

PROFESSIONAL MARKET STUDY
FOR THE CHANDLER TRACE APARTMENTS
A PROPOSED LIHTC ELDERLY DEVELOPMENT

LOCATED IN:
HARTWELL, HART COUNTY, GA

PREPARED FOR:
CHANDLER TRACE, L.P.

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Table of Contents

	Page
Section A - Executive Summary	3
Section B - Project Description	
Assignment & Project Description	17
Section C - Site Evaluation	
Site & Neighborhood Description	19
Summary	29
Section D - Market Area Description	
Market Area Description	30
Section E - Community Demographic Data	
Population Trends, Projections, Characteristics	34
Household Characteristics	39
Income Characteristics	41
Section F - Employment Trend	
Labor Force Trends & Economic Base	45
Summary	52
Section G - Demand Analysis	
Income Threshold Parameters	57
Demand Analysis - Effective Demand Pool	61
Demand Analysis - Effective Tenant Pool	64
Upcoming Direct Competition	65
Capture Rate Analysis	69
Negative Impact	73
Section H - Competitive Environment - Supply Analysis	
Supply Analysis	74
Survey of the Competitive Environment	85
Section I - Absorption & Stabilization Analysis	102
Section J - Interviews	103
Section K - Conclusion & Recommendation	104
Market Rent Advantage	106
Sections L & M - Identity of Interest & Representation	119
NCHMA Market Study Index	121
Appendix	124

SECTION A
EXECUTIVE SUMMARY

1. Project Description:

- **Brief description of project location including address and/or position relative to the closet cross-street.**
 - The proposed LIHTC/Market Rate multi-family development will target elderly households, age 55 and over in Hartwell and Hart County, Georgia. The subject property is located off Chandler Street, approximately 1 mile north of Downtown Hartwell.
- **Construction and occupancy types.**
 - The proposed new construction project design will comprise three 2-story residential buildings, connected by two elevators. The development will include a separate building comprising a manager's office, and community room/clubhouse. The project will provide 100-parking spaces.
 - The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).
 - **Unit mix including bedrooms, bathrooms, square footage, income targeting rents, utility allowance.**

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	775	Na
2BR/2b	44	1,114	Na
Total	52		

Project Rents:

The proposed development will target approximately 21% of the units at 50% or below of area median income (AMI), approximately 64% of the units at 60% AMI, and approximately 15% at Market. Rent excludes water and sewer and includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	7	\$340	\$108	\$448
2BR/2b	4	\$390	\$149	\$539

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	1	\$340	\$108	\$448
2BR/2b	32	\$390	\$149	\$539

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
2BR/2b	8	\$390	\$149	\$539

*Based upon UA Pro, calculated Utility Allowances, 4/6/2017.

- **Any additional subsidies available including project based rental assistance (PBRA).**
- The proposed LIHTC/Market Rate development will not include any additional deep subsidy rental assistance, including PBRA. The proposed LIHTC development will accept deep subsidy Section 8 vouchers.
- **Brief description of proposed amenities and how they compare to existing properties.**
- Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.

2. Site Description/Evaluation:

- **A brief description of physical features of the site and adjacent parcels. In addition, a brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).**
- The approximately 5.98-acre, polygon shaped tract is partially cleared and wooded, and relatively flat. At present, no physical structures are located on the tract. The site is not located within a 100-year flood plain.
- The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land use including: single-family residential use, with nearby institutional and commercial use.

- Directly north of the site, along Whitehall Street are several single-family homes. The Hart County EMS Station is approximately .2 miles north. Directly south of the site, is vacant land followed by commercial development along W Johnson Street. Directly west of the site, off Chandler Street is low density single-family development and a small single-family neighborhood situated along Emory Drive. Directly east of the site is single-family development. The Hart County Health Department is .2 miles east.

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

- Access to the site is available off Chandler Street. Chandler Street is a primary residential connector in the city, which links the site to the downtown area of Hartwell to the south. It is a low to medium density road, with a speed limit of 45 miles per hour in the immediate vicinity of the site. Also, the location of the site off Chandler Street does not present problems of egress and ingress to the site.
- The site offers very good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities, including: noxious odors, very close proximity to cemeteries, high tension power lines, rail lines and junk yards.

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

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

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

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

- Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, schools, and area churches. All major

facilities within Hartwell can be accessed within a 5 to 10-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

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

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

3. Market Area Definition:

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

- The Primary Market Area (PMA) for the proposed LIHTC/Market Rate elderly multi-family development consists of the following 2010 census tracts in Hart County, which comprise all of Hart County: 9601-9605.
- The PMA is located in the north-central portion of Georgia. Hartwell is approximately 23 miles southwest of Anderson, SC and 45 miles northeast of Athens. Hartwell, the county seat, is centrally located within Hart County.
- Hartwell is the largest populated place in the PMA, representing approximately 18% of the total population. In addition to Hartwell, there is one other, much smaller incorporated place located within the PMA. In 2010, the Town of Bowersville had a population of 456. Also, located within the PMA is the Reed Creek census designated place. Reed Creek is an unincorporated area that is located about 7 miles north of Hartwell. In 2010, it had a population of 2,604. For the most part, excluding Hartwell and Reed Creek, the PMA is very rural with much of the land use in agriculture or open space.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	Hartwell Lake & GA/SC State Line	9 miles
East	Hartwell Lake & GA/SC State Line	7 to 10 miles
South	Elbert County	5 - 6 miles
West	Franklin & Madison Counties	10 miles

4. Community Demographic Data:

- **Current and projected household and population counts for the primary market area. For senior reports, data should be presented for both overall and senior households and populations/households.**
- Total population gains over the next several years, (2017-2019) are forecasted for the PMA at a modest rate of increase, represented by a rate of change approximating +0.30% per year. In the PMA, the total population count in 2017 was 25,388 with a projected increase to 25,537 in 2019.
- Population gains over the next several years, (2017-2019) are forecasted for the PMA for the 55 and over age group continuing at a significant to very significant rate of increase, with a forecasted rate of growth approximating +1.42% per year. In the PMA, for population age 55 and over, the count in 2017 was 9,082 with a projected increase to 9,341 in 2019. In the PMA, for households age 55 and over, the count in 2017 was 5,633 with a projected increase to 5,776 in 2019.
- **Households by tenure including any trends in rental rates.**
- The 2017 to 2019 tenure trend exhibited an increase in both owner-occupied and renter-occupied tenure in the PMA for households age 55 and over. The tenure trend (on a percentage basis) currently favors renter households.
- **Households by income level.**
- It is projected that in 2019, **11.5%** of the owner-occupied households age 55+ in the PMA will be in the 50% AMI LIHTC target income group of \$13,440 to \$19,500.
- It is projected that in 2019, **17.5%** of the renter-occupied households age 55+ in the PMA will be in the 50% AMI LIHTC target income group of \$13,440 to \$19,500.
- It is projected that in 2019, **15.5%** of the owner-occupied households age 55+ in the PMA will be in the 60% AMI LIHTC target income group of \$13,440 to \$23,400.
- It is projected that in 2019, **22.5%** of the renter-occupied households age 55+ in the PMA will be in the 60% AMI LIHTC target income group of \$13,440 to \$23,400.
- It is projected that in 2019, **24%** of the owner-occupied households age 55+ in the PMA will be in the Market Rate target income group of \$25,000 to \$60,000.
- It is projected that in 2019, **23%** of the renter-occupied households age 55+ in the PMA will be in the Market Rate target income group of \$25,000 to \$60,000.

- ***Impact of foreclosed, abandoned and vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development should be discussed.***
- The foreclosure problem is still very much evident Nationwide and Statewide, but to a much lesser degree in Hartwell and Hart County. Foreclosurelistings.com is a nationwide data base which show slightly more than 986,000 listings, including 84% foreclosures, 4% short sales, and 12% auction listings. According to www.foreclosurelistings.com, as of 04/12/2017, there were 69 foreclosure listings, 5 foreclosure auction listings and 5 short sale listings. Twenty-five of the listings had a value of >\$100,000, including one listed at \$2.7 million. The same data for Hart County indicated 88 foreclosure listings, 5 listings in the foreclosure auction stage and 5 short sales.
- In the Hartwell PMA, the relationship between the local area foreclosure market and existing or new LIHTC supply is not crystal clear. However, at the time of the survey, the existing LIHTC elderly property located in Hartwell, Juniper Court was 100% occupied, and maintained a waiting list with over 80 applicants.
- Note: Recent anecdotal news information points to the fact that the majority of the foreclosed properties were occupied by first time buyers or move-up buyers, of which the majority were younger households, still in the job market, (at the time) versus elderly homeowners. The recent recession and current slow recovery magnified the foreclosure problem and negatively impacted young to middle age homeowners more so than the elderly.
- With regard to the elderly desiring to sell a home in a market with many foreclosed properties they have the upper hand in terms of pricing power. Many purchased their homes decades ago at far lower prices than today and many own homes outright. Also, many transfer home ownership rights to heirs versus selling outright.

5. Economic Data:

- ***Trends in employment for the county and/or region. Employment should be based on the number of jobs in the county (i.e., covered employment).***
- Between 2005 and 2007, the average decrease in employment in Hart County was approximately -21 workers or approximately -0.21% per year. The rate of employment loss between 2008 and 2010, was very slight at -0.34% per year, representing a annual net loss of -33 workers. The rate of employment loss between 2011 and 2014, was more significant compared to the previous period at approximately -0.97% per year. The 2015 to 2016, rate of gain was considerably better when compared to the preceding year at +6.65%. The rate of employment change thus far into 2017, is forecasted to exhibit an increase

in the level of employment at a level somewhat more modest than the increase between 2015 and 2016.

- With an exception for a decline in 2012, the gains in covered employment in Hart County between 2010 and 2015 were modest to moderate. The 2016 quarterly trend data suggests an increase in covered employment in 2016.

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

- The top four employment sectors are: manufacturing, trade, government and service. The 2017 forecast is for the manufacturing sector to stabilize and the service sector to increase.

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

- Monthly unemployment rates in 2016 were improved when compared to the 2009 to 2014 period. Monthly unemployment rates in 2016, were for the most part improving on a month to month basis, ranging between 4.9% and 6.4%. The National forecast for 2017 (at present) is for the unemployment rate to approximate 4% to 4.5%. Typically, during the last three years, the overall unemployment rate in Hart County has been slightly higher than the state and national average unemployment rates. The annual unemployment rate in 2017 in Hart County is forecasted to continue to decline, to the vicinity of 5% (on an annual basis) and improving on a relative year to year basis.

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

- The Hartwell PMA economy is becoming more diversified. In addition to having a very sizable manufacturing sector, the local economy has exhibited gains in the service, trade and government sectors centered primarily in Hartwell. This diversification has in turn helped to offset the negative impact of the decline in the manufacturing sector in the city and elsewhere in the county. Still, the manufacturing sector is the backbone and engine of the local economy.
- The Hart County Industrial Building Authority is the lead economic development organization for Hart County and Hartwell. They work closely with other agencies including the Hartwell Downtown Development Authority and the Hart County Chamber to promote the County and provide information on sites and opportunities for business relocation and expansion. The Hart County IBA also works closely with the Joint Development Authority of Franklin, Hart, and Stephens Counties, which has resulted in significant development along Interstate I-85. Gateway Industrial Park, a fully developed 150-acre industrial park was completed in 2005, and features over one mile of frontage on I-85 at Exit 177.

- Hart County lost 10% its employment base in 2006, when Springs Global – the last of the county’s textile plants – laid off 1,200 workers and contractors. Since that time, the primary focus has been on doing whatever it takes to create a diverse economy that might better weather future economic storms. The results have been companies representing a variety of sectors from manufacturing to agriculture, as well as a strong effort to use the natural resources to bolster tourism. The Gateway Industrial Park attracted tenants immediately upon completion, and other firms have located there over the past 10 years.
- Some of the recent announcements include the following:
 - (1) On September 21, 2016, the Georgia Department of Economic Development announced that Ritz Instrument Transformers will expand their current operations in Hart County, investing \$8 million and creating 50 new full-time jobs within the next 5-years. The planned expansion represents a 50% increase of its current workforce.
 - (2) On January 12, 2016, the Georgia Department of Economic Development announced that the Hart County Industrial Building Authority announced that German-based LINDE + WIEMANN GmbH KG, a leading manufacturer of complex structural steel systems to automotive OEM’s worldwide, will establish a U.S.-based assembly operation in Hart County. The company’s first facility will initially employ approximately 200 people and represent a capital investment of more than \$35 million.
- ***An overall conclusion regarding the stability of the county’s overall economic environment. This conclusion should include an opinion if the current economic environment will negatively impact the demand for additional or renovated rental housing.***
- Recent economic indicators in 2016 and thus far in 2017 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a significant to very significant pace in 2017.
- The Hartwell - Hart County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the excellent location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly renters from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, and still participating in the local labor market.
- For that portion of the 55 to 65 elderly subject target group that still desires or needs to continue working on a part-time basis, the local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.

6. Project-Specific Affordability and Demand Analysis:

- **Number of renter households income qualified for the proposed development given the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households.**
- The forecasted number of income qualified households for the LIHTC segment of the proposed development is 226. The forecasted number of households for the Market Rate segment of the proposed development is 69.
- **Overall estimate of demand based on DCA's demand methodology.**
- The overall forecasted number of income qualified households for the proposed LIHTC/Market Rate elderly development taking into consideration like-kind competitive supply introduced into the market since 2015 is 226 and 69, respectively.
- Capture Rates (Adjusted for BR Mix):

Proposed Project Capture Rate All Units	17.6%
Proposed Project Capture Rate LIHTC Units	19.5%
Proposed Project Capture Rate LIHTC Units @ 50% AMI	14.3%
Proposed Project Capture Rate LIHTC Units @ 60% AMI	22.2%
Proposed Project Capture Rate Market Rate Units	11.6%

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

7. Competitive Rental Analysis:

• An analysis of the competitive properties in the PMA.

- At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was less than 2%, at 1.5%.
- At the time of the survey, the overall vacancy rate of the four USDA-RD properties was 2.8%. Three of the four USDA properties maintain a waiting list.
- The Hartwell PMA has one LIHTC development within its physical geography. At the time of the survey, Juniper Court, a 52-unit LIHTC elderly development was 100% occupied and had 84 applicants on the waiting list, of which 54 were for market rate units.
- At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties targeting the general population was 1%.

• Number of properties.

- Five program assisted family properties, as well as the Hartwell Housing Authority representing 334 units were surveyed in the subject's competitive environment.
- Eight market rate properties, representing 1,436 units were surveyed. Owing to the lack of traditional market rate apartment properties within the Hartwell PMA, all of the surveyed market rate properties are located in Anderson, SC, which is around 20 northeast of Hartwell.

• Rent bands for each bedroom type proposed.

Bedroom type	Rent Band (Subject)	Rent Band (Market Rate)
1BR/1b	\$340	\$555 - \$1388
2BR/1b	Na	Na
2BR/2b	\$390	\$685 - \$1486
3BR/2b	Na	Na

• Average Market rents.

Bedroom type	Average Market Rent
1BR/1b	\$803 (adjusted = \$690)
2BR/1b	Na
2BR/2b	\$958 (adjusted = \$755)
3BR/2b	Na

8. Absorption/Stabilization Estimate:

- **An estimate of the number of units to be leased at the subject property, on average.**
- The forecasted rent-up scenario suggests an average of 9-units being leased per month.
- **Number of units expected to be leased by AMI Targeting.**

AMI Target Group	Number of units Expected to be Leased*
50% AMI	11
60% AMI	33
Market	8

* at the end of the 1 to 6-month absorption period

- **Number of months required for the project to reach stabilization of 93% occupancy.**
- A 93% occupancy rate is forecasted to occur within 6-months of the placed in service date. Stabilized occupancy is expected to be 93%+ up to but no later than a 3 month period beyond the absorption period.
- **The absorption rate should coincide with other key conclusions. For example, insufficient demand or unachievable rents should be reflected in the absorption rate.**
- A reconciliation of the proposed LIHTC net rents by bedroom type with current average market rate net rents by bedroom type are supportive of the forecasted absorption and stabilization periods.

9. Overall Conclusion:

- ***A narrative detailing the key conclusions of the report including the analyst's opinion regarding the potential for success of the proposed development.***
- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**
- Elderly population and household growth is significant to very significant, with annual growth rates approximating +1.42% to +1.66% per year.
- At the time of the survey, the overall vacancy rate of the four USDA-RD properties was 2.8%. Three of the four USDA properties maintain a waiting list.
- The Hartwell PMA has one LIHTC development within its physical geography. At the time of the survey, Juniper Court, a 52-unit LIHTC elderly development was 100% occupied and had 84 applicants on the waiting list, of which 54 were for market rate units. Management reported that the development was 100% occupied within 5-months of opening.
- In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, by floor plan, in comparison with the existing market rate properties. The proposed subject 1BR heated square footage is approximately 8% greater than the 1BR market average unit size. The proposed subject 2BR/2b heated square footage is approximately 6% greater than the 2BR market average unit size.
- The subject will be competitive with the older, traditional, Class B market rate apartment properties in the market regarding proposed net rents by bedroom type.
- The 1BR net rent advantage at both 50% & 60% AMI is estimated at 51%.
- The 2BR net rent advantage at both 50% & 60% AMI is estimated at 48%.
- The overall project rent advantage for the LIHTC segment is estimated at 49%.
- In the opinion of the market analyst, the proposed LIHTC family development **will not negatively impact** the existing supply of program assisted LIHTC elderly properties located within the Hartwell PMA in the short or long term. At the time of the survey, the existing USDA-RD developments located within the area competitive environment were on average 97% occupied, and three of the four properties maintain a waiting list, ranging in size of between 1 and 14 applications.

Summary Table				
Development Name: Chandler Trace Apartments			Total Number of Units: 52	
Location: Hartwell, GA (Hart Co)			# LIHTC Units: 44	
PMA Boundary: North 9 miles; East 7-10 miles South 5-6 miles; West 10 miles			Farthest Boundary Distance to Subject: 10 miles	
Rental Housing Stock (found on pages 80 - 98)				
Type	# Properties	Total Units	Vacant Units	Avg Occupancy
All Rental Housing	14	1,770	26	98.9%
Market Rate Housing	8	1,436	24	99.2%
Assisted/Subsidized Housing Ex LIHTC	5	282	2	98.2%
LIHTC	1	52	0	100%
Stabilized Comps	7	1,147	17	98.8%
Properties in Lease Up	Na	Na	Na	Na

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
Number Units	Number Bedrooms	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Adv (%)	Per Unit	Per SF
8	1	1	775	\$340	\$690	\$.89	51%	\$1045	\$1.30
36	2	2	1114	\$390	\$755	\$.72	48%	\$1029	\$.94
8	2	2	1114	\$390	\$755	\$.72	48%	\$1029	\$.94

LIHTC Segment

Market Rate Segment

Demographic Data (found on pages 40 & 68)						
	2010		2017		2019	
Renter Households	792	17.85%	1,130	20.06%	1,168	20.22%
Income-Qualified Renter HHs (LIHTC)	152	19.15%	218	19.25%	226	19.35%
Income-Qualified Renter HHs (MR)	45	5.70%	66	5.80%	69	5.91%

Targeted Income Qualified Renter Household Demand (found on pages 67 & 68)						
Type of Demand	30%	50%	60%	MR	Other	Overall
Renter Household Growth		3	6	9		18
Existing Households (Overburdened + Substandard)		72	140	81		293
Homeowner Conversion (Seniors)		2	3	2		7
Total Primary Market Demand		77	149	92		318
Less Comparable Supply		0	0	0		0
Adjusted Income-Qualified Renter HHs		77	149	69*		293
Capture Rates (found on page 69 & 70)						
Targeted Population	30%	50%	60%	MR	Other	Overall
Capture Rate		14.3%	22.2%	11.6*		17.6%

*Adjusted for proposed BR mix at Market.

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT
DESCRIPTION

The proposed LIHTC/Market Rate multi-family development will target elderly households, age 55 and over in Hartwell and Hart County, Georgia. The subject property is located off Chandler Street, approximately 1 mile north of Downtown Hartwell.

Scope of Work

The market study assignment was to ascertain market demand for a proposed new construction multi-family LIHTC/Market Rate elderly development to be known as the **Chandler Trace Apartments**, for Chandler Trace, L.P., under the following scenario:

Project Description:

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	775	Na
2BR/2b	44	1,114	Na
Total	52		

The proposed new construction project design will comprise three 2-story residential buildings, connected by two elevators. The development will include a separate building comprising a manager’s office, and community room/clubhouse. The project will provide 118-parking spaces.

The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).

Project Rents:

The proposed development will target approximately 21% of the units at 50% or below of area median income (AMI), approximately 64% of the units at 60% AMI, and approximately 15% at Market. Rent excludes water and sewer and includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	7	\$340	\$108	\$448
2BR/2b	4	\$390	\$149	\$539

*Based upon UA Pro, calculated Utility Allowances, 4/6/2017.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	1	\$340	\$108	\$448
2BR/2b	32	\$390	\$149	\$539

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
2BR/2b	8	\$390	\$149	\$539

*Based upon UA Pro, calculated Utility Allowances, 4/6/2017.

The proposed LIHTC/Market Rate new construction elderly development will not have any project based rental assistance, nor private rental assistance.

Project Amenity Package

The proposed development will include the following amenity package:

Unit Amenities

- range
- microwave
- central air
- smoke alarms
- carpet
- in sink disposal
- energy star refrigerator
- energy star dish washer
- cable ready
- washer/dryer hook-ups
- window coverings
- patio/balcony w/ exterior storage

Development Amenities

- manager's office
- laundry facility
- computer center
- community garden
- fitness center
- wellness center for preventative health screening
- clubhouse w/kitchen
- covered pavilion with picnic/barbecue facilities
- walking path w/benches

The projected first full year that the **Chandler Trace Apartments** will be placed in service as a new construction property, is mid to late 2019. The first full year of occupancy is forecasted to be in 2020. Note: The 2017 GA QAP states that "owners of projects receiving credits in the 2017 round must place all buildings in the project in service by December 31, 2019".

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

Utility allowances are based upon estimates for the City of Hartwell as calculated by UA Pro. Effective date: April 6, 2017.

SECTION C
SITE & NEIGHBORHOOD

The site of the proposed LIHTC/Market Rate new construction apartment development is located off Chandler Street, across from Emory Drive, within the city limits, approximately 1 mile north of Downtown Hartwell. Specifically, the site is located within Census Tract 9604, and Zip Code 30643.

Note: The site is not located within a Qualified Census Tract (QCT), nor within a Difficult Development Area (DDA).

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers, schools, and area churches. All major facilities in Hartwell and the PMA can be accessed within a 5 to 10-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site. Source: Mr. Dan Spivey, Planning and Zoning Director, City of Hartwell, (706) 376-4756.

Site Characteristics

The approximately 5.98-acre, polygon shaped tract is partially cleared and wooded, and relatively flat. At present, no physical structures are located on the tract. The site is not located within a 100-year flood plain. Source: FEMA website (www.msc.fema.gov), Map Number 13147C0125C, Panel 125 of 200, Effective Date: September 25, 2008. All public utility services are available to the tract and excess capacity exists. However, these assessments are subject to both environmental and engineering studies.

The site is partially zoned R-2 Residential and B-2 Commercial, both of which allow multi-family development. The surrounding land uses and zoning designations around the site are detailed below:

Direction	Existing Land Use	Zoning
North	Single-family residential	R-1
East	Single-family residential	B-2
South	Vacant	R-1
West	Single-family residential	R-1

R1 - Single-Family Residential District
B2 - Commercial

Source: Hart County Parcel Maps

Neighborhood Description / Characteristics

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

Directly north of the site, along Whitehall Street are several single-family homes. The Hart County EMS Station is approximately .2 miles north. Directly south of the site, is vacant land followed by commercial development along W Johnson Street.

Directly west of the site, off Chandler Street is low density single-family homes and a small single-family neighborhood situated along Emory Drive. Directly east is single-family development. The Hart County Health Department is approximately .2 miles east.

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

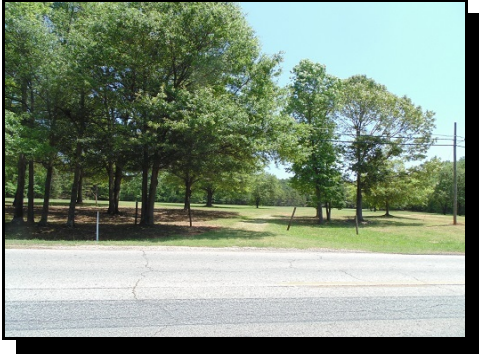
Crime & Perceptions of Crime

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

Overall, between 2014 and 2015 violent crime in Hart County increased by 8.5%. However, the actual number of such crimes in 2015 was extremely low at 89 overall, of which 83 were assaults. Property crimes decreased by 23.2% in Hart County between 2014 and 2015, with decreases in all categories. The overall number of property crimes remained very low for each year, and the overall decrease was quite significant (-181 crimes/-23.2%).

Hart County			
Type of Offence	2014	2015	Change
Homicide	1	0	-1
Rape	4	1	-3
Robbery	4	5	1
Assault	73	83	10
Burglary	183	103	-80
Larceny	569	482	-87
Motor Vehicle Theft	28	14	-14
Hart County Total	862	688	-174

Source: Georgia Bureau of Investigation, Uniform Crime Report



(1) Site access point, off Chandler, west to east.



(2) Site to the right, south to north.



(3) Site to the left, north to south.



(4) Diagonal view of site, northwest to southeast.



(5) Diagonal view of site, southwest to northeast.



(6) Interior view of site, southwest to northeast.



(7) Interior view of site, west to east.



(8) Emory Drive immediately west of site.



(9) Single-family home off Chandler west of site.



(10) Single-family home off Whitehall St, site behind.

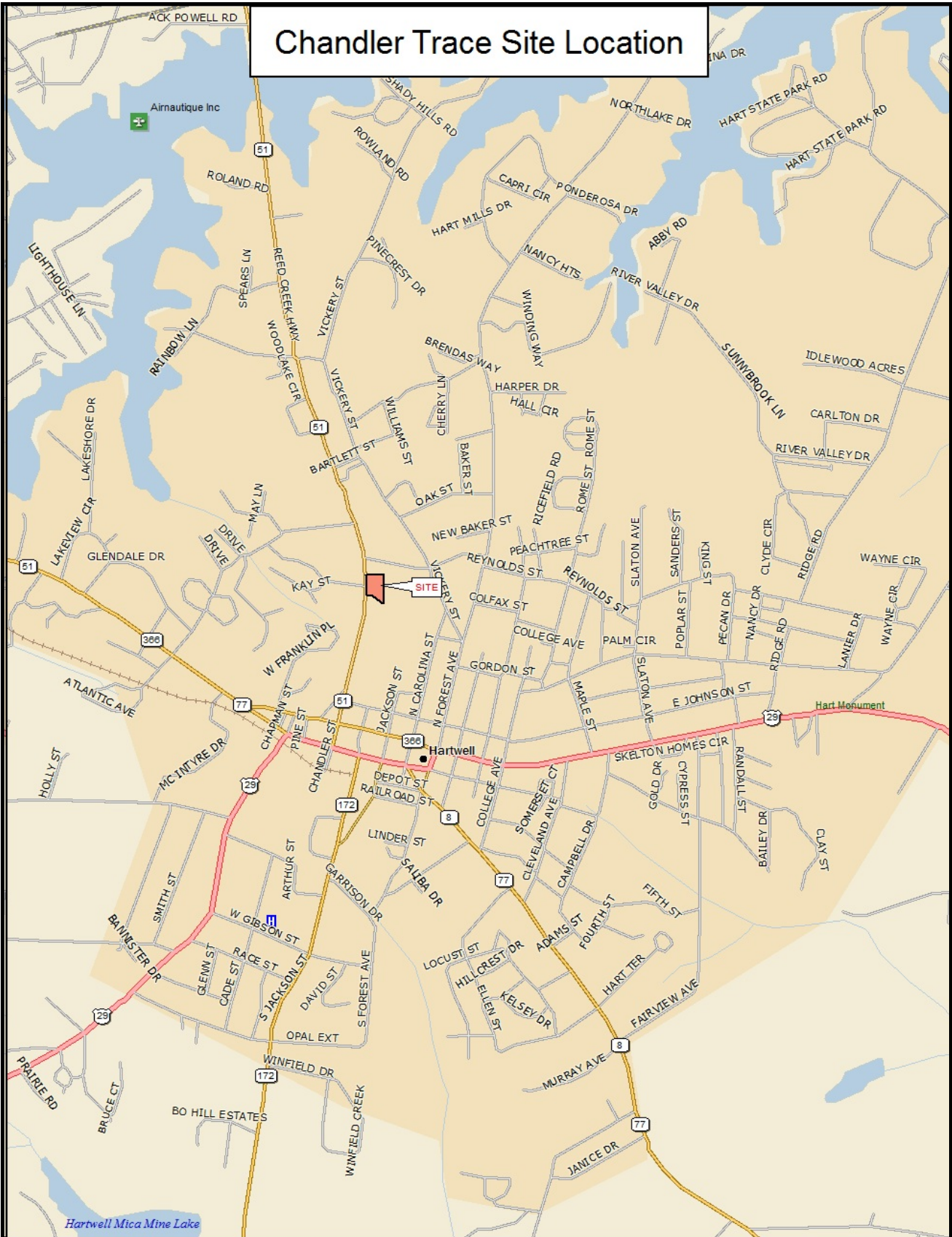


(11) Hart County EMS, .2 miles north of site.



(12) Hartwell Family Medicine, .2 miles north of site.

Chandler Trace Site Location



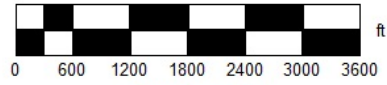
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Data Zoom 13-2

Access to Services

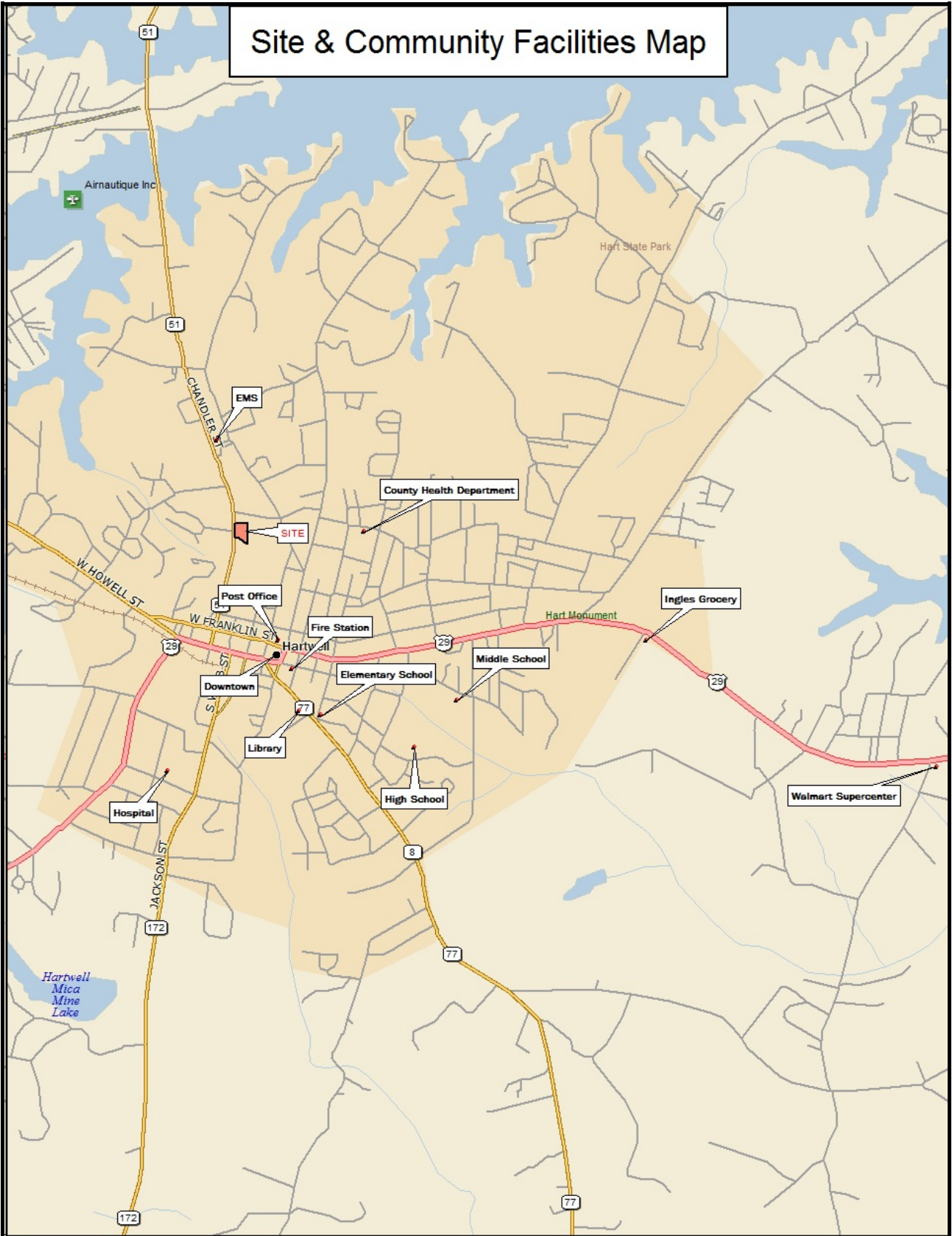
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

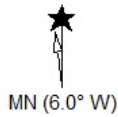
Points of Interest	Distance from Subject
Hart County Health Department	.6
Post Office	.7
Downtown Hartwell	.8
Access to US 29	.8
Fire Station	.9
Library	1.0
Hartwell Elementary School	1.1
Hospital	1.2
Hartwell Middle School	1.4
Hartwell High School	1.7
Ingles Grocery	2.0
Walmart Supercenter	3.3
Access to I-85	12.0
Lavona, GA	12.0
Royston, GA	12.0
Anderson, SC	20.0

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

Site & Community Facilities Map



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Data Zoom 12-6



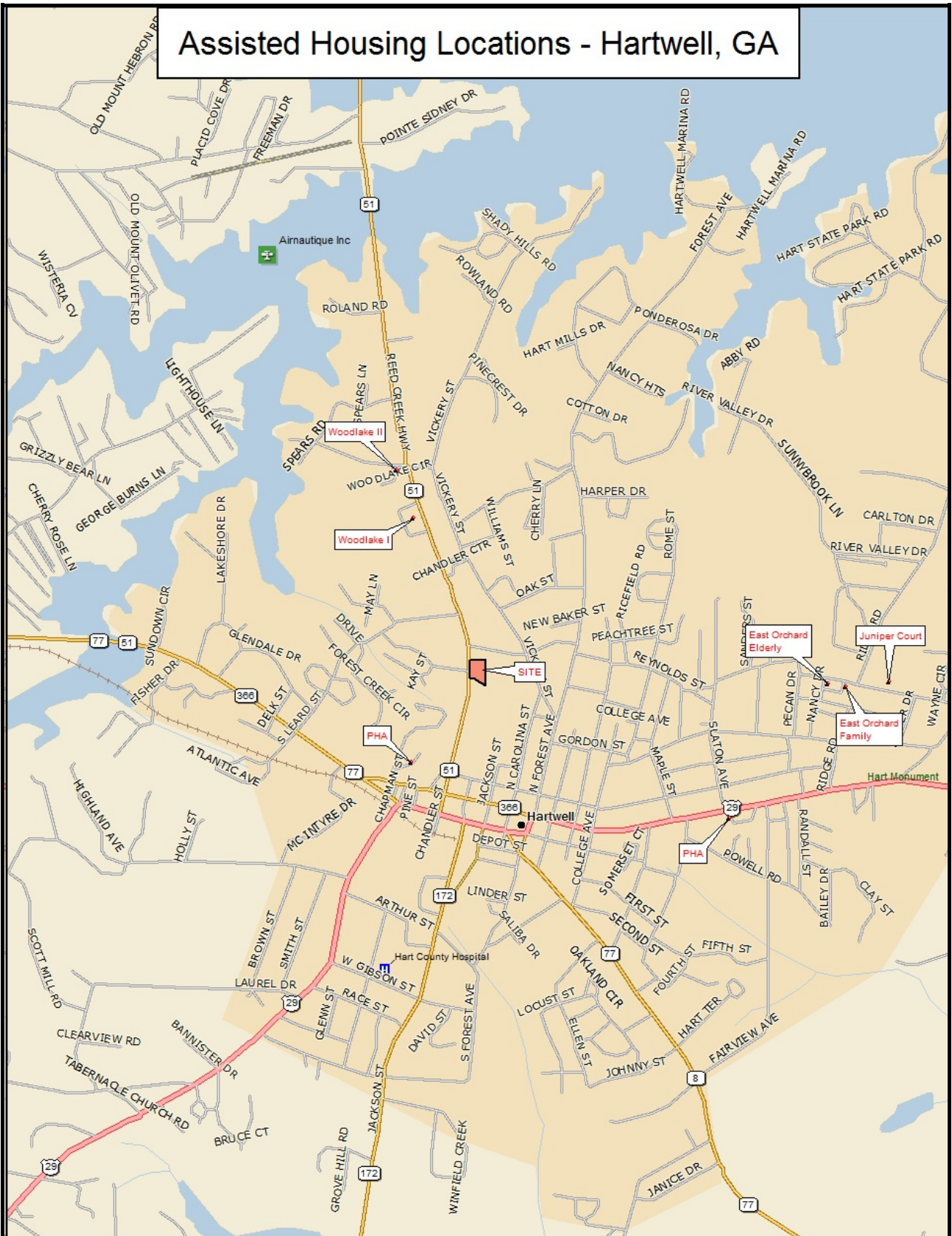
Program Assisted Apartments in Hartwell PMA

At present there are five existing program assisted apartment complexes in Hartwell, along with the Hartwell Housing Authority. A map (on the next page) exhibits the program assisted properties within Hartwell in relation to the site.

Project Name	Street Address	Program Type	Number of Units	Distance from Site
Juniper Court	283 Nancy Dr	LIHTC e1	52	2.3 miles
East Orchard II	111 Nancy Dr	USDA-RD e1	24	2.1 miles
East Orchard I	750 Nancy Dr	USDA-RD fm	24	2.0 miles
Woodlake I	111 Woodlake	USDA-RD fm	30	.5 miles
Woodlake II	700 Reed Creek	USDA-RD fm	30	.7 miles
Hartwell Public Housing Authority	Scattered	PHA	174	.5 and over

Distance in tenths of miles

Assisted Housing Locations - Hartwell, GA



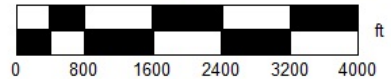
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Data Zoom 13-0

SUMMARY

The field visit for the site and surrounding market area was conducted on April 2, 2017. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

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

Access to the site is available off Chandler Street. Chandler Street is a primary residential connector in the city, which links the site to the downtown area of Hartwell to the south. It is a low to medium density road, with a speed limit of 45 miles per hour in the immediate vicinity of the site. Also, the location of the site off Chandler Street does not present problems of egress and ingress to the site.

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

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

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

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

SECTION D

MARKET AREA DESCRIPTION

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

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

Primary Market Area

Based upon field research in Hartwell and a 10 to 15 mile area, along with an assessment: of the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers, the Primary Market Area (PMA) for the proposed LIHTC/Market Rate multi-family development consists of Hart County. The 2010 census tracts for Hart County are: 9601 to 9605.

Interviews with the City Manager of Hartwell confirmed that significant market support for the proposed development would include the City of Hartwell and extend out from Hartwell to include the county as a whole. In addition, managers and/or management companies of existing program assisted properties were surveyed, as to where the majority of their existing tenants previously resided.

The PMA is located in the north-central portion of Georgia. Hartwell is approximately 23 miles southwest of Anderson, SC and 45 miles northeast of Athens. Hartwell, the county seat, is centrally located within Hart County.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	Hartwell Lake & GA/SC State Line	9 miles
East	Hartwell Lake & GA/SC State Line	7 to 10 miles
South	Elbert County	5 - 6 miles
West	Franklin & Madison Counties	10 miles

Hartwell is the largest populated place in the PMA, representing approximately 18% of the total population. In addition to Hartwell, there is one other, much smaller incorporated place located within the PMA. In 2010, the Town of Bowersville had a population of 456. Also, located within the PMA is the Reed Creek census designated place. Reed Creek is an unincorporated area that is located about 7 miles north of Hartwell. In 2010, it had a population of 2,604. For the most part, excluding Hartwell and Reed Creek, the PMA is very rural with much of the land use in agriculture or open space.

Hartwell is the regional trade area for the county regarding: employment opportunities, finance, retail and wholesale trade, entertainment and health care services.

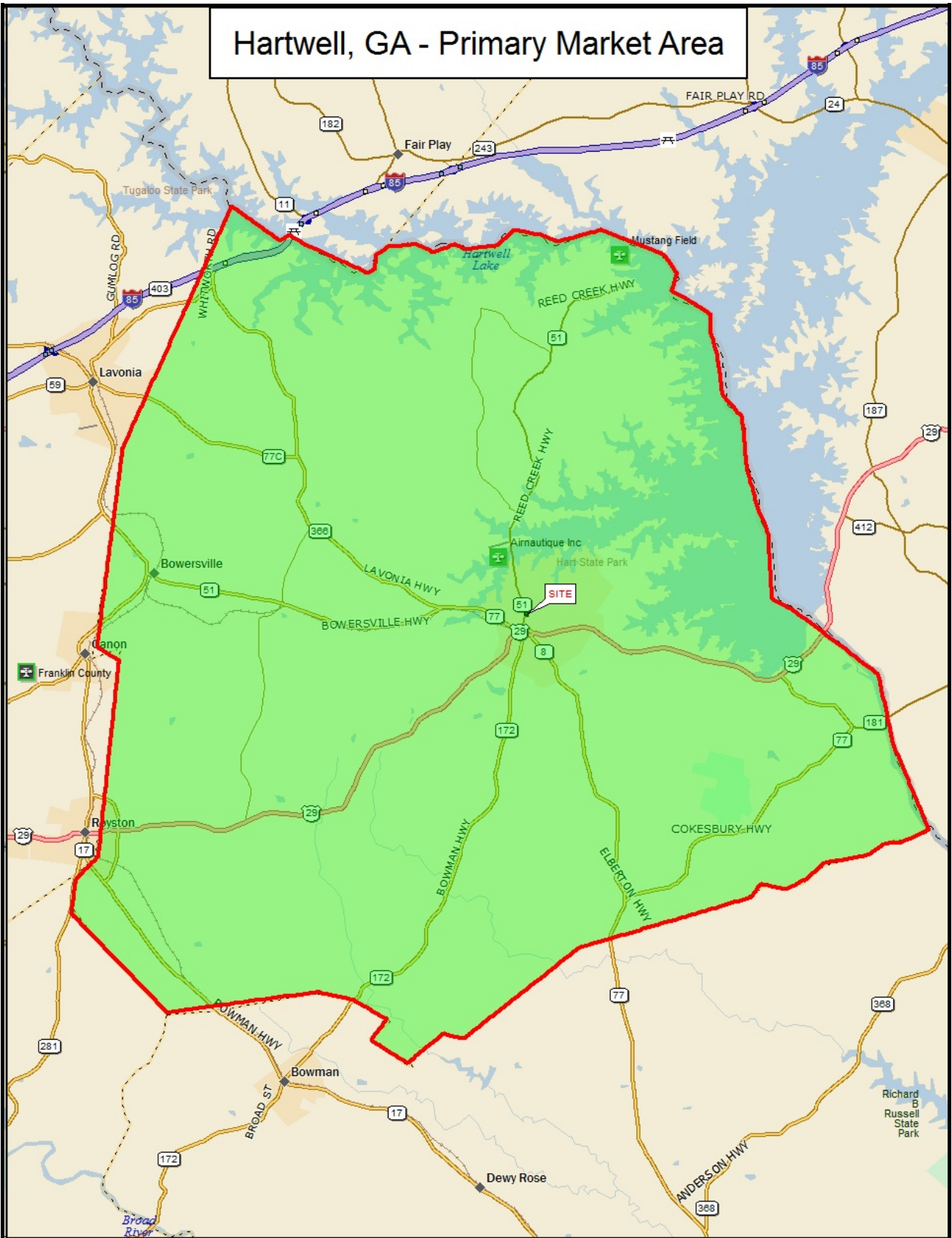
Transportation access to the Hartwell is very good. US Highway 29 is the major east/west connector and State Roads 51 and 77 are the major north/south connectors. Access to I-85 is about 12 miles north of Hartwell.

In addition, managers and/or management companies of existing program assisted properties were surveyed, as to where the majority of their existing tenants previously resided.

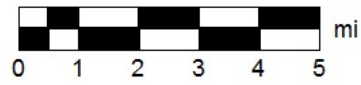
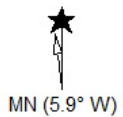
Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the PMA, principally from out of county, as well as from out of state. Note: The demand methodology **excluded** any potential demand from a SMA, as stipulated within the 2017 GA-DCA market study guidelines.

Hartwell, GA - Primary Market Area



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Data Zoom 10-1

SECTION E

COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 8 exhibit indicators of trends in total population and household growth, as well as for population and households and 55 and older.

Population Trends

Table 1, exhibits the change in **total** population in Hartwell and the Hartwell PMA (i.e., Hart County) between 2000 and 2022. Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Hartwell, and the Hartwell PMA (i.e., Hart County) between 2000 and 2022. The year 2019 is estimated to be the first year of availability for occupancy of the subject property. The year 2017 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure.

Total Population

The PMA exhibited moderate to significant total population gains between 2000 and 2010, at approximately +0.92% per year. Total population gains over the next several years, (2017-2019) are forecasted for the PMA, represented by a rate of change approximating +0.30% per year.

The projected change in population for Hartwell is subject to local annexation policy and in-migration of rural county and surrounding county residents into Hartwell. However, recent indicators, including the 2015 and 2016 US Census estimates (at the place level) suggest that the population trend of the mid to late 2000's in Hartwell has reversed and slight losses are forecasted into the remainder of the decade.

Population 55+

The PMA exhibited very significant population gains for population age 55+ between 2000 and 2010, at +2.4% per year. Population gains over the next several years (2017-2019) are forecasted for the PMA for the 55 and over age group continuing at a significant rate of increase, with a forecasted rate of growth at approximately +1.42% per year.

Population gains are forecasted in both the 55 and 65 and over age groups for the year 2019 and beyond. The projected increase is not owing to a significant increase in elderly in-migration into the PMA, but instead owing to significant aging in-place as the "war baby generation, (1940-1945)" and the beginning of the "baby boom generation, (1946 to 1950)" begin to enter into the empty nester and retirement population segments in large numbers.

Population Projection Methodology

The forecast for total population, and population age 55 and over is based primarily upon the 2000 and 2010 census, as well as the Nielsen-Claritas population projections. The Georgia Office of Planning and Budget county projections were examined and use as a cross check to the direction of trend in population over the forecast period.

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

Table 1					
Total Population Trends and Projections: Hartwell and Hartwell PMA (Hart County)					
Year	Population	Total Change	Percent	Annual Change	Percent
Hartwell					
2000	4,188	-----	-----	-----	-----
2010	4,469	+ 281	+ 6.71	+ 28	+ 0.65
2017	4,487	+ 18	+ 0.40	+ 3	+ 0.06
2019	4,482	- 5	- 0.11	- 2	- 0.06
2022	4,474	- 8	- 0.18	- 3	- 0.06
Hartwell PMA					
2000	22,997	-----	-----	-----	-----
2010	25,213	+ 2,216	+ 9.64	+ 222	+ 0.92
2017	25,388	+ 175	+ 0.69	+ 25	+ 0.10
2019*	25,537	+ 149	+ 0.59	+ 75	+ 0.30
2022	25,759	+ 222	+ 0.87	+ 74	+ 0.29

* 2019 - Estimated year that project will be placed in service.

Calculations - Koontz and Salinger. May, 2017.

Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Hartwell and the Hartwell PMA (i.e., Hart County) between 2000 and 2022.

Table 2					
Elderly Population (Age 55+) Trends and Projections: Hartwell and Hartwell PMA (Hart County)					
Year	Population	Total Change	Percent	Annual Change	Percent
Hartwell					
2000	1,478	-----	-----	-----	-----
2010	1,447	- 31	- 2.10	- 3	- 0.21
2017	1,535	+ 88	+ 6.08	+ 12	+ 0.85
2019	1,537	+ 2	+ 0.13	+ 1	+ 0.06
2022	1,540	+ 3	+ 0.20	+ 1	+ 0.06
Hartwell PMA					
2000	6,383	-----	-----	-----	-----
2010	8,094	+1,711	+ 26.80	+ 171	+ 2.40
2017	9,082	+ 988	+ 12.21	+ 141	+ 1.66
2019*	9,341	+ 259	+ 2.85	+ 130	+ 1.42
2022	9,728	+ 387	+ 4.14	+ 129	+ 1.36

* 2019 - Estimated 1st year of occupancy.

Calculations - Koontz and Salinger. May, 2017.

Between 2000 and 2010, population age 55+ increased in the Hartwell PMA at a very significant rate growth at +2.4% per year. Between 2017 and 2019, the population age 55 and over in the PMA is forecasted to continue to increase at a significant rate of gain at approximately +1.42% per year. The figure below presents a graphic display of the numeric change in population age 55+ in the PMA between 2000 and 2022.

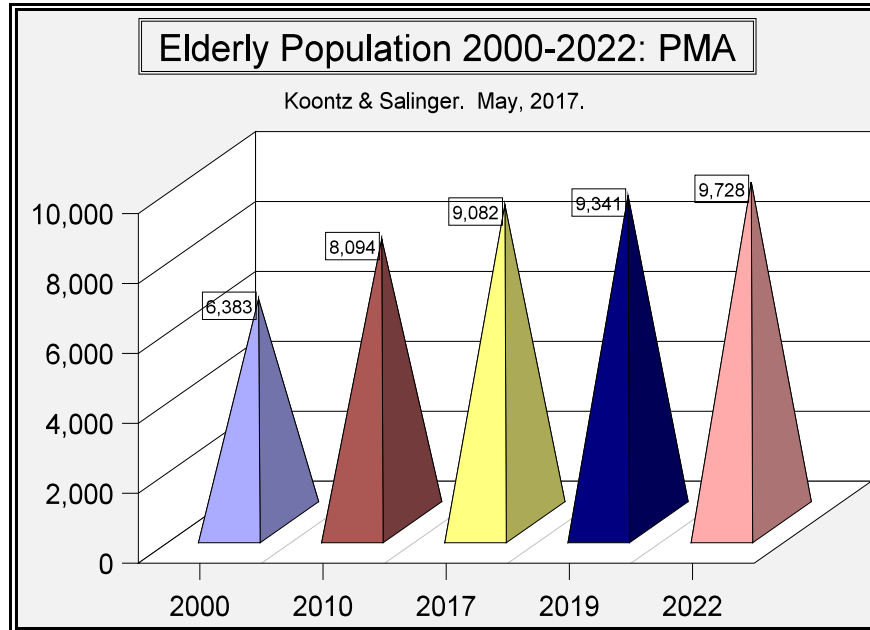


Table 3A exhibits the change in population by age group in Hartwell between 2010 and 2019. The most significant increase exhibited between 2017 and 2019 within Hartwell was in the 65-74 age group representing an increase of almost 4% over the two year period. The 75+ age group is forecasted to stabilize at around 470 persons.

Table 3A						
Population by Age Groups: Hartwell, 2010 - 2019						
	2010 Number	2010 Percent	2017 Number	2017 Percent	2019 Number	2019 Percent
Age Group						
0 - 24	1,430	32.00	1,420	31.65	1,418	31.64
25 - 44	1,029	23.02	999	22.36	997	22.24
45 - 54	563	15.60	533	11.88	530	11.83
55 - 64	565	12.64	534	11.90	517	11.54
65 - 74	417	9.33	528	11.77	549	12.25
75 +	465	10.41	473	10.54	471	10.51

Table 3B exhibits the change in population by age group in the Hartwell PMA between 2010 and 2019. The most significant increase exhibited between 2017 and 2019 within the Hartwell PMA was in the 65-74 age group representing an increase of almost 7% over the two year period. The 75+ age group is forecasted to increase by 49 persons, or by approximately +2.2%.

Table 3B						
Population by Age Groups: Hartwell PMA, 2010 - 2019						
	2010 Number	2010 Percent	2017 Number	2017 Percent	2019 Number	2019 Percent
Age Group						
0 - 24	7,584	30.08	7,435	29.29	7,423	29.07
25 - 44	5,817	23.07	5,544	21.84	5,585	21.87
45 - 54	3,718	14.75	3,327	13.10	3,188	12.48
55 - 64	3,567	14.15	3,540	13.94	3,530	13.82
65 - 74	2,561	10.16	3,355	13.21	3,575	14.00
75 +	1,966	7.80	2,187	8.61	2,236	8.76

Sources: 2010 Census of Population, Georgia
Nielsen Claritas Projections
Koontz and Salinger. May, 2017

HOUSEHOLD TRENDS & CHARACTERISTICS

Table 4 exhibits the change in **elderly** households (age 55 and over) in the Hartwell PMA between 2000 and 2022. The increase in household formations age 55+ in the PMA has continued over a 10 year period and reflects the recent population trends and near term forecasts for population 55 and over.

The increase in the rate of persons per household exhibited between 2000 and 2010 is forecasted to continue from around 1.58 to 1.61 between 2017 and 2022 within the PMA. The rate of change in person per household is based upon: (1) the increase in the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and death rates.

The projection of household formations age 55 and over in the PMA between 2017 and 2019 exhibited a modest increase of 143 households age 55 and over per year or by approximately +1.26% per year.

Table 4					
Household Formations Age 55+: 2000 to 2022					
Hartwell PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
2000	6,383	219	6,164	1.5773	3,908
2010	8,094	164	7,930	1.7872	4,437
2017	9,082	160	8,922	1.5839	5,633
2019	9,341	160	9,181	1.5895	5,776
2022	9,728	160	9,568	1.6110	5,939

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

Calculations: Koontz & Salinger. May, 2017.

Table 5 exhibits households in the Hartwell PMA, age 55 and over, by owner-occupied and renter-occupied tenure. The 2010 to 2022 projected trend supports a change in the tenure ratio favoring renter-occupied households on a percentage basis.

Overall, modest net numerical gains are forecasted for both owner-occupied and renter-occupied households age 55 and over within the PMA. Between 2017 and 2019, the increase in renter-occupied households age 55 and over remains positive, at +1.67% per year.

Table 5					
Households by Tenure, Hartwell PMA: Age 55+					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	3,908	3,428	87.72	480	12.28
2010	4,437	3,645	82.15	792	17.85
2017	5,633	4,503	79.94	1,130	20.06
2019	5,776	4,608	79.78	1,168	20.22
2022	5,989	4,764	79.55	1,225	20.45

Sources: 2000 & 2010 Census of Population, Georgia.
Nielsen Claritas Projections.
Koontz and Salinger. May, 2017.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

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

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those elderly households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households age 55+ must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD MTSP income limits for two person households (the maximum household size allowable for the estimation of elderly in the GA-DCA Market Study Guidelines) in Hart County, Georgia at 50% and 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 35% of household income.

Tables 6A and 6B exhibit owner-occupied households, by age 55+, and by income group, in the Hartwell PMA in 2010, and forecasted in 2017 and 2019. Tables 7A and 7B exhibit renter-occupied households, by age 55+, and by income group, in the Hartwell PMA in 2010, and forecasted in 2017 and 2019.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2016 and 2021, with a base year data set comprising a 2010 average, based upon the 2006 to 2010 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2006 to 2010 American Community Survey. The data set was extrapolated to fit the required forecast year of 2019.

Tables 6A and 6B exhibit owner-occupied households age 55+, by income in the Hartwell PMA in 2010, and projected in 2017 and 2019.

Table 6A				
Hartwell PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2010 Number	2010 Percent	2017 Number	2017 Percent
Under \$10,000	279	7.65	302	6.71
10,000 - 20,000	685	18.79	841	18.68
20,000 - 30,000	608	16.68	567	12.59
30,000 - 40,000	475	13.03	475	10.55
40,000 - 50,000	347	9.52	452	10.04
50,000 - 60,000	276	7.57	339	7.53
\$60,000 and over	975	26.75	1,527	33.91
Total	3,645	100%	4,503	100%

Table 6B				
Hartwell PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2017 Number	2017 Percent	2019 Number	2019 Percent
Under \$10,000	302	6.71	297	6.44
10,000 - 20,000	841	18.68	803	17.43
20,000 - 30,000	567	12.59	585	12.70
30,000 - 40,000	475	10.55	458	9.94
40,000 - 50,000	452	10.04	487	10.57
50,000 - 60,000	339	7.53	320	6.94
\$60,000 and over	1,527	33.91	1,658	35.98
Total	4,503	100%	4,608	100%

Sources: 2006 - 2010 American Community Survey
 Nielsen Claritas, HISTA Data, Ribbon Demographics
 Koontz and Salinger. May, 2017

Tables 7A and 7B exhibit renter-occupied households age 55+, by income in the Hartwell PMA in 2010, and projected in 2017 and 2019.

Table 7A				
Hartwell PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2010 Number	2010 Percent	2017 Number	2017 Percent
Under \$10,000	190	23.99	226	20.00
10,000 - 20,000	233	29.42	317	28.05
20,000 - 30,000	133	16.79	173	15.31
30,000 - 40,000	35	4.42	49	4.34
40,000 - 50,000	72	9.09	81	7.17
50,000 - 60,000	20	2.53	34	3.01
60,000 +	109	13.76	250	22.12
Total	792	100%	1,130	100%

Table 7B				
Hartwell PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2017 Number	2017 Percent	2019 Number	2019 Percent
Under \$10,000	226	20.00	221	18.92
10,000 - 20,000	317	28.05	310	26.54
20,000 - 30,000	173	15.31	171	14.64
30,000 - 40,000	49	4.34	51	4.37
40,000 - 50,000	81	7.17	90	7.71
50,000 - 60,000	34	3.01	38	3.25
60,000 +	250	22.12	287	24.57
Total	1,130	100%	1,168	100%

Sources: 2006 - 2010 American Community Survey
 Nielsen Claritas, HISTA Data, Ribbon Demographics
 Koontz and Salinger. May, 2017

Table 8A								
Households by Owner-Occupied Tenure, by Person Per Household, Age 55+ Hartwell PMA, 2010 - 2019								
Households	Owner				Owner			
	2010	2017	Change	% 2017	2017	2019	Change	% 2019
1 Person	1,188	1,437	+ 249	31.91%	1,437	1,470	+ 33	31.90%
2 Person	2,040	2,454	+ 414	54.50%	2,454	2,499	+ 45	54.23%
3 Person	255	376	+ 121	8.35%	376	393	+ 17	8.53%
4 Person	123	175	+ 52	3.89%	175	180	+ 5	3.91%
5 + Person	39	61	+ 22	1.35%	61	66	+ 5	1.43%
Total	3,645	4,503	+ 858	100%	4,503	4,608	+ 105	100%

Table 8B								
Households by Renter-Occupied Tenure, by Person Per Household, Age 55+ Hartwell PMA, 2010 - 2019								
Households	Renter				Renter			
	2010	2017	Change	% 2017	2017	2019	Change	% 2019
1 Person	482	726	+ 244	64.25%	726	745	+ 19	63.78%
2 Person	243	308	+ 65	27.27%	308	322	+ 14	27.57%
3 Person	27	44	+ 17	3.89%	44	44	0	3.77%
4 Person	18	29	+ 11	2.57%	29	32	+ 3	2.74%
5 + Person	22	23	+ 1	2.04%	23	25	+ 2	2.14%
Total	792	1,130	+ 338	100%	1,130	1,168	+ 38	100%

Sources: Nielsen Claritas Projections
Koontz and Salinger. May, 2017

Table 8A indicates that in 2019 approximately 86% of the owner-occupied households age 55+ in the PMA contain 1 and 2 persons (the target group by household size). An increase in households by size is exhibited by 1 and 2 person owner-occupied households.

Table 8B indicates that in 2019 approximately 91.5% of the renter-occupied households age 55+ in the PMA contain 1 and 2 persons. An increase in households by size is exhibited by 1 and 2 person renter-occupied households age 55+. One person elderly households are typically attracted to both 1 and 2 bedroom rental units and 2 person elderly households are typically attracted to two bedroom units, and to a much lesser degree three bedroom units.

SECTION F
ECONOMIC & EMPLOYMENT
TRENDS

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net in-

migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 9 through 15 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Hart County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 9			
Civilian Labor Force and Employment Trends, Hart County: 2005, 2015 and 2016			
	2005	2015	2016
Civilian Labor Force	10,936	10,304	10,913
Employment	10,174	9,674	10,317
Unemployment	762	630	596
Rate of Unemployment	7.0%	6.1%	5.5%

Table 10				
Change in Employment, Hart County				
Years	# Total	# Annual*	% Total	% Annual*
2005 - 2007	- 42	- 21	- 0.41	- 0.21
2008 - 2010	- 67	- 33	- 0.69	- 0.34
2011 - 2014	- 289	- 96	- 2.92	- 0.97
2015 - 2016	+ 643	Na	+ 6.65	Na

* Rounded

Na - Not applicable

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

Koontz and Salinger. May, 2017.

Table 11 exhibits the annual change in civilian labor force employment in Hart County between 2005 and the first three months in 2017. Also, exhibited are unemployment rates for the County, State and Nation.

Table 11							
Change in Labor Force: 2005 - 2017							
	Hart County					GA	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2005	10,936	10,174	-----	762	7.0%	5.3%	5.1%
2006	10,943	10,239	65	704	6.4%	4.7%	4.6%
2007	10,834	10,132	(107)	702	6.5%	4.5%	4.6%
2008	10,704	9,764	(368)	940	8.8%	6.2%	5.8%
2009	10,458	9,051	(713)	1,407	13.5%	9.9%	9.3%
2010	10,959	9,697	649	1,262	11.5%	10.5%	9.6%
2011	11,146	9,898	201	1,248	11.2%	10.2%	8.9%
2012	10,825	9,713	(185)	1,112	10.3%	9.2%	8.1%
2013	10,507	9,640	(73)	967	9.2%	8.2%	7.4%
2014	10,384	9,609	69	775	7.5%	7.1%	6.2%
2015	10,304	9,674	65	630	6.1%	5.9%	5.3%
2016	10,913	10,317	643	596	5.5%	5.4%	4.9%
Month							
1/2017	11,054	10,467	-----	587	5.3%	5.6%	5.1%
2/2017	11,103	10,559	92	544	4.9%	5.1%	4.9%
3/2017	11,177	10,662	103	515	4.6%	4.8%	4.6%

Sources: Georgia Labor Force Estimates, 2005 - 2017.
 Georgia Department of Labor, Workforce Information Analysis.
 Koontz and Salinger. May, 2017.

Table 12 exhibits the annual change in covered employment in Hart County between 2003 and the 1st three quarters in 2016. Covered employment data differs from civilian labor force data in that it is based on at-place employment within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers. Since 2013, the overall trend in covered employment in Hart County has been positive.

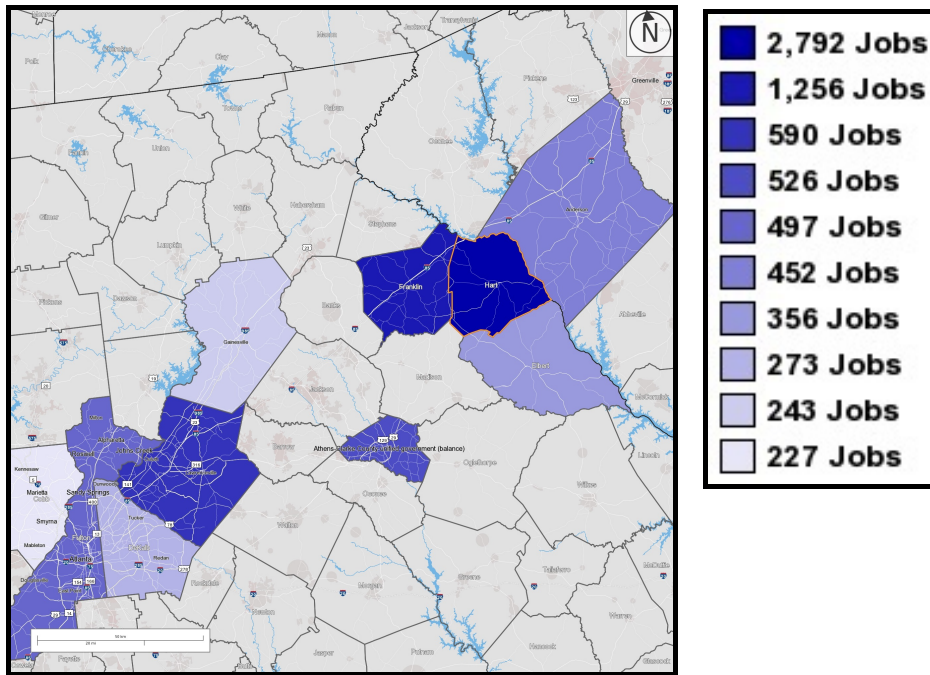
<p style="text-align: center;">Table 12</p> <p style="text-align: center;">Change in Covered Employment: 2003 - 2016</p>		
Year	Employed	Change
2003	7,039	-----
2004	7,089	50
2005	6,801	(288)
2006	6,725	(76)
2007	6,639	(86)
2008	6,277	(362)
2009	5,833	(444)
2010	5,870	37
2011	5,994	124
2012	5,774	(220)
2013	5,790	16
2014	5,863	73
2015	6,060	197
2016 1 st Q	6,177	-----
2016 2 nd Q	6,375	198
2016 3 rd Q	6,436	61

Sources: Georgia Department of Labor, Workforce Information Analysis, 2003 and 2016. Koontz and Salinger. May, 2017.

Commuting

Most of the workforce within the PMA (Hart County) has relatively short commutes to work within Hart County or Anderson County SC, or other counties in Georgia. Data from the 2011-2015 American Community Survey (ACS) indicate that mean commuting time is around 22.4 minutes.

The 2011-2015 ACS data indicate that 89.5% of workers living in the PMA have jobs in Georgia, inclusive of 53% who work in Hart County. Some 10.5% work out-of-state, principally in Anderson County, SC. Major areas of employment for residents of Hart County are shown on the map below.



Hart County also provide jobs for workers living outside the area, principally workers living in Elbert, Franklin, and Madison counties in GA as well as Anderson County, SC. Figure 1 shows the in-commuting from other counties for jobs in Hart County. NOTE: These data are from 2014, and ratios may differ slightly from data from the 2011-2015 ACS.

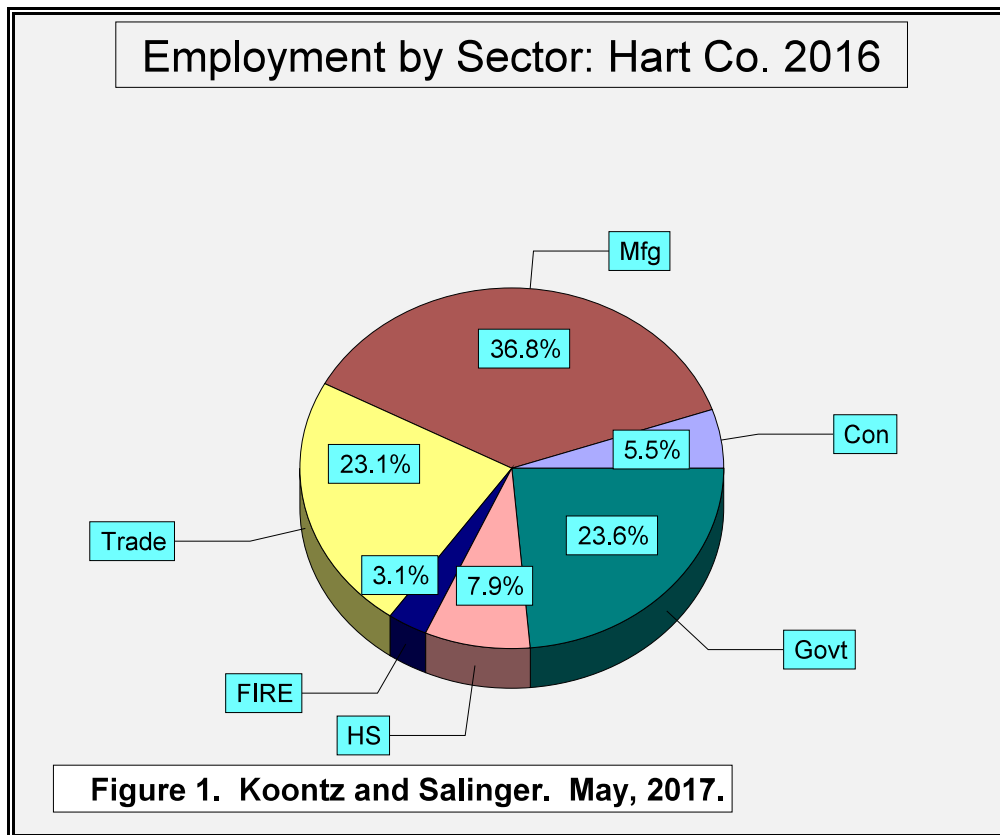
<u>Jobs Counts by Counties Where Workers Live - All Jobs</u>		
	2014	
	Count	Share
All Counties	5,865	100.0%
Hart County, GA	2,792	47.6%
Elbert County, GA	546	9.3%
Franklin County, GA	532	9.1%
Madison County, GA	157	2.7%
Anderson County, SC	151	2.6%
Stephens County, GA	120	2.0%
Clarke County, GA	93	1.6%
Gwinnett County, GA	85	1.4%
Jackson County, GA	72	1.2%
Forsyth County, GA	51	0.9%
All Other Locations	1,266	21.6%

Source: 2011-2015 American Community Survey, US Census Bureau.

Table 13 Average Monthly Covered Employment by Sector, Hart County, 3 rd Quarter 2015 and 2016							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2015	6,139	262	1,635	1,141	137	384	1,103
2016	6,436	264	1,784	1,121	148	383	1,143
15-16 # Ch.	+ 297	+ 2	+ 149	- 20	+ 11	- 1	+ 40
15-16 % Ch.	+ 4.8	+0.8	+ 9.1	- 1.8	+8.0	-0.3	+ 3.6

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

Figure 1 exhibits employment by sector in Hart County in the 3rd Quarter of 2016. The top four employment sectors are: manufacturing, trade, government and service. The 2017 forecast is for the manufacturing sector to stabilize and the service sector to increase.



Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, 2015 and 2016.
Koontz and Salinger. May, 2017.

Table 14, exhibits average annual weekly wages in the 3rd Quarter of 2015 and 2016 in the major employment sectors in Hart County. It is estimated that the majority of workers in the service and trade sectors (excluding accommodation and food service workers) in 2017 will have average weekly wages between \$500 and \$850. Workers in the accommodation and food service sectors in 2017 will have average weekly wages in the vicinity of \$255.

Table 14				
Average 3rd Quarter Weekly Wages, 2015 and 2016				
Hart County				
Employment Sector	2015	2016	% Numerical Change	Annual Rate of Change
Total	\$ 663	\$ 686	+ 23	+ 3.5
Construction	\$ 691	\$ 819	+128	+18.5
Manufacturing	\$ 838	\$ 825	- 13	- 1.6
Wholesale Trade	\$ 790	\$ 904	+114	+14.4
Retail Trade	\$ 391	\$ 403	+ 12	+ 3.1
Transportation & Warehouse	\$ 821	\$ 784	- 37	- 4.5
Finance & Insurance	\$ 840	\$ 892	+ 52	+ 6.2
Real Estate Leasing	\$ 414	\$ 482	+ 68	+16.4
Health Care Services	\$ 728	\$ 771	+ 43	+ 5.9
Educational Services	Na	Na	Na	Na
Hospitality	\$ 256	\$ 253	- 3	- 1.2
Federal Government	\$1264	\$1313	+ 49	+ 3.9
State Government	\$ 569	\$ 612	+ 43	+ 7.6
Local Government	\$ 638	\$ 642	+ 4	+ 0.6

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

Koontz and Salinger. May, 2017.

Major Employers

The major employers in Hartwell and Hart County are listed in Table 15.

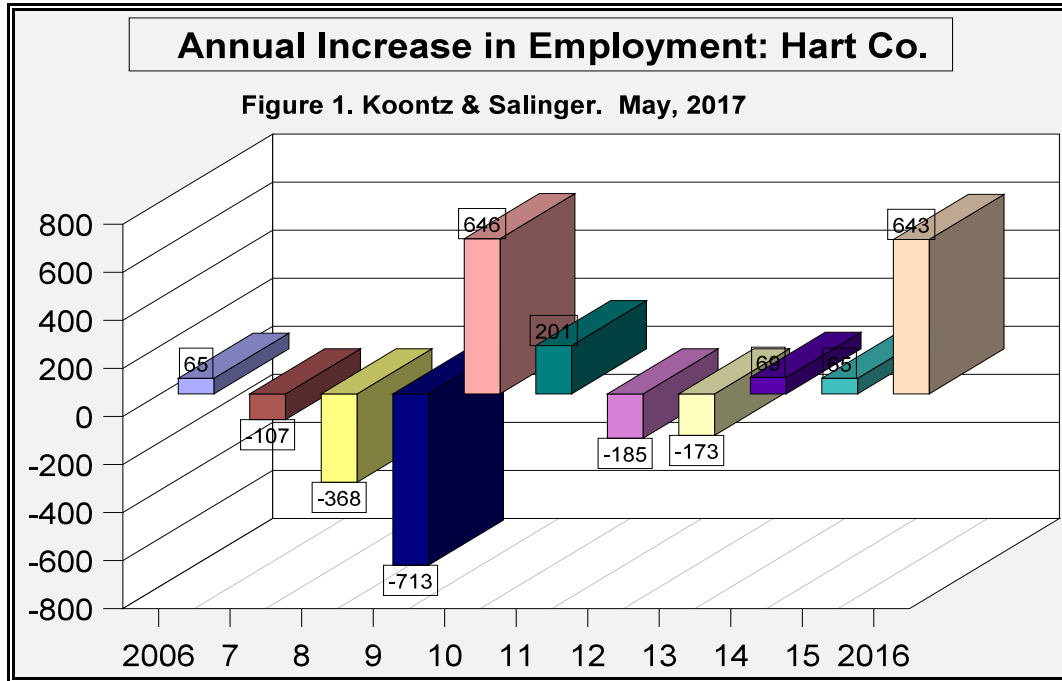
Table 15		
Major Employers		
Firm	Product/Service	Employees
Tenneco Automotive	Struts & Shocks	750
Royston, LLC	Sheet Metalwork	275
Pharma Tech	Talcum Powder	212
Fenner Dunlop	Conveyor Systems	150
Hartwell Classic	Apparel	80
TI Automotive	Plastic Gas Tanks	180
Newton Plant-Milliken	Cotton Weaving	91
RTS Packaging	Fiber Partitions	65
BASF	Mica	65
Fabritex Inc.	Tubular Wire	50
The Hartwell Sun	Publishing	25
Hart County	School System	Na
Hartwell & Hart Co.	Local Government	Na
Walmart Supercenter	Retail Trade	Na
Hart County Hospital	Health Care	Na
Hart Care Center	Nursing Home	Na

Sources: Hart County Chamber of Commerce

Hart County Industrial Building Authority

SUMMARY

The economic situation for Hart County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 9-15, Hart County experienced employment losses between 2007 and 2009. Like much of the state and nation, very significant employment losses were exhibited in 2009. Modest to very significant gains were exhibited each year between 2014 and 2016.



As represented in Figure 1 (and Table 10), between 2005 and 2007, the average decrease in employment in Hart County was approximately -21 workers or approximately -0.21% per year. The rate of employment loss between 2008 and 2010, was very slight at -0.34% per year, representing a annual net loss of -33 workers. The rate of employment loss between 2011 and 2014, was more significant compared to the previous period at approximately -0.97% per year. The 2015 to 2016, rate of gain was considerably better when compared to the preceding year at +6.65%. The rate of employment change thus far into 2017, is forecasted to exhibit an increase in the level of employment at a level somewhat more modest than the increase between 2015 and 2016.

Monthly unemployment rates in 2016 were improved when compared to the 2009 to 2014 period. Monthly unemployment rates in 2016, were for the most part improving on a month to month basis, ranging between 4.9% and 6.4%.

The National forecast for 2017 (at present) is for the unemployment rate to approximate 4% to 4.5%. Typically, during the last three years, the overall unemployment rate in Hart County has been slightly higher than the state and national average unemployment rates. The annual unemployment rate in 2017 in Hart County is forecasted to continue to decline, to the vicinity of 5% (on an annual basis) and improving on a relative year to year basis.

The Hartwell PMA economy is becoming more diversified. In addition to having a very sizable manufacturing sector, the local economy has exhibited gains in the service, trade and government sectors centered primarily in Hartwell. This diversification has in turn helped to offset the negative impact of the decline in the manufacturing sector in the city and elsewhere in the county. Still, the manufacturing sector is the backbone and engine of the local economy, followed by a very strong agribusiness sector.

The Hart County Industrial Building Authority is the lead economic development organization for Hart County. They work closely with other agencies including the Hartwell Downtown Development Authority and the Hart County Chamber of Commerce to promote the County and provide information on sites and opportunities for business relocation and expansion. The Hart County IBA also works closely with the Joint Development Authority of Franklin, Hart, and Stephens Counties, which has resulted in significant development along I-85. Gateway Industrial Park, a fully developed 150-acre industrial park was completed in 2005, and features over one mile of frontage on I-85 at Exit 177.

The target industries are textiles, automotive, aerospace, machinery, woodworking and agriculture, which reflect existing industries as well as sectors that would be expected to perform well economically in the Tri-County area.

Hart County lost 10% its employment base in 2006, when Springs Global - the last of the county's textile plants - laid off 1,200 workers and contractors. Since that time, the primary focus has been on doing whatever it takes to create a diverse economy that might better weather future economic storms. The results have been companies representing a variety of sectors from manufacturing to agriculture, as well as a strong effort to use the natural resources to bolster tourism. The Gateway Industrial Park attracted tenants immediately upon completion, and other firms have located there over the past 10 years.

Some of the recent announcements include the following:

(1) On September 21, 2016, the Georgia Department of Economic Development (GDEcD) announced that Ritz Instrument Transformers will expand their current operations in Hart County, investing \$8 million and creating 50 new full-time jobs within the next five years. The planned expansion represents a 50 percent increase of its current workforce.

(2) On January 12, 2016, the Georgia Department of Economic Development (GDEcD) announced that the Hart County Industrial Building Authority announced that German-based LINDE + WIEMANN GmbH KG, a leading manufacturer of complex structural steel systems to automotive OEM's worldwide, will establish a U.S.-based assembly operation in Hart County. The company's first facility will initially employ approximately 200 people and represent a capital investment of more than \$35 million.

Sources: <http://hartiba.com/>
<http://www.georgiatrend.com>
<http://hartcountyga.gov/econdev.html>
<http://www.scda.biz/joint-development-authority.cfm>
<http://hartwellmainstreet.com/>

Local Economy - Relative to Subject & Impact on Housing Demand

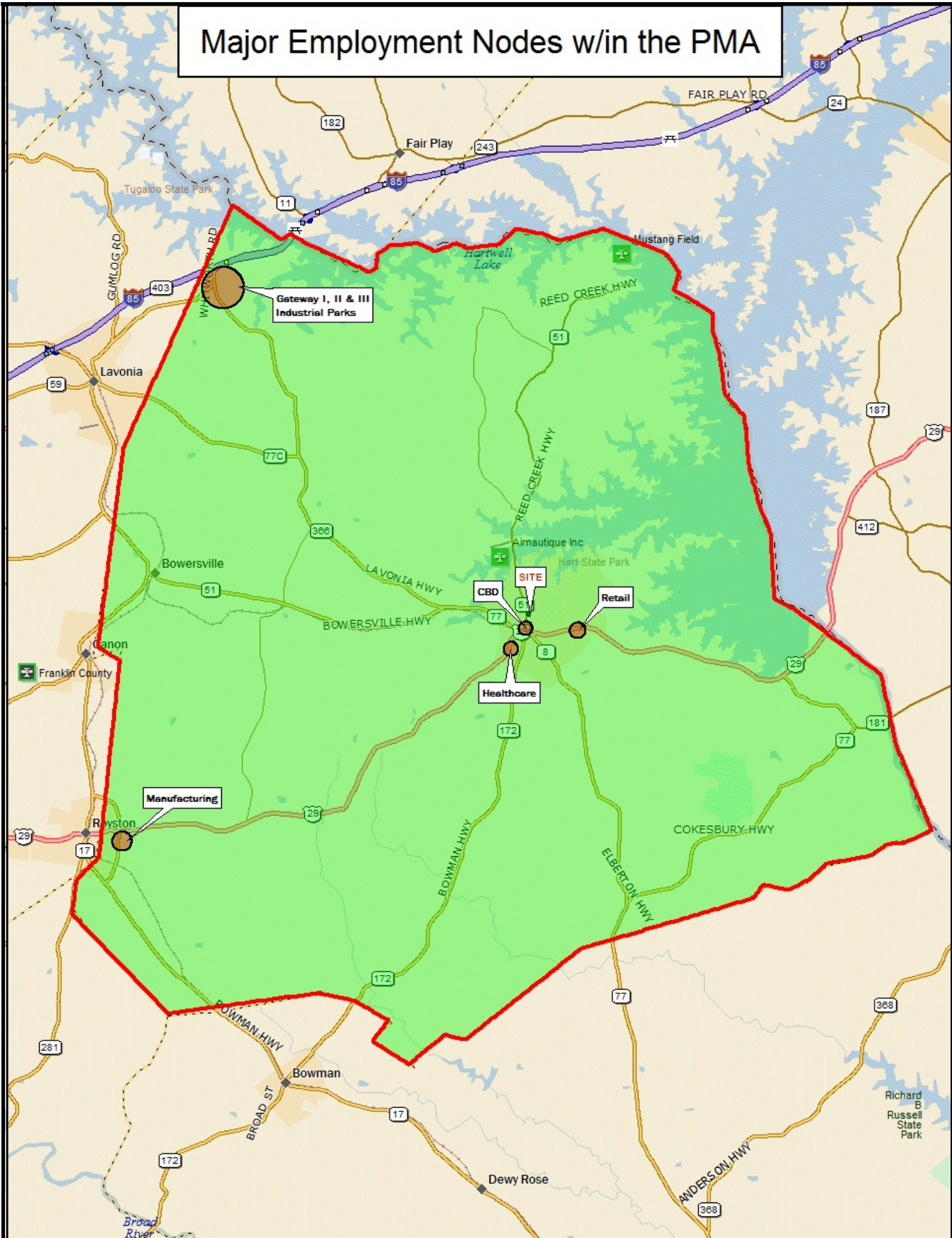
Recent economic indicators in 2016 and thus far in 2017 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a significant to very significant pace in 2017.

The Hartwell - Hart County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the excellent location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly renters from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, and still participating in the local labor market.

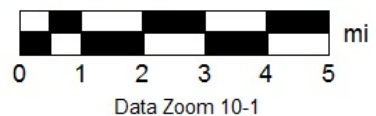
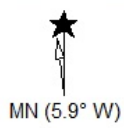
For that portion of the 55 to 65 elderly subject target group that still desires or needs to continue working on a part-time basis, the Hartwell and Hart County local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.

The major employment nodes within Hartwell and the Hart PMA, relative to the location of the subject's site are exhibited on the Map on the following page.

Major Employment Nodes w/in the PMA



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 www.delorme.com



SECTION G

PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from existing elderly renter

households already in the Hartwell PMA market.

Note: All elements of the demand methodology will be segmented by age (elderly 55 and over) and income, owing to the availability of detailed age 55+ income by tenure data.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimated projected year that the subject will be placed in service of 2019.

In this section, the effective project size is 52-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 6 and 7 from the previous section of the report.

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

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

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

Income Threshold Parameters

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

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2016 HUD Income Guidelines were used.
- (5) - 15% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 52 one and two-bedroom units. The expected occupancy of people per unit is:

1BR - 1 and 2 persons
2BR - 2 persons

Analyst Note: As long as the unit in demand is income qualified there is no minimum number of people per unit. It is assumed that the target group for the proposed elderly development (by household size) will be one and two persons. Given the intended subject targeting by age, only household sizes of 1 and 2 persons were utilized in the determination of the income ranges, by AMI.

The proposed development will target approximately 21% of the units at 50% or below of area median income (AMI), approximately 64% of the units at 60% AMI, and approximately 15% at Market.

LIHTC Segment

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

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property's intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income on rent. GA-DCA has set the estimate for elderly applications at 40%.

The proposed 1BR net rent at 50% AMI is \$340. The estimated utility costs is \$108. The proposed 1BR gross rent is \$448. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$13,440.

The proposed 2BR net rent at 50% AMI is \$390. The estimated utility costs is \$149. The proposed 2BR gross rent is \$539. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$16,170.

The proposed 1BR net rent at 60% AMI is \$340. The estimated utility costs is \$108. The proposed 1BR gross rent is \$448. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$13,440.

The proposed 2BR net rent at 60% AMI is \$390. The estimated utility costs is \$149. The proposed 2BR gross rent is \$539. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$16,170.

The maximum 50% and 60% AMI for 1 and 2 person households located within Hart County follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$17,050	\$20,460
2 Person -	\$19,500	\$23,400

Source: 2016 HUD MTSP Income Limits.

LIHTC Target Income Ranges

The overall income range for the targeting of income eligible households at 50% AMI is \$13,440 to \$19,500.

The overall income range for the targeting of income eligible households at 60% AMI is \$13,440 to \$23,400.

Market Rate Segment

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

The estimated 2BR gross rent is \$539. The 2BR lower income limit based on a rent to income ratio of 25% is established at \$25,872, adjusted to \$25,000, in order to avoid income overlap with the 60% AMI target income range.

Technically there is no upper income limit for age restricted conventional apartment developments. Sometimes, an arbitrary limit can be placed upon a proposed development, taking into consideration, project design, intended targeted use, site location and the proposed unit and development amenity package. After examining the overall subject development project parameters, the upper income limit will be capped at \$60,000.

Market Rate Target Income Range

The overall income range for the targeting of non income restricted elderly households is \$25,000 to \$60,000.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$13,440 to \$19,500.

It is projected that in 2019, approximately **11.5%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$13,440 to \$19,500.

It is projected that in 2019, approximately **17.5%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$13,440 to \$19,500.

60% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$13,440 to \$23,400.

It is projected that in 2019, approximately **15.5%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$13,440 to \$23,400.

It is projected that in 2019, approximately **22.5%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$13,440 to \$23,400.

Adjustments

In order to adjust for income overlap between the 50% and 60% AMI income segments several adjustments were made resulting in the following discrete estimates/percentages of household age 55+, within the 50% AMI, and 60% AMI income ranges. The 60% income segment estimate was held constant for renter-occupied elderly households owing to the extent of its lower bound and in order to account for overlap with the 50% AMI income target group the 50% AMI estimate was reduced.

	<u>Owner-Occupied</u>	<u>Renter-Occupied</u>
50% AMI	5.0%	7.5%
60% AMI	10.5%	15.0%

Market Rate

The overall **Target Income Range** for the proposed subject property targeting households at Market is \$25,000 to \$60,000.

It is projected that in 2019, approximately **24%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property Market Rate target income group of \$25,000 to \$60,000.

It is projected that in 2019, approximately **23%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property Market Rate target income group of \$25,000 to \$60,000.

Effective Demand Pool

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

- * net renter household formation (normal growth),
- * existing elderly renter households who are living in substandard housing,
- * existing renters who choose to move to another unit, typically based on affordability (rent overburdened), and project location, and features, and
- * current homeowners who elect to become renters, typically based on changing physical and financial circumstances and yield to the difficulty in maintaining a home.

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

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

(2) taking into consideration like-kind competition introduced into the market between 2015 and 2016.

Demand from New Elderly Renter Households (Growth)

For the PMA, forecast housing demand through household formation totals 38 elderly renter-occupied households over the 2017 to 2019 forecast period.

Based on 2019 income forecasts, 3 new elderly renter households fall into the 50% AMI target income segment of the proposed subject property, 6 into the 60% AMI target income segment, and 9 into the Market Rate target income segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2011-2015 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2011-2015 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 15 elderly renter-occupied households were defined as residing in substandard housing within the PMA. Based upon 2011-2015 American Community Survey data, 0 elderly renter-occupied households were defined as residing in substandard housing. The forecast in 2019 was for 0 elderly renter occupied households residing in substandard housing in the PMA.

Based on 2019 income forecasts, 0 substandard elderly renter households fall into the target income segment of the proposed subject property at 50% AMI, and 0 in the 60% AMI segment. This segment of the demand methodology is considered to be non applicable at Market.

Demand from Existing Renters

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

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2011-2015 American Community Survey provides the most current estimated update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2019 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to: (1) the 2008-2010 national and worldwide recession, and slow recovery period since the report of the findings in the 2011-2015 American Community Survey, and (2) the restricted income targeting of the proposed subject development.

The 2011-2015 ACS indicates that within Hart County around 62% of all households age 65 and over (owners & renters) are rent or cost overburdened. In addition, the ACS estimates that approximately 82% of all renters (regardless of age) within the \$10,000 to \$19,999 income range are rent overburdened, versus 47% in the \$20,000 to \$34,999 income range, and approximately 75% in the overall \$10,000 to \$34,000 income range.

It is estimated that approximately 82% of the elderly renters with incomes in the 50% AMI target income segment are rent overburdened, 80% of the elderly renters with incomes in the 60% AMI target income segment are rent overburdened, and 30% at Market.

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

In the PMA it is estimated that 72 existing elderly renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property, 140 are in the 60% AMI segment, and 81 in the Market Rate segment.

Elderly Homeowner Tenure Conversion

An additional source of potential tenants involves elderly householders who currently own a home, but who may switch to a rental unit. This tendency is divergent for non-elderly and elderly households, and is usually the result of changes in circumstances in the households - the financial ability to pay maintenance costs and property taxes, the physical ability to maintain a larger, detached house, or an increased need for security and proximity of neighbors. In most cases, the need is strongest among single-person households, primarily female, but is becoming more common among older couples as well. Frequently, pressure comes from the householders' family to make the decision to move.

Recent surveys of new assisted housing for the elderly have indicated that an average of 15% to 30% of a typical elderly apartment project's tenants were former homeowners. In order to remain conservative this demand factor was capped at **2.5%**.

Note: This element of the demand methodology does not allow for more than 2% of the overall demand estimate (up to this portion of the demand methodology) to be derived from owner-occupied tenure. (This is to ensure that there is no over weighting of demand from this portion of the demand methodology.)

After income segmentation, this results in 6 elderly households added to the target demand pool at 50% AMI, 12 elderly households added to the target demand pool at 60% AMI, and 28 elderly households added to the target demand pool at Market.

After adjusting for the 2% Rule, the 50% AMI segment was reduced by 4, the 60% AMI segment was reduced by 9, and the Market Rate segment was reduced by 26.

Total Effective Tenant Pool

The potential demand from these sources (in the methodology) total 77 households/units at 50% AMI. The potential demand from these sources (in the methodology) total 149 households/units at 60% AMI. The potential demand from these sources (in the methodology) total 92 households/units at Market. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA. These estimates of demand were adjusted for the introduction of new like-kind supply into the PMA since 2015. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

The final segmentation process of the demand methodology was to subtract out like-kind competition/supply in the PMA built since 2015. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/HOME elderly developments.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct, like-kind competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there are no LIHTC or Market Rate apartment developments under construction within the PMA, nor are there any in the permitted pipeline for development. Source: Mr. Dan Spivey, Planning and Zoning Director, City of Hartwell, (706) 376-4756.

A review of the 2014, 2015 and 2016 list of awards for both LIHTC & Bond applications made by the Georgia Department of Community Affairs revealed that no awards were made in Hart County LIHTC elderly new construction development.

No adjustments were made within the demand methodology in order to take into consideration new like-kind LIHTC-elderly supply.

The segmented, effective demand pool for the PMA is summarized in Tables 16A and 16B, on the following pages.

Table 16A

LIHTC Quantitative Demand Estimate: Hartwell PMA

	AMI	AMI
● <u>Demand from New Growth - Elderly Renter Households</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2019)	1,168	1,168
Less: Current Number of Households (2017)	<u>1,130</u>	<u>1,130</u>
Change in Total Renter Households	+ 38	+ 38
% of Renter Households in Target Income Range	<u>7.5%</u>	<u>15%</u>
Total Demand from New Growth	3	6
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2010)	0	0
Number of Households in Substandard Housing(2019)	0	0
% of Substandard Households in Target Income Range	<u>7.5%</u>	<u>15%</u>
Number of Income Qualified Renter Households	0	0
● <u>Demand from Existing Elderly Renter Households</u>		
Number of Renter Households (2019)	1,168	1,168
Minus Number of Substandard Renter Household	<u>- 0</u>	<u>- 0</u>
Total in Eligible Demand Pool	1,168	1,168
% of Households in Target Income Range	<u>7.5%</u>	<u>15%</u>
Number of Income Qualified Renter Households	88	175
Proportion Income Qualified (that are Rent Overburdened)	<u>82%</u>	<u>80%</u>
Total	72	140
● <u>Total Demand From Elderly Renters</u>	75	146
● <u>Demand from Existing Elderly Owner Households</u>		
Number of Owner Households (2019)	4,608	4,608
% of Households in Target Income Range	<u>5%</u>	<u>10.5%</u>
Number of Income Qualified Owner Households	230	484
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>	<u>2.5%</u>
Total	6	12
2% Rule Adjustment	<u>- 4</u>	<u>- 9</u>
Net (after adjustment)	2	3
● <u>Net Total Demand</u>	77	149
● <u>Minus New Supply of Competitive Units (2015-2016)</u>	<u>- 0</u>	<u>- 0</u>
● <u>Gross Total Demand - LIHTC Segment</u>	77	149

Table 16B

Market Quantitative Demand Estimate: Hartwell PMA

● <u>Demand from New Growth - Elderly Renter Households</u>	<u>Market</u>
Total Projected Number of Households (2019)	1,168
Less: Current Number of Households (2017)	<u>1,130</u>
Change in Total Renter Households	+ 38
% of Renter Households in Target Income Range	<u>23%</u>
Total Demand from New Growth	9
● <u>Demand from Existing Elderly Renter Households</u>	
Number of Renter Households (2019)	1,168
% of Households in Target Income Range	<u>23%</u>
Number of Income Qualified Renter Households	269
Proportion Income Qualified (that are Rent Overburdened)	<u>30%</u>
Total	81
● <u>Total Demand From Elderly Renters</u>	90
● <u>Demand from Existing Elderly Owner Households</u>	
Number of Owner Households (2019)	4,608
% of Households in Target Income Range	<u>24%</u>
Number of Income Qualified Owner Households	1,106
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>
Total	28
2% Rule Adjustment	<u>- 26</u>
Net (after adjustment)	2
● <u>Net Total Demand</u>	92
● <u>Minus New Supply of Competitive Units (2015-2016)</u>	<u>- 0</u>
● <u>Gross Total Demand - Market Rate</u>	92

Table 16 - Converted w/in GA-DCA Required Table					
	HH @30% AMI xx,xxx to xx,xxx	HH @50% AMI \$13,440 to \$19,500	HH@ 60% AMI \$13,440 to \$23,400	HH @ Market \$25,000 to \$50,000	All LIHTC Households
Demand from New Households (age & income appropriate)		3	6	9	9
Plus					
Demand from Existing Renter Households - Substandard Housing		0	0	0	0
Plus					
Demand from Existing Renter Households - Rent Overburdened households		72	140	81	212
Sub Total		75	146	90	221
Demand from Existing Households - Elderly Homeowner Turnover (limited to 2%)		2	3	2	5
Equals Total Demand		77	149	92	226
Less					
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the project market between 2015 and the present		0	0	0	0
Equals Net Demand		77	149	69*	226

*When adjusted for the proposed subject BR Mix at Market the estimate is reduced to 37 further into the demand and capture rate analysis.

Capture Rate Analysis

LIHTC Segment

After adjusting for new like kind supply, the total number of LIHTC Income Qualified Households = 226. For the subject 44 LIHTC units this equates to an overall LIHTC Capture Rate of **19.5%**.

● <u>Capture Rate</u> (44 unit subject, by AMI)	50%	60%
	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	11	33
Number of Income Qualified Households	77	149
Required Capture Rate	14.3%	22.2%

Market Rate Segment

After adjusting for new like kind supply, the total number of Market Rate Income Qualified Households = 92. For the subject 8 Market Rate units this equates to an overall Market Capture Rate of **8.7%**.

● <u>Capture Rate</u> @ Market	<u>Market</u>
Number of Units in Subject Development	8
Number of Income Qualified Households	92
Required Capture Rate	8.7%

Adjusted for the Market Rate bedroom mix (2BR only) results in the following overall Market Capture Rate of **11.6%**.

● <u>Capture Rate</u> @ Market	<u>Market</u>
Number of Units in Subject Development	8
Number of Income Qualified Households	69
Required Capture Rate	11.6%

● Total Demand by Bedroom Mix

Approximately 38% of the 55 and over population in the PMA is in the 55 to 64 age group. Also, of the PMA population that comprises 1 and 2 person households (both owners and renters), approximately 44% are 1 person and 56% are 2 person (see Table 8). In addition, the size of the households age 55+ in the 2010 to 2022 forecast period is estimated to have stabilized at around 1.61 between 2010 and 2022, well over a 1.5 ratio. Finally, the Applicant has experience in offering a product at a very affordable net rent, with large size units that make the proposed 2BR units very attractive to the market. All these factors in turn suggests additional demand support for 2BR units.

Based on these data it is assumed that 25% of the target group will demand a 1BR unit and 75% a 2BR unit.

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

Total Demand by Bedroom Type (at 50% AMI)

1BR - 19
2BR - 58
Total - 77

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	19	0	19	7	36.8%
2BR	58	0	58	4	6.9%

Total Demand by Bedroom Type (at 60% AMI)

1BR - 37
2BR - 112
Total - 149

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	37	0	37	1	2.7%
2BR	112	0	112	32	28.6%

Total Demand by Bedroom Type (at Market)

1BR - 23
2BR - 69
Total - 92

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	23	0	23	0	Na
2BR	69	0	69	8	11.6%

Capture Rate Analysis Chart

Income Targeting	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Abspt
30% AMI							
1BR							
2BR							
3BR							
4BR							
50% AMI							
1BR	\$13,440-\$17,050	7	19	0	19	36.8%	2 mos.
2BR	\$16,170-\$19,500	4	58	0	58	6.9%	1 mo.
3BR							
4BR							
60% AMI							
1BR	\$13,440-\$20,460	1	37	0	37	2.7%	1 mo.
2BR	\$16,170-\$23,400	32	112	0	112	28.6%	6 mos.
3BR							
4BR							
Market Rate							
1BR							
2BR	\$25,000-\$60,000	8	69	0	69	11.6%	2 mos.
3BR							
4BR							
Total 30%							
Total 50%	\$13,440-\$19,500	11	77	0	77	14.3%	2 mos.
Total 60%	\$13,440-\$23,400	33	149	0	149	22.2%	6 mos.
Total LIHTC	\$13,440-\$23,400	44	226	0	226	19.5%	6 mos.
Total Market	\$25,000-\$60,000	8	69	0	69	11.6%	2 mos.

- Penetration Rate:

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

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

Overall Impact to the Rental Market

In the opinion of the market analyst, the proposed LIHTC family development **will not negatively impact** the existing supply of program assisted LIHTC elderly properties located within the Hartwell PMA in the short or long term. At the time of the survey, the existing USDA-RD developments located within the area competitive environment were on average 97% occupied, and three of the four properties maintain a waiting list, ranging in size of between 1 and 14 applications.

The nearest LIHTC elderly property to the proposed subject site is Juniper Court which opened in 2009. At the time of the survey, the 52-unit development was 100% occupied and had 84 applicants on the waiting list. Management reported that the development was 100% occupied within 5-months of opening.

Some relocation of elderly tenants in the area program assisted properties could occur in any of the properties, particularly those properties absent deep subsidy rental assistance (RA) support. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

SECTION H
COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS

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

Part I of the survey focused upon the existing program assisted family properties within the PMA.

Part II consisted of a sample survey of conventional apartment properties in the competitive environment. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Hartwell apartment market is representative of a semi-urban apartment market, greatly influenced by a much larger, surrounding rural hinterland. The Hartwell apartment market does not have any traditional market rate properties of size. The local market does contain one LIHTC elderly property, several small USDA-RD properties, and a public housing authority. Outside of Hartwell the rental market is primarily composed of single-family homes and single-wide trailers for rent. Owing to the fact that Hartwell lacks a sizable number of non subsidized / market rate properties the sample set included market rate properties located approximately 20 miles northeast of Hartwell in Anderson, South Carolina.

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

Part I - Survey of the Program Assisted Apartment Market

Five program assisted family properties, as well as the Hartwell Housing Authority representing 334 units were surveyed in the subject's competitive environment, in detail. One of the program assisted properties is LIHTC (elderly). Four properties are USDA-RD (1 elderly and 3 family). Several key findings in the local program assisted apartment market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was less than 2%, at 1.5%.
- * At the time of the survey, the overall vacancy rate of the four USDA-RD properties was 2.8%. Three of the four USDA properties maintain a waiting list.
- * The bedroom mix of the surveyed program assisted properties is 51.5% 1BR, 35.5% 2BR and 13% 3BR.
- * The Hartwell PMA has one LIHTC development within its physical geography. At the time of the survey, Juniper Court, a 52-unit LIHTC elderly development was 100% occupied and had 84 applicants on the waiting list, of which 54 were for market rate units.

Part II - Sample Survey of Market Rate Apartments

Eight market rate properties, representing 1,436 units were surveyed in the subject's competitive environment, in detail. Owing to the lack of traditional market rate apartment properties within the Hartwell PMA, all of the surveyed market rate properties are located in Anderson, SC, which is approximately 20 northeast of Hartwell. Several key findings within the competitive apartment market environment include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties targeting the general population was 1%.

* The typical occupancy rates reported for most of the surveyed properties ranges between the mid 90's to high 90's.

* The bedroom mix of the surveyed market rate properties was 22% 1BR, 63% 2BR, and 15% 3BR.

* A survey of the conventional apartment market exhibited the following average, median and range of net rents, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$803	\$805	\$555-\$1388
2BR/1b & 1.5b	\$724	\$709	\$645-\$759
2BR/2b	\$958	\$905	\$685-\$1486
3BR/2b	\$1129	\$958	\$805-\$1983

Source: Koontz & Salinger. May, 2017

* One of the eight surveyed market rate properties includes water, sewer and trash removal within the net rent. One of the surveyed properties only includes trash removal, and six properties include nothing within the net rent.

* Security deposits range between \$100 and \$200, or were based upon one or two month's rent.

* None of the surveyed market rate properties are presently offering rent concessions.

* Two of the surveyed market rate properties were built in the 1970's, two in the 90's, and four in the 2000's.

* A survey of the conventional apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Unit Size			
BR/Size	Average	Median	Range
1BR/1b	718	802	500-853
2BR/1b & 1.5b	965	946	900-1000
2BR/2b	1050	1056	870-1181
3BR/2b	1312	1255	1100-1450

Source: Koontz & Salinger. May, 2017

* In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, by floor plan, in comparison with the existing market rate properties. The proposed subject 1BR heated square footage is approximately 8% greater than the 1BR market average unit size. The proposed subject 2BR/2b heated square footage is approximately 6% greater than the 2BR market average unit size.

Section 8 Vouchers

The Section 8 voucher program for Hart County is managed by the Georgia Department of Community Affairs, Atlanta Office. At the time of the survey, the Georgia State Office stated that 16 vouchers held by elderly households were under contract within Hart County. In addition, it was reported that presently there are 25 elderly applicants on the waiting list. The waiting list is presently closed. Source: Mr. Anton Shaw, Director of Policy and Administration, GA-DCA, Atlanta Office, (404) 982-3569, April 6, 2017.

Most Comparable Property

* The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Ashton Park	Ashton Park	
Hamptons	Hamptons	
Shadow Creek	Shadow Creek	
Tanglewood	Tanglewood	
Walden Oaks	Walden Oaks	
Wexford	Wexford	

Source: Koontz & Salinger. May, 2017

* The most direct like-kind comparable surveyed property to the proposed subject development in terms of age and income targeting is the existing LIHTC-elderly property in Hartwell, Juniper Court.

* In terms of market rents, and subject rent advantage, the most comparable properties, comprise six of the surveyed market rate properties located in Anderson, SC. Since these properties are located outside of the Hartwell PMA a distance value adjustment was applied within the rent reconciliation process.

Fair Market Rents

The 2017 Fair Market Rents for Hart County, GA are as follows:

Efficiency = \$ 445
1 BR Unit = \$ 448
2 BR Unit = \$ 596
3 BR Unit = \$ 746
4 BR Unit = \$ 822

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

Source: www.huduser.org

Note: The proposed subject property LIHTC one and two-bedroom gross rents are set below the maximum Fair Market Rent for a one and two-bedroom unit at 50% and 60% AMI. Thus, the subject property LIHTC 1BR and 2BR units at 50% and 60% AMI will be readily marketable to Section 8 voucher holders in Hart County.

Housing Voids

Based upon the sizable waiting list (at the time of the survey) at the existing LIHTC elderly property located within Hartwell, Juniper Court, it is evident that an existing and on-going housing void remains in the market for an additional supply for affordable, professionally managed, apartment housing targeting the low to moderate income elderly population in the PMA. Of the 84-applicants on the Juniper Court waiting list, 30 are for affordable units and 54 are for non income restricted market rate units.

Change in Average Rents

Between May 2015 and April 2017, the competitive environment for traditional conventional apartments exhibited the following change in average net rents, by bedroom type:

	<u>2015</u>	<u>2017</u>	<u>% Change</u>	<u>Annual</u> (approx.)
1BR/1b	\$683	\$803	+ 17.5%	+8.43%
2BR/1b & 1.5b	\$650	\$724	+ 11.4%	+5.54%
2BR/2b	\$812	\$958	+ 18.0%	+8.62%
3BR/2b	\$943	\$1129	+ 19.7%	+9.42%

Table 17 exhibits building permit data between 2000 and 2016. The permit data is for Hart County (including Hartwell).

Between 2000 and 2016, 1,578 permits were issued in Hart County, of which 153, or approximately 10% were multi-family units.

Table 17			
New Housing Units Permitted: Hart County, 2000-2016¹			
Year	Net Total²	Single-Family Units	Multi-Family Units
2000	15	7	8
2001	11	11	--
2002	12	12	--
2003	140	140	--
2004	165	165	--
2005	238	232	6
2006	229	212	17
2007	182	174	8
2008	209	186	104
2009	35	35	--
2010	29	29	--
2011	33	33	--
2012	29	29	--
2013	34	34	--
2014	35	31	4
2015	38	38	--
2016	63	57	6
Total	1,578	1,415	153

¹Source: SOCDS Building Permits Database.

²Net total equals new SF and MF dwellings units.

Table 18, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed program assisted apartment properties in the Hartwell competitive environment.

Table 18											
SURVEY OF HARTWELL PMA APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	52	8	44	--	Na	\$340	\$390	--	775	1114	--
LIHTC-EL											
Juniper Court	52	24	28	--	0	\$372- \$415	\$400- \$420	--	762	1060	--
USDA-RD											
E Orchard I	24	24	--	--	1	\$415	--	--	680	--	--
East Orchard II	24	6	16	2	2	\$415	\$480	\$500	665	816- 940	962
Woodlake	30	12	18	--	0	\$355	\$390	--	596	833	--
Woodlake II	30	18	12	--	0	\$360	\$375- \$550	--	681	850- 938	--
Sub Total	108	60	46	2	3						
PHA											
Hartwell PHA	174	88	44	42	2	\$298	\$351	\$400- \$493	534	700	918- 1092
Total*	334	172	118	44	5						

* - Excludes the subject property

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

PHA rents are Flat Rents

Comparable properties highlighted in red.

Source: Koontz and Salinger. May, 2017.

Table 19 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed market rate apartment properties within the competitive environment.

Table 19											
SURVEY OF MARKET RATE COMPETITIVE SUPPLY											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	52	8	44	--	Na	\$340	\$390	--	775	1114	--
Ashton Park	216	54	108	54	6	\$920- \$930	\$1030	\$1300	850	1100	1450
Hamptons	184	44	109	31	0	\$645- \$700	\$710- \$775	\$845- \$865	680- 820	870- 1000	1434
Park Place	165	63	78	24	0	\$555	\$645- \$685	\$805	500	900- 950	1100
Raintree	176	36	116	24	0	\$649- \$737	\$709- \$759	\$839- \$879	737- 850	946- 1000	1200- 1300
Shadow Creek	192	36	132	24	0	\$823- \$943	\$917- \$1037	\$1080 \$1200	804	1098	1224
Tanglewood	168	40	112	16	2	\$743	\$768- \$793	\$928- \$958	615	925	1150
Walden Oaks	240	40	170	30	3	1045 1383	\$1029 \$1486	\$1413 \$1983	805	1097	1277
Wexford	95	7	80	8	3	\$805	\$905	\$1015	802	1056- 1156	1255
Total*	1,436	320	905	211	14						

* - Excludes the subject property

Comparable properties highlighted in red.

Source: Koontz and Salinger. May, 2017.

Table 20, exhibits the key amenities of the subject and the surveyed program assisted apartment properties. Overall, the subject is competitive to very competitive with all of the existing program assisted apartment properties in the market regarding the unit and development amenity package.

Table 20													
SURVEY OF HARTWELL PMA APARTMENT COMPLEXES UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
LIHTC-EL													
Juniper Court	x	x			x	x	x	x	x	x	x	x	x
USDA-RD													
E Orchard	x							x	x	x	x	x	
E Orchard II	x				x			x	x	x	x		
Woodlake					x			x	x	x	x		x
Woodlake II					x			x	x	x	x		x
PHA													
Hartwell PHA								x	x				

Source: Koontz and Salinger. May, 2017.

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Table 21, exhibits the key amenities of the subject and the surveyed conventional apartment properties.

Table 21													
SURVEY OF CONVENTIONAL COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Ashton Park	x	x	x		x	x	x	x	x	x	x	x	x
Hamptons	x	x	x		x	x	x	x	x	x	x	x	x
Park Place	x	x	x		x	x		x	x	x	x	x	x
Raintree	x	x	x		x	x		x	x	x	x		x
Shadow Creek	x	x	x		x	x	x	x	x	x	x		x
Tanglewood	x	x	x		x	x	x	x	x	x	x	x	x
Walden Oaks	x	x	x		x	x	x	x	x	x	x	x	x
Wexford	x	x	x		x	x	s	x	x	x	x	x	x

Source: Koontz and Salinger. May, 2017.

Key: A - On-Site Mgmt Office B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

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

A map showing the location of the program assisted properties in the Hartwell PMA is provided on page 99. A map showing the location of the surveyed Market Rate properties located within the competitive environment is provided on page 100. A map showing the location of the surveyed Comparable properties located within the competitive environment is provided on page 101.

Survey of Program Assisted Properties

1. Juniper Court Apartments, 283 Nancy Dr (706) 376-2589

Contact: Ms Casey Martin (4/8/17)
Tower Management

Type: LIHTC EL (50%&60% AMI & Market Rate)

Date Built: 2009

Condition: Excellent

Contact Type: Telephone interview

<u>Unit Type</u>	<u>50% 60% Number</u>		<u>Mrk</u>	<u>50% 60% Rent</u>		<u>Mrk</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	9	5	10	\$372	\$382-\$400	\$415	762	0
2BR/2b	12	10	6	\$400	\$400-\$415	\$420	1060	0
Total	21	15	16					0

Typical Occupancy Rate: 99%-100%

Waiting List: Yes (84; 54=MR)

Security Deposit: 1 month rent

Concessions: No

Utilities Included: trash

Turnover: "low"

Amenities - Unit

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

Amenities - Project

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

Design: Two story w/elevator

Remarks: 0 existing tenants have Section 8 vouchers; most of the existing tenants came from Hart County; 100% occupied within 5 months; no negative impact is expected; "need for more"



2. East Orchard I Apartments, 110 Nancy Drive (706) 376-4347

Contact: Lola Bredlin, Tishco Mgmt (4/8/17)
Date Built: 1991

Type: USDA-RD el
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	24	\$415	\$620	680	1
Total	24				1

Typical Occupancy Rate: 95%+ **Waiting List:** Yes (1)
Security Deposit: 1 month basic rent **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** very low

Amenities - Unit

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

Amenities - Project

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

Design: 1 story

Remarks: 23 units have RA; most tenants are from Hartwell and Hart County; 1BR allowance is \$107; age targeting is 62+; expects no negative impact; the 1 vacant unit will be filled within 2-weeks



3. East Orchard II Apartments, 750 Nancy Drive (706) 376-4347

Contact: Lola Bredlin, Tishco Mgmt (4/8/17)
Date Built: 1990

Type: USDA-RD e1
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	6	\$415	\$620	665	0
2BR/1b	16	\$480	\$650	816-940	2
3BR/2b	2	\$500	\$667	962	0
Total	24				2

Typical Occupancy Rate: low 90's
Security Deposit: 1 month basic rent
Utilities Included: trash removal

Waiting List: No
Concessions: No
Turnover: "low"

Amenities - Unit

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

Amenities - Project

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

Design: 1-story and townhouse

Remarks: 9-units have RA; 1 3BR-unit is set aside for manager and is non revenue; utility allowance is 1BR \$97; 2BR \$131; 3BR \$186; expects no negative impact



4. Woodlake I Apartments, 111 Wood Lake Dr (706) 376-4862 or
 (706) 546-2471

Contact: Ms Kim, Mgr (4/4/17)
Date Built: 1984

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	12	\$355	\$505	596	0
2BR/1b	18	\$390	\$560	833	0
Total	30				0

Typical Occupancy Rate: 100%
Security Deposit: 1 month basic rent
Utilities Included: None

Waiting List: Yes (14)
Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

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

Design: 1-story

Remarks: 12-units have RA; 0 Section 8 vouchers; 1BR allowance is \$117;
 2BR allowance is \$160; expects no long term negative impact



5. Woodlake II Apartments, 700 Reed Creek Rd (706) 376-4862 or
 (706) 546-2471

Contact: Ms Kim, Mgr (4/4/17)
Date Built: 1987

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	18	\$360	\$510	681	0
2BR/1b	12	\$375-\$550	\$525-\$550	850-938	0
Total	30				0

Typical Occupancy Rate: 99%-100%
Security Deposit: 1 month rent
Utilities Included: None

Waiting List: Yes (14)
Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

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

Design: 1-story & townhouse

Remarks: 0-units have RA; 1 Section 8 voucher; 1BR allowance is \$117;
 2BR allowance is \$169; expects no long term negative impact



6. Hartwell Housing Authority, scattered sites (706) 376-3153

Contact: Ms Katina (4/3/17)
Date Built: 1952-1984

Type: PHA
Condition: Good to Fair

<u>Unit Type</u>	<u>Number</u>	<u>Flat Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	88	\$298	\$37	534	2
2BR/1b	44	\$351	\$39	700	0
3BR/1b	35	\$440	\$40	918	0
4BR/1b	7	\$493	\$43	1092	0
Total	174				2

Typical Occupancy Rate: 99% **Waiting List:** Yes (10-12)
Security Deposit: \$100 **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 1-story



Survey of the Competitive Environment: Market Rate

1. Ashton Park Apartments, 50 Braeburn Dr (864) 222-6735

Contact: Austin, Manager (4/3/17)
Date Built: 2005

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	54	\$920-\$930	850	\$1.08-\$1.09	0
2BR/2b	108	\$1030	1100	\$.94	3
3BR/2b	54	\$1300	1450	\$.90	3
Total	216				6

Typical Occupancy Rate: 95%-96%
Security Deposit: \$200
Utilities Included: None

Waiting List: No
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes
Fitness Center	Yes	Business Center	Yes

Design: three story walk-up

Remarks: rents based on Yieldstar system



2. Hamptons Apartments, 100 Hudson Circle

(864) 224-6811

Contact: Kelly, Manager (4/3/17)
Date Built: 2003

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	44	\$645-\$700	680-820	\$.85-\$.95	0
2BR/2b	109	\$710-\$775	870-1000	\$.78-\$.82	0
3BR/2b	31	\$845-\$865	1434	\$.59-\$.60	0
Total	184				0

Typical Occupancy Rate: 95%+
Security Deposit: \$100
Utilities Included: trash

Waiting List: No
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	No
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes

Design: three story walk-up;

Remarks: security gate; movie theater, car care center; security deposit is waived with good credit



3. Park Place Apartments, 153 Civic Center Blvd (864) 222-2333

Contact: Melissa, Mgr (4/3/17)
Date Built: 1996

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	63	\$555	500	\$1.11	0
2BR/1b	30	\$645	900	\$0.72	0
2BR/2b	48	\$685	950	\$0.72	0
3BR/2b	24	\$805	1100	\$0.73	0
Total	165				0

Typical Occupancy Rate: 99%
Security Deposit: up to 2 months rent
Utilities Included: None

Waiting List: Yes ("as needed")
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes

Design: three story walk-up

Remarks:



4. Raintree Apartments, 2420 Marchbanks Ave (864) 224-2859

Contact: Ms Lori, Mgr (4/4/17)
Date Built: 1972

Type: Conventional
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	36	\$649-\$737	737-850	\$.87-\$.77	0
2BR/1b	40	\$709	946	\$.75	0
2BR/1.5b	76	\$759	1000	\$.76	0
3BR/2b	24	\$839-\$879	1200-1300	\$.68-\$.70	0
Total	176				0

Typical Occupancy Rate: 98%-99%
Security Deposit: \$200 or 1 month rent
Utilities Included: trash

Waiting List: Yes
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	No
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes

Design: two story walk-up

Remarks: water/sewer fee: 1BR-\$30, 2BR-\$40, 3BR-\$50



5. Shadow Creek Apartments, 100 Shadow Creek Ln (864) 224-8803

Contact: Gayle, Mgr (4/3/17)
Date Built: 1999

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
1BR/1b	36	\$823-\$943	804	\$1.02-\$1.17	0
2BR/2b	132	\$917-\$1037	1098	\$0.84-\$0.94	0
3BR/2b	24	\$1080-\$1200	1224	\$0.90-\$0.98	0
Total	192				0

Typical Occupancy Rate: mid to high 90's **Waiting List:** Yes
Security Deposit: \$100 **Concessions:** No
Utilities Included: None

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes

Design: three story walk-up

Remarks: with approved credit there is no security deposit



6. Tanglewood Apartments, 2418 Marchbanks Ave (864) 226-5254

Contact: Thad, Manager (4/3/17)
Date Built: 1976; rehab 2000

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	40	\$743	615	\$1.21	0
2BR/2b	112	\$768-\$793	925	\$0.83-\$0.86	1
3BR/2b	16	\$928-\$958	1150	\$0.81-\$0.83	1
Total	168				2

Typical Occupancy Rate: 95%+
Security Deposit: \$200
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	Yes	Recreation Area	Yes

Design: two story walk-up

Remarks: no Section 8 voucher holders; rent based upon LRO system



7. Walden Oaks Apartments, 103 Allison Circle (864) 225-1009

Contact: Ms Erin, Mgr (4/4/17)
Date Built: 2007

Type: Conventional
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	40	\$1045-\$1388	805	\$1.30-\$1.72	0
2BR/2b	170	\$1029-\$1486	1097-1181	\$0.94-\$1.26	3
3BR/2b	30	\$1413-\$1983	1277-1386	\$1.11-\$1.43	0
Total	240				3

Typical Occupancy Rate: high 90's
Security Deposit: \$100
Utilities Included: None

Waiting List: No
Concessions: No

Amenities - Unit

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

Amenities - Project

On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Business Room	Yes	Recreation Area	Yes
Fitness Center	Yes	Storage	Yes

Design: three story walk-up; controlled access; detached garages - \$120

Remarks: rent based upon Yieldstar system



8. Wexford Condominiums, 100 Wexford Dr

(864) 224-8300

Contact: Ms Rhonda, Mgr (4/4/17)
Date Built: 1998

Type: Conventional
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	12 7	\$805	802	\$1.00	1
2BR/2b	107 72	\$905	1056-1156	\$.78-\$.82	2
3BR/2b	14 8	\$1015	1255	\$0.81	0
Total	220				3

*132 or 60% are owner-occupied condos; 88 or 40% are leased

Typical Occupancy Rate: high 90's
Security Deposit: 1 month rent
Utilities Included: None

Waiting List: No
Concessions: No

Amenities - Unit

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

Amenities - Project

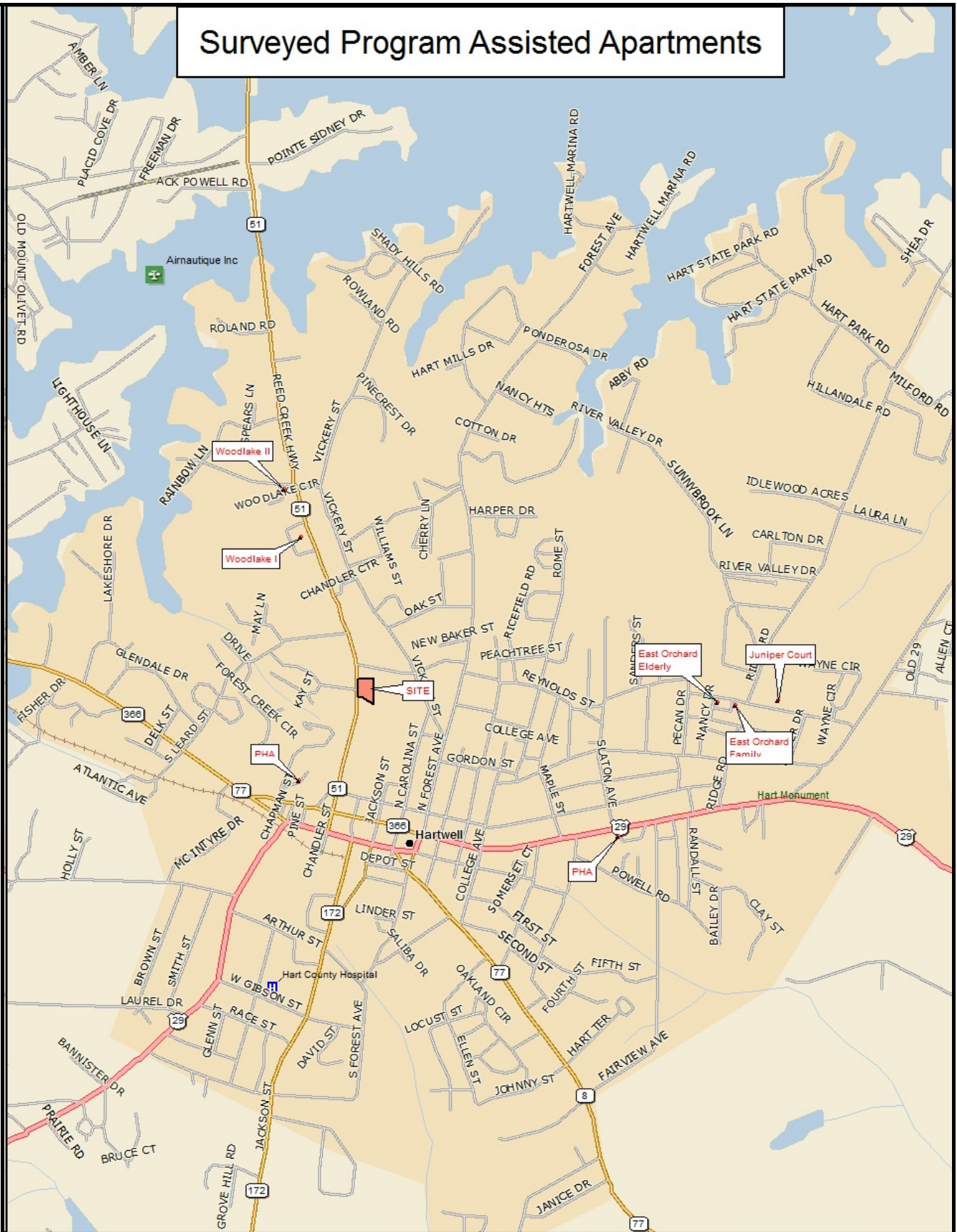
On-Site Mgmt	Yes	Clubhouse	Yes
Laundry Room	Yes	Pool	Yes
Tennis Court	No	Recreation Area	Yes

Design: three story walk-up

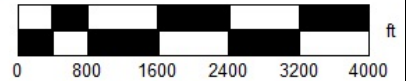
Remarks: \$100 premium for a detached garage; business center



Surveyed Program Assisted Apartments

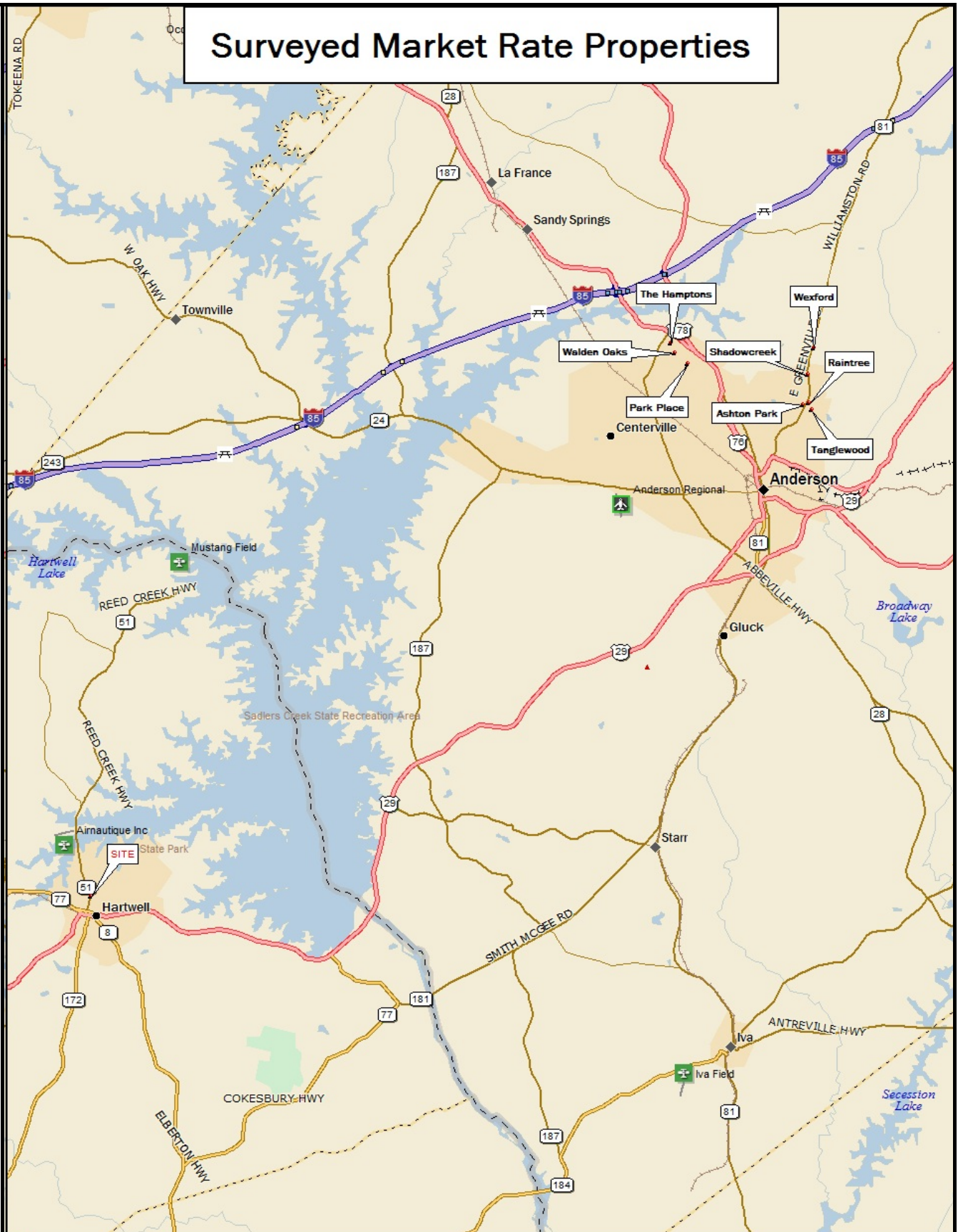


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Data Zoom 13-0

Surveyed Market Rate Properties



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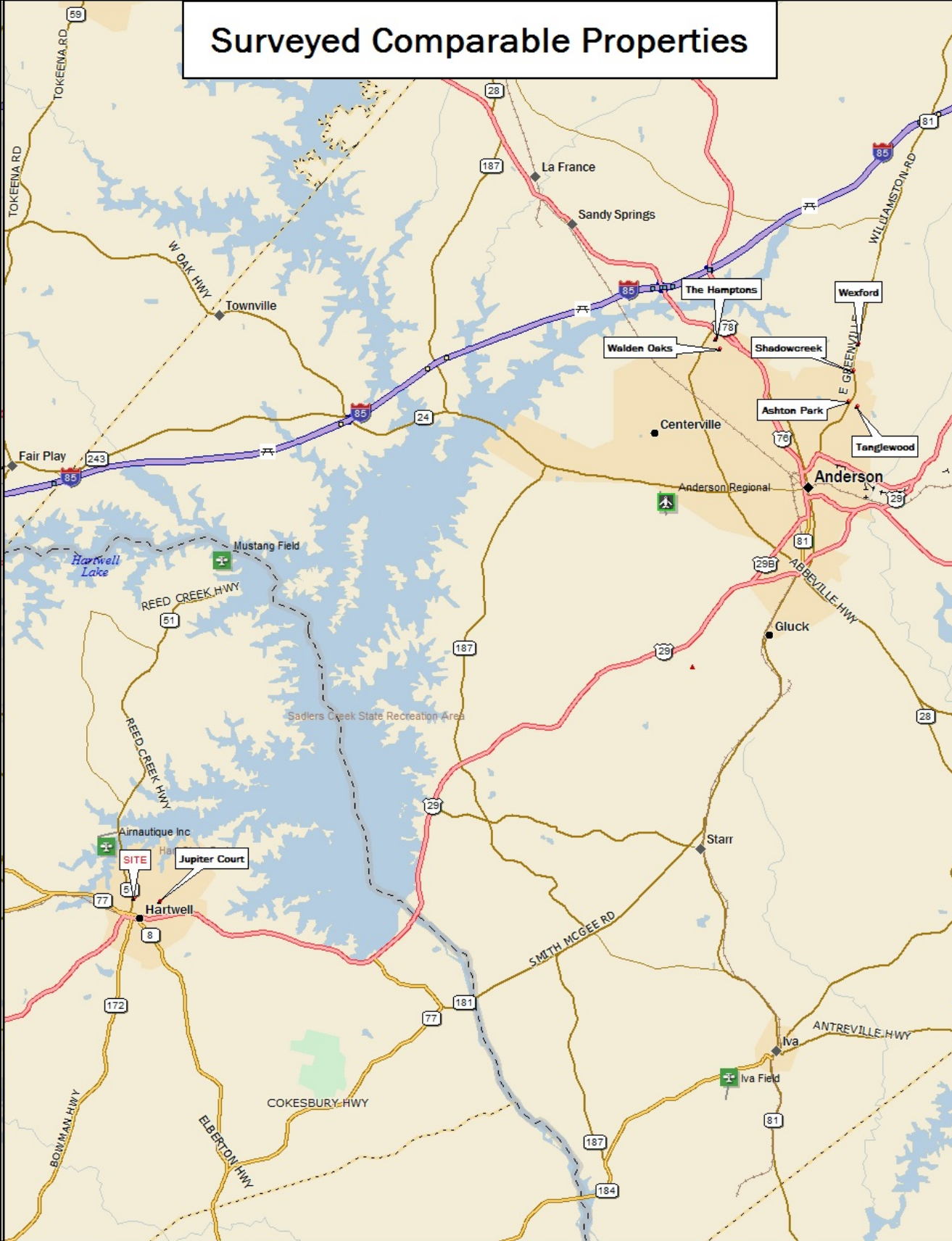


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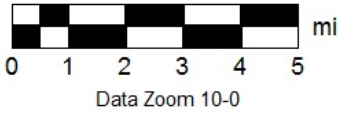
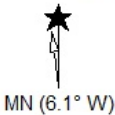


Data Zoom 10-0

Surveyed Comparable Properties



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SECTION I
ABSORPTION &
STABILIZATION RATES

Given the strength of the demand estimated in Table 14, the most likely/best case scenario for 93% to 100% rent-up is estimated to be within 6 months (at 9-units per month on average).

The rent-up period estimate is based upon the recently built LIHTC elderly development located within

Hartwell, GA:

Juniper Court (2009)	52-units	5-months to attain 100% occupancy
-------------------------	----------	-----------------------------------

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

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

NCHMA Definitions

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

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

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

SECTION J
INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process. In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site

location, project size, bedroom mix, income targeting and net rents. The following observations/comments were made:

(1) - Mr. Dan Spivey, Planning and Zoning Director for the City of Hartwell, reported that no current infrastructure development was ongoing within the vicinity of the subject site, nor was any planned in the near future. In addition, he reported on the status of current and upcoming permitted apartment development within Hartwell. Contact Number: (706) 376-4756.

(2) - Mr Anton Shaw, of the Atlanta GA-DCA Office made available the number of Section 8 Housing Choice Vouchers being used within Hartwell County. In addition, it was stated that the current waiting list for a Section 8 Housing Choice Voucher is closed, partly due to demand being significantly greater than supply, and budgetary constraints. At the time of the market study, 25 elderly applicants were on the Hartwell County waiting list. Contact Number: (404) 982-3569.

(3) - Ms. Lola Bredlin, the manager of the East Orchard I and II Apartments was interviewed. She stated that no negative impact is expected should the proposed development be built in Hartwell. At the time of the survey, the combined East Orchard I and II properties were 94% occupied. One of the two properties maintains a waiting list. Contact Number: (706)376-4347, and (770) 267-1413.

(4) - Ms. Kim, the manager of the Woodlake I and II Apartments was interviewed. She stated that at the time of the survey, both Woodlake I and II were 100% occupied and both maintain a waiting list. In addition, it was stated that no negative impact is expected should the proposed development be built in Hartwell. Contact Number: (706)376-4862, and (706) 546-2471.

(5) - Ms. Casey Martin, the manager of the Jupiter Court (LIHTC Elderly) Apartments was interviewed. She stated that at the time of the survey, Jupiter Court was 100% occupied and had 84-applicants on the waiting list, of which 30 were for an available LIHTC unit and 54 were for an available Market Rate unit. In addition, it was stated that no negative impact is expected should the proposed development be built in Hartwell. Contact Number: (706)376-3589.

(6) - Mr. David Aldrich, City Manager, City of Hartwell was interviewed. He stated that the city was for the proposed development, and that a need exists for additional affordable elderly housing in the city and county. In addition, it was stated that the city had a very favorable opinion of developer and management company (of the subject development), primarily based on the success of Jupiter Court ." Contact Number: (706) 376-4756.

SECTION K

CONCLUSIONS &
RECOMMENDATION

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that the Chandler Trace Apartments (a proposed LIHTC property) targeting the elderly population, age 55 and over, should proceed forward with the development process.

Detailed Support of Recommendation

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC elderly development of 52-units. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable, and within the GA-DCA threshold limits.**

2. The current LIHTC and USDA-RD program assisted apartment market is **not** representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was less than 2%, at 1.5%. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties located within the competitive environment was 1%.

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

4. Bedroom Mix - The subject will offer 1BR and 2BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. Both typical elderly household sizes will be targeted, i.e., a single person household and a couple. The bedroom mix of the most recent LIHTC elderly property in Hartwell (Juniper Court) offers a mixture of both 1BR and 2BR units. Both bedroom types were very well received by the local market in terms of demand and absorption.

5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 50% and 60% AMI. Market rent advantage is greater than 40% in all AMI segments, and by bedroom type. The table on page 106, exhibits the rent reconciliation of the proposed LIHTC property, by bedroom type, and income targeting, with comparable properties within the competitive environment.

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

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

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

9. The proposed LIHTC family development will not negatively impact the existing supply of program assisted LIHTC elderly properties located within the Hartwell PMA in the short or long term. At the time of the survey, the existing USDA-RD developments located within the area competitive environment were on average 97% occupied, and three of the four properties maintain a waiting list, ranging in size of between 1 and 14 applications. The nearest LIHTC elderly property to the proposed subject site is Juniper Court which opened in 2009. At the time of the survey, the 52-unit development was 100% occupied and had 84 applicants on the waiting list. Management reported that the development was 100% occupied within 5-months of opening.

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

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

Market Rent Advantage

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

Percent Advantage:

	<u>50% AMI</u>	<u>60% AMI</u>
1BR/1b:	51%	51%
2BR/2b:	48%	48%
Overall:	49%	

Rent Reconciliation				
50% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$340	\$390	---	---
Estimated Market net rents	\$690	\$755	---	---
Rent Advantage (\$)	+\$350	+\$365	---	---
Rent Advantage (%)	51%	48%	---	---
60% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$340	\$390	---	---
Estimated Market net rents	\$690	\$750	---	---
Rent Advantage (\$)	+\$350	+\$365	---	---
Rent Advantage (%)	51%	48%	---	---

Source: Koontz & Salinger. May, 2017

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that the Chandler Trace Apartments (a proposed LIHTC new construction elderly development) proceed forward with the development process.

Negative Impact

The proposed LIHTC family development **will not negatively impact** the existing supply of program assisted LIHTC elderly properties located within the Hartwell PMA in the short or long term. At the time of the survey, the existing USDA-RD developments located within the area competitive environment were on average 97% occupied, and three of the four properties maintain a waiting list, ranging in size of between 1 and 14 applications.

The nearest LIHTC elderly property to the proposed subject site is Juniper Court which opened in 2009. At the time of the survey, the 52-unit development was 100% occupied and had 84 applicants on the waiting list. Management reported that the development was 100% occupied within 5-months of opening.

Some relocation of tenants in the area program assisted family properties could occur. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

Achievable Restricted (LIHTC) Rent

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

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

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

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

Mitigating Risks

The subject development is very well positioned to be successful in the market place, in particular, when taking into consideration the current rent advantage positioning. It will offer a product that will be very competitive regarding project design, amenity package and professional management. The major unknown mitigating risk to the development process will be demand support from income eligible homeowners. Future economic market conditions in 2017 and 2018 will have an impact on the home buying and selling market environment in Hartwell and Hart County.

Recent economic indicators in 2016 and thus far in 2017 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a moderate pace in 2017. However, the operative word in forecasting the economic outlook in Hart County, the State, the Nation, and the Globe, at present is "uncertainty". At present, the Hartwell/Hart County local economic conditions are considered to be operating within a more positive and certain state compared to the recent past, with recent continuing signs of optimism.

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

Rent Reconciliation Process

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

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

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

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

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,
- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,
- an adjustment was made for the floor/level of the unit in the building; this adjustment is consider to be appropriate for elderly apartment properties in order to take into consideration 1 story structures and elevator status, versus walk-up properties,
- no "time adjustment" was made; all of the comparable properties were surveyed in April, 2017,
- a "distance or neighborhood adjustment" was made; owing to the fact that comparisons are being made between properties located in Anderson, SC to the subject in Hartwell,
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,
- no specific adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout, however, the floor level does incorporate some project design factors,

- an adjustment was made for the age of the property; this adjustment was made on a conservative basis in order to take into consideration the adjustment for condition of the property,
- no adjustment was made - Number of Rooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size),
- no adjustment was made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),
- no adjustment was made for storage,
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject excludes water and sewer in the net rent and includes trash removal. One of the comparable properties include cold water, and sewer within the net rent. Several include trash removal. An adjustment will be made for water, sewer, and trash removal.

ADJUSTMENT ANALYSIS

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

Adjustments:

- Concessions: None of the six comparable market rate properties offers a concession.
- Structure/Floors: A \$10 net adjustment is made for 2 and 3-story structures versus the subject, based upon the difference of the availability of an elevator.
- Year Built: The age adjustment factor utilized is: a \$.50 adjustment per year differential between the subject and the comparable property. Note: Many market analyst's use an adjustment factor of \$.75 to \$1.00 per year. However, in order to remain conservative and allow for overlap when accounting for the adjustments to condition and location, the year built adjustment was kept constant at \$.50.
- Square Feet (SF) Area: In order to allow for differences in amenity package, and the balcony/patio adjustment, the overall SF adjustment factor used is .05 per sf per month, for each bedroom type.

- Number of Baths: No adjustment was made for the number of bathrooms. All properties were comparable in terms of bedroom/ bathroom mix.
- Balcony/Terrace/Patio: The subject will offer a traditional balcony/patio, with an attached storage closet. The balcony/patio adjustment is based on an examination of the market rate comps. The balcony/patio adjustment resulted in a \$5 value for the balcony/patio.
- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$225; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$5.
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$750; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5.
- Washer/Dryer (w/d): The subject will offer a central laundry (CL), as well as w/d/ hook-ups. If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is \$40. The assumption is that at a minimum a household will need to set aside \$10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also \$40.
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15, rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds.
- Pool/Recreation Area: The subject offers recreational space on the property. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of \$5 for a playground, \$10 for a tennis court and \$25 for a pool.
- Water: The subject excludes cold water and sewer in the net rent. One of the comparable properties include water and sewer in the net rent. The source for the utility estimates by bedroom type is based upon estimates made by UA Pro, Allowances for Tenant-Furnished Utilities and Other Services (effective date: 4/6/2017). See Appendix.

- Storage: The dollar value for storage is estimated to be \$5.
- Computer Room: The dollar value for a computer room (with internet service) is estimated to be \$2.
- Fitness Room: The dollar value for an equipped fitness room is estimated to be \$2.
- Clubhouse: The dollar value for a clubhouse and/or community room is estimated to be \$2.
- Location: Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location was assigned a value of \$25. Note: A distance factor is applied to all six comparable properties.
- Condition: Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.
- Trash: The subject includes trash in the net rent. Several of the comparable properties exclude trash in the net rent. An adjustment will be made. If required the adjustment was based upon the Georgia Department of Community Affairs Utility Allowances - North Region (effective 1/1/2017).

Adjustment Factor Key:

Distance Factor - \$150

SF - .05 per sf per month

Patio/balcony - \$5

Elevator - \$15

Storage - \$5

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

Wellness Ctr - \$2

Disposal - \$5

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

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

Pool - \$25 Tennis Court - \$10

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

Full bath - \$25; ½ bath - \$15

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

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

Water & Sewer - 1BR - \$40; 2BR - \$62 (Source: UA Pro, 4/6/17)

Trash Removal - \$15 (Source: GA-DCA North Region, 1/1/17)

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

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

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Chandler Trace		Ashton Park		The Hamptons		Shadow Creek	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$925		\$675		\$883	
Utilities	t	None	\$15	t		None	\$15
Concessions		No		No		No	
Effective Rent		\$940		\$675		\$898	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	3	\$10	3	\$10	3	\$10
Year Built	2019	2005	\$7	2003	\$8	1999	\$10
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	(\$150)	Distance	(\$150)	Distance	(\$150)
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	775	850	(\$4)	750	\$1	804	(\$1)
Balcony/Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/N	(\$25)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/Y	Y/Y		Y/Y		Y/Y	
F. Adjustments							
Net Adjustment			-\$162		-\$156		-\$156
G. Adjusted & Achievable Rent		\$778		\$519		\$742	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Rounded to:	see Table	% Adv		

One Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Chandler Trace		Tanglewood		Walden Oaks		Wexford	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$743		\$1045		\$805	
Utilities	t	w,s,t	(\$40)	None	\$15	None	\$15
Concessions		No		No		No	
Effective Rent		\$703		\$1060		\$820	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2	\$10	2	\$10	2/3	\$10
Year Built	2019	2000	\$9	2007	\$6	1998	\$10
Condition	Excell	V Good		Excell		V Good	
Location	Good	Distance	(\$150)	Distance	(\$150)	Distance	(\$150)
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	875	615	\$8	805	(\$2)	802	(\$1)
Balcony/Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/Y	(\$35)	Y/N	(\$25)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/Y	N/N	\$4	Y/Y		Y/Y	
F. Adjustments							
Net Adjustment			-\$154		-\$161		-\$156
G. Adjusted & Achievable Rent		\$549		\$899		\$664	
Estimated Market Rent (Avg of 6 comps, rounded)		\$692	Rounded to: \$690		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Chandler Trace		Ashton Park		The Hamptons		Shadow Creek	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$1030		\$745		\$975	
Utilities	t	None	\$15	t		None	\$15
Concessions		No		No		No	
Effective Rent		\$1045		\$745		\$990	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	3	\$10	3	\$10	3	\$10
Year Built	2019	2005	\$7	2003	\$8	1999	\$10
Condition	Excell	V Good		V Good		V Good	
Location	Good	Distance	(\$150)	Distance	(\$150)	Distance	(\$150)
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	2		2		2	
Size/SF	1114	1100		1000	\$6	1098	
Balcony-Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/N	(\$25)	Y/N	(\$25)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/Y	Y/Y		Y/Y		Y/Y	
F. Adjustments							
Net Adjustment			-\$158		-\$151		-\$155
G. Adjusted & Achievable Rent		\$887		\$594		\$835	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Rounded to:	see Table	% Adv		

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Chandler Trace		Tanglewood		Walden Oaks		Wexford	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$780		\$1029		\$905	
Utilities	t	w,s,t	(\$62)	None	\$15	None	\$15
Concessions		No		No		No	
Effective Rent		\$716		\$1044		\$920	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2	\$10	3	\$10	2/3	\$10
Year Built	2019	2000	\$9	2007	\$6	1998	\$10
Condition	Excell	V Good		Excell		V Good	
Location	Good	Distance	(\$150)	Distance	(\$150)	Distance	(\$150)
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	2		2		2	
Size/SF	1114	925	\$9	1097	\$1	1106	
Balcony/Patio/Stor	Y/Y	Y/Y		Y/Y		Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis Court	N/N	Y/Y	(\$35)	Y/N	(\$25)	Y/N	(\$25)
Recreation Area	Y	Y		Y		Y	
Computer/Fitness	Y/Y	N/N	\$4	Y/Y		Y/Y	
F. Adjustments							
Net Adjustment			-\$153		-\$158		-\$155
G. Adjusted & Achievable Rent		\$565		\$886		\$765	
Estimated Market Rent (Avg of 6 comps, rounded)		\$755	Rounded to: \$755		see Table	% Adv	

Three Bedroom Units (NA)							
Subject		Comp # 1		Comp # 2		Comp # 3	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent							
Utilities							
Concessions							
Effective Rent							
B. Design, Location, Condition							
Structures/Stories							
Year Built							
Condition							
Location							
C. Unit Amenities							
# of BR's							
# of Bathrooms							
Size/SF							
Balcony/Patio/Stor							
AC Type							
Range/Refrigerator							
Dishwasher/Disp.							
W/D Unit							
W/D Hookups or CL							
D. Development Amenities							
Clubhouse/Comm Rm							
Pool/Tennis Court							
Recreation Area							
Computer/Fitness							
F. Adjustments							
Net Adjustment							
G. Adjusted & Achievable Rent							
Estimated Market Rent (Avg of x comps, rounded)		Next Page		Rounded to:	see Table	% Adv	

SECTION L & M
IDENTITY OF INTEREST
&
REPRESENTATION STATEMENT

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

To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

The report was written in accordance with my understanding of the 2017 GA-DCA Market Study Manual and 2017 GA-DCA Qualified Action Plan.

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

CERTIFICATION

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

Jerry M. Koontz

5-20-2017

Jerry M. Koontz
Real Estate Market Analyst
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MARKET ANALYST
QUALIFICATIONS

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

agencies.

JERRY M. KOONTZ

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

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

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

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

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

AREAS OF

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

WORK PRODUCT: Over last 33+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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Member in Good Standing: National Council of Housing Market Analysts (NCHMA)

NCHMA Market Study Index

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

Executive Summary		
1	Executive Summary	3-16
Scope of Work		
2	Scope of Work	17
Projection Description		
General Requirements		
3	Unit mix including bedrooms, bathrooms, & square footage	17&18
4	Utilities (and utility sources) included in rent	17&18
5	Project design description	17
6	Common area and site amenities	17&18
7	Unit features and finishes	17&18
8	Target population description	17
9	Date of construction/preliminary completion	18
10	If rehab, scope of work, existing rents, and existing vacancies	Na
Affordable Requirements		
11	Unit mix with utility allowances, income target, & income limits	17&18
12	Public programs included	18
Location and Market Area		
General Requirements		
13	Concise description of site & adjacent parcels	19&20
14	Description of site characteristics	19&20
15	Site photos/maps	21&22
16	Map of community services	25
17	Visibility and accessibility evaluation	29
18	Crime information	20

Employment & Economy		
General Requirements		
19	At-Place employment trends	47
20	Employment by sector	49
21	Unemployment rates	45&46
22	Area major employers	51
23	Recent or planned employment expansions/reductions	53
24	Typical wages by occupation/sector	50
25	Commuting patterns	48
Market Area		
26	PMA Description	30&31
27	PMA Map	32&33
Demographic Characteristics		
General Requirements		
28	Population & household estimates & projections	34-40
29	Area building permits	79
30	Population & household characteristics	34-40
31	Households income by tenure	41-43
32	Households by tenure	40
33	Households by size	44
Senior Requirements		
34	Senior household projections for appropriate age target	39
35	Senior households by tenure	40
36	Senior household income by tenure	42&43
Competitive Environment		
General Requirements		
37	Comparable property profiles	85-98
38	Map of comparable properties	101
39	Comparable property photos	85-98
40	Existing rental housing evaluation	74-84
41	Analysis of current effective rents	75-78
42	Vacancy rate analysis	74&75
43	Comparison of subject property to comparable properties	109-117
44	Identification of waiting lists, if any	74

45	Discussion of availability & cost of other affordable housing options including home ownership, if applicable	Na
46	Rental communities under construction, approved, proposed	65
Affordable Requirements		
47	Current rents by AMI level among LIHTC communities	80
48	Vacancy rates by AMI	80
49	List of all subsidized communities in PMA including LIHTC	80
50	Estimate of Market Rent, achievable rent & market advantage	106-117
51	Availability of Housing Choice Vouchers	76
Senior Requirements		
52	Summary of age restricted communities in market area	80
Affordability, Demand, and Penetration Rate Analysis		
General Requirements		
53	Estimate of net demand	56-68
54	Affordability analysis with capture rate	69-71
55	Penetration rate analysis	72
Affordable Requirements		
56	Project specific demand estimate & capture rate by AMI	69
Analysis/Conclusions		
General Requirements		
57	Absorption rate	102
58	Estimate of stabilized occupancy for subject property	102
59	Evaluation of proposed rent levels	106
60	Precise statement of key conclusions	104&105
61	Market strengths & weaknesses impacting project	104&Exec
62	Recommendations and/or modification to project discussion	106
63	Discussion of subject property's impact on existing housing	107&Exec
64	Discussion of risks, or other mitigating circumstances impacting project	108
65	Interviews with area housing stakeholders	103
Other requirements		
66	Certifications	119
67	Statement of qualifications	120
68	Sources of data not otherwise identified	Append
69	Utility allowance schedule	Append

APPENDIX
DATA SET
UTILITY ALLOWANCES
SITE SCHEMATIC
NCHMA CERTIFICATION

DATA SET



B25074

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

Universe: Renter-occupied housing units

2011-2015 American Community Survey 5-Year Estimates

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

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

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

	Hart County, Georgia	
	Estimate	Margin of Error
Total:	2,655	+/-336
Less than \$10,000:	477	+/-157
Less than 20.0 percent	0	+/-24
20.0 to 24.9 percent	0	+/-24
25.0 to 29.9 percent	51	+/-52
30.0 to 34.9 percent	11	+/-19
35.0 to 39.9 percent	59	+/-88
40.0 to 49.9 percent	27	+/-32
50.0 percent or more	194	+/-108
Not computed	135	+/-73
\$10,000 to \$19,999:	778	+/-202
Less than 20.0 percent	31	+/-40
20.0 to 24.9 percent	65	+/-72
25.0 to 29.9 percent	32	+/-37
30.0 to 34.9 percent	46	+/-40
35.0 to 39.9 percent	85	+/-80
40.0 to 49.9 percent	223	+/-147
50.0 percent or more	211	+/-143
Not computed	85	+/-86
\$20,000 to \$34,999:	609	+/-198
Less than 20.0 percent	121	+/-91
20.0 to 24.9 percent	64	+/-47
25.0 to 29.9 percent	122	+/-78
30.0 to 34.9 percent	29	+/-29
35.0 to 39.9 percent	88	+/-65
40.0 to 49.9 percent	91	+/-89
50.0 percent or more	65	+/-50
Not computed	29	+/-26
\$35,000 to \$49,999:	307	+/-147
Less than 20.0 percent	77	+/-61
20.0 to 24.9 percent	89	+/-69
25.0 to 29.9 percent	28	+/-26

	Hart County, Georgia	
	Estimate	Margin of Error
30.0 to 34.9 percent	51	+/-76
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	62	+/-66
\$50,000 to \$74,999:	290	+/-153
Less than 20.0 percent	224	+/-138
20.0 to 24.9 percent	64	+/-66
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	0	+/-24
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	2	+/-3
\$75,000 to \$99,999:	90	+/-64
Less than 20.0 percent	76	+/-58
20.0 to 24.9 percent	14	+/-22
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	0	+/-24
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	0	+/-24
\$100,000 or more:	104	+/-83
Less than 20.0 percent	91	+/-82
20.0 to 24.9 percent	0	+/-24
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	0	+/-24
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	13	+/-22

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

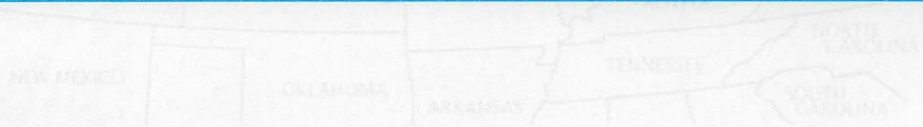
While the 2011-2015 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

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

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Explanation of Symbols:

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



B25072

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

Universe: Renter-occupied housing units
2011-2015 American Community Survey 5-Year Estimates

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	Hart County, Georgia	
	Estimate	Margin of Error
Total:	2,655	+/-336
Householder 15 to 24 years:	366	+/-182
Less than 20.0 percent	108	+/-118
20.0 to 24.9 percent	54	+/-42
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	0	+/-24
35.0 percent or more	143	+/-105
Not computed	61	+/-70
Householder 25 to 34 years:	653	+/-193
Less than 20.0 percent	209	+/-111
20.0 to 24.9 percent	109	+/-87
25.0 to 29.9 percent	47	+/-48
30.0 to 34.9 percent	69	+/-71
35.0 percent or more	156	+/-87
Not computed	63	+/-59
Householder 35 to 64 years:	1,138	+/-237
Less than 20.0 percent	258	+/-116
20.0 to 24.9 percent	60	+/-50
25.0 to 29.9 percent	142	+/-88
30.0 to 34.9 percent	28	+/-35
35.0 percent or more	518	+/-176
Not computed	132	+/-66
Householder 65 years and over:	498	+/-166
Less than 20.0 percent	45	+/-44
20.0 to 24.9 percent	73	+/-72
25.0 to 29.9 percent	44	+/-42
30.0 to 34.9 percent	40	+/-46
35.0 percent or more	226	+/-137
Not computed	70	+/-47

POPULATION DATA

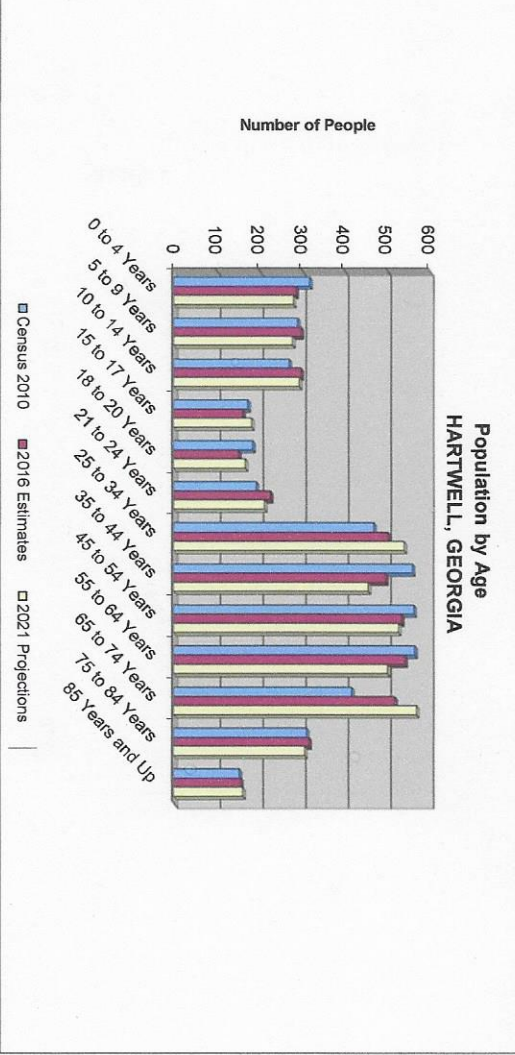
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Nelson Aetna

Population by Age & Sex HARTWELL, GEORGIA			
Census 2010			
Age	Male	Female	Total
0 to 4 Years	151	167	318
5 to 9 Years	125	125	250
10 to 14 Years	127	143	270
15 to 17 Years	95	79	174
18 to 20 Years	101	84	185
21 to 24 Years	91	102	193
25 to 34 Years	230	239	469
35 to 44 Years	275	285	560
45 to 54 Years	276	287	563
55 to 64 Years	253	312	565
65 to 74 Years	169	248	417
75 to 84 Years	112	199	311
85 Years and Up	36	118	154
Total	2,081	2,388	4,469
62+ Years	n/a	n/a	1,055
Median Age:			41.0
Current Year Estimates - 2016			
Age	Male	Female	Total
0 to 4 Years	147	139	286
5 to 9 Years	147	151	298
10 to 14 Years	162	136	298
15 to 17 Years	79	83	162
18 to 20 Years	80	72	152
21 to 24 Years	122	104	226
25 to 34 Years	251	252	503
35 to 44 Years	229	268	497
45 to 54 Years	235	279	514
55 to 64 Years	247	295	542
65 to 74 Years	225	293	518
75 to 84 Years	116	201	317
85 Years and Up	38	119	157
Total	2,098	2,392	4,490
62+ Years	n/a	n/a	1,148
Median Age:			41.4
Five-Year Projections - 2021			
Age	Male	Female	Total
0 to 4 Years	142	138	280
5 to 9 Years	144	134	278
10 to 14 Years	145	149	294
15 to 17 Years	99	84	183
18 to 20 Years	92	76	168
21 to 24 Years	107	105	212
25 to 34 Years	288	252	540
35 to 44 Years	216	240	456
45 to 54 Years	230	277	507
55 to 64 Years	232	269	501
65 to 74 Years	236	333	569
75 to 84 Years	118	189	307
85 Years and Up	41	121	162
Total	2,110	2,367	4,477
62+ Years	n/a	n/a	1,188
Median Age:			41.2

Source: Nelson Aetna, Ribbon Demographics

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



Source: Nelson Aetna, Ribbon Demographics

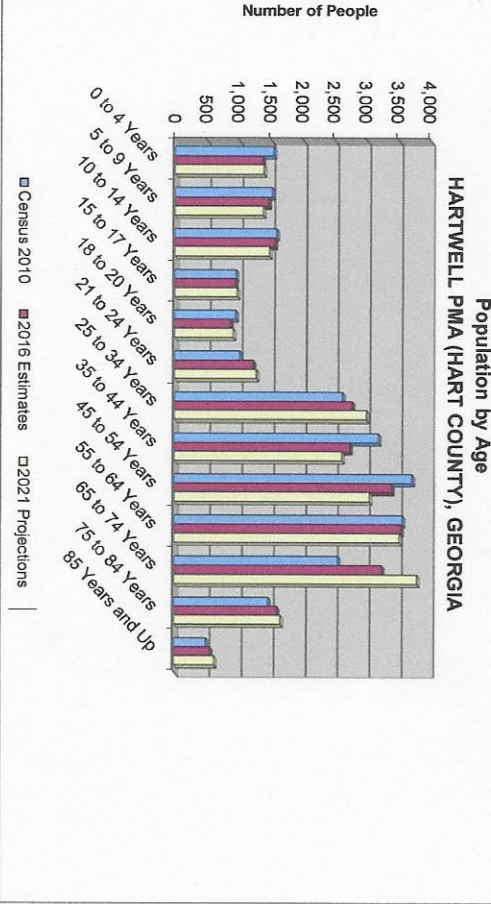
Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-880-1644

Population by Age & Sex
HARTWELL PMA (HART COUNTY), GEORGIA

Census 2010				Current Year Estimates - 2016				Five-Year Projections - 2021			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	778	764	1,542	0 to 4 Years	709	661	1,370	0 to 4 Years	710	680	1,390
5 to 9 Years	807	715	1,522	5 to 9 Years	757	708	1,465	5 to 9 Years	713	665	1,378
10 to 14 Years	825	765	1,590	10 to 14 Years	802	757	1,559	10 to 14 Years	763	713	1,476
15 to 17 Years	512	445	957	15 to 17 Years	494	453	947	15 to 17 Years	503	474	977
18 to 20 Years	508	446	954	18 to 20 Years	472	402	874	18 to 20 Years	484	429	913
21 to 24 Years	528	491	1,019	21 to 24 Years	666	560	1,226	21 to 24 Years	690	587	1,277
25 to 34 Years	1,359	1,268	2,627	25 to 34 Years	1,432	1,347	2,779	25 to 34 Years	1,627	1,378	3,005
35 to 44 Years	1,590	1,600	3,190	35 to 44 Years	1,372	1,372	2,744	35 to 44 Years	1,295	1,326	2,621
45 to 54 Years	1,883	1,835	3,718	45 to 54 Years	1,654	1,743	3,397	45 to 54 Years	1,488	1,561	3,049
55 to 64 Years	1,728	1,839	3,567	55 to 64 Years	1,715	1,830	3,545	55 to 64 Years	1,686	1,834	3,520
65 to 74 Years	1,181	1,380	2,561	65 to 74 Years	1,543	1,702	3,245	65 to 74 Years	1,803	1,992	3,795
75 to 84 Years	622	844	1,466	75 to 84 Years	701	900	1,601	75 to 84 Years	735	923	1,658
85 Years and Up	134	366	500	85 Years and Up	165	397	562	85 Years and Up	194	432	626
Total	12,455	12,758	25,213	Total	12,482	12,832	25,314	Total	12,691	12,994	25,685
62+ Years	n/a	n/a	5,618	62+ Years	n/a	n/a	6,425	62+ Years	n/a	n/a	7,134
Median Age:	n/a	n/a	42.5	Median Age:	n/a	n/a	43.9	Median Age:	n/a	n/a	44.3

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 816-380-1844



Source: Nielsen Claritas; Ribbon Demographics

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Hartwell Primary
Market Area

Nielsen Claritas

Owner Households						
Under Age 55 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	43	79	6	12	0	140
\$10,000-20,000	35	30	79	35	86	265
\$20,000-30,000	182	50	104	5	22	363
\$30,000-40,000	78	47	172	105	98	500
\$40,000-50,000	36	138	100	31	59	364
\$50,000-60,000	8	81	109	179	41	418
\$60,000+	<u>27</u>	<u>345</u>	<u>361</u>	<u>364</u>	<u>328</u>	<u>1,425</u>
Total	409	770	931	731	634	3,475

Owner Households						
Aged 55-61 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	47	23	0	3	0	73
\$10,000-20,000	40	85	0	0	0	125
\$20,000-30,000	25	53	26	0	0	104
\$30,000-40,000	51	90	11	2	0	154
\$40,000-50,000	3	113	16	0	0	132
\$50,000-60,000	35	55	1	9	0	100
\$60,000+	<u>34</u>	<u>233</u>	<u>23</u>	<u>20</u>	<u>14</u>	<u>324</u>
Total	235	652	77	34	14	1,012

Owner Households						
Aged 62+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	122	61	6	17	0	206
\$10,000-20,000	359	164	24	0	13	560
\$20,000-30,000	206	250	47	1	0	504
\$30,000-40,000	90	191	21	10	9	321
\$40,000-50,000	34	149	28	1	3	215
\$50,000-60,000	31	125	6	14	0	176
\$60,000+	<u>111</u>	<u>448</u>	<u>46</u>	<u>46</u>	<u>0</u>	<u>651</u>
Total	953	1,388	178	89	25	2,633

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Renter Households						
Under Age 55 Years						
<i>Base Year: 2006 - 2010 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	443	82	134	46	6	711
\$10,000-20,000	9	44	66	126	5	250
\$20,000-30,000	29	92	1	49	41	212
\$30,000-40,000	23	37	21	63	1	145
\$40,000-50,000	21	75	13	1	36	146
\$50,000-60,000	0	1	31	7	0	39
\$60,000+	<u>1</u>	<u>41</u>	<u>8</u>	<u>15</u>	<u>12</u>	<u>77</u>
Total	526	372	274	307	101	1,580

Renter Households						
Aged 55-61 Years						
<i>Base Year: 2006 - 2010 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	75	24	0	0	0	99
\$10,000-20,000	0	21	24	1	1	47
\$20,000-30,000	0	46	1	1	0	48
\$30,000-40,000	1	1	0	0	0	2
\$40,000-50,000	31	16	0	0	1	48
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	<u>20</u>	<u>24</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>47</u>
Total	127	132	25	4	3	291

Renter Households						
Aged 62+ Years						
<i>Base Year: 2006 - 2010 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	82	6	0	1	2	91
\$10,000-20,000	183	0	0	1	2	186
\$20,000-30,000	18	63	0	3	1	85
\$30,000-40,000	6	25	0	1	1	33
\$40,000-50,000	15	6	0	1	2	24
\$50,000-60,000	17	0	1	0	2	20
\$60,000+	<u>34</u>	<u>11</u>	<u>1</u>	<u>7</u>	<u>9</u>	<u>62</u>
Total	355	111	2	14	19	501

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Owner Households						
Under Age 55 Years						
Current Year Estimates - 2016						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	14	55	2	3	0	74
\$10,000-20,000	16	23	110	54	55	258
\$20,000-30,000	155	46	53	4	44	302
\$30,000-40,000	75	19	124	83	101	402
\$40,000-50,000	39	63	35	11	40	188
\$50,000-60,000	3	65	114	151	27	360
\$60,000+	29	389	458	418	377	1,671
Total	331	660	896	724	644	3,255

Owner Households						
Aged 55-61 Years						
Current Year Estimates - 2016						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	28	16	0	1	0	45
\$10,000-20,000	57	78	0	1	0	136
\$20,000-30,000	17	27	37	1	0	82
\$30,000-40,000	43	57	14	0	0	114
\$40,000-50,000	0	90	11	0	0	101
\$50,000-60,000	31	53	0	9	0	93
\$60,000+	71	387	44	27	26	555
Total	247	708	106	39	26	1,126

Owner Households						
Aged 62+ Years						
Current Year Estimates - 2016						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	163	57	5	35	0	260
\$10,000-20,000	460	211	40	0	12	723
\$20,000-30,000	208	218	51	0	0	477
\$30,000-40,000	83	223	29	25	9	369
\$40,000-50,000	49	217	66	0	2	334
\$50,000-60,000	45	194	5	12	0	256
\$60,000+	164	604	66	62	10	906
Total	1,172	1,724	262	134	33	3,325

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Renter Households						
Under Age 55 Years						
Current Year Estimates - 2016						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	283	8	113	34	3	441
\$10,000-20,000	7	54	76	143	6	286
\$20,000-30,000	34	139	0	28	50	251
\$30,000-40,000	21	18	17	88	7	151
\$40,000-50,000	36	48	9	2	36	131
\$50,000-60,000	0	0	47	8	0	55
\$60,000+	6	29	22	14	13	84
Total	387	296	284	317	115	1,399

Renter Households						
Aged 55-61 Years						
Current Year Estimates - 2016						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	67	30	0	0	0	97
\$10,000-20,000	0	17	25	1	1	44
\$20,000-30,000	0	31	1	1	0	33
\$30,000-40,000	1	0	0	0	0	1
\$40,000-50,000	31	2	0	1	1	35
\$50,000-60,000	0	0	1	1	0	2
\$60,000+	84	36	1	6	1	128
Total	183	116	28	10	3	340

Renter Households						
Aged 62+ Years						
Current Year Estimates - 2016						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	121	7	1	0	2	131
\$10,000-20,000	272	0	1	1	3	277
\$20,000-30,000	27	108	1	3	1	140
\$30,000-40,000	5	37	3	2	0	47
\$40,000-50,000	19	17	1	2	3	42
\$50,000-60,000	24	0	1	2	3	30
\$60,000+	66	15	8	8	7	104
Total	534	184	16	18	19	771

HISTA DATA

Hartwell Primary
Market Area

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Nielsen Claritas

Owner Households						
Under Age 55 Years						
Five Year Projections - 2021						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	10	39	2	4	0	55
\$10,000-20,000	11	16	74	27	45	173
\$20,000-30,000	146	39	71	8	43	307
\$30,000-40,000	56	15	107	65	87	330
\$40,000-50,000	46	64	41	15	43	209
\$50,000-60,000	3	55	84	116	18	276
\$60,000+	<u>31</u>	<u>397</u>	<u>488</u>	<u>469</u>	<u>404</u>	<u>1,789</u>
Total	303	625	867	704	640	3,139

Owner Households						
Aged 55-61 Years						
Five Year Projections - 2021						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	21	11	0	1	0	33
\$10,000-20,000	31	59	1	0	0	91
\$20,000-30,000	17	22	29	0	0	68
\$30,000-40,000	33	40	9	0	0	82
\$40,000-50,000	1	98	10	0	0	109
\$50,000-60,000	22	36	0	7	0	65
\$60,000+	<u>96</u>	<u>448</u>	<u>45</u>	<u>31</u>	<u>28</u>	<u>648</u>
Total	221	714	94	39	28	1,096

Owner Households						
Aged 62+ Years						
Five Year Projections - 2021						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	168	52	8	30	0	258
\$10,000-20,000	441	176	46	0	12	675
\$20,000-30,000	230	239	63	1	0	533
\$30,000-40,000	105	197	24	25	9	360
\$40,000-50,000	66	254	90	0	3	413
\$50,000-60,000	43	182	3	8	0	236
\$60,000+	<u>228</u>	<u>728</u>	<u>82</u>	<u>82</u>	<u>21</u>	<u>1,141</u>
Total	1,281	1,828	316	146	45	3,616

HISTA DATA

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Nielsen Claritas

Renter Households						
Under Age 55 Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	203	27	122	31	5	388
\$10,000-20,000	10	58	58	137	8	271
\$20,000-30,000	35	106	0	36	34	211
\$30,000-40,000	22	13	14	91	3	143
\$40,000-50,000	48	21	15	3	39	126
\$50,000-60,000	5	0	50	9	1	65
\$60,000+	<u>31</u>	<u>33</u>	<u>32</u>	<u>19</u>	<u>16</u>	<u>131</u>
Total	354	258	291	326	106	1,335

Renter Households						
Aged 55-61 Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	54	25	0	1	0	80
\$10,000-20,000	3	15	20	2	2	42
\$20,000-30,000	1	28	1	1	0	31
\$30,000-40,000	1	0	1	0	1	3
\$40,000-50,000	22	9	0	1	1	33
\$50,000-60,000	2	2	0	1	1	6
\$60,000+	<u>109</u>	<u>39</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>154</u>
Total	192	118	22	12	5	349

Renter Households						
Aged 62+ Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	124	9	0	0	4	137
\$10,000-20,000	251	3	4	3	0	261
\$20,000-30,000	30	100	4	3	1	138
\$30,000-40,000	7	39	0	2	2	50
\$40,000-50,000	26	32	4	3	1	66
\$50,000-60,000	27	2	1	1	5	36
\$60,000+	<u>107</u>	<u>33</u>	<u>8</u>	<u>10</u>	<u>11</u>	<u>169</u>
Total	572	218	21	22	24	857

UTILITY ALLOWANCES

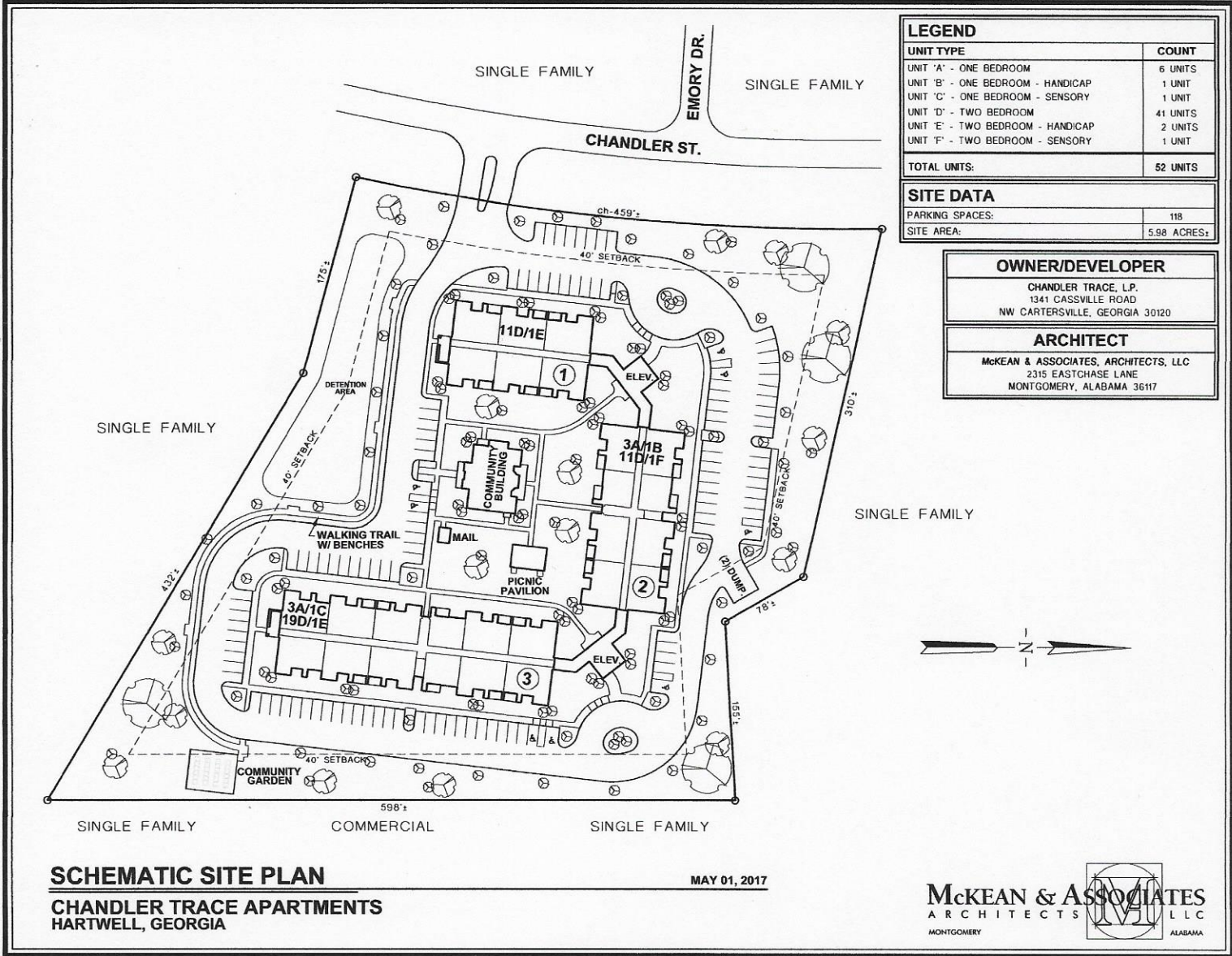
Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing



Locality		Green Discount	Unit Type		Weather Code	Date
Chandler Trace (Default)		None	Large Apartment (5+ units)		30643	2017-04-06
Utility/Service		Monthly Dollar Allowances				
		0 BR	1 BR	2 BR	3 BR	4 BR
Space Heating	Natural Gas					
	Bottle Gas					
	Electric Resistance					
	Electric Heat Pump			\$12	\$13	
	Fuel Oil					
Cooking	Natural Gas					
	Bottle Gas					
	Electric			\$5	\$7	
	Other					
Other Electric			\$19	\$27		
Air Conditioning			\$8	\$13		
Water Heating	Natural Gas					
	Bottle Gas					
	Electric			\$12	\$15	
	Fuel Oil					
Water			\$19	\$29		
Sewer			\$21	\$33		
Electric Fee			\$12	\$12		
Natural Gas Fee						
Fuel Oil Fee						
Bottled Gas Fee						
Trash Collection						
Range/Microwave						
Refrigerator						
Other – specify						
Totals			\$108	\$149		

SCHEMATIC SITE PLAN

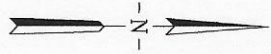


LEGEND	
UNIT TYPE	COUNT
UNIT 'A' - ONE BEDROOM	6 UNITS
UNIT 'B' - ONE BEDROOM - HANDICAP	1 UNIT
UNIT 'C' - ONE BEDROOM - SENSORY	1 UNIT
UNIT 'D' - TWO BEDROOM	41 UNITS
UNIT 'E' - TWO BEDROOM - HANDICAP	2 UNITS
UNIT 'F' - TWO BEDROOM - SENSORY	1 UNIT
TOTAL UNITS:	52 UNITS

SITE DATA	
PARKING SPACES:	118
SITE AREA:	5.98 ACRES:

OWNER/DEVELOPER
 CHANDLER TRACE, L.P.
 1341 CASSVILLE ROAD
 NW CARTERSVILLE, GEORGIA 30120

ARCHITECT
 McKEAN & ASSOCIATES, ARCHITECTS, LLC
 2315 EASTCHASE LANE
 MONTGOMERY, ALABAMA 36117



SCHEMATIC SITE PLAN
CHANDLER TRACE APARTMENTS
HARTWELL, GEORGIA

MAY 01, 2017

McKEAN & ASSOCIATES
 ARCHITECTS, LLC
 MONTGOMERY ALABAMA

NCHMA CERTIFICATION

Certificate of Membership

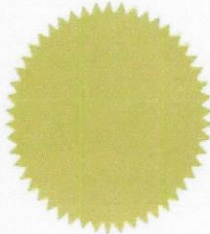
Koontz & Salinger
Is a Member Firm in Good Standing of



Formerly known as
National Council of Affordable
Housing Market Analysts

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
7/01/2016 to 6/30/2017



A handwritten signature in black ink, appearing to read "Thomas Amdur".

Thomas Amdur
Executive Director, NH&RA