

Market Feasibility Analysis

Hand Trading Company
107 West Railroad Street South
Pelham, Mitchell County, Georgia 31779

Prepared For

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Table Of Contents

- A. Executive Summary
 - B. Project Description
 - C. Site Description and Evaluation
 - D. Primary Market Area Delineation
 - E. Community Demographic Data
 - F. Economic Trends
 - G. Project-Specific Demand Analysis
 - H. Rental Housing Analysis (Supply)
 - I. Absorption & Stabilization Rates
 - J. Interviews
 - K. Conclusions & Recommendations
 - L. Signed Statement
 - M. Market Study Representation
 - N. Qualifications
- Addendum A – Field Survey of Conventional Rentals
 - Addendum B – Comparable Property Profiles
 - Addendum C – Market Analyst Certification Checklist
 - Addendum D – Methodologies, Disclaimers & Sources
 - Addendum E – Achievable Market Rent Analysis

Section A – Executive Summary

This report evaluates the market feasibility of the proposed Hand Trading Company rental community to be developed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Pelham, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject project, assuming it is developed and operated as proposed in this report. It is of note, however, that the subject's proposed gross Tax Credit rents will be the highest in the Site PMA, relative to similar unit types offered at the one existing comparable LIHTC property surveyed in the market. While higher rents are believed to be attainable within the Pelham market due to the general lack of family-oriented LIHTC product and the 100.0% occupancy rate and waiting list maintained at the one existing comparable property in the Site PMA, the higher proposed gross rents will likely have a slowing impact on absorption of the subject project. This has been considered in our absorption projections.

1. Project Description:

The subject project involves the adaptive-reuse of an existing four-story elevator-served building originally built in 1916 and located on an approximate 0.85-acre site located at 107 West Railroad Street South in Pelham, Mitchell County, Georgia. The existing structure currently located at the subject site will be re-purposed into a 54-unit affordable rental community to be known as the Hand Trading Company. The project will offer 20 one-bedroom, 24 two-bedroom, and 10 three-bedroom garden-style units, along with integrated common space. The residential units will be located on all four floors of the subject building, while the first floor will also include the subject's common areas and some retail space. Note, this report only evaluates the residential component of the subject development. The subject project will be developed using financing from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). In addition, the subject project will also offer some units which will essentially operate as market-rate, but will be restricted to households earning up to 80% of AMHI. Monthly collected Tax Credit rents will range from \$355 to \$595 among the subject units set at 50% and 60% of AMHI, while the collected rents for the subject units set at 80% of AMHI will range from \$525 to \$681, depending upon bedroom type. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by June of 2019. Additional details regarding the proposed project are included on the following page, as well as in *Section B* of this report.

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
5	One-Br.	1.0	Garden	685	50%	\$355	\$92	\$447	\$499
12	One-Br.	1.0	Garden	685	60%	\$435	\$92	\$527	\$599
3	One-Br.	1.0	Garden	685	MR**	\$525	\$92	\$617	\$724
2	Two-Br.	1.0	Garden	906	50%	\$400	\$117	\$517	\$600
7	Two-Br.	1.0	Garden	906	60%	\$500	\$117	\$617	\$720
3	Two-Br.	1.0	Garden	906	MR**	\$630	\$117	\$747	\$816
3	Two-Br.	2.0	Garden	1,038	50%	\$430	\$117	\$547	\$600
7	Two-Br.	2.0	Garden	1,038	60%	\$530	\$117	\$647	\$720
2	Two-Br.	2.0	Garden	1,038	MR**	\$665	\$117	\$782	\$816
2	Three-Br.	2.0	Garden	1,321	50%	\$495	\$144	\$639	\$693
6	Three-Br.	2.0	Garden	1,321	60%	\$595	\$144	\$739	\$831
2	Three-Br.	2.0	Garden	1,321	MR**	\$681	\$144	\$825	\$906
54	Total								

Source: IDP Housing, LP

AMHI – Area Median Household Income (Mitchell County, GA; 2016)

*Weighted average square footage of multiple floor plans to be offered for each unit type

**Restricted to 80% of AMHI

Unit amenities to be offered at the property include a range, refrigerator, dishwasher, microwave, central air conditioning, washer/dryer appliances, carpet, window blinds, and ceiling fans. Community amenities will include on-site management, a community room, wellness center, fitness center, computer center and elevator access. Overall, the amenity package offered at the property is considered appropriate for and marketable to the targeted tenant population and will be competitive with those offered among the comparable LIHTC projects in the market and region.

2. Site Description/Evaluation:

The subject site is located within the established downtown portion of Pelham. Surrounding land uses are generally comprised of various local businesses and residential structures which are well-maintained and in relatively good condition. The subject building fits well with these existing surrounding land uses. Visibility and access of the subject site are both considered very good, as the site is clearly visible and easily accessible from each of the three bordering roadways. The subject site is also located within close proximity of U.S. Highway 19 which allows for convenient access throughout the region. Despite the rural nature of the Pelham area, most basic area services are located within 1.0 mile of the subject site and several are within the immediate downtown area and within walking distance of the subject site. Fixed-route public transportation is not available within the Pelham area. However, Southern Georgia Regional Transit does provide an on-call transportation service throughout Mitchell and surrounding counties. It is also of note that the Pelham Site PMA has a crime risk index which is lower than both county and national averages. Overall, we anticipate the site's location and proximity to community services will 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 Pelham Site PMA includes the municipalities, or portions, of Pelham, Camilla, Meigs, Ochlocknee and some outlying unincorporated areas of Mitchell, Grady, and Thomas counties. The boundaries of the Site PMA include State Route 97, the Camilla town limits and State Route 37 to the north; the Mitchell and Colquitt County boundaries and the Little Ochlocknee River to the east; State Route 188, the Ochlocknee town limits, Akridge Road, and Pine Level Road to the south; and State Routes 112, 262 and 97 to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the farthest boundary is 15.7 miles from the site.

4. Community Demographic Data:

The Pelham Site PMA has experienced both population and household growth between 2000 and 2017, though each of these demographic segments are projected to experience a decline of 0.4% between 2017 and 2019. Specifically, the population will decline from 22,188 to 22,109 while households will decline from 7,578 to 7,551 during this time period. This is considered modest population and household decline, however, and is not expected to have any significant impact on housing demand within the Site PMA. In 2017, it is estimated that 38.0% of all households will be renters, a trend which is projected to continue through 2019. This is considered a good share of renter households for a rural market such as the Pelham Site PMA. It is projected that more than 83.0% of all renter households will earn below \$35,000 in 2019, a trend which is considered conducive to affordable rental housing such as that proposed at the subject site. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 46.1% of the vacant housing units in the market were classified as “Other Vacant”, which encompasses foreclosed, dilapidated and abandoned housing. Based on our Field Survey of Conventional Rentals within the Pelham Site PMA, the majority of rental properties are operating at strong occupancy levels and maintain waiting lists, illustrating that foreclosed and abandoned properties have not had any adverse impact on the overall rental housing market. It is also of note that no such structures were observed within the immediate site neighborhood. As such, it can be concluded that foreclosed/abandoned homes will not have any tangible impact on the subject's marketability.

5. Economic Data:

The Mitchell County employment base has experienced two stabilization periods since the impact of the national recession, but has generally struggled to improve during this time period and has not yet returned to pre-recession levels. The unemployment rate within the county has experienced more rapid improvement during this same time period, however, as it has declined by more than four full percentage points between 2010 and December of 2016, to rate of 6.4%. Local economic development representatives within both Mitchell County and the city of Pelham have indicated that there have been several announcements of new and/or expanding businesses within the area, which is a good indication of interest and investment and will contribute to the ongoing stability of the local economy. While the local economy has stabilized, and experienced some improvement, since the end of the national recession, it is also of note that 54.0% of the entire labor force within the Pelham Site PMA is comprised within the Manufacturing, Public Administration, and Retail Trade industries. Typically, these aforementioned industry segments offer lower wage paying positions which are generally conducive to affordable housing alternatives such as that proposed at the subject site. Therefore, while it is likely that the local economy will remain stable and continue to experience improvement, demand for affordable housing alternatives is also expected to remain high within the area, regardless of economic conditions. Additional economic data is included in *Section F* of this report.

6. Project-Specific Affordability and Demand Analysis:

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income			
	50% AMHI (\$15,326 To 28,800)	60% AMHI (\$18,069 To \$34,560)	Market-Rate/ 80% AMHI (\$21,154 To \$39,150)	Overall (\$15,326 To \$39,150)
Net Demand	260	226	141	306
Proposed Units / Net Demand	12 / 260	32 / 226	10 / 141	54 / 306
Capture Rate	= 4.6%	= 14.2%	= 7.1%	= 17.6%

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 project’s overall capture rate of 17.6% is considered achievable within the Pelham Site PMA. This is especially true given the general lack of available family-oriented LIHTC product in the market, as only one such property currently exists and is 100.0% occupied with a waitlist.

Applying the shares of demand detailed in *Section G* 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 (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
One-Bedroom (35%)	50%	5	91	0	91	5.5%
One-Bedroom (35%)	60%	12	79	0	79	15.2%
One-Bedroom (35%)	MR/80%	3	49	0	49	6.1%
One-Bedroom	Total	20	219	0	219	9.1%
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Two-Bedroom (45%)	50%	5	117	0	117	4.3%
Two-Bedroom (45%)	60%	14	102	0	102	13.7%
Two-Bedroom (45%)	MR/80%	5	64	0	64	7.8%
Two-Bedroom	Total	24	283	0	283	8.5%
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Three-Bedroom (20%)	50%	2	52	0	52	3.8%
Three-Bedroom (20%)	60%	6	45	0	45	13.3%
Three-Bedroom (20%)	MR/80%	2	28	0	28	7.1%
Three-Bedroom	Total	10	125	0	125	8.0%

*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.

The capture rates by bedroom type and AMHI level range from 3.8% to 15.2%, depending upon unit type. Utilizing this methodology, these capture rates are considered achievable and demonstrate a sufficient base of income-eligible renter households in the Pelham Site PMA for the proposed subject development. This is especially true when considering the high occupancy rate and waiting list maintained at the one existing general-occupancy LIHTC property in the market, as evidenced by our Field Survey of Conventional Rentals (*Addendum A*).

Detailed demand calculations are provided in *Section G* of this report.

7. Competitive Rental Analysis

Tax Credit Units

The proposed 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. We identified and surveyed a total of four properties which operate under the LIHTC guidelines within the Pelham Site PMA. Three of these four properties, however, are age-restricted properties which are not considered comparable to or competitive with the proposed family-oriented subject project. The one remaining LIHTC property, Southfork Apartments (Map ID 8), offers two- and three-bedroom units targeting family households earning up to 50% and 60% of AMHI. This property will be competitive with the subject project and has thus been included in our comparable/competitive analysis.

Due to the general lack of non-subsidized general-occupancy LIHTC product within the Site PMA, we also identified and surveyed six additional properties located outside the Site PMA but within the surrounding cities of Cairo, Moultrie and Thomasville, Georgia. These additional properties offer one- through three-bedroom units targeting households earning up to 50% and/or 60% of AMHI, similar to the subject project. Thus, these properties will provide a good additional base of comparison for the subject project. Note that since these properties are located outside the Site PMA, they will not be competitive with the subject project and therefore have been included only for comparability purposes.

The seven comparable LIHTC 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/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Hand Trading Company	2019	44*	-	-	-	Families; 50% & 60% AMHI
8	Southfork Apts.	1999 / 2016	96	100.0%	7.6 Miles	10 H.H.	Families; 50% & 60% AMHI
901	Kirby Creek Apts.	2007	46*	100.0%	20.2 Miles	70 H.H.	Families; 30% & 50% AMHI
902	Ashton Crossings	1999	64	100.0%	28.7 Miles	2-6 Months	Families; 50% & 60% AMHI
904	Walnut Square Apts.	2012	63	100.0%	22.7 Miles	20 H.H.	Families; 50% & 60% AMHI
905	Tallockas Pointe	2015	47	100.0%	26.8 Miles	94 H.H.	Families; 50% & 60% AMHI
907	Hampton Lake Apts.	2008	76*	100.0%	23.0 Miles	None	Families; 30% & 50% AMHI
908	Hunter's Chase	2004	89*	100.0%	21.7 Miles	2 H.H.	Families; 30%, 50%, & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

900 series Map IDs are located outside the Site PMA

The seven LIHTC projects have a combined occupancy rate of 100.0% and most maintain waiting lists, indicating very strong demand for affordable housing in the market. It is also of note that while Southfork Apartments (Map ID 8) is located within the Site PMA, it is in the town of Camilla in the northern most part of the Site PMA. Thus, the subject project will effectively offer the only non-subsidized LIHTC units within the city of Pelham, which will likely contribute to its marketability.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)			
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.	Rent Special
Site	Hand Trading Company	\$447/50% (5) \$527/60% (12)	\$527-\$547/50% (5) \$617-\$647/60% (14)	\$639/50% (2) \$739/60% (6)	-
8	Southfork Apts.	-	\$456/50% (11/0) \$559/60% (21/0)	\$524/50% (28/0) \$701/60% (36/0)	None
901	Kirby Creek Apts.	\$243/30% (1/0) \$372/50% (5/0)	\$298/30% (2/0) \$454/50% (25/0)	\$354/30% (1/0) \$534/50% (12/0)	None
902	Ashton Crossings	\$417/50% (5/0) \$467/60% (3/0)	\$506/50% (13/0) \$594/60% (15/0)	\$591/50% (10/0) \$664/60% (18/0)	None
904	Walnut Square Apts.	\$429/50% (2/0) \$439/60% (6/0)	\$523/50% (7/0) \$563/60% (24/0)	\$603/50% (5/0) \$698/60% (19/0)	None
905	Tallokas Pointe	-	\$439/50% (7/0) \$469/60% (24/0)	\$503/50% (4/0) \$563/60% (12/0)	None
907	Hampton Lake Apts.	\$241/30% (3/0) \$425/50% (14/0)	\$292/30% (10/0) \$480/50% (30/0)	\$347/30% (4/0) \$604/50% (15/0)	None
908	Hunter's Chase	\$285/30% (3/0) \$483/50% (8/0) \$582/60% (15/0)	\$338/30% (6/0) \$575/50% (11/0) \$694/60% (27/0)	\$375/30% (2/0) \$649/50% (5/0) \$786/60% (12/0)	None

900 series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents are higher than those reported at Southfork Apartments (Map ID 8), the one existing comparable LIHTC project in the Site PMA. The subject's proposed gross rents are also higher than most of the comparable LIHTC projects located outside the Site PMA. The areas in which these additional comparable LIHTC projects are located (Cairo, Moultrie, and Thomasville) are more populated, offer more extensive services and housing alternatives, and are considered superior to the Pelham market in terms of median household income, home values, and median gross rents. While properties similar to the subject site which are located within these aforementioned markets are generally able to command higher rents than a similar project located in the Pelham market, it is of note that the one existing LIHTC project in the Site PMA is achieving higher rents than many of the out of market comparables.

The proposed unit designs (square feet and number of bathrooms) as well as the project's amenity packages, are competitive with those offered among the comparable LIHTC projects in the market and region, though the project will offer in-unit washer/dryer appliances which will likely create a competitive advantage for the property and contribute to its ability to achieve premium rents within the Pelham market. It is also important to reiterate that all of the comparable LIHTC projects surveyed are 100.0% occupied and most maintain waiting lists. These are good indications that these properties could likely achieve higher rents without adversely impacting occupancy. Further, our demand estimates included in *Section G* indicate that a sufficient base of income-appropriate renter households exists in the market for the subject project. Based on the preceding factors, it is anticipated that the subject project could achieve rent premiums as compared to the one existing

comparable LIHTC project in the Site PMA (Southfork Apartments). However, the fact that the subject rents are up to \$115 greater than the gross rents reported among similar unit types at this aforementioned property will likely have a slowing impact on absorption of the subject project and leave the property vulnerable to higher than typical turnover rates in the event that a newer, more affordable, general-occupancy LIHTC property came online within the Pelham market. This has been considered in our absorption projections.

Comparable/Competitive Tax Credit Summary

Only one non-subsidized general-occupancy LIHTC property exists within the Site PMA. Additionally, this property, Southfork Apartments (Map ID 8), is located in the very northern portion of the Site PMA in the town of Camilla. Thus, the subject project will effectively provide an affordable non-subsidized rental product that is not currently available within the immediate Pelham area. The one- through three-bedroom units proposed at the subject project will allow the property to appeal to a wide range of household sizes, while elevator access will allow the property to appeal to both family and senior renters. The subject project is relatively competitive in terms of unit design (square feet and number of bathrooms offered) and amenities offered. The subject's proposed gross rents will be the highest in the market as compared to similar unit types offered at the one existing comparable LIHTC project, Southfork Apartments, in the Site PMA. The subject rents will also be higher than those reported among most of the comparable LIHTC projects outside the Site PMA. While higher rents are likely achievable at a new LIHTC property in the Pelham market due to the lack of available LIHTC product in the area and based on our demand estimates included in *Section G*, the higher proposed rents will likely have a slowing impact on absorption of the subject project. This has been considered in our absorption projections for the subject project.

Market-Rate Units

As detailed in *Section B*, the subject project will also offer some units which will operate similar to market-rate product, in addition to the LIHTC units set at 50% and 60% of AMHI. These subject units will effectively be restricted to households earning up to 80% of AMHI. However, for the purposes of this analysis, we have utilized unrestricted market-rate product within the region to establish a base of comparison for the subject units restricted to households at the higher 80% AMHI level.

Given the lack of unrestricted market-rate product within the Site PMA, we identified and surveyed such product outside the Site PMA, but within the surrounding towns of Cairo, Moultrie, and Thomasville. Since these properties are located outside the Site PMA, they are not considered competitive with the subject project and thus have been included only for comparability purposes. The five selected properties and the subject development are summarized as follows.

Map I.D.	Project Name	Year Built	Units	Occupancy Rate	Distance to Site	Rent Special
Site	Hand Trading Company	2019	10*	-	-	-
901	Kirby Creek Apts.	2007	10*	100.0%	20.2 Miles	None
903	Highland Apts.	2009	36	100.0%	29.3 Miles	None
906	Ashley Park Apts.	2013	84	90.5%	25.0 Miles	None
907	Hampton Lake Apts.	2008	20*	100.0%	23.0 Miles	None
908	Hunter's Chase	2004	23*	100.0%	21.7 Miles	None

*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 173 units with an overall occupancy rate of 95.4%. This is a good occupancy rate and demonstrates that each of the selected properties has been well-received within its respective market and will serve as an accurate benchmark with which to compare the subject project.

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

Map I.D.	Project Name	Gross Rent (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
Site	Hand Trading Company	\$617 (3)	\$747-\$782 (5)	\$825 (2)
901	Kirby Creek Apts.	\$577 (2/0)	\$664 (5/0)	\$738 (3/0)
903	Highland Apts.	-	\$769-\$794 (36/0)	-
906	Ashley Park Apts.	\$802-\$877 (12/1)	\$1,004 (48/5)	\$1,153 (24/2)
907	Hampton Lake Apts.	\$617 (7/0)	\$719 (8/0)	\$798 (5/0)
908	Hunter's Chase	\$627 (6/0)	\$754 (12/0)	\$883 (5/0)

900 series Map IDs are located outside the Site PMA

The subject's proposed gross market-rate rents are within range of, if not lower than, those reported among similar unit types at the comparable properties surveyed in the region.

Comparable Market-Rate Summary

As evidenced by our Field Survey of Conventional Rentals, the Pelham Site PMA does not offer any conventional market-rate properties. Although the subject’s market-rate units will effectively be restricted to households earning up to 80% of AMHI, these unit types will provide a rental alternative to moderate income households which are currently underserved in the Pelham market. Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the comparable market-rate properties within the region, it is our opinion that the proposed market-rate units are marketable.

Average Market Rent

As detailed throughout this report and illustrated by our Field Survey of Conventional Rentals, no conventional unrestricted market-rate rental properties were identified or surveyed in the Pelham Site PMA. However, we did survey five properties outside the Site PMA in the nearby region that offer similar market-rate units, as compared to those proposed at the subject site. The following table illustrates the weighted average *collected* rents of the comparable market-rate projects by bedroom type, for units similar to those proposed at the subject site.

Weighted Average Collected Rent of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$613	\$733	\$877

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

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$613	- \$525	\$88	/ \$525	16.8%
Two-Br./1.0BA	\$733	- \$630	\$103	/ \$630	16.3%
Two-Br./2.0 BA	\$733	- \$665	\$68	/ \$665	10.2%
Three-Br.	\$877	- \$681	\$196	/ \$681	28.8%

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 10.2% to 28.8% depending upon unit type, as compared to the weighted average collected rents of the comparable market-rate 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.

An in-depth analysis of the Pelham 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 54 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 six to seven 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 54 general-occupancy units proposed at the subject site, assuming it is developed as detailed in this report. It is of note, however, that the subject's proposed gross Tax Credit rents will be the highest in the Site PMA, relative to similar unit types offered at the one existing comparable LIHTC property surveyed in the market. While higher rents are believed to be attainable within the Pelham market due to the general lack of family-oriented LIHTC product and the 100.0% occupancy rate and waiting list maintained at the one existing comparable property in the Site PMA, the higher proposed gross rents will likely have a slowing impact on absorption of the subject project. Changes in the project's site, rent, amenities or opening date may alter these findings.

The subject's proposed gross Tax Credit rents at the 50% and 60% AMHI level will be the highest in the Site PMA, relative to similar units offered at Southfork Apartments (Map ID 8). The subject rents will also be some of the highest among the additional comparable LIHTC projects located outside the Site PMA within the nearby towns of Cairo, Moultrie, and Thomasville. Considering the general lack of family-oriented LIHTC product within the Site PMA, particularly within the immediate Pelham area, it is likely that higher rents than those currently being charged in the market are achievable. Regardless, the higher proposed gross Tax Credit rents at the subject project are expected to have a slowing impact on absorption of the subject property, and may leave the property vulnerable to higher than typical turnover in the event that newer, more affordable, LIHTC units are added to the market following construction of the subject project. This has been considered in our absorption projections. The subject's proposed gross rent for the market-rate units are within range of those reported among similar unit types at the comparable market-rate properties surveyed at the time of this analysis.

In addition to the competitive position of the subject project, we have also evaluated the depth of potential support for the property within the Pelham Site PMA. Based on our demand estimates included in *Section G*, a sufficient base of potential income-eligible renter support exists within the Site PMA for the subject project, as the subject's overall capture rate is considered achievable at 17.6% while the overall LIHTC only capture rate is slightly lower at 14.2%. Capture rates by AMHI level are also considered achievable, ranging from 4.6% to 14.2%.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable and supportable within the Pelham Site PMA 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. It is important to reiterate, however, that the higher proposed gross rents at the 50% and 60% AMHI levels are expected to have a slowing impact on absorption of the subject project and have been considered in our absorption projections included in *Section I*, as they will be the highest LIHTC rents in the Site PMA.

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

Development Name:	Hand Trading Company	Total # Units:	54
Location:	107 West Railroad Street South, Pelham, Georgia 31779	# LIHTC Units:	44
PMA Boundary:	State Route 97, the Camilla town limits and State Route 37 to the north; the Mitchell and Colquitt County boundaries and the Little Ochlocknee River to the east; State Route 188, the Ochlocknee town limits, Akridge Road, and Pine Level Road to the south; and State Routes 112, 262 and 97 to the west.		
	Farthest Boundary Distance to Subject:		15.7 miles

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

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	365	15	95.9%
Market-Rate Housing	0	0	-	-
Assisted/Subsidized Housing not to include LIHTC	5	169	15	91.1%
LIHTC*	3	196	0	100.0%
Stabilized Comps**	7	481	0	100.0%
Properties in Construction & Lease Up	0	0	-	-

*Non-subsidized

**Includes out of market comps

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	One-Br.	1.0	685	\$355 (50%)	\$613	\$0.80	72.7%	\$700	\$1.09
12	One-Br.	1.0	685	\$435 (60%)	\$613	\$0.80	40.9%	\$700	\$1.09
3	One-Br.	1.0	685	\$525 (MR/80%)	\$613	\$0.80	16.8%	\$700	\$1.09
2	Two-Br.	1.0	906	\$400 (50%)	\$733	\$0.70	83.3%	\$875	\$0.84
7	Two-Br.	1.0	906	\$500 (60%)	\$733	\$0.70	31.8%	\$875	\$0.84
3	Two-Br.	1.0	906	\$630 (MR/80%)	\$733	\$0.70	16.3%	\$875	\$0.84
3	Two-Br.	2.0	1,038	\$430 (50%)	\$733	\$0.66	70.5%	\$875	\$0.84
7	Two-Br.	2.0	1,038	\$530 (60%)	\$733	\$0.66	38.3%	\$875	\$0.84
2	Two-Br.	2.0	1,038	\$665 (MR/80%)	\$733	\$0.66	10.2%	\$875	\$0.84
2	Three-Br.	2.0	1,321	\$495 (50%)	\$877	\$0.60	77.2%	\$995	\$0.76
6	Three-Br.	2.0	1,321	\$595 (60%)	\$877	\$0.60	47.4%	\$995	\$0.76
2	Three-Br.	2.0	1,321	\$681 (MR/80%)	\$877	\$0.60	28.8%	\$995	\$0.76

MR – Market Rate

DEMOGRAPHIC DATA (found on page E-2 & G-5)

	2012		2017		2019	
	Count	%	Count	%	Count	%
Renter Households	2,901	38.0%	2,877	38.0%	2,868	38.0%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	929	32.3%	877	30.6%
Income-Qualified Renter HHs (MR) (if applicable)	N/A	N/A	679	23.6%	632	22.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)						
Type of Demand	30%	50%	60%	Market-Rate/80%	Other: LIHTC Only Overall	Overall
Renter Household Growth	-	-32	-46	-47	-52	-59
Existing Households (Overburd + Substand)	-	292	272	188	362	365
Homeowner conversion (Seniors)	-	N/A	N/A	N/A	N/A	N/A
Total Primary Market Demand	-	260	226	141	310	306
Less Comparable/Competitive Supply	-	0	0	0	0	0
Adjusted Income-Qualified Renter HHs	-	260	226	141	310	306

CAPTURE RATES (found on page G-5)						
Targeted Population	30%	50%	60%	Market-Rate/80%	Other: LIHTC Only Overall	Overall
Capture Rate	-	4.6%	14.2%	7.1%	14.2%	17.6%

Section B - Project Description

The subject project involves the adaptive-reuse of an existing four-story elevator-served building originally built in 1916 and located on an approximate 0.85-acre site located at 107 West Railroad Street South in Pelham, Mitchell County, Georgia. The existing structure currently located at the subject site will be re-purposed into a 54-unit affordable rental community to be known as the Hand Trading Company. The project will offer 20 one-bedroom, 24 two-bedroom, and 10 three-bedroom garden-style units, along with integrated common space. The residential units will be located on all four floors of the subject building, while the first floor will also include the subject's common areas and some retail space. Note, this report only evaluates the residential component of the subject development. The subject project will be developed using financing from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). In addition, the subject project will also offer some units which will essentially operate as market-rate, but will be restricted to households earning up to 80% of AMHI. Monthly collected Tax Credit rents will range from \$355 to \$595 among the subject units set at 50% and 60% of AMHI, while the collected rents for the subject units set at 80% of AMHI will range from \$525 to \$681, depending upon bedroom type. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by June of 2019. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

- 1. Project Name:** Hand Trading Company
- 2. Property Location:** 107 West Railroad Street South
Pelham, Georgia 31779
(Mitchell County)
- 3. Project Type:** Adaptive-Reuse

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	
5	One-Br.	1.0	Garden	685	50%	\$355	\$92	\$447	\$499
12	One-Br.	1.0	Garden	685	60%	\$435	\$92	\$527	\$599
3	One-Br.	1.0	Garden	685	MR**	\$525	\$92	\$617	\$724
2	Two-Br.	1.0	Garden	906	50%	\$400	\$117	\$517	\$600
7	Two-Br.	1.0	Garden	906	60%	\$500	\$117	\$617	\$720
3	Two-Br.	1.0	Garden	906	MR**	\$630	\$117	\$747	\$816
3	Two-Br.	2.0	Garden	1,038	50%	\$430	\$117	\$547	\$600
7	Two-Br.	2.0	Garden	1,038	60%	\$530	\$117	\$647	\$720
2	Two-Br.	2.0	Garden	1,038	MR**	\$665	\$117	\$782	\$816
2	Three-Br.	2.0	Garden	1,321	50%	\$495	\$144	\$639	\$693
6	Three-Br.	2.0	Garden	1,321	60%	\$595	\$144	\$739	\$831
2	Three-Br.	2.0	Garden	1,321	MR**	\$681	\$144	\$825	\$906
54	Total								

Source: IDP Housing, LP

AMHI – Area Median Household Income (Mitchell County, GA; 2016)

*Weighted average square footage of multiple floor plans to be offered for each unit type

**Restricted to 80% of AMHI

5. Target Market:

Family

6. Project Design:

One (1) four-story elevator-equipped building

7. Original Year Built:

1916

8. Projected Opening Date:

June 2019

9. Unit Amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Microwave
- Central Air Conditioning
- Washer/Dryer Appliances
- Carpet
- Window Blinds
- Ceiling Fan

10. Community Amenities:

The subject property will include the following community features:

- On-Site Management
- Wellness Center
- Computer Center
- Community Room
- Fitness Center
- Elevator

11. Resident Services:

None

12. Utility Responsibility:

The cost of all basic utilities will be included in the rent, these include the following:

- General Electricity
- Electric Heat
- Water/Sewer
- Electric Water Heat
- Electric Cooking
- Trash Collection

13. Rental Assistance:

None

14. Parking:

The developer has indicated that there will be no designated parking areas for residents of the subject project. However, it was observed at the time of our site evaluation that 30 non-metered on-street parking spaces are provided adjacent the subject site along the bordering roadways to the north, east and west of the subject building. Various other non-metered on-street parking spaces, as well as a surface parking lot east of the subject site, are provided within the immediate site neighborhood. While these various parking areas will be available to residents of the subject project, it is important to reiterate that none will be designated for tenants of the project. Thus, these surrounding nearby parking spaces are available on a first-come first-serve basis.

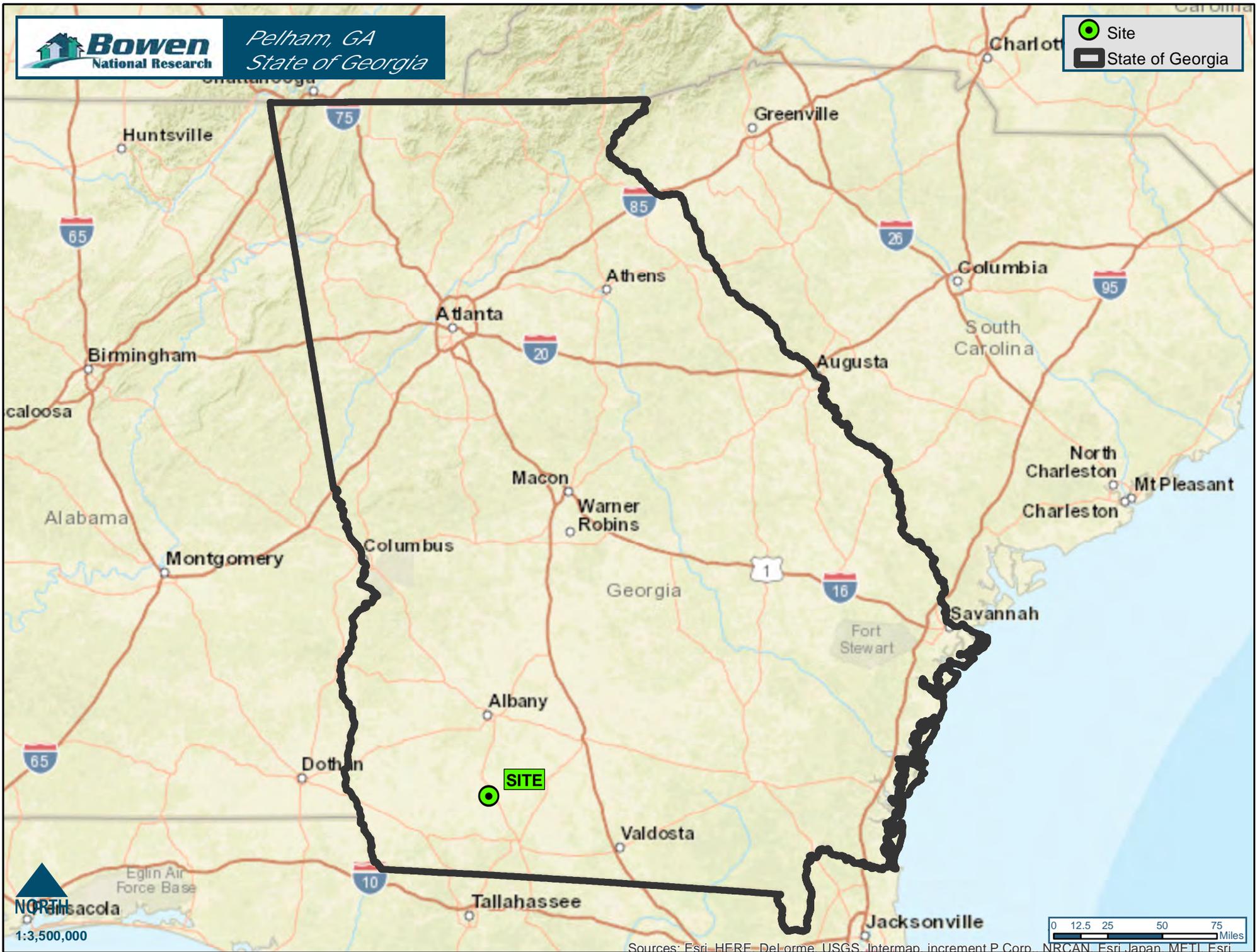
15. Current Project Status:

Not Applicable; New Construction

16. Statistical Area:

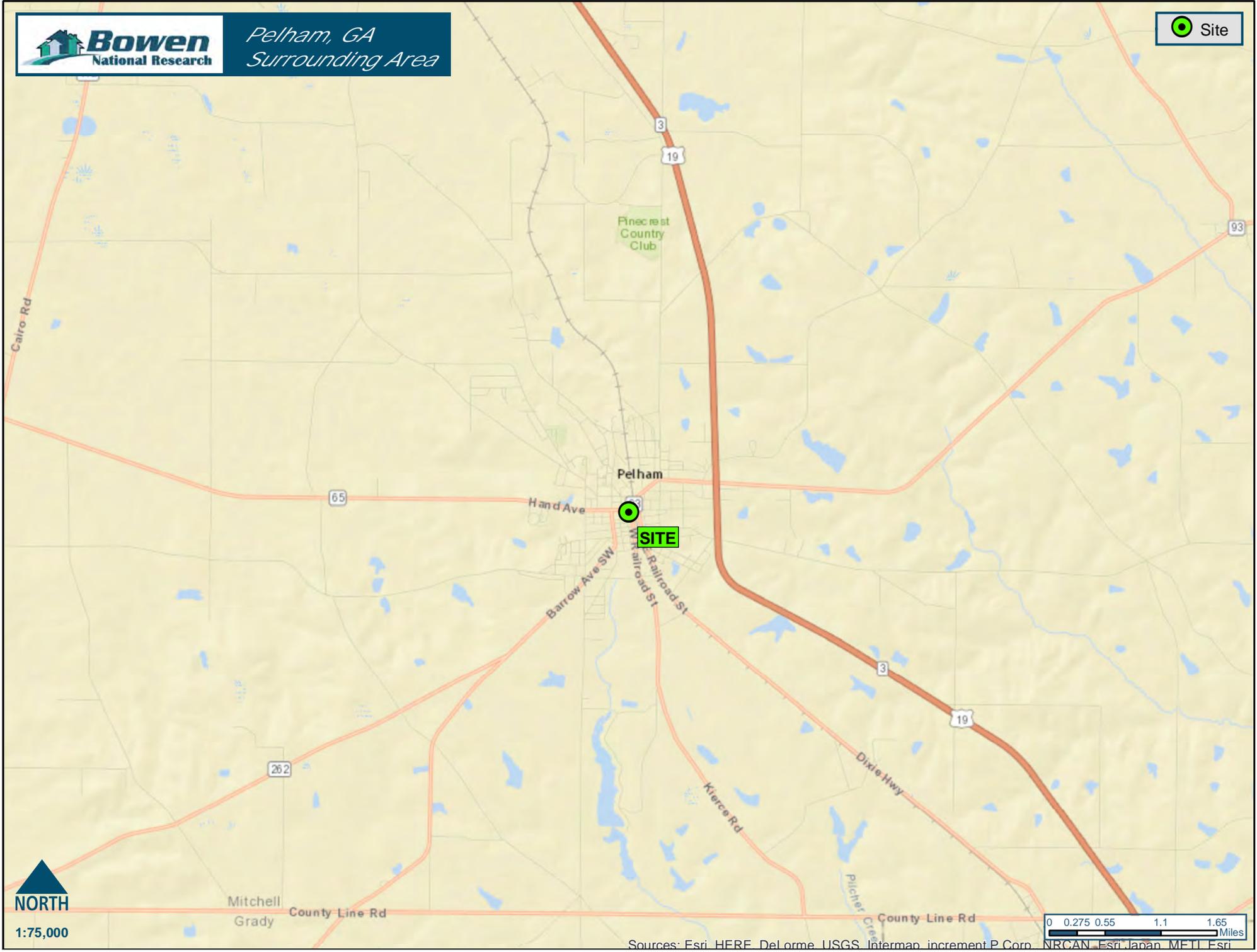
Mitchell County, GA (2016)

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





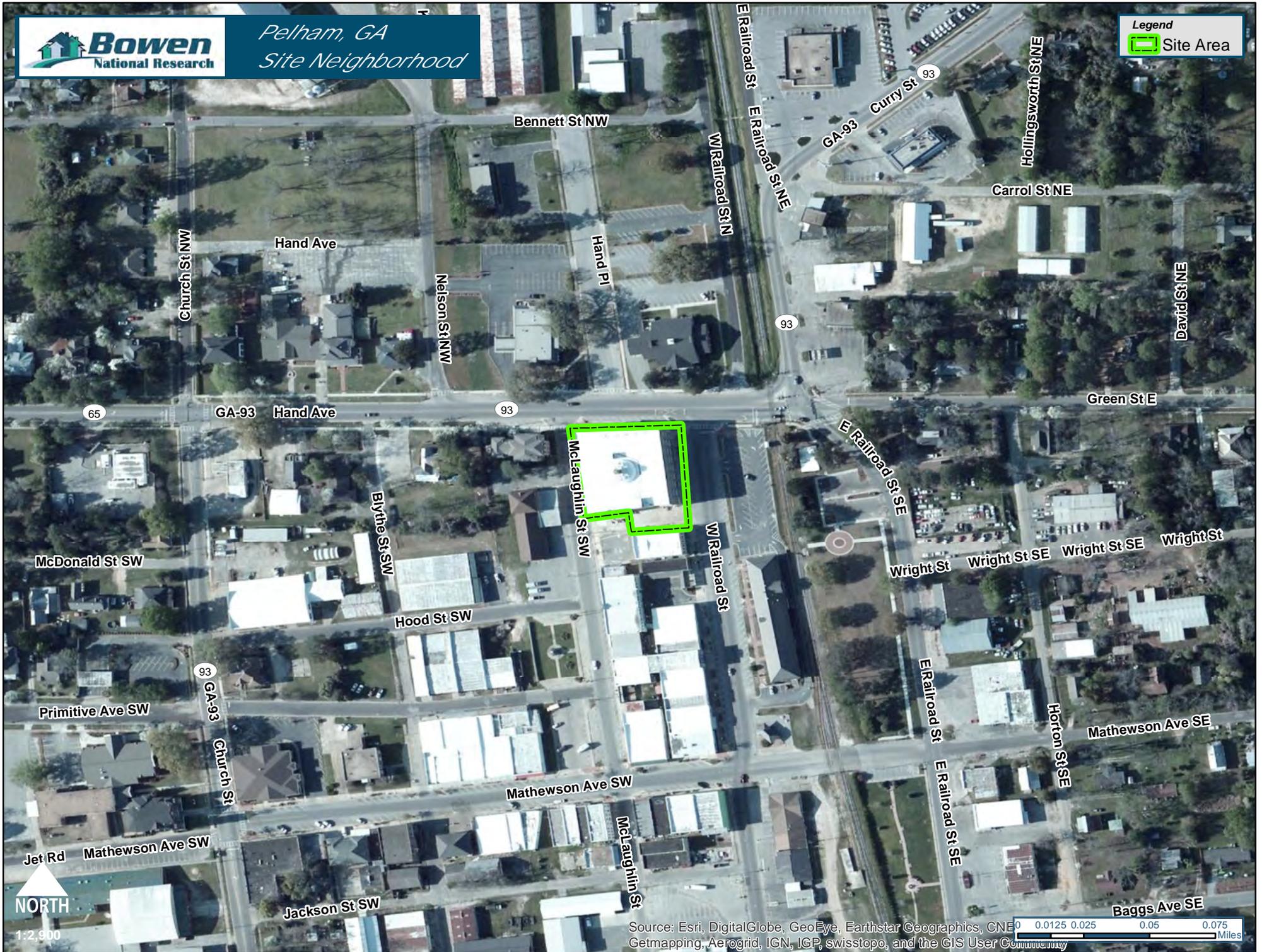
*Pelham, GA
Surrounding Area*



NORTH
1:75,000

0 0.275 0.55 1.1 1.65 Miles

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



Section C – Site Description And Evaluation

1. LOCATION

The subject site is comprised of an existing four-story building on an approximate 0.85-acre site located at 107 West Railroad Street South in the downtown portion of Pelham, Georgia. Located in Mitchell County, Pelham is approximately 36.0 miles south of Albany, Georgia. Greg Piduch, an employee of Bowen National Research, inspected the site and area apartments during the week of March 6, 2017.

2. SURROUNDING LAND USES

The subject site is within an established portion of Pelham, Georgia. Surrounding land uses generally include local commercial businesses and government buildings, a library, residential homes and active railroad tracks. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by Hand Avenue West, a two-lane roadway with minimal vehicular traffic. Extending north is Pelham Family Bank and City Hall. Beyond is a mix of commercial buildings, single-family homes and wooded land. Structures north of the site were generally observed to be in fair to good condition.
East -	The eastern boundary is defined by West Railroad Street South, a lightly traveled two-lane roadway. Farther east is a rideshare parking lot and active commercial railroad tracks which generally experience traffic once per day according to local sources. A CITGO gas station, other commercial buildings and single-family homes in good condition extend beyond.
South -	The southern boundary is defined by various local businesses within the downtown area which were observed to be in fair to good condition. These nearby local businesses include, but are not limited to, H&R Block, Community Bank of Pelham, Pelham Trading Post and the Pelham Chamber of Commerce. Continuing south are additional commercial businesses followed by residential homes in fair condition.

West -	The western boundary is defined by McLaughlin Street, a lightly traveled two-lane roadway. The Pelham Carnegie Library is located on the west side of McLaughlin Street along with the Thomas and Son building, which appeared to be vacant. Commercial buildings and residential homes in good condition, as well as the Hand Memorial United Church, are located farther west.
---------------	--

Considering that the subject project will involve the adaptive-reuse of an existing building, the property is expected to continue to be consistent with other surrounding land uses. Most existing structures surrounding the subject site were observed to be well-maintained and in relatively good condition, which should contribute to the subject’s marketability within the Pelham market. The development of the subject project will also help preserve an existing building and contribute to revitalization efforts within the downtown portion of Pelham. Note that while a set of active railroad tracks is located directly east of the subject site, City Hall representatives stated that these tracks typically experience train traffic only once a day, usually between the hours of 12:00 and 3:00 p.m. These representatives do not believe the location of these train tracks would have any adverse impact on marketability of the subject project, as they do not have any impact on the existing local businesses and/or residential neighborhoods located within the immediate site area.

3. VISIBILITY AND ACCESS

The subject property maintains full or partial frontage along Hand Avenue West, West Railroad Street South, and McLaughlin Street, two-lane roadways bordering the sight to the north, east and west, respectively. Traffic is relatively light along these roadways, however, Hand Avenue West could see moderate traffic patterns during weekday commuting hours. There is also the potential for increased traffic during business hours and on weekends due to its proximity to downtown government buildings and community services. Regardless, these aforementioned roadways will provide sufficient passerby traffic to the subject project, which is clearly visible from each of these bordering roadways. The four-story design of the subject building also enhances visibility, as it is one of the largest structures in the immediate site neighborhood. Based on the preceding factors, visibility is considered excellent from all directions and is expected to contribute to the subject’s overall marketability.



As detailed in *Section B*, the subject project will not offer a designated parking area/structure. The subject building itself, however, is conveniently accessible from each of the bordering roadways. Notably, Hand Avenue West and West Railroad Street South which border the site to the north and east, respectively, serve as arterial roadways throughout the Pelham area. Hand Avenue West, which becomes Green Street East as you travel east from the subject site, ultimately provides direct access to and from U.S. Highway 19 approximately 0.7 miles east of the site. Southwest Georgia Regional Transit also provides curb-to-curb scheduled transit service for Mitchell and surrounding counties in southwestern Georgia. The service operates between 6:00 a.m. and 8:00 p.m., Monday through Friday. The availability of public transportation is considered beneficial to the targeted low-income population at the subject site and will further enhance accessibility of the property. Based on the preceding factors, accessibility of the subject site is considered good.

According to area planning and zoning officials, and based on our analyst's observations, no notable road or other infrastructure projects are underway or planned for the immediate site area.

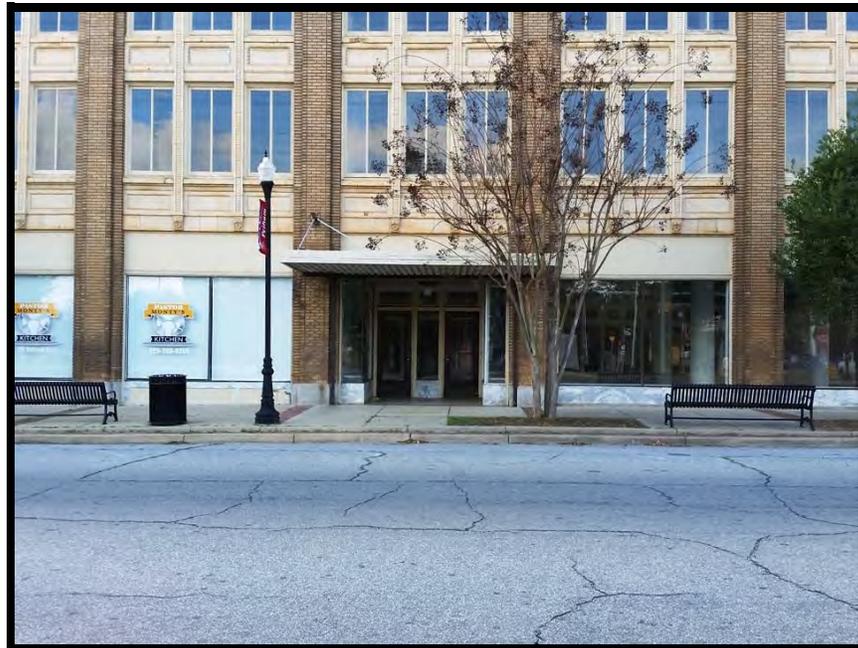
4. **SITE PHOTOGRAPHS**

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

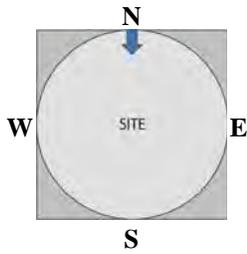
SITE PHOTOGRAPHS



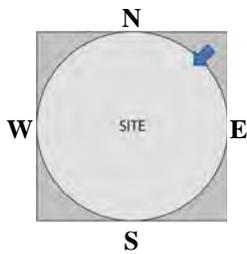
Entryway



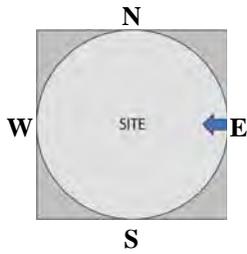
Entryway



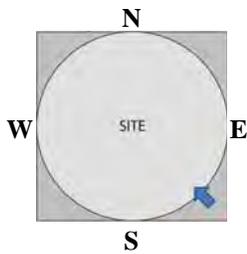
View of site from the north



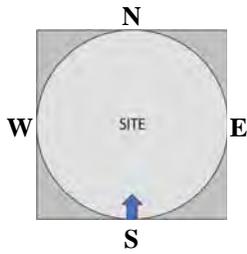
View of site from the northeast



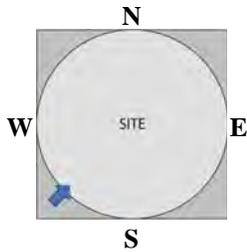
View of site from the east



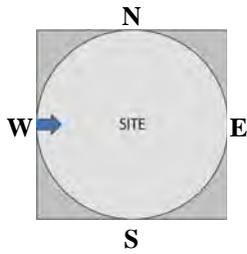
View of site from the southeast



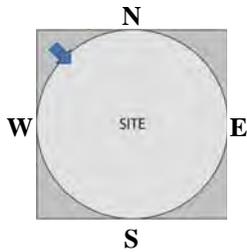
View of site from the south



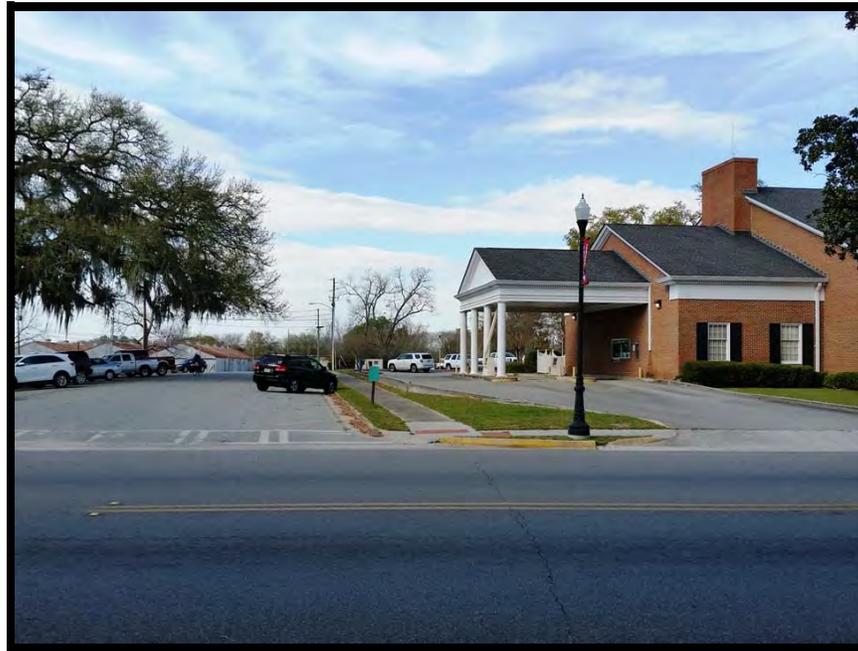
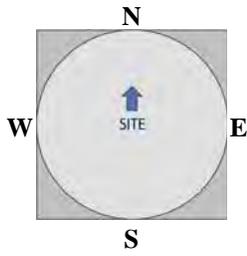
View of site from the southwest



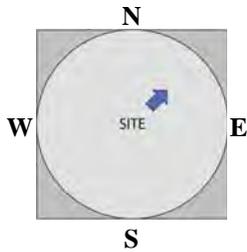
View of site from the west



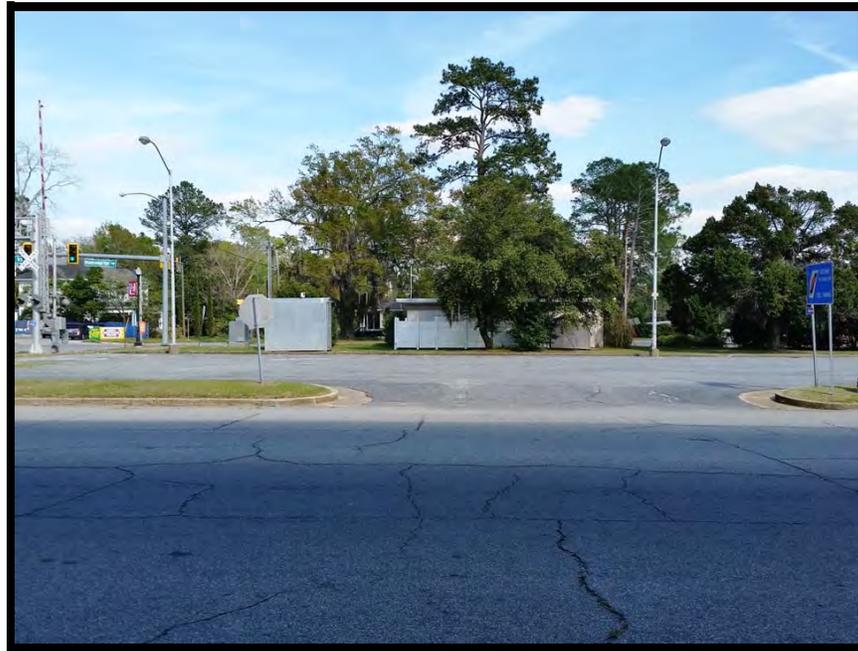
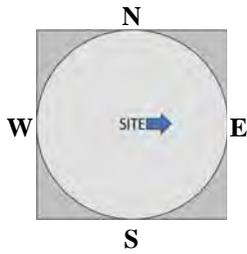
View of site from the northwest



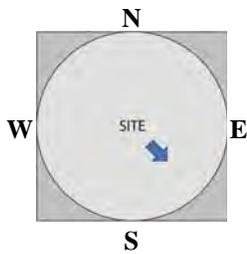
North view from site



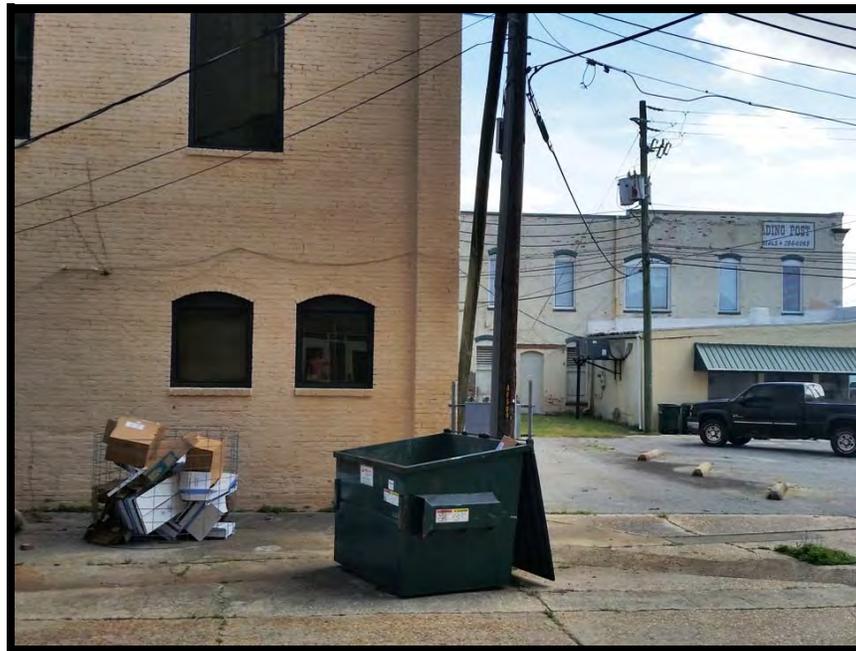
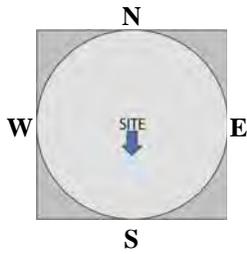
Northeast view from site



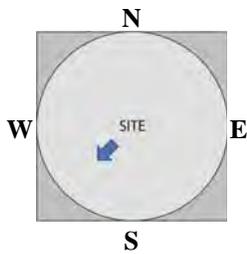
East view from site



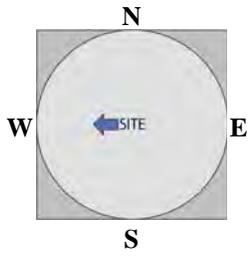
Southeast view from site



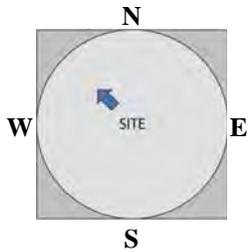
South view from site



Southwest view from site



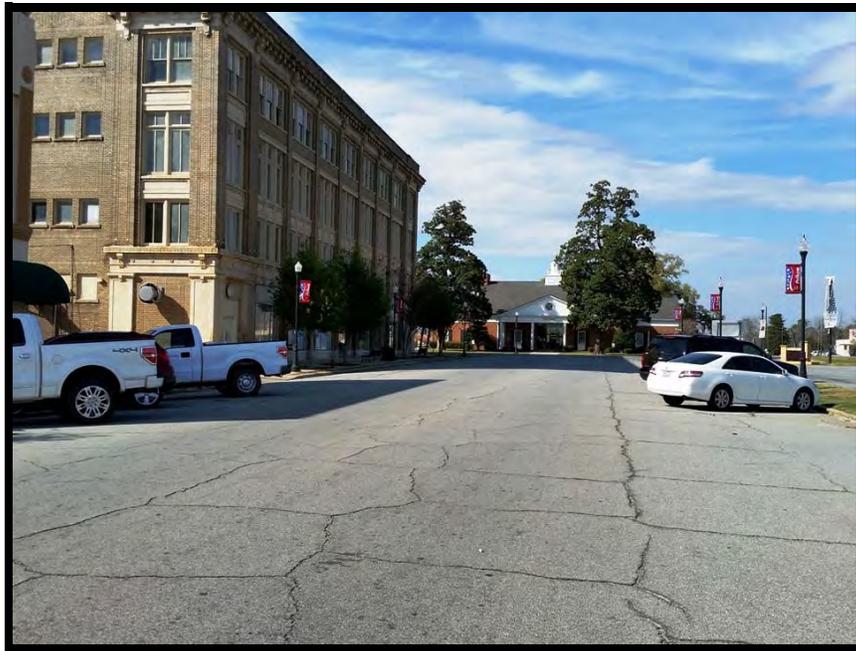
West view from site



Northwest view from site



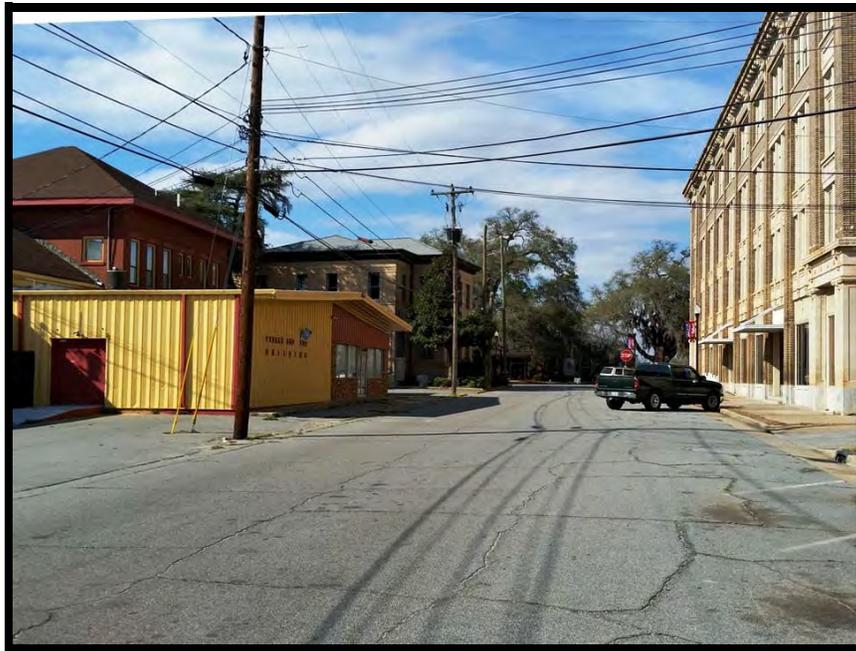
Streetscape: South view of West Railroad Street South



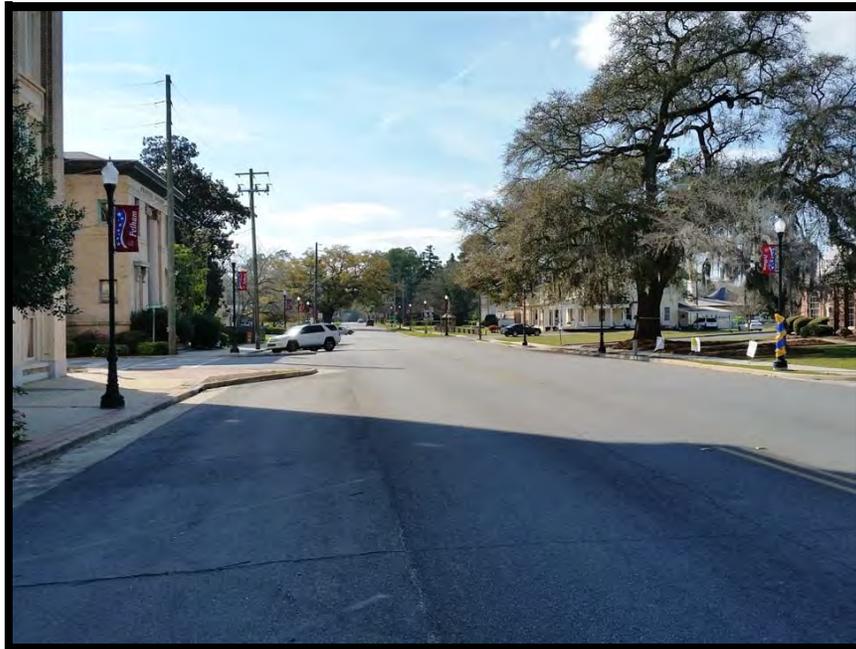
Streetscape: North view of West Railroad Street South



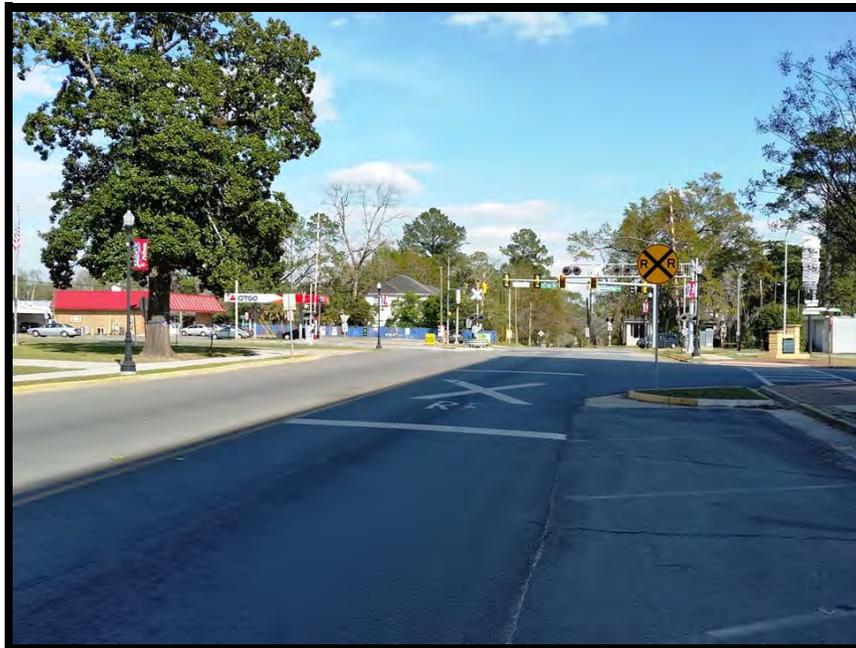
Streetscape: South view of McLaughlin Street



Streetscape: North view of McLaughlin Street



Streetscape: West view of Hand Avenue



Streetscape: East view of Hand Avenue

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

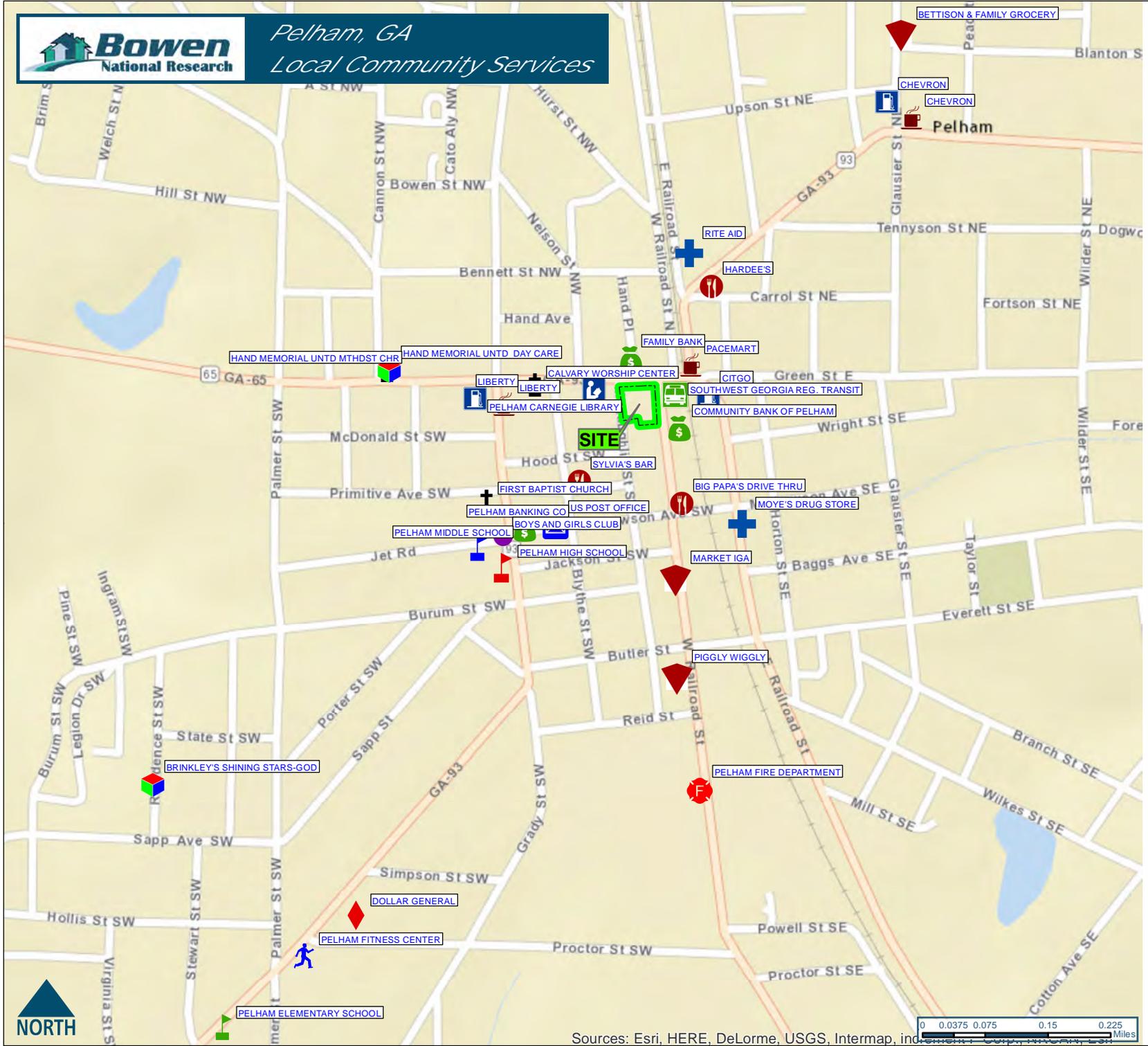
Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 19 (aka State Routes 3 & 300)	0.7 East
Public Bus Stop	Southwest Georgia Regional Transit	On-Site/On-Call
Major Employers/ Employment Centers	Pelham City School District Mitchell County Hospital	0.3 Southwest 8.9 Northwest
Convenience Store	Pacemart Liberty Chevron	0.1 Northeast 0.2 West 0.4 Northeast
Grocery	Market IGA Piggly Wiggly Bettison & Family Grocery and Market	0.2 South 0.3 South 0.5 Northeast
Discount Department Store	Dollar General	0.7 Northwest
Shopping Center/Mall	West Railroad Street South Corridor	0.2 South
Schools: Elementary Middle/Junior High High	Pelham Elementary School (Pre-K-5 th) Pelham Middle School (6 th -8 th) Pelham High School (9 th -12 th)	1.0 Southwest 0.3 Southwest 0.3 Southwest
Hospital	Mitchell County Hospital	8.9 Northwest
Police	Pelham Police Department	1.3 Northeast
Fire	Pelham Fire Department	0.4 South
Post Office	U.S. Post Office	0.3 Southwest
Bank	Family Bank Community Bank of Pelham Pelham Banking Co.	< 0.1 North < 0.1 South 0.3 Southwest
Recreational Facilities	Boys and Girls Club Pelham Fitness Center	0.3 Southwest 0.8 Southwest
Gas Station	CITGO Liberty Chevron	0.1 Northeast 0.2 West 0.4 Northeast
Pharmacy	Moye's Drug Store Rite Aid	0.2 Southeast 0.2 Northeast
Restaurant	Big Papa's Drive Thru Hardee's Sylvia's Bar	0.1 South 0.2 Northeast 0.2 Southwest
Day Care	Hand Memorial United Methodist Day Care Brinkley's Shining Stars of God Open Door Community Development Learning Center	0.3 West 0.9 Southwest 1.3 Northwest
Church	Calvary Worship Center First Baptist Church Hand Memorial United Methodist	0.1 West 0.3 Southwest 0.3 West
Medical Center	Phoebe Primary Care of Pelham	0.7 Northeast
Library	Pelham Carnegie Library	< 0.1 West

Excluding Mitchell County Hospital (8.9 miles northwest), all community services are within 1.3 miles of the subject site. Family Bank and Community Bank of Pelham are each adjacent to the site as well as Pelham Carnegie Library. Additionally, several restaurants, convenience stores, grocery stores, pharmacies and churches are within a short walking distance of 0.3 miles, or less, from the site. Although fixed-route public transportation is unavailable within the Pelham market, an on-call transportation service is available to area residents through Southwest Georgia Regional Transit. The availability of this service is considered beneficial to the targeted low-income population at the subject project and will enhance accessibility of many area services, if needed.

The Pelham Fire Department is located 0.4 miles south of the site and the Pelham Police Department is 1.3 miles northeast. Phoebe Primary Care of Pelham is the nearest medical service, 0.7 miles from the site, and offers preventative medicine, x-ray, and child and adult care services. Mitchell County Hospital can be accessed via U.S. Highway 19, which is 1.5 miles from the site. Pelham City School District serves the subject site, with all applicable attendance schools located within 1.0 mile of the site. Each attendance school provides bus route transportation.

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

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



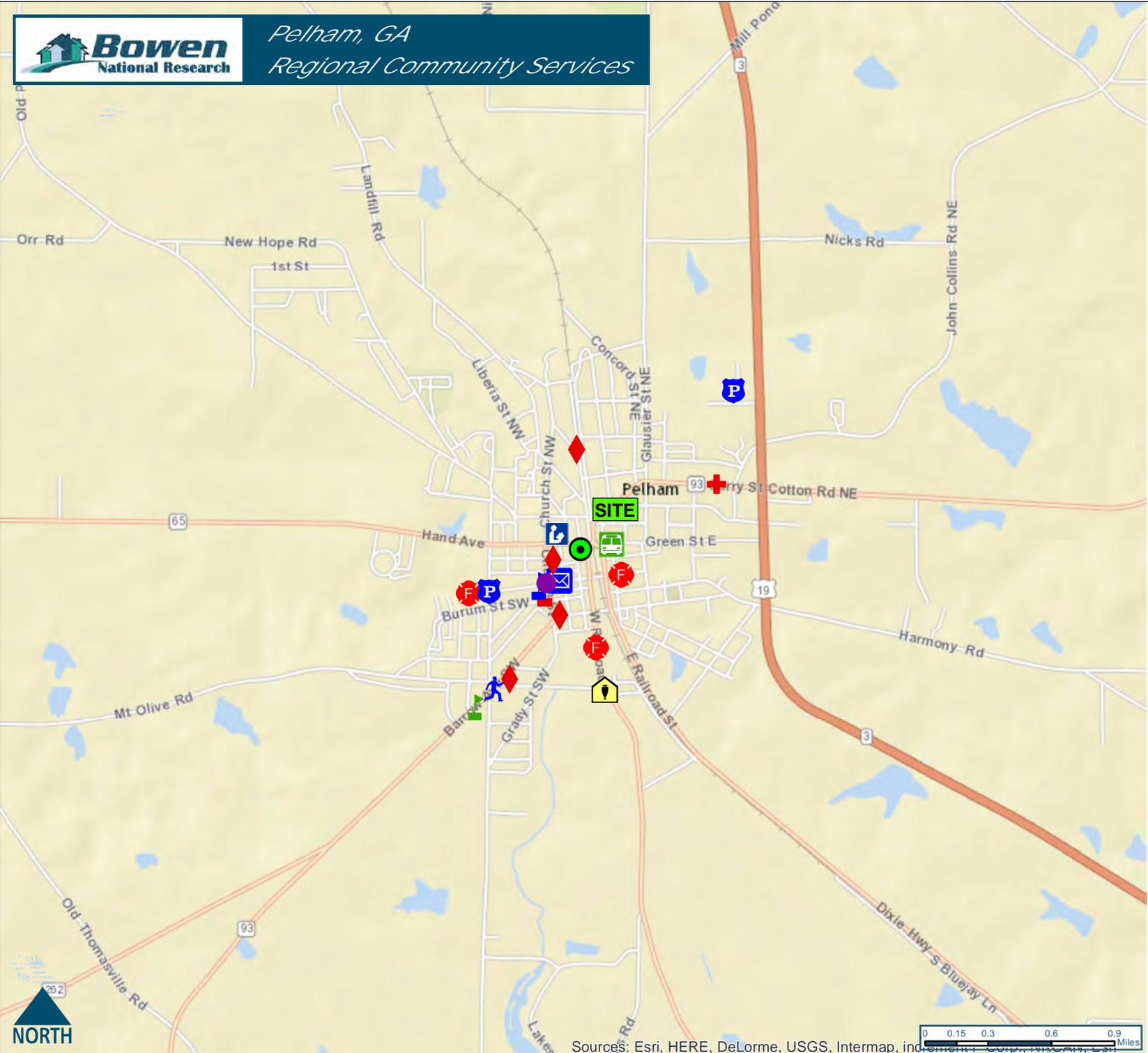
Legend

-  Site Area
-  Bank
-  Child Care
-  Church
-  Convenience Store
-  Elementary School
-  Fire
-  Fitness Center
-  Gas
-  Grocery
-  High School
-  Library
-  Middle School
-  Pharmacy
-  Post Office
-  Recreation Center
-  Restaurant
-  Shopping
-  Transit



Legend

-  Site
-  Elementary School
-  Fire
-  Fitness Center
-  High School
-  Library
-  Medical Center
-  Middle School
-  Museum
-  Police
-  Post Office
-  Recreation Center
-  Shopping
-  Transit



Sources: Esri, HERE, DeLorme, USGS, Intermap, inc

1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the Site PMA is 69, with an overall personal crime index of 61 and a property crime index of 68. Total crime risk for Mitchell County is 80, with indexes for personal and property crime of 68 and 82, respectively.

	Crime Risk Index	
	Site PMA	Mitchell County
Total Crime	69	80
Personal Crime	61	68
Murder	99	106
Rape	50	54
Robbery	31	41
Assault	73	81
Property Crime	68	82
Burglary	95	105
Larceny	69	81
Motor Vehicle Theft	44	63

Source: Applied Geographic Solutions

The crime risk index for the Site PMA (69) is lower than that reported for Mitchell County (80) as a whole, as well as the national average of 100. Lower crime rates are typical of more rural areas such as the Pelham Site PMA and should contribute to the marketability of the subject project, as there is likely a low perception of crime within the Pelham market.

A map illustrating crime risk is on the following page.



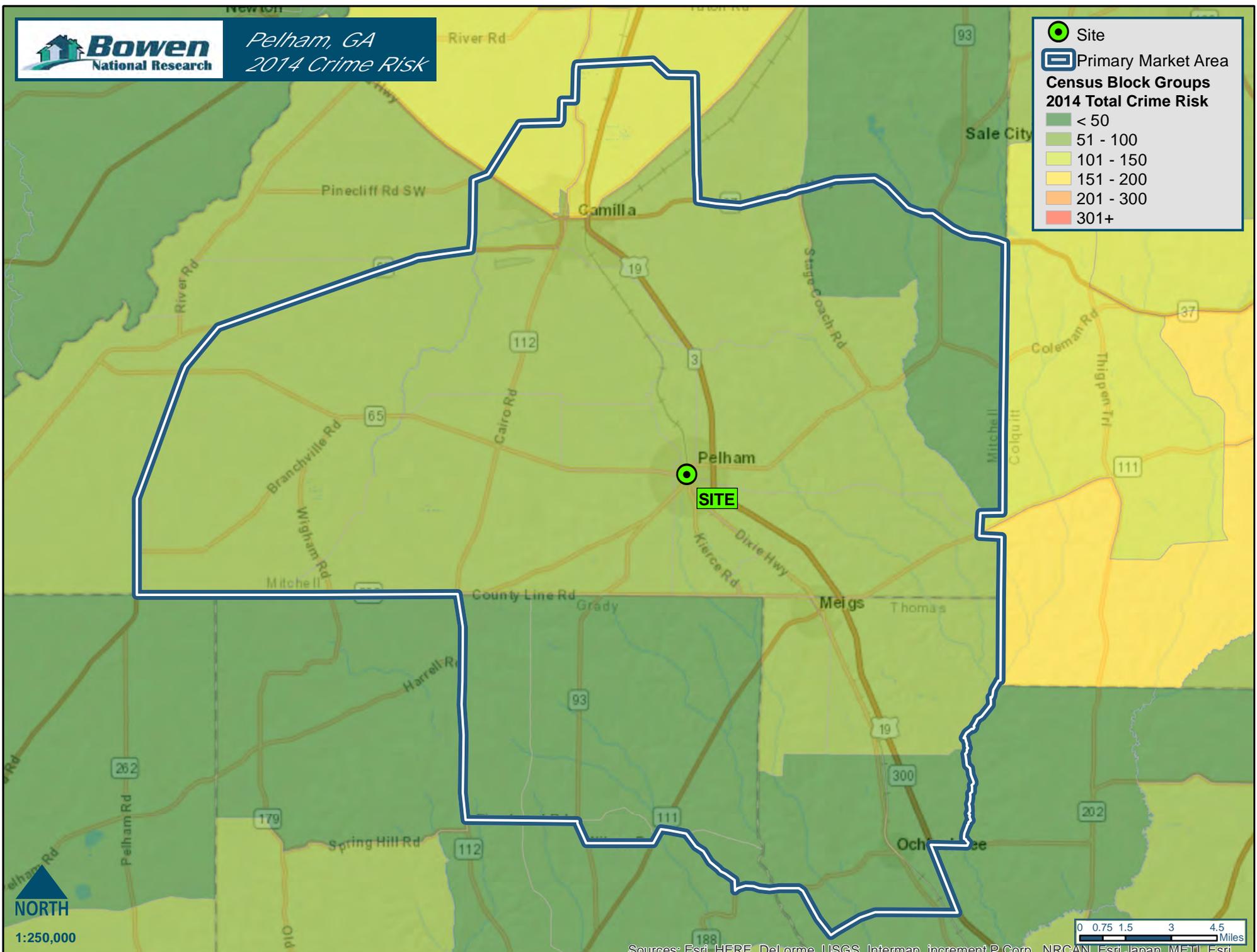
Pelham, GA
2014 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



NORTH
1:250,000



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

7. OVERALL SITE EVALUATION

The subject site is located within the established downtown portion of Pelham. Surrounding land uses are generally comprised of various local businesses and residential structures which are well-maintained and in relatively good condition. The subject building fits well with these existing surrounding land uses. Visibility and access of the subject site are both considered very good, as the site is clearly visible and easily accessible from each of the three bordering roadways. The subject site is also located within close proximity of U.S. Highway 19 which allows for convenient access throughout the region. Despite the rural nature of the Pelham area, most basic area services are located within 1.0 mile of the subject site and several are within the immediate downtown area and within walking distance of the subject site. Fixed-route public transportation is not available within the Pelham area. However, Southern Georgia Regional Transit does provide an on-call transportation service throughout Mitchell and surrounding counties. Overall, we anticipate the site's location and proximity to community services will 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.

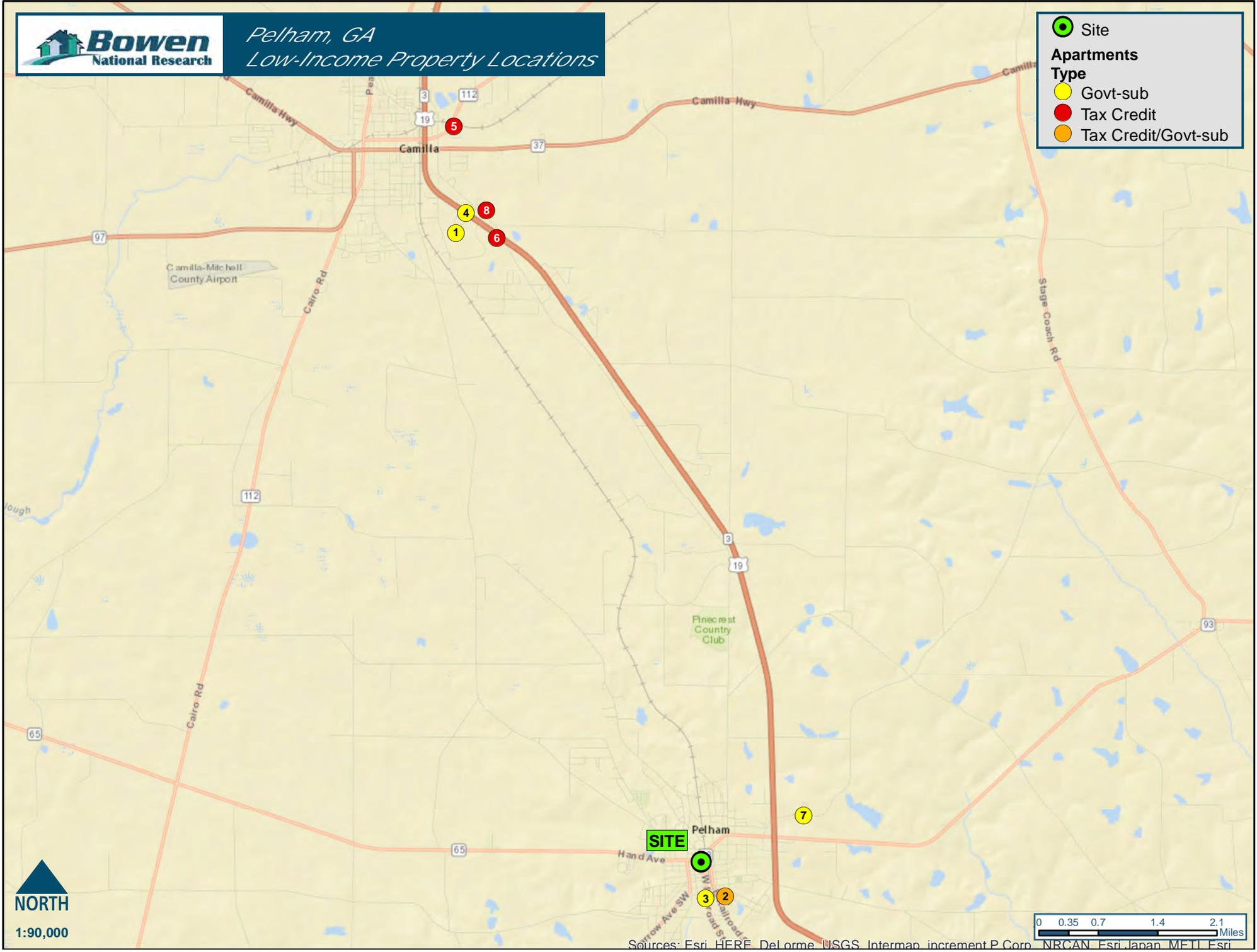


*Pelham, GA
Low-Income Property Locations*

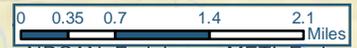
Site
● Site

Apartments Type

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



NORTH
1:90,000



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

Section D – Primary Market Area Delineation

The Site 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 Pelham Site PMA was determined through interviews with area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Pelham Site PMA includes the municipalities, or portions, of Pelham, Camilla, Meigs, Ochlocknee and some outlying unincorporated areas of Mitchell, Grady, and Thomas counties. The boundaries of the Site PMA include State Route 97, the Camilla town limits and State Route 37 to the north; the Mitchell and Colquitt County boundaries and the Little Ochlocknee River to the east; State Route 188, the Ochlocknee town limits, Akridge Road, and Pine Level Road to the south; and State Routes 112, 262 and 97 to the west.

- Dorothy Hill is the Site Manager at Cottonwood Pointe I & II (Map ID 5), an age-restricted Tax Credit property located within the Site PMA in the town of Camilla. Ms. Hill confirmed the Site PMA, stating that many of her residents are local to the Camilla area where her property is located, but that she does also receive support from surrounding areas such as Pelham and Albany. Ms. Hill added that the proposed site in Pelham would likely receive support from Pelham and the Camilla areas.
- Patricia Cox is the Property Manager at Heritage Square Elderly (Map ID 2), an age-restricted Tax Credit and Rural Development property, as well as the Heritage Square Family (Map ID 3) property, a government-subsidized rural development property, both located within the Site PMA. Ms. Cox also confirmed the Site PMA, stating that most of her residents come from within Mitchell County, with some support also originating from the Albany and other surrounding areas. Ms. Cox also added that a new site in Pelham would receive support from Camilla given the close proximity of these areas (approximately eight miles) to one another.

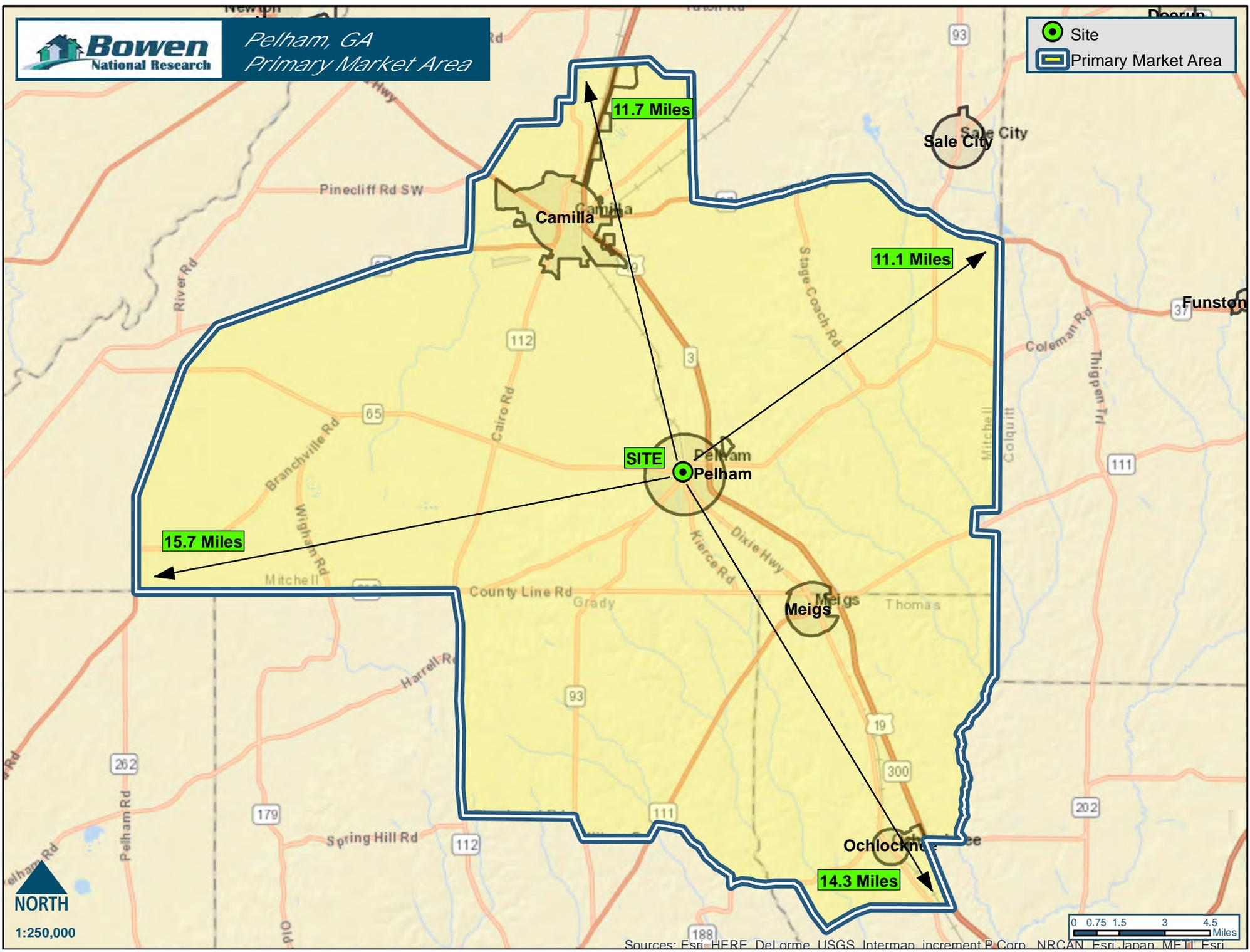
We recognize that the subject project will likely receive some support from outside the Pelham Site PMA. However, when considering the very rural nature of most areas surrounding the Site PMA, this support base is expected to be minimal. We also anticipate that residents of these outlying areas would first choose to relocate to the larger, more populated, areas of Albany, Moultrie, Thomasville, and Cairo, before relocating to the Pelham area. As such, we have not considered any secondary market area in this report.

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



Pelham, GA
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:250,000



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, 2017 (estimated) and 2019 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Population	22,063	22,104	22,188	22,109
Population Change	-	41	84	-78
Percent Change	-	0.2%	0.4%	-0.4%

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

The Pelham Site PMA population base increased by 41 between 2000 and 2010. This represents a 0.2% increase over the 2000 population, or an annual rate of less than 0.1%. Between 2010 and 2017, the population increased by 84, or 0.4%. It is projected that the population will decline by 78, or 0.4%, between 2017 and 2019.

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

Population by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,114	27.7%	5,817	26.2%	5,796	26.2%	-20	-0.4%
20 to 24	1,460	6.6%	1,424	6.4%	1,351	6.1%	-73	-5.1%
25 to 34	2,887	13.1%	3,049	13.7%	2,982	13.5%	-67	-2.2%
35 to 44	2,988	13.5%	2,824	12.7%	2,798	12.7%	-26	-0.9%
45 to 54	3,196	14.5%	2,974	13.4%	2,891	13.1%	-82	-2.8%
55 to 64	2,541	11.5%	2,716	12.2%	2,749	12.4%	32	1.2%
65 to 74	1,669	7.5%	2,034	9.2%	2,119	9.6%	85	4.2%
75 & Over	1,251	5.7%	1,350	6.1%	1,423	6.4%	73	5.4%
Total	22,106	100.0%	22,188	100.0%	22,109	100.0%	-78	-0.4%

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

As the preceding table illustrates, over 52% of the population is expected to be between 25 and 64 years old in 2017. 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 Pelham Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	7,491	7,547	7,578	7,551
Household Change	-	56	31	-27
Percent Change	-	0.7%	0.4%	-0.4%
Household Size	2.95	2.93	2.66	2.66

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

Within the Pelham Site PMA, households increased by 56 (0.7%) between 2000 and 2010. Between 2010 and 2017, households increased by 31 or 0.4%. By 2019, there will be 7,551 households, a decline of 27 households, or 0.4% over 2017 levels. This is a decline of approximately 13 households annually over the next two years, which is considered modest household decline and is not expected to have a significant impact (if any) on housing demand.

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

Households by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	310	4.1%	282	3.7%	273	3.6%	-10	-3.4%
25 to 34	984	13.0%	1,026	13.5%	996	13.2%	-30	-2.9%
35 to 44	1,325	17.5%	1,205	15.9%	1,184	15.7%	-21	-1.8%
45 to 54	1,581	20.9%	1,422	18.8%	1,365	18.1%	-58	-4.1%
55 to 64	1,446	19.2%	1,502	19.8%	1,510	20.0%	8	0.5%
65 to 74	1,058	14.0%	1,253	16.5%	1,294	17.1%	42	3.3%
75 to 84	612	8.1%	636	8.4%	679	9.0%	43	6.7%
85 & Over	234	3.1%	252	3.3%	251	3.3%	-1	-0.3%
Total	7,550	100.0%	7,579	100.0%	7,552	100.0%	-27	-0.4%

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

Only the 55 to 84 age cohort is projected to experience household growth between 2017 and 2019, as illustrated in the preceding table. It is important to note, however, that the 25 to 64 age cohort is projected to comprise nearly 67.0% of all households in 2019, despite a slight decline between 2017 and 2019.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,994	66.2%	4,700	62.0%	4,683	62.0%
Renter-Occupied	2,553	33.8%	2,877	38.0%	2,868	38.0%
Total	7,547	100.0%	7,578	100.0%	7,551	100.0%

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

In 2017, homeowners occupied 62.0% of all occupied housing units, while the remaining 38.0% were occupied by renters. The share of renters is considered good for a rural market such as the Pelham Site PMA and represents a good base of potential renter support in the market for the subject development.

The household sizes by tenure within the Site PMA, based on the 2017 estimates and 2019 projections, were distributed as follows:

Persons Per Renter Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,292	44.9%	1,291	45.0%	0	0.0%
2 Persons	598	20.8%	596	20.8%	-2	-0.3%
3 Persons	394	13.7%	393	13.7%	-1	-0.3%
4 Persons	258	9.0%	257	9.0%	-1	-0.5%
5 Persons+	334	11.6%	329	11.5%	-5	-1.4%
Total	2,876	100.0%	2,867	100.0%	-10	-0.3%

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

Persons Per Owner Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,337	28.4%	1,327	28.3%	-10	-0.7%
2 Persons	1,815	38.6%	1,810	38.6%	-5	-0.3%
3 Persons	640	13.6%	640	13.7%	0	0.0%
4 Persons	480	10.2%	478	10.2%	-2	-0.4%
5 Persons+	430	9.1%	429	9.2%	-1	-0.2%
Total	4,701	100.0%	4,684	100.0%	-18	-0.4%

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 development will be able to accommodate most renter households in the market, based on household size.

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

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	2,051	27.2%	2,100	27.7%	2,201	29.2%
\$15,000 to \$24,999	1,378	18.3%	1,301	17.2%	1,272	16.8%
\$25,000 to \$34,999	760	10.1%	923	12.2%	850	11.3%
\$35,000 to \$49,999	1,175	15.6%	1,059	14.0%	1,040	13.8%
\$50,000 to \$74,999	1,061	14.1%	1,065	14.0%	1,062	14.1%
\$75,000 to \$99,999	551	7.3%	612	8.1%	611	8.1%
\$100,000 to \$149,999	458	6.1%	378	5.0%	375	5.0%
\$150,000 to \$199,999	6	0.1%	85	1.1%	86	1.1%
\$200,000 & Over	110	1.5%	55	0.7%	53	0.7%
Total	7,550	100.0%	7,577	100.0%	7,550	100.0%
Median Income	\$29,553		\$29,202		\$28,555	

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



In 2010, the median household income was \$29,553. This declined by 1.2% to \$29,202 in 2017. By 2019, it is projected that the median household income will be \$28,555, a decline of 2.2% over 2017.

The following tables illustrate renter household income by household size for 2010, 2017 and 2019 for the Pelham Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	480	275	243	96	160	1,254
\$15,000 to \$24,999	232	138	120	49	80	619
\$25,000 to \$34,999	79	51	45	19	28	222
\$35,000 to \$49,999	89	61	54	21	37	262
\$50,000 to \$74,999	37	28	25	10	15	115
\$75,000 to \$99,999	12	9	8	4	4	37
\$100,000 to \$149,999	15	11	10	3	4	43
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	944	573	505	202	328	2,552

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	646	280	184	122	159	1,393
\$15,000 to \$24,999	260	116	76	51	66	568
\$25,000 to \$34,999	178	82	55	36	47	397
\$35,000 to \$49,999	95	52	34	22	27	230
\$50,000 to \$74,999	66	40	26	16	22	169
\$75,000 to \$99,999	27	15	11	7	8	68
\$100,000 to \$149,999	20	13	8	5	5	51
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	1,292	598	394	258	334	2,876

Source: ESRI; Urban Decision Group

Renter Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	683	297	195	129	168	1,473
\$15,000 to \$24,999	251	112	73	49	63	547
\$25,000 to \$34,999	162	76	50	33	42	364
\$35,000 to \$49,999	87	47	31	21	24	209
\$50,000 to \$74,999	62	37	25	15	19	158
\$75,000 to \$99,999	26	14	10	6	7	63
\$100,000 to \$149,999	21	13	9	5	5	53
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	1,291	596	393	257	329	2,867

Source: ESRI; Urban Decision Group

Demographic Summary

The Pelham Site PMA has experienced both population and household growth between 2000 and 2017, though each of these demographic segments are projected to experience a decline of 0.4% between 2017 and 2019. This is considered modest population and household decline, however, and is not expected to have any significant impact on housing demand within the Site PMA. In 2017, it is estimated that 38.0% of all households will be renters, a trend which is projected to continue through 2019. This is considered a good share of renter households for a rural market such as the Pelham Site PMA. It is projected that more than 83.0% of all renter households will earn below \$35,000 in 2019, a trend which is considered conducive to affordable rental housing such as that proposed at the subject site.

Section F – Economic Trends

1. LABOR FORCE PROFILE

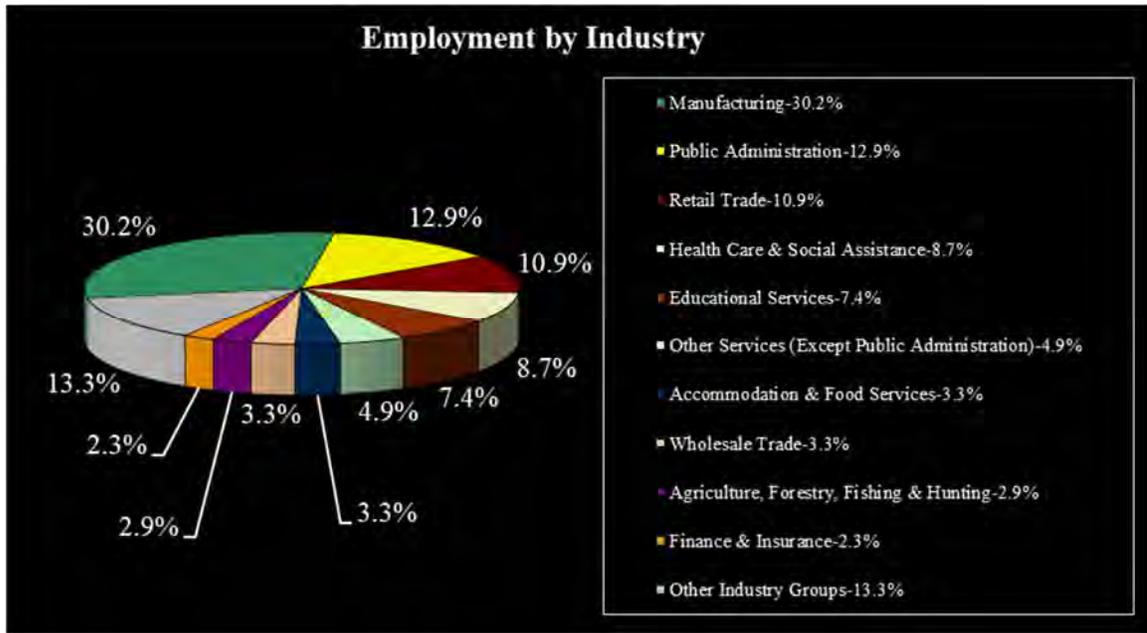
The labor force within the Pelham Site PMA is based primarily in three sectors. Manufacturing (which comprises 30.2%), Public Administration and Retail Trade comprise approximately 54% of the Site PMA labor force. Employment in the Pelham Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	32	4.0%	275	2.9%	8.6
Mining	2	0.3%	12	0.1%	6.0
Utilities	2	0.3%	86	0.9%	43.0
Construction	43	5.4%	208	2.2%	4.8
Manufacturing	20	2.5%	2,860	30.2%	143.0
Wholesale Trade	33	4.1%	308	3.3%	9.3
Retail Trade	130	16.3%	1,033	10.9%	7.9
Transportation & Warehousing	24	3.0%	188	2.0%	7.8
Information	12	1.5%	58	0.6%	4.8
Finance & Insurance	75	9.4%	222	2.3%	3.0
Real Estate & Rental & Leasing	33	4.1%	140	1.5%	4.2
Professional, Scientific & Technical Services	34	4.3%	187	2.0%	5.5
Management of Companies & Enterprises	2	0.3%	42	0.4%	21.0
Administrative, Support, Waste Management & Remediation Services	16	2.0%	138	1.5%	8.6
Educational Services	20	2.5%	697	7.4%	34.9
Health Care & Social Assistance	52	6.5%	822	8.7%	15.8
Arts, Entertainment & Recreation	8	1.0%	28	0.3%	3.5
Accommodation & Food Services	40	5.0%	313	3.3%	7.8
Other Services (Except Public Administration)	113	14.2%	464	4.9%	4.1
Public Administration	92	11.5%	1,222	12.9%	13.3
Nonclassifiable	14	1.8%	168	1.8%	12.0
Total	797	100.0%	9,471	100.0%	11.9

*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. The proposed project will generally target households with incomes below \$40,000. 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 city of Pelham comprise a total of 1,150 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Autry State Prison	Corrections	352
Pelham City Schools	Education	220
Darwoods	Clothing Manufacturer	150
Okinus	Financial Services-Call Center	130
Pelham Parkway	Health Care	112
City of Pelham	Government	63
Flints Hills Resources	Ethanol Plant	58
Huddle House	Restaurant	22
Family Bank	Banking	22
H & L	Distribution	21
Total		1,150

Source: Pelham City Office-February 2017

According to a representative with the Mitchell County Development Authority and a representative of the City of Pelham, the Pelham economy is stable and improving. A new Pelham City Manager and Director of the Pelham Chamber of Commerce were hired in past 18 months and have helped to turn the Pelham economy in a positive direction. The city finances are now stable and growing. Some of the positive economic impacts in Pelham over the past 12 months are summarized as follows:

- There were four new restaurants opened in 2016 and all four have exceeded their projected incomes.
- Dollar General recently purchased a vacant Walmart Express building in Pelham and vacated their facilities in downtown Pelham. AutoZone has purchased the vacant Dollar General building and will open a new store in March of 2017.

- Recently the City of Pelham accepted a donation of a 20,000-square foot building that is currently occupied by a Subway franchise with 18,000 square feet of space remaining vacant. A national variety retail chain is actively evaluating the building for occupancy in the 3rd or 4th quarter of 2017, though additional details of this project were unavailable at the time of this analysis.
- Mitchell County Dodge-Chrysler-Jeep recently relocated from a remote location in Mitchell County to a new facility just outside the Pelham city limits, at a cost of \$900,000.
- Pelham's only motel, Executive Inn & Suites, was completely renovated in mid-2016 and collection of Hotel/Motel Tax has doubled during the past nine months indicating a significantly higher occupancy rate compared to previous periods.

Infrastructure Projects

- Palmer Street Sidewalks: This project will involve the construction of sidewalks for school children from Hand Avenue to Barrow Street (approximately 3,150 feet of sidewalk along Palmer Avenue), new curbs and guttering, and resurfacing of the entire street. This project began in March of 2017 and is projected to cost \$281,000.
- The City of Pelham was awarded a Community Development Block Grant of \$500,000 from the Georgia Department of Community Affairs for sewer rehabilitation. This project will include the rehabilitation of 24 blocks of sewer lines, approximately 75 manholes, and the replacement of 3,500 feet of sewer line.
- The City of Pelham has advertised for bids for the replacement of 1,450 water meters with drive-by water meters and the associated hardware and software for integration into the existing utility software. This project is anticipated to be complete in the 4th quarter 2017.
- The City of Pelham has applied for an additional 2017 Local Maintenance & Improvement Grant for Off-System Safety in the amount of \$50,000. If awarded, these funds, with an additional 30% match, will be used to stripe 25 miles of roadway within the corporate city limits with completion projected for the end of December 2017.

WARN (layoff notices):

According to the Georgia Department of Economic Development's Workforce Division website there have been no WARN notices of large-scale layoffs or closures reported for Mitchell County thus far in 2017.

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.

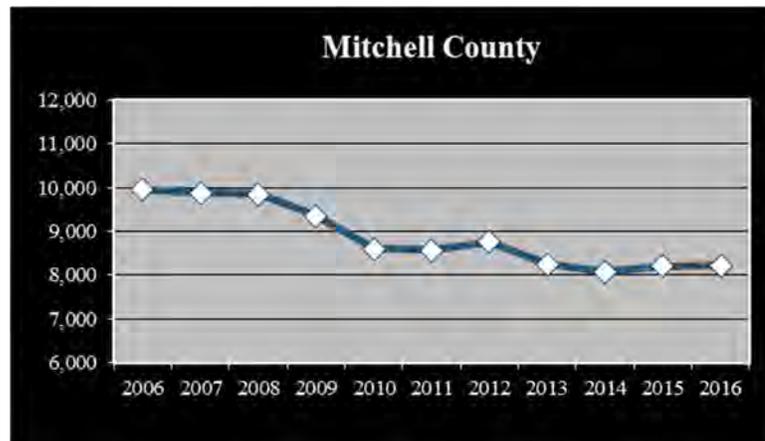
Excluding 2016, the employment base has declined by 4.1% over the past five years in Mitchell County, while the state of Georgia increased by 5.6%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Mitchell County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2006	9,950	-	4,489,128	-	145,000,042	-
2007	9,886	-0.6%	4,597,640	2.4%	146,388,400	1.0%
2008	9,851	-0.4%	4,575,010	-0.5%	146,047,748	-0.2%
2009	9,354	-5.0%	4,311,854	-5.8%	140,696,560	-3.7%
2010	8,602	-8.0%	4,202,052	-2.5%	140,469,139	-0.2%
2011	8,568	-0.4%	4,263,305	1.5%	141,791,255	0.9%
2012	8,764	2.3%	4,348,083	2.0%	143,688,931	1.3%
2013	8,248	-5.9%	4,367,147	0.4%	145,126,067	1.0%
2014	8,079	-2.1%	4,418,471	1.2%	147,604,328	1.7%
2015	8,213	1.7%	4,502,021	1.9%	149,950,804	1.6%
2016*	8,219	0.1%	4,656,255	3.4%	152,400,435	1.6%

Source: Department of Labor; Bureau of Labor Statistics

*Through December

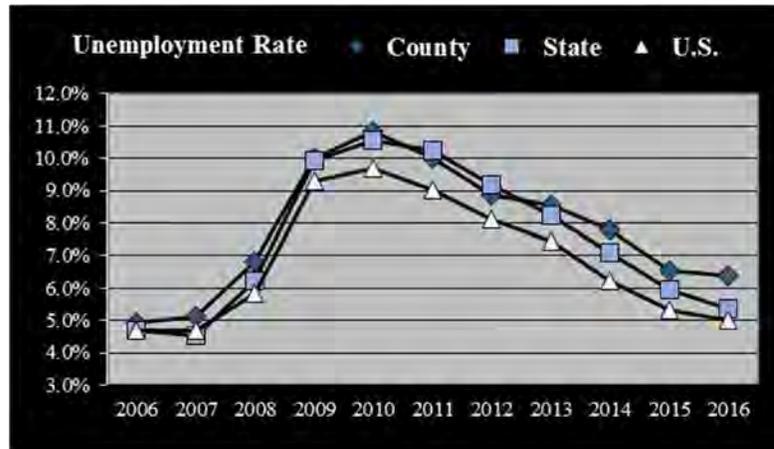


As the preceding illustrates, the Mitchell County employment base experienced notable declines between both 2008 and 2010, and 2012 and 2014. The employment base has increased each of the past two years, though by only 140 jobs, or 1.7%, during this time period. Total employment figures also remain well below pre-recession levels for the county, through December of 2016.

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

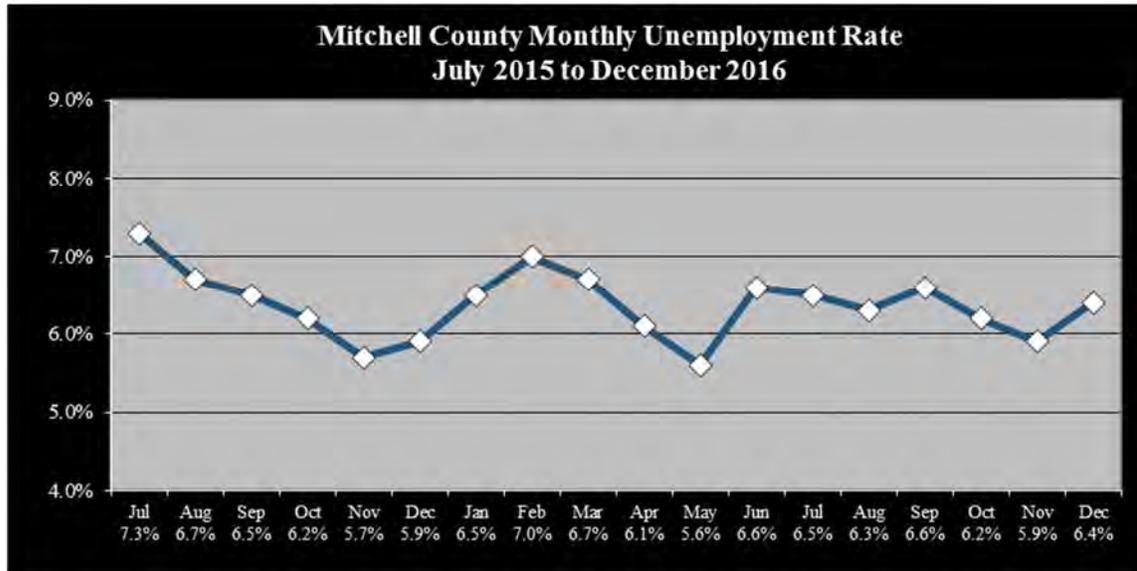
Year	Unemployment Rate		
	Mitchell County	Georgia	United States
2006	4.9%	4.7%	4.7%
2007	5.1%	4.5%	4.7%
2008	6.8%	6.2%	5.8%
2009	10.0%	9.9%	9.3%
2010	10.8%	10.6%	9.7%
2011	10.0%	10.2%	9.0%
2012	8.9%	9.2%	8.1%
2013	8.6%	8.2%	7.4%
2014	7.8%	7.1%	6.2%
2015	6.6%	6.0%	5.3%
2016*	6.4%	5.4%	5.0%

Source: Department of Labor, Bureau of Labor Statistics
 *Through December



The unemployment rate in Mitchell County reached a high of 10.8% (2010) during the national recession. The unemployment rate has, however, steadily declined since this increase, to a rate of 6.4% through December of 2016.

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



The monthly unemployment rate has fluctuated between 7.3% and 5.6% over the past 18-month period, but has remained below 7.0% each month since February of 2016.

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 Mitchell County.

In-Place Employment Mitchell County			
Year	Employment	Change	Percent Change
2006	8,857	-	-
2007	8,690	-167	-1.9%
2008	8,641	-49	-0.6%
2009	8,114	-527	-6.1%
2010	7,783	-331	-4.1%
2011	7,818	35	0.4%
2012	8,002	184	2.4%
2013	7,595	-407	-5.1%
2014	7,393	-202	-2.7%
2015	7,513	120	1.6%
2016*	7,096	-417	-5.6%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

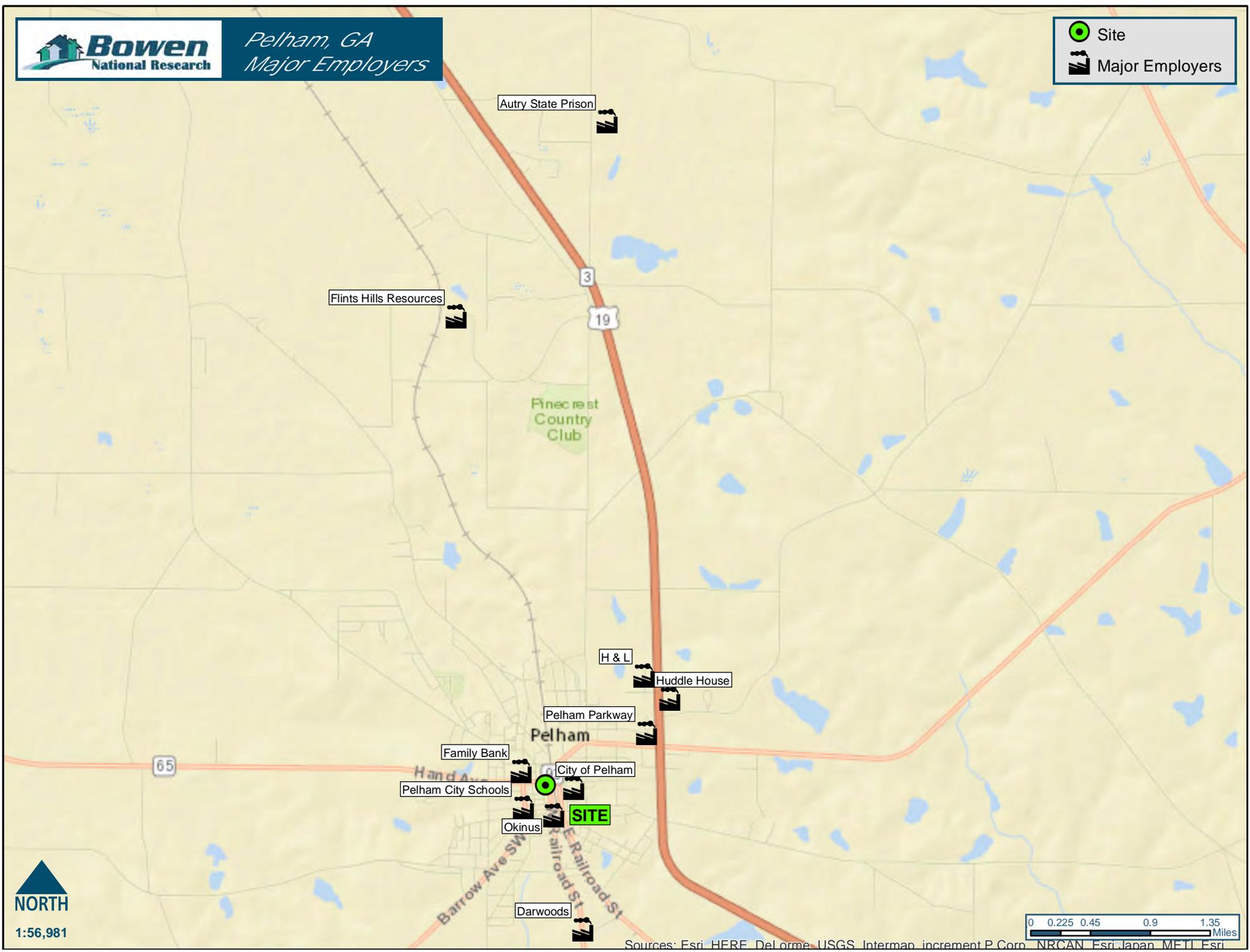
Data for 2015, the most recent year that year-end figures are available, indicates in-place employment in Mitchell County to be 91.5% of the total Mitchell County employment. While this means that Mitchell County has more employed persons leaving the county for daytime employment than those who work in the county, it is also a good indication that many residents both live and work within the county. Regardless, most potential residents of the subject project are expected to be familiar with area commuting trends and thus will be unaffected by in-place employment trends.

4. ECONOMIC FORECAST

The Mitchell County employment base has experienced two stabilization periods since the impact of the national recession, but has generally struggled to improve during this time period and has not yet returned to pre-recession levels. The unemployment rate within the county has experienced more rapid improvement during this same time period, however, as it has declined by more than four full percentage points between 2010 and December of 2016, to rate of 6.4%. Local economic development representatives within both Mitchell County and the city of Pelham have indicated that there have been several announcements of new and/or expanding businesses within the area, which is a good indication of interest and investment and will contribute to the ongoing stability of the local economy. While the local economy has stabilized, and experienced some improvement, since the end of the national recession, it is also of note that 54.0% of the entire labor force within the Pelham Site PMA is comprised within the Manufacturing, Public Administration, and Retail Trade industries. Typically, these aforementioned industry segments offer lower wage paying positions which are generally conducive to affordable housing alternatives such as that proposed at the subject site. Therefore, while it is likely that the local economy will remain stable and continue to experience improvement, demand for affordable housing alternatives is also expected to remain high within the area, regardless of economic conditions.

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

 Site
 Major Employers




NORTH
1:56,981

0 0.225 0.45 0.9 1.35
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 Mitchell County, Georgia, which has a median four-person household income of \$42,600 for 2016. The subject property will be restricted to households with incomes of up to 50%, 60% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Targeted AMHI Maximum Allowable Income		
	50%	60%	80%
One-Person	\$18,650	\$22,380	\$25,400
Two-Person	\$21,300	\$25,560	\$29,000
Three-Person	\$24,000	\$28,800	\$32,650
Four-Person	\$26,650	\$31,980	\$36,250
Five-Person	\$28,800	\$34,560	\$39,150

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 **\$39,150**.

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 LIHTC units will have a lowest gross rent of \$447 (one-bedroom at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,364. 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 \$15,326.

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%, 60%, and 80% of AMHI is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$15,326	\$28,800
Tax Credit (Limited To 60% Of AMHI)	\$18,069	\$34,560
Tax Credit Only Overall	\$15,326	\$34,560
Market-Rate (Limited To 80% Of AMHI)	\$21,154	\$39,150
Overall	\$15,326	\$39,150

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) 2011-2015 5-year estimates, approximately 21.7% to 35.6% (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) 2011-2015 5-year estimates, 6.1% 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 (2015/2016) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2015 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.**

There are no general-occupancy LIHTC properties that were funded and/or built during the projection period (2015 to current). Additionally, there are no existing LIHTC properties operating below a stabilized occupancy of 90.0% within the Site PMA. As such, there were no existing LIHTC properties included as part of supply in our demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income				
	50% AMHI (\$15,326 To 28,800)	60% AMHI (\$18,069 To \$34,560)	Market-Rate/ 80% AMHI (\$21,154 To \$39,150)	LIHTC Only Overall (\$15,326 To \$34,560)	Overall Property (\$15,326 To \$39,150)
Demand from New Household (Age- and Income-Appropriate)	668 - 700 = -32	727 - 773 = -46	632 - 679 = -47	877 - 929 = -52	951 - 1,010 = -59
+					
Demand from Existing Households (Rent Overburdened)	700 X 35.6% = 249	773 X 29.1% = 225	679 X 21.7% = 147	929 X 32.8% = 305	1,010 X 30.0% = 303
+					
Demand from Existing Households (Renters in Substandard Housing)	700 X 6.1% = 43	773 X 6.1% = 47	679 X 6.1% = 41	929 X 6.1% = 57	1,010 X 6.1% = 62
=					
Demand Subtotal	260	226	141	310	306
+					
Demand from Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A	N/A
=					
Total Demand	260	226	141	310	306
-					
Supply (Directly Comparable Units Built and/or Funded Since 2015)	0	0	0	0	0
=					
Net Demand	260	226	141	310	306
Proposed Units / Net Demand	12 / 260	32 / 226	10 / 141	44 / 310	54 / 306
Capture Rate	= 4.6%	= 14.2%	= 7.1%	= 14.2%	= 17.6%

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 project's overall capture rate of 17.6% is considered achievable within the Pelham Site PMA. This is especially true given the general lack of available family-oriented LIHTC product in the market, as only one such property currently exists and is 100.0% occupied with a waitlist.

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	35%
Two-Bedroom	45%
Three-Bedroom	20%
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 (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
One-Bedroom (35%)	50%	5	91	0	91	5.5%	2 Months	\$613	\$475-\$700	\$355
One-Bedroom (35%)	60%	12	79	0	79	15.2%	6 Months	\$613	\$475-\$700	\$435
One-Bedroom (35%)	MR/80%	3	49	0	49	6.1%	2 Months	\$613	\$475-\$700	\$525
One-Bedroom	Total	20	219	0	219	9.1%	7 Months	-	-	-
Two-Bedroom (45%)	50%	5	117	0	117	4.3%	2 Months	\$733	\$535-\$875	\$400-\$430
Two-Bedroom (45%)	60%	14	102	0	102	13.7%	8 Months	\$733	\$535-\$875	\$500-\$530
Two-Bedroom (45%)	MR/80%	5	64	0	64	7.8%	2 Months	\$733	\$535-\$875	\$630-\$665
Two-Bedroom	Total	24	283	0	283	8.5%	8 Months	-	-	-
Three-Bedroom (20%)	50%	2	52	0	52	3.8%	1 Month	\$877	\$580-\$995	\$495
Three-Bedroom (20%)	60%	6	45	0	45	13.3%	3 Months	\$877	\$580-\$995	\$595
Three-Bedroom (20%)	MR/80%	2	28	0	28	7.1%	2 Months	\$877	\$580-\$995	\$681
Three-Bedroom	Total	10	125	0	125	8.0%	4 Months	-	-	-

*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 3.8% to 15.2%, depending upon unit type. Utilizing this methodology, these capture rates are considered achievable and demonstrate a sufficient base of income-eligible renter households in the Pelham Site PMA for the proposed subject development. This is especially true when considering the high occupancy rate and waiting list maintained at the one existing general-occupancy LIHTC property 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 Pelham 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	7,547	88.3%	7,591	87.1%
Owner-Occupied	4,994	66.2%	4,709	62.0%
Renter-Occupied	2,553	33.8%	2,882	38.0%
Vacant	996	11.7%	1,125	12.9%
Total	8,543	100.0%	8,716	100.0%

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

Based on a 2016 update of the 2010 Census, of the 8,716 total housing units in the market, 12.9% were vacant. It is important to note, however, that the number of vacant housing units reflected in the preceding table includes abandoned, dilapidated, and/or for-sale housing units, as well as housing units utilized solely for seasonal/recreational purposes. Thus, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Pelham Site PMA.

Conventional Rentals

The Pelham Site PMA is relatively rural in nature and thus offers a limited supply of conventional rental product, which is further evident by the fact that we identified and personally surveyed just eight conventional rental housing projects containing a total of 365 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 95.9%, a good rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	3	196	0	100.0%
Tax Credit/Government-Subsidized	1	24	0	100.0%
Government-Subsidized	4	145	15	89.7%
Total	8	365	15	95.9%

As the preceding illustrates, the Pelham Site PMA is dominated by affordable rental product, as all eight of the conventional rental properties surveyed offer affordable (i.e. Tax Credit and/or Government-Subsidized) rental units. Seven of the eight properties surveyed are 100.0% occupied and six of these properties maintain waiting lists for their next available unit. Note that all 15 of the vacant Government-

Subsidized units are located at Coolawahee Apartments (Map ID 1) which is located within the Site PMA, but in the town of Camilla, Georgia. This aforementioned property currently has an occupancy rate of 37.5%, which is unusually low for a Government-Subsidized (Rural Development 515) property. It is important to note, however, that this property does not provide Rental Assistance (RA) to any of its units, thus requiring tenants of this property to pay rents between the current basic and market rents at this property. Management at this property attributed the low occupancy rate to the lack of RA at this property, as well as the overall quality of the property. Past surveys of this property conducted by our firm also revealed that this property has experienced issues with evictions which have resulted in lower than typical occupancy rates. The 100.0% occupancy rates and waiting lists reported among the seven remaining affordable rental properties surveyed in the market further demonstrate that the low occupancy rate reported at Coolawahee Apartments is due to project-specific issues, rather than being market related.

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

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	50	25.5%	0	0.0%	\$423
Two-Bedroom	1.0	24	12.2%	0	0.0%	\$534
Two-Bedroom	2.0	58	29.6%	0	0.0%	\$544
Three-Bedroom	2.0	64	32.7%	0	0.0%	\$701
Total Tax Credit		196	100.0%	0	0.0%	-

There are no market-rate units in the field survey of the Site PMA. The non-subsidized Tax Credit units are 100.0% occupied and represent the newest and highest quality non-subsidized rental product in the Site PMA, as evidenced by our Field Survey of Conventional Rentals. The high occupancy rates and waiting lists are clear indications that non-subsidized Tax Credit product is in high demand within the Site PMA. It is also of note that two of the three properties in the market which offer non-subsidized Tax Credit units are age-restricted. Thus, the subject project will offer an affordable non-subsidized rental alternative to a population segment (families) that is considered underserved in this 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.

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	52	0.0%
B+	1	48	0.0%
B-	1	96	0.0%

Non-subsidized Tax Credit product surveyed in the market is in good to excellent condition, as each property surveyed was assigned a quality rating of “B-“ or better by our analyst. The subject project is expected to have a very good overall quality upon completion, which will contribute to its marketability within the Pelham Site PMA.

2. SUMMARY OF ASSISTED PROJECTS

We surveyed a total of eight federally subsidized and/or Tax Credit apartment developments in the Pelham Site PMA. These projects were surveyed in March of 2017 and are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occupancy	Gross Rent (Unit Mix)				
						Studio	One- Br.	Two- Br.	Three- Br.	Four- Br.
1	Coolawahee Apts.	RD 515	1986	24	37.5%	-	\$527 (8)	\$601 (16)	-	-
2	Heritage Square Elderly	TAX & RD 515	1981 / 2009	24	100.0%	-	\$531 - \$719 (24)	-	-	-
3	Heritage Square Family	RD 515	1981	24	100.0%	-	-	\$514 - \$735 (24)	-	-
4	Quail Valley Apts.	RD 515	1983	48	100.0%	-	\$419 - \$557 (12)	\$467 - \$648 (28)	\$531 - \$691 (8)	-
5	Cottonwood Pointe I & II	TAX	2005	48	100.0%	-	\$327 - \$482 (24)	\$414 - \$534 (24)	-	-
6	Campbell Place	TAX	2016	52	100.0%	-	\$330 - \$423 (26)	\$436 - \$544 (26)	-	-
7	Hillcrest Apts.	RD 515	1982	49	100.0%	-	\$501 - \$573 (16)	\$572 - \$687 (25)	\$687 - \$788 (8)	-
8	Southfork Apts.	TAX	1999 / 2016	96	100.0%	-	-	\$456 - \$559 (32)	\$524 - \$701 (64)	-
Total				365	95.9%					

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

TAX - Tax Credit

RD - Rural Development

The overall occupancy is 95.9% for these projects, though it should be noted that seven of the eight properties surveyed are 100.0% occupied and six of these fully occupied properties maintain waiting lists. This is a clear indication of high and pent-up demand for affordable rental product within the Pelham Site PMA. These high occupancy rates also indicate that the low 37.5% occupancy rate reported at Coolawahee Apartments (Map ID 1) is not related to market conditions but is rather due to project-specific issues, as previously detailed in this section of the report.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Mitchell County, there are approximately 63 Housing Choice Voucher holders within Mitchell County and 294 people currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. This reflects the continuing need for affordable housing and/or Housing Choice Voucher assistance within the Mitchell County and Pelham areas.

The following table identifies the existing non-subsidized Tax Credit properties 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 I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
5*	Cottonwood Pointe I & II	48	2	4.2%
6*	Campbell Place	52	0	0.0%
8	Southfork Apts.	96	3	3.1%
Total		196	5	2.6%

*Age-Restricted

As the preceding table illustrates, there are a total of just five (5) Voucher holders residing at the existing non-subsidized LIHTC properties in the Site PMA. This comprises only 2.6% of the 196 total non-subsidized LIHTC units occupied among these properties. This is a good indication that Voucher support is limited and that the gross rents reported among these properties are achievable within the Pelham Site PMA.

If the rents do not exceed the Payment Standards established by the local/regional housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Mitchell County, the regional Payment Standards, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$488	\$447 (50%)
		\$527 (60%)
		\$617 (MR/80%)
Two-Bedroom	\$646	\$517-\$547 (50%)
		\$617-\$647 (60%)
		\$747-\$782 (MR/80%)
Three-Bedroom	\$820	\$639 (50%)
		\$739 (60%)
		\$825 (MR/80%)

MR – Market-Rate

As the preceding table illustrates, some of the proposed gross rents are below the Payment Standards set by the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Mitchell County. As such, those who hold Housing Choice Vouchers will likely respond to these units at the subject development. This will likely increase the base of income-appropriate renter households within the Pelham 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 our interviews with local building and planning representatives, it was determined that there are no multifamily projects within the development pipeline in the Site PMA.

Building Permit Data

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

Housing Unit Building Permits for Mitchell County:										
Permits	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Multifamily Permits	48	0	0	0	0	0	0	0	0	68
Single-Family Permits	51	30	34	36	34	21	15	19	10	9
Total Units	99	30	34	36	34	21	15	19	10	77

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

As the preceding illustrates, multifamily building permits within Mitchell County experienced a decline during the national recession. In fact, aside from the 68 permits issued in 2015, most of which (52) were for the age-restricted Campbell Place (Map ID 6) rental community located in Camilla, there have been no multifamily permits issued within Mitchell County since 2006. These multifamily building permit trends suggest that the Mitchell County/Pelham market is in need of newer multifamily product.

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

Tax Credit Units

The proposed 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. We identified and surveyed a total of four properties which operate under the LIHTC guidelines within the Pelham Site PMA. Three of these four properties, however, are age-restricted properties which are not considered comparable to or competitive with the proposed family-oriented subject project. The one remaining LIHTC property, Southfork Apartments (Map ID 8), offers two- and three-bedroom

units targeting family households earning up to 50% and 60% of AMHI. This property will be competitive with the subject project and has thus been included in our comparable/competitive analysis.

Due to the general lack of non-subsidized general-occupancy LIHTC product within the Site PMA, we also identified and surveyed six additional properties located outside the Site PMA but within the surrounding cities of Cairo, Moultrie and Thomasville, Georgia. These additional properties offer one- through three-bedroom units targeting households earning up to 50% and/or 60% of AMHI, similar to the subject project. Thus, these properties will provide a good additional base of comparison for the subject project. Note that since these properties are located outside the Site PMA, they will not be competitive with the subject project and therefore have been included only for comparability purposes.

The seven comparable LIHTC 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/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Hand Trading Company	2019	44*	-	-	-	Families; 50% & 60% AMHI
8	Southfork Apts.	1999 / 2016	96	100.0%	7.6 Miles	10 H.H.	Families; 50% & 60% AMHI
901	Kirby Creek Apts.	2007	46*	100.0%	20.2 Miles	70 H.H.	Families; 30% & 50% AMHI
902	Ashton Crossings	1999	64	100.0%	28.7 Miles	2-6 Months	Families; 50% & 60% AMHI
904	Walnut Square Apts.	2012	63	100.0%	22.7 Miles	20 H.H.	Families; 50% & 60% AMHI
905	Tallockas Pointe	2015	47	100.0%	26.8 Miles	94 H.H.	Families; 50% & 60% AMHI
907	Hampton Lake Apts.	2008	76*	100.0%	23.0 Miles	None	Families; 30% & 50% AMHI
908	Hunter's Chase	2004	89*	100.0%	21.7 Miles	2 H.H.	Families; 30%, 50%, & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

900 series Map IDs are located outside the Site PMA

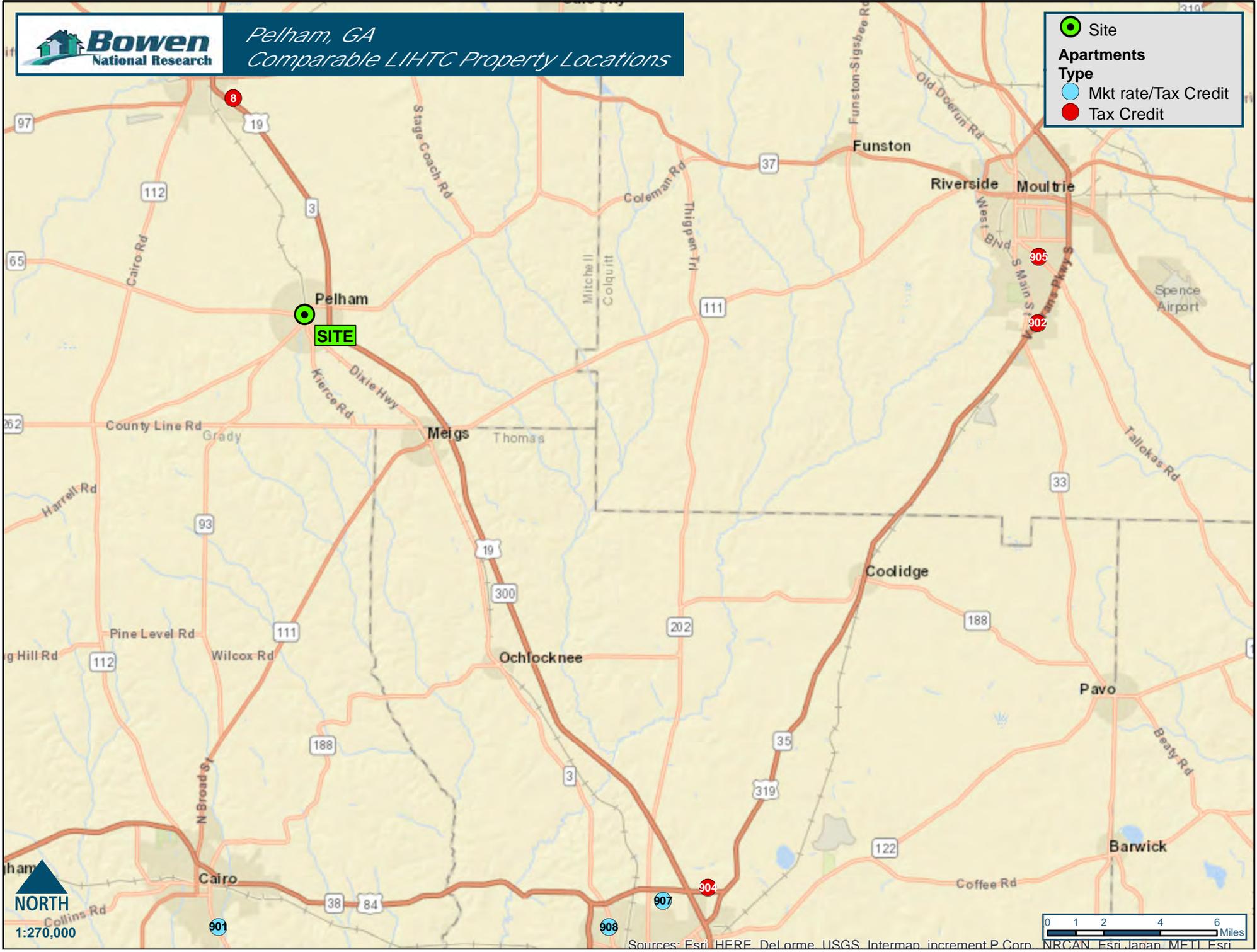
The seven LIHTC projects have a combined occupancy rate of 100.0% and most maintain waiting lists, indicating very strong demand for affordable housing in the market. It is also of note that while Southfork Apartments (Map ID 8) is located within the Site PMA, it is in the town of Camilla in the northern most part of the Site PMA. Thus, the subject project will effectively offer the only non-subsidized LIHTC units within the city of Pelham, which will likely contribute to its marketability.

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



Pelham, GA
Comparable LIHTC Property Locations

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



NORTH
1:270,000



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

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Hand Trading Company	\$447/50% (5) \$527/60% (12)	\$527-\$547/50% (5) \$617-\$647/60% (14)	\$639/50% (2) \$739/60% (6)	-
8	Southfork Apts.	-	\$456/50% (11/0) \$559/60% (21/0)	\$524/50% (28/0) \$701/60% (36/0)	None
901	Kirby Creek Apts.	\$243/30% (1/0) \$372/50% (5/0)	\$298/30% (2/0) \$454/50% (25/0)	\$354/30% (1/0) \$534/50% (12/0)	None
902	Ashton Crossings	\$417/50% (5/0) \$467/60% (3/0)	\$506/50% (13/0) \$594/60% (15/0)	\$591/50% (10/0) \$664/60% (18/0)	None
904	Walnut Square Apts.	\$429/50% (2/0) \$439/60% (6/0)	\$523/50% (7/0) \$563/60% (24/0)	\$603/50% (5/0) \$698/60% (19/0)	None
905	Talloskas Pointe	-	\$439/50% (7/0) \$469/60% (24/0)	\$503/50% (4/0) \$563/60% (12/0)	None
907	Hampton Lake Apts.	\$241/30% (3/0) \$425/50% (14/0)	\$292/30% (10/0) \$480/50% (30/0)	\$347/30% (4/0) \$604/50% (15/0)	None
908	Hunter's Chase	\$285/30% (3/0) \$483/50% (8/0) \$582/60% (15/0)	\$338/30% (6/0) \$575/50% (11/0) \$694/60% (27/0)	\$375/30% (2/0) \$649/50% (5/0) \$786/60% (12/0)	None

900 series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents are higher than those reported at Southfork Apartments (Map ID 8), the one existing comparable LIHTC project in the Site PMA. The subject's proposed gross rents are also higher than most of the comparable LIHTC projects located outside the Site PMA. The areas in which these additional comparable LIHTC projects are located (Cairo, Moultrie, and Thomasville) are more populated, offer more extensive services and housing alternatives, and are considered superior to the Pelham market in terms of median household income, home values, and median gross rents. While properties similar to the subject site which are located within these aforementioned markets are generally able to command higher rents than a similar project located in the Pelham market, it is of note that the one existing LIHTC project in the Site PMA is achieving higher rents than many of the out of market comparables.

The proposed unit designs (square feet and number of bathrooms) as well as the project's amenity packages, are competitive with those offered among the comparable LIHTC projects in the market and region, though the project will offer in-unit washer/dryer appliances which will likely create a competitive advantage for the property and contribute to its ability to achieve premium rents within the Pelham market. It is also important to reiterate that all of the comparable LIHTC projects surveyed are 100.0% occupied and most maintain waiting lists. These are good indications that these properties could likely achieve higher rents without adversely impacting occupancy. Further, our demand estimates included in *Section G* indicate

that a sufficient base of income-appropriate renter households exists in the market for the subject project. Based on the preceding factors, it is anticipated that the subject project could achieve rent premiums as compared to the one existing comparable LIHTC project in the Site PMA (Southfork Apartments). However, the fact that the subject rents are up to \$115 greater than the gross rents reported among similar unit types at this aforementioned property will likely have a slowing impact on absorption of the subject project and leave the property vulnerable to higher than typical turnover rates in the event that a newer, more affordable, general-occupancy LIHTC property came online within the Pelham market. This has been considered in our absorption projections.

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

Weighted Average Collected Rent Of Comparable LIHTC Units*		
One-Br.	Two-Br.	Three-Br.
N/A	\$369 (50%) \$472 (60%)	\$417 (50%) \$594 (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.	N/A*	- \$355 (50%)	-	/ \$355 (50%)	-
	N/A*	- \$435 (60%)	-	/ \$435 (60%)	-
Two-Br.	\$369 (50%)	- \$400-\$430 (50%)	- \$31 to - \$61	/ \$400-\$430 (50%)	-7.8% to -14.2%
	\$472 (60%)	- \$500-\$530 (60%)	- \$28 to - \$58	/ \$500-\$530 (60%)	-5.6% to -10.9%
Three-Br.	\$417 (50%)	- \$495 (50%)	- \$78	/ \$495 (50%)	-15.8%
	\$594 (60%)	- \$595 (60%)	- \$1	/ \$595 (60%)	-0.2%

*One-bedroom units not offered at the one comparable LIHTC project in PMA

As the preceding illustrates, the proposed subject units are priced between 0.2% and 14.2% higher than the collected rents among similar unit types at the one comparable LIHTC project located in the Site PMA. Please note however that this is in comparison to the *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in *Addendum E* of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market 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.
Site	Hand Trading Company	685	906 - 1,038	1,321
8	Southfork Apts.	-	1,109	1,297
901	Kirby Creek Apts.	808	1,056	1,214
902	Ashton Crossings	744	972	1,188
904	Walnut Square Apts.	850	965	1,100
905	Tallokas Pointe	-	1,056	1,211
907	Hampton Lake Apts.	857	1,137	1,270
908	Hunter's Chase	730 - 812	1,000 - 1,081	1,196 - 1,229

900 series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Hand Trading Company	1.0	1.0 - 2.0	2.0
8	Southfork Apts.	-	2.0	2.0
901	Kirby Creek Apts.	1.0	2.0	2.0
902	Ashton Crossings	1.0	2.0	2.0
904	Walnut Square Apts.	1.0	2.0	2.0
905	Tallokas Pointe	-	2.0	2.0
907	Hampton Lake Apts.	1.0	2.0	2.0
908	Hunter's Chase	1.0	2.0	2.0

900 series Map IDs are located outside the Site PMA

The one-bedroom units proposed at the subject project will be the smallest such units offered among the comparable LIHTC projects in the region, as will some of the two-bedroom units offered at the subject project. The larger two-bedroom units, as well as the three-bedroom units, are competitively positioned among similar unit types at the comparable LIHTC projects surveyed. In fact, the three-bedroom units proposed at the subject project will be the largest in the market and region, which will likely create a competitive advantage. The subject project will generally offer a competitive number of bathrooms within each unit, though some two-bedroom units will only offer one (1.0) full bathroom as compared to the two (2.0) full bathrooms offered at each of the comparable properties. Regardless, given the high occupancy rates and waiting lists currently maintained among the comparable LIHTC projects, the subject's unit sizes (square feet) and number of bathrooms are considered marketable within the Pelham market.

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

COMPARABLE PROPERTIES AMENITIES - PELHAM, GEORGIA

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

◆ 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	
Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

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

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

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

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

COMPARABLE PROPERTIES AMENITIES - PELHAM, GEORGIA

PROJECT AMENITIES																			
MAP ID	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	OTHER
SITE		X			X	X						X		X					Wellness Center
901		X	X	X	X			X		B				X		X		X	
907	X	X	X	X		X		X		B				X		X		X	
908	X	X	X	X		X		X		V				X		X			Gazebo
8		X	X	X	X			X								X		X	
902	X	X	X	X				X		B						X	X		
904		X	X		A			X					X	X		X			Pavilion w/ gazebo
905		X	X		X			X						X		X			

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■ Tax Credit/Government-subsidized
■ Government-subsidized

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D - Baseball Diamonds
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T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

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

The proposed amenity package at the subject project is relatively competitive with those offered among the comparable LIHTC projects in the market and region. The inclusion of key amenities such as a dishwasher, central air conditioning, on-site management, a community space, and computer center will contribute to the subject’s marketability. In addition, the subject project will also include microwaves, in-unit washer/dryer appliances, and a fitness center which will likely create a competitive advantage for the property, as most of the comparable properties do not offer these features. It is also important to reiterate that the subject project will not offer any dedicated parking areas to its tenants, which may adversely impact marketability of the property. This has been considered in our absorption projections.

Comparable/Competitive Tax Credit Summary

Only one non-subsidized general-occupancy LIHTC property exists within the Site PMA. Additionally, this property, Southfork Apartments (Map ID 8), is located in the very northern portion of the Site PMA in the town of Camilla. Thus, the subject project will effectively provide an affordable non-subsidized rental product that is not currently available within the immediate Pelham area. The one- through three-bedroom units proposed at the subject project will allow the property to appeal to a wide range of household sizes, while elevator access will allow the property to appeal to both family and senior renters. The subject project is relatively competitive in terms of unit design (square feet and number of bathrooms offered) and amenities offered. The subject’s proposed gross rents will be the highest in the market as compared to similar unit types offered at the one existing comparable LIHTC project, Southfork Apartments, in the Site PMA. The subject rents will also be higher than those reported among most of the comparable LIHTC projects outside the Site PMA. While higher rents are likely achievable at a new LIHTC property in the Pelham market due to the lack of available LIHTC product in the area and based on our demand estimates included in *Section G*, the higher proposed rents will likely have a slowing impact on absorption of the subject project. This has been considered in our absorption projections for the subject project.

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 2019
8	Southfork Apts.	100.0%	95.0% +

As previously discussed and illustrated in the preceding table, only one non-subsidized general-occupancy LIHTC property exists within the Pelham Site PMA. This property, Southfork Apartments, is currently 100.0% occupied and maintains a 10-household waiting list. Considering the high occupancy rate and waiting list maintained at this property, as well as the lack of additional non-subsidized general-occupancy LIHTC product in the Site PMA, we do not anticipate the development of

the subject project will have any adverse impact on future occupancy rates at the existing Southfork Apartments. In fact, the development of the subject project will help alleviate a portion of the pent-up demand for additional family-oriented LIHTC product in the Site PMA.

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

Market-Rate Units

As detailed in *Section B*, the subject project will also offer some units which will operate similar to market-rate product, in addition to the LIHTC units set at 50% and 60% of AMHI. These subject units will effectively be restricted to households earning up to 80% of AMHI. However, for the purposes of this analysis, we have utilized unrestricted market-rate product within the region to establish a base of comparison for the subject units restricted to households at the higher 80% AMHI level.

Given the lack of unrestricted market-rate product within the Site PMA, we identified and surveyed such product outside the Site PMA, but within the surrounding towns of Cairo, Moultrie, and Thomasville. Since these properties are located outside the Site PMA, they are not considered competitive with the subject project and thus have been included only for comparability purposes. The five selected properties and the subject development are summarized as follows.

Map I.D.	Project Name	Year Built	Units	Occupancy Rate	Distance to Site	Rent Special
Site	Hand Trading Company	2019	10*	-	-	-
901	Kirby Creek Apts.	2007	10*	100.0%	20.2 Miles	None
903	Highland Apts.	2009	36	100.0%	29.3 Miles	None
906	Ashley Park Apts.	2013	84	90.5%	25.0 Miles	None
907	Hampton Lake Apts.	2008	20*	100.0%	23.0 Miles	None
908	Hunter's Chase	2004	23*	100.0%	21.7 Miles	None

*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 173 units with an overall occupancy rate of 95.4%. This is a good occupancy rate and demonstrates that each of the selected properties has been well-received within its respective market and will serve as an accurate benchmark with which to compare the subject project.

The following table illustrates the weighted average *collected* rents of the comparable market-rate projects by bedroom type, for units similar to those proposed at the subject site.

Weighted Average Collected Rent of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$613	\$733	\$877

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

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$613	- \$525	\$88	/ \$525	16.8%
Two-Br./1.0BA	\$733	- \$630	\$103	/ \$630	16.3%
Two-Br./2.0 BA	\$733	- \$665	\$68	/ \$665	10.2%
Three-Br.	\$877	- \$681	\$196	/ \$681	28.8%

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 10.2% to 28.8% depending upon unit type, as compared to the weighted average collected rents of the comparable market-rate 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 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 (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
Site	Hand Trading Company	\$617 (3)	\$747-\$782(5)	\$825 (2)
901	Kirby Creek Apts.	\$577 (2/0)	\$664 (5/0)	\$738 (3/0)
903	Highland Apts.	-	\$769-\$794 (36/0)	-
906	Ashley Park Apts.	\$802-\$877 (12/1)	\$1,004 (48/5)	\$1,153 (24/2)
907	Hampton Lake Apts.	\$617 (7/0)	\$719 (8/0)	\$798 (5/0)
908	Hunter's Chase	\$627 (6/0)	\$754 (12/0)	\$883 (5/0)

900 series Map IDs are located outside the Site PMA

The subject's proposed gross market-rate rents are within range of, if not lower than, those reported among similar unit types at the comparable properties surveyed in the region.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Hand Trading Company	685	906 - 1,038	1,321
901	Kirby Creek Apts.	808	1,056	1,214
903	Highland Apts.	-	1,051	-
906	Ashley Park Apts.	644 - 751	1,047	1,311
907	Hampton Lake Apts.	857	1,137	1,270
908	Hunter's Chase	730 - 812	1,000 - 1,081	1,196 - 1,229

900 series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Hand Trading Company	1.0	1.0 - 2.0	2.0
901	Kirby Creek Apts.	1.0	2.0	2.0
903	Highland Apts.	-	2.0	-
906	Ashley Park Apts.	1.0	2.0	2.0
907	Hampton Lake Apts.	1.0	2.0	2.0
908	Hunter's Chase	1.0	2.0	2.0

900 series Map IDs are located outside the Site PMA

With the exception of the smaller two-bedroom units, the subject's unit sizes (square feet) are within range of those reported among the comparable market-rate projects. In fact, the three-bedroom units proposed at the subject site will be the largest such units offered among the comparable properties. The smaller two-bedroom units also offer only one (1.0) full bathroom as compared to the two (2.0) full bathrooms offered among the comparable properties. Regardless, only three (3) of these smaller two-bedroom market-rate units will be offered at the property, thus these aforementioned features are not anticipated to have any significant (if any) impact on marketability of the subject project.

The following table compares the amenities of the subject development with the most comparable projects in the region.

COMPARABLE PROPERTIES AMENITIES - PELHAM, GEORGIA

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

MAP ID	PROJECT AMENITIES														OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB		LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X			X	X						X		X					Wellness Center
903																			
906	X	X					X				X	X			X				Dog Park; CCTV
901		X	X	X	X		X		B				X		X		X		
907	X	X	X	X		X	X		B				X		X		X		
908	X	X	X	X		X	X		V				X		X				Gazebo

◆ 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	
Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

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

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

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

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

The amenity packages included at the proposed development will be relatively competitive with the comparable market-rate projects. In fact, the proposed project will offer microwaves, in-unit washer/dryer appliances, a fitness center, and elevator access, features which are not offered among many of the comparable market-rate properties and will likely have a positive impact on marketability of the subject development. It is also important to reiterate that the subject project will not offer any dedicated parking areas to its tenants, which may adversely impact marketability of the property. This has been considered in our absorption projections.

Comparable Market-Rate Summary

As evidenced by our Field Survey of Conventional Rentals, the Pelham Site PMA does not offer any conventional market-rate properties. Although the subject's market-rate units will effectively be restricted to households earning up to 80% of AMHI, these unit types will provide a rental alternative to moderate income households which are currently underserved in the Pelham market. Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the comparable market-rate properties within the region, it is our opinion that the proposed market-rate units are marketable.

The map on the following page illustrates the location of the comparable market-rate properties relative to the proposed subject site location.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$90,399. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$90,399 home is \$544, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$90,399
Mortgaged Value = 95% of Median Home Price	\$85,879
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$435
Estimated Taxes and Insurance*	\$109
Estimated Monthly Mortgage Payment	\$544

*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit and market-rate rents at the subject project range from \$355 to \$681, depending upon bedroom type and AMHI level. While some potential tenants of the subject project could likely afford the cost of a typical monthly mortgage in the area, it is important to consider that the mortgage payment illustrated in the preceding table is reflective of a median priced home in this market. Such a home will likely be in need of some repairs and/or updating, as compared to the new construction units to be offered at the subject project. In addition, the cost of all basic utilities is included in the monthly rent at the subject project, unlike the cost of most typical mortgages. 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 2019 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2019.

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 general lack of family-oriented LIHTC product, as well as the 100.0% occupancy rate and waiting list maintained at the one general-occupancy LIHTC property, in the Pelham Site PMA. The subject's proposed gross Tax Credit rents which will be the highest in the Site PMA, and some of the highest in the region, relative to the rents reported among similar unit types at the comparable LIHTC projects surveyed, have also been considered in our absorption projections. It is also of note that the subject project will not be provided any designated parking areas, which has also been factored in our absorption projections. We also consider the subject's capture rate, achievable market rents and assume that the developer and/or management will successfully market the project throughout the Site PMA.

Based on our analysis, it is our opinion that the 54 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 six to seven units per month.

These absorption projections assume a June 2019 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 Pelham Site PMA.

- Dorothy Hill is the Site Manager at Cottonwood Pointe I & II (Map ID 5), an age-restricted Tax Credit property located in the Site PMA. Ms. Hill stated that there is a need for additional Tax Credit and affordable housing in Pelham and throughout Mitchell County. Ms. Hill added that many individuals cannot afford market-rate rents due to their income levels, which is why additional affordable housing would be beneficial to the area.
- Patricia Cox is the Property Manager at Heritage Square Elderly (Map ID 2) and Heritage Square Family (Map ID 3), rental properties located in the Site PMA. Ms. Cox stated that there is a definite need for more Tax Credit and affordable housing in Pelham. Both of Ms. Cox' properties have a wait list and Ms. Cox stated that rental assistance helps her residents, adding that rental assistance and/or affordable housing options would be helpful due to the income levels among both family and elderly households in the area.
- James Hedges, City Manager for the city of Pelham, stated that Pelham has only one apartment complex comprised of approximately 32 units, and this property is over 30 years old and in need of significant improvements. In addition to this apartment complex, there are five public housing properties in Pelham, which contain a total of 205 units. Outside of these properties, the only rental product in Pelham is non-conventional single-family homes and the average age of single-family homes in Pelham is more than 50 years old.
- According to Sharon El, a representative with the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Mitchell County, there are approximately 63 Housing Choice Voucher holders within Mitchell County and 294 people currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. This reflects the continuing need for affordable housing and/or Housing Choice Voucher assistance within the Mitchell County and Pelham areas.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 54 general-occupancy units proposed at the subject site, assuming it is developed as detailed in this report. It is of note, however, that the subject's proposed gross Tax Credit rents will be the highest in the Site PMA, relative to similar unit types offered at the one existing comparable LIHTC property surveyed in the market. While higher rents are believed to be attainable within the Pelham market due to the general lack of family-oriented LIHTC product and the 100.0% occupancy rate and waiting list maintained at the one existing comparable property in the Site PMA, the higher proposed gross rents will likely have a slowing impact on absorption of the subject project. Changes in the project's site, rent, amenities or opening date may alter these findings.

The proposed subject site is situated within the downtown portion of Pelham, Georgia and will involve the adaptive reuse of an existing four-story building. Thus, the development of the subject project will help preserve an existing structure within the Pelham market. The subject site is clearly visible and easily accessible from multiple bordering roadways and is within close proximity of most basic area services.

The Pelham Site PMA is relatively rural and thus offers a limited supply of conventional rental product, which is evident by the fact that we identified and surveyed just eight conventional rental properties within the Site PMA. Of these eight properties, only one offers non-subsidized LIHTC units targeting family (general-occupancy) households, similar to the subject project. This property, Southfork Apartments (Map ID 8), is 100.0% occupied with a waitlist. A clear indication of pent-up demand for family-oriented LIHTC product in the Site PMA. It is also of note that while this property is located within the Site PMA, it is located in the town of Camilla which is situated in the northernmost portion of the Site PMA. Thus, the subject project will effectively provide the only non-subsidized family-oriented LIHTC product within the immediate Pelham area. The property will also offer some units which will essentially operate similar to market-rate rental units, but will be restricted to households earning up to 80% of AMHI. Based on the preceding factors, the subject project will provide a non-subsidized rental product to multiple population segments which are considered underserved within the Pelham market. The subject site is generally competitive in terms of amenities offered and unit design (square feet and number of bathrooms). It is of note, however, that the subject project will not provide any designated parking spaces to its tenants. Numerous unmetered on-street parking spaces and additional surface parking lots are located within close proximity of the subject building and will be available to tenants and visitors of the subject project. These parking areas, however, will effectively be available on a first-come-first-serve basis.

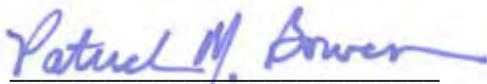
The subject's proposed gross Tax Credit rents at the 50% and 60% AMHI level will be the highest in the Site PMA, relative to similar units offered at Southfork Apartments (Map ID 8). The subject rents will also be some of the highest among the additional comparable LIHTC projects located outside the Site PMA within the nearby towns of Cairo, Moultrie, and Thomasville. Considering the general lack of family-oriented LIHTC product within the Site PMA, particularly within the immediate Pelham area, it is likely that higher rents than those currently being charged in the market are achievable. Regardless, the higher proposed gross Tax Credit rents at the subject project are expected to have a slowing impact on absorption of the subject property, and may leave the property vulnerable to higher than typical turnover in the event that newer, more affordable, LIHTC units are added to the market following construction of the subject project. This has been considered in our absorption projections. The subject's proposed gross rent for the market-rate units are within range of those reported among similar unit types at the comparable market-rate properties surveyed at the time of this analysis.

In addition to the competitive position of the subject project, we have also evaluated the depth of potential support for the property within the Pelham Site PMA. Based on our demand estimates included in *Section G*, a sufficient base of potential income-eligible renter support exists within the Site PMA for the subject project, as the subject's overall capture rate is considered achievable at 17.6%. Capture rates by AMHI level are also considered achievable, ranging from 4.6% to 14.2%.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable and supportable within the Pelham Site PMA 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. It is important to reiterate, however, that the higher proposed gross rents at the 50% and 60% AMHI levels are expected to have a slowing impact on absorption of the subject project and have been considered in our absorption projections included in *Section I*, as they will be the highest LIHTC rents in the Site PMA.

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.



Patrick M. Bowen
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Date: March 30, 2017



Gregory Piduch
Market Analyst
gregp@bowennational.com
Date: March 30, 2017



Craig Rupert
Market Analyst
craigr@bowennational.com
Date: March 30, 2017

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.

Company Leadership

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.

Desireé Johnson is the Director of Operations 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.

Market Analysts

Lisa Goff, 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.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

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.

Gregory Piduch, 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. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

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.

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.

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.

Elijah Wright, 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. Wright holds a Bachelor of Arts degree in Integrated Media from Ohio University.

Research Staff

Bowen National Research employs a staff of 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, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator 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.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

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.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

PELHAM, 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.

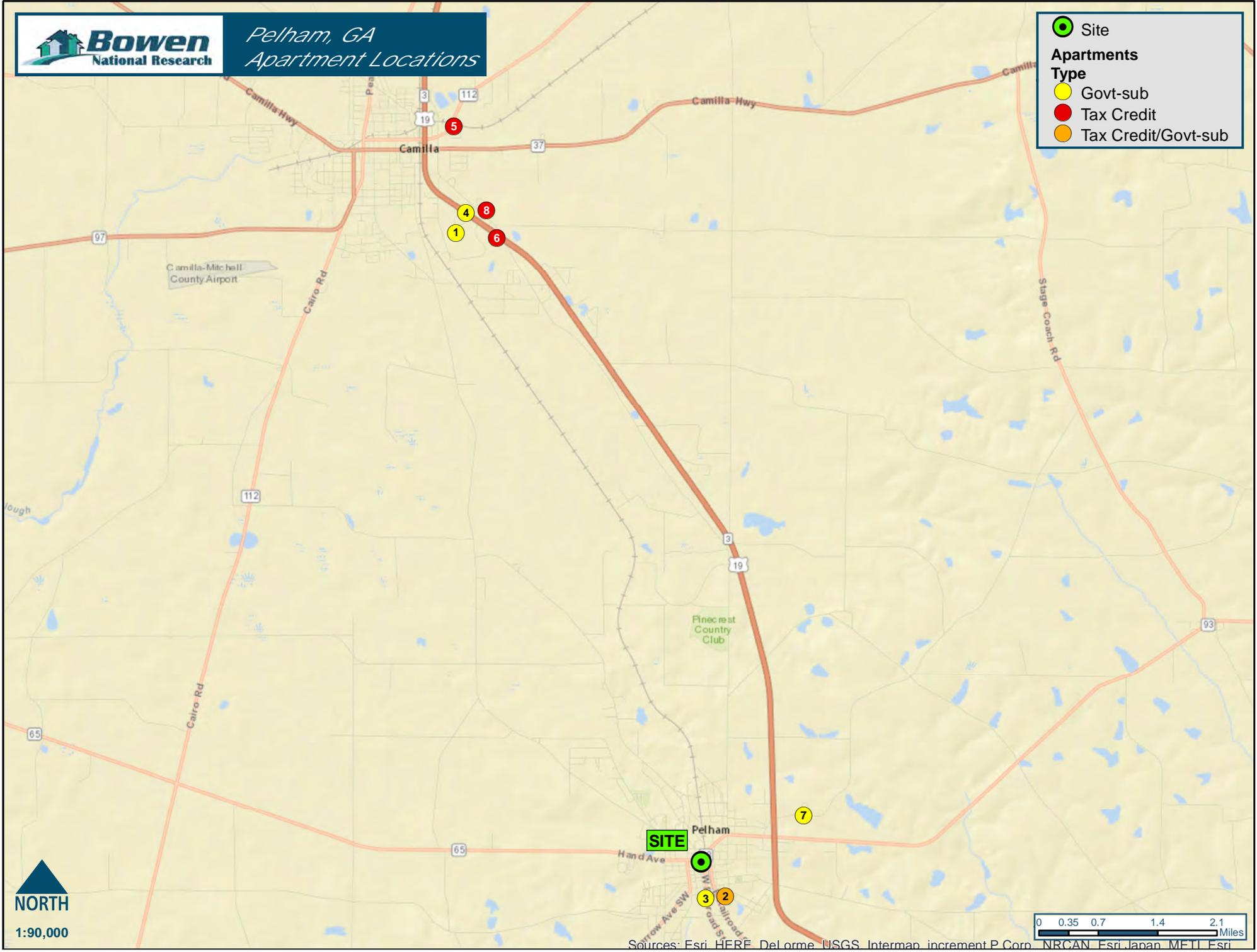
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

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.



*Pelham, GA
Apartment Locations*

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



NORTH
1:90,000

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

MAP IDENTIFICATION LIST - PELHAM, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Coolawahee Apts.	GSS	C+	1986	24	15	37.5%	7.7
2	Heritage Square Elderly	TGS	B+	1981	24	0	100.0%	0.4
3	Heritage Square Family	GSS	B	1981	24	0	100.0%	0.4
4	Quail Valley Apts.	GSS	C	1983	48	0	100.0%	7.6
5	Cottonwood Pointe I & II	TAX	B+	2005	48	0	100.0%	8.7
6	Campbell Place	TAX	A	2016	52	0	100.0%	7.3
7	Hillcrest Apts.	GSS	C+	1982	49	0	100.0%	1.3
8	Southfork Apts.	TAX	B-	1999	96	0	100.0%	7.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TAX	3	196	0	100.0%	0
TGS	1	24	0	100.0%	0
GSS	4	145	15	89.7%	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)

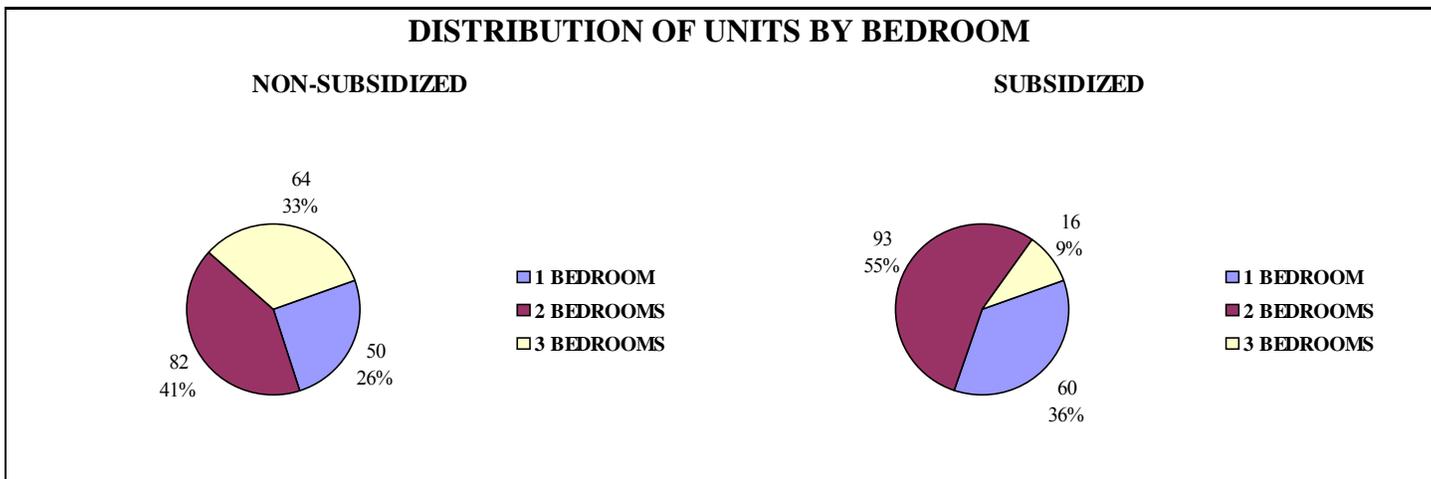
Survey Date: March 2017

DISTRIBUTION OF UNITS - PELHAM, GEORGIA

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	50	25.5%	0	0.0%	\$423
2	1	24	12.2%	0	0.0%	\$534
2	2	58	29.6%	0	0.0%	\$544
3	2	64	32.7%	0	0.0%	\$701
TOTAL		196	100.0%	0	0.0%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	24	100.0%	0	0.0%	N.A.
TOTAL		24	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	36	24.8%	5	13.9%	N.A.
2	1	93	64.1%	10	10.8%	N.A.
3	1	8	5.5%	0	0.0%	N.A.
3	1.5	8	5.5%	0	0.0%	N.A.
TOTAL		145	100.0%	15	10.3%	
GRAND TOTAL		365	-	15	4.1%	



SURVEY OF PROPERTIES - PELHAM, GEORGIA

1 Coolawahee Apts.			
	Address 330 Campbell Dr. Camilla, GA 31730	Phone (229) 382-0273 (Contact in person)	Total Units 24
	Year Built 1986 Comments RD 515, no RA; Accepts HCV (0 currently); Vacancies due to lack of RA & quality of units; Square footage estimated	Contact Barbara	Vacancies 15 Occupied 37.5% Floors 1,2 Quality Rating C+
			Waiting List None
2 Heritage Square Elderly			
	Address 307 W. Railroad St. Pelham, GA 31779	Phone (229) 294-8866 (Contact in person)	Total Units 24
	Year Built 1981 Renovated 2009 Comments 60% AMHI; RD 515, has RA (24 units); Year built estimated by manager	Contact Patricia	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+
			Senior Restricted (62+) Waiting List 2 households
3 Heritage Square Family			
	Address 307 W. Railroad St. Pelham, GA 31779	Phone (229) 294-8866 (Contact in person)	Total Units 24
	Year Built 1981 Comments RD 515, has RA (6 units); HCV (5 units); Year built & square footage estimated	Contact Patricia	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List 5 households
4 Quail Valley Apts.			
	Address 401 U.S. Hwy. 19 S Camilla, GA 31730	Phone (229) 336-7649 (Contact in person)	Total Units 48
	Year Built 1983 Comments RD 515, no RA; Accepts HCV (0 currently)	Contact Tasha	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C
			Waiting List 5 households
5 Cottonwood Pointe I & II			
	Address 388 Sylvester Rd. Camilla, GA 31730	Phone (229) 522-9959 (Contact in person)	Total Units 48
	Year Built 2005 Comments 30%, 50% & 60% AMHI; HCV (2 units)	Contact Dorothy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Senior Restricted (55+) Waiting List 20 households

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: March 2017

SURVEY OF PROPERTIES - PELHAM, GEORGIA

6 Campbell Place			
	Address 320 Campbell Dr. Camilla, GA 31730	Phone (229) 330-0516 (Contact in person)	Total Units 52 Vacancies 0 Occupied 100.0%
	Year Built 2016 Comments 50% & 60% AMHI; Accepts HCV (0 currently); Handicap units have E-call buttons; Opened 9/2016, began preleasing 7/2016, 100% occupied 1/2017; Unit mix estimated	Contact Lashandra	
7 Hillcrest Apts.			
	Address 1503 John Collins Rd. NE Pelham, GA 31779	Phone (229) 294-0985 (Contact in person)	Total Units 49 Vacancies 0 Occupied 100.0%
	Year Built 1982 Comments RD 515, no RA; Year built & square footage estimated	Contact Theresa	
8 Southfork Apts.			
	Address 500 S. MacArthur Dr. Camilla, GA 31730	Phone (229) 336-8080 (Contact in person)	Total Units 96 Vacancies 0 Occupied 100.0%
	Year Built 1999 Renovated 2016 Comments 50% & 60% AMHI; HCV (3 units); Unit mix estimated	Contact DeAnne	

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: March 2017

COLLECTED RENTS - PELHAM, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
5		\$225 to \$380	\$285 to \$405						
6		\$266 to \$359	\$354 to \$462						
8			\$369 to \$472	\$417 to \$594					

◆	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: March 2017

PRICE PER SQUARE FOOT - PELHAM, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
◆ 5	Cottonwood Pointe I & II	1	760	\$327 to \$482	\$0.43 to \$0.63
◆ 6	Campbell Place	1	700	\$330 to \$423	\$0.47 to \$0.60
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
◆ 5	Cottonwood Pointe I & II	1	1002	\$414 to \$534	\$0.41 to \$0.53
◆ 6	Campbell Place	2	900	\$436 to \$544	\$0.48 to \$0.60
8	Southfork Apts.	2	1109	\$456 to \$559	\$0.41 to \$0.50
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
8	Southfork Apts.	2	1297	\$524 to \$701	\$0.40 to \$0.54

◆	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: March 2017

AVERAGE GROSS RENT PER SQUARE FOOT - PELHAM, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.00	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.56	\$0.51	\$0.48
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.56	\$0.51	\$0.48
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - PELHAM, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 5	Cottonwood Pointe I & II	4	760	1	30%	\$225
◆ 6	Campbell Place	13	700	1	50%	\$266
◆ 6	Campbell Place	13	700	1	60%	\$359
◆ 5	Cottonwood Pointe I & II	6	760	1	50%	\$360
◆ 5	Cottonwood Pointe I & II	14	760	1	60%	\$380
◆ 2	Heritage Square Elderly	24	709	1	60%	\$467 - \$655
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 5	Cottonwood Pointe I & II	4	1002	1	30%	\$285
◆ 6	Campbell Place	13	900	2	50%	\$354
8	Southfork Apts.	11	1109	2	50%	\$369
◆ 5	Cottonwood Pointe I & II	6	1002	1	50%	\$395
◆ 5	Cottonwood Pointe I & II	14	1002	1	60%	\$405
◆ 6	Campbell Place	13	900	2	60%	\$462
8	Southfork Apts.	21	1109	2	60%	\$472
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
8	Southfork Apts.	28	1297	2	50%	\$417
8	Southfork Apts.	36	1297	2	60%	\$594

◆ - Senior Restricted

YEAR BUILT - PELHAM, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	96	0	0.0%	96	49.0%
2000 to 2005	1	48	0	0.0%	144	24.5%
2006	0	0	0	0.0%	144	0.0%
2007	0	0	0	0.0%	144	0.0%
2008	0	0	0	0.0%	144	0.0%
2009	0	0	0	0.0%	144	0.0%
2010	0	0	0	0.0%	144	0.0%
2011	0	0	0	0.0%	144	0.0%
2012	0	0	0	0.0%	144	0.0%
2013	0	0	0	0.0%	144	0.0%
2014	0	0	0	0.0%	144	0.0%
2015	0	0	0	0.0%	144	0.0%
2016**	1	52	0	0.0%	196	26.5%
TOTAL	3	196	0	0.0%	196	100.0 %

YEAR RENOVATED - PELHAM, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	0	0	0	0.0%	0	0.0%
2008	0	0	0	0.0%	0	0.0%
2009	0	0	0	0.0%	0	0.0%
2010	0	0	0	0.0%	0	0.0%
2011	0	0	0	0.0%	0	0.0%
2012	0	0	0	0.0%	0	0.0%
2013	0	0	0	0.0%	0	0.0%
2014	0	0	0	0.0%	0	0.0%
2015	0	0	0	0.0%	0	0.0%
2016**	1	96	0	0.0%	96	100.0%
TOTAL	1	96	0	0.0%	96	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

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

** As of March 2017

APPLIANCES AND UNIT AMENITIES - PELHAM, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	3	100.0%	196
REFRIGERATOR	3	100.0%	196
ICEMAKER	2	66.7%	144
DISHWASHER	3	100.0%	196
DISPOSAL	2	66.7%	100
MICROWAVE	2	66.7%	148
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	3	100.0%	196
AC - WINDOW	0	0.0%	
FLOOR COVERING	3	100.0%	196
WASHER/DRYER	1	33.3%	52
WASHER/DRYER HOOK-UP	3	100.0%	196
PATIO/DECK/BALCONY	1	33.3%	48
CEILING FAN	3	100.0%	196
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	1	33.3%	52
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	3	100.0%	196
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	66.7%	100

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

PROJECT AMENITIES - PELHAM, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	3	100.0%	196
LAUNDRY	3	100.0%	196
CLUB HOUSE	1	33.3%	96
MEETING ROOM	2	66.7%	148
FITNESS CENTER	2	66.7%	100
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	33.3%	96
COMPUTER LAB	2	66.7%	100
SPORTS COURT	1	33.3%	48
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	2	66.7%	100
SECURITY GATE	0	0.0%	
BUSINESS CENTER	2	66.7%	144
CAR WASH AREA	0	0.0%	
PICNIC AREA	3	100.0%	196
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	2	66.7%	100

DISTRIBUTION OF UTILITIES - PELHAM, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	7	269	73.7%
GAS	1	96	26.3%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	8	365	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	7	269	73.7%
GAS	1	96	26.3%
			100.0%
ELECTRIC			
TENANT			
			100.0%
WATER			
LANDLORD	5	197	54.0%
TENANT	3	168	46.0%
			100.0%
SEWER			
LANDLORD	6	293	80.3%
TENANT	2	72	19.7%
TRASH PICK-UP			
LANDLORD	7	341	93.4%
TENANT	1	24	6.6%
			100.0%

UTILITY ALLOWANCE - PELHAM, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$6	\$8		\$2	\$3	\$9	\$2	\$5	\$23	\$17	\$19	\$15	\$20
1	GARDEN	\$8	\$12		\$2	\$5	\$14	\$3	\$7	\$31	\$18	\$20	\$15	\$20
1	TOWNHOUSE	\$9	\$13		\$2	\$5	\$14	\$3	\$7	\$33	\$18	\$20	\$15	\$20
2	GARDEN	\$10	\$15		\$3	\$6	\$18	\$4	\$9	\$40	\$22	\$25	\$15	\$20
2	TOWNHOUSE	\$11	\$16		\$3	\$6	\$18	\$4	\$9	\$42	\$22	\$25	\$15	\$20
3	GARDEN	\$12	\$18		\$4	\$8	\$23	\$5	\$11	\$49	\$27	\$30	\$15	\$20
3	TOWNHOUSE	\$13	\$20		\$4	\$8	\$23	\$5	\$11	\$51	\$27	\$30	\$15	\$20
4	GARDEN	\$15	\$24		\$5	\$9	\$28	\$6	\$15	\$61	\$32	\$35	\$15	\$20
4	TOWNHOUSE	\$17	\$26		\$5	\$9	\$28	\$6	\$15	\$66	\$32	\$35	\$15	\$20

GA-Southern Region (1/2017)

Survey Date: March 2017

ADDENDUM B:
COMPARABLE PROPERTY PROFILES

903 Highland Apts.

29.3 miles to site



Address 16 McDonald Ct. SE
Moultrie, GA 31788

Phone (229) 985-1145 **Contact** Joan

Total Units 36 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate

Year Open 2009 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 4 households

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

Remarks Does not accept HCV; Rent range based on new units

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**
- Parking** Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	2	G	36	0	1051	\$0.59 - \$0.62	\$625 to \$650

906 Ashley Park Apts.

25.0 miles to site



Address 1 Ashley Park Pl.
Thomasville, GA 31792

Phone (229) 236-5001 **Contact** Christine

Total Units 84 **Vacancies** 8 **Percent Occupied** 90.5%

Project Type Market-Rate

Year Open 2013 **Floors** 3

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

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

Remarks Does not accept HCV



FEATURES AND UTILITIES

- Utilities** Landlord pays Trash
- Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
- Project Amenities** Swimming Pool, On-site Management, Playground, Elevator, Security Gate, Picnic Area, Dog Park; CCTV
- Parking** Surface Parking, Carports, Parking Garage

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	12	1	644 to 751	\$1.03 - \$1.09	\$700 to \$775
2	2	G	48	5	1047	\$0.84	\$875
3	2	G	24	2	1311	\$0.76	\$995

901 Kirby Creek Apts.

20.2 miles to site



Address	105 Joyner Rd. Cairo, GA 39828		
Phone	(229) 377-4100	Contact	Kim
Total Units	56	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2007	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	70 households		
Ratings:	Quality B+	Neighborhood B	Access/Visibility B/B
Remarks	Market-rate (10 units); 30% & 50% AMHI (46 units); HCV (3 units)		

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Club House, Meeting Room, Playground, Sports Court, Computer Lab, Picnic Area, Business Center
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	808	\$0.59	\$475	
1	1	G	5	0	808	\$0.33	\$270	50%
1	1	G	1	0	808	\$0.17	\$141	30%
2	2	G	5	0	1056	\$0.51	\$535	
2	2	G	25	0	1056	\$0.31	\$325	50%
2	2	G	2	0	1056	\$0.16	\$169	30%
3	2	G	3	0	1214	\$0.48	\$580	
3	2	G	12	0	1214	\$0.31	\$376	50%
3	2	G	1	0	1214	\$0.16	\$196	30%

907 Hampton Lake Apts.

23.0 miles to site



Address	105 Caitlin Ln. Thomasville, GA 31792		
Phone	(229) 227-3558	Contact	Balinda
Total Units	96	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2008	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	NONE		
Ratings:	Quality B	Neighborhood B	Access/Visibility B/B
Remarks	Market-rate (6 units); 30% & 50% AMHI (90 units); Accepts HCV; Unit mix estimated		

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area, Business Center
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	7	0	857	\$0.60	\$515	
1	1	G	14	0	857	\$0.38	\$323	50%
1	1	G	3	0	857	\$0.16	\$139	30%
2	2	G	8	0	1137	\$0.52	\$590	
2	2	G	30	0	1137	\$0.31	\$351	50%
2	2	G	10	0	1137	\$0.14	\$163	30%
3	2	G	5	0	1270	\$0.50	\$640	
3	2	G	15	0	1270	\$0.35	\$446	50%
3	2	G	4	0	1270	\$0.15	\$189	30%

908 Hunter's Chase

21.7 miles to site



Address	1 Hunter's Chase Cir. Thomasville, GA 31792		
Phone	(229) 226-2111	Contact	Kelly
Total Units	112	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2004	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	2 households		
Ratings:	Quality A	Neighborhood B	Access/Visibility A/B
Remarks	Market-rate (23 units); 30%, 50% & 60% AMHI (89 units); HCV (5 units)		

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area, Gazebo
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	730 to 812	\$0.65 - \$0.72	\$525	
1	1	G	15	0	730	\$0.66	\$480	60%
1	1	G	8	0	730 to 812	\$0.47 - \$0.52	\$381	50%
1	1	G	3	0	730 to 812	\$0.23 - \$0.25	\$183	30%
2	2	G	12	0	1000 to 1081	\$0.58 - \$0.63	\$625	
2	2	G	27	0	1000 to 1081	\$0.52 - \$0.57	\$565	60%
2	2	G	11	0	1000 to 1081	\$0.41 - \$0.45	\$446	50%
2	2	G	6	0	1000 to 1081	\$0.19 - \$0.21	\$209	30%
3	2	G	5	0	1196 to 1229	\$0.59 - \$0.61	\$725	
3	2	G	12	0	1196 to 1229	\$0.51 - \$0.53	\$628	60%
3	2	G	5	0	1196 to 1229	\$0.40 - \$0.41	\$491	50%
3	2	G	2	0	1196 to 1229	\$0.18 - \$0.18	\$217	30%

8 Southfork Apts.

7.6 miles to site



Address	500 S. MacArthur Dr. Camilla, GA 31730		
Phone	(229) 336-8080	Contact	DeAnne
Total Units	96	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Renovated	2016
		Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	10 households		
Ratings:	Quality B-	Neighborhood B	Access/Visibility
Remarks	50% & 60% AMHI; HCV (3 units); Unit mix estimated		

FEATURES AND UTILITIES

Utilities	Landlord pays Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Meeting Room, Playground, Picnic Area, Business Center
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	21	0	1109	\$0.43	\$472	60%
2	2	G	11	0	1109	\$0.33	\$369	50%
3	2	G	36	0	1297	\$0.46	\$594	60%
3	2	G	28	0	1297	\$0.32	\$417	50%



Address	3109 Veterans Pkwy. S Moultrie, GA 31788		
Phone	(229) 985-5255	Contact	Jamie
Total Units	64	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Floors	1,2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	2-6 months		
Ratings:	Quality B+	Neighborhood B	Access/Visibility A/A
Remarks	50% & 60% AMHI; HCV (16 units)		

FEATURES AND UTILITIES

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Sports Court, Picnic Area, Social Services
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	744	\$0.47	\$350	60%
1	1	G	5	0	744	\$0.40	\$300	50%
2	2	G	15	0	972	\$0.46	\$450	60%
2	2	G	13	0	972	\$0.37	\$362	50%
3	2	G	18	0	1188	\$0.41	\$491	60%
3	2	G	10	0	1188	\$0.35	\$418	50%

904 Walnut Square Apts.

22.7 miles to site



Address	1220 Hall Rd. Thomasville, GA 31757		
Phone	(229) 236-0161	Contact	Beverly
Total Units	63	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2012	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	20 households		
Ratings:	Quality A-	Neighborhood B	Access/Visibility B/B
Remarks	50% & 60% AMHI; HCV (11 units)		

FEATURES AND UTILITIES

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Security Gate, Computer Lab, Picnic Area, Pavilion w/ gazebo
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	850	\$0.41	\$346	60%
1	1	G	2	0	850	\$0.40	\$336	50%
2	2	G	24	0	965	\$0.46	\$446	60%
2	2	G	7	0	965	\$0.42	\$406	50%
3	2	G	19	0	1100	\$0.50	\$555	60%
3	2	G	5	0	1100	\$0.42	\$460	50%

905 Tallokas Pointe

26.8 miles to site



Address	2001 Tallokas Pointe Rd. Moultrie, GA 31788		
Phone	(229) 890-0729	Contact	Helen
Total Units	47	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2015	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	94 households		
Ratings:	Quality B+	Neighborhood B	Access/Visibility B/B
Remarks	50% & 60% AMHI; HCV (3 units)		

FEATURES AND UTILITIES

Utilities	Landlord pays Sewer
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Lake, Computer Lab, Picnic Area
Parking	Surface Parking

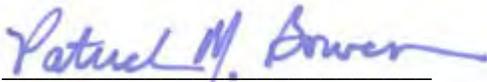
UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	24	0	1056	\$0.33	\$350	60%
2	2	G	7	0	1056	\$0.30	\$320	50%
3	2	G	12	0	1211	\$0.35	\$420	60%
3	2	G	4	0	1211	\$0.30	\$360	50%

Addendum C – Member Certification & Checklist

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

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



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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)
Executive Summary		
1.	Executive Summary	A
Project Description		
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	N/A
Location and Market Area		
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)
Employment and Economy		
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
Demographic Characteristics		
24.	Population and household estimates and projections	E
25.	Area building permits	H
26.	Distribution of income	E
27.	Households by tenure	E
Competitive Environment		
28.	Comparable property profiles	Addendum B
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
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
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H & Addendum E
45.	Derivation of Achievable Market Rent and Market Advantage	Addendum E
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	A
48.	Market strengths and weaknesses impacting project	A
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	A
53.	Interviews with area housing stakeholders	J

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Addendum A
56.	Certifications	L
57.	Statement of qualifications	N
58.	Sources of data not otherwise identified	Addendum D
59.	Utility allowance schedule	Addendum A

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Pelham, Georgia by Integrity Development Partners, LLC (Managing Developer).

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

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

As discussed and illustrated in *Section H*, the Pelham Site PMA is relatively rural and offers a limited supply of conventional rental product, particularly non-subsidized rental product. In fact, the only non-subsidized rental product surveyed was non-subsidized Tax Credit product, as no unrestricted market-rate properties were identified within the Pelham Site PMA. Thus, we identified and surveyed five conventional rental properties which offer unrestricted market-rate units outside the Site PMA, but within the region in the nearby towns of Cairo, Moultrie, and Thomasville, that we consider most comparable to the subject project. Each of these aforementioned towns are considered superior to the Pelham market in terms of median household income, total population, median gross rents, and median home values, based on American Community Survey (ACS) data. As such, out of market adjustments were applied to each of these properties in the Rent Comparability Grids included later in this section, in order to account for market differences between these markets and the subject (Pelham) market. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents 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, midrise, 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, then 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.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Hand Trading Company	2019	54	-	20 (-)	24 (-)	10 (-)
901	Kirby Creek Apts.	2007	10*	100.0%	2 (100.0%)	5 (100.0%)	3 (100.0%)
903	Highland Apts.	2009	36	100.0%	-	36 (100.0%)	-
906	Ashley Park Apts.	2013	84	90.5%	12 (91.7%)	48 (89.6%)	24 (91.7%)
907	Hampton Lake Apts.	2008	20*	100.0%	7 (100.0%)	8 (100.0%)	5 (100.0%)
908	Hunter's Chase	2004	23*	100.0%	6 (100.0%)	12 (100.0%)	5 (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 173 units with an overall occupancy rate of 95.4%. None of the comparable properties has an occupancy rate below 90.5%, indicating that each of these properties have been well-received within their respective markets and will serve as accurate benchmarks with which to compare the subject project.

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

Rent Comparability Grid

Unit Type →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Hand Trading Company		Kirby Creek Apts.		Highland Apts.		Ashley Park Apts.		Hampton Lake Apts.		Hunter's Chase	
107 West Railroad Street South		105 Joyner Rd.		16 Mcdonald Ct. SE		1 Ashley Park Pl.		105 Caitlin Ln.		1 Hunter's Chase Cir.	
Pelham, GA		Cairo, GA		Moultrie, GA		Thomasville, GA		Thomasville, GA		Thomasville, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1 \$ Last Rent / Restricted?	on	\$475		\$650		\$700		\$515		\$525	
2 Date Surveyed		Mar-17		Mar-17		Mar-17		Mar-17		Mar-17	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		92%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$475	0.59	\$650	0.62	\$700	1.09	\$515	0.60	\$525	0.72
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	EE/4	WU/2		WU/2		EE/3		WU/2		WU/2	
7 Yr. Built/Yr. Renovated	2019	2007	\$12	2009	\$10	2013	\$6	2008	\$11	2004	\$15
8 Condition /Street Appeal	G	G		G		E	(\$15)	G		E	(\$15)
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$48)	No	(\$65)	No	(\$140)	No	(\$103)	No	(\$105)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	1	1		2	(\$50)	1		1		1	
12 # Baths	1	1		2	(\$30)	1		1		1	
13 Unit Interior Sq. Ft.	685	808	(\$22)	1051	(\$64)	644	\$7	857	(\$30)	730	(\$8)
14 Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	Y/Y	Y/Y		N/Y	\$5	Y/Y		N/Y	\$5	N/Y	\$5
18 Washer/Dryer	W/D	HU/L	\$25	HU	\$25	HU	\$25	HU/L	\$25	HU/L	\$25
19 Floor Coverings	C	C		C		W		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22 Garbage Disposal	N	Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)
23 Ceiling Fans/Storage	Y/N	Y/Y		Y/N	\$5	Y/N	\$5	Y/Y		Y/N	\$5
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	NONE	LOT/\$0	(\$10)	LOT/\$0	(\$10)	P-GAR	(\$40)	LOT/\$0	(\$10)	LOT/\$0	(\$10)
25 On-Site Management	Y	Y		N	\$5	Y		Y		Y	
26 Security Gate	N	N		N		Y	(\$5)	N		N	
27 Clubhouse/ Meeting Space	Y	Y		N	\$5	N	\$5	Y		Y	
28 Pool/ Recreation Areas	F	S	\$2	N	\$5	P	(\$5)	P/F/S	(\$13)	P/F/S/G	(\$16)
29 Computer/Business Center	Y	Y		N	\$3	N	\$3	Y		Y	
30 Picnic Area	N	Y	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31 Playground	N	Y	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
32 Social Services	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	Y/E	N/E	\$12	N/E	\$12	N/E	\$12	N/E	\$12	N/E	\$12
34 Cooling (in rent?/ type)	Y/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	Y/E	N/E	\$7	N/E	\$7	N/E	\$7	N/E	\$7	N/E	\$7
36 Hot Water (in rent?/ type)	Y/E	N/E	\$14	N/E	\$14	N/E	\$14	N/E	\$14	N/E	\$14
37 Other Electric	Y	N	\$31	N	\$31	N	\$31	N	\$31	N	\$31
38 Cold Water/ Sewer	Y/Y	N/N	\$38	N/N	\$38	N/N	\$38	N/N	\$38	N/N	\$38
39 Trash /Recycling	Y/N	Y/N		N/N	\$15	Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		3	7	8	6	6	9	3	7	4	9
41 Sum Adjustments B to D		\$39	(\$96)	\$63	(\$224)	\$51	(\$221)	\$41	(\$167)	\$50	(\$170)
42 Sum Utility Adjustments		\$102		\$117		\$102		\$102		\$102	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$45	\$237	(\$44)	\$404	(\$68)	\$374	(\$24)	\$310	(\$18)	\$322
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$520		\$606		\$632		\$491		\$507	
45 Adj Rent/Last rent			110%		93%		90%		95%		97%
46 Estimated Market Rent	\$550	\$0.80		← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

**TWO BEDROOM
906 SF**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Hand Trading Company		Kirby Creek Apts.		Highland Apts.		Ashley Park Apts.		Hampton Lake Apts.		Hunter's Chase	
107 West Railroad Street South		105 Joyner Rd.		16 Mcdonald Ct. SE		1 Ashley Park Pl.		105 Caitlin Ln.		1 Hunter's Chase Cir.	
Pelham, GA		Cairo, GA		Moultrie, GA		Thomasville, GA		Thomasville, GA		Thomasville, GA	
Subject		Data		Data		Data		Data		Data	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$535		\$650		\$875		\$590		\$625	
2	Date Surveyed	Mar-17		Mar-17		Mar-17		Mar-17		Mar-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		90%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$535	0.51	\$650	0.62	\$875	0.84	\$590	0.52	\$625	0.63
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/4		WU/2		EE/3		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	2019		2007	\$12	2009	\$10	2013	\$6	2008	\$11
8	Condition /Street Appeal	G		G		G		E	(\$15)	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$54)	No	(\$65)	No	(\$175)	No	(\$118)	No	(\$125)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$30)	2	(\$30)	2	(\$30)	2	(\$30)	2	(\$30)
13	Unit Interior Sq. Ft.	906	(\$23)	1056	(\$22)	1047	(\$22)	1137	(\$36)	1000	(\$15)
14	Balcony/ Patio	N	(\$5)	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		Y/Y	\$5	Y/Y		N/Y	\$5	N/Y	\$5
18	Washer/Dryer	W/D	\$25	HU/L	\$25	HU	\$25	HU/L	\$25	HU/L	\$25
19	Floor Coverings	C		C		W		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	N	(\$5)	Y		Y	(\$5)	N		Y	(\$5)
23	Ceiling Fans/Storage	Y/N		Y/Y	\$5	Y/N	\$5	Y/Y		Y/N	\$5
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	NONE	(\$10)	LOT/\$0	(\$10)	P-GAR	(\$40)	LOT/\$0	(\$10)	LOT/\$0	(\$10)
25	On-Site Management	Y		Y	\$5	Y		Y		Y	
26	Security Gate	N		N		Y	(\$5)	N		N	
27	Clubhouse/ Meeting Space	Y		Y	\$5	N	\$5	Y		Y	
28	Pool/ Recreation Areas	F	\$2	S	\$2	N	\$5	P	(\$5)	P/F/S	(\$13)
29	Computer/Business Center	Y		Y		N	\$3	Y		Y	
30	Picnic Area	N	(\$3)	Y		N		Y	(\$3)	Y	(\$3)
31	Playground	N	(\$3)	Y		N		Y	(\$3)	Y	(\$3)
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	Y/E	\$15	N/E	\$15	N/E	\$15	N/E	\$15	N/E	\$15
34	Cooling (in rent?/ type)	Y/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	Y/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9
36	Hot Water (in rent?/ type)	Y/E	\$18	N/E	\$18	N/E	\$18	N/E	\$18	N/E	\$18
37	Other Electric	Y	\$40	N	\$40	N	\$40	N	\$40	N	\$40
38	Cold Water/ Sewer	Y/Y	\$47	N/N	\$47	N/N	\$47	N/N	\$47	N/N	\$47
39	Trash /Recycling	Y/N		Y/N	\$15	N/N	\$15	Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	8	8	5	5	11	3	8	4	10
41	Sum Adjustments B to D	\$39	(\$133)	\$63	(\$132)	\$44	(\$308)	\$41	(\$218)	\$50	(\$227)
42	Sum Utility Adjustments	\$129		\$129		\$129		\$129		\$129	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$35	\$301	\$75	\$339	(\$135)	\$481	(\$48)	\$388	(\$48)	\$406
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$570		\$725		\$740		\$542		\$577	
45	Adj Rent/Last rent		107%		111%		85%		92%		92%
46	Estimated Market Rent	\$630	\$0.70	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

**TWO BEDROOM
1,038 SF**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Hand Trading Company		Kirby Creek Apts.		Highland Apts.		Ashley Park Apts.		Hampton Lake Apts.		Hunter's Chase	
107 West Railroad Street South		105 Joyner Rd.		16 Mcdonald Ct. SE		1 Ashley Park Pl.		105 Caitlin Ln.		1 Hunter's Chase Cir.	
Pelham, GA		Cairo, GA		Moultrie, GA		Thomasville, GA		Thomasville, GA		Thomasville, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$535		\$650		\$875		\$590		\$625	
2	Date Surveyed	Mar-17		Mar-17		Mar-17		Mar-17		Mar-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		90%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$535	0.51	\$650	0.62	\$875	0.84	\$590	0.52	\$625	0.63
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/4		WU/2		EE/3		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	2019	\$12	2007	\$12	2009	\$10	2013	\$6	2008	\$11
8	Condition /Street Appeal	G		G		E	(\$15)	G		E	(\$15)
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$54)	No	(\$65)	No	(\$175)	No	(\$118)	No	(\$125)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1038	(\$3)	1056	(\$3)	1051	(\$2)	1047	(\$1)	1137	(\$15)
14	Balcony/ Patio	N	(\$5)	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		Y/Y		N/Y	\$5	Y/Y		N/Y	\$5
18	Washer/Dryer	W/D	\$25	HU/L	\$25	HU	\$25	HU	\$25	HU/L	\$25
19	Floor Coverings	C		C		C		W		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	N	(\$5)	Y	(\$5)	N		Y	(\$5)	N	
23	Ceiling Fans/Storage	Y/N		Y/Y		Y/N	\$5	Y/N	\$5	Y/Y	\$5
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	NONE	(\$10)	LOT/\$0	(\$10)	LOT/\$0	(\$10)	P-GAR	(\$40)	LOT/\$0	(\$10)
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Gate	N		N		N		Y	(\$5)	N	
27	Clubhouse/ Meeting Space	Y		Y		N	\$5	Y		Y	
28	Pool/ Recreation Areas	F	\$2	S	\$2	N	\$5	P	(\$5)	P/F/S	(\$13)
29	Computer/Business Center	Y		Y		N	\$3	N	\$3	Y	
30	Picnic Area	N	(\$3)	Y	(\$3)	N		Y	(\$3)	Y	(\$3)
31	Playground	N	(\$3)	Y	(\$3)	N		Y	(\$3)	Y	(\$3)
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	Y/E	\$15	N/E	\$15	N/E	\$15	N/E	\$15	N/E	\$15
34	Cooling (in rent?/ type)	Y/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	Y/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9
36	Hot Water (in rent?/ type)	Y/E	\$18	N/E	\$18	N/E	\$18	N/E	\$18	N/E	\$18
37	Other Electric	Y	\$40	N	\$40	N	\$40	N	\$40	N	\$40
38	Cold Water/ Sewer	Y/Y	\$47	N/N	\$47	N/N	\$47	N/N	\$47	N/N	\$47
39	Trash /Recycling	Y/N		Y/N		N/N	\$15	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	7	8	4	5	10	3	7	5	8
41	Sum Adjustments B to D	\$39	(\$83)	\$63	(\$82)	\$44	(\$257)	\$41	(\$167)	\$56	(\$182)
42	Sum Utility Adjustments	\$129		\$144		\$129		\$129		\$129	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$85	\$251	\$125	\$289	(\$84)	\$430	\$3	\$337	\$3	\$367
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$620		\$775		\$791		\$593		\$628	
45	Adj Rent/Last rent		116%		119%		90%		100%		100%
46	Estimated Market Rent	\$680	\$0.66 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

THREE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Hand Trading Company		Kirby Creek Apts.		Highland Apts.		Ashley Park Apts.		Hampton Lake Apts.		Hunter's Chase	
107 West Railroad Street South		105 Joyner Rd.		16 Mcdonald Ct. SE		1 Ashley Park Pl.		105 Caitlin Ln.		1 Hunter's Chase Cir.	
Pelham, GA		Cairo, GA		Moultrie, GA		Thomasville, GA		Thomasville, GA		Thomasville, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1 \$ Last Rent / Restricted?	on	\$580		\$650		\$995		\$640		\$725	
2 Date Surveyed		Mar-17		Mar-17		Mar-17		Mar-17		Mar-17	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		92%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$580	0.48	\$650	0.62	\$995	0.76	\$640	0.50	\$725	0.59
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	EE/4	WU/2		WU/2		EE/3		WU/2		WU/2	
7 Yr. Built/Yr. Renovated	2019	2007	\$12	2009	\$10	2013	\$6	2008	\$11	2004	\$15
8 Condition /Street Appeal	G	G		G		E	(\$15)	G		E	(\$15)
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$58)	No	(\$65)	No	(\$199)	No	(\$128)	No	(\$145)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	3	3		2	\$50	3		3		3	
12 # Baths	2	2		2		2		2		2	
13 Unit Interior Sq. Ft.	1321	1214	\$16	1051	\$40	1311	\$1	1270	\$8	1229	\$14
14 Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	Y/Y	Y/Y		N/Y	\$5	Y/Y		N/Y	\$5	N/Y	\$5
18 Washer/Dryer	W/D	HU/L	\$25	HU	\$25	HU	\$25	HU/L	\$25	HU/L	\$25
19 Floor Coverings	C	C		C		W		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22 Garbage Disposal	N	Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)
23 Ceiling Fans/Storage	Y/N	Y/Y		Y/N	\$5	Y/N	\$5	Y/Y		Y/N	\$5
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	NONE	LOT/\$0	(\$10)	LOT/\$0	(\$10)	P-GAR	(\$40)	LOT/\$0	(\$10)	LOT/\$0	(\$10)
25 On-Site Management	Y	Y		N	\$5	Y		Y		Y	
26 Security Gate	N	N		N		Y	(\$5)	N		N	
27 Clubhouse/ Meeting Space	Y	Y		N	\$5	N	\$5	Y		Y	
28 Pool/ Recreation Areas	F	S	\$2	N	\$5	P	(\$5)	P/F/S	(\$13)	P/F/S/G	(\$16)
29 Computer/Business Center	Y	Y		N	\$3	N	\$3	Y		Y	
30 Picnic Area	N	Y	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31 Playground	N	Y	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
32 Social Services	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	Y/E	N/E	\$18	N/E	\$18	N/E	\$18	N/E	\$18	N/E	\$18
34 Cooling (in rent?/ type)	Y/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	Y/E	N/E	\$11	N/E	\$11	N/E	\$11	N/E	\$11	N/E	\$11
36 Hot Water (in rent?/ type)	Y/E	N/E	\$23	N/E	\$23	N/E	\$23	N/E	\$23	N/E	\$23
37 Other Electric	Y	N	\$49	N	\$49	N	\$49	N	\$49	N	\$49
38 Cold Water/ Sewer	Y/Y	N/N	\$57	N/N	\$57	N/N	\$57	N/N	\$57	N/N	\$57
39 Trash /Recycling	Y/N	Y/N		N/N	\$15	Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		4	6	10	3	6	9	4	6	5	8
41 Sum Adjustments B to D		\$55	(\$84)	\$153	(\$80)	\$45	(\$280)	\$49	(\$162)	\$64	(\$202)
42 Sum Utility Adjustments		\$158		\$173		\$158		\$158		\$158	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$129	\$297	\$246	\$406	(\$77)	\$483	\$45	\$369	\$20	\$424
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$709		\$896		\$918		\$685		\$745	
45 Adj Rent/Last rent			122%		138%		92%		107%		103%
46 Estimated Market Rent	\$790	\$0.60		← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development illustrated as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One - Br.	50%	\$355	\$550	35.5%
One - Br.	60%	\$435	\$550	20.9%
One - Br.	MR/80%	\$525	\$550	4.5%
Two - Br./1.0-Bath	50%	\$400	\$630	36.5%
Two - Br./1.0-Bath	60%	\$500	\$630	20.6%
Two - Br./1.0-Bath	MR/80%	\$630	\$630	0.0%
Two - Br./2.0-Bath	50%	\$430	\$680	36.8%
Two - Br./2.0-Bath	60%	\$530	\$680	22.1%
Two - Br./2.0-Bath	MR/80%	\$665	\$680	2.2%
Three - Br.	50%	\$495	\$790	37.3%
Three - Br.	60%	\$595	\$790	24.7%
Three - Br.	MR/80%	\$681	\$790	13.8%

MR – Market-Rate (units will be restricted to 80% AMHI)

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’s Tax Credit rents set at 50% and 60% of AMHI will likely be perceived as good values within the market as they represent market rent advantages ranging from 20.6% to 37.3%, depending upon bedroom type and AMHI level. However, it is also important to reiterate that while the subject rents will represent a value as compared to unrestricted market-rate product, the proposed Tax Credit rents will be the highest in the market, relative to similar unit types at the one comparable LIHTC project (Southfork Apartments) in the Site PMA, as evidenced in *Section H*. These higher rents will likely have a slowing impact on absorption of the subject project, despite the aforementioned market rent advantages, and have been considered in our absorption projections in *Section I*. Market-rate rents do not need to represent significant market rent advantages, but should still be near the achievable market-rate rents determined in order to ensure they will be marketable within a given market. Regardless, aside from the two-bedroom/one-bathroom units, the subject market-rate rents represent rent advantages ranging from 2.2% to 13.8%, and thus will likely be perceived as good values within the market.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 2004 and 2013. As such, 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 a good quality finish and attractive aesthetic appeal upon completion. We have made adjustments for those properties that we consider to be of superior or inferior quality compared to the subject development.

10. As previously detailed and illustrated by our Field Survey of Conventional Rentals, the Pelham Site PMA lacks conventional unrestricted market-rate product. Thus, it was necessary to identify comparable market-rate properties located outside the Site PMA in order to establish a base of comparison for the subject project. As such, all five of the selected properties are located outside the Site PMA, but within the region in the nearby towns of Cairo, Moultrie, and Thomasville. These aforementioned markets are considered superior to the Pelham market, however, in terms of household incomes, home values, rents charged, and total population, based on ACS data. Therefore, negative adjustments of 10% have been applied to the properties located in Cairo and Moultrie, while a 20% adjustment has been applied to each of the properties located in Thomasville.

11. One of the selected properties only offers two-bedroom units. The two-bedroom units at this property have been utilized as a comparable for both the one- and three-bedroom units at the subject project, in addition to the two-bedroom units proposed. However, a positive or negative adjustment of \$50 has been applied to this property to reflect the inclusion, or lack, of an additional bedroom as compared to the one- and three-bedroom units proposed at the subject project.

12. There is a variety of the number of bathrooms offered among the comparable market-rate properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package which is relatively similar to those offered among 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 offers a project amenities package which is relatively inferior to those offered among most of the comparable market-rate properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.