



REAL PROPERTY **RESEARCH** GROUP

WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

Townview Senior Apartments

Cleveland, White County, Georgia

Prepared for:

The Paces Foundation

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1. EXECUTIVE SUMMARY

The Paces Foundation has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis for Townview Senior Apartments, a proposed senior-oriented rental community in Cleveland, White County, Georgia. Townview Senior Apartments will be a 56-unit senior-oriented rental community that will be financed in part with Low Income Housing Tax Credits (LIHTC), allocated by the Georgia Department of Community Affairs (DCA), and will be restricted to households with householder age 55 and older. The following report, including the executive summary, is based on DCA’s 2017 market study requirements.

1. Project Description

- The site for Townview Senior Apartments is on the south side of Townview Drive roughly 100 yards east of U.S. Highway 129 and one-half mile south of downtown Cleveland, White County, Georgia.
- Townview Senior Apartments will comprise 56 senior-oriented rental units targeting households with householder age 55 and older. The proposed unit mix comprises 12 LIHTC units targeting households earning up to 50 percent of the Area Median Income (AMI) and 44 units targeting households earning up to 60 percent AMI.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below.

Unit Mix/Rents								
Type	Bed	Bath	Income Target	Quantity	Square Feet	Developer Rent	Utility Allowance	Gross Rent
Mid Rise	1	1	50%	3	700	\$390	\$89	\$479
Mid Rise	1	1	60%	11	700	\$470	\$89	\$559
Mid Rise	2	2	50%	9	950	\$454	\$112	\$566
Mid Rise	2	2	60%	33	950	\$575	\$112	\$687
Total				56				

Rents include trash removal

Source: The Paces Foundation

- The newly constructed units at the subject property will offer kitchens equipped with a range, refrigerator, dishwasher, garbage disposal, and microwave. Each unit will also include washer and dryer connections, central heating and air-conditioning, window blinds, and grab bars. The proposed unit features at Townview Senior Apartments are generally comparable to the features offered at the only surveyed senior LIHTC community (Whitehall Manor) in the market area. The lack of an emergency call-system in each unit is acceptable given the target market of renters age 55 and older; the emergency call system would likely be needed should the subject property target seniors age 62 and older as older seniors are more likely to seek this feature. The unit features proposed at Townview Senior Apartments are appropriate and will be well-received by the target market.
- Townview Senior Apartments will offer amenities including a multi-purpose room, arts and crafts room, fitness center, wellness center, gazebo, and laundry facilities. Townview Senior Apartments will offer amenities targeted to elderly households including elevator service. The subject property’s community amenities will be slightly less extensive than those offered at Whitehall Manor which is appropriate as Townview Senior Apartments



will not offer market rate units which would increase the need for more extensive amenities comparable to what is found at Whitehall Manor. The proposed amenities are appropriate for an affordable senior-oriented rental community.

2. Site Description / Evaluation:

The subject site is a suitable location for senior rental housing as it has access to amenities, services, and transportation arteries.

- The site for Townview Senior Apartments is on the south side of Townview Drive just east of U.S. Highway 129 and roughly one-half mile south of downtown Cleveland, Georgia. U.S. Highway 129 is a major north-south thoroughfare in the region connecting the site to Gainesville and Interstates 85 and 985 to the south.
- Cleveland is primarily residential with commercial uses common along U.S. Highway 129 including a concentration near downtown. Land uses surrounding the site include primarily modest to moderate value single-family detached homes and apartments. Additional land uses in close proximity to the site include a cemetery to the north and several commercial uses to the west along U.S. Highway 129.
- Community services, grocery stores, pharmacies, banks, convenience stores, shopping, and medical facilities are within one mile of the site and the White County Senior Center is just over two miles north of the site.
- Townview Senior Apartments will have visibility from Townview Drive and will be accessible via an entrance on Townview Drive.
- This site's crime risk is comparable to all tracts in Cleveland and the majority of the market area including the location of the most comparable rental communities. We do not expect crime or the perception of crime to negatively impact the subject property's marketability.

3. Market Area Definition

- The Townview Market Area consists of the census tracts in White County including the cities of Cleveland and Helen. The areas included in the Townview Market Area are those most comparable to Cleveland and the area surrounding the subject site and seniors living in this market area would likely consider the subject property a suitable place to live. Cleveland is the most populated city in the largely rural White County. Accounting for the city's position as the county's economic center and largest city and the accessibility of the market area by a number of highways including U.S. Highway 129 and State Highways 75 and 115, the subject property is expected to attract seniors from throughout the county. Given the large size of the census tracts in the county especially north of the site, the market area is geographically large; however, the rural portions of White County contain limited development and few renter households, thus, demand estimates are not inflated by the inclusion of these areas. The boundaries of Townview Market Area and their approximate distance from the subject site are Towns County (14.4 miles to the north), Habersham County (6.8 miles to the east), Hall County (5.8 miles to the south), and Lumpkin County (6.0 miles to the west).

4. Community Demographic Data

- The Townview Market Area had steady senior household growth (55+) from 2010 to 2017 and growth is expected to accelerate through 2019. Senior household growth in the market area has significantly outpaced total household growth on a percentage basis since 2010 and is expected to continue this trend over the next two years.



- The Townview Market Area added 720 people (3.1 percent) and 292 households (3.3 percent) per year between the 2000 and 2010 Census counts. Growth continued, albeit at a slower pace from 2010 to 2017 with the addition of 202 people (0.7 percent) and 62 households (0.6 percent) per year to reach 28,557 people and 11,077 households in 2017. Annual growth is expected to accelerate to 239 people (0.8 percent) and 92 households (0.8 percent) per year from 2017 to 2019.
- The Townview Market Area added 99 households with householder age 55+ (1.8 percent) per year from 2010 to 2017 and annual growth is projected to accelerate to 117 households age 55+ (2.0 percent) from 2017 to 2019.
- Seniors (age 62 and older) comprise 25.1 percent of the Townview Market Area's population while Adults (age 35 to 61) are the most common at 34.9 percent. Children/Youth (under 20 years old) account for a significant percentage (23.6 percent) of the Townview Market Area's population and Young Adults (age 20 to 34) comprise 16.4 percent of the population.
- Roughly 77 percent of all households in the Townview Market Area contained at least two people including 45.8 percent without children. Single-person households account for 22.8 percent of Townview Market Area households.
- The market area's 2017 renter percentage is 25.5 percent among all households and 16.9 percent among households with householder age 55 and older. The market area added 459 total renter households and lost 28 owner households from 2010 to 2017.
- The 2017 median income of households in the Townview Market Area is \$43,586 which is similar to the \$43,612 median in the Bi-County Market Area. RPRG estimates the 2017 median income for all senior households (age 55 and older) in the Townview Market Area is \$37,767 and the median for senior renter households (55+) is a modest \$22,234. Over half (57.1 percent) of senior renter households (55+) earn less than \$25,000 including 31.5 percent earning less than \$15,000. Approximately 22 percent of senior renter households earn \$25,000 to \$49,999.
- We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property's ability to lease its units given limited foreclosure activity in the region and its senior-oriented nature.

5. Economic Data:

White County has rebounded since the national recession with significant job growth over the past five years and an unemployment rate lower than both state and national levels.

- White County's unemployment rate has decreased in each of the past six years to 4.6 percent from a recession-era high of 10.2 percent in 2010. White County's 2016 unemployment rate of 4.6 percent is below both state (5.4 percent) and national (4.9 percent) rates.
- White County added roughly 1,300 total jobs from 2011 to 2015. The county has added jobs at a faster pace than the nation on a percentage basis in each of the past five years and has more than recouped all jobs lost during the recession. Growth has continued with the addition of 400 more jobs through the third quarter of 2016.
- Trade-Transportation-Utilities and Leisure-Hospitality are the largest employment sectors in White County with the Leisure-Hospitality sector accounting for 19.1 percent of total employment in the county compared to 10.9 percent of jobs nationally. The Trade-Transportation and Construction sectors also account for significantly larger proportions of



jobs compared to the nation while the Professional-Business, Financial Activities, and Education-Health sectors account for significantly lower percentages of jobs when compared to the nation.

- All but one sector added jobs from 2011 to 2016 (Q3) with the largest percentage gains in the Education-Health (81.4 percent), Leisure-Hospitality (49.4 percent), and Professional-Business (44.4 percent) sectors. Four additional sectors grew by at least 20 percent. The only loss was in the Government sector with a 8.7 percent decrease in jobs.
- White County's economy is strong with significant job growth and an unemployment rate lower than both state and national rates.

6. Project Specific Affordability/Penetration and Demand Analysis:

- Townview Senior Apartments will contain 56 senior-oriented rental units targeting householder age 55 and older. The unit mix includes 14 one-bedroom units and 42 two-bedroom units. Twelve units will target households earning up to 50 percent of the AMI and 44 units will target households earning up to 60 of AMI.
- The 50 percent units will target senior renter householders (55+) earning between \$14,370 and \$21,300. The 12 proposed units at 50 percent AMI would need to capture 7.1 percent of the 169 income-qualified senior renter households in order to lease-up.
- The 60 percent units will target senior renter householders (55+) earning between \$16,770 and \$25,560. The 44 proposed units at 60 percent AMI would need to capture 21.0 percent of the 209 income-qualified senior renter households in order to lease-up.
- The overall affordability capture rate for the project is 21.0 percent. The project's overall penetration rate when accounting for existing comparable senior-oriented LIHTC rental units in the market area and the units proposed at the subject property is 33.4 percent.
- The affordability capture rates are elevated; however, only one comparable senior LIHTC community (Whitehall Manor) exists in the market area with 33 combined LIHTC units. The penetration rate suggests that the current comparable senior rental stock addresses just one-third of age and income-eligible renters in the market, leaving two-thirds of these senior renter households to fill scattered site rentals and/or the limited general occupancy rental housing stock in the market area. The overall penetration rate of 33.4 percent is considered low and indicates a sufficient number of age and income-qualified renters in the market area to support the existing and proposed senior LIHTC units.
- Based on DCA methodology, total net demand for all 56 proposed units in the Townview Market Area is 161 households, resulting in a capture rate of 34.8 percent. Capture rates by income level are 11.8 percent for the 50 percent units and 34.9 percent for the 60 percent AMI units. Townview Senior Apartments's capture rates by bedroom type within each AMI market segment range from 7.9 percent to 49.2 percent and the capture rates by floor plan are 14.9 percent for all one-bedroom units and 34.3 percent for all two-bedroom units. DCA's threshold for capture rate by bedroom type within each AMI market segment is 70 percent.
- All capture rates are below DCA thresholds for a project located in a rural area and indicate sufficient demand in the market area to support the proposed Townview Senior Apartments.



7. Competitive Rental Analysis

RPRG surveyed one senior rental community and two general occupancy rental communities and all were fully occupied.

Senior Rental Communities:

- Whitehall Manor (LIHTC Community) was fully occupied with a waiting list of more than 200 people.
- Effective two-bedroom rents and unit sizes at Whitehall Manor:
 - **50 percent AMI** effective rent was \$480 for 1,100 square feet, resulting in a net rent per square foot of \$0.44.
 - **60 percent AMI** effective rent was \$550 for 1,100 square feet, resulting in a net rent per square foot of \$0.50.
 - **50 percent AMI** effective rent was \$700 for 1,100 square feet, resulting in a net rent per square foot of \$0.70.

General Occupancy Rental Communities:

- Both surveyed communities were fully occupied including Whitehall Commons (LIHTC community) which had a waiting list of more than 200 people.
- Among surveyed general occupancy rental communities, net rents, unit sizes, and rents per square foot are as follows:
 - **Two-bedroom** effective rents average \$579 per month. The average two-bedroom square footage is 1,157 square feet, resulting in a net rent per square foot of \$0.50.
 - **Three-bedroom** effective rents average \$650 per month. The average three-bedroom square footage is 1,412 square feet, resulting in a net rent per square foot of \$0.46.
- The “average market rent” among comparable communities is \$662 for two-bedroom units. No one-bedroom units were surveyed in the market area so the two-bedroom market average was adjusted by \$50 to \$612 and was utilized as the average one-bedroom market rent. The proposed 50 percent rents have rent advantages of 31.4 to 36.2 percent, the proposed 60 percent AMI rents have rent advantages of 13.1 to 23.2 percent, and the project’s overall weighted average rent advantage is 19.3 percent.
- No multi-family rental communities including those targeting seniors were identified as planned, approved, or under construction in the market area.

8. Absorption/Stabilization Estimates

- Based on projected senior household growth, acceptable capture rates, strong rental market conditions, and limited senior rental market, we expect Townview Senior Apartments to lease-up at a rate of eight units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within seven months.
- Given the senior household growth, strong rental market conditions, and limited senior rental market, we do not believe the development of the subject property will have an adverse impact on existing rental communities in the Townview Market Area including those with tax



credits. Demand for affordable senior rental housing is likely to increase over the next couple years given the strong senior household growth projected in the Townview Market Area.

9. Overall Conclusion / Recommendation

Based on an analysis of projected senior household growth trends, penetration and demand estimates, strong rental market conditions, and socio-economic and demographic characteristics of the Townview Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing senior and general occupancy communities in the Townview Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

DCA Summary Table:

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
50% Units	\$14,370 - \$21,300										
One Bedroom Units	\$14,370 - \$17,000	3	6.1%	38	0	38	7.9%	2 months	\$612	N/A	\$390
Two Bedroom Units	\$17,001 - \$21,300	9	10.2%	64	0	64	14.1%	3 months	\$662	\$585 - \$700	\$470
60% Units	\$16,770 - \$25,560										
One Bedroom Units	\$17,610 - \$20,750	11	9.4%	59	0	59	18.6%	4 months	\$612	N/A	\$454
Two Bedroom Units	\$20,751 - \$25,560	33	10.7%	67	0	67	49.2%	7 months	\$662	\$585 - \$700	\$575
By Bedroom											
One Bedroom Units	\$14,370 - \$20,750	14	15.0%	94	0	94	14.9%	4 months			
Two Bedroom Units	\$17,001 - \$25,560	42	19.6%	123	0	123	34.3%	7 months			
Project Total	\$14,370 - \$25,560										
50% Units	\$14,370 - \$21,300	12	16.3%	102	0	102	11.8%	3 months			
60% Units	\$16,770 - \$25,560	44	20.1%	126	0	126	34.9%	7 months			
Total Units	\$14,370 - \$25,560	56	25.7%	161	0	161	34.8%	7 months			



SUMMARY TABLE:		
Development Name:	Townview Senior Apartments	Total # Units: 56
Location:	Townview Drive, Cleveland, White County, GA	# LIHTC Units: 56
PMA Boundary:	North: Towns County, East: Habersham County, South: Hall County, West: Lumpkin County	
	Farthest Boundary Distance to Subject:	14.4 miles

RENTAL HOUSING STOCK – (found on pages 10, 47, 50-51)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	3	120	0	100.0%
Market-Rate Housing	1	8	0	100.0%
Assisted/Subsidized Housing not to include LIHTC				
LIHTC	2	112	0	100.0%
Stabilized Comps	3	120	0	100.0%
Properties in construction & lease up				

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	1	1	700	\$390	\$612	\$0.87	36.2%	N/A	N/A
11	1	1	700	\$470	\$612	\$0.87	23.2%	N/A	N/A
9	2	2	950	\$454	\$662	\$0.70	31.4%	\$700	\$0.64
33	2	2	950	\$575	\$662	\$0.70	13.1%	\$700	\$0.64

DEMOGRAPHIC DATA (found on pages 28, 40-41)						
	2012		2017		2019	
Renter Households	871	16.4%	989	16.9%	1,040	17.0%
Income-Qualified Renter HHs (LIHTC)	265	30.4%	272	27.5%	267	25.7%
Income-Qualified Renter HHs (MR)						

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 42)						
Type of Demand	50%	60%				Overall
Renter Household Growth	9	11				14
Existing Households (Overburd + Substand)	82	101				129
Homeowner Conversion (Seniors)	2	2				3
Secondary Market Demand (10%)	9	11				14
Total Primary Market Demand	102	126				161
Less Comparable/Competitive Supply	0	0				0
Adjusted Income-qualified Renter HHs	102	126				161

CAPTURE RATES (found on page 42)						
Targeted Population	50%	60%				Overall
Capture Rate	11.8%	34.9%				34.8%



2. INTRODUCTION

A. Overview of Subject

The subject of this report is the proposed development of Townview Senior Apartments in Cleveland, White County, Georgia. Townview Senior Apartments will be a 56-unit senior-oriented rental community financed in part with Low Income Housing Tax Credits (LIHTC), allocated by the Georgia Department of Community Affairs (DCA), and will be restricted to households with householder age 55 and older. Townview Senior Apartments will comprise 56 LIHTC units reserved for households earning up to 50 percent or 60 percent of the Area Median Income (AMI), adjusted for household size.

B. Purpose of Report

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability/penetration analysis.

C. Format of Report

The report format is comprehensive and conforms to DCA's 2017 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is The Paces Foundation (Developer). Along with the Client, the Intended Users are DCA, potential lenders, and investors.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- DCA's 2017 Market Study Manual and Qualified Allocation Plan (QAP).
- The National Council of Housing Market Analysts' (NCHMA) Recommended Model Content.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 5 for a detailed list of DCA requirements as well as the corresponding pages of requirements within the report.
- Brett Welborn (Analyst) conducted a site visit on May 16, 2017.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Tonya Abernathy with the Cleveland Planning and Zoning Department, Wayne Paulson with the White County Building Inspections Department, Beth Truelove with the White County Chamber of Commerce, and staff with the Northeast Georgia Housing Authority.



- The market study utilizes 2016 HUD Median Income Limits per DCA's 2017 Qualified Allocation Plan (QAP).
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.



3. PROJECT DESCRIPTION

A. Project Overview

Townview Senior Apartments will be on the south side of Townview Drive roughly 100 yards east of U.S. Highway 129 in southern Cleveland, Georgia. The subject property will comprise 56 senior-oriented LIHTC rental units targeting households with householder age 55 and older. Income targeting will include 12 units targeting householders earning up to 50 percent of the Area Median Income (AMI) and 44 units targeting households earning up to 60 percent AMI.

B. Project Type and Target Market

Townview Senior Apartments will target low to moderate income senior renter households (55+). The subject property will primarily target singles and couples with a unit mix of one and two-bedroom units.

C. Building Types and Placement

The proposed units will be contained within a three-story mid-rise building with secured entrances, interior hallways, and elevator service. The building will have wood frames with siding and brick exteriors and will be positioned in the eastern portion of the site. The subject will have an entrance on Townview Drive to the north and parking will be adjacent to the building.

D. Detailed Project Description

1. Project Description

- Townview Senior Apartments will offer 56 LIHTC units including 14 one-bedroom and 42 two-bedroom units (Table 1).
- Twelve units will target households earning up to 50 percent of AMI and 44 units will target households earning up to 60 percent AMI.
- One-bedroom units will have one bathroom and 700 gross heated square feet.
- Two-bedroom units will have two bathroom and 950 gross heated square feet.
- Rents include the cost of trash removal. Tenants will bear the cost of all other utilities.
- Proposed unit features and community amenities are detailed in Table 2.

Table 1 Detailed Unit Mix and Rents, Townview Senior Apartments

Type	Unit Mix/Rents							
	Bed	Bath	Income Target	Quantity	Square Feet	Developer Rent	Utility Allowance	Gross Rent
Mid Rise	1	1	50%	3	700	\$390	\$89	\$479
Mid Rise	1	1	60%	11	700	\$470	\$89	\$559
Mid Rise	2	2	50%	9	950	\$454	\$112	\$566
Mid Rise	2	2	60%	33	950	\$575	\$112	\$687
Total				56				

Rents include trash removal

Source: The Paces Foundation

**Table 2 Unit Features and Community Amenities**

Unit Features	Community Amenities
<ul style="list-style-type: none"> • Kitchens with an Energy Star refrigerator and dishwasher, garbage disposal, range/oven, and microwave. • Washer and dryer connections. • Grab bars. • Central heating and air-conditioning. • Window blinds. 	<ul style="list-style-type: none"> • Multi-purpose room. • Fitness center. • Arts and crafts room/activity room. • Wellness center. • Gazebo. • Laundry facilities. • Elevators.

Source: The Paces Foundation

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Townview Senior Apartments is expected to begin construction in July 2018 and will have first move-ins and be completed in June 2019. The subject property's anticipated placed-in-service year is 2019 for the purposes of this report.



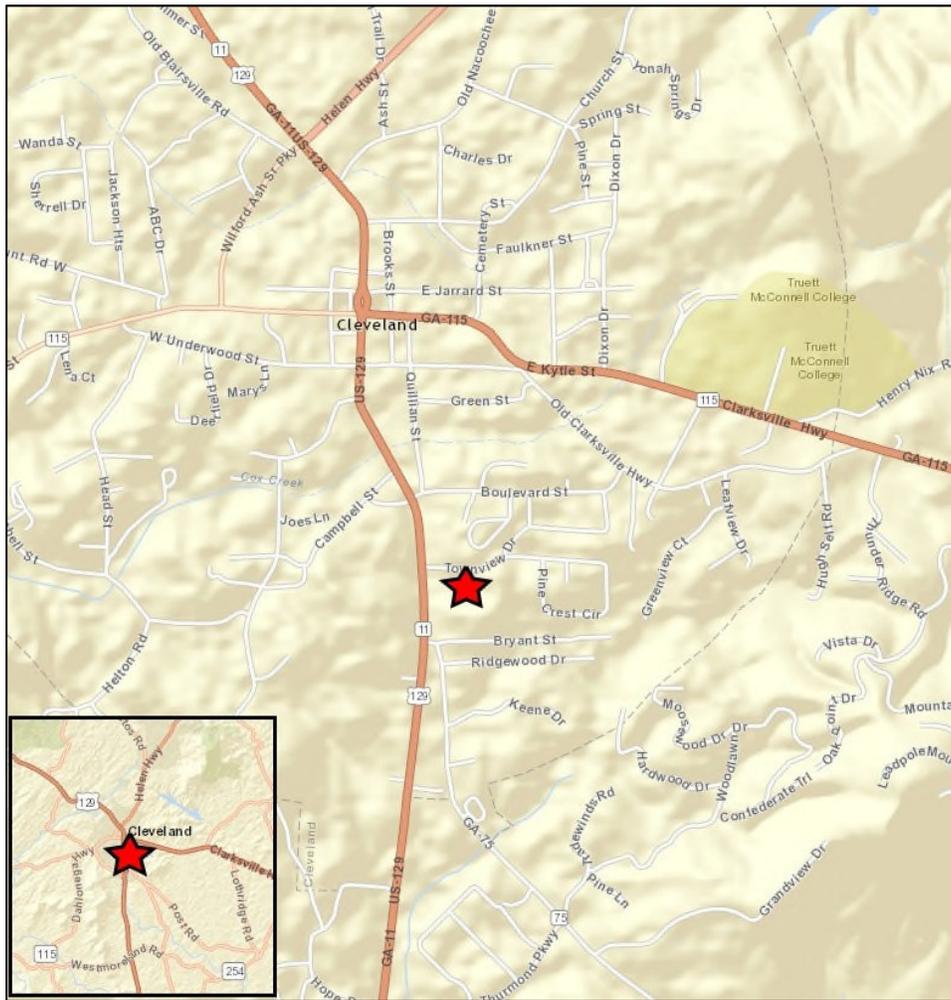
4. SITE EVALUATION

A. Site Analysis

1. Site Location

The site for Townview Senior Apartments is on the south side of Townview Drive roughly 100 yards east of U.S. Highway 129 and one-half mile south of downtown Cleveland, White County, Georgia (Map 1, Figure 1).

Map 1 Site Location



2. Existing Uses

The site is wooded with no existing structures (Figure 1).

3. Size, Shape, and Topography

The 7.44-acre site for Townview Senior Apartments is roughly rectangular and slopes down to the south and west.

Figure 1 Views of Subject Site



Townview Drive facing west (site on the left).



Site frontage along Townview Drive on the left.



Site facing south from Townview Drive.



Townview Drive facing east (site on the right).

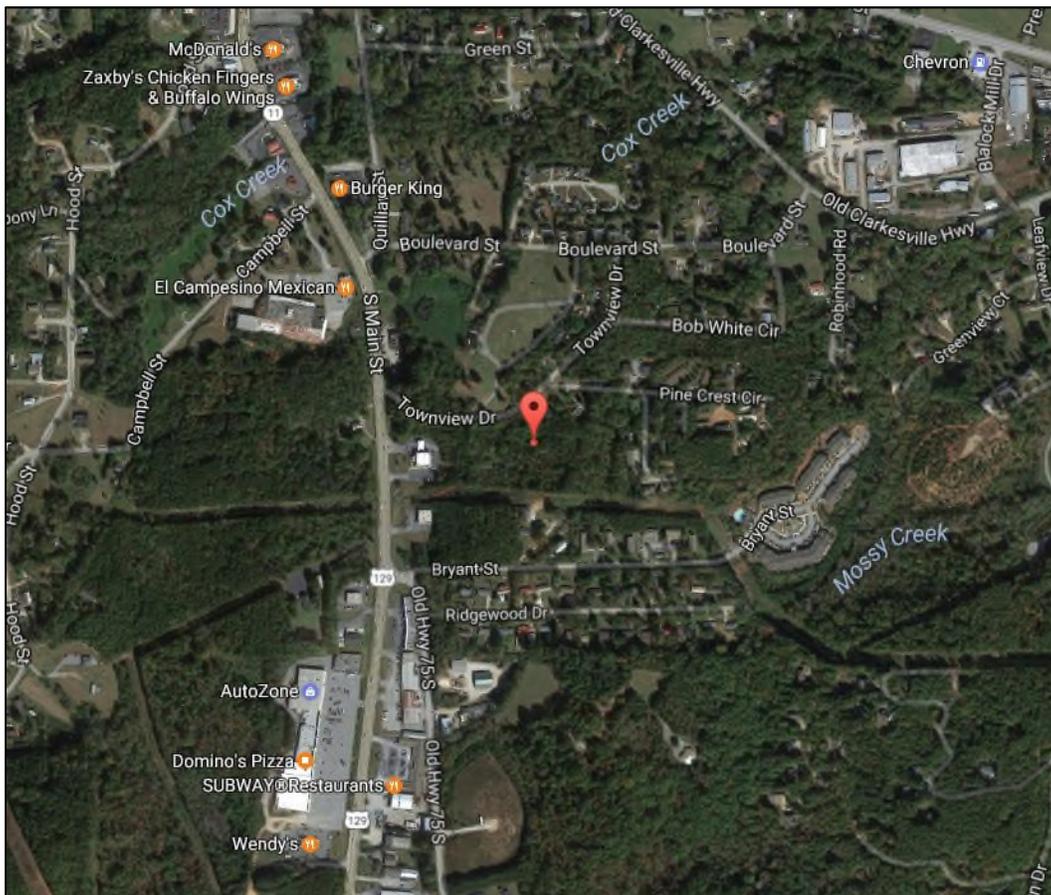


Southwestern corner of the site (on the left) from U.S. Highway 129.

4. General Description of Land Uses Surrounding the Subject Site

The subject site is roughly one-half mile south of downtown Cleveland and just east of U.S. Highway 129 which is a major north/south thoroughfare in Cleveland and White County. The site's immediate area is primarily residential with several commercial uses (South State Bank and Verizon) along U.S. Highway 129 to the west and Gateway Memory Park Cemetery directly north of the site. Modest to moderate value single-family detached homes and affordable multi-family rental communities are the most common land use within one-quarter mile of the site especially east of U.S. Highway 129. Two rental communities funded in part through the Low Income Housing Tax Credit program are just southeast of the site including Whitehall Commons which targets families and Whitehall Manor which targets seniors age 55 and older. Two public housing rental communities (Pleasantview and Pinecrest) and two small rental properties (less than 10 units) are also in close proximity to the site (Figure 2).

Figure 2 Satellite Image of Subject Site



5. Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows (Figure 3):

- **North:** Gateway Memory Park Cemetery and single-family detached homes.
- **East:** Single-family detached homes and a quadriplex.
- **South:** Two apartment complexes (Blue Ridge and Pleasantview).
- **West:** South State Bank and a Verizon retailer.



Quadriplex to the east on Pine Crest Circle.

Figure 3 Views of Surrounding Land Uses



Single-family detached home to the north.



South State Bank to the west.



Gateway Memory Park Cemetery to the north.



Pleasantview Apartments (public housing community) to the south.



B. Neighborhood Analysis

1. General Description of Neighborhood

The subject site is one-half mile south of downtown Cleveland. Cleveland is in southern White County and is the county seat. Cleveland is a small rural city approximately 23 miles north of Gainesville with a downtown district with a square surrounding the courthouse and a variety of retailers, restaurants, and service providers. The city is primarily residential including generally modest to moderate value single-family detached homes and affordable multi-family rental communities generally within one mile from downtown. Commercial uses are concentrated in the downtown district roughly one-half mile north of the site and along U.S. Highway 129 to the south and west of the site. Several industrial centers are along the city's periphery to the north and south. Land uses quickly become rural outside of the city limits.

2. Neighborhood Planning Activities

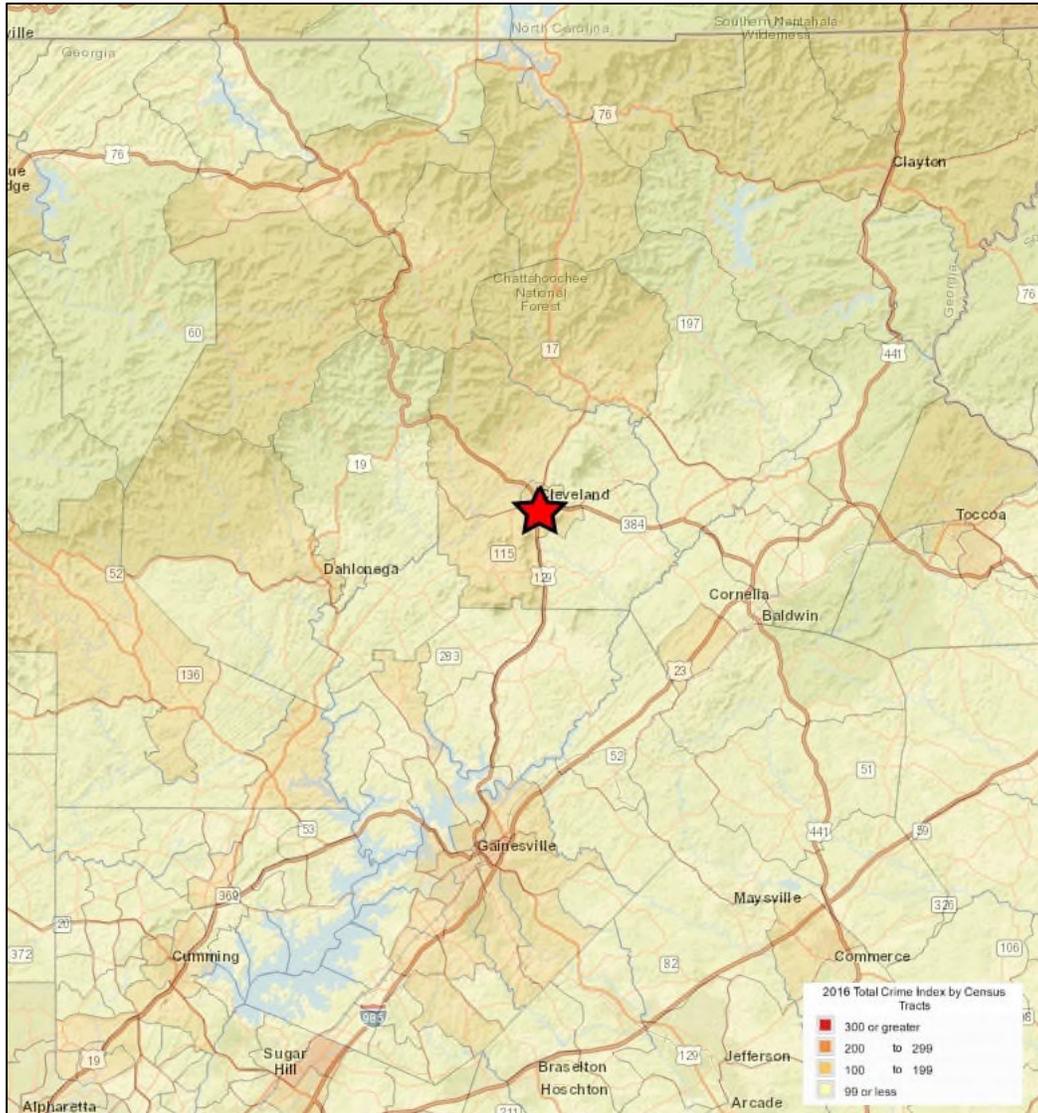
A Dunkin Donuts/Baskin Robbins restaurant is under construction less than one-half mile north of the site on the west side of U.S. Highway 129; RPRG did not identify any additional development activity in Cleveland.

3. Public Safety

CrimeRisk data is an analysis tool for crime provided by Applied Geographic Solutions (AGS). CrimeRisk is a block-group level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the block group level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2016 CrimeRisk Index for the census tracts in the general vicinity of the subject site is displayed in graduations from yellow (least risk) to red (most risk) (Map 2). The subject site's census tract is light orange, indicating a crime risk (100 to 199) slightly above the national average (100). This crime risk is comparable to all tracts in Cleveland and the majority of the market area including the location of the most comparable rental communities. Furthermore, the crime risk in Cleveland is comparable to the crime risk of other municipalities in the region. Based on this data and field observations, we do not expect crime or the perception of crime to negatively impact the subject property's marketability.

Map 2 Crime Index Map



C. Site Visibility and Accessibility

1. Visibility

Townview Senior Apartments will have visibility from Townview Drive which is a lightly travelled residential road. Additional drive by visibility may come from U.S. Highway 129, although the site's topography may limit the direct visibility.

2. Vehicular Access

The subject will be accessible via an entrance on Townview Drive which is lightly travelled and no problems with ingress/egress are anticipated. Townview Drive connects to U.S. Highway 129 within one hundred yards west of the subject's entrance.



3. Availability of Public Transit

Public fixed-route bus transportation is not available in Cleveland. The White County Senior Center is just over two miles north of the site and offers in-county transportation to shopping, government agencies, banks, and medical/dental appointments.

4. Availability of Inter-Regional Transit

The site is nearly adjacent to U.S. Highway 129 which is Cleveland's primary north-south thoroughfare connecting to Gainesville and Interstates 85 and 985 to the south. State Highway 115 runs east to west through Cleveland connecting it to a number of smaller cities including Dahlonga to the west and Clarksville to the east. Several additional state and U.S. highways are in the region connecting the site to areas north of Cleveland. Interstates 985 and 85 are 22 and 42 miles south of the site, respectively, providing access to the southeast United States including the Atlanta Metro Area to the southwest. The closest major airport to Townview Senior Apartments is Hartsfield-Jackson International Airport roughly 85 miles to the southwest.

5. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. The \$15.1 million first phase of the four-lane Appalachian Parkway (Cleveland bypass) was completed in November 2015 connecting U.S. Highway 129 south of the city to State Highway 115 in western Cleveland. Construction of the second phase is underway which will extend Appalachian Parkway to connect with U.S. Highway 129 on the north side of the city, completing the bypass. The \$25 million, 2.3 mile, second phase is expected to be completed in late 2017. Once completed, Appalachian Parkway will allow traffic to bypass the high-traffic areas along U.S. Highway 129 in downtown Cleveland which will likely result in less congestion surrounding downtown and U.S. Highway 129 near the site.

Transit and Other Improvements under Construction and/or Planned

No planned transit improvements were identified.

6. Environmental Concerns

No visible environmental site concerns were identified.

D. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part on its proximity to those facilities and services required daily. Key facilities and services and their driving distances from the subject site are listed in Table 3 and their locations are plotted on Map 3.

Table 3 Key Facilities and Services

Establishment	Type	Address	City	Driving Distance
South State Bank	Bank	575 S Main St.	Cleveland	0.2 mile
BP	Convenience Store	109 S Main St.	Cleveland	0.5 mile
Cleveland Fire Department	Fire	85 S Main St.	Cleveland	0.5 mile
Peachtree Pharmacy	Pharmacy	1018 S Main St.	Cleveland	0.5 mile
Cleveland Police Department	Police	85 S Main St.	Cleveland	0.5 mile
Regions Bank	Bank	15 W Kytile St.	Cleveland	0.7 mile
MedLink	Doctor/Medical	105 N Main St.	Cleveland	0.7 mile
Dollar General	General Retail	1178 S Main St.	Cleveland	0.7 mile
Adams Foods IGA	Grocery	271 E Kytile St.	Cleveland	0.7 mile
Chevron	Convenience Store	724 E Kytile St.	Cleveland	0.8 mile
White County Library	Library	10 Colonial Dr.	Cleveland	0.8 mile
Walmart	General Retail	260 Donald E Thurmond Pkwy.	Cleveland	1 mile
Ingles	Grocery	55 Helen Hwy.	Cleveland	1 mile
Rite Aid	Pharmacy	379 N Main St.	Cleveland	1 mile
US Post Office	Post Office	116 Helen Hwy.	Cleveland	1.1 miles
Mt Yonah Family Practice	Doctor/Medical	17 White St.	Cleveland	1.2 miles
White County Senior Center	Senior Center	1239 Helen Hwy.	Cleveland	2.3 miles
Habersham County Medical Center	Hospital	541 Historic Hwy 41	Demorest	15.5 miles

Source: Field and Internet Research, RPRG, Inc.

2. Essential Services

Health Care

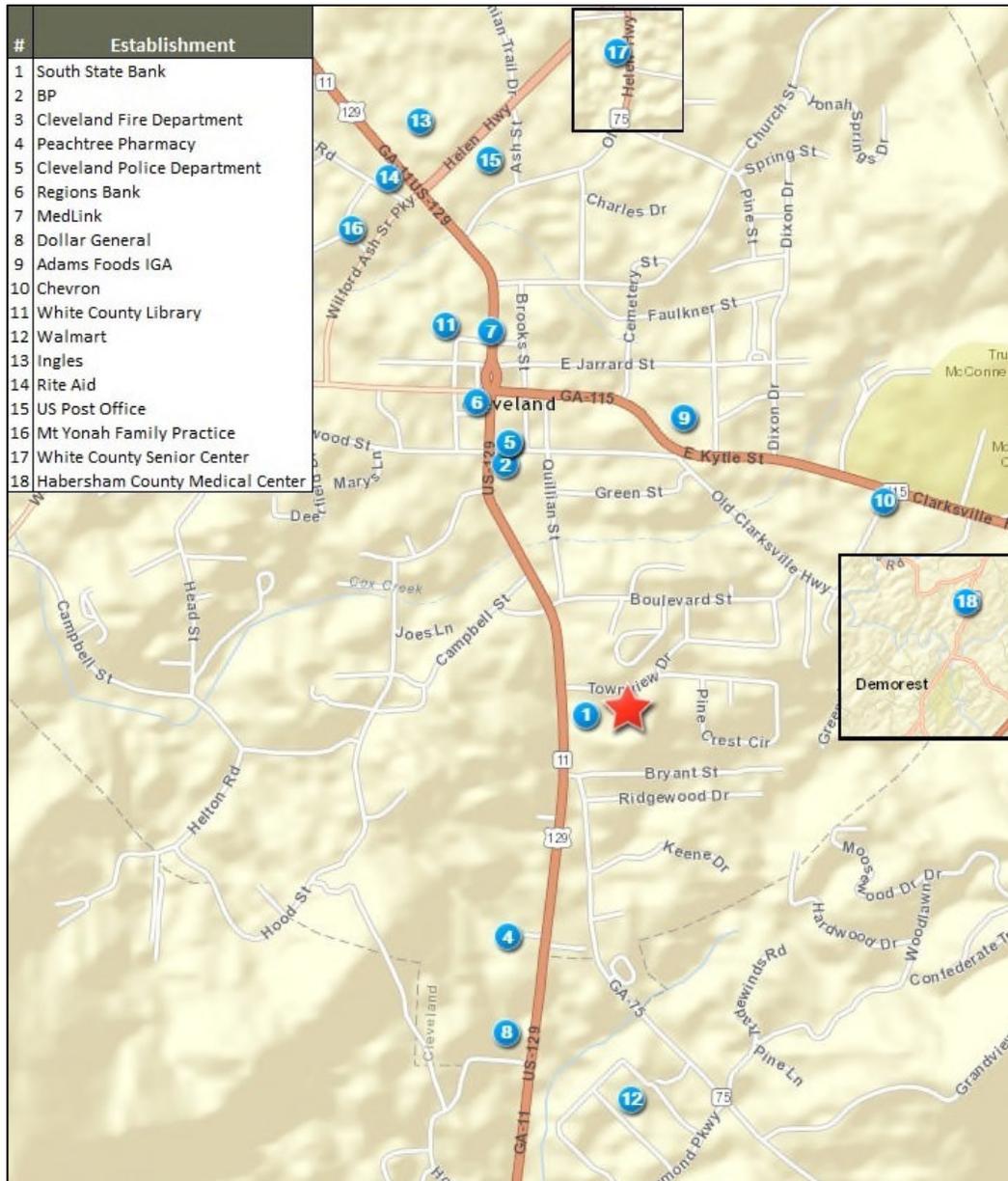
Habersham County Medical Center in Demorest is the closest hospital to the site roughly 16 miles to the east. This 53-bed medical center offers a wide range of services including emergency medicine, maternity care, orthopedics, rehabilitation, surgical services, and general medical care.

Several medical clinics are within roughly one mile of the site including the closest (MedLink) within 0.7 mile of the site.

Senior Centers

The White County Senior Center is just over two miles north of the site on Helen Highway and is open to White County residents age 60 and older. The center offers legal services, meals, transportation, nutritional programs, prescription drug help, hair care, foot care, exercise classes, and recreational field trips. Regular activities at the center include quilting, crafts, games, bingo, music and singing, social conversation, and birthday/holiday celebrations.

Map 3 Location of Key Facilities and Services



3. Commercial Goods and Services

Convenience Goods

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

Townview Senior Apartments will be within one mile of pharmacies (Peachtree Pharmacy and Rite Aid), banks (South State Bank and Regions Bank), grocery stores (Adams Foods IGA and Ingles), and convenience stores (BP and Chevron), most of which are along U.S. Highway 129 (South Main Street).



Shoppers Goods

The term “comparison goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop.

Dollar General is 0.7 mile south of the site on U.S. Highway 129 (South Main Street) and Walmart Supercenter is one mile south of the site on Donald E Thurmond Parkway. Cleveland does not offer a regional shopping mall; the closest mall is Lakeshore Mall roughly 25 miles to the south in Gainesville. The mall is anchored by Sears, Belk, JC Penney, and Dick’s and offers many smaller retailers. North Georgia Premium Outlets is 26 miles to the southwest on U.S. Highway 19 in Dawsonville. This outdoor shopping mall includes more than 140 outlet stores including Coach, Gap, Nike, Pottery Barn, and Polo Ralph Lauren as well as a food court.

4. Location of Low Income Housing

A list and map of existing low-income housing in the Townview Market Area are provided in the Existing Low Income Rental Housing section of this report, starting on page 51.

E. Site Conclusion

The subject site is within one mile of neighborhood amenities including shopping, medical facilities, and community services. Surrounding land uses are compatible with multi-family rental housing and the site is appropriate for the proposed use of affordable senior rental housing.



5. MARKET AREA

A. Introduction

The primary market area, referred to as the Townview Market Area for the purposes of this report, is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the Townview Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The Townview Market Area consists of the census tracts in White County including the cities of Cleveland and Helen (Map 4). The areas included in the Townview Market Area are those most comparable to Cleveland and the area surrounding the subject site and seniors living in this market area would likely consider the subject property a suitable place to live. Cleveland is the most populated city in the largely rural White County. Accounting for the city’s position as the county’s economic center and largest city and the accessibility of the market area by a number of highways including U.S. Highway 129 and State Highways 75 and 115, the subject property is expected to attract seniors from throughout the county. Given the large size of the census tracts in the county especially north of the site, the market area is geographically large; however, the rural portions of White County contain limited development and few renter households, thus, demand estimates are not inflated by the inclusion of these areas.

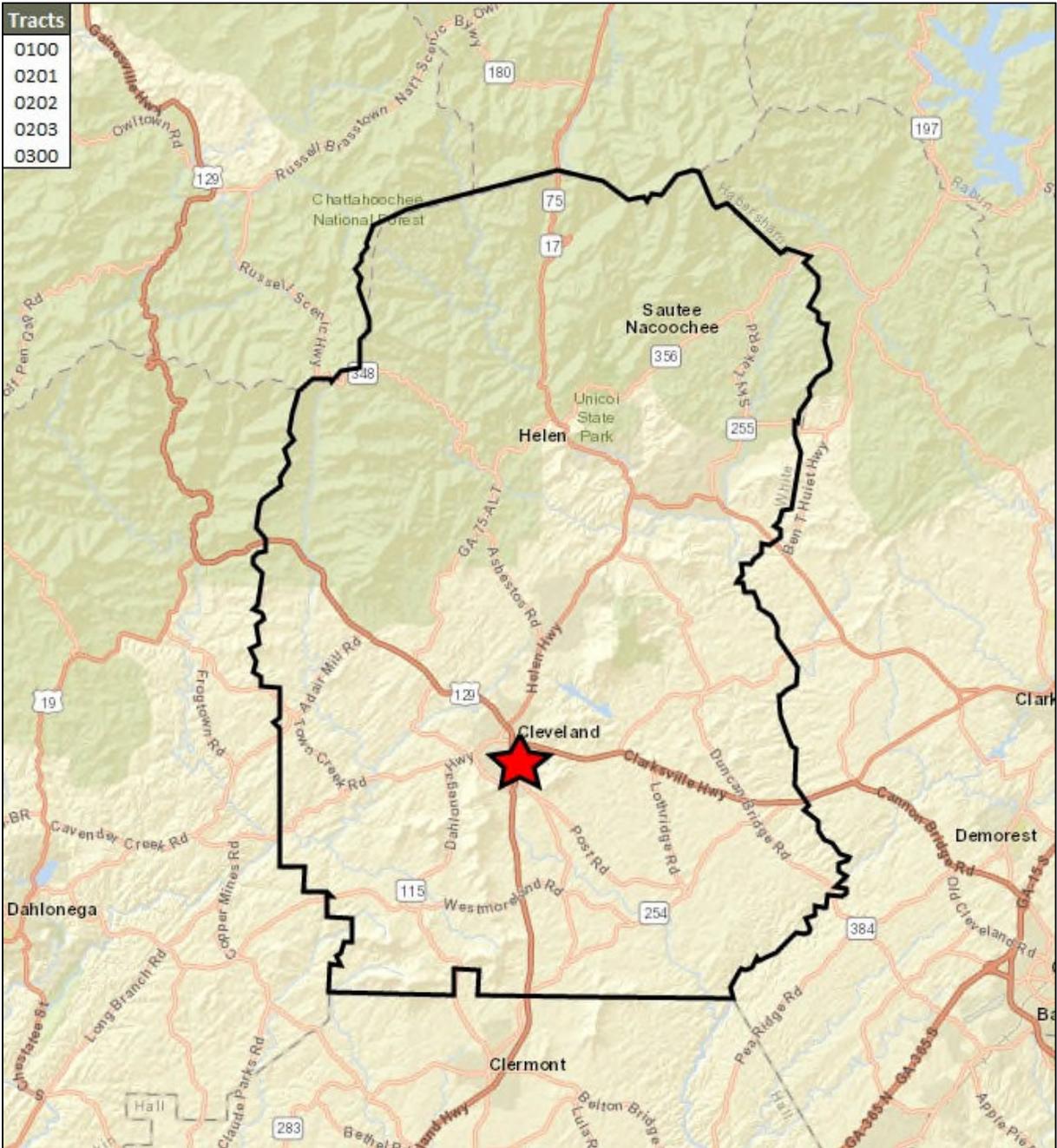
The boundaries of the Townview Market Area and their approximate distance from the subject site are:

- North:** Towns County (14.4 miles)
- East:** Habersham County (6.8 miles)
- South:** Hall County..... (5.8 miles)
- West:** Lumpkin County (6.0 miles)

As appropriate for this analysis, the Townview Market Area is compared to a Bi-County Market Area consisting of White and Lumpkin Counties, which is considered the secondary market area. Demand estimates are based only on the Townview Market Area.



Map 4 Townview Market Area



6. COMMUNITY DEMOGRAPHIC DATA

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Townview Market Area and Bi-County Market Area using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered.

B. Trends in Population and Households

1. Recent Past Trends

Population and household growth in the Townview Market Area was strong during the previous decade with the addition of 720 people (3.1 percent) and 292 households (3.3 percent) per year between 2000 and 2010 Census counts (Table 4). Growth in the Townview Market Area is estimated to have slowed over the past seven years with the addition of 202 people (0.7 percent) and 62 households (0.6 percent) per year from 2010 to 2017.

Growth rates were slightly faster in the Bi-County Market Area during the previous decade with annual growth of 1,618 people (3.4 percent) and 638 households (3.6 percent) from 2000 to 2010. The Bi-County Market Area added people at the same rate as the market area over the past seven years but household growth was slightly slower with the addition of 401 people (0.7 percent) and 101 households (0.5 percent) per year from 2010 to 2017.

2. Projected Trends

Esri projects that annual growth among population and households will increase to 0.8 percent or 239 people and 92 households from 2017 to 2019.

Annual growth rates in the Bi-County Market Area are projected to be below those in the market area from 2017 to 2019 at 0.5 percent among population and 0.6 percent among households.

The average household size in the Townview Market Area of 2.55 persons per household in 2017 is expected to remain unchanged through 2019 (Table 5).

3. Building Permit Trends

RPRG examines building permit trends to help determine if the housing supply is meeting demand, as measured by new households. Permit activity in White County ranged from 315 to 398 permitted units from 2000 to 2006 with a peak in 2005. Permitted units in the county dropped significantly to 70 in 2007 then briefly rebounded to 251 permitted units in 2008. Permit activity dropped significantly again to 86 permitted units in 2009, a trend that continued with a decrease to a low of 22 permitted units in 2011. Permit activity has remained below 70 permitted units each year since 2010 with a seven-year high of 67 permitted units in 2016. An annual average of 290 units were permitted from 2000 to 2009 in White County (Townview Market Area) compared to annual growth of 292 households between the 2000 and 2010 Census counts in the county (Table 6). Household growth relative to units permitted illustrates that the market was in balance in the previous decade.

Ninety-two percent of all residential units permitted in White County were single-family detached homes. Multi-family structures (5+ units) accounted for five percent of units permitted while buildings with 2-4 units account for three percent of permitted units. No units in multi-family structures with five or more units have been permitted in the county since 2008.



Table 4 Population and Household Projections

		Bi-County Market Area				Townview Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	40,930					19,944				
2010	57,110	16,180	39.5%	1,618	3.4%	27,144	7,200	36.1%	720	3.1%
2017	59,919	2,809	4.9%	401	0.7%	28,557	1,413	5.2%	202	0.7%
2019	60,541	622	1.0%	311	0.5%	29,036	479	1.7%	239	0.8%

Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	15,260					7,731				
2010	21,635	6,375	41.8%	638	3.6%	10,646	2,915	37.7%	292	3.3%
2017	22,341	706	3.3%	101	0.5%	11,077	431	4.1%	62	0.6%
2019	22,588	248	1.1%	124	0.6%	11,262	184	1.7%	92	0.8%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.

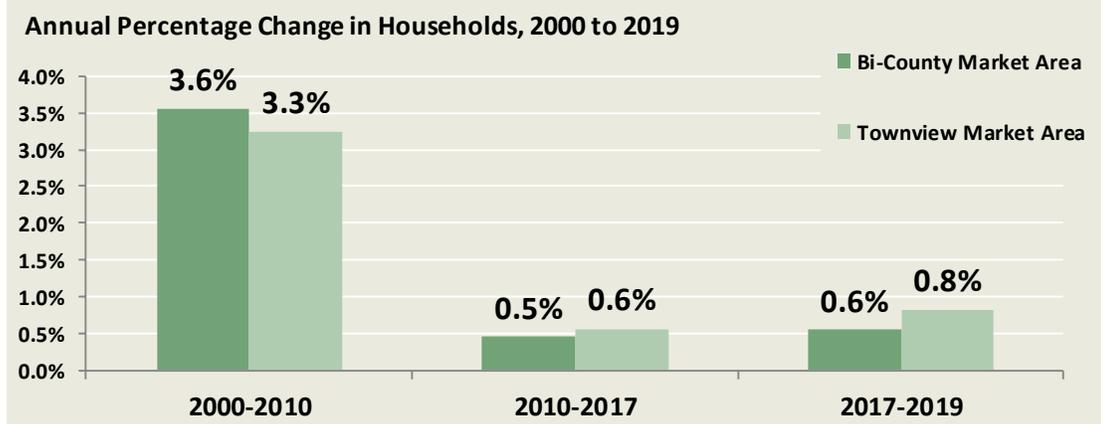


Table 5 Persons per Household, Townview Market Area

Persons per HH, Townview Market Area			
Year	2010	2017	2019
Population	27,144	28,557	29,036
Group Quarters	365	365	365
Households	10,646	11,077	11,262
Households Size	2.52	2.55	2.55

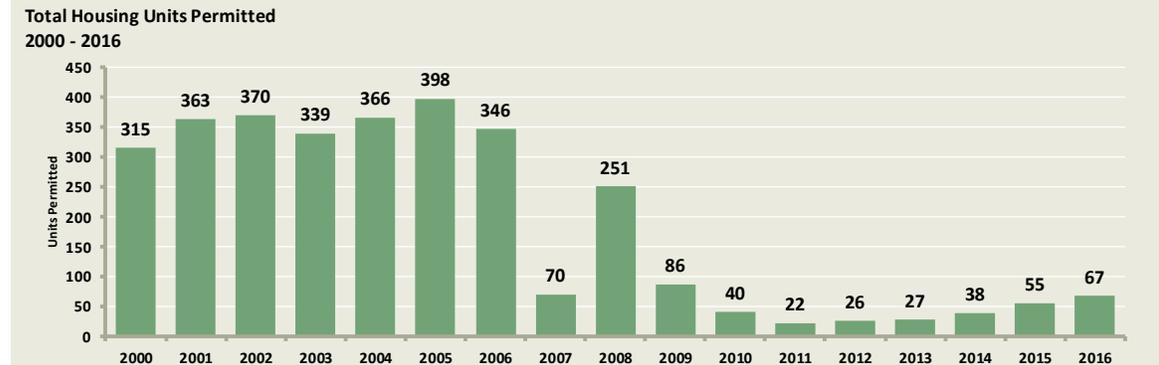
Source: Census, Esri, RPRG



Table 6 Building Permits by Structure Type, White County (Townview Market Area)

White County																		2000-2016	Annual Average
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Single Family	312	356	366	322	333	380	344	39	129	70	40	22	26	27	38	55	67	2,926	172
Two Family	0	0	0	2	8	2	2	10	8	8	0	0	0	0	0	0	0	40	2
3 - 4 Family	3	7	4	7	12	0	0	12	12	8	0	0	0	0	0	0	0	65	4
5+ Family	0	0	0	8	13	16	0	9	102	0	0	0	0	0	0	0	0	148	9
Total	315	363	370	339	366	398	346	70	251	86	40	22	26	27	38	55	67	3,179	187

Source: U.S. Census Bureau, C-40 Building Permit Reports.



4. Trends in Older Adult Households

Senior households (age 55 and older) are expected to increase at roughly twice the rate of total households on a percentage basis in the Townview Market Area; senior household growth includes both net migration and aging in place. The Townview Market Area had 5,173 households with householder age 55+ as of the 2010 Census and is estimated to have added 99 households with householder age 55+ per year from 2010 to 2017 (1.8 percent annual growth) (Table 7). Growth among households with householders age 55+ is projected to accelerate over the next two years with the addition of 117 households (2.0 percent) per year from 2017 to 2019.

Table 7 Trends in Senior Householders, Townview Market Area

Townview Market Area	Change 2010 to 2017						Change 2017 to 2019							
	2010		2017		2019		Total		Annual		Total		Annual	
Age of	#	%	#	%	#	%	#	%	#	%	#	%	#	%
55 to 61	1,498	29.0%	1,613	27.5%	1,631	26.7%	115	7.7%	16	1.1%	18	1.1%	9	0.6%
62-64	666	12.9%	691	11.8%	699	11.5%	25	3.8%	4	0.5%	8	1.1%	4	0.6%
65 to 74	1,786	34.5%	2,175	37.1%	2,277	37.3%	389	21.8%	56	2.9%	102	4.7%	51	2.3%
75 and older	1,223	23.6%	1,385	23.6%	1,492	24.5%	162	13.3%	23	1.8%	106	7.7%	53	3.8%
Householders 55+	5,173	100.0%	5,865	100.0%	6,099	100.0%	692	13.4%	99	1.8%	234	4.0%	117	2.0%
All Households	10,646		11,077		11,262		431	4.1%	62	0.6%	184	1.7%	92	0.8%

Source: 2010 Census; Esri; RPRG

C. Demographic Characteristics

1. Age Distribution and Household Type

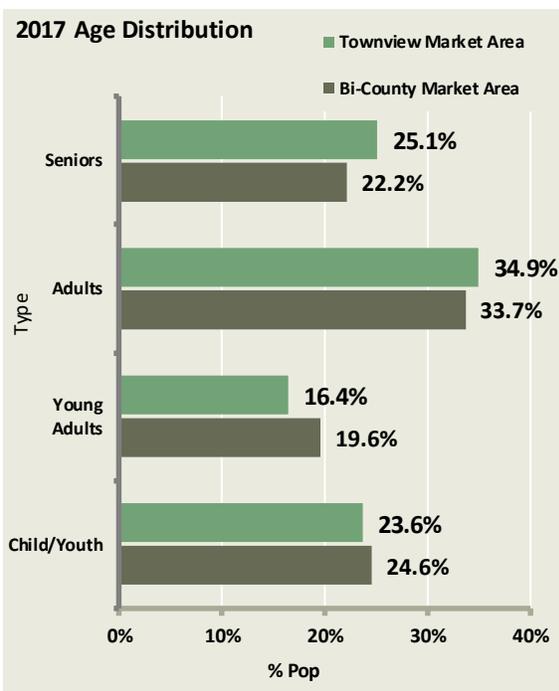
Both the Townview Market Area and the Bi-County Market Area have relatively old populations with an older market area median age of 43 compared to 39 in the Bi-County Market Area (Table 8). Adults age 35 to 61 account for 34.9 percent of the Townview Market Area’s population and roughly one-quarter (25.1 percent) of the population are Seniors age 62 and older. Children/Youth comprise 23.6 percent of the Townview Market Area’s population and Young Adults account for 16.4 percent of the



population. The Townview Market Area contains a larger proportion of people over 35 years old when compared to the Bi-County Market Area (60.0 percent versus 55.8 percent).

Table 8 2017 Age Distribution

2017 Age Distribution	Bi-County Market Area		Townview Market Area	
	#	%	#	%
Children/Youth	14,733	24.6%	6,747	23.6%
Under 5 years	3,231	5.4%	1,541	5.4%
5-9 years	3,405	5.7%	1,646	5.8%
10-14 years	3,474	5.8%	1,763	6.2%
15-19 years	4,623	7.7%	1,797	6.3%
Young Adults	11,730	19.6%	4,681	16.4%
20-24 years	4,534	7.6%	1,642	5.8%
25-34 years	7,196	12.0%	3,038	10.6%
Adults	20,179	33.7%	9,970	34.9%
35-44 years	6,857	11.4%	3,210	11.2%
45-54 years	7,520	12.6%	3,781	13.2%
55-61 years	5,802	9.7%	2,979	10.4%
Seniors	13,276	22.2%	7,160	25.1%
62-64 years	2,487	4.1%	1,277	4.5%
65-74 years	6,825	11.4%	3,648	12.8%
75-84 years	3,047	5.1%	1,684	5.9%
85 and older	918	1.5%	552	1.9%
TOTAL	59,919	100%	28,557	100%
Median Age	39		43	

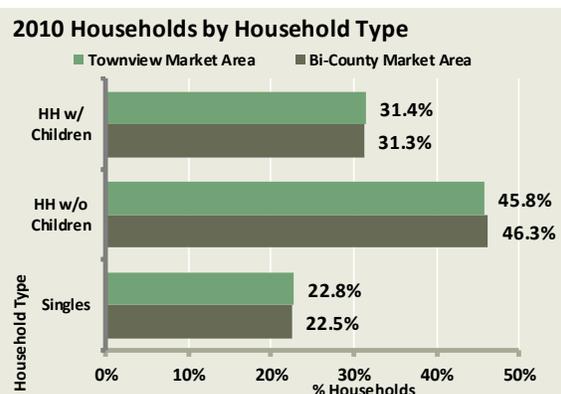


Source: Esri; RPRG, Inc.

The Townview Market Area had a significant proportion of multi-person households as of the 2010 Census including those without children which accounted for 45.8 percent of market area households (Table 9). Roughly 31 percent of households in the market area had children and single-person households accounted for roughly 22.8 percent of households. The Bi-County Market Area had a similar household composition with a slightly larger percentage of multi-person households without children and a smaller proportion of single-person households.

Table 9 2010 Households by Household Type

2010 Households by Household Type	Bi-County Market Area		Townview Market Area	
	#	%	#	%
Married w/Children	4,745	21.9%	2,300	21.6%
Other w/ Children	2,017	9.3%	1,048	9.8%
Households w/ Children	6,762	31.3%	3,348	31.4%
Married w/o Children	7,464	34.5%	3,827	35.9%
Other Family w/o Children	1,252	5.8%	611	5.7%
Non-Family w/o Children	1,295	6.0%	436	4.1%
Households w/o Children	10,011	46.3%	4,874	45.8%
Singles	4,862	22.5%	2,424	22.8%
Total	21,635	100%	10,646	100%



Source: 2010 Census; RPRG, Inc.



2. Renter Household Characteristics

The Townview Market Area and the Bi-County Market Area are primarily owner markets with 2010 renter percentages of 25.5 percent in the market area and 27.6 percent in the region (Table 10). The Townview Market Area added 1,102 total renter households in the previous decade which accounted for 37.8 percent of net household growth. The market area's renter percentage is estimated to have increased to 28.6 percent in 2017 with the addition of 459 net renters and loss of 28 owner households over the past seven years. The renter percentage in the Townview Market Area is expected to increase to 28.7 percent in 2019 with the net addition of 60 renter households over the next two years.

Roughly 17 percent of households with householder age 55+ in the Townview Market Area rented in 2017 compared to 17.9 percent in the Bi-County Market Area (Table 11). The market area contains nearly 1,000 senior renter households age 55 and older.

Table 10 Households by Tenure

Bi-County Market Area	2000		2010		Change 2000-2010		2017		Change 2010-2017		2019		Change 2017-2019	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units														
Owner Occupied	11,568	75.8%	15,663	72.4%	4,095	64.2%	15,422	69.0%	-241		15,583	69.0%	161	65.1%
Renter Occupied	3,692	24.2%	5,972	27.6%	2,280	35.8%	6,919	31.0%	947		7,005	31.0%	86	34.9%
Total Occupied	15,260	100%	21,635	100%	6,375	100%	22,341	100%	706	100%	22,588	100%	248	100%
Total Vacant	2,448		7,352				8,459				9,119			
TOTAL UNITS	17,708		28,987				30,800				31,707			

Townview Market Area	2000		2010		Change 2000-2010		2017		Change 2010-2017		2019		Change 2017-2019	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units														
Owner Occupied	6,122	79.2%	7,935	74.5%	1,813	62.2%	7,907	71.4%	-28		8,032	71.3%	124	67.5%
Renter Occupied	1,609	20.8%	2,711	25.5%	1,102	37.8%	3,170	28.6%	459		3,230	28.7%	60	32.5%
Total Occupied	7,731	100%	10,646	100%	2,915	100%	11,077	100%	431	100%	11,262	100%	184	100%
Total Vacant	1,723		5,416				6,299				6,746			
TOTAL UNITS	9,454		16,062				17,377				18,007			

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Table 11 Senior Households by Tenure, Age 55+

Senior Households 55+	Bi-County Market Area		Townview Market Area	
	#	%	#	%
2017 Households				
Owner Occupied	9,056	82.1%	4,876	83.1%
Renter Occupied	1,974	17.9%	989	16.9%
Total Occupied	11,030	100.0%	5,865	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

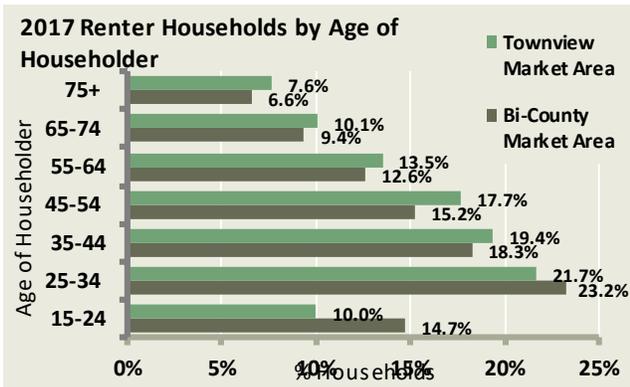
Renter households represent a wide range of ages in the Townview Market Area with working age households (age 25 to 54) forming the core of market area renters at 58.8 percent (Table 12). Nearly one-third (31.2 percent) of market area renters are older adults and seniors age 55 and older and 10 percent are under 25 years old. Renter households in the Bi-County Market Area are younger with a significantly higher percentage of renter households under 35 years old (38.0 percent versus 31.7 percent).



Table 12 Renter Households by Age of Householder

Renter Households	Bi-County Market Area		Townview Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	1,020	14.7%	318	10.0%
25-34 years	1,607	23.2%	688	21.7%
35-44 years	1,264	18.3%	615	19.4%
45-54 years	1,055	15.2%	561	17.7%
55-64 years	873	12.6%	428	13.5%
65-74 years	647	9.4%	320	10.1%
75+ years	454	6.6%	241	7.6%
Total	6,919	100%	3,170	100%

Source: Esri, Real Property Research Group, Inc.

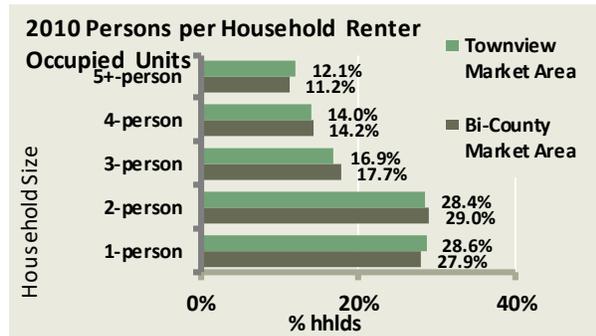


Fifty-seven percent of all renter households in the Townview Market Area contained one or two people including 28.6 percent with one person (Table 13). Approximately 31 percent of Townview Market Area renter households had three or four people and 12.1 percent were large households with five or more people. The Bi-County Market Area had higher percentages of two to four-person renter households and a lower percentage of single-person and large renter households with five or more people.

Table 13 Renter Households by Household Size

Renter Occupied	Bi-County Market Area		Townview Market Area	
	#	%	#	%
1-person hhld	1,667	27.9%	774	28.6%
2-person hhld	1,730	29.0%	771	28.4%
3-person hhld	1,059	17.7%	459	16.9%
4-person hhld	847	14.2%	380	14.0%
5+-person hhld	669	11.2%	327	12.1%
TOTAL	5,972	100%	2,711	100%

Source: 2010 Census



3. Income Characteristics

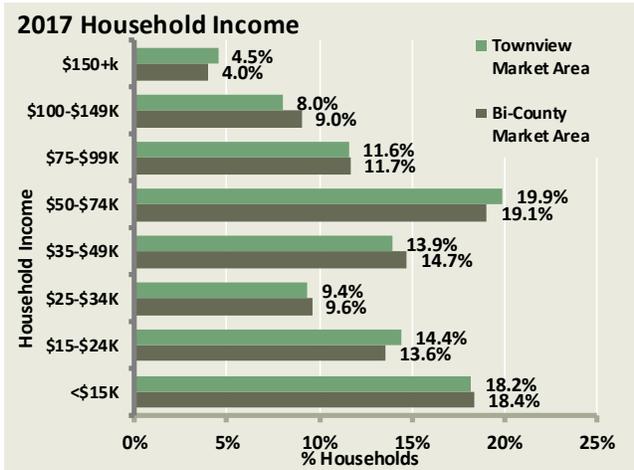
Both the Townview Market Area and the Bi-County Market Area have a wide range of incomes including large percentages of modest to moderate-income households with 2017 median incomes of \$43,586 in the Townview Market Area and \$43,612 in the Bi-County Market Area (Table 14). Roughly one-third (32.6 percent) of Townview Market Area households earn less than \$25,000, 23.3 percent earn \$25,000 to \$49,999, and 19.9 percent earn \$50,000 to \$74,999. Nearly one-quarter (24.1 percent) of Townview Market Area households earn upper incomes of at least \$75,000. The Bi-County Market Area has a similar income distribution with a slightly higher percentage of upper incomes of \$75,000 or more.



Table 14 2017 Household Income

Estimated 2017 Household Income		Bi-County Market Area		Townview Market Area	
		#	%	#	%
less than	\$15,000	4,106	18.4%	2,017	18.2%
	\$15,000 - \$24,999	3,033	13.6%	1,599	14.4%
	\$25,000 - \$34,999	2,140	9.6%	1,039	9.4%
	\$35,000 - \$49,999	3,294	14.7%	1,542	13.9%
	\$50,000 - \$74,999	4,261	19.1%	2,205	19.9%
	\$75,000 - \$99,999	2,604	11.7%	1,284	11.6%
	\$100,000 - \$149,999	2,014	9.0%	890	8.0%
	\$150,000 - Over	888	4.0%	500	4.5%
Total		22,341	100%	11,077	100%
Median Income		\$43,612		\$43,586	

Source: Esri; Real Property Research Group, Inc.

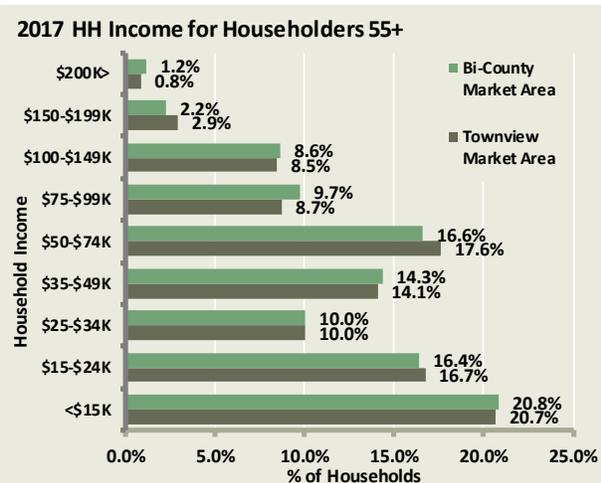


Senior households (55+) in the Townview Market Area have a 2017 median household income of \$37,767 per year, roughly the same as the Bi-County Market Area median of \$37,850 (Table 15). Roughly 37 percent of senior households (55+) in the Townview Market Area earn less than \$25,000 including 20.7 percent earning less than \$15,000. Approximately 24 percent of Townview Market Area senior households earn \$25,000 to \$49,999 and 38.5 percent earn \$50,000 or more.

Table 15 2017 Senior Household Income (55+)

2017 HH Income for Householders 55+		Bi-County Market Area		Townview Market Area	
		#	%	#	%
less than	\$15,000	2,298	20.8%	1,211	20.7%
	\$15,000 - \$24,999	1,809	16.4%	981	16.7%
	\$25,000 - \$34,999	1,107	10.0%	588	10.0%
	\$35,000 - \$49,999	1,582	14.3%	825	14.1%
	\$50,000 - \$74,999	1,832	16.6%	1,033	17.6%
	\$75,000 - \$99,999	1,073	9.7%	511	8.7%
	\$100,000 - \$149,999	952	8.6%	496	8.5%
	\$150,000 - \$199,999	248	2.2%	171	2.9%
	\$200,000 - over	128	1.2%	49	0.8%
Total		11,030	100%	5,865	100%
Median Income		\$37,850		\$37,767	

Source: American Community Survey 2011-2015 Estimates, RPRG, Inc.



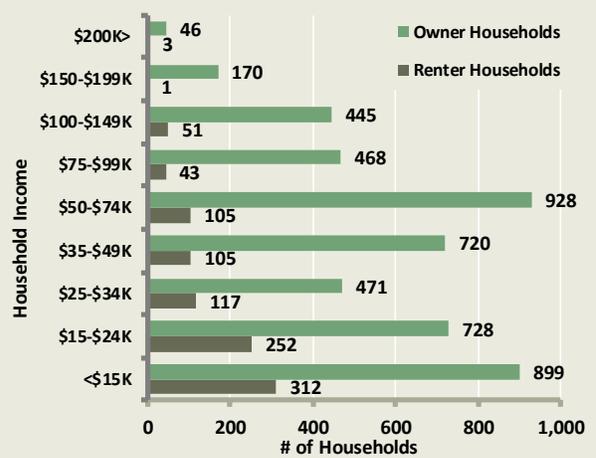
Based on the U.S. Census Bureau’s American Community Survey (ACS) data and breakdown of tenure and household estimates, the 2017 median income for senior householders (age 55 and older) in the Townview Market Area is a modest \$22,234 for renters and \$42,065 for owners (Table 16). Roughly 57 percent of senior renter households (55+) earn less than \$25,000 including 31.5 percent earning less than \$15,000. Approximately 22 percent of senior renter households earn \$25,000 to \$49,999 and 10.6 percent earn \$50,000 to \$74,999.



Table 16 2017 Senior Household Income by Tenure (Age 55+), Townview Market Area

Townview Market Area		Renter Households		Owner Households	
Householders 55+		#	%	#	%
less than \$15,000		312	31.5%	899	18.4%
\$15,000 - \$24,999		252	25.5%	728	14.9%
\$25,000 - \$34,999		117	11.8%	471	9.7%
\$35,000 - \$49,999		105	10.6%	720	14.8%
\$50,000 - \$74,999		105	10.6%	928	19.0%
\$75,000 - \$99,999		43	4.4%	468	9.6%
\$100,000 - \$149,999		51	5.1%	445	9.1%
\$150,000 - \$199,999		1	0.1%	170	3.5%
\$200,000 over		3	0.3%	46	0.9%
Total		989	100%	4,876	100%
Median Income		\$22,234		\$42,065	

2017 HHIncome by Tenure, Households 55+



Source: American Community Survey 2011-2015 Estimates, RPRG, Inc.

Roughly 48 percent of senior renter households (65+) in the Townview Market Area pay at least 40 percent of income for rent (Table 17). Approximately five percent of renter households are living in substandard conditions; however, this includes only overcrowding and incomplete plumbing.

Table 17 Rent Burdened and Substandard Housing, Townview Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	28	0.9%
10.0 to 14.9 percent	356	12.0%
15.0 to 19.9 percent	171	5.8%
20.0 to 24.9 percent	271	9.1%
25.0 to 29.9 percent	272	9.2%
30.0 to 34.9 percent	218	7.4%
35.0 to 39.9 percent	87	2.9%
40.0 to 49.9 percent	271	9.1%
50.0 percent or more	774	26.1%
Not computed	515	17.4%
Total	2,963	100%
> 40% income on rent	1,045	42.7%

Households 65+		
Total Households	#	%
Less than 20.0 percent	59	12.2%
20.0 to 24.9 percent	45	9.3%
25.0 to 29.9 percent	33	6.8%
30.0 to 34.9 percent	28	5.8%
35.0 percent or more	175	36.2%
Not computed	144	29.8%
Total	484	100%
> 35% income on rent	175	51.5%
> 40% income on rent	175	47.5%

Source: American Community Survey 2011-2015

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	8,283
1.00 or less occupants per room	8,235
1.01 or more occupants per room	48
Lacking complete plumbing facilities:	70
Overcrowded or lacking plumbing	118
Renter occupied:	
Complete plumbing facilities:	2,960
1.00 or less occupants per room	2,806
1.01 or more occupants per room	154
Lacking complete plumbing facilities:	3
Overcrowded or lacking plumbing	157
Substandard Housing	275
% Total Stock Substandard	2.4%
% Rental Stock Substandard	5.3%



7. EMPLOYMENT TREND

A. Introduction

This section of the report focuses primarily on economic trends and conditions in White County, the jurisdiction in which Townview Senior Apartments will be located. For purposes of comparison, economic trends in Georgia and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

White County's labor force added workers in seven of 10 years from 2006 to 2016 for net growth of roughly 2,000 workers or 16.2 percent; the county added over 700 workers in 2016 to reach an all-time high labor force. The employed portion of the labor force grew in all but two years since 2006 with net growth of 1,820 employed workers or 15.2 percent including the net addition of over 700 employed workers in 2016 (Table 18). The number of unemployed workers has been nearly halved from a peak of 1,313 in 2010 to 666 unemployed workers in 2016.

2. Trends in County Unemployment Rate

The unemployment rate in White County decreased in each of the past six years to 4.6 percent in 2016 from a recession-era high of 10.2 percent in 2010 (Table 18). White County's unemployment rate has been below the state rate since at least 2006 and has been equal to or below the national rate since 2013.

C. Commutation Patterns

According to 2011-2015 American Community Survey (ACS) data, a majority (53.9 percent) of Townview Market Area workers commute less than 25 minutes to work, 20.2 percent commute 30 to 44 minutes, and 19.0 percent commute 45 minutes or more to work (Table 19).

A majority (56.1 percent) of all workers residing in the Townview Market Area worked in White County; however, a large proportion (42.9 percent) worked in another Georgia county which reflects White County's rural nature and location adjacent to Hall County which has a much larger employment base to the south. Roughly one percent of market area workers worked in another state.



Table 18 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Labor Force	12,449	12,910	12,672	12,387	12,902	13,169	13,570	13,797	13,844	13,781	14,467
Employment	11,981	12,448	11,977	11,177	11,589	11,861	12,396	12,777	12,983	13,068	13,801
Unemployment	468	462	695	1,210	1,313	1,308	1,174	1,020	861	713	666
Unemployment Rate											
White County	3.8%	3.6%	5.5%	9.8%	10.2%	9.9%	8.7%	7.4%	6.2%	5.2%	4.6%
Georgia	4.7%	4.5%	6.2%	9.9%	10.5%	10.2%	9.2%	8.2%	7.1%	6.0%	5.4%
United States	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%

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

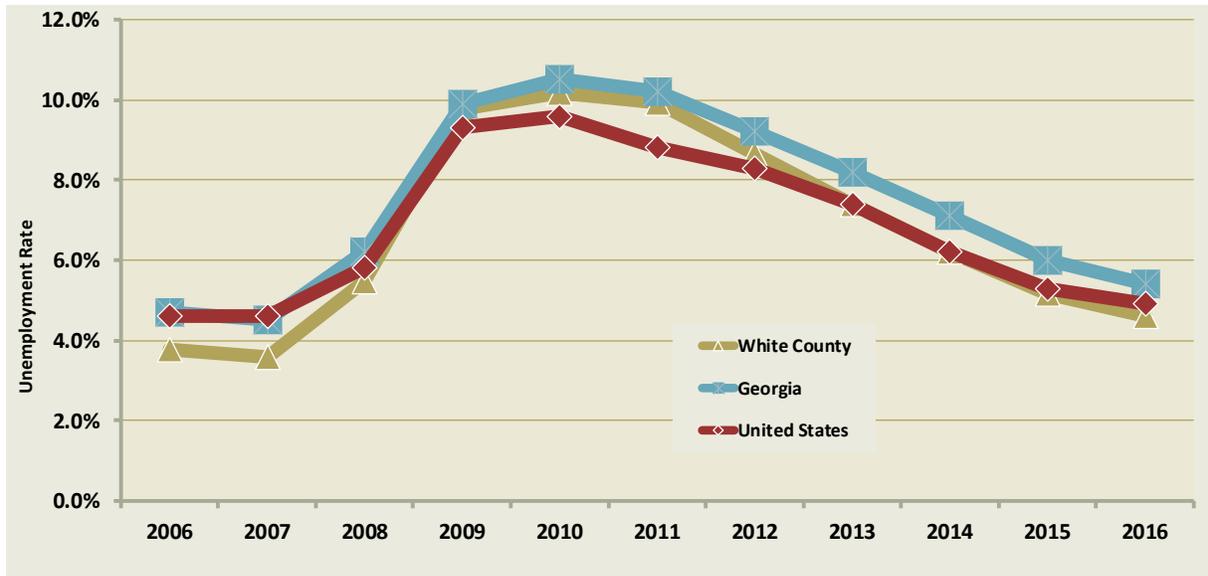
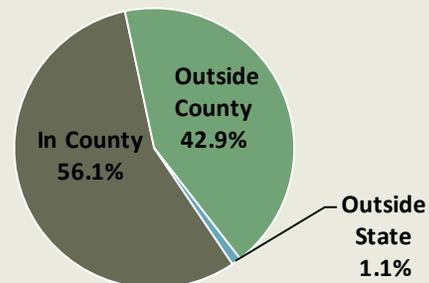


Table 19 Commutation Data, Townview Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home	10,518	96.8%	Worked in state of residence:	10,746	98.9%
Less than 5 minutes	345	3.2%	Worked in county of residence	6,092	56.1%
5 to 9 minutes	1,127	10.4%	Worked outside county of residence	4,654	42.9%
10 to 14 minutes	1,189	10.9%	Worked outside state of residence	115	1.1%
15 to 19 minutes	1,534	14.1%	Total	10,861	100%
20 to 24 minutes	1,656	15.2%			
25 to 29 minutes	413	3.8%			
30 to 34 minutes	1,483	13.7%			
35 to 39 minutes	473	4.4%			
40 to 44 minutes	236	2.2%			
45 to 59 minutes	1,049	9.7%			
60 to 89 minutes	606	5.6%			
90 or more minutes	407	3.7%			
Worked at home	343	3.2%			
Total	10,861				

Source: American Community Survey 2011-2015

**2011-2015 Commuting Patterns
Townview Market Area**



Source: American Community Survey 2011-2015



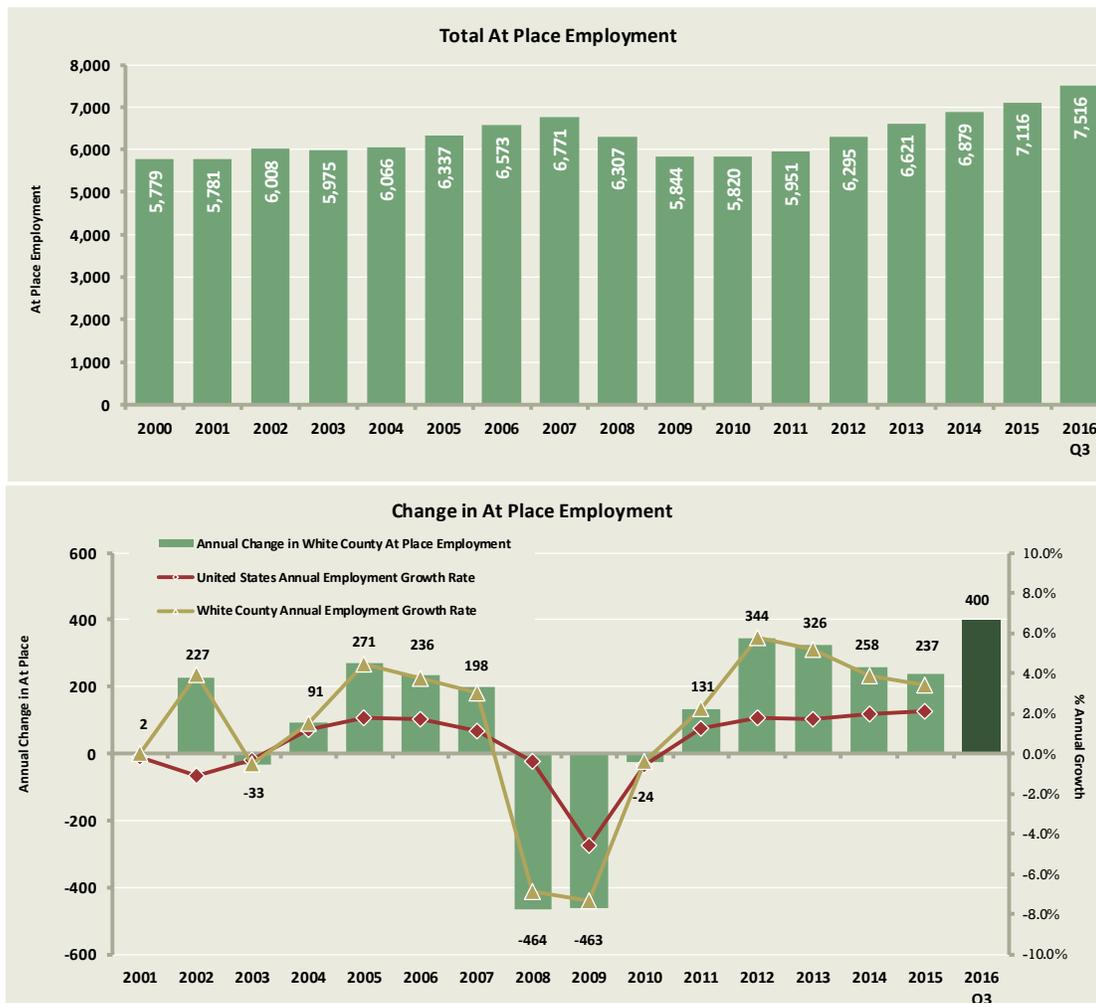
D. At-Place Employment

1. Trends in Total At-Place Employment

White County’s job base grew steadily from 2001 to 2007 with the addition of 992 total jobs for net growth of 17.2 percent. The county lost 951 total jobs or 14.0 percent of its jobs from 2008 to 2010 during the national recession, but added jobs in each of the past five years (Figure 4). White County added roughly 1,300 total jobs from 2010 to 2015, more than recouping all jobs lost during the recession and reaching an all-time high At-Place-Employment; the county added more than 200 jobs in each of the past four years. Growth accelerated through the first three quarters of 2016 with the net addition of 400 jobs which would be the largest single-year addition of jobs since at least 2001 should growth continue in the fourth quarter.

As illustrated by the trend lines on the bottom of Figure 4, White County’s rate of job growth outpaced the United States on a percentage basis during the first half of the decade, but was hit harder during the national recession. White County has outperformed the nation in each of the past five years on a percentage basis.

Figure 4 At-Place Employment, White County



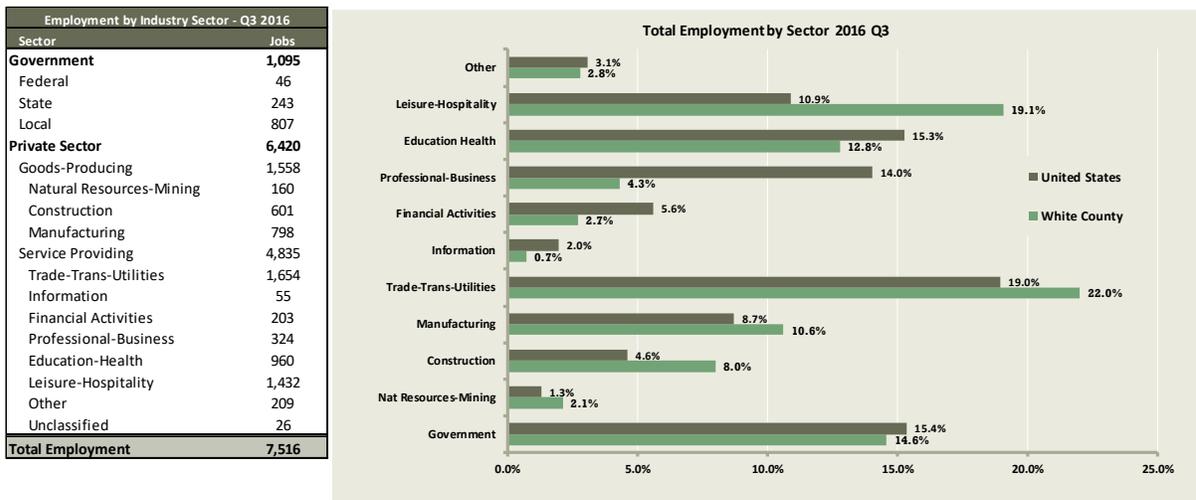
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



2. At-Place Employment by Industry Sector

Trade-Transportation-Utilities and Leisure-Hospitality are the largest employment sectors in White County accounting for 41.1 percent of total employment compared to 29.9 percent of jobs nationally (Figure 5); the Leisure-Hospitality sector accounts for a significantly higher percentage of jobs in the county compared to the national percentage (19.1 percent versus 10.9 percent). The Manufacturing and Construction sectors also account for significantly larger proportions of jobs in the county when compared to the nation; these two sectors contain roughly 19 percent of the county’s jobs compared to 13.3 percent of the nation’s jobs. The Professional-Business, Education-Health, and Financial Activities sectors account for much smaller percentages of jobs when compared to the nation.

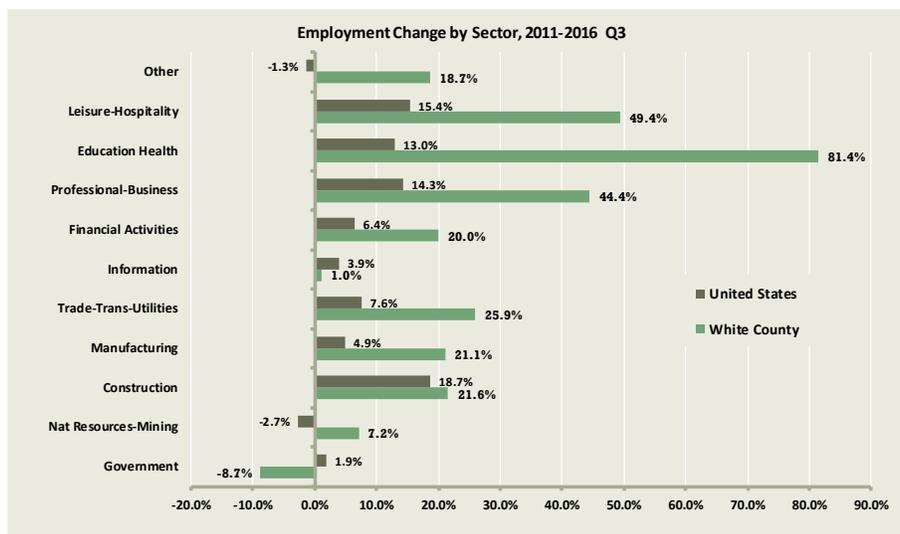
Figure 5 Total Employment by Sector



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

All but one sector added jobs from 2011 to 2016 (Q3) with the largest gains in the Education-Health (81.4 percent), Leisure-Hospitality (49.4 percent), and Professional-Business (44.4 percent) sectors (Figure 6). Four additional sectors grew by 20 percent or more. The only loss was in the Government sector with a 8.7 percent decrease in jobs.

Figure 6 Employment Change by Sector, 2011-2016 Q3



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

3. Major Employers

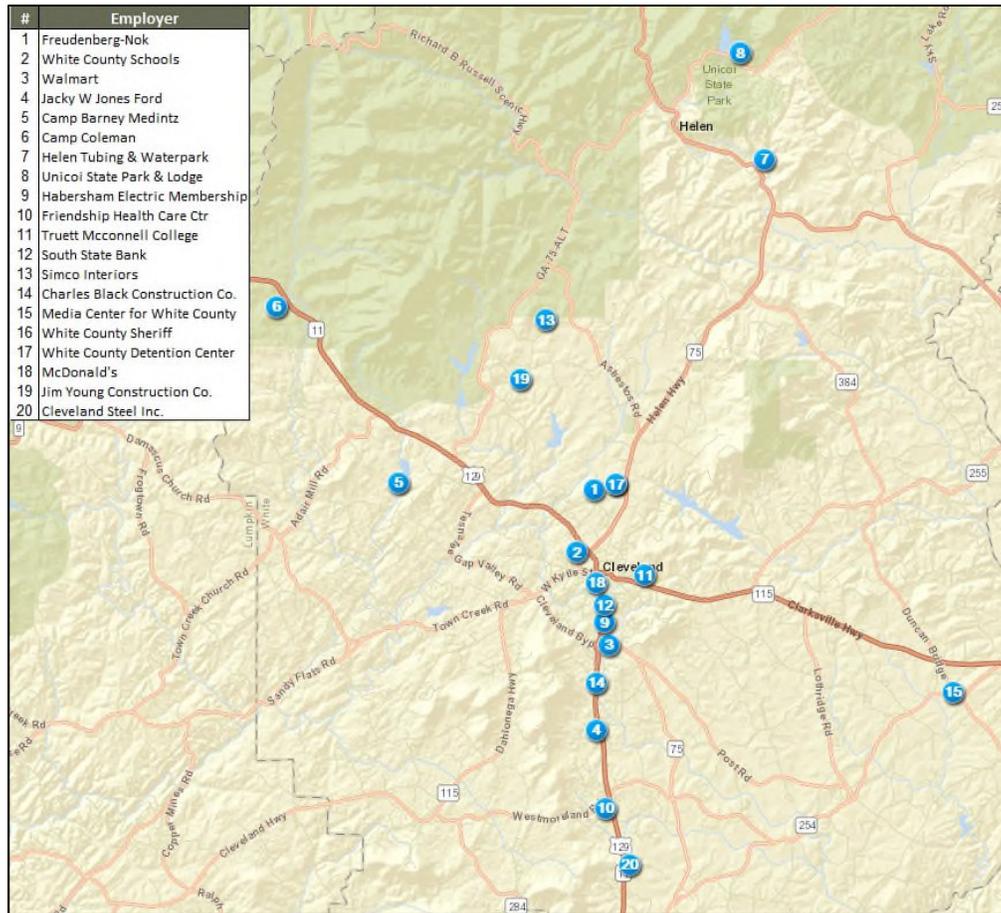
A manufacturer (Freudenberg-Nok) is White County's largest employer with between 500 and 999 employees. White County Schools and Walmart are the next two largest employers in the county, each with at least 250 employees. The remaining major employers comprise a wide range of sectors including four Leisure/Hospitality employers among the top eight employers in the county (Table 20). Most of the county's major employers are in or near Cleveland and within five miles of the subject site (Map 5).

Table 20 Major Employers, White County

Rank	Name	Sector	Employment
1	Freudenberg-Nok	Manufacturing	500-999
2	White County Schools	Education	300-650
3	Walmart	Retail	250-499
4	Jacky W Jones Ford	Car Dealership	100-298
5	Camp Barney Medintz	Recreation & Leisure	100-249
6	Camp Coleman	Recreation & Leisure	100-249
7	Helen Tubing & Waterpark	Recreation & Leisure	100-249
8	Unicoi State Park & Lodge	Recreation & Leisure	100-249
9	Habersham Electric Membership	Utilities	100-249
10	Friendship Health Care Ctr	Healthcare	50-99
11	Truett McConnell College	Education	50-99
12	South State Bank	Financial Services	50-99
13	Simco Interiors	Construction	50-99
14	Charles Black Construction Co.	Construction	50-99
15	Media Center for White County	Education	50-99
16	White County Sheriff	Law Enforcement	50-99
17	White County Detention Center	Law Enforcement	50-99
18	McDonald's	Retail	50-99
19	Jim Young Construction Co.	Construction	50-99
20	Cleveland Steel Inc.	Manufacturing	50-99

Source: White County Chamber of Commerce

Map 5 Major Employers



4. Recent Economic Expansions and Contractions

RPRG did not identify any recently completed or planned major economic expansions or contractions in White County.

E. Conclusions on Local Economics

White County’s economy is very strong as the local job base is at an all-time high and the unemployment rate has decreased significantly over the past several years to levels below state and national rates.

8. PROJECT-SPECIFIC AFFORDABILITY & DEMAND ANALYSIS

A. Affordability/Penetration Analysis

1. Methodology

The Affordability Analysis tests the percentage of age (55+) and income-qualified households in the market area that the subject community must capture to achieve full occupancy.

The first component of the Affordability Analysis involves looking at the total household income distribution and renter household income distribution among primary market area households 55 and older for the target year of 2019. RPRG calculated the income distribution for both total households and renter households (55+) based on the relationship between owner and renter household incomes by income cohort from the 2011-2015 American Community Survey along with estimates and projected income growth as projected by Esri (Table 21).

A housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For the Affordability Analysis of this age restricted community, RPRG employs a 40 percent gross rent burden.

The proposed units at Townview Senior Apartments will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. We have utilized the 2016 national non-metro median household income of \$53,300 for this analysis as the subject property is in a rural area as defined by the USDA. Maximum income limits are based on an average household size of 1.5 persons for one-bedroom units and two people for two bedroom units. Maximum gross rents, however, are based on the federal regulation of 1.5 persons per bedroom. Rent and income limits are detailed in Table 22 on the following page.

Table 21 2019 Total and Renter Income Distribution, Households 55+

Townview Market Area		Total Households		Renter Households	
2019 Income		#	%	#	%
less than	\$15,000	1,251	20.5%	333	32.0%
	\$15,000 \$24,999	925	15.2%	246	23.7%
	\$25,000 \$34,999	577	9.5%	119	11.4%
	\$35,000 \$49,999	833	13.7%	110	10.6%
	\$50,000 \$74,999	1,110	18.2%	116	11.2%
	\$75,000 \$99,999	582	9.5%	51	4.9%
	\$100,000 \$149,999	578	9.5%	61	5.9%
	\$150,000 Over	242	4.0%	4	0.4%
Total		6,099	100%	1,040	100%
Median Income		\$40,328		\$22,606	

Source: American Community Survey 2011-2015 Projections, RPRG, Inc

Table 22 LIHTC Income and Rent Limits, National Non-Metro Median

HUD 2016 Median Household Income										
		National Non-Metro		\$53,300						
		Very Low Income for 4 Person Household		\$26,650						
		2016 Computed Area Median Gross Income		\$53,300						
Utility Allowance:										
		1 Bedroom		\$89						
		2 Bedroom		\$112						
Household Income Limits by Household Size:										
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%	
1 Person	\$11,190	\$14,920	\$18,650	\$22,380	\$29,840	\$37,300	\$44,760	\$55,950	\$74,600	
2 Persons	\$12,780	\$17,040	\$21,300	\$25,560	\$34,080	\$42,600	\$51,120	\$63,900	\$85,200	
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):										
Persons	# Bed-rooms	30%	40%	50%	60%	80%	100%	120%	150%	200%
1.5	1	\$11,985	\$15,980	\$19,975	\$23,970	\$31,960	\$39,950	\$47,940	\$59,925	\$79,900
2	2	\$12,780	\$17,040	\$21,300	\$25,560	\$34,080	\$42,600	\$51,120	\$63,900	\$85,200
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):										
# Persons	30%		40%		50%		60%		80%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom	\$299	\$210	\$399	\$310	\$499	\$410	\$599	\$510	\$799	\$710
2 Bedroom	\$360	\$248	\$480	\$368	\$600	\$488	\$720	\$608	\$960	\$848

Source: U.S. Department of Housing and Urban Development

2. Affordability Analysis

The steps in the affordability analysis (Table 23) are as follows:

- Looking at the one-bedroom units at 50 percent AMI (upper left panel), the overall shelter cost at the proposed rent would be \$479 (\$390 net rent plus a \$89 allowance to cover all utilities except trash removal).
- We determined that a 50 percent AMI one-bedroom unit would be affordable to households earning at least \$14,370 per year by applying a 40 percent rent burden to this gross rent. A projected 4,901 households (55+) in the Townview Market Area will earn at least this amount in 2019.
- The maximum income limit for a one-bedroom unit at 50 percent AMI is \$19,975 based on a maximum household size of 1.5 people. An estimated 4,388 senior households (55+) will have incomes above this maximum in 2019.
- Subtracting the 4,388 senior households (55+) with incomes above the maximum income limit from the 4,901 senior households (55+) that could afford to rent this unit, RPRG computes that an estimated 513 senior households (55+) in the Townview Market Area will be within the target income segment for the one-bedroom units at 50 percent AMI.
- The capture rate for the three one-bedroom units at 50 percent AMI is 0.6 percent for all senior households (55+).
- We then determined that 136 senior renter households (55+) with incomes between the minimum income required and maximum income allowed will reside in the market area in 2019. The subject property will need to capture 6.2 percent of these senior renter households to lease up the three units in this floor plan.



- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and income levels offered at the community. We also computed the capture rates for all units. The remaining renter capture rates by floor plan range from 6.2 percent to 28.8 percent.
- By income level, renter capture rates are 7.1 percent for the 50 percent units, 21.0 percent for the 60 percent units, and 21.0 percent for the project overall.
- To further test the depth of income-qualified senior renter households (55+) in the market area, we calculated a penetration rate. Penetration rates measure the percentage of income qualified renter households (55+) that would be needed to fill all existing comparable LIHTC units in the market and the subject property.
- We combined the existing 50 percent and 60 percent AMI LIHTC units at Whitehall Manor (the only comparable senior-oriented LIHTC community in the market area) and the 56 units proposed at the subject property to determine the total supply of senior-oriented units by AMI level and overall. The penetration rates are 18.9 percent for 50 percent AMI units, 27.2 percent for 60 percent AMI units, and 33.4 percent for the project overall.

3. Conclusions of Affordability

The affordability capture rates are elevated; however, only one comparable senior LIHTC community (Whitehall Manor) exists in the market area with 33 combined LIHTC units. The penetration rate suggests that the current comparable senior rental stock addresses just one-third of age and income-eligible renters in the market, leaving two-thirds of these senior renter households to fill scattered site rentals and/or the limited general occupancy rental housing stock in the market area. The overall penetration rate of 33.4 percent is considered low and indicates a sufficient number of age and income-qualified renters in the market area to support the existing and proposed senior LIHTC units.

Table 23 2019 Affordability Analysis, Townview Senior Apartments

50% Units	One Bedroom Units		Two Bedroom Units	
	Min.	Max.	Min.	Max.
Number of Units	3		9	
Net Rent	\$390		\$454	
Gross Rent	\$479		\$566	
% Income for Shelter	40%		40%	
Income Range (Min, Max)	\$14,370	\$19,975	\$16,980	\$21,300
Total Households				
Range of Qualified Hhlds	4,901	4,388	4,665	4,265
# Qualified Households	513		400	
Total HH Capture Rate	0.6%		2.3%	
Renter Households				
Range of Qualified Hhlds	721	585	658	552
# Qualified Hhlds	136		106	
Renter HH Capture Rate	2.2%		8.5%	
60% Units	One Bedroom Units		Two Bedroom Units	
Number of Units	11		33	
Net Rent	\$470		\$575	
Gross Rent	\$559		\$687	
% Income for Shelter	40%		40%	
Income Range (Min, Max)	\$16,770	\$23,970	\$20,610	\$25,560
Total Households				
Range of Qualified Hhlds	4,684	4,018	4,329	3,890
# Qualified Households	666		439	
Unit Total HH Capture Rate	1.7%		7.5%	
Renter Households				
Range of Qualified Hhlds	664	486	569	454
# Qualified Hhlds	177		115	
Renter HH Capture Rate	6.2%		28.8%	



Income Target	# Units	All Households = 6,099					Renter Households = 1,040					
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Total Units	Penetration Rate	
50% Units	12	Income Households	\$14,370 4,901	\$21,300 4,265	636	1.9%	\$14,370 721	\$21,300 552	169	7.1%	32	18.9%
60% Units	44	Income Households	\$16,770 4,684	\$25,560 3,890	794	5.5%	\$16,770 664	\$25,560 454	209	21.0%	57	27.2%
Total Units	56	Income Households	\$14,370 4,901	\$25,560 3,890	1,010	5.5%	\$14,370 721	\$25,560 454	267	21.0%	89	33.4%

Source: Income Projections, RPRG, Inc.

B. Demand Estimates and Capture Rates

1. Methodology

DCA’s demand methodology for an elderly community (55+) consists of four components:

- The first component of demand is household growth. This number is the number of income-qualified senior renter households (55+) anticipated to move into the market area between the base year (2015) and 2018, per Georgia DCA market study guidelines.
- The second component is income-qualified renter households living in substandard housing. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to U.S. Census ACS data, 5.3 percent of the renter occupied units in the Townview Market Area are considered “substandard” (see Table 17).
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 40 percent of household income for housing costs. According to 2011-2015 American Community Survey (ACS) data, 47.5 percent of Townview Market Area senior renter households (65+) are categorized as cost burdened (see Table 17). This cost burdened percentage is applied to the current senior household base (55+).
- The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 2011, 3.0 percent of elderly households move each year in the Atlanta MSA. Of those moving within the past twelve months and reporting tenure, 31.8 percent moved from owned to rental housing (Table 24). This equates to 1.0 percent of all senior households converting from owners to renters. Given the lack of local information, this source is considered to be the most current and accurate. This component of demand is limited to two percent of total demand per DCA’s requirements.

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 25. Income qualification percentages for demand estimates are derived by using the Affordability Analysis detailed in Table 23, but are adjusted to remove overlap among bedroom sizes within the same AMI level.

The first three components of DCA demand are augmented by 10 percent to account for secondary market demand. While no longer specifically part of DCA’s demand methodology, this component of demand is relevant for senior-oriented communities that often attract a significant proportion of tenants from well beyond primary market area boundaries.

2. Demand Analysis

According to DCA’s demand methodology, all comparable units built or approved since the base year (2015) are to be subtracted from the demand estimates to arrive at net demand. No such units were identified in the market area.

Capture rates for the subject property are 11.8 percent for the 50 percent AMI units, 34.9 percent for the 60 percent AMI units, and 34.8 percent for the project as a whole (Table 25). Townview Senior Apartments' capture rates by bedroom type within each AMI market segment range from 7.9 percent to 49.2 percent and the capture rates by floor plan are 14.9 percent for all one-bedroom units and 34.3 percent for all two-bedroom units (Table 26). DCA's threshold for capture rate by bedroom type within each AMI market segment is 70 percent.

Table 24 Homeownership to Rental Housing Conversion

Homeownership to Rental Housing Conversion		
Tenure of Previous Residence - Renter Occupied Units	Atlanta MSA	
Senior Households 65+	#	%
Total Households	293,600	
Total Households Moving within the Past Year	8,800	3.0%
Total Moved from Home, Apt., Mfg./Mobile Home	8,500	96.6%
Moved from Owner Occupied Housing	2,700	31.8%
Moved from Renter Occupied Housing	5,800	68.2%
Total Moved from Other Housing or Not Reported	300	3.4%
% of Senior Households Moving Within the Past Year	3.0%	
% of Senior Movers Converting from Homeowners to Renters	31.8%	
% of Senior Households Converting from Homeowners to Renters	1.0%	

Source: American Housing Survey, 2011

Table 25 Overall Demand Estimates, Townview Senior Apartments

	Income Target	50% Units	60% Units	Total Units
	Minimum Income Limit	\$14,370	\$16,770	\$14,370
	Maximum Income Limit	\$21,300	\$25,560	\$25,560
(A) Renter Income Qualification Percentage		16.3%	20.1%	25.7%
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		9	11	14
PLUS				
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>		8	10	13
PLUS				
Demand from Existing Renter HHs (Overburdened) <i>Calculation B*E*F*A</i>		74	91	116
PLUS				
Secondary Market Demand Adjustment (10%)*		9	11	14
SUBTOTAL		100	124	158
PLUS				
Demand Elderly Homeowner Conversion* (Max. 2%)		2	2	3
TOTAL DEMAND		102	126	161
LESS				
Comparable Units Built or Planned Since 2015		0	0	0
Net Demand		102	126	161
Proposed Units		12	44	56
Capture Rate		11.8%	34.9%	34.8%

* Limited to 15% of Total Demand



Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2015 Householders 55+	5,658
C). 2018 Householders 55+	5,981
D). Substandard Housing (% of Rental Stock)	5.3%
E). Rent Overburdened (% Senior Households)	47.5%
F). Renter Percentage (Senior Households)	16.9%
G). Elderly Homeowner Turnover	1.0%

Table 26 Demand Estimates by Floor Plan, Townview Senior Apartments

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
50% Units	\$14,370 - \$21,300						
One Bedroom Units	\$14,370 - \$17,000	3	6.1%	38	0	38	7.9%
Two Bedroom Units	\$17,001 - \$21,300	9	10.2%	64	0	64	14.1%
60% Units	\$16,770 - \$25,560						
One Bedroom Units	\$17,610 - \$20,750	11	9.4%	59	0	59	18.6%
Two Bedroom Units	\$20,751 - \$25,560	33	10.7%	67	0	67	49.2%
By Bedroom							
One Bedroom Units	\$14,370 - \$20,750	14	15.0%	94	0	94	14.9%
Two Bedroom Units	\$17,001 - \$25,560	42	19.6%	123	0	123	34.3%
Project Total	\$14,370 - \$25,560						
50% Units	\$14,370 - \$21,300	12	16.3%	102	0	102	11.8%
60% Units	\$16,770 - \$25,560	44	20.1%	126	0	126	34.9%
Total Units	\$14,370 - \$25,560	56	25.7%	161	0	161	34.8%

3. DCA Demand Conclusions

All capture rates are below DCA thresholds for a project located in a rural area and indicate sufficient demand in the market area to support the proposed Townview Senior Apartments.



9. COMPETITIVE RENTAL ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Townview Market Area. We pursued several avenues of research in an attempt to identify multifamily rental projects that are in the planning stages or under construction in the Townview Market Area. We spoke to planning officials with the City of Cleveland and White County. We also reviewed the list of recent LIHTC awards from DCA. The rental survey was conducted in February 2017.

B. Overview of Market Area Housing Stock

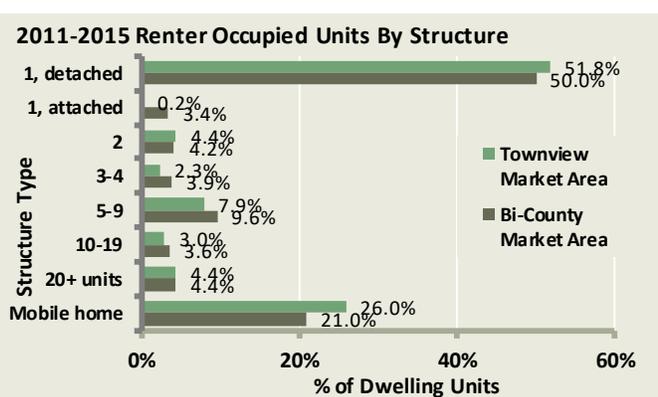
The majority of rentals in the market area and region are in single-family structures. Roughly half (51.8 percent) of rentals in the Townview Market Area are single-family detached homes and 26.0 percent are mobile homes. Twenty-two percent of Townview Market Area rentals are contained in multi-family structures including 15.3 percent in structures with five or more units. The Bi-County Market Area contains a similar distribution with a larger proportion of rentals in multi-family structures when compared to the market area (25.7 percent versus 22.0 percent).

Townview Market Area and Bi-County Market Area rentals both have a median year built of 1988. Nearly two-thirds of Townview Market Area rentals were built from 1970 to 1999 with nearly one-third built in the 1990’s. Roughly 15 percent of rentals in the Townview Market Area have been built since 2000 and 9.2 percent were built prior to 1960. Owner-occupied units are slightly newer with a median year built of 1991 in the Townview Market Area and 1993 in the Bi-County Market Area (Table 28). Over three-quarters of owner-occupied units in the Townview Market Area were built between 1980 and 2009 with each decade accounting for a relatively even proportion of development.

According to ACS data, the median value among owner-occupied housing units in the Townview Market Area as of 2011-2015 was \$156,930, \$5,759 or 3.5 percent lower than the Bi-County Market Area median of \$162,688 (Table 29). This data is a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight on relative housing values among two or more areas.

Table 27 Dwelling Units by Structure and Tenure

Renter Occupied	Bi-County Market Area		Townview Market Area	
	#	%	#	%
1, detached	3,423	50.0%	1,535	51.8%
1, attached	234	3.4%	6	0.2%
2	289	4.2%	131	4.4%
3-4	265	3.9%	69	2.3%
5-9	658	9.6%	234	7.9%
10-19	246	3.6%	89	3.0%
20+ units	300	4.4%	130	4.4%
Mobile home	1,436	21.0%	769	26.0%
TOTAL	6,851	100%	2,963	100%



Source: American Community Survey 2011-2015



Table 28 Dwelling Units by Year Built and Tenure

Owner Occupied	Bi-County Market Area		Townview Market Area	
	#	%	#	%
2014 or later	0	0.0%	0	0.0%
2010 to 2013	139	0.9%	29	0.3%
2000 to 2009	4,835	31.1%	2,048	24.5%
1990 to 1999	4,298	27.6%	2,377	28.5%
1980 to 1989	3,292	21.2%	1,961	23.5%
1970 to 1979	1,445	9.3%	916	11.0%
1960 to 1969	581	3.7%	301	3.6%
1950 to 1959	429	2.8%	298	3.6%
1940 to 1949	100	0.6%	87	1.0%
1939 or earlier	432	2.8%	336	4.0%
TOTAL	15,551	100%	8,353	100%
MEDIAN YEAR BUILT	1993		1991	

Source: American Community Survey 2011-2015

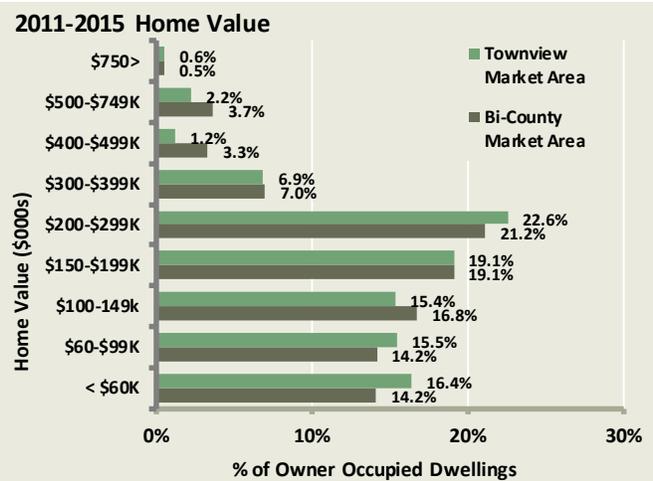
Renter Occupied	Bi-County Market Area		Townview Market Area	
	#	%	#	%
2014 or later	0	0.0%	0	0.0%
2010 to 2013	52	0.8%	33	1.1%
2000 to 2009	1,380	20.1%	423	14.3%
1990 to 1999	1,790	26.1%	947	32.0%
1980 to 1989	1,316	19.2%	522	17.6%
1970 to 1979	1,196	17.5%	459	15.5%
1960 to 1969	588	8.6%	304	10.3%
1950 to 1959	266	3.9%	93	3.1%
1940 to 1949	25	0.4%	0	0.0%
1939 or earlier	238	3.5%	182	6.1%
TOTAL	6,851	100%	2,963	100%
MEDIAN YEAR BUILT	1988		1988	

Source: American Community Survey 2011-2015

Table 29 Value of Owner Occupied Housing Stock

2011-2015 Home Value		Bi-County Market Area		Townview Market Area	
		#	%	#	%
less than \$60,000		2,203	14.2%	1,374	16.4%
\$60,000 - \$99,999		2,208	14.2%	1,295	15.5%
\$100,000 - \$149,999		2,610	16.8%	1,286	15.4%
\$150,000 - \$199,999		2,973	19.1%	1,598	19.1%
\$200,000 - \$299,999		3,293	21.2%	1,889	22.6%
\$300,000 - \$399,999		1,091	7.0%	575	6.9%
\$400,000 - \$499,999		519	3.3%	103	1.2%
\$500,000 - \$749,999		571	3.7%	187	2.2%
\$750,000 over		83	0.5%	46	0.6%
Total		15,551	100%	8,353	100%
Median Value		\$162,688		\$156,930	

Source: American Community Survey 2011-2015



C. Survey of Age-Restricted Rental Communities

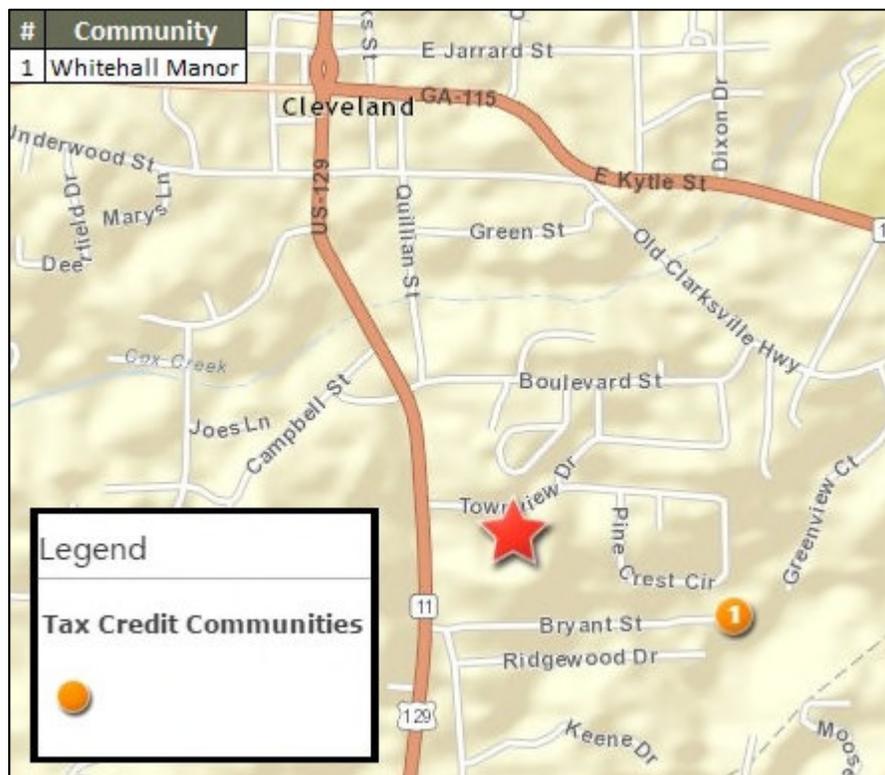
1. Introduction to the Age-Restricted Rental Housing Survey

The senior rental market is limited in the Townview Market Area. RPRG surveyed one senior rental community (Whitehall Manor) in the Townview Market Area which was funded in part through the Low Income Housing Tax Credit (LIHTC) program. Whitehall Manor is considered directly comparable to the subject property given similar age and income targeting. One deeply subsidized senior community (Valley Manor) with USDA Rural Development Rental Assistance on all units was identified in the Townview Market Area. Deep subsidy communities were excluded from this analysis as rents are based on a percentage of each tenant incomes and minimum income limits do not apply; thus, these communities are not considered comparable to a LIHTC community without deep subsidies. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 6.

2. Location

Whitehall Manor is just southeast of the site on Bryant Street (Map 6).

Map 6 Surveyed Senior Rental Communities



3. Age-Restricted Rental Housing Characteristics

Whitehall Manor was built in 2009 and is a two-story mid-rise with interior hallways and elevators; the exterior of the community is stone and siding. Whitehall Manor offers senior-oriented design characteristics including emergency pull-cords and grab bars.



4. Vacancy Rates

Whitehall Commons is fully occupied with a waiting list of over 200 people (Table 30).

5. Unit Distribution

All units at Whitehall Commons have two bedrooms (Table 30).

6. Absorption History

Whitehall Manor was built in 2009 and absorption information is not relevant to the current market.

7. Effective Rents

Unit rents presented in Table 30 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where trash removal utility costs are included in monthly rents at all communities, with tenants responsible for all other utility costs.

Whitehall Manor only offers two bedroom units with rents of \$480 for 50 percent AMI units, \$550 for 60 percent AMI units, and \$700 for market rate units. The rent per square foot ranges from \$0.44 for 50 percent units to \$0.64 for market rate units.

Table 30 Rental Summary, Market Rate Senior Communities

Community	Type	Total Units	Vacant Units	Vacancy Rate	One Bedroom Units			Two Bedroom Units				
					Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
Subject Property	Mid-Rise	56										
	50% Units	12			3	\$390	700	\$0.56	9	\$454	950	\$0.48
	60% Units	44			11	\$470	700	\$0.67	33	\$575	950	\$0.61
1. Whitehall Manor	Mid-Rise	48	0	0.0%					48	\$568	1,100	\$0.52
Year Built: 2009	50% Units	20							20	\$480	1,100	\$0.44
	60% Units	13							13	\$550	1,100	\$0.50
	Market Units	15							15	\$700	1,100	\$0.64
	Total/Average	48							48	\$568	1,100	\$0.52
	% of Total	100.0%							100.0%			

(1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. February 2017.

8. Payment of Utility Costs

Trash removal is included in the rent at Whitehall Manor (Table 31). The subject property will include trash removal.

9. Unit Features

Whitehall Manor offers fully-equipped kitchens with refrigerator, stove, dishwasher, garbage disposal, and microwave. The community also offers ceiling fans, washer and dryer connections, central heating and air-conditioning, emergency call systems, and grab bars (Table 31). Townview Senior Apartments will offer generally comparable unit features including a refrigerator, stove, dishwasher, garbage disposal, microwave, washer and dryer connections, central heating and air-conditioning, and grab bars. The lack of an emergency call-system in each unit is acceptable given the target market of renters age 55 and older; the emergency call system would likely be needed should the subject property target older householders (age 62 and older) as they are more likely to seek this feature.



Table 31 Utility Arrangement and Unit Features

Community	Type	Utilities included in Rent					Dish-washer	Micro-wave	Laundry	Grab Bar	Emergency Pull
		Heat	Cooking	Electric	Water	Trash					
Subject	LIHTC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Hook Ups	STD	
Whitehall Manor	LIHTC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Hook Ups	STD	STD

Source: Field Survey, Real Property Research Group, Inc. February 2017.

10. Community Amenities

Whitehall Manor offers a multi-purpose room, fitness center, computer center, gardening, walking paths, library, and laundry facilities (Table 32). Townview Senior Apartments’ community amenities will be slightly less extensive but appropriate for an affordable senior-oriented community with a multi-purpose room, arts and crafts room, fitness center, wellness center, gazebo, and laundry facilities. The subject property will not offer market rate units which would increase the need for more extensive amenities comparable to what is found at Whitehall Manor.

Table 32 Community Amenities

Community	Multipurpose Room	Fitness Center	Computer Center	Gardening	Walking Paths	Library	Arts & Crafts	Theatre	Wellness Center
Subject	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Whitehall Manor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

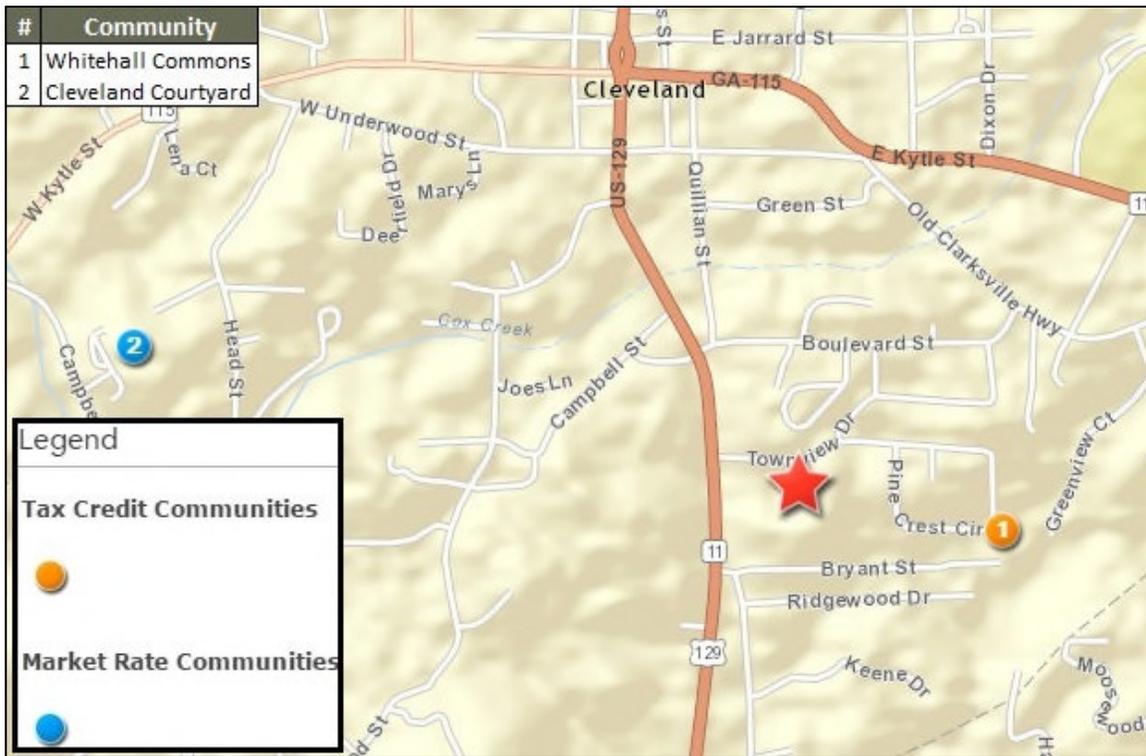
Source: Field Survey, Real Property Research Group, Inc. February 2017.

D. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

Similar to senior communities, the market area’s general occupancy rental stock without deep subsidies is limited. RPRG surveyed two general occupancy multi-family rental communities in the Townview Market Area in February 2017 including one LIHTC community (Whitehall Commons) and one market rate community (Cleveland Courtyard); Whitehall Commons offers market rate and LIHTC units. Although not considered direct competition for the subject property, these general occupancy rental communities represent an alternative rental housing option for seniors in the Townview Market Area. Accordingly, we believe these communities can have some impact on the pricing and positioning of the subject community. Their performance also lends insight into the overall health and competitiveness of the rental environment in the area. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 6. The location of each community relative to the subject site is shown on Map 7.

Map 7 Surveyed General Occupancy Rental Communities



2. Vacancy Rates

Both surveyed communities were fully occupied and Whitehall Commons (LIHTC Community) had a waiting list of over 200 people (Table 33).

3. Effective Rents

Unit rents presented in Table 33 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents in order to control for current rental incentives and to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where trash removal is included in monthly rents at all communities. Average effective rents among general occupancy communities were:

- Two-bedroom units at \$579 for 1,157 square feet or \$0.50 per square foot.
- Three-bedroom units at \$650 for 1,412 square feet or \$0.46 per square foot.

Table 33 Rental Summary, General Occupancy Communities

Map #	Community	Total Units	Vacant Units	Vacancy Rate	Two Bedroom Units			Three Bedroom Units				
					Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
1	Whitehall Commons	21	0	0.0%	7	\$700	1,143	\$0.61	11	\$799	1,412	\$0.57
2	Cleveland Courtyard	8	0	0.0%	8	\$585	1,200	\$0.49				
1	Whitehall Commons* 60% AMI	16	0	0.0%	5	\$550	1,143	\$0.48	10	\$625	1,412	\$0.44
1	Whitehall Commons* 50% AMI	27	0	0.0%	9	\$480	1,143	\$0.42	14	\$525	1,412	\$0.37
Total/Average		72	0	0.0%		\$579	1,157	\$0.50		\$650	1,412	\$0.46
Unit Distribution		72			29				35			
% of Total		100.0%			40.3%				48.6%			

(1) Rent is adjusted to include only Trash and incentives

Tax Credit Communities*

Source: Field Survey, Real Property Research Group, Inc. February 2017.

4. DCA Average Market Rent

To determine average “market rents” as outlined in DCA’s 2017 Market Study Manual, market rate rents were averaged at the most comparable communities to Townview Senior Apartments. These include all market rate rents surveyed in the market area including both senior and general occupancy communities. It is important to note, these “average market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property.

The “average market rent” among comparable communities is \$662 for two-bedroom units (Table 34). As no one-bedroom units were identified in the market area, we lowered the two-bedroom market average by \$50 and utilized this adjusted average market rent (\$612) for the average one-bedroom market rent. It should be noted that no other adjustments were made; however, a comparison of different bedroom sizes would not be accurate. The proposed 50 percent AMI rents have rent advantages of at least 31 percent, the proposed 60 percent AMI rents have rent advantages of at least 13 percent, and the project’s overall weighted average rent advantage is 19.3 percent (Table 35).

Table 34 Average Rents, Comparable Properties

Community	Two Bedroom Units		
	Rent(1)	SF	Rent/SF
White Hall Manor - Senior	\$700	1,100	\$0.64
Whitehall Commons	\$700	1,143	\$0.61
Cleveland Courtyard	\$585	1,200	\$0.49
Total/Average	\$662	1,148	\$0.58

(1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. February 2017.

Table 35 Average Market Rent and Rent Advantage Summary

	1 BR	2 BR
Average Market Rent	\$612	\$662
Proposed 50% AMI Rent	\$390	\$454
Advantage (\$)	\$222	\$208
Advantage (%)	36.2%	31.4%
Total Units	3	9
Proposed 60% AMI Rent	\$470	\$575
Advantage (\$)	\$142	\$87
Advantage (%)	23.2%	13.1%
Total Units	11	33
Overall Rent Advantage	19.3%	

E. Multi-Family Pipeline

Based on information provided by planning and zoning officials and DCA's list of LIHTC allocations, no rental communities were identified as planned, approved, or under construction in the market area.

F. Housing Authority Data

The Northeast Georgia Housing Authority manages 49 public housing units in Cleveland with a long waiting list.

G. Existing Low Income Rental Housing

Eight affordable rental communities are in the Townview Market Area including two LIHTC communities (Table 36). One LIHTC community (Whitehall Manor) is senior-oriented and the other (Whitehall Commons) targets families. Both LIHTC communities were surveyed and included in our competitive analysis. The balance of the affordable housing stock is deeply subsidized through the USDA Rural Development or public housing programs with rents based on a percentage of income. The location of these communities relative to the subject site is shown in Map 8.

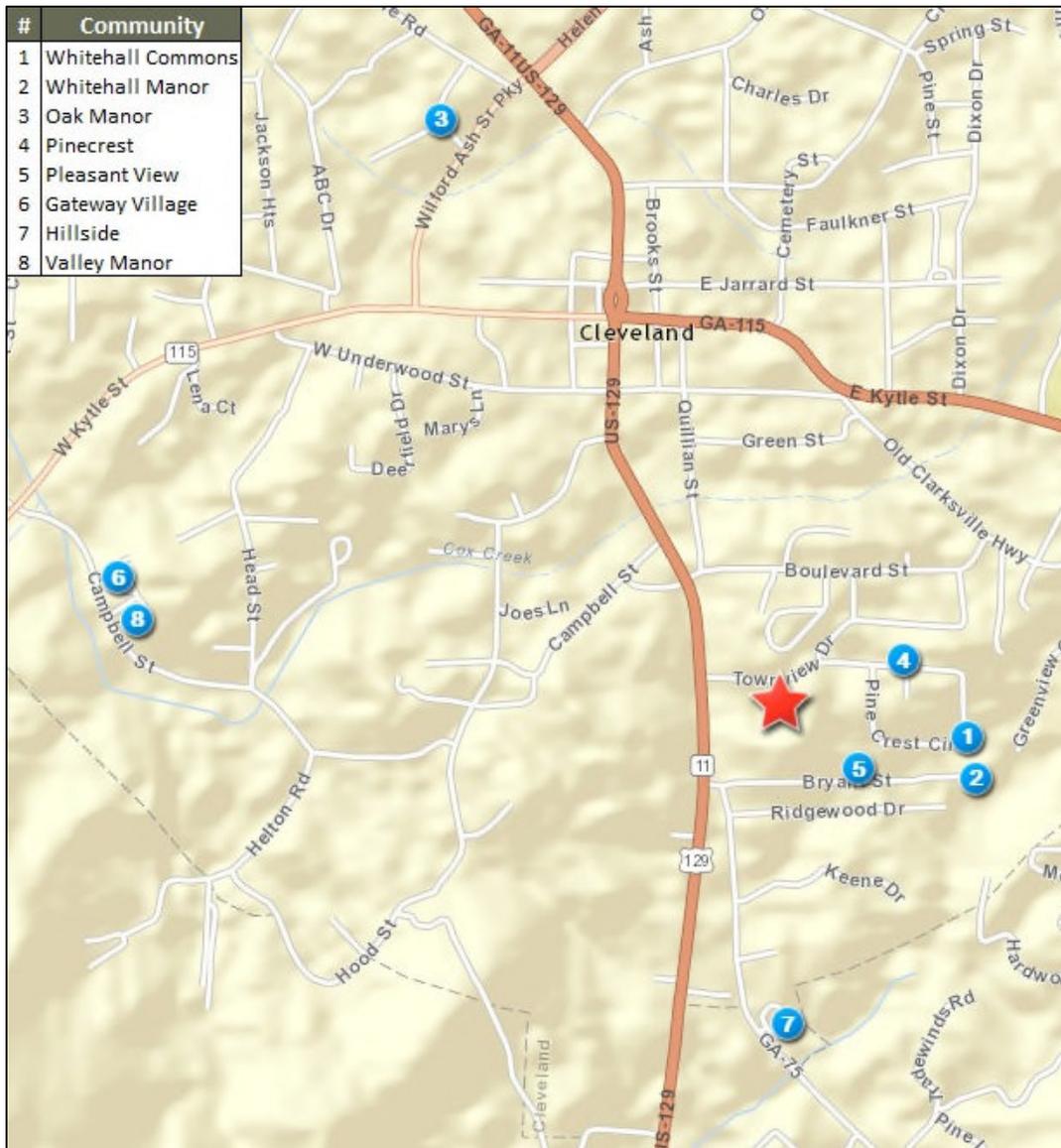
Table 36 Subsidized Communities, Townview Market Area

Community	Subsidy	Type	Address	Distance
Whitehall Commons	LIHTC	Family	29 Whitehall Commons Ln.	0.7 mile
Whitehall Manor	LIHTC	Senior	42 Whitehall Manor Ct.	0.7 mile
Oak Manor	Public Housing	Family	White St.	1.2 miles
Pinecrest	Public Housing	Family	Pine Crest Cir.	0.2 mile
Pleasantview	Public Housing	Family	223 Bryant St.	0.4 mile
Gateway Village	USDA	Family	1000 Campbell St.	1.4 miles
Hillside	USDA	Family	367 Old Hwy. 75S	0.7 mile
Valley Manor	USDA	Senior	1000 Campbell St.	1.4 miles

Source: HUD, GA DCA, USDA, Northeast Georgia Housing Authority



Map 8 Subsidized Rental Communities



H. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations, limited abandoned / vacant single and multi-family homes exist in the Townview Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 30528 in which the subject property will be located and the broader areas of Cleveland, White County, Georgia, and the United States for comparison purposes.



Our RealtyTrac search revealed no foreclosures in April 2017 in the subject property’s ZIP Code (30528), Cleveland, or White County compared to foreclosure rates of 0.05 percent in Georgia and 0.06 percent in the nation (Table 37). The monthly number of foreclosures ranged from none to seven over the past year (Table 38).

While the conversion of such properties can affect the demand for new multi-family rental housing in some markets, the impact on senior-oriented communities is typically limited. In many instances, senior householders “downsize” living accommodations (move from a larger unit to a smaller unit) due to the higher upkeep and long-term cost. As such, the convenience of on-site amenities and the more congregate style living offered at age restricted communities is preferable to lower density unit types, such as single-family detached homes, most common to abandonment and/or foreclosure. Overall, we do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units.

Table 37 Foreclosure Rate, ZIP Code 30528, April 2017

Geography	April 2017 Foreclosure Rate
ZIP Code: 30528	0.00%
Cleveland	0.00%
White County	0.00%
Georgia	0.05%
National	0.06%

Source: Realtytrac.com

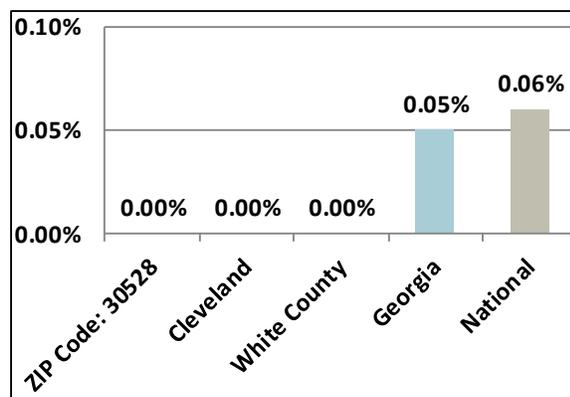
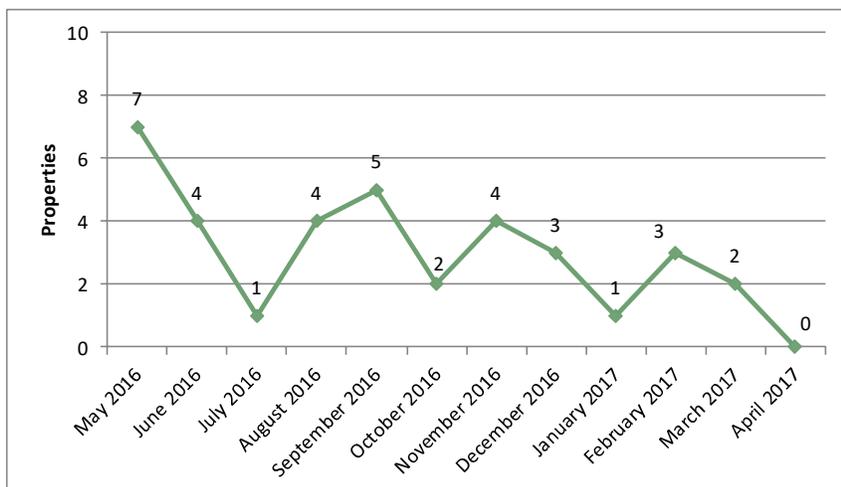


Table 38 Recent Foreclosure Activity, ZIP Code 30528

ZIP Code: 30528	
Month	# of Foreclosures
May 2016	7
June 2016	4
July 2016	1
August 2016	4
September 2016	5
October 2016	2
November 2016	4
December 2016	3
January 2017	1
February 2017	3
March 2017	2
April 2017	0

Source: Realtytrac.com



10. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Townview Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

The subject site is a suitable location for senior rental housing as it has access to amenities, services, and transportation arteries.

- The site for Townview Senior Apartments is on the south side of Townview Drive just east of U.S. Highway 129 and roughly one-half mile south of downtown Cleveland, Georgia. U.S. Highway 129 is a major north-south thoroughfare in the region connecting the site to Gainesville and Interstates 85 and 985 to the south.
- Cleveland is primarily residential with commercial uses common along U.S. Highway 129 including a concentration near downtown. Land uses surrounding the site include primarily modest to moderate value single-family detached homes and apartments. Additional land uses in close proximity to the site include a cemetery to the north and several commercial uses to the west along U.S. Highway 129.
- Community services, grocery stores, pharmacies, banks, convenience stores, shopping, and medical facilities are within one mile of the site and the White County Senior Center is just over two miles north of the site.
- Townview Senior Apartments will have visibility from Townview Drive and will be accessible via an entrance on Townview Drive.

2. Economic Context

White County has rebounded since the national recession with significant job growth over the past five years and an unemployment rate lower than both state and national levels.

- White County's unemployment rate has decreased in each of the past six years to 4.6 percent from a recession-era high of 10.2 percent in 2010. White County's 2016 unemployment rate of 4.6 percent is below both state (5.4 percent) and national (4.9 percent) rates.
- White County added roughly 1,300 total jobs from 2011 to 2015. The county has added jobs at a faster pace than the nation on a percentage basis in each of the past five years and has more than recouped all jobs lost during the recession. Growth has continued with the addition of 400 more jobs through the third quarter of 2016.
- Trade-Transportation-Utilities and Leisure-Hospitality are the largest employment sectors in White County with the Leisure-Hospitality sector accounting for 19.1 percent of total employment in the county compared to 10.9 percent of jobs nationally. The Trade-Transportation and Construction sectors also account for significantly larger proportions of jobs compared to the nation while the Professional-Business, Financial Activities, and Education-Health sectors account for significantly lower percentages of jobs when compared to the nation.
- All but one sector added jobs from 2011 to 2016 (Q3) with the largest percentage gains in the Education-Health (81.4 percent), Leisure-Hospitality (49.4 percent), and Professional-Business (44.4 percent) sectors. Four additional sectors grew by at least 20 percent. The only loss was in the Government sector with a 8.7 percent decrease in jobs.

- White County's economy is strong with significant job growth and an unemployment rate lower than both state and national rates.

3. Population and Household Trends

The Townview Market Area had steady senior household growth (55+) from 2010 to 2017 and growth is expected to accelerate through 2019. Senior household growth in the market area has significantly outpaced total household growth on a percentage basis since 2010 and is expected to continue this trend over the next two years.

- The Townview Market Area added 720 people (3.1 percent) and 292 households (3.3 percent) per year between the 2000 and 2010 Census counts. Growth continued, albeit at a slower pace from 2010 to 2017 with the addition of 202 people (0.7 percent) and 62 households (0.6 percent) per year to reach 28,557 people and 11,077 households in 2017. Annual growth is expected to accelerate to 239 people (0.8 percent) and 92 households (0.8 percent) per year from 2017 to 2019.
- The Townview Market Area added 99 households with householder age 55+ (1.8 percent) per year from 2010 to 2017 and annual growth is projected to accelerate to 117 households age 55+ (2.0 percent) from 2017 to 2019.

4. Demographic Analysis

The Townview Market Area's demographics reflect its rural nature with a relatively old population, a large proportion of families, and a relatively low renter percentage. A significant proportion of senior renter households (55+) earn modest to moderate incomes.

- Seniors (age 62 and older) comprise 25.1 percent of the Townview Market Area's population while Adults (age 35 to 61) are the most common at 34.9 percent. Children/Youth (under 20 years old) account for a significant percentage (23.6 percent) of the Townview Market Area's population and Young Adults (age 20 to 34) comprise 16.4 percent of the population.
- Roughly 77 percent of all households in the Townview Market Area contained at least two people including 45.8 percent without children. Single-person households account for 22.8 percent of Townview Market Area households.
- The market area's 2017 renter percentage is 25.5 percent among all households and 16.9 percent among households with householder age 55 and older. The market area added 459 total renter households and lost 28 owner households from 2010 to 2017.
- The 2017 median income of households in the Townview Market Area is \$43,586 which is similar to the \$43,612 median in the Bi-County Market Area. RPRG estimates the 2017 median income for all senior households (age 55 and older) in the Townview Market Area is \$37,767 and the median for senior renter households (55+) is a modest \$22,234. Over half (57.1 percent) of senior renter households (55+) earn less than \$25,000 including 31.5 percent earning less than \$15,000. Approximately 22 percent of senior renter households earn \$25,000 to \$49,999.

5. Competitive Housing Analysis

RPRG surveyed one senior rental community and two general occupancy rental communities and all were fully occupied.



Senior Rental Communities:

- Whitehall Manor (LIHTC Community) was fully occupied with a waiting list of more than 200 people.
- Effective two-bedroom rents and unit sizes at Whitehall Manor:
 - **50 percent AMI** effective rent was \$480 for 1,100 square feet, resulting in a net rent per square foot of \$0.44.
 - **60 percent AMI** effective rent was \$550 for 1,100 square feet, resulting in a net rent per square foot of \$0.50.
 - **50 percent AMI** effective rent was \$700 for 1,100 square feet, resulting in a net rent per square foot of \$0.70.

General Occupancy Rental Communities:

- Both surveyed communities were fully occupied including Whitehall Commons (LIHTC community) which had a waiting list of more than 200 people.
- Among surveyed general occupancy rental communities, net rents, unit sizes, and rents per square foot are as follows:
 - **Two-bedroom** effective rents average \$579 per month. The average two-bedroom square footage is 1,157 square feet, resulting in a net rent per square foot of \$0.50.
 - **Three-bedroom** effective rents average \$650 per month. The average three-bedroom square footage is 1,412 square feet, resulting in a net rent per square foot of \$0.46.
- The “average market rent” among comparable communities is \$662 for two-bedroom units. No one-bedroom units were surveyed in the market area so the two-bedroom market average was adjusted by \$50 to \$612 and was utilized as the average one-bedroom market rent. The proposed 50 percent rents have rent advantages of 31.4 to 36.2 percent, the proposed 60 percent AMI rents have rent advantages of 13.1 to 23.2 percent, and the project’s overall weighted average rent advantage is 19.3 percent.
- No multi-family rental communities including those targeting seniors were identified as planned, approved, or under construction in the market area.

B. Product Evaluation

Considered in the context of the competitive environment, the relative position of Townview Senior Apartments is as follows:

- **Site:** The subject site is acceptable for a rental housing development targeted toward low to moderate income senior households. The site is comparable to the locations of all surveyed communities given proximity including the surveyed senior LIHTC community (Whitehall Manor) which is nearly adjacent to the site. Surrounding land uses are compatible with multi-family senior-oriented rental housing and the site is convenient to major thoroughfares and neighborhood amenities including healthcare facilities, shopping, restaurants, convenience stores, banks, pharmacies, grocery stores, and the White County Senior Center within roughly two miles of the site.
- **Unit Distribution:** The proposed unit mix for Townview Senior Apartments includes 14 one-bedroom units (25 percent) and 42 two-bedroom units (75 percent), both floor plans are typical among senior rental communities. The subject will offer primarily two-bedroom units



which is comparable to the existing rental market as all surveyed senior and general occupancy communities offer two-bedroom units including all units at the only surveyed senior LIHTC community (Whitehall Manor). The small percentage of one-bedroom units proposed at the subject property is appropriate for a senior-oriented community and will increase the overall affordability of the subject property. Furthermore, demand capture rates suggest sufficient demand will exist in the market area for proposed unit mix. The proposed unit distribution will be well received by the target market.

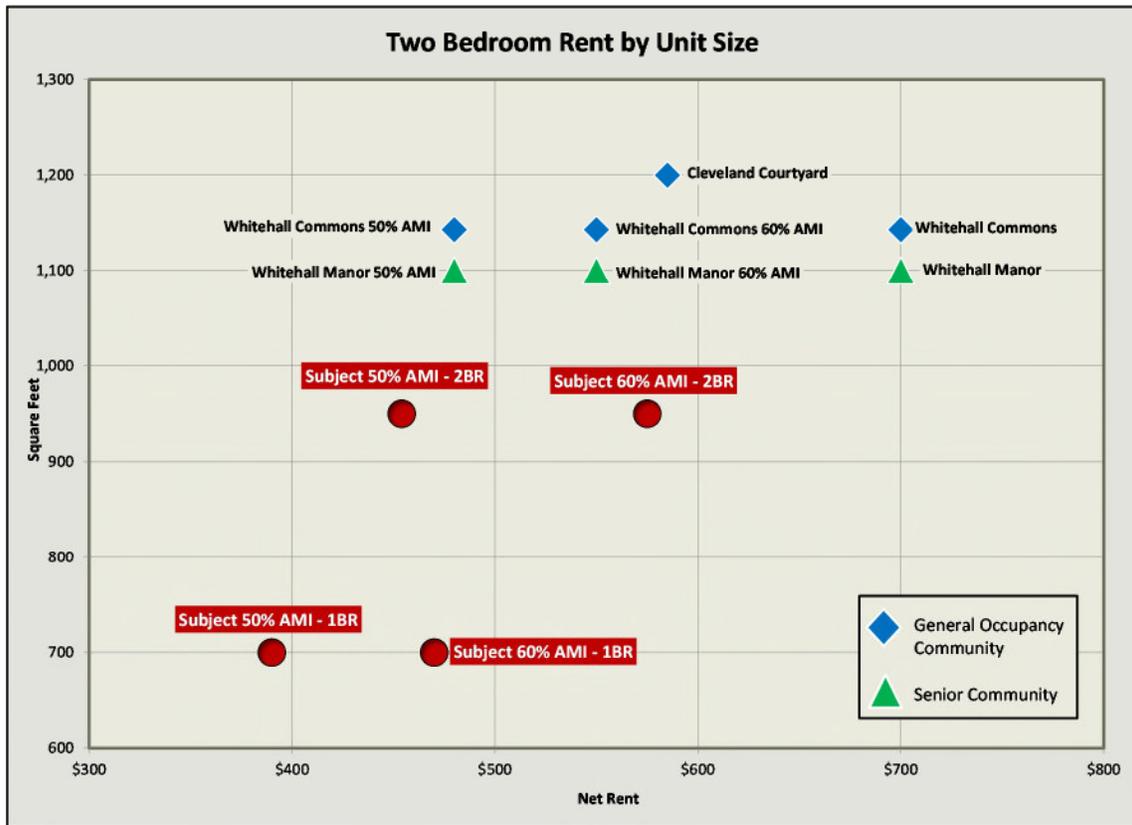
- **Unit Size:** The proposed unit sizes at Townview Senior Apartments are 700 square feet for one-bedroom units and 950 square feet for two-bedroom units. The proposed units will be the smallest in the market area including 150 square feet smaller than the two-bedroom units offered at the only surveyed senior community (Whitehall Manor). This is appropriate given the subject's affordable nature and all senior units are occupied. Whitehall Manor offers market rate units targeting higher income senior renters which would likely be looking for larger units as many are downsizing and want the additional space. The proposed unit sizes are appropriate for the target market of low to moderate income senior renters which are more likely to be price sensitive and less likely to demand the additional space.
- **Unit Features:** The newly constructed units at the subject property will offer kitchens equipped with a range, refrigerator, dishwasher, garbage disposal, and microwave. Each unit will also include washer and dryer connections, central heating and air-conditioning, window blinds, and grab bars. The proposed unit features at Townview Senior Apartments are generally comparable to the features offered at the only surveyed senior LIHTC community (Whitehall Manor) in the market area. The lack of an emergency call-system in each unit is acceptable given the target market of renters age 55 and older; the emergency call system would likely be needed should the subject property target seniors age 62 and older as older seniors are more likely to seek this feature. The unit features proposed at Townview Senior Apartments are appropriate and will be well-received by the target market.
- **Community Amenities:** Townview Senior Apartments will offer amenities including a multi-purpose room, arts and crafts room, fitness center, wellness center, gazebo, and laundry facilities. Townview Senior Apartments will offer amenities targeted to elderly households including elevator service. The subject property's community amenities will be slightly less extensive than those offered at Whitehall Manor which is appropriate as Townview Senior Apartments will not offer market rate units which would increase the need for more extensive amenities comparable to what is found at Whitehall Manor. The proposed amenities are appropriate for an affordable senior-oriented rental community.
- **Marketability:** Townview Senior Apartments will be competitive in the Townview Market Area and will be more appealing to senior households than those offered at comparable general occupancy communities.

C. Price Position

The proposed one-bedroom rents will be lower than all surveyed two-bedroom rents in the Townview Market Area (Figure 7). The proposed two-bedroom 50 percent AMI rent will be the lowest rent in the market area and the proposed two-bedroom 60 percent AMI rent will be \$25 higher than existing 60 percent AMI rents in the market area which is acceptable given the waiting list of over 200 people at both surveyed LIHTC communities (senior and general occupancy) which suggests room for rent growth at these communities.



Figure 7 Price Position





11. ABSORPTION & STABILIZATION RATES

A. Absorption Estimate

The projected absorption rate is based on projected senior household growth, age and income-qualified renter households, affordability/penetration estimates, demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The market area is projected to add 117 households with householders age 55+ per year from 2017 to 2019 for annual growth of 2.0 percent.
- The rental market is very strong in the Townview Market Area. The surveyed LIHTC senior community (Whitehall Manor) was fully occupied with a waiting list of over 200 people and both surveyed general occupancy communities were fully occupied including the LIHTC community (Whitehall Commons) which had a waiting list of more than 200 people.
- Over 250 senior renter households (55+) will be income-qualified for one or more units at Townview Senior Apartments by its placed-in-service year of 2019. The project's overall affordability capture rate is 21.0 percent which is elevated; however, the limited senior rental market area results in an overall penetration rate of 33.4 percent which is considered low.
- Total DCA demand for the 56 proposed units is 161 senior households (55+) which results in an overall capture rate of 34.8 percent.
- All capture rates are acceptable for a senior-oriented rental community and all demand capture rates are below DCA thresholds.
- Townview Senior Apartments will offer an attractive product that will be a desirable rental community for seniors 55+ in the Townview Market Area which offers few senior rental opportunities.

Based on projected senior household growth, acceptable capture rates, strong rental market conditions, and limited senior rental market, we expect Townview Senior Apartments to lease-up at a rate of eight units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within seven months.

B. Impact on Existing Market

Given the senior household growth, strong rental market conditions, and limited senior rental market, we do not believe the development of the subject property will have an adverse impact on existing rental communities in the Townview Market Area including those with tax credits. Demand for affordable senior rental housing is likely to increase over the next couple years given the strong senior household growth projected in the Townview Market Area.



12. INTERVIEWS

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Tonya Abernathy with the Cleveland Planning and Zoning Department, Wayne Paulson with the White County Building Inspections Department, Beth Truelove with the White County Chamber of Commerce, and staff with the Northeast Georgia Housing Authority.



13. CONCLUSIONS AND RECOMMENDATIONS

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
50% Units	\$14,370 - \$21,300										
One Bedroom Units	\$14,370 - \$17,000	3	6.1%	38	0	38	7.9%	2 months	\$612	N/A	\$390
Two Bedroom Units	\$17,001 - \$21,300	9	10.2%	64	0	64	14.1%	3 months	\$662	\$585 - \$700	\$470
60% Units	\$16,770 - \$25,560										
One Bedroom Units	\$17,610 - \$20,750	11	9.4%	59	0	59	18.6%	4 months	\$612	N/A	\$454
Two Bedroom Units	\$20,751 - \$25,560	33	10.7%	67	0	67	49.2%	7 months	\$662	\$585 - \$700	\$575
By Bedroom											
One Bedroom Units	\$14,370 - \$20,750	14	15.0%	94	0	94	14.9%	4 months			
Two Bedroom Units	\$17,001 - \$25,560	42	19.6%	123	0	123	34.3%	7 months			
Project Total	\$14,370 - \$25,560										
50% Units	\$14,370 - \$21,300	12	16.3%	102	0	102	11.8%	3 months			
60% Units	\$16,770 - \$25,560	44	20.1%	126	0	126	34.9%	7 months			
Total Units	\$14,370 - \$25,560	56	25.7%	161	0	161	34.8%	7 months			

Based on an analysis of projected senior household growth trends, penetration and demand estimates, strong rental market conditions, and socio-economic and demographic characteristics of the Townview Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing senior and general occupancy communities in the Townview Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

Brett Welborn
Analyst

Tad Scepianiak
Principal



14. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



15. APPENDIX 2 ANALYST CERTIFICATIONS

I certify that, to the best of my knowledge and belief:

- 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 of the need and demand for the proposed units. The report was written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.
- To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.
- DCA may rely on the representation made in the market study provided and the document is assignable to other lenders that are parties to the DCA loan transaction.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Brett Welborn
Analyst

Real Property Research Group, Inc.

Tad Scepaniak
Principal

Real Property Research Group, Inc.

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.



16. APPENDIX 3 NCHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., 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 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 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.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

Real Property Research Group, Inc.



Tad Scepaniak

Name

Principal

Title

May 22, 2017

Date



17. APPENDIX 4 ANALYST RESUMES

ROBERT M. LEFENFELD

Mr. Lefenfeld is the Managing Principal of the firm with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in February, 2001, Bob served as an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders, the National Council on Seniors' Housing and various local homebuilder associations. Bob serves as a visiting professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He has served as National Chair of the National Council of Affordable Housing Market Analysts (NCAHMA) and is currently a board member of the Baltimore chapter of Lambda Alpha Land Economics Society.

Areas of Concentration:

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), facilitating the comprehensive integration of data.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



TAD SCEPANIAK

Tad Scepianiak directs the Atlanta office of Real Property Research Group and leads the firm's affordable housing practice. Tad directs the firm's efforts in the southeast and south central United States and has worked extensively in North Carolina, South Carolina, Georgia, Florida, Tennessee, Iowa, and Michigan. He specializes in the preparation of market feasibility studies for rental housing communities, including market-rate apartments developed under the HUD 221(d)(4) program and affordable housing built under the Low-Income Housing Tax Credit program. Along with work for developer clients, Tad is the key contact for research contracts with the North Carolina, South Carolina, Georgia, Michigan, and Iowa Housing Finance agencies. Tad is also responsible for development and implementation of many of the firm's automated systems.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



BRETT WELBORN

Analyst

Brett Welborn entered the field of Real Estate Market Research in 2008, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Brett's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Through his experience, Brett has progressed to serve as Analyst for RPRG.

Areas of Concentration:

Low Income Housing Tax Credit Rental Housing: Brett has worked with the Low Income Housing Tax Credit program, evaluating general occupancy and senior oriented developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a range of project types, including newly constructed communities and rehabilitations.

In addition to market analysis responsibilities, Brett has also assisted in the development of research tools for the organization.

Education:

Bachelor of Business Administration – Real Estate; University of Georgia, Athens, GA



18. APPENDIX 5 DCA CHECKLIST

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed: 

Date: May 22, 2017

Brett Welborn

A. Executive Summary

1. Project Description:
 - i. Brief description of the project location including address and/or position relative to the closest cross-street.....Page(s) 1
 - ii. Construction and Occupancy TypesPage(s) 1
 - iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowancePage(s) 1
 - iv. Any additional subsidies available, including project based rental assistance (PBRA)Page(s) 1
 - v. Brief description of proposed amenities and how they compare with existing propertiesPage(s) 1-2
2. Site Description/Evaluation:
 - i. A brief description of physical features of the site and adjacent parcels.....Page(s) 2
 - ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).....Page(s) 2
 - iii. A discussion of site access and visibilityPage(s) 2
 - iv. Any significant positive or negative aspects of the subject site.....Page(s) 2
 - v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etcPage(s) 2
 - vi. A brief discussion of public safety, including comments on local perceptions, maps, or statistics of crime in the areaPage(s) 2
 - vii. An overall conclusion of the site's appropriateness for the proposed development.....Page(s) 2
3. Market Area Definition:
 - i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject propertyPage(s) 2
4. Community Demographic Data:
 - i. Current and projected household and population counts for the PMA.....Page(s) 3
 - ii. Household tenure including any trends in rental rates.Page(s) 3



- iii. Household income level Page(s) 3
- iv. Impact of foreclosed, abandoned / vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development..... Page(s) 3
- 5. Economic Data:
 - i. Trends in employment for the county and/or region..... Page(s) 3
 - ii. Employment by sector for the primary market area Page(s) 3
 - iii. Unemployment trends for the county and/or region for the past five years..... Page(s) 3
 - iv. Brief discussion of recent or planned employment contractions or expansions..... Page(s) 3
 - v. Overall conclusion regarding the stability of the county’s economic environment. Page(s) 4
- 6. Project Specific Affordability and Demand Analysis:
 - i. Number of renter households income qualified for the proposed development. For senior projects, this should be age and income qualified renter households..... Page(s) 4
 - ii. Overall estimate of demand based on DCA’s demand methodology..... Page(s) 4
 - iii. Capture rates for the proposed development including the overall project, all LIHTC units (excluding any PBRA or market rate units), bi AMI targeting, by bedroom type, and a conclusion regarding the achievability of these capture rates. Page(s) 4
- 7. Competitive Rental Analysis
 - i. An analysis of the competitive properties in the PMA. Page(s) 5
 - ii. Number of properties..... Page(s) 5
 - iii. Rent bands for each bedroom type proposed. Page(s) 5
 - iv. Average market rents Page(s) 5
- 8. Absorption/Stabilization Estimate:
 - i. Expected absorption rate of the subject property (units per month)..... Page(s) 5
 - ii. Months required for the project to reach a stabilized occupancy of 93 percent. Page(s) 5
- 9. Overall Conclusion:
 - i. A narrative detailing key conclusions of the report including the analyst’s opinion regarding the potential for success of the proposed development. Page(s) 6
- 10. Summary Table Page(s) 6-7

B. Project Description

- 1. Project address and location Page(s) 12
- 2. Construction type. Page(s) 10
- 3. Occupancy Type. Page(s) 10
- 4. Special population target (if applicable). Page(s) 10
- 5. Number of units by bedroom type and income targeting (AMI)..... Page(s) 10
- 6. Unit size, number of bedrooms, and structure type. Page(s) 10
- 7. Rents and Utility Allowances. Page(s) 10
- 8. Existing or proposed project based rental assistance..... Page(s) 10
- 9. Proposed development amenities..... Page(s) 11
- 10. For rehab proposals, current occupancy levels, rents, tenant incomes (if applicable), and scope of work including an estimate of the total and per unit construction cost. Page(s) N/A
- 11. Projected placed-in-service date..... Page(s) 11

C. Site Evaluation

- 1. Date of site / comparables visit and name of site inspector Page(s) 8
- 2. Site description
 - i. Physical features of the site. Page(s) 13



- ii. Positive and negative attributes of the site..... Page(s) 21
 - iii. Detailed description of surrounding land uses including their condition..... Page(s) 14
 - 3. Description of the site’s physical proximity to surrounding roads, transportation, amenities, employment, and community services..... Page(s) 17-21
 - 4. Color photographs of the subject property, surrounding neighborhood, and street scenes with a description of each vantage point..... Page(s) 13, 15
 - 5. Neighborhood Characteristics
 - i. Map identifying the location of the project..... Page(s) 12
 - ii. List of area amenities including their distance (in miles) to the subject site..... Page(s) 19
 - iii. Map of the subject site in proximity to neighborhood amenities..... Page(s) 20
 - 6. Describe the land use and structures of the area immediately surrounding the site including significant concentrations of residential, commercial, industrial, vacant, or agricultural uses; comment on the condition of these existing land uses. Page(s) 15
 - 7. Discuss any public safety issues in the area Page(s) 16
 - 8. Map identifying existing low-income housing in the market area Page(s) 52
 - 9. Road or infrastructure improvements planned or under construction in the PMA..... Page(s) 18
 - 10. Discussion of accessibility, ingress/egress, and visibility of the subject site..... Page(s) 17,17
 - 11. Overall conclusions about the subject site, as it relates to the marketability of the proposed development..... Page(s) 21

D. Market Area

- 1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site..... Page(s) 22
- 2. Map Identifying subject property’s location within market area..... Page(s) 23

E. Community Demographic Data

- 1. Population Trends
 - i. Total Population..... Page(s) 24-25
 - ii. Population by age group..... Page(s) 26
 - iii. Number of elderly and non-elderly..... Page(s) 26
 - iv. Special needs population (if applicable)..... Page(s) N/A
- 2. Household Trends
 - i. Total number of households and average household size..... Page(s) 25, 25
 - ii. Household by tenure..... Page(s) 28,28
 - iii. Households by income..... Page(s) 30-31
 - iv. Renter households by number of persons in the household..... Page(s) 29

F. Employment Trends

- 1. Total jobs in the county or region..... Page(s) 34
- 2. Total jobs by industry – numbers and percentages..... Page(s) 35
- 3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area..... Page(s) 36, 37
- 4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past five years..... Page(s) 32
- 5. Map of the site and location of major employment concentrations..... Page(s) 37



6. Analysis of data and overall conclusions relating to the impact on housing demand..... Page(s) 37

G. Project-specific Affordability and Demand Analysis

1. Income Restrictions / Limits Page(s) 39

2. Affordability estimates Page(s) 38-40

3. Components of Demand

- i. Demand from new households..... Page(s) 41-43
- ii. Demand from existing households..... Page(s) 41-43
- iii. Elderly Homeowners likely to convert to rentership..... Page(s) 41-43
- iv. Other sources of demand (if applicable). Page(s) N/A

4. Net Demand, Capture Rate, and Stabilization Calculations

- i. Net demand
 - 1. By AMI Level Page(s) 42
 - 2. By floor plan Page(s) 43
- ii. Capture rates
 - 1. By AMI level Page(s) 42
 - 2. By floor plan Page(s) 43

5. Capture rate analysis chart Page(s) 43

H. Competitive Rental Analysis (Existing Competitive Rental Environment)

1. Detailed project information for each competitive rental community surveyed

- i. Name and address of the competitive property development..... Page(s) App. 7
- ii. Name, title, and phone number of contact person and date contact was made..... Page(s) App. 7
- iii. Description of property..... Page(s) App. 7
- iv. Photographs of each competitive development..... Page(s) App. 7
- v. Square footages for each competitive unit type..... Page(s) 47, 50
- vi. Monthly rents and the utilities included in the rents of each unit type..... Page(s) 47,50, 48
- vii. Project age and current physical condition..... Page(s) App. 7
- viii. Concessions given if any..... Page(s) App. 7
- ix. Current vacancy rates, historic vacancy factors, waiting lists, and turnover rates, broken down by bedroom size and structure type..... Page(s) 47, 49

2. Additional rental market information

- i. An analysis of voucher and certificates available in the market area..... Page(s) 51
- ii. Lease-up history of competitive developments in the market area..... Page(s) 47
- iii. Tenant profile and waiting list of existing phase (if applicable)..... Page(s) N/A
- iv. Competitive data for single-family rentals, mobile homes, etc. in rural areas if lacking sufficient comparables (if applicable)..... Page(s) N/A

3. Map showing competitive projects in relation to the subject property. Page(s) 46, 49

4. Description of proposed amenities for the subject property and assessment of quality and compatibility with competitive rental communities..... Page(s) 47, 48

5. For senior communities, an overview / evaluation of family properties in the PMA..... Page(s) 48-49

6. Subject property’s long-term impact on competitive rental communities in the PMA..... Page(s) 59

7. Competitive units planned or under construction the market area

- i. Name, address/location, owner, number of units, configuration, rent structure, estimated date of market entry, and any other relevant information..... Page(s) 51

8. Narrative or chart discussing how competitive properties compare with the proposed development with respect to total units, rents, occupancy, location, etc..... Page(s) 47-48, 56



i. Average market rent and rent advantage.....	Page(s)	50
9. Discussion of demand as it relates to the subject property and all comparable DCA funded projects in the market area.....	Page(s)	41-43
10. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years.	Page(s)	N/A
11. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.	Page(s)	52
12. Discussion of primary housing voids in the PMA as they relate to the subject property.	Page(s)	N/A
13. Note whether or not the proposed project adversely impacts the long term occupancy and health of existing assisted rental housing projects in the PMA.	Page(s)	59
I. Absorption and Stabilization Rates		
1. Anticipated absorption rate of the subject property	Page(s)	59
2. Stabilization period.....	Page(s)	59
J. Interviews.....	Page(s)	60
K. Conclusions and Recommendations		
1. Conclusion as to the impact of the subject property on PMA.....	Page(s)	59
2. Recommendation as the subject property's viability in PMA.....	Page(s)	61
L. Signed Statement Requirements.....	Page(s)	App. 2
M. Market Study Representation	Page(s)	App. 2



19. APPENDIX 6 RENTAL COMMUNITY PROFILES

Community	Address	City	State	Phone Number	Date Surveyed	Contact
Cleveland Courtyard	120 Cardinal Ct.	Cleveland	GA	770-744-2616	2/6/2017	Property Manager
Whitehall Commons	29 Whitehall Commons	Cleveland	GA	706-219-4100	2/3/2017	Property Manager
Whitehall Manor	42 Whitehall Manor Ct.	Cleveland	GA	706-219-1220	2/8/2017	Property Manager

Whitehall Manor

Senior Community Profile

42 Whitehall Manor Ct.
Cleveland, GA 30528

CommunityType: LIHTC - Elderly
Structure Type: 2-Story Mid Rise

48 Units 0.0% Vacant (0 units vacant) as of 2/8/2017

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	100.0%	\$588	1,100	\$0.53	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Grabbar; Emergency Response	
Select Units:	--
Optional(\$):	--
Security:	--
Parking:	Free Surface Parking

Comments

55+.
Waitlist of over 200 people.

Property Manager: -- Owner: --

Floorplans (Published Rents as of 2/8/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	20	\$480	1,100	\$.44	LIHTC/ 50%	2/8/17	0.0%	--	\$588	--
Garden	--	2	2	13	\$550	1,100	\$.50	LIHTC/ 60%					
Garden	--	2	2	15	\$700	1,100	\$.64	Market					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Whitehall Manor

GA311-024387

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Cleveland Courtyard

Multifamily Community Profile

120 Cardinal Ct.
Cleveland, GA 30528

CommunityType: Market Rate - General

Structure Type: Townhouse

8 Units 0.0% Vacant (0 units vacant) as of 2/6/2017

Opened in 2005



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	100.0%	\$605	1,200	\$0.50	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

Comments

One building of eight units in Sunny Ridge.

Floorplans (Published Rents as of 2/6/2017) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	8	\$575	1,200	\$.48	Market	2/6/17	0.0%	--	\$605	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Whitehall Commons

Multifamily Community Profile

29 Whitehall Commons Ln.
Cleveland, GA 30528

Community Type: LIHTC - General

Structure Type: Garden

64 Units 0.0% Vacant (0 units vacant) as of 2/3/2017

Opened in 2008



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	32.8%	\$590	1,143	\$0.52	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	54.7%	\$665	1,412	\$0.47	Hot Tub:	BusinessCtr:
Four+	12.5%	\$753	1,615	\$0.47	Sauna:	ComputerCtr:
					Playground:	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: -- Owner: --	

Comments

Waitlist of over 200 people.

Floorplans (Published Rents as of 2/3/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	9	\$480	1,143	\$.42	LIHTC/ 50%	2/3/17	0.0%	--	\$590	\$665
Garden	--	2	2	5	\$550	1,143	\$.48	LIHTC/ 60%					
Garden	--	2	2	7	\$700	1,143	\$.61	Market					
Garden	--	3	2	11	\$799	1,412	\$.57	Market					
Garden	--	3	2	14	\$525	1,412	\$.37	LIHTC/ 50%					
Garden	--	3	2	10	\$625	1,412	\$.44	LIHTC/ 60%					
Garden	--	4	2	4	\$585	1,615	\$.36	LIHTC/ 50%					
Garden	--	4	2	1	\$665	1,615	\$.41	LIHTC/ 60%					
Garden	--	4	2	3	\$925	1,615	\$.57	Market					

Adjustments to Rent

Incentives:
None.

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash: