Due to the relatively limited supply of comparable LIHTC product within the Site PMA, we also identified and surveyed two additional general-occupancy LIHTC properties located outside the Site PMA, but within the nearby region. These two properties are located in the towns of Douglas and Jesup, Georgia. Note that since these properties are located outside the Site PMA, they derive demographic support from different geographic areas as compared to the subject project. As such, these properties are not considered competitive with the subject project and have only been included for comparability purposes.

The five comparable properties and the proposed development are summarized as follows. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum B, *Comparable Property Profiles*.

| Map I.D. | Project Name      | Year Built | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market                  |
|----------|-------------------|------------|-------------|-----------|------------------|--------------|--------------------------------|
| Site     | Peaks of Waycross | 2018       | 80          | -         | -                | -            | Families; 50% & 60% AMHI       |
| 2        | Peachwood Place   | 1999       | 72          | 95.8%     | 1.2 Miles        | None         | Families; 50% & 60% AMHI       |
| 4        | Ocean Breeze Park | 2010       | 48          | 100.0%    | 3.4 Miles        | 18 H.H.      | Families; 50% & 60% AMHI       |
| 8        | Ware Hotel        | 2012       | 35          | 100.0%    | 1.7 Miles        | None         | Families; 50% & 60% AMHI       |
| 901      | Estes Park Apts.  | 2004       | 72          | 95.8%     | 37.1 Miles       | 3-Br: 2 H.H. | Families; 30%, 50%, & 60% AMHI |
| 902      | Sunset Pointe     | 2005       | 51*         | 100.0%    | 38.9 Miles       | 6 H.H.       | Families; 30%, 50%, & 60% AMHI |

OCC. – Occupancy

H.H. - Households

\*Tax Credit units only

Map IDs 901 & 902 are located outside the Site PMA

The five LIHTC projects have a combined occupancy rate of 97.8%, with three of the five properties reporting occupancy rates of 100.0%. In addition, three of the comparable LIHTC projects also maintain waiting lists for some, if not all, of their next available unit types. The high occupancy rates and waiting lists reported among the comparable LIHTC projects are good indications of high and pent-up demand for additional family-oriented LIHTC product in the market and region. The subject project will help alleviate a portion of this pent-up demand.

It is of note that the newest comparable LIHTC property, Ware Hotel (Map ID 8), opened in January of 2012 and first reported an occupancy rate of 100.0% in March of 2012, according to management at this property. This yields an average absorption rate of approximately 11 to 12 units per month for this 35 unit property. This is considered a good absorption rate and further demonstrates high demand for family-oriented LIHTC product in the Site PMA.

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



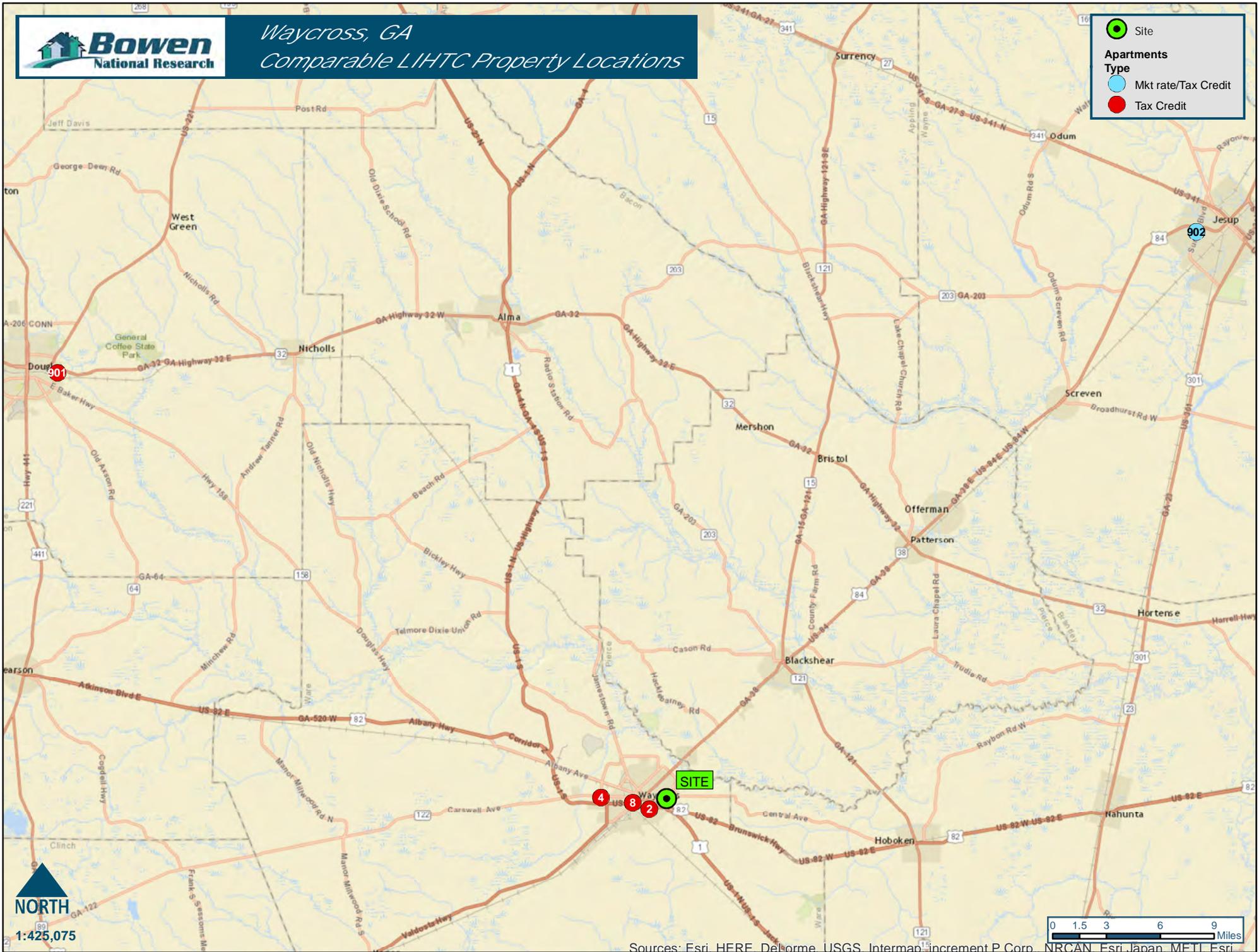
# Waycross, GA

## Comparable LIHTC Property Locations

● Site

Apartment Type

- Mkt rate/Tax Credit
- Tax Credit



NORTH  
1:425,075

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

| Map I.D.    | Project Name             | Gross Rent/Percent of AMHI<br>(Number of Units/Vacancies) |   |   |                                      | Rent Special |
|-------------|--------------------------|---|---|---|--------------------------------------|--------------|
|             |                          | One-Br.   | Two-Br.   | Three-Br.                                     | Four-Br.                             |              |
| <b>Site</b> | <b>Peaks of Waycross</b> | <b>\$461/50% (3)</b><br><b>\$554/60% (9)</b>              | <b>\$553/50% (8)</b><br><b>\$664/60% (32)</b>           | <b>\$640/50% (6)</b><br><b>\$768/60% (22)</b> | -                                    | -            |
| 2           | Peachwood Place          | -   | \$614/50% (6/0)<br>\$664/60% (10/0)                     | \$711/50% (12/1)<br>\$761/60% (20/1)          | \$829/50% (12/0)<br>\$889/60% (12/1) | None         |
| 4           | Ocean Breeze Park        | -   | \$647/50% (8/0)<br>\$707/60% (12/0)                     | \$760/50% (11/0)<br>\$795/60% (17/0)          | -                                    | None         |
| 8           | Ware Hotel               | \$507/50% (3/0)<br>\$608/60% (14/0)                       | \$621/50% (3/0)<br>\$694/60% (15/0)                     | -   | -                                    | None         |
| 901         | Estes Park Apts.         | \$350/30% (3/1)<br>\$537/50% (12/0)<br>\$577/60% (5/0)    | \$432/30% (2/0)<br>\$652/50% (21/1)<br>\$682/60% (13/1) | \$735/50% (11/0)<br>\$780/60% (5/0)           | -                                    | None         |
| 902         | Sunset Pointe            | \$315/30% (2/0)<br>\$477/50% (10/0)<br>\$477/60% (1/0)    | \$381/30% (3/0)<br>\$602/50% (22/0)<br>\$622/60% (1/0)  | \$442/30% (2/0)<br>\$725/50% (10/0)           | -                                    | None         |

Map IDs 901 & 902 are located outside the Site PMA

As the preceding illustrates, the subject's proposed gross Tax Credit rents will be some of the lowest in the market and region, relative to similar unit types among the comparable properties. In fact, the proposed rents will be the lowest among the three comparable properties located in the Waycross Site PMA. These low proposed gross rents will likely create a marketing advantage for the subject project.

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

| Weighted Average Collected Rent Of Comparable LIHTC Units* |             |             |
|--|-------------|-------------|
| One-Br.  | Two-Br.     | Three-Br.   |
| \$335 (50%)  | \$420 (50%) | \$486 (50%) |
| \$447 (60%)  | \$483 (60%) | \$530 (60%) |

\*Only units targeting similar AMHI levels as the subject project

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

| Bedrooms  | Weighted Avg. Rent (% AMHI) | Proposed Rent (% AMHI) | Difference | Proposed Rent (% AMHI) | Rent Advantage |
|-----------|-----------------------------|------------------------|------------|------------------------|----------------|
| One-Br.   | \$335 (50%)                 | - \$312 (50%)          | \$23       | / \$312 (50%)          | 7.4%           |
|           | \$447 (60%)                 | - \$405 (60%)          | \$42       | / \$405 (60%)          | 10.4%          |
| Two-Br.   | \$420 (50%)                 | - \$361 (50%)          | \$59       | / \$361 (50%)          | 16.3%          |
|           | \$483 (60%)                 | - \$472 (60%)          | \$11       | / \$472 (60%)          | 2.3%           |
| Three-Br. | \$486 (50%)                 | - \$406 (50%)          | \$80       | / \$406 (50%)          | 19.7%          |
|           | \$530 (60%)                 | - \$534 (60%)          | -\$4       | / \$534 (60%)          | -0.7%          |

As the preceding illustrates, the proposed subject units represent rent advantages ranging from -0.7% to 19.7%, depending upon unit type, as compared to the weighted average collected rents of the comparable LIHTC projects. Please note however that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in *Addendum E* of this report.

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

| Map I.D.    | Project Name             | Square Footage |              |              |          |
|-------------|--------------------------|----------------|--------------|--------------|----------|
|             |                          | One-Br.        | Two-Br.      | Three-Br.    | Four-Br. |
| <b>Site</b> | <b>Peaks of Waycross</b> | <b>700</b>     | <b>1,000</b> | <b>1,100</b> | <b>-</b> |
| 2           | Peachwood Place          | -              | 874          | 1,344        | 1,260    |
| 4           | Ocean Breeze Park        | -              | 1,010        | 1,133        | -        |
| 8           | Ware Hotel               | 500 - 700      | 600 - 800    | -            | -        |
| 901         | Estes Park Apts.         | 783            | 1,025        | 1,080        | -        |
| 902         | Sunset Pointe            | 980            | 1,050        | 1,180        | -        |

Map IDs 901 & 902 are located outside the Site PMA

| Map I.D.    | Project Name             | Number of Baths |            |            |          |
|-------------|--------------------------|-----------------|------------|------------|----------|
|             |                          | One-Br.         | Two-Br.    | Three-Br.  | Four-Br. |
| <b>Site</b> | <b>Peaks of Waycross</b> | <b>1.0</b>      | <b>2.0</b> | <b>2.0</b> | <b>-</b> |
| 2           | Peachwood Place          | -               | 1.0        | 2.0        | 2.0      |
| 4           | Ocean Breeze Park        | -               | 2.0        | 2.0        | -        |
| 8           | Ware Hotel               | 1.0             | 2.0        | -          | -        |
| 901         | Estes Park Apts.         | 1.0             | 2.0        | 2.0        | -        |
| 902         | Sunset Pointe            | 1.0             | 2.0        | 2.0        | -        |

Map IDs 901 & 902 are located outside the Site PMA

The subject project is competitively positioned among the comparable LIHTC projects in terms of both unit size (square feet) and number of bathrooms offered. This will contribute to the project's marketability within the Site PMA, particularly when considering the low proposed gross rents.

The following table compares the amenities of the subject development with the other LIHTC projects in the market and region.

# COMPARABLE PROPERTIES AMENITIES - WAYCROSS, GEORGIA

| MAP ID      | APPLIANCES |              |          |            |          |           |            | UNIT AMENITIES |                |                  |            |                    |             |          |          |          |                   |                |         |         |
|-------------|------------|--------------|----------|------------|----------|-----------|------------|----------------|----------------|------------------|------------|--------------------|-------------|----------|----------|----------|-------------------|----------------|---------|---------|
|             | RANGE      | REFRIGERATOR | ICEMAKER | DISHWASHER | DISPOSAL | MICROWAVE | CENTRAL AC | WINDOW AC      | FLOOR COVERING | WASHER AND DRYER | W/D HOOKUP | PATIO/DECK/BALCONY | CEILING FAN | BASEMENT | INTERCOM | SECURITY | WINDOW TREATMENTS | E-CALL BUTTONS | PARKING | OTHER   |
| <b>SITE</b> | X          | X            |          | X          | X        | X         | X          |                | C              |                  | X          |                    | X           |          |          |          | B                 |                | S       |         |
| <b>902</b>  | X          | X            | X        | X          | X        | X         | X          |                | C              | S                | X          | X                  | X           |          |          |          | B                 |                | S       | Storage |
| <b>2</b>    | X          | X            |          | X          | X        |           | X          |                | C              |                  | X          | X                  |             |          |          |          | B                 |                | S       |         |
| <b>4</b>    | X          | X            | X        | X          | X        | X         | X          |                | C              |                  | X          | X                  | X           |          |          |          | B                 | S              | A,S     | Storage |
| <b>8</b>    | X          | X            | X        | X          | X        | X         | X          |                | C              |                  | X          |                    | X           |          |          |          | B                 |                | O,S     |         |
| <b>901</b>  | X          | X            | X        | X          | X        |           | X          |                | C              |                  | X          | X                  |             |          |          |          | B                 |                | S       | Storage |

| MAP ID      | PROJECT AMENITIES |              |         |            |                 |                |                 |            |              |              |         |          |               |              |         | OTHER |             |                 |                 |               |
|-------------|-------------------|--------------|---------|------------|-----------------|----------------|-----------------|------------|--------------|--------------|---------|----------|---------------|--------------|---------|-------|-------------|-----------------|-----------------|---------------|
|             | POOL              | ON-SITE MGMT | LAUNDRY | CLUB HOUSE | COMMUNITY SPACE | FITNESS CENTER | JACUZZI / SAUNA | PLAYGROUND | TENNIS COURT | SPORTS COURT | STORAGE | ELEVATOR | SECURITY GATE | COMPUTER LAB | LIBRARY |       | PICNIC AREA | SOCIAL SERVICES | BUSINESS CENTER |               |
| <b>SITE</b> |                   | X            | X       | X          | X               |                |                 | X          |              |              |         |          |               | X            |         | X     |             |                 |                 |               |
| <b>902</b>  |                   | X            | X       | X          |                 | X              |                 | X          |              | B            |         |          |               | X            | X       | X     |             |                 |                 | Walking Trail |
| <b>2</b>    | X                 |              | X       |            |                 |                |                 | X          |              | B            |         |          |               |              |         |       |             |                 |                 |               |
| <b>4</b>    |                   | X            | X       |            |                 | X              |                 | X          |              |              |         |          |               | X            |         | X     |             |                 |                 | Garden        |
| <b>8</b>    |                   | X            | X       |            | X               | X              |                 | X          |              |              |         |          |               | X            |         | X     |             |                 |                 |               |
| <b>901</b>  |                   | X            | X       | X          |                 | X              |                 | X          |              | S            |         |          |               | X            |         | X     | X           |                 |                 |               |

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

|                |
|----------------|
| X - All Units  |
| S - Some Units |
| O - Optional   |

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

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

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

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

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

As the preceding illustrates, the proposed amenity package at the subject project is competitive with those offered among the comparable LIHTC projects surveyed in the market and region. Key amenities to be included at the subject project include, but are not limited to, dishwashers, microwave ovens, central air conditioning, in-unit washer/dryer hookups, on-site management, a community space, laundry facility, computer center, and playground. The inclusion of such features will help ensure the competitive position of the project. Some of the comparable properties offer additional features such as, a patio/balcony, exterior storage, and/or a fitness center. The inclusion of such features would certainly enhance the overall marketability of the subject project, but are not considered necessary amenities within an affordable rental community such as that proposed at the subject site.

Comparable Tax Credit Summary

None of the comparable LIHTC projects surveyed in the market or region reports an occupancy rate below 95.8%, and three of the five comparables are 100.0% occupied. Some of the comparable LIHTC projects also maintain waiting lists. The high occupancy rates and waiting lists reported among the comparable properties are clear indication of strong demand for family-oriented LIHTC product such as that proposed at the subject site. The subject project will offer some of the lowest priced LIHTC units in the Site PMA, relative to similar unit types among the comparable properties in the market. This will likely create competitive advantage for the subject project. In addition to the project’s competitively positioned rents, it will also be competitive in terms of unit design (square footage and number of bathrooms) and amenities. Some of the comparable properties offer additional amenities not offered at the subject project, though this is not expected to have any adverse impact on the overall marketability of the project. This is especially true when considering the newness of the subject project and the low proposed gross rents, as well as the high occupancy rates reported among the comparable properties. Overall, the subject project is considered marketable and is expected to represent a good value to low-income renters within the Waycross market.

Comparable/Competitive Housing Impact

The anticipated occupancy rates of the existing comparable Tax Credit developments in the Site PMA following the first year of occupancy at the subject site is as follows:

| Map I.D. | Project           | Current Occupancy Rate | Anticipated Occupancy Rate Through 2018 |
|----------|-------------------|------------------------|---|
| 2        | Peachwood Place   | 95.8%                  | 95.0%+                                  |
| 4        | Ocean Breeze Park | 100.0%                 | 95.0%+                                  |
| 8        | Ware Hotel        | 100.0%                 | 95.0%+                                  |

As previously discussed and illustrated in the preceding table, none of the comparable properties report occupancy rates below 95.8% and most are 100.0% occupied. One of these properties, Ocean Breeze Park (Map ID 4) also maintains a waiting list for their next available units. Considering the high occupancy rates and waiting lists maintained among four of the comparable properties and the depth of support (capture rate) for the subject project, we do not expect the development of the subject project to have any adverse impact on future occupancy rates among the existing comparable LIHTC projects in the market.

One page profiles of the Comparable/Competitive Tax Credit properties are included in *Addendum B* of this report.

**5. SINGLE-FAMILY HOME IMPACT**

According to ESRI, the median home value within the Site PMA was \$87,133. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$87,133 home is \$524, including estimated taxes and insurance.

| Buy Versus Rent Analysis                   |          |
|--|----------|
| Median Home Price - ESRI                   | \$87,133 |
| Mortgaged Value = 95% of Median Home Price | \$82,776 |
| Interest Rate - Bankrate.com               | 4.5%     |
| Term                                       | 30       |
| Monthly Principal & Interest               | \$419    |
| Estimated Taxes and Insurance*             | \$105    |
| Estimated Monthly Mortgage Payment         | \$524    |

\*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit rents at the subject project range from \$312 to \$534, depending upon bedroom type and AMHI level. While some potential tenants of the subject project could likely afford the cost of a monthly mortgage for a typical home in the area, it is also important to note that the subject project will be significantly newer and likely of superior quality as compared to a “median” priced home in the area. In addition, the subject project will include the cost of trash collection, as well as a comprehensive amenity package, in the cost of rent. Such expenses/features are not typically included in the cost of a monthly mortgage payment for a typical home in the area. Based on the preceding factors, we do not anticipate any competitive impact on or from the homebuyer market.

## SECTION I – ABSORPTION & STABILIZATION RATES

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2018 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2018.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the high occupancy rates and waiting lists reported among most existing non-subsidized LIHTC projects in the market, the subject's capture rate, achievable market rents and the competitiveness of the proposed subject development within the Waycross Site PMA. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout the Site PMA.

Based on our analysis, it is our opinion that the 80 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately eight months. This absorption period is based on an average monthly absorption rate of approximately nine units per month.

These absorption projections assume a March 2018 opening date. A different opening date may impact the absorption potential (positively or negatively) for the subject project. Further, these absorption projections assume the project will be built and operated as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

## SECTION J – INTERVIEWS

The following are summaries of interviews conducted with various local sources regarding the need for affordable housing within the Waycross Site PMA.

- Rebecca Blanchard is the Property Manager at Ware Manor, a subsidized Tax Credit property located in the Site PMA. Ms. Blanchard stated that she receives multiple calls a day in regards to affordable housing in the area. Ms. Blanchard also stated that her property is currently 100.0% occupied with a six to twelve month waiting list. Based on the preceding factors, Ms. Blanchard does not believe that there is ample housing to meet the needs of low-income renters within the Waycross area. According to Ms. Blanchard, the need is greatest for two- and three-bedroom units, as these are the most sought after units at her property.
- Levo Wiley is the Assistant Community Manager Administrator at Central Walnut Village, an age-restricted government-subsidized property located in the Site PMA. Ms. Wiley stated that while her property is age-restricted, she receives multiple inquiries each day from local residents looking for affordable general-occupancy rental housing in the area. Given this, and considering the high occupancy rates maintained among the existing affordable properties in the area, Ms. Wiley believes that there is an ongoing need for affordable housing in the area.
- Linda Driver, Office Manager for the GDCA Waycross Office indicated that they currently maintain a waiting list of 100 households for additional Housing Choice Vouchers within the Waycross area. Given this significant waiting list, Ms. Driver feels that there is a need for more affordable housing in the area.

## SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 80 general-occupancy LIHTC units proposed at the subject site, assuming it is developed and operated as detailed in this report. Changes to the project's site design, rents, amenities or opening date may alter these findings.

The subject site location is considered conducive to multifamily housing, as evidenced by the high occupancy rates reported among the existing properties in the immediate site neighborhood. The subject site is located within close proximity of most basic area services, many of which are easily accessible from the site due to site's convenient accessibility to multiple arterial roadways.

The subject project will offer non-subsidized general-occupancy LIHTC units, a product type that is clearly in high demand within the market and region, as the five comparable properties surveyed all report occupancy rates of 95.8% or higher and some maintain waiting lists. The subject project will help alleviate a portion of this pent-up demand. The subject's proposed gross rents will be some of the lowest in the market, relative to similar unit types offered among the existing comparable properties in the Site PMA. This is expected to create a competitive advantage for the subject project. The subject project will also be competitive in terms of unit size (square feet), number of bathrooms offered, and amenities offered. Some of the comparable properties offer a slightly superior amenity package as compared to the subject project, though the additional amenities offered at these properties are not considered necessary to the marketability of a LIHTC property in the Waycross market. This is especially true for the subject project, given the low proposed gross rents.

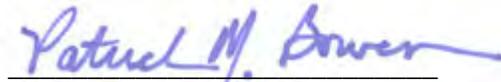
In addition to the existing LIHTC properties, one general-occupancy LIHTC property (Grove at Oakmont) is planned for the area and is expected to be competitive with the subject project. It is of note however, that a sufficient base of support is expected to exist in the market for both the subject project and this planned property, as evidenced by our demand estimates included in *Section G*. Specifically, the overall capture rate for the subject project is 13.1%, which is considered achievable within the Waycross market, especially when considering the high occupancy rates reported among the comparable properties. Regardless, it is recommended that the development progression of the planned Grove at Oakmont property is closely monitored by the developer, as it is likely that the subject project will experience similar absorption trends given the comparable unit types to be offered.

Based on the preceding analysis and additional information contained within this report, we believe the proposed subject development is marketable and supportable within the Waycross Site PMA as proposed and the project is not expected to have any adverse impact on future occupancy rates among existing comparable LIHTC properties in the market. In fact, we expect the subject project will help alleviate a portion of the pent-up demand for family-oriented LIHTC product within the Site PMA. We do not have any recommendations or modifications to the subject development at this time.

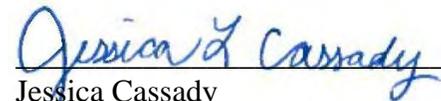
## SECTION L - SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.

Certified:



Patrick M. Bowen  
President/Market Analyst  
Bowen National Research  
155 E. Columbus St., Suite 220  
Pickerington, OH 43147  
(614) 833-9300  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: April 22, 2016



Jessica Cassidy  
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Date: April 22, 2016



Craig Rupert  
Market Analyst  
[craigr@bowennational.com](mailto:craigr@bowennational.com)  
Date: April 22, 2016

## SECTION M – MARKET STUDY REPRESENTATION

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

## SECTION N - QUALIFICATIONS

### The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

### The Staff

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Craig Rupert**, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

**Jack Wiseman**, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

**Jordana Baker**, Market Analyst, is a licensed Realtor with experience in the property management and for-sale housing industries. This experience gives her the ability to analyze site-specific housing conditions and how they may impact the overall market. In addition, her property management experience gives her inside knowledge of the day-to-day operations of rental housing. Ms. Baker obtained her Bachelor of Business Administration from The Ohio State University and her Associate of Science in Real Estate from Columbus State Community College.

**Jeff Peters**, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

**Garth Semple**, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

**Lisa Wood**, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

**Jessica Cassady**, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. She is also experienced in evaluating projects in the development pipeline and economic trends. Ms. Cassady graduated from Eastern Kentucky University with a Bachelor of Arts in Public Relations.

**Jordan Resnick**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Resnick holds a Bachelor of Science degree in Business Administration for The Ohio State University.

**Stephanie Viren** is the Field Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

**Christine Sweat**, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, she has the ability to analyze market and economic trends and conditions. Ms. Sweat holds a Bachelor of Arts in Communication from the University of Cincinnati.

**Desireé Johnson** is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

**June Davis**, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

**In-House Researchers** – Bowen National Research employs a staff of seven in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

## ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

### WAYCROSS, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

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

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

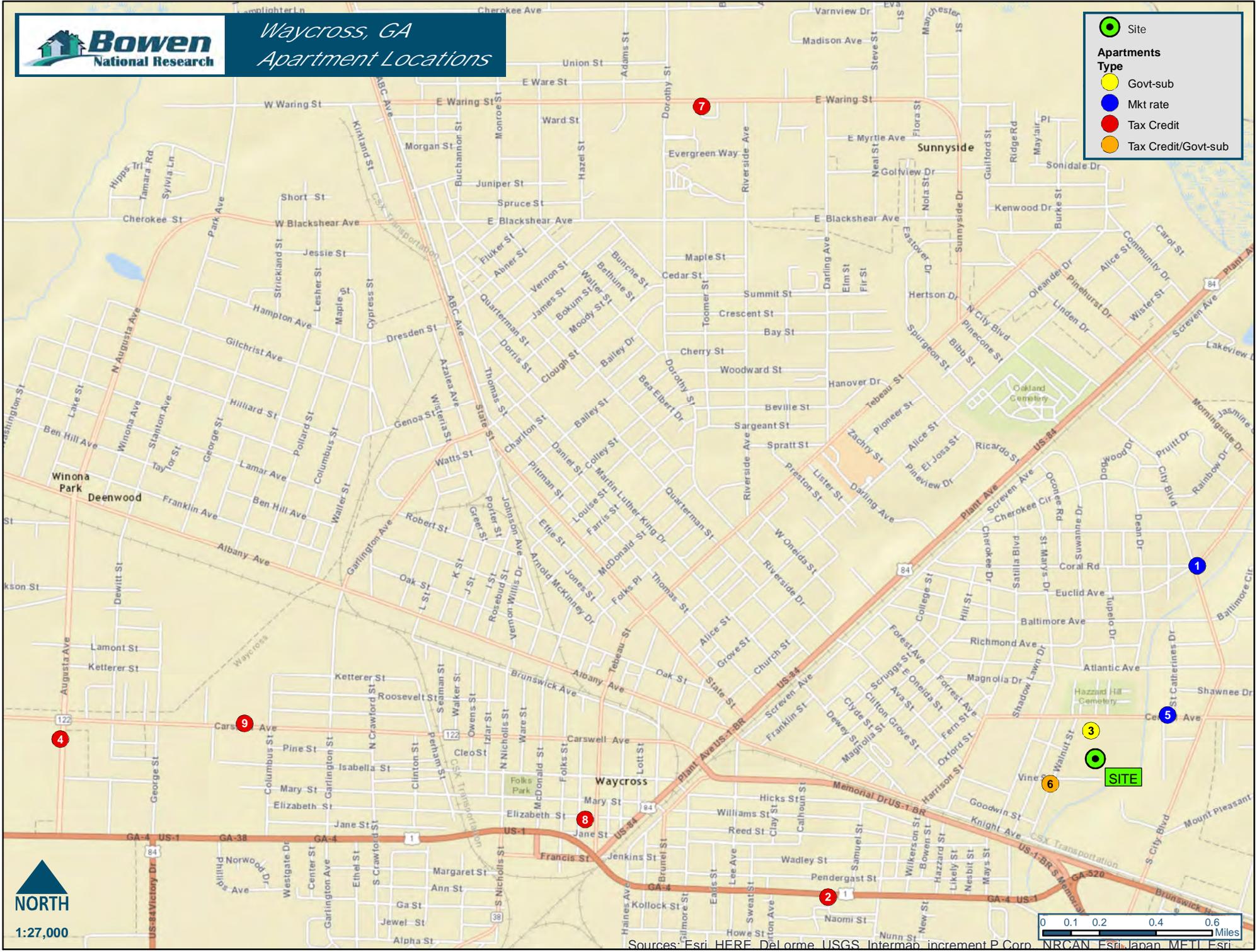


# Waycross, GA Apartment Locations

**Site**  
 Site

**Apartments Type**

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

# MAP IDENTIFICATION LIST - WAYCROSS, GEORGIA

| MAP ID | PROJECT NAME           | PROJ. TYPE | QUALITY RATING | YEAR BUILT | TOTAL UNITS | VACANT | OCC. RATE | DISTANCE TO SITE* |
|--------|------------------------|------------|----------------|------------|-------------|--------|-----------|-------------------|
| 1      | Cherokee Villa         | MRR        | C              | 1967       | 20          | 1      | 95.0%     | 1.2               |
| 2      | Peachwood Place        | TAX        | B              | 1999       | 72          | 3      | 95.8%     | 1.2               |
| 3      | Central Walnut Village | GSS        | B+             | 2006       | 33          | 3      | 90.9%     | 0.4               |
| 4      | Ocean Breeze Park      | TAX        | B              | 2010       | 48          | 0      | 100.0%    | 3.4               |
| 5      | Central Park           | MRR        | C              | 1975       | 92          | 0      | 100.0%    | 0.6               |
| 6      | Ware Manor Apts.       | TGS        | B              | 1974       | 84          | 0      | 100.0%    | 0.2               |
| 7      | Waring Apts. I         | TAX        | B              | 1999       | 40          | 0      | 100.0%    | 2.9               |
| 8      | Ware Hotel             | TAX        | B              | 2012       | 35          | 0      | 100.0%    | 1.7               |
| 9      | Westport Village       | TAX        | B              | 2005       | 64          | 0      | 100.0%    | 2.8               |

| PROJECT TYPE | PROJECTS SURVEYED | TOTAL UNITS | VACANT | OCCUPANCY RATE | U/C |
|--------------|-------------------|-------------|--------|----------------|-----|
| MRR          | 2                 | 112         | 1      | 99.1%          | 0   |
| TAX          | 5                 | 259         | 3      | 98.8%          | 0   |
| TGS          | 1                 | 84          | 0      | 100.0%         | 0   |
| GSS          | 1                 | 33          | 3      | 90.9%          | 0   |

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

\* - Drive Distance (Miles)

Survey Date: April 2016

# DISTRIBUTION OF UNITS - WAYCROSS, GEORGIA

| MARKET-RATE  |       |            |               |          |             |                   |
|--------------|-------|------------|---------------|----------|-------------|-------------------|
| BEDROOMS     | BATHS | UNITS      | DISTRIBUTION  | VACANT   | %VACANT     | MEDIAN GROSS RENT |
| 1            | 1     | 14         | 12.5%         | 0        | 0.0%        | \$531             |
| 2            | 1     | 51         | 45.5%         | 1        | 2.0%        | \$619             |
| 2            | 2     | 32         | 28.6%         | 0        | 0.0%        | \$644             |
| 3            | 2     | 15         | 13.4%         | 0        | 0.0%        | \$781             |
| <b>TOTAL</b> |       | <b>112</b> | <b>100.0%</b> | <b>1</b> | <b>0.9%</b> |                   |

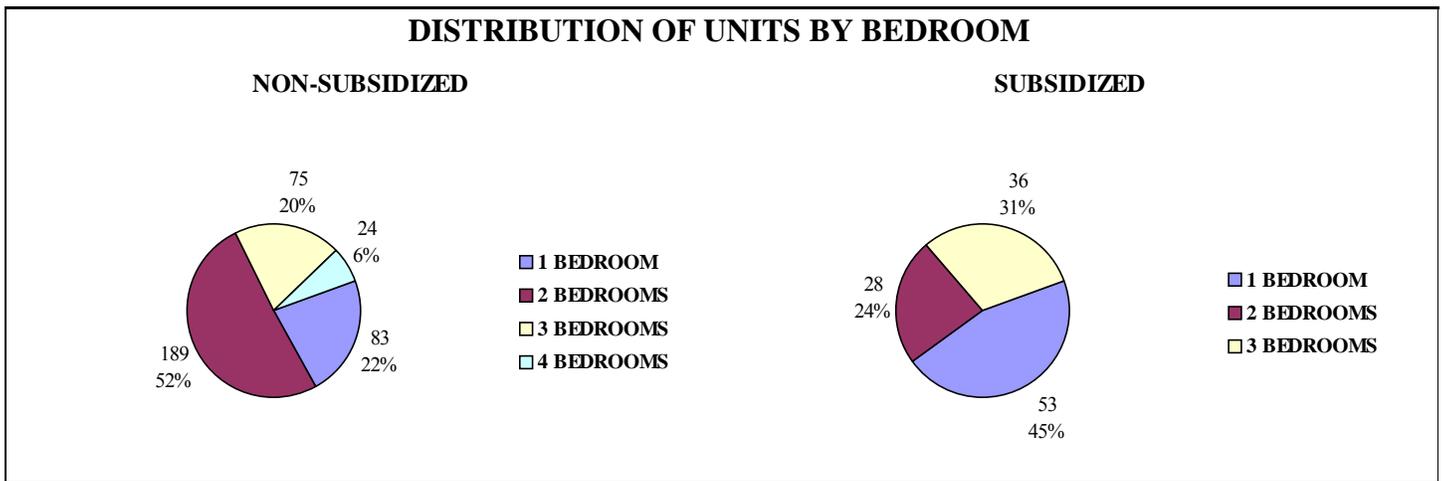
| TAX CREDIT, NON-SUBSIDIZED |       |            |               |          |             |                   |
|----------------------------|-------|------------|---------------|----------|-------------|-------------------|
| BEDROOMS                   | BATHS | UNITS      | DISTRIBUTION  | VACANT   | %VACANT     | MEDIAN GROSS RENT |
| 1                          | 1     | 69         | 26.6%         | 0        | 0.0%        | \$507             |
| 2                          | 1     | 68         | 26.3%         | 0        | 0.0%        | \$614             |
| 2                          | 2     | 38         | 14.7%         | 0        | 0.0%        | \$694             |
| 3                          | 2     | 60         | 23.2%         | 2        | 3.3%        | \$761             |
| 4                          | 2     | 24         | 9.3%          | 1        | 4.2%        | \$829             |
| <b>TOTAL</b>               |       | <b>259</b> | <b>100.0%</b> | <b>3</b> | <b>1.2%</b> |                   |

| TAX CREDIT, GOVERNMENT-SUBSIDIZED |       |           |               |          |             |                   |
|-----------------------------------|-------|-----------|---------------|----------|-------------|-------------------|
| BEDROOMS                          | BATHS | UNITS     | DISTRIBUTION  | VACANT   | %VACANT     | MEDIAN GROSS RENT |
| 1                                 | 1     | 20        | 23.8%         | 0        | 0.0%        | N.A.              |
| 2                                 | 1     | 28        | 33.3%         | 0        | 0.0%        | N.A.              |
| 3                                 | 1     | 36        | 42.9%         | 0        | 0.0%        | N.A.              |
| <b>TOTAL</b>                      |       | <b>84</b> | <b>100.0%</b> | <b>0</b> | <b>0.0%</b> |                   |

| GOVERNMENT-SUBSIDIZED |       |            |               |          |             |      |
|-----------------------|-------|------------|---------------|----------|-------------|------|
| BEDROOMS              | BATHS | UNITS      | DISTRIBUTION  | VACANT   | %VACANT     |      |
| 1                     | 1     | 33         | 100.0%        | 3        | 9.1%        | N.A. |
| <b>TOTAL</b>          |       | <b>33</b>  | <b>100.0%</b> | <b>3</b> | <b>9.1%</b> |      |
| <b>GRAND TOTAL</b>    |       | <b>488</b> | <b>-</b>      | <b>7</b> | <b>1.4%</b> |      |



# SURVEY OF PROPERTIES - WAYCROSS, GEORGIA

| 1 Cherokee Villa   |   |  |  |
|--|---|--|--|
|    | <b>Address</b> 1302 Coral Rd.<br>Waycross, GA 31501                                     | <b>Phone</b> (912) 288-6298<br>(Contact in person) | <b>Total Units</b> 20  |
|  | <b>Year Built</b> 1967  | <b>Contact</b> Goldie                              | <b>Vacancies</b> 1   |
|  | <b>Comments</b> Does not accept HCV; Townhomes have basement; Square footage estimated  |  | <b>Occupied</b> 95.0%  |
|  |   |  | <b>Floors</b> 1,2  |
|  |   |  | <b>Quality Rating</b> C  |
|  |   |  | <b>Waiting List</b><br>None  |
| 2 Peachwood Place  |   |  |  |
|    | <b>Address</b> 801 Naomi St.<br>Waycross, GA 31501                                      | <b>Phone</b> (912) 285-2199<br>(Contact in person) | <b>Total Units</b> 72  |
|  | <b>Year Built</b> 1999  | <b>Contact</b> Tracy                               | <b>Vacancies</b> 3   |
|  | <b>Comments</b> 50% & 60% AMHI; HCV (15 units); Square footage estimated by mgmt.       |  | <b>Occupied</b> 95.8%  |
|  |   |  | <b>Floors</b> 2  |
|  |   |  | <b>Quality Rating</b> B  |
|  |   |  | <b>Waiting List</b><br>None  |
| 3 Central Walnut Village   |   |  |  |
|   | <b>Address</b> 904 Central Ave.<br>Waycross, GA 31501                                   | <b>Phone</b> (912) 205-9725<br>(Contact in person) | <b>Total Units</b> 33  |
|  | <b>Year Built</b> 2006  | <b>Contact</b> Levo                                | <b>Vacancies</b> 3   |
|  | <b>Comments</b> HUD Section 202; One manager unit not included in total                 |  | <b>Occupied</b> 90.9%  |
|  |   |  | <b>Floors</b> 1  |
|  |   |  | <b>Quality Rating</b> B+   |
|  |   |  | <b>Senior Restricted (62+)</b><br><b>Waiting List</b><br>None      |
| 4 Ocean Breeze Park  |   |  |  |
|  | <b>Address</b> 2001 Ocean Breeze Cir.<br>Waycross, GA 31502                             | <b>Phone</b> (912) 548-0791<br>(Contact in person) | <b>Total Units</b> 48  |
|  | <b>Year Built</b> 2010  | <b>Contact</b> Cindy                               | <b>Vacancies</b> 0   |
|  | <b>Comments</b> 50% & 60% AMHI; HCV (13 units); Handicap units have e-call system       |  | <b>Occupied</b> 100.0%   |
|  |   |  | <b>Floors</b> 1  |
|  |   |  | <b>Quality Rating</b> B  |
|  |   |  | <b>Single-Family Homes</b><br><b>Waiting List</b><br>18 households |
| 5 Central Park   |   |  |  |
|  | <b>Address</b> 1000 Central Ave.<br>Waycross, GA 31501                                  | <b>Phone</b> (912) 283-7131<br>(Contact in person) | <b>Total Units</b> 92  |
|  | <b>Year Built</b> 1975  | <b>Contact</b> Renee                               | <b>Vacancies</b> 0   |
|  | <b>Comments</b> Accepts HCV; Rent range based on unit updates; Square footage estimated |  | <b>Occupied</b> 100.0%   |
|  |   |  | <b>Floors</b> 2  |
|  |   |  | <b>Quality Rating</b> C  |
|  |   |  | <b>Waiting List</b><br>None  |

## Project Type

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

Survey Date: April 2016

# SURVEY OF PROPERTIES - WAYCROSS, GEORGIA

| 6 Ware Manor Apts.   |   |  |  |
|--|---|--|--|
|    | <b>Address</b> 500 Walnut Ave.<br>Waycross, GA 31501<br><b>Year Built</b> 1974 <b>Renovated</b> 1999<br><b>Comments</b> 50% AMHI, HUD Section 8   | <b>Phone</b> (912) 285-4330<br>(Contact in person)<br><b>Contact</b> Rebecca | <b>Total Units</b> 84<br><b>Vacancies</b> 0<br><b>Occupied</b> 100.0%<br><b>Floors</b> 2<br><b>Quality Rating</b> B<br><br><b>Waiting List</b><br>6-12 months                                |
|  | 7 Waring Apts. I  |  |  |
|    | <b>Address</b> 812 E. Waring St.<br>Waycross, GA 31501<br><b>Year Built</b> 1999<br><b>Comments</b> 50% & 60% AMHI; HCV (approx. 25 units); Unit mix estimated  | <b>Phone</b> (912) 285-0373<br>(Contact in person)<br><b>Contact</b> Jenny   | <b>Total Units</b> 40<br><b>Vacancies</b> 0<br><b>Occupied</b> 100.0%<br><b>Floors</b> 1<br><b>Quality Rating</b> B<br><b>Senior Restricted (62+)</b><br><b>Waiting List</b><br>6 households |
|  | 8 Ware Hotel  |  |  |
|   | <b>Address</b> 604 Elizabeth St.<br>Waycross, GA 31501<br><b>Year Built</b> 2012<br><b>Comments</b> 50% & 60% AMHI; HCV (2 units); Adaptive reuse of historic hotel built around 1900; Square footage varies in all units | <b>Phone</b> (912) 729-3564<br>(Contact in person)<br><b>Contact</b> Marlo   | <b>Total Units</b> 35<br><b>Vacancies</b> 0<br><b>Occupied</b> 100.0%<br><b>Floors</b> 7<br><b>Quality Rating</b> B<br><br><b>Waiting List</b><br>None                                       |
|  | 9 Westport Village  |  |  |
|  | <b>Address</b> 1612 Carswell Ave.<br>Waycross, GA 31503<br><b>Year Built</b> 2005<br><b>Comments</b> 30%, 50% & 60% AMHI; HCV (14 units); HOME funds (12 units)   | <b>Phone</b> (912) 285-1754<br>(Contact in person)<br><b>Contact</b> Ann     | <b>Total Units</b> 64<br><b>Vacancies</b> 0<br><b>Occupied</b> 100.0%<br><b>Floors</b> 2<br><b>Quality Rating</b> B<br><b>Senior Restricted (55+)</b><br><b>Waiting List</b><br>6 months     |

### Project Type

|  |
|--|
| Market-rate                                  |
| Market-rate/Tax Credit                       |
| Market-rate/Government-subsidized            |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit                                   |
| Tax Credit/Government-subsidized             |
| Government-subsidized                        |

Survey Date: April 2016

# COLLECTED RENTS - WAYCROSS, GEORGIA

| MAP ID | GARDEN UNITS |                |                |                |                | TOWNHOUSE UNITS |       |                |       |
|--------|--------------|----------------|----------------|----------------|----------------|-----------------|-------|----------------|-------|
|        | STUDIO       | 1-BR           | 2-BR           | 3-BR           | 4+ BR          | 1-BR            | 2-BR  | 3-BR           | 4+ BR |
| 1      |              |                | \$565          |                |                |                 | \$585 |                |       |
| 2      |              |                | \$445 to \$495 |                | \$565 to \$625 |                 |       | \$505 to \$555 |       |
| 4      |              |                | \$410 to \$470 | \$475 to \$510 |                |                 |       |                |       |
| 5      |              | \$400 to \$425 | \$450 to \$475 | \$575 to \$645 |                |                 |       |                |       |
| 7      |              | \$339          | \$404          |                |                |                 |       |                |       |
| 8      |              | \$376 to \$477 | \$452 to \$525 |                |                |                 |       |                |       |
| 9      |              | \$250 to \$372 | \$390 to \$435 |                |                |                 |       |                |       |

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

Survey Date: April 2016

# PRICE PER SQUARE FOOT - WAYCROSS, GEORGIA

| ONE-BEDROOM UNITS   |                   |        |             |                |                  |
|---------------------|-------------------|--------|-------------|----------------|------------------|
| MAP ID              | PROJECT NAME      | BATHS  | UNIT SIZE   | GROSS RENT     | \$ / SQ. FT.     |
| 5                   | Central Park      | 1      | 770 to 852  | \$531 to \$556 | \$0.65 to \$0.69 |
| 7                   | Waring Apts. I    | 1      | 650         | \$511          | \$0.79           |
| 8                   | Ware Hotel        | 1      | 500 to 700  | \$507 to \$608 | \$0.87 to \$1.01 |
| 9                   | Westport Village  | 1      | 760         | \$381 to \$503 | \$0.50 to \$0.66 |
| TWO-BEDROOM UNITS   |                   |        |             |                |                  |
| MAP ID              | PROJECT NAME      | BATHS  | UNIT SIZE   | GROSS RENT     | \$ / SQ. FT.     |
| 1                   | Cherokee Villa    | 1      | 750 to 780  | \$734 to \$754 | \$0.97 to \$0.98 |
| 5                   | Central Park      | 1 to 2 | 928 to 1072 | \$619 to \$644 | \$0.60 to \$0.67 |
| 2                   | Peachwood Place   | 1      | 874         | \$614 to \$664 | \$0.70 to \$0.76 |
| 4                   | Ocean Breeze Park | 2      | 1010        | \$647 to \$707 | \$0.64 to \$0.70 |
| 7                   | Waring Apts. I    | 1      | 850         | \$626          | \$0.74           |
| 8                   | Ware Hotel        | 2      | 600 to 800  | \$621 to \$694 | \$0.87 to \$1.04 |
| 9                   | Westport Village  | 1      | 1000        | \$559 to \$604 | \$0.56 to \$0.60 |
| THREE-BEDROOM UNITS |                   |        |             |                |                  |
| MAP ID              | PROJECT NAME      | BATHS  | UNIT SIZE   | GROSS RENT     | \$ / SQ. FT.     |
| 5                   | Central Park      | 2      | 1333        | \$781 to \$851 | \$0.59 to \$0.64 |
| 2                   | Peachwood Place   | 2      | 1344        | \$711 to \$761 | \$0.53 to \$0.57 |
| 4                   | Ocean Breeze Park | 2      | 1133        | \$760 to \$795 | \$0.67 to \$0.70 |
| FOUR+ BEDROOM UNITS |                   |        |             |                |                  |
| MAP ID              | PROJECT NAME      | BATHS  | UNIT SIZE   | GROSS RENT     | \$ / SQ. FT.     |
| 2                   | Peachwood Place   | 2      | 1260        | \$829 to \$889 | \$0.66 to \$0.71 |

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

Survey Date: April 2016

# AVERAGE GROSS RENT PER SQUARE FOOT - WAYCROSS, GEORGIA

| <b>MARKET-RATE</b> |               |               |                 |
|--------------------|---------------|---------------|-----------------|
| <b>UNIT TYPE</b>   | <b>ONE-BR</b> | <b>TWO-BR</b> | <b>THREE-BR</b> |
| GARDEN             | \$0.67        | \$0.68        | \$0.61          |
| TOWNHOUSE          | \$0.00        | \$0.97        | \$0.00          |

| <b>TAX CREDIT (NON-SUBSIDIZED)</b> |               |               |                 |
|------------------------------------|---------------|---------------|-----------------|
| <b>UNIT TYPE</b>                   | <b>ONE-BR</b> | <b>TWO-BR</b> | <b>THREE-BR</b> |
| GARDEN                             | \$0.78        | \$0.73        | \$0.69          |
| TOWNHOUSE                          | \$0.00        | \$0.00        | \$0.55          |

| <b>COMBINED</b>  |               |               |                 |
|------------------|---------------|---------------|-----------------|
| <b>UNIT TYPE</b> | <b>ONE-BR</b> | <b>TWO-BR</b> | <b>THREE-BR</b> |
| GARDEN           | \$0.76        | \$0.71        | \$0.66          |
| TOWNHOUSE        | \$0.00        | \$0.97        | \$0.55          |

# TAX CREDIT UNITS - WAYCROSS, GEORGIA

| ONE-BEDROOM UNITS   |                   |       |             |            |        |                |
|---------------------|-------------------|-------|-------------|------------|--------|----------------|
| MAP ID              | PROJECT NAME      | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| ◆ 9                 | Westport Village  | 2     | 760         | 1          | 30%    | \$250          |
| ◆ 7                 | Waring Apts. I    | 10    | 650         | 1          | 60%    | \$339          |
| ◆ 7                 | Waring Apts. I    | 10    | 650         | 1          | 50%    | \$339          |
| ◆ 9                 | Westport Village  | 15    | 760         | 1          | 50%    | \$372          |
| ◆ 9                 | Westport Village  | 15    | 760         | 1          | 60%    | \$372          |
| 8                   | Ware Hotel        | 3     | 500 - 700   | 1          | 50%    | \$376          |
| 8                   | Ware Hotel        | 14    | 500 - 700   | 1          | 60%    | \$477          |
| 6                   | Ware Manor Apts.  | 20    | 660         | 1          | 50%    | \$528          |
| TWO-BEDROOM UNITS   |                   |       |             |            |        |                |
| MAP ID              | PROJECT NAME      | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| ◆ 9                 | Westport Village  | 2     | 1000        | 1          | 30%    | \$390          |
| ◆ 7                 | Waring Apts. I    | 10    | 850         | 1          | 60%    | \$404          |
| ◆ 7                 | Waring Apts. I    | 10    | 850         | 1          | 50%    | \$404          |
| 4                   | Ocean Breeze Park | 8     | 1010        | 2          | 50%    | \$410          |
| ◆ 9                 | Westport Village  | 15    | 1000        | 1          | 50%    | \$425          |
| ◆ 9                 | Westport Village  | 15    | 1000        | 1          | 60%    | \$435          |
| 2                   | Peachwood Place   | 6     | 874         | 1          | 50%    | \$445          |
| 8                   | Ware Hotel        | 3     | 600 - 800   | 2          | 50%    | \$452          |
| 4                   | Ocean Breeze Park | 12    | 1010        | 2          | 60%    | \$470          |
| 2                   | Peachwood Place   | 10    | 874         | 1          | 60%    | \$495          |
| 8                   | Ware Hotel        | 15    | 600 - 800   | 2          | 60%    | \$525          |
| 6                   | Ware Manor Apts.  | 28    | 859         | 1          | 50%    | \$594          |
| THREE-BEDROOM UNITS |                   |       |             |            |        |                |
| MAP ID              | PROJECT NAME      | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 4                   | Ocean Breeze Park | 11    | 1133        | 2          | 50%    | \$475          |
| 2                   | Peachwood Place   | 12    | 1344        | 2          | 50%    | \$505          |
| 4                   | Ocean Breeze Park | 17    | 1133        | 2          | 60%    | \$510          |
| 2                   | Peachwood Place   | 20    | 1344        | 2          | 60%    | \$555          |
| 6                   | Ware Manor Apts.  | 36    | 976         | 1          | 50%    | \$686          |
| FOUR-BEDROOM UNITS  |                   |       |             |            |        |                |
| MAP ID              | PROJECT NAME      | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 2                   | Peachwood Place   | 12    | 1260        | 2          | 50%    | \$565          |
| 2                   | Peachwood Place   | 12    | 1260        | 2          | 60%    | \$625          |

◆ - Senior Restricted

# QUALITY RATING - WAYCROSS, GEORGIA

## MARKET-RATE PROJECTS AND UNITS

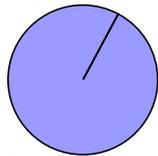
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT |        |        |          |         |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
|                |          |             |              | STUDIOS           | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| C              | 2        | 112         | 0.9%         |                   | \$531  | \$644  | \$781    |         |

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

| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT |        |        |          |         |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
|                |          |             |              | STUDIOS           | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B              | 5        | 259         | 1.2%         |                   | \$507  | \$626  | \$761    | \$829   |

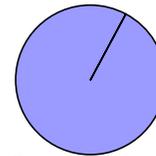
## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



C  
100%

TAX CREDIT UNITS



B  
100%

## YEAR BUILT - WAYCROSS, GEORGIA \*

| YEAR RANGE   | PROJECTS | UNITS      | VACANT   | % VACANT    | TOTAL UNITS | DISTRIBUTION   |
|--------------|----------|------------|----------|-------------|-------------|----------------|
| Before 1970  | 1        | 20         | 1        | 5.0%        | 20          | 5.4%           |
| 1970 to 1979 | 1        | 92         | 0        | 0.0%        | 112         | 24.8%          |
| 1980 to 1989 | 0        | 0          | 0        | 0.0%        | 112         | 0.0%           |
| 1990 to 1999 | 2        | 112        | 3        | 2.7%        | 224         | 30.2%          |
| 2000 to 2005 | 1        | 64         | 0        | 0.0%        | 288         | 17.3%          |
| 2006         | 0        | 0          | 0        | 0.0%        | 288         | 0.0%           |
| 2007         | 0        | 0          | 0        | 0.0%        | 288         | 0.0%           |
| 2008         | 0        | 0          | 0        | 0.0%        | 288         | 0.0%           |
| 2009         | 0        | 0          | 0        | 0.0%        | 288         | 0.0%           |
| 2010         | 1        | 48         | 0        | 0.0%        | 336         | 12.9%          |
| 2011         | 0        | 0          | 0        | 0.0%        | 336         | 0.0%           |
| 2012         | 1        | 35         | 0        | 0.0%        | 371         | 9.4%           |
| 2013         | 0        | 0          | 0        | 0.0%        | 371         | 0.0%           |
| 2014         | 0        | 0          | 0        | 0.0%        | 371         | 0.0%           |
| 2015         | 0        | 0          | 0        | 0.0%        | 371         | 0.0%           |
| 2016**       | 0        | 0          | 0        | 0.0%        | 371         | 0.0%           |
| <b>TOTAL</b> | <b>7</b> | <b>371</b> | <b>4</b> | <b>1.1%</b> | <b>371</b>  | <b>100.0 %</b> |

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

\*\* As of April 2016

Survey Date: April 2016

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## APPLIANCES AND UNIT AMENITIES - WAYCROSS, GEORGIA

| <b>APPLIANCES</b>     |                 |                |               |
|-----------------------|-----------------|----------------|---------------|
| <b>APPLIANCE</b>      | <b>PROJECTS</b> | <b>PERCENT</b> | <b>UNITS*</b> |
| RANGE                 | 7               | 100.0%         | 371           |
| REFRIGERATOR          | 7               | 100.0%         | 371           |
| ICEMAKER              | 3               | 42.9%          | 147           |
| DISHWASHER            | 6               | 85.7%          | 351           |
| DISPOSAL              | 5               | 71.4%          | 259           |
| MICROWAVE             | 3               | 42.9%          | 175           |
| <b>UNIT AMENITIES</b> |                 |                |               |
| <b>AMENITY</b>        | <b>PROJECTS</b> | <b>PERCENT</b> | <b>UNITS*</b> |
| AC - CENTRAL          | 7               | 100.0%         | 371           |
| AC - WINDOW           | 0               | 0.0%           |               |
| FLOOR COVERING        | 7               | 100.0%         | 371           |
| WASHER/DRYER          | 1               | 14.3%          | 40            |
| WASHER/DRYER HOOK-UP  | 5               | 71.4%          | 259           |
| PATIO/DECK/BALCONY    | 5               | 71.4%          | 316           |
| CEILING FAN           | 5               | 71.4%          | 279           |
| FIREPLACE             | 0               | 0.0%           |               |
| BASEMENT              | 1               | 14.3%          | 20            |
| INTERCOM SYSTEM       | 0               | 0.0%           |               |
| SECURITY SYSTEM       | 0               | 0.0%           |               |
| WINDOW TREATMENTS     | 7               | 100.0%         | 371           |
| FURNISHED UNITS       | 0               | 0.0%           |               |
| E-CALL BUTTON         | 3               | 42.9%          | 152           |

\* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

## PROJECT AMENITIES - WAYCROSS, GEORGIA

| <b>PROJECT AMENITIES</b> |                 |                |              |
|--------------------------|-----------------|----------------|--------------|
| <b>AMENITY</b>           | <b>PROJECTS</b> | <b>PERCENT</b> | <b>UNITS</b> |
| POOL                     | 2               | 28.6%          | 164          |
| ON-SITE MANAGEMENT       | 5               | 71.4%          | 279          |
| LAUNDRY                  | 5               | 71.4%          | 311          |
| CLUB HOUSE               | 2               | 28.6%          | 104          |
| MEETING ROOM             | 1               | 14.3%          | 35           |
| FITNESS CENTER           | 3               | 42.9%          | 147          |
| JACUZZI/SAUNA            | 0               | 0.0%           |              |
| PLAYGROUND               | 3               | 42.9%          | 155          |
| COMPUTER LAB             | 3               | 42.9%          | 147          |
| SPORTS COURT             | 1               | 14.3%          | 72           |
| STORAGE                  | 0               | 0.0%           |              |
| LAKE                     | 0               | 0.0%           |              |
| ELEVATOR                 | 1               | 14.3%          | 64           |
| SECURITY GATE            | 0               | 0.0%           |              |
| BUSINESS CENTER          | 0               | 0.0%           |              |
| CAR WASH AREA            | 0               | 0.0%           |              |
| PICNIC AREA              | 3               | 42.9%          | 147          |
| CONCIERGE SERVICE        | 0               | 0.0%           |              |
| SOCIAL SERVICE PACKAGE   | 1               | 14.3%          | 64           |

# DISTRIBUTION OF UTILITIES - WAYCROSS, GEORGIA

| UTILITY (RESPONSIBILITY) | NUMBER OF PROJECTS | NUMBER OF UNITS | DISTRIBUTION OF UNITS |
|--------------------------|--------------------|-----------------|-----------------------|
| <b>HEAT</b>              |                    |                 |                       |
| LANDLORD                 |                    |                 |                       |
| GAS                      | 1                  | 84              | 17.2%                 |
| TENANT                   |                    |                 |                       |
| ELECTRIC                 | 8                  | 404             | 82.8%                 |
|                          |                    |                 | 100.0%                |
| <b>COOKING FUEL</b>      |                    |                 |                       |
| LANDLORD                 |                    |                 |                       |
| GAS                      | 1                  | 84              | 17.2%                 |
| TENANT                   |                    |                 |                       |
| ELECTRIC                 | 8                  | 404             | 82.8%                 |
|                          |                    |                 | 100.0%                |
| <b>HOT WATER</b>         |                    |                 |                       |
| LANDLORD                 |                    |                 |                       |
| GAS                      | 1                  | 84              | 17.2%                 |
| TENANT                   |                    |                 |                       |
| ELECTRIC                 | 8                  | 404             | 82.8%                 |
|                          |                    |                 | 100.0%                |
| <b>ELECTRIC</b>          |                    |                 |                       |
| TENANT                   | 9                  | 488             | 100.0%                |
|                          |                    |                 | 100.0%                |
| <b>WATER</b>             |                    |                 |                       |
| LANDLORD                 | 7                  | 400             | 82.0%                 |
| TENANT                   | 2                  | 88              | 18.0%                 |
|                          |                    |                 | 100.0%                |
| <b>SEWER</b>             |                    |                 |                       |
| LANDLORD                 | 7                  | 400             | 82.0%                 |
| TENANT                   | 2                  | 88              | 18.0%                 |
| <b>TRASH PICK-UP</b>     |                    |                 |                       |
| LANDLORD                 | 8                  | 440             | 90.2%                 |
| TENANT                   | 1                  | 48              | 9.8%                  |
|                          |                    |                 | 100.0%                |

# UTILITY ALLOWANCE - WAYCROSS, GEORGIA

| BR | UNIT TYPE | HEATING |      |       |       | HOT WATER |      | COOKING |      | ELEC  | WATER | SEWER | TRASH | CABLE |
|----|-----------|---------|------|-------|-------|-----------|------|---------|------|-------|-------|-------|-------|-------|
|    |           | GAS     | ELEC | STEAM | OTHER | GAS       | ELEC | GAS     | ELEC |       |       |       |       |       |
| 0  | GARDEN    | \$11    | \$18 |       | \$2   | \$12      | \$22 | \$4     | \$7  | \$47  | \$12  | \$20  | \$15  | \$20  |
| 1  | GARDEN    | \$15    | \$25 |       | \$2   | \$16      | \$30 | \$7     | \$10 | \$66  | \$16  | \$25  | \$15  | \$20  |
| 1  | TOWNHOUSE | \$15    | \$25 |       | \$2   | \$16      | \$30 | \$7     | \$10 | \$66  | \$16  | \$25  | \$15  | \$20  |
| 2  | GARDEN    | \$20    | \$32 |       | \$2   | \$21      | \$39 | \$8     | \$13 | \$85  | \$21  | \$32  | \$15  | \$20  |
| 2  | TOWNHOUSE | \$20    | \$32 |       | \$2   | \$21      | \$39 | \$8     | \$13 | \$85  | \$21  | \$32  | \$15  | \$20  |
| 3  | GARDEN    | \$24    | \$39 |       | \$3   | \$25      | \$48 | \$10    | \$15 | \$104 | \$26  | \$38  | \$15  | \$20  |
| 3  | TOWNHOUSE | \$24    | \$39 |       | \$3   | \$25      | \$48 | \$10    | \$15 | \$104 | \$26  | \$38  | \$15  | \$20  |
| 4  | GARDEN    | \$30    | \$50 |       | \$4   | \$32      | \$61 | \$12    | \$20 | \$133 | \$33  | \$45  | \$15  | \$20  |
| 4  | TOWNHOUSE | \$30    | \$50 |       | \$4   | \$32      | \$61 | \$12    | \$20 | \$133 | \$33  | \$45  | \$15  | \$20  |

GA-Southern Region (7/2015)

Survey Date: April 2016

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ADDENDUM B

COMPARABLE PROPERTY PROFILES

**1 Cherokee Villa** 1.2 miles to site



|                       |  |                            |        |
|-----------------------|--|----------------------------|--------|
| <b>Address</b>        | 1302 Coral Rd.<br>Waycross, GA 31501                                   |                            |        |
| <b>Phone</b>          | (912) 288-6298   | <b>Contact</b>             | Goldie |
| <b>Total Units</b>    | 20   | <b>Vacancies</b>           | 1      |
|                       |  | <b>Percent Occupied</b>    | 95.0%  |
| <b>Project Type</b>   | Market-Rate  |                            |        |
| <b>Year Open</b>      | 1967   | <b>Floors</b>              | 1,2    |
| <b>Concessions</b>    | No Rent Specials   |                            |        |
| <b>Parking</b>        | Surface Parking  |                            |        |
| <b>Waiting List</b>   | NONE   |                            |        |
| <b>Quality Rating</b> | C  | <b>Neighborhood Rating</b> | B      |
| <b>Remarks</b>        | Does not accept HCV; Townhomes have basement; Square footage estimated |                            |        |



**Features and Utilities**

|                          |   |
|--------------------------|---|
| <b>Utilities</b>         | Landlord pays Water, Sewer, Trash               |
| <b>Unit Amenities</b>    | Refrigerator, Range, Central AC, Carpet, Blinds |
| <b>Project Amenities</b> |   |

**Unit Configuration**

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT |  |
|-----|-----|------|-------|--------|-------------|----------|----------------|--|
| 2   | 1   | T    | 10    | 0      | 780         | \$0.75   | \$585          |  |
| 2   | 1   | G    | 10    | 1      | 750         | \$0.75   | \$565          |  |

**5 Central Park**

0.6 miles to site



|                       |   |                            |        |
|-----------------------|---|----------------------------|--------|
| <b>Address</b>        | 1000 Central Ave.<br>Waycross, GA 31501                                 |                            |        |
| <b>Phone</b>          | (912) 283-7131  | <b>Contact</b>             | Renee  |
| <b>Total Units</b>    | 92  | <b>Vacancies</b>           | 0      |
|                       |   | <b>Percent Occupied</b>    | 100.0% |
| <b>Project Type</b>   | Market-Rate   |                            |        |
| <b>Year Open</b>      | 1975  | <b>Floors</b>              | 2      |
| <b>Concessions</b>    | No Rent Specials  |                            |        |
| <b>Parking</b>        | Surface Parking   |                            |        |
| <b>Waiting List</b>   | NONE  |                            |        |
| <b>Quality Rating</b> | C   | <b>Neighborhood Rating</b> | B      |
| <b>Remarks</b>        | Accepts HCV; Rent range based on unit updates; Square footage estimated |                            |        |



**Features and Utilities**

|                          |   |
|--------------------------|---|
| <b>Utilities</b>         | Landlord pays Water, Sewer, Trash   |
| <b>Unit Amenities</b>    | Refrigerator, Range, Dishwasher, Microwave, Central AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Blinds |
| <b>Project Amenities</b> | Swimming Pool, On-site Management, Laundry Facility   |

**Unit Configuration**

| BRs | BAs    | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT        | COLLECTED RENT |
|-----|--------|------|-------|--------|-------------|-----------------|----------------|
| 1   | 1      | G    | 14    | 0      | 770 to 852  | \$0.50 - \$0.52 | \$400 to \$425 |
| 2   | 1 to 2 | G    | 63    | 0      | 928 to 1072 | \$0.44 - \$0.48 | \$450 to \$475 |
| 3   | 2      | G    | 15    | 0      | 1333        | \$0.43 - \$0.48 | \$575 to \$645 |

**903 Cabaretta Place**

39.8 miles to site



|                       |  |                            |         |
|-----------------------|--|----------------------------|---------|
| <b>Address</b>        | 4th & Orange St.<br>Jesup, GA 31545                      |                            |         |
| <b>Phone</b>          | (912) 427-3767   | <b>Contact</b>             | Destiny |
| <b>Total Units</b>    | 8  | <b>Vacancies</b>           | 0       |
|                       |  | <b>Percent Occupied</b>    | 100.0%  |
| <b>Project Type</b>   | Market-Rate  |                            |         |
| <b>Year Open</b>      | 2006   | <b>Floors</b>              | 2       |
| <b>Concessions</b>    | No Rent Specials   |                            |         |
| <b>Parking</b>        | Surface Parking  |                            |         |
| <b>Waiting List</b>   | NONE   |                            |         |
| <b>Quality Rating</b> | A  | <b>Neighborhood Rating</b> | B       |
| <b>Remarks</b>        | Does not accept HCV; Unit mix & square footage estimated |                            |         |

**Features and Utilities**

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

**Unit Configuration**

| BRs | BAAs   | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT      | COLLECTED RENT |
|-----|--------|------|-------|--------|-------------|-----------------|----------------|
| 2   | 1 to 2 | G    | 6     | 0      | 875         | \$0.68 - \$0.89 | \$595 to \$775 |
| 3   | 2      | T    | 2     | 0      | 1100        | \$0.90          | \$995          |

**904 Jullington Creek**

39.8 miles to site



|                       |                                     |                            |         |
|-----------------------|-------------------------------------|----------------------------|---------|
| <b>Address</b>        | 700 W Orange St.<br>Jesup, GA 31545 |                            |         |
| <b>Phone</b>          | (912) 427-3767                      | <b>Contact</b>             | Destiny |
| <b>Total Units</b>    | 32                                  | <b>Vacancies</b>           | 0       |
|                       |                                     | <b>Percent Occupied</b>    | 100.0%  |
| <b>Project Type</b>   | Market-Rate                         |                            |         |
| <b>Year Open</b>      | 1999                                | <b>Floors</b>              | 2       |
| <b>Concessions</b>    | No Rent Specials                    |                            |         |
| <b>Parking</b>        | Surface Parking                     |                            |         |
| <b>Waiting List</b>   | NONE                                |                            |         |
| <b>Quality Rating</b> | B+                                  | <b>Neighborhood Rating</b> | B       |
| <b>Remarks</b>        | Does not accept HCV                 |                            |         |

**Features and Utilities**

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

**Unit Configuration**

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|-----|------|-------|--------|-------------|------------|----------------|
| 2   | 1   | G    | 32    | 0      | 900         | \$0.66     | \$595          |

**902** **Sunset Pointe**

38.9 miles to site



|                       |   |                            |        |
|-----------------------|---|----------------------------|--------|
| <b>Address</b>        | 1288 Sunset Blvd.<br>Jesup, GA 31598  |                            |        |
| <b>Phone</b>          | (912) 530-7007  | <b>Contact</b>             | Debbie |
| <b>Total Units</b>    | 64  | <b>Vacancies</b>           | 0      |
|                       |   | <b>Percent Occupied</b>    | 100.0% |
| <b>Project Type</b>   | Market-Rate & Tax Credit  |                            |        |
| <b>Year Open</b>      | 2005  | <b>Floors</b>              | 2      |
| <b>Concessions</b>    | No Rent Specials  |                            |        |
| <b>Parking</b>        | Surface Parking   |                            |        |
| <b>Waiting List</b>   | 6 households  |                            |        |
| <b>Quality Rating</b> | A   | <b>Neighborhood Rating</b> | B      |
| <b>Remarks</b>        | Market-rate (13 units); 30%, 50% & 60% AMHI (51 units); HCV (7 units); Six handicap units have washer/dryer |                            |        |

**Features and Utilities**

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

**Unit Configuration**

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|----------|----------------|------|
| 1   | 1   | G    | 3     | 0      | 980         | \$0.46   | \$450          |      |
| 1   | 1   | G    | 1     | 0      | 980         | \$0.31   | \$305          | 60%  |
| 1   | 1   | G    | 10    | 0      | 980         | \$0.31   | \$305          | 50%  |
| 1   | 1   | G    | 2     | 0      | 980         | \$0.15   | \$143          | 30%  |
| 2   | 2   | G    | 6     | 0      | 1050        | \$0.47   | \$490          |      |
| 2   | 2   | G    | 1     | 0      | 1050        | \$0.38   | \$400          | 60%  |
| 2   | 2   | G    | 22    | 0      | 1050        | \$0.36   | \$380          | 50%  |
| 2   | 2   | G    | 3     | 0      | 1050        | \$0.15   | \$159          | 30%  |
| 3   | 2   | G    | 4     | 0      | 1180        | \$0.46   | \$540          |      |
| 3   | 2   | G    | 10    | 0      | 1180        | \$0.39   | \$455          | 50%  |
| 3   | 2   | G    | 2     | 0      | 1180        | \$0.15   | \$172          | 30%  |

2

## Peachwood Place

1.2 miles to site



**Address** 801 Naomi St.  
Waycross, GA 31501

**Phone** (912) 285-2199 **Contact** Tracy

**Total Units** 72 **Vacancies** 3 **Percent Occupied** 95.8%

**Project Type** Tax Credit

**Year Open** 1999 **Floors** 2

**Concessions** No Rent Specials

**Parking** Surface Parking

**Waiting List** NONE

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

**Remarks** 50% & 60% AMHI; HCV (15 units); Square footage estimated by mgmt.

### Features and Utilities

**Utilities** Landlord pays Water, Sewer, Trash

**Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds

**Project Amenities** Swimming Pool, Laundry Facility, Playground, Sports Court

### Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 2   | 1   | G    | 10    | 0      | 874         | \$0.57     | \$495          | 60%  |
| 2   | 1   | G    | 6     | 0      | 874         | \$0.51     | \$445          | 50%  |
| 3   | 2   | T    | 20    | 1      | 1344        | \$0.41     | \$555          | 60%  |
| 3   | 2   | T    | 12    | 1      | 1344        | \$0.38     | \$505          | 50%  |
| 4   | 2   | G    | 12    | 1      | 1260        | \$0.50     | \$625          | 60%  |
| 4   | 2   | G    | 12    | 0      | 1260        | \$0.45     | \$565          | 50%  |

4

## Ocean Breeze Park

3.4 miles to site



**Address** 2001 Ocean Breeze Cir.  
Waycross, GA 31502

**Phone** (912) 548-0791 **Contact** Cindy

**Total Units** 48 **Vacancies** 0 **Percent Occupied** 100.0%

**Project Type** Tax Credit

**Year Open** 2010 **Floors** 1

**Concessions** No Rent Specials

**Parking** Attached Garages, Surface Parking

**Waiting List** 18 households

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

**Remarks** 50% & 60% AMHI; HCV (13 units); Handicap units have e-call system



## Features and Utilities

**Utilities** No landlord paid utilities

**Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button, Storage

**Project Amenities** On-site Management, Laundry Facility, Fitness Center, Playground, Computer Lab, Picnic Area, Garden

## Unit Configuration

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 2   | 2   | G    | 12    | 0      | 1010        | \$0.47     | \$470          | 60%  |
| 2   | 2   | G    | 8     | 0      | 1010        | \$0.41     | \$410          | 50%  |
| 3   | 2   | G    | 17    | 0      | 1133        | \$0.45     | \$510          | 60%  |
| 3   | 2   | G    | 11    | 0      | 1133        | \$0.42     | \$475          | 50%  |

**8 Ware Hotel**

1.7 miles to site



|                       |   |                            |        |
|-----------------------|---|----------------------------|--------|
| <b>Address</b>        | 604 Elizabeth St.<br>Waycross, GA 31501   |                            |        |
| <b>Phone</b>          | (912) 729-3564  | <b>Contact</b>             | Marlo  |
| <b>Total Units</b>    | 35  | <b>Vacancies</b>           | 0      |
|                       |   | <b>Percent Occupied</b>    | 100.0% |
| <b>Project Type</b>   | Tax Credit  |                            |        |
| <b>Year Open</b>      | 2012  | <b>Floors</b>              | 7      |
| <b>Concessions</b>    | No Rent Specials  |                            |        |
| <b>Parking</b>        | On Street Parking, Surface Parking  |                            |        |
| <b>Waiting List</b>   | NONE  |                            |        |
| <b>Quality Rating</b> | B   | <b>Neighborhood Rating</b> | B      |
| <b>Remarks</b>        | 50% & 60% AMHI; HCV (2 units); Adaptive reuse of historic hotel built around 1900; Square footage varies in all units |                            |        |

**Features and Utilities**

|                          |   |
|--------------------------|---|
| <b>Utilities</b>         | Landlord pays Water, Sewer, Trash   |
| <b>Unit Amenities</b>    | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds |
| <b>Project Amenities</b> | On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area                     |

**Unit Configuration**

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT        | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|-----------------|----------------|------|
| 1   | 1    | G    | 14    | 0      | 500 to 700  | \$0.68 - \$0.95 | \$477          | 60%  |
| 1   | 1    | G    | 3     | 0      | 500 to 700  | \$0.54 - \$0.75 | \$376          | 50%  |
| 2   | 2    | G    | 15    | 0      | 600 to 800  | \$0.66 - \$0.88 | \$525          | 60%  |
| 2   | 2    | G    | 3     | 0      | 600 to 800  | \$0.57 - \$0.75 | \$452          | 50%  |

**901** Estes Park Apts.

37.1 miles to site



|                       |   |                            |       |
|-----------------------|---|----------------------------|-------|
| <b>Address</b>        | 122 Bowens Mill Rd. SE<br>Douglas, GA 31533 |                            |       |
| <b>Phone</b>          | (912) 383-0908                              | <b>Contact</b>             | Donna |
| <b>Total Units</b>    | 72  | <b>Vacancies</b>           | 3     |
|                       |   | <b>Percent Occupied</b>    | 95.8% |
| <b>Project Type</b>   | Tax Credit                                  |                            |       |
| <b>Year Open</b>      | 2004  | <b>Floors</b>              | 2     |
| <b>Concessions</b>    | No Rent Specials                            |                            |       |
| <b>Parking</b>        | Surface Parking                             |                            |       |
| <b>Waiting List</b>   | 3-br: 2 households                          |                            |       |
| <b>Quality Rating</b> | A-  | <b>Neighborhood Rating</b> | B     |
| <b>Remarks</b>        | 30%, 50% & 60% AMHI; HCV (approx. 10 units) |                            |       |

**Features and Utilities**

|                          |  |
|--------------------------|--|
| <b>Utilities</b>         | No landlord paid utilities   |
| <b>Unit Amenities</b>    | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Storage     |
| <b>Project Amenities</b> | On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area, Social Services |

**Unit Configuration**

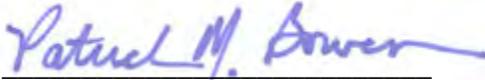
| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$/SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|----------|----------------|------|
| 1   | 1   | G    | 5     | 0      | 783         | \$0.50   | \$390          | 60%  |
| 1   | 1   | G    | 12    | 0      | 783         | \$0.45   | \$350          | 50%  |
| 1   | 1   | G    | 3     | 1      | 783         | \$0.21   | \$163          | 30%  |
| 2   | 2   | G    | 13    | 1      | 1025        | \$0.43   | \$445          | 60%  |
| 2   | 2   | G    | 21    | 1      | 1025        | \$0.40   | \$415          | 50%  |
| 2   | 2   | G    | 2     | 0      | 1025        | \$0.19   | \$195          | 30%  |
| 3   | 2   | G    | 5     | 0      | 1080        | \$0.46   | \$495          | 60%  |
| 3   | 2   | G    | 11    | 0      | 1080        | \$0.42   | \$450          | 50%  |

## ADDENDUM C – MEMBER CERTIFICATION & CHECKLIST

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.

Certified:



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Date: April 22, 2016

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

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

### C. CHECKLIST

|                                 |   | Section (s) |
|---------------------------------|---|-------------|
| <b>Executive Summary</b>        |   |             |
| 1.                              | Executive Summary (Exhibit S-2)   | A           |
| <b>Project Description</b>      |   |             |
| 2.                              | Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances | B           |
| 3.                              | Utilities (and utility sources) included in rent  | B           |
| 4.                              | Project design description  | B           |
| 5.                              | Unit and project amenities; parking   | B           |
| 6.                              | Public programs included  | B           |
| 7.                              | Target population description   | B           |
| 8.                              | Date of construction/preliminary completion   | B           |
| 9.                              | If rehabilitation, existing unit breakdown and rents  | B           |
| 10.                             | Reference to review/status of project plans   | B           |
| <b>Location and Market Area</b> |   |             |
| 11.                             | Market area/secondary market area description   | D           |
| 12.                             | Concise description of the site and adjacent parcels  | C           |
| 13.                             | Description of site characteristics   | C           |
| 14.                             | Site photos/maps  | C           |
| 15.                             | Map of community services   | C           |
| 16.                             | Visibility and accessibility evaluation   | C           |
| 17.                             | Crime Information   | C           |

## CHECKLIST (Continued)

|                                    |   | Section (s)    |
|------------------------------------|---|----------------|
| <b>EMPLOYMENT AND ECONOMY</b>      |   |                |
| 18.                                | Employment by industry  | F              |
| 19.                                | Historical unemployment rate  | F              |
| 20.                                | Area major employers  | F              |
| 21.                                | Five-year employment growth   | F              |
| 22.                                | Typical wages by occupation   | F              |
| 23.                                | Discussion of commuting patterns of area workers  | F              |
| <b>DEMOGRAPHIC CHARACTERISTICS</b> |   |                |
| 24.                                | Population and household estimates and projections  | E              |
| 25.                                | Area building permits   | H              |
| 26.                                | Distribution of income  | H              |
| 27.                                | Households by tenure  | H              |
| <b>COMPETITIVE ENVIRONMENT</b>     |   |                |
| 28.                                | Comparable property profiles  | H              |
| 29.                                | Map of comparable properties  | H              |
| 30.                                | Comparable property photographs   | H              |
| 31.                                | Existing rental housing evaluation  | H              |
| 32.                                | Comparable property discussion  | H              |
| 33.                                | Area vacancy rates, including rates for Tax Credit and government-subsidized                    | H              |
| 34.                                | Comparison of subject property to comparable properties   | H              |
| 35.                                | Availability of Housing Choice Vouchers   | H              |
| 36.                                | Identification of waiting lists   | H & Addendum A |
| 37.                                | Description of overall rental market including share of market-rate and affordable properties   | H              |
| 38.                                | List of existing LIHTC properties   | H              |
| 39.                                | Discussion of future changes in housing stock   | H              |
| 40.                                | Discussion of availability and cost of other affordable housing options including homeownership | H              |
| 41.                                | Tax Credit and other planned or under construction rental communities in market area            | H              |
| <b>ANALYSIS/CONCLUSIONS</b>        |   |                |
| 42.                                | Calculation and analysis of Capture Rate  | G              |
| 43.                                | Calculation and analysis of Penetration Rate  | N/A            |
| 44.                                | Evaluation of proposed rent levels  | H              |
| 45.                                | Derivation of Achievable Market Rent and Market Advantage                                       | H & Addendum E |
| 46.                                | Derivation of Achievable Restricted Rent  | N/A            |
| 47.                                | Precise statement of key conclusions  | K              |
| 48.                                | Market strengths and weaknesses impacting project   | K              |
| 49.                                | Recommendations and/or modification to project discussion                                       | K              |
| 50.                                | Discussion of subject property's impact on existing housing                                     | H              |
| 51.                                | Absorption projection with issues impacting performance   | I              |
| 52.                                | Discussion of risks or other mitigating circumstances impacting project projection              | H              |
| 53.                                | Interviews with area housing stakeholders   | J              |

**CHECKLIST (Continued)**

|                           |  | Section (s) |
|---------------------------|--|-------------|
| <b>OTHER REQUIREMENTS</b> |  |             |
| 54.                       | Preparation date of report               | Title Page  |
| 55.                       | Date of Field Work                       | C           |
| 56.                       | Certifications                           | Addendum B  |
| 57.                       | Statement of qualifications              | N           |
| 58.                       | Sources of data not otherwise identified | D           |
| 59.                       | Utility allowance schedule               | Addendum A  |

## **Addendum D – Methodologies, Disclaimers & Sources**

### **1. PURPOSE**

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Waycross, Georgia by Landbridge Acquisitions, LLC.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

### **2. METHODOLOGIES**

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject project is identified. The PMA is generally described as the smallest geographic area from which most of the support for the subject project originates. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the subject development. An in-depth evaluation of these two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the subject project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- An analysis of the subject project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows GDCA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type offered at the site.

Please note that non-numbered items in this report are not required by GDCA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the continued market feasibility of the subject project.

### **3. REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions or conclusions in, or the use of, this study.

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

### **4. SOURCES**

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

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

## ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

### A. INTRODUCTION

We identified five market-rate properties within or near the Waycross Site PMA that we consider most comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

The proposed subject development and the five selected properties include the following:

| Map I.D.    | Project Name             | Year Built  | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) |               |               |
|-------------|--------------------------|-------------|-------------|-----------|---------------------------|---------------|---------------|
|             |                          |             |             |           | One-Br.                   | Two-Br.       | Three-Br.     |
| <b>Site</b> | <b>Peaks of Waycross</b> | <b>2018</b> | <b>80</b>   | <b>-</b>  | <b>12 (-)</b>             | <b>40 (-)</b> | <b>28 (-)</b> |
| 1           | Cherokee Villa           | 1967        | 20          | 95.0%     | -                         | 20 (95.0%)    | -             |
| 5           | Central Park             | 1975        | 92          | 100.0%    | 14 (100.0%)               | 63 (100.0%)   | 15 (100.0%)   |
| 902         | Sunset Pointe            | 2005        | 13*         | 100.0%    | 3 (100.0%)                | 6 (100.0%)    | 4 (100.0%)    |
| 903         | Cabaretta Place          | 2006        | 8           | 100.0%    | -                         | 6 (100.0%)    | 2 (100.0%)    |
| 904         | Jullington Creek         | 1999        | 32          | 100.0%    | -                         | 32 (100.0%)   | -             |

Occ. – Occupancy

\*Market-rate units only

900 series Map IDs are located outside the Site PMA

The five selected market-rate projects have a combined total of 165 units with an overall occupancy rate of 99.4%. None of the comparable properties has an occupancy rate below 95.0%. These high occupancy rates indicate that each of the selected properties has been well received within their respective markets and will therefore offer an accurate base of comparison for the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the proposed subject development.

**Rent Comparability Grid**

Unit Type → **ONE BEDROOM**

| <b>Subject</b>                        |                               | <b>Comp #1</b>   |                  | <b>Comp #2</b>                  |                  | <b>Comp #3</b>    |                  | <b>Comp #4</b>   |                  | <b>Comp #5</b>   |               |
|---------------------------------------|-------------------------------|------------------|------------------|---------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|---------------|
| Peaks of Waycross                     |                               | Cherokee Villa   |                  | Central Park                    |                  | Sunset Pointe     |                  | Cabaretta Place  |                  | Jullington Creek |               |
| Vine Street                           |                               | 1302 Coral Rd.   |                  | 1000 Central Ave.               |                  | 1288 Sunset Blvd. |                  | 4th & Orange St. |                  | 700 W Orange St. |               |
| Waycross, GA                          |                               | Waycross, GA     |                  | Waycross, GA                    |                  | Jesup, GA         |                  | Jesup, GA        |                  | Jesup, GA        |               |
| <b>A. Rents Charged</b>               | <b>Data on Subject</b>        | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>                     | <b>\$ Adj</b>    | <b>Data</b>       | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b> |
| 1                                     | \$ Last Rent / Restricted?    | \$565            |                  | \$400                           |                  | \$450             |                  | \$595            |                  | \$595            |               |
| 2                                     | Date Surveyed                 | Mar-16           |                  | Mar-16                          |                  | Mar-16            |                  | Mar-16           |                  | Mar-16           |               |
| 3                                     | Rent Concessions              | None             |                  | None                            |                  | None              |                  | None             |                  | None             |               |
| 4                                     | Occupancy for Unit Type       | 90%              |                  | 100%                            |                  | 100%              |                  | 100%             |                  | 100%             |               |
| 5                                     | Effective Rent & Rent/ sq. ft | \$565            | 0.75             | \$400                           | 0.52             | \$450             | 0.46             | \$595            | 0.68             | \$595            | 0.66          |
| <b>B. Design, Location, Condition</b> | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 6                                     | Structure / Stories           | WU/2             |                  | WU/2                            |                  | WU/2              |                  | WU/2             |                  | WU/2             |               |
| 7                                     | Yr. Built/Yr. Renovated       | 2018             | \$51             | 1975                            | \$43             | 2005              | \$13             | 2006             | \$12             | 1999             | \$19          |
| 8                                     | Condition /Street Appeal      | E                | \$30             | F                               | \$30             | E                 |                  | E                |                  | G                | \$15          |
| 9                                     | Neighborhood                  | G                |                  | G                               |                  | G                 |                  | G                |                  | G                |               |
| 10                                    | Same Market?                  | Yes              |                  | Yes                             |                  | No                |                  | No               |                  | No               |               |
| <b>C. Unit Equipment/ Amenities</b>   | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 11                                    | # Bedrooms                    | 1                | (\$50)           | 1                               |                  | 1                 |                  | 2                | (\$50)           | 2                | (\$50)        |
| 12                                    | # Baths                       | 1                |                  | 1                               |                  | 1                 |                  | 1                |                  | 1                |               |
| 13                                    | Unit Interior Sq. Ft.         | 700              | (\$8)            | 770                             | (\$11)           | 980               | (\$43)           | 875              | (\$27)           | 900              | (\$30)        |
| 14                                    | Balcony/ Patio                | N                |                  | Y                               | (\$5)            | Y                 | (\$5)            | Y                | (\$5)            | Y                | (\$5)         |
| 15                                    | AC: Central/ Wall             | C                |                  | C                               |                  | C                 |                  | C                |                  | C                |               |
| 16                                    | Range/ Refrigerator           | R/F              |                  | R/F                             |                  | R/F               |                  | R/F              |                  | R/F              |               |
| 17                                    | Microwave/ Dishwasher         | Y/Y              | \$15             | Y/Y                             |                  | Y/Y               |                  | N/Y              | \$5              | N/Y              | \$5           |
| 18                                    | Washer/Dryer                  | HU/L             | \$15             | L                               | \$10             | HU/L              |                  | HU               | \$5              | HU               | \$5           |
| 19                                    | Floor Coverings               | C                |                  | C                               |                  | C                 |                  | C                |                  | C                |               |
| 20                                    | Window Coverings              | B                |                  | B                               |                  | B                 |                  | B                |                  | B                |               |
| 21                                    | Intercom/Security System      | N/N              |                  | N/N                             |                  | N/N               |                  | N/N              |                  | N/N              |               |
| 22                                    | Garbage Disposal              | Y                | \$5              | N                               | \$5              | Y                 |                  | N                | \$5              | N                | \$5           |
| 23                                    | Ceiling Fans                  | Y                | \$5              | Y                               |                  | Y                 |                  | Y                |                  | Y                |               |
| <b>D Site Equipment/ Amenities</b>    | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 24                                    | Parking ( \$ Fee)             | LOT/\$0          |                  | LOT/\$0                         |                  | LOT/\$0           |                  | LOT/\$0          |                  | LOT/\$0          |               |
| 25                                    | On-Site Management            | Y                | \$5              | Y                               |                  | Y                 |                  | N                | \$5              | N                | \$5           |
| 26                                    | Security Gate                 | N                |                  | N                               |                  | N                 |                  | N                |                  | N                |               |
| 27                                    | Clubhouse/ Meeting Rooms      | Y                | \$5              | N                               | \$5              | Y                 |                  | N                | \$5              | N                | \$5           |
| 28                                    | Pool/ Recreation Areas        | N                |                  | P                               | (\$10)           | F/S/L/WT          | (\$14)           | N                |                  | N                |               |
| 29                                    | Computer Center               | Y                | \$3              | N                               | \$3              | Y                 |                  | N                | \$3              | N                | \$3           |
| 30                                    | Picnic Area                   | Y                | \$3              | N                               | \$3              | Y                 |                  | N                | \$3              | N                | \$3           |
| 31                                    | Playground                    | Y                | \$3              | N                               | \$3              | Y                 |                  | N                | \$3              | N                | \$3           |
| 32                                    | Social Services               | N                |                  | N                               |                  | N                 |                  | N                |                  | N                |               |
| <b>E. Utilities</b>                   | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 33                                    | Heat (in rent?/ type)         | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 34                                    | Cooling (in rent?/ type)      | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 35                                    | Cooking (in rent?/ type)      | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 36                                    | Hot Water (in rent?/ type)    | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 37                                    | Other Electric                | N                |                  | N                               |                  | N                 |                  | N                |                  | N                |               |
| 38                                    | Cold Water/ Sewer             | N/N              | (\$41)           | Y/Y                             | (\$41)           | N/N               |                  | N/N              |                  | N/N              |               |
| 39                                    | Trash /Recycling              | Y/N              |                  | Y/N                             |                  | Y/N               |                  | N/N              | \$15             | N/N              | \$15          |
| <b>F. Adjustments Recap</b>           | <b>Pos</b>                    | <b>Neg</b>       | <b>Pos</b>       | <b>Neg</b>                      | <b>Pos</b>       | <b>Neg</b>        | <b>Pos</b>       | <b>Neg</b>       | <b>Pos</b>       | <b>Neg</b>       |               |
| 40                                    | # Adjustments B to D          | 11               | 2                | 8                               | 3                | 1                 | 3                | 9                | 3                | 10               | 3             |
| 41                                    | Sum Adjustments B to D        | \$140            | (\$58)           | \$102                           | (\$26)           | \$13              | (\$62)           | \$46             | (\$82)           | \$68             | (\$85)        |
| 42                                    | Sum Utility Adjustments       |                  | (\$41)           |                                 | (\$41)           |                   |                  | \$15             |                  | \$15             |               |
|                                       |                               | <b>Net</b>       | <b>Gross</b>     | <b>Net</b>                      | <b>Gross</b>     | <b>Net</b>        | <b>Gross</b>     | <b>Net</b>       | <b>Gross</b>     | <b>Net</b>       | <b>Gross</b>  |
| 43                                    | Net/ Gross Adjmts B to E      | \$41             | \$239            | \$35                            | \$169            | (\$49)            | \$75             | (\$21)           | \$143            | (\$2)            | \$168         |
| <b>G. Adjusted &amp; Market Rents</b> | <b>Adj. Rent</b>              | <b>Adj. Rent</b> | <b>Adj. Rent</b> | <b>Adj. Rent</b>                | <b>Adj. Rent</b> | <b>Adj. Rent</b>  | <b>Adj. Rent</b> | <b>Adj. Rent</b> | <b>Adj. Rent</b> | <b>Adj. Rent</b> |               |
| 44                                    | Adjusted Rent (5+ 43)         | \$606            |                  | \$435                           |                  | \$401             |                  | \$574            |                  | \$593            |               |
| 45                                    | Adj Rent/Last rent            |                  | 107%             |                                 | 109%             |                   | 89%              |                  | 97%              |                  | 100%          |
| 46                                    | Estimated Market Rent         | \$490            | \$0.70           | ← Estimated Market Rent/ Sq. Ft |                  |                   |                  |                  |                  |                  |               |

**Rent Comparability Grid**

Unit Type → **TWO BEDROOM**

| <b>Subject</b>                        |                               | <b>Comp #1</b>   |                  | <b>Comp #2</b>                  |                  | <b>Comp #3</b>    |                  | <b>Comp #4</b>   |                  | <b>Comp #5</b>   |               |
|---------------------------------------|-------------------------------|------------------|------------------|---------------------------------|------------------|-------------------|------------------|------------------|------------------|------------------|---------------|
| Peaks of Waycross                     |                               | Cherokee Villa   |                  | Central Park                    |                  | Sunset Pointe     |                  | Cabaretta Place  |                  | Jullington Creek |               |
| Vine Street                           |                               | 1302 Coral Rd.   |                  | 1000 Central Ave.               |                  | 1288 Sunset Blvd. |                  | 4th & Orange St. |                  | 700 W Orange St. |               |
| Waycross, GA                          |                               | Waycross, GA     |                  | Waycross, GA                    |                  | Jesup, GA         |                  | Jesup, GA        |                  | Jesup, GA        |               |
| <b>A. Rents Charged</b>               | <b>Data on Subject</b>        | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>                     | <b>\$ Adj</b>    | <b>Data</b>       | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b> |
| 1                                     | \$ Last Rent / Restricted?    | \$565            |                  | \$475                           |                  | \$490             |                  | \$775            |                  | \$595            |               |
| 2                                     | Date Surveyed                 | Mar-16           |                  | Mar-16                          |                  | Mar-16            |                  | Mar-16           |                  | Mar-16           |               |
| 3                                     | Rent Concessions              | None             |                  | None                            |                  | None              |                  | None             |                  | None             |               |
| 4                                     | Occupancy for Unit Type       | 90%              |                  | 100%                            |                  | 100%              |                  | 100%             |                  | 100%             |               |
| 5                                     | Effective Rent & Rent/ sq. ft | \$565            | 0.75             | \$475                           | 0.44             | \$490             | 0.47             | \$775            | 0.89             | \$595            | 0.66          |
| <b>B. Design, Location, Condition</b> | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 6                                     | Structure / Stories           | WU/2             |                  | WU/2                            |                  | WU/2              |                  | WU/2             |                  | WU/2             |               |
| 7                                     | Yr. Built/Yr. Renovated       | 2018             | \$51             | 1975                            | \$43             | 2005              | \$13             | 2006             | \$12             | 1999             | \$19          |
| 8                                     | Condition /Street Appeal      | E                | \$30             | F                               | \$30             | E                 |                  | E                |                  | G                | \$15          |
| 9                                     | Neighborhood                  | G                |                  | G                               |                  | G                 |                  | G                |                  | G                |               |
| 10                                    | Same Market?                  | Yes              |                  | Yes                             |                  | No                |                  | No               |                  | No               |               |
| <b>C. Unit Equipment/ Amenities</b>   | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 11                                    | # Bedrooms                    | 2                |                  | 2                               |                  | 2                 |                  | 2                |                  | 2                |               |
| 12                                    | # Baths                       | 2                | \$30             | 2                               |                  | 2                 |                  | 2                |                  | 1                | \$30          |
| 13                                    | Unit Interior Sq. Ft.         | 1000             | \$39             | 1072                            | (\$11)           | 1050              | (\$8)            | 875              | \$20             | 900              | \$16          |
| 14                                    | Balcony/ Patio                | N                |                  | Y                               | (\$5)            | Y                 | (\$5)            | Y                | (\$5)            | Y                | (\$5)         |
| 15                                    | AC: Central/ Wall             | C                |                  | C                               |                  | C                 |                  | C                |                  | C                |               |
| 16                                    | Range/ Refrigerator           | R/F              |                  | R/F                             |                  | R/F               |                  | R/F              |                  | R/F              |               |
| 17                                    | Microwave/ Dishwasher         | Y/Y              | \$15             | Y/Y                             |                  | Y/Y               |                  | N/Y              | \$5              | N/Y              | \$5           |
| 18                                    | Washer/Dryer                  | HU/L             | \$15             | L                               | \$10             | HU/L              |                  | HU               | \$5              | HU               | \$5           |
| 19                                    | Floor Coverings               | C                |                  | C                               |                  | C                 |                  | C                |                  | C                |               |
| 20                                    | Window Coverings              | B                |                  | B                               |                  | B                 |                  | B                |                  | B                |               |
| 21                                    | Intercom/Security System      | N/N              |                  | N/N                             |                  | N/N               |                  | N/N              |                  | N/N              |               |
| 22                                    | Garbage Disposal              | Y                | \$5              | N                               | \$5              | Y                 |                  | N                | \$5              | N                | \$5           |
| 23                                    | Ceiling Fans                  | Y                |                  | Y                               |                  | Y                 |                  | Y                |                  | Y                |               |
| <b>D. Site Equipment/ Amenities</b>   | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 24                                    | Parking ( \$ Fee)             | LOT/\$0          |                  | LOT/\$0                         |                  | LOT/\$0           |                  | LOT/\$0          |                  | LOT/\$0          |               |
| 25                                    | On-Site Management            | Y                | \$5              | Y                               |                  | Y                 |                  | N                | \$5              | N                | \$5           |
| 26                                    | Security Gate                 | N                |                  | N                               |                  | N                 |                  | N                |                  | N                |               |
| 27                                    | Clubhouse/ Meeting Rooms      | Y                | \$5              | N                               | \$5              | Y                 |                  | N                | \$5              | N                | \$5           |
| 28                                    | Pool/ Recreation Areas        | N                |                  | P                               | (\$10)           | F/S/L/WT          | (\$14)           | N                |                  | N                |               |
| 29                                    | Computer Center               | Y                | \$3              | N                               | \$3              | Y                 |                  | N                | \$3              | N                | \$3           |
| 30                                    | Picnic Area                   | Y                | \$3              | N                               | \$3              | Y                 |                  | N                | \$3              | N                | \$3           |
| 31                                    | Playground                    | Y                | \$3              | N                               | \$3              | Y                 |                  | N                | \$3              | N                | \$3           |
| 32                                    | Social Services               | N                |                  | N                               |                  | N                 |                  | N                |                  | N                |               |
| <b>E. Utilities</b>                   | <b>Data</b>                   | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>                   | <b>Data</b>      | <b>\$ Adj</b>     | <b>Data</b>      | <b>\$ Adj</b>    | <b>Data</b>      | <b>\$ Adj</b>    |               |
| 33                                    | Heat (in rent?/ type)         | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 34                                    | Cooling (in rent?/ type)      | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 35                                    | Cooking (in rent?/ type)      | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 36                                    | Hot Water (in rent?/ type)    | N/E              |                  | N/E                             |                  | N/E               |                  | N/E              |                  | N/E              |               |
| 37                                    | Other Electric                | N                |                  | N                               |                  | N                 |                  | N                |                  | N                |               |
| 38                                    | Cold Water/ Sewer             | N/N              | (\$53)           | Y/Y                             | (\$53)           | N/N               |                  | N/N              |                  | N/N              |               |
| 39                                    | Trash /Recycling              | Y/N              |                  | Y/N                             |                  | Y/N               |                  | N/N              | \$15             | N/N              | \$15          |
| <b>F. Adjustments Recap</b>           | <b>Pos</b>                    | <b>Neg</b>       | <b>Pos</b>       | <b>Neg</b>                      | <b>Pos</b>       | <b>Neg</b>        | <b>Pos</b>       | <b>Neg</b>       | <b>Pos</b>       | <b>Neg</b>       |               |
| 40                                    | # Adjustments B to D          | 13               |                  | 8                               | 3                | 1                 | 3                | 10               | 1                | 12               | 1             |
| 41                                    | Sum Adjustments B to D        | \$209            |                  | \$102                           | (\$26)           | \$13              | (\$27)           | \$66             | (\$5)            | \$114            | (\$5)         |
| 42                                    | Sum Utility Adjustments       |                  | (\$53)           |                                 | (\$53)           |                   |                  | \$15             |                  | \$15             |               |
|                                       |                               | <b>Net</b>       | <b>Gross</b>     | <b>Net</b>                      | <b>Gross</b>     | <b>Net</b>        | <b>Gross</b>     | <b>Net</b>       | <b>Gross</b>     | <b>Net</b>       | <b>Gross</b>  |
| 43                                    | Net/ Gross Adjmts B to E      | \$156            | \$262            | \$23                            | \$181            | (\$14)            | \$40             | \$76             | \$86             | \$124            | \$134         |
| <b>G. Adjusted &amp; Market Rents</b> | <b>Adj. Rent</b>              | <b>Adj. Rent</b> | <b>Adj. Rent</b> | <b>Adj. Rent</b>                | <b>Adj. Rent</b> | <b>Adj. Rent</b>  | <b>Adj. Rent</b> | <b>Adj. Rent</b> | <b>Adj. Rent</b> | <b>Adj. Rent</b> |               |
| 44                                    | Adjusted Rent (5+ 43)         | \$721            |                  | \$498                           |                  | \$476             |                  | \$851            |                  | \$719            |               |
| 45                                    | Adj Rent/Last rent            |                  | 128%             |                                 | 105%             |                   | 97%              |                  | 110%             |                  | 121%          |
| 46                                    | Estimated Market Rent         | \$670            | \$0.67           | ← Estimated Market Rent/ Sq. Ft |                  |                   |                  |                  |                  |                  |               |

**Rent Comparability Grid**

Unit Type → **THREE BEDROOM**

| <b>Subject</b>                        |                               | <b>Comp #1</b> |               | <b>Comp #2</b>    |               | <b>Comp #3</b>                  |               | <b>Comp #4</b>   |               | <b>Comp #5</b>   |               |
|---------------------------------------|-------------------------------|----------------|---------------|-------------------|---------------|---------------------------------|---------------|------------------|---------------|------------------|---------------|
| Peaks of Waycross                     |                               | Cherokee Villa |               | Central Park      |               | Sunset Pointe                   |               | Cabaretta Place  |               | Jullington Creek |               |
| Vine Street                           |                               | 1302 Coral Rd. |               | 1000 Central Ave. |               | 1288 Sunset Blvd.               |               | 4th & Orange St. |               | 700 W Orange St. |               |
| Waycross, GA                          |                               | Waycross, GA   |               | Waycross, GA      |               | Jesup, GA                       |               | Jesup, GA        |               | Jesup, GA        |               |
| <b>A. Rents Charged</b>               | <b>Data</b>                   | <b>Data</b>    | <b>\$ Adj</b> | <b>Data</b>       | <b>\$ Adj</b> | <b>Data</b>                     | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> |
| 1                                     | \$ Last Rent / Restricted?    | \$565          |               | \$610             |               | \$540                           |               | \$995            |               | \$595            |               |
| 2                                     | Date Surveyed                 | Mar-16         |               | Mar-16            |               | Mar-16                          |               | Mar-16           |               | Mar-16           |               |
| 3                                     | Rent Concessions              | None           |               | None              |               | None                            |               | None             |               | None             |               |
| 4                                     | Occupancy for Unit Type       | 90%            |               | 100%              |               | 100%                            |               | 100%             |               | 100%             |               |
| 5                                     | Effective Rent & Rent/ sq. ft | \$565          | 0.75          | \$610             | 0.46          | \$540                           | 0.46          | \$995            | 0.90          | \$595            | 0.66          |
| <b>B. Design, Location, Condition</b> | <b>Data</b>                   | <b>Data</b>    | <b>\$ Adj</b> | <b>Data</b>       | <b>\$ Adj</b> | <b>Data</b>                     | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> |
| 6                                     | Structure / Stories           | WU/2           |               | WU/2              |               | WU/2                            |               | TH/2             |               | WU/2             |               |
| 7                                     | Yr. Built/Yr. Renovated       | 2018           |               | 1967              | \$51          | 1975                            | \$43          | 2005             | \$13          | 2006             | \$12          |
| 8                                     | Condition /Street Appeal      | E              |               | F                 | \$30          | F                               | \$30          | E                |               | E                |               |
| 9                                     | Neighborhood                  | G              |               | G                 |               | G                               |               | G                |               | G                |               |
| 10                                    | Same Market?                  | Yes            |               | Yes               |               | No                              |               | No               |               | No               |               |
| <b>C. Unit Equipment/ Amenities</b>   | <b>Data</b>                   | <b>Data</b>    | <b>\$ Adj</b> | <b>Data</b>       | <b>\$ Adj</b> | <b>Data</b>                     | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> |
| 11                                    | # Bedrooms                    | 3              | \$50          | 2                 |               | 3                               |               | 3                |               | 2                | \$50          |
| 12                                    | # Baths                       | 2              | \$30          | 1                 |               | 2                               |               | 2                |               | 1                | \$30          |
| 13                                    | Unit Interior Sq. Ft.         | 1100           | \$55          | 750               |               | 1333                            | (\$37)        | 1180             | (\$13)        | 900              | \$31          |
| 14                                    | Balcony/ Patio                | N              |               | N                 |               | Y                               | (\$5)         | Y                | (\$5)         | Y                | (\$5)         |
| 15                                    | AC: Central/ Wall             | C              |               | C                 |               | C                               |               | C                |               | C                |               |
| 16                                    | Range/ Refrigerator           | R/F            |               | R/F               |               | R/F                             |               | R/F              |               | R/F              |               |
| 17                                    | Microwave/ Dishwasher         | Y/Y            | \$15          | N/N               |               | Y/Y                             |               | N/Y              | \$5           | N/Y              | \$5           |
| 18                                    | Washer/Dryer                  | HU/L           | \$15          | N                 |               | L                               | \$10          | HU/L             | \$5           | HU               | \$5           |
| 19                                    | Floor Coverings               | C              |               | C                 |               | C                               |               | C                |               | C                |               |
| 20                                    | Window Coverings              | B              |               | B                 |               | B                               |               | B                |               | B                |               |
| 21                                    | Intercom/Security System      | N/N            |               | N/N               |               | N/N                             |               | N/N              |               | N/N              |               |
| 22                                    | Garbage Disposal              | Y              | \$5           | N                 |               | N                               | \$5           | Y                | \$5           | N                | \$5           |
| 23                                    | Ceiling Fans                  | Y              | \$5           | N                 |               | Y                               |               | Y                |               | Y                |               |
| <b>D Site Equipment/ Amenities</b>    | <b>Data</b>                   | <b>Data</b>    | <b>\$ Adj</b> | <b>Data</b>       | <b>\$ Adj</b> | <b>Data</b>                     | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> |
| 24                                    | Parking ( \$ Fee)             | LOT/\$0        |               | LOT/\$0           |               | LOT/\$0                         |               | LOT/\$0          |               | LOT/\$0          |               |
| 25                                    | On-Site Management            | Y              | \$5           | N                 |               | Y                               |               | N                | \$5           | N                | \$5           |
| 26                                    | Security Gate                 | N              |               | N                 |               | N                               |               | N                |               | N                |               |
| 27                                    | Clubhouse/ Meeting Rooms      | Y              |               | N/N               |               | N/N                             |               | N/N              |               | N/N              |               |
| 28                                    | Pool/ Recreation Areas        | N              |               | N                 |               | P                               | (\$10)        | F/S/L/WT         | (\$14)        | N                |               |
| 29                                    | Computer Center               | Y              | \$3           | N                 |               | N                               | \$3           | Y                | \$3           | N                | \$3           |
| 30                                    | Picnic Area                   | Y              | \$3           | N                 |               | N                               | \$3           | Y                | \$3           | N                | \$3           |
| 31                                    | Playground                    | Y              | \$3           | N                 |               | N                               | \$3           | Y                | \$3           | N                | \$3           |
| 32                                    | Social Services               | N              |               | N                 |               | N                               |               | N                |               | N                |               |
| <b>E. Utilities</b>                   | <b>Data</b>                   | <b>Data</b>    | <b>\$ Adj</b> | <b>Data</b>       | <b>\$ Adj</b> | <b>Data</b>                     | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> | <b>Data</b>      | <b>\$ Adj</b> |
| 33                                    | Heat (in rent?/ type)         | N/E            |               | N/E               |               | N/E                             |               | N/E              |               | N/E              |               |
| 34                                    | Cooling (in rent?/ type)      | N/E            |               | N/E               |               | N/E                             |               | N/E              |               | N/E              |               |
| 35                                    | Cooking (in rent?/ type)      | N/E            |               | N/E               |               | N/E                             |               | N/E              |               | N/E              |               |
| 36                                    | Hot Water (in rent?/ type)    | N/E            |               | N/E               |               | N/E                             |               | N/E              |               | N/E              |               |
| 37                                    | Other Electric                | N              |               | N                 |               | N                               |               | N                |               | N                |               |
| 38                                    | Cold Water/ Sewer             | N/N            | (\$64)        | Y/Y               |               | Y/Y                             | (\$64)        | N/N              |               | N/N              |               |
| 39                                    | Trash /Recycling              | Y/N            |               | Y/N               |               | Y/N                             |               | N/N              | \$15          | N/N              | \$15          |
| <b>F. Adjustments Recap</b>           | <b>Pos</b>                    | <b>Neg</b>     |               | <b>Pos</b>        | <b>Neg</b>    | <b>Pos</b>                      | <b>Neg</b>    | <b>Pos</b>       | <b>Neg</b>    | <b>Pos</b>       | <b>Neg</b>    |
| 40                                    | # Adjustments B to D          |                |               | 13                |               | 7                               | 3             | 1                | 3             | 8                | 1             |
| 41                                    | Sum Adjustments B to D        |                |               | \$270             |               | \$97                            | (\$52)        | \$13             | (\$32)        | \$41             | (\$5)         |
| 42                                    | Sum Utility Adjustments       |                |               |                   | (\$64)        |                                 | (\$64)        |                  |               | \$15             |               |
|                                       |                               |                |               | <b>Net</b>        | <b>Gross</b>  | <b>Net</b>                      | <b>Gross</b>  | <b>Net</b>       | <b>Gross</b>  | <b>Net</b>       | <b>Gross</b>  |
| 43                                    | Net/ Gross Adjmts B to E      |                |               | \$206             | \$334         | (\$19)                          | \$213         | (\$19)           | \$45          | \$51             | \$61          |
|                                       |                               |                |               |                   |               |                                 |               |                  |               |                  |               |
| 44                                    | Adjusted & Market Rents       |                |               | <b>Adj. Rent</b>  |               | <b>Adj. Rent</b>                |               | <b>Adj. Rent</b> |               | <b>Adj. Rent</b> |               |
| 45                                    | Adjusted Rent (5+ 43)         |                |               | \$771             |               | \$591                           |               | \$521            |               | \$1,046          |               |
| 45                                    | Adj Rent/Last rent            |                |               |                   | 136%          |                                 | 97%           |                  | 97%           |                  | 105%          |
| 46                                    | Estimated Market Rent         | \$740          |               | \$0.67            |               | ← Estimated Market Rent/ Sq. Ft |               |                  |               |                  |               |

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

Based on the preceding Rent Comparability Grids, it was determined that achievable market rents for units similar to the subject development are \$490 for a one-bedroom unit, \$670 for a two-bedroom unit, and \$740 for a three-bedroom unit.

The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

| Bedroom Type  | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|---------------|-------------------------|------------------------|-----------------------|
| One-Bedroom   | \$312 (50%)             | \$490                  | 36.3%                 |
|               | \$405 (60%)             |                        | 17.3%                 |
| Two-Bedroom   | \$361 (50%)             | \$670                  | 46.1%                 |
|               | \$472 (60%)             |                        | 29.6%                 |
| Three-Bedroom | \$406 (50%)             | \$740                  | 45.1%                 |
|               | \$534 (60%)             |                        | 27.8%                 |

Typically, Tax Credit rents should represent at least a 10% market rent advantage to be perceived as a value in the market and ensure a sufficient flow of qualified applicants. Therefore, the proposed subject rents will likely be perceived as significant values within the market as they represent market rent advantages ranging from 17.3% to 46.1%, depending upon bedroom type and AMHI level.

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels are offered for indiscernible features (i.e. floor level, unit location, etc.), we have utilized an average rent.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1967 and 2006. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent quality finish and attractive aesthetic street appeal once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
10. Due to the limited supply of comparable market-rate product in the Site PMA, it was necessary to identify and survey such product outside the market for comparability purposes. Three of the selected properties are located outside the Site PMA, but within the nearby region in the town of Jesup, Georgia. Although outside the Site PMA, the Jesup market is similar to the Waycross market in terms of median household income, median gross rents, and home values, based on American Community Survey (ACS) data. The similarities between these two markets is further evident by the similar collected rents reported among the selected properties located in Jesup and those located in the Site PMA. Based on the preceding factors, adjustments for out of market differences were not warranted for those properties located outside the Site PMA.
11. All of the selected properties offer two-bedroom units. However, some of the selected properties do not offer one- or three-bedroom units. In these instances, we have utilized the next most comparable floor plan and applied adjustments (positive or negative) to account for the difference in the number of defined bedrooms at the selected properties as compared to the subject project.
12. The number of bathrooms offered among the selected properties varies. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared this selected properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.

- 14.-23. The proposed subject project will offer a unit amenity package that is generally considered competitive with those offered among most of the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project also offers a competitive project amenities package as compared to those offered among most of the selected market-rate properties. In fact, the project amenity package offered at the site is superior to those offered among three of the selected properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We made adjustments to reflect the differences in utility responsibility at the selected properties as needed. The utility adjustments were based on the local housing authority's utility cost estimates.