

Market Feasibility Analysis

Sandalwood Terrace
23 Fourth Street Northwest
Ludowici, Long County, Georgia 31316

Prepared For

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Effective Date

August 14, 2017

Job Reference Number

17-303 PB



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Section A – Executive Summary

This report evaluates the continued market feasibility of the Sandalwood Terrace rental community in Ludowici, Georgia, following renovations utilizing financing from the 4% Tax-Exempt Bond program. Based on the findings contained in this report, we believe a market will continue to exist for the subject project, assuming it is renovated and operated as proposed in this report. This assumes that Rental Assistance (RA) and a Private Rental Assistance (PRA) subsidy is provided, which will effectively allow all current tenants to continue to income-qualify and remain at the property, post renovations. In the unlikely event that all units were vacated and had to be re-rented exclusively under the LIHTC program, the subject project would likely experience a slow absorption. This is due to the limited base of support of low-income senior households and the relatively high proposed LIHTC rents. The subject project is, however, 100.0% occupied and most, if not all, current tenants will remain post renovations.

1. Project Description:

Sandalwood Terrace, located in Ludowici, Long County, Georgia, was originally built in 1994 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 31 senior age 62+ units, 30 of which receive Rental Assistance (RA) directly from Rural Development. One two-bedroom unit is a manager's unit and is excluded from the remainder of this report. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 100% occupied and maintains a two-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target senior age 62+ households with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all 30 units of RA will be retained. The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details regarding the proposed project are included on the following page, as well as in *Section B* of this report.

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
26	One-Br.	1.0	Garden	667	60%	\$431/\$581	\$471	\$104	\$575	\$624
3	Two-Br.	1.0	Garden	796	60%	\$457/\$621	\$497	\$124	\$621	\$750
1	Two-Br.	1.0	Garden	813	60%	\$457/\$621	\$497	\$124	\$621	\$750
30**	Total									

Source: Greystone Servicing Corporation, Inc.; Bowen National Research, LLC

AMHI – Area Median Household Income (Long County, GA HUD Metro FMR Area; 2017)

*Heated square feet

**Excludes one two-bedroom manager’s unit.

Unit amenities to be offered at the property include a range, refrigerator, microwave, central air conditioning, washer/dryer hookups, vinyl flooring, window blinds, a patio with an exterior storage closet, and emergency call systems. Community amenities will include on-site management, a community room, laundry facility, covered pavilion/picnic area, and computer center. Overall, the amenity package offered at the property is limited as compared to those offered among the comparable properties but is considered appropriate for and marketable to the targeted tenant population, as indicated by the subject’s 100.0% occupancy rate and waiting list.

2. Site Description/Evaluation:

The subject site is located within a partially developed area of Ludowici. The wooded land surrounding most of the subject site provides a semi-private living environment conducive to senior living. The residential dwellings bordering the site to the east are of average quality and positively contribute to the site’s marketability. Visibility is considered fair due to the wooded land generally obstructing views of the site; however, the lack of visibility does not affect the marketability of the site as indicated by the subject site’s 100% occupancy rate. Ingress and egress are convenient due to the light traffic within the site neighborhood and it is not anticipated that there will be any traffic disruptions. The subject site has easy access to U.S. Highway 301/84, which is an arterial roadway and commercial corridor in the Ludowici area and is accessed 0.2 miles southeast of the site. Proximity to area community services will continue to benefit the subject site as most basic area services are within 1.0 mile and more extensive options are available in the nearby areas of Hinesville and Jessup. Overall, the surrounding land uses and proximity to community services will continue to have a positive impact on the marketability of the site. An in-depth site evaluation is included in *Section C* of this report.

3. Market Area Definition:

The Ludowici Site PMA includes all of Ludowici, portions of Walthourville and some of the outlying unincorporated areas of Long County. The boundaries of the Site PMA include Rye Patch Road and State Route 196 to the north; State Route 119 and Tibet Road to the east; Tibet Road, State Route 57, Lennie and Middletown Lake roads and various unnamed roads to Altamaha River to the south; and Altamaha River, State Route 276, Jones Creek Loop, Henry Wolcott and Logging roads and U.S. Highway 301 to the west. A map illustrating these boundaries is included on page D-2 of this report and details the farthest boundary is 10.5 miles from the site.

4. Community Demographic Data:

The overall population and total households within the Site PMA have grown significantly since 2000. It is projected that the population will increase by 1,139, or 7.5%, between 2017 and 2019, while the number of households are projected to increase by 408 households, or 7.7% over 2017 levels. The number of households age 55 and older is projected to increase by 191, representing a 10.6% increase. This growth will add to the demand for senior-oriented housing and the ongoing demand for the subject project. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 20.8% of the vacant housing units in the market were classified as “Other Vacant”, which encompasses foreclosed, dilapidated and abandoned housing. Based on our Field Survey of Conventional Rentals within the Ludowici Site PMA, the rental properties are operating at strong occupancy levels, illustrating that foreclosed and abandoned properties have not had any adverse impact on the overall rental housing market. It is also of note that no such structures were observed within the immediate site neighborhood. As such, it can be concluded that foreclosed/abandoned homes will not have any tangible impact on the subject's marketability.

5. Economic Data:

More than half of the labor force within the Site PMA is employed within the Educational Services and Public Administration job sectors. The subject project will target low-income senior households. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw support. The Long County employment base has increased in each of the past seven years, adding more than 1,200 jobs during this time. After peaking at 8.9% in 2011, the county's unemployment rate has declined in each of the past six years. The economic trends of the market and county have been positive in recent years and are projected to remain positive for the foreseeable future. Additional economic data is included in *Section F* of this report.

6. Project-Specific Affordability and Demand Analysis:

Two demand scenarios have been analyzed for the subject project. Scenario one assumes all rental assisted units are leasable (and will remain occupied) and also accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of Rental Assistance (RA) and the unlikely scenario the property had to operate exclusively under the Tax Credit guidelines. The following is a summary of our demand calculations.

Demand Component	Percent Of Median Household Income		
	Scenario One (Less units to remain occupied post renovations)	Scenario Two (Overall Demand Estimates)	
	RD 515/LIHTC w/ RA (\$0 - \$26,640)	RD 515/LIHTC w/ RA (\$0 - \$26,640)	LIHTC Only Without RA (\$17,250 - \$26,640)
Net Demand	131	131	31
Proposed Units/ Net Demand	0* / 131	30 / 131	30 / 31
Capture Rate	= 0.0%	= 22.9%	= 96.8%

*Assumes all RA units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the subject’s overall capture rate of 22.9% (subsidized scenario) is considered achievable and demonstrates a sufficient base of support for the subject project. However, should the project lose its Rental Assistance and operate exclusively under the LIHTC program, it would have a capture rate of 96.8%. This demonstrates the importance of Rental Assistance at this project. Effectively, however, the subject project will have a capture rate of 0.0%, as all units will retain Rental Assistance and should remain full.

Applying the shares of demand detailed in *Section G* to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type as follows:

Scenario One (Less units to remain occupied post renovations)

All 30 subject units will have Rental Assistance and are expected to remain occupied and/or be quickly filled by households on the wait list. Therefore, the project has an effective capture rate of 0.0%.



Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
RD 515/LIHTC with Rental Assistance (RA)						
One-Bedroom (50%)	60%	26	65	0	65	40.0%
One-Bedroom	Total	26	65	0	65	40.0%
Two-Bedroom (50%)	60%	4	65	0	65	6.2%
Two-Bedroom	Total	4	65	0	65	6.2%
LIHTC Only						
One-Bedroom (50%)	60%	26	16	0	16	100.0%+
One-Bedroom	Total	26	16	0	16	100.0%+
Two-Bedroom (50%)	60%	4	15	0	15	26.7%
Two-Bedroom	Total	4	15	0	15	26.7%

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

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

Assuming the subject project retains Rental Assistance, the capture rates by bedroom type range from 6.2% to 40.0% depending upon unit type. These capture rates are all considered achievable within the Site PMA utilizing this methodology and demonstrate a sufficient base of support for the subject project if it retains Rental Assistance. Should the subject project operate exclusively under the LIHTC program, it will have a GDCA-formatted capture rate of over 100.0% for its one-bedroom units, indicating a limited base of support. This has been considered in our absorption projections.

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

7. Competitive Rental Analysis

Tax Credit Units

The subject project will include 31 Low-Income Housing Tax Credit (LIHTC) units, of which 30 will also operate with Rental Assistance. We identified one Low-Income Housing Tax Credit projects within the Site PMA. Given the lack of comparable product in the Site PMA, we have also surveyed LITHC projects located outside the Site PMA but within the region. These existing LIHTC projects are considered comparable with the subject development because they target households with incomes similar to those that will be targeted at the subject site.

These competitive properties and the subject development are summarized as follows.

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Sandalwood Terrace	1994 / 2019	30	100.0%	-	2 H.H.	Seniors 62+; 60% AMHI & RD 515
2	Twin Oaks Apts.	2000	40	95.0%	1.2 Miles	None	Families; 50% AMHI
903	Sunset Pointe	2005	51*	100.0%	13.1 Miles	6 H.H.	Families; 30%, 50%, & 60% AMHI
904	Maria Senior Gardens	2013	43	100.0%	13.5 Miles	10 H.H.	Seniors 55+; 50% & 60% AMHI
909	Grove Park Apts.	1998	45	100.0%	13.6 Miles	47 H.H.	Seniors 62+; 50% & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

900 series Map IDs are located outside the Site PMA

The four LIHTC projects have a combined occupancy rate of 98.9%, indicating a very strong demand for affordable housing in the region. The only surveyed LIHTC project in the Site PMA is 95% occupied with two vacancies. However, this project is not age restricted. Therefore, the renovations of the subject project will help to preserve affordable senior housing that is lacking in the market.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Sandalwood Terrace	\$575/60% (26)	\$621/60% (4)	-	-
2	Twin Oaks Apts.	\$383/50% (12/0)	\$466/50% (20/1)	\$597-\$601/50% (8/1)	None
903	Sunset Pointe	\$252/30% (2/0) \$417/50% (10/0) \$417/60% (1/0)	\$314/30% (3/0) \$519/50% (22/0) \$534/60% (1/0)	\$378/30% (2/0) \$623/50% (10/0)	None
904	Maria Senior Gardens	\$399/50% (9/0) \$399/60% (3/0)	\$532/50% (5/0) \$532/60% (26/0)	-	None
909	Grove Park Apts.	\$454/50% (10/0) \$474/60% (19/0)	\$532/50% (6/0) \$537/60% (10/0)	-	None

900 series Map IDs are located outside the Site PMA

The proposed subject gross rents, ranging from \$575 to \$621, will be the highest priced LIHTC units targeting similar income levels in the market and region. This should not adversely impact the subject project as long as it retains Rental Assistance on most units. Should the subject project lose Rental Assistance, the developer will likely need to reduce rents to levels close to the rents of other LITHC projects in the market and/or region.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive with these properties, as long as it retains Rental Assistance on virtually all units. Should the subject project lose Rental Assistance, the proposed LIHTC rents would have to be lowered to levels closer to the rents being achieved at the other LITHC projects in the Site PMA.

The only LIHTC project in the Site PMA (Twin Oaks Apartments) is not age restricted and is not expected to compete directly with the subject project. Additionally, given the subject project involves the renovation of existing units that are fully occupied, it will not involve the introduction of new LIHTC supply. Therefore, we do not expect the subject project to adversely impact the future occupancies of the competing Tax Credit project in the Site PMA.

Average Market Rent

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

Weighted Average Collected Rent of Comparable Market-Rate Units	
One-Br.	Two-Br.
\$775	\$922

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

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$775	- \$471	\$304	/ \$471	64.5%
Two-Br.	\$922	- \$497	\$425	/ \$497	85.5%

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 64.5% to 85.5% depending upon unit type, as compared to the weighted average collected rents of the comparable market-rate projects. Please note, however, that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include, and/or adjustments for other design characteristics, amenities, or locational differences. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development’s collected rents are available in *Addendum F* of this report.

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

8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100% occupied and maintains a wait list. Based on our review of the most current tenant rent roll and assuming that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 30 subject units will be vacated and that all units will have to be re-rented simultaneously.

Assuming the subject project operates with Rental Assistance, we anticipate absorption will average around eight units per month, resulting in a stabilized occupancy rate of 93% within four months of re-opening. Should the subject project lose Rental Assistance, it will likely have an absorption period of 16 or more months to reach a stabilized occupancy rate of 93%. This is due to the relatively small base of income-eligible seniors and the relatively high rents at the site. Our absorption projections assume that no other projects targeting a similar age or income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

9. Overall Conclusion:

The project will be competitive within the market area in terms of unit amenities and unit sizes. The proposed LIHTC rents appear to be high for the targeted low-income seniors in the market. We believe these rents would be difficult to achieve and would have a slowing effect on the absorption of these units. However, given that the subject project will retain Rental Assistance, tenants will only pay 30% of their income toward rent. Should the subject project lose Rental Assistance and operate exclusively under the LIHTC program, the rents would have to be reduced to levels closer to the LIHTC rents being achieved at the comparable properties.

Given the limited number of affordable developments within the Site PMA, the renovated subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with high capture rates for the project to operate exclusively under LIHTC program, the preservation of Rental Assistance will be

important for the project's ongoing marketability. Because the subject project will not involve introducing any new units into the market, the subject project will not have any adverse impact on the existing Tax Credit developments in the Site PMA.

SUMMARY TABLE (must be completed by the analyst and included in the executive summary)			
Development Name:	Sandalwood Terrace	Total # Units:	31
Location:	23 Fourth Street Northwest, Ludowici, Georgia 31316	# LIHTC Units:	30
PMA Boundary:	Rye Patch Road and State Route 196 to the north; State Route 119 and Tibet Road to the east; Tibet Road, State Route 57, Lennie and Middletown Lake roads and various unnamed roads to Altamaha River to the south; and Altamaha River, State Route 276, Jones Creek Loop, Henry Wolcott and Logging roads and U.S. Highway 301 to the west.		
	Farthest Boundary Distance to Subject:		10.5 miles

RENTAL HOUSING STOCK (found on page H-3 & Add. A-4 & 5)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	2	70	2	97.1%
Market-Rate Housing	0	-	-	-
Assisted/Subsidized Housing not to include LIHTC	1	30	0	100.0%
LIHTC	1	40	2	95.0%
Stabilized Comps*	4	179	2	98.9%
Properties in Construction & Lease Up	0	-	-	-

*Some comps located out of market due to lack of comparable product in Site PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
26	One-Br.	1.0	667	\$471	\$775	\$1.16	64.5%	\$923	\$1.52
3	Two-Br.	1.0	796	\$497	\$922	\$1.16	85.5%	\$1,046	\$1.30
1	Two-Br.	1.0	813	\$497	\$922	\$1.13	85.5%	\$1,046	\$1.30

DEMOGRAPHIC DATA (found page E-2 & G-5)						
	2012		2017		2019	
Renter Households (Age 62+)	127	19.1%	231	22.6%	272	23.4%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	141	61.0%	170	62.5%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of RA

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)						
Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Renter Household Growth	29	-	29	-	-	2
Existing Households (Overburd + Substand)	100	-	100	-	-	29
Homeowner conversion (Seniors)	2	-	2	-	-	0
Total Primary Market Demand	131	-	131	-	-	31
Less Comparable/Competitive Supply	0	-	0	-	-	0
Adjusted Income-Qualified Renter HHs	131	-	131	-	-	31

CAPTURE RATES (found on page G-5)						
Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Capture Rate	0.0%*	-	22.9%*	-	-	96.8%

*Assumes all RA units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Section B - Project Description

Sandalwood Terrace, located in Ludowici, Long County, Georgia, was originally built in 1994 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 31 senior age 62+ units, 30 of which receive Rental Assistance (RA) directly from Rural Development. One two-bedroom unit is a manager's unit and is excluded from the remainder of this report. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 100% occupied and maintains a two-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target senior age 62+ households with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all 30 units of RA will be retained. The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details of the subject project are as follows:

1. **PROJECT NAME:** Sandalwood Terrace
2. **PROPERTY LOCATION:** 23 Fourth Street Northwest
Ludowici, Georgia 31316
(Long County)
3. **PROJECT TYPE:** Rehabilitation of an existing RD 515 project using 4% Tax-Exempt Bond financing.
4. **UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
26	One-Br.	1.0	Garden	667	60%	\$431/\$581	\$471	\$104	\$575	\$624
3	Two-Br.	1.0	Garden	796	60%	\$457/\$621	\$497	\$124	\$621	\$750
1	Two-Br.	1.0	Garden	813	60%	\$457/\$621	\$497	\$124	\$621	\$750
30**	Total									

Source: Greystone Servicing Corporation, Inc.; Bowen National Research, LLC

AMHI – Area Median Household Income (Long County, GA HUD Metro FMR Area; 2017)

*Heated square feet

**Excludes one two-bedroom manager's unit.

5. **TARGET MARKET:** Senior Age 62+
6. **PROJECT DESIGN:** Seven (7) single-story buildings.

7. ORIGINAL YEAR BUILT: 1994

8. ANTICIPATED RENOVATION COMPLETION DATE: 2019

9. UNIT AMENITIES:

- Electric Range
- Refrigerator
- Microwave Oven
- Central Air Conditioning
- Exterior Storage Closet
- Vinyl Flooring
- Window Blinds
- Patio
- Emergency Call System
- Washer/Dryer Hookups

10. COMMUNITY AMENITIES:

- On-Site Management
- Community Room
- Computer Center
- Laundry Facility
- Covered Pavilion/Picnic Area

11. RESIDENT SERVICES:

The subject project will not offer any on-site resident services.

12. UTILITY RESPONSIBILITY:

The trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

- Electric Heating
- General Electric
- Cold Water
- Electric Water Heating
- Electric Cooking
- Sewer

13. RENTAL ASSISTANCE: 30 units currently receive Rental Assistance. There are currently no units occupied by a Housing Choice Voucher holder.

14. PARKING:

An unassigned surface parking lot is available to the tenants at no additional cost.

15. CURRENT PROJECT STATUS:

The subject project is an existing 30-unit age-restricted (age 62+) property offering one- and two-bedroom units which operate under the Rural Development 515 (RD 515) program, with Rental Assistance (RA) provided to all 30 subject units. The subject project is 100.0% occupied and maintains a two-household waiting list. The availability of RA allows tenants of these units to pay up to 30% of their adjusted gross income towards rent. Though the subject project does accept Housing Choice Vouchers within

these non-RA units, the property does not have any units occupied by Voucher holders. Based on our review of the current tenant rent roll for the subject project, it was determined that none of the 30 current tenants would continue to income-qualify under the LIHTC guidelines, post renovations. Assuming the retention of RA and the continued acceptance of Housing Choice Vouchers, we anticipate that 30 of the current tenants will continue to qualify and remain at the property post renovations. Effectively, however, all current tenants are expected to remain at the property post renovations, as the developer has indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants. The availability of this subsidy will prevent a rent increase for all current unassisted tenants at the property. A current tenant rent roll for the subject project is included in *Addendum E, Rent Roll*.

Floor and site plans for the existing subject project were not available for review at the time this report was prepared. We conducted, however, an on-site visit and evaluation of unit interiors of select units, the exterior of the subject buildings and property grounds. Based on our evaluation, and the 100.0% occupancy rate reported at the subject project, the subject floor plans and buildings appear to be sufficient. The proposed renovations are expected to improve the general aesthetic appeal of the subject property and improve its overall marketability. A detailed scope of renovations to be completed at the subject project is included in *Addendum H, Scope of Renovations*.

16. STATISTICAL AREA:

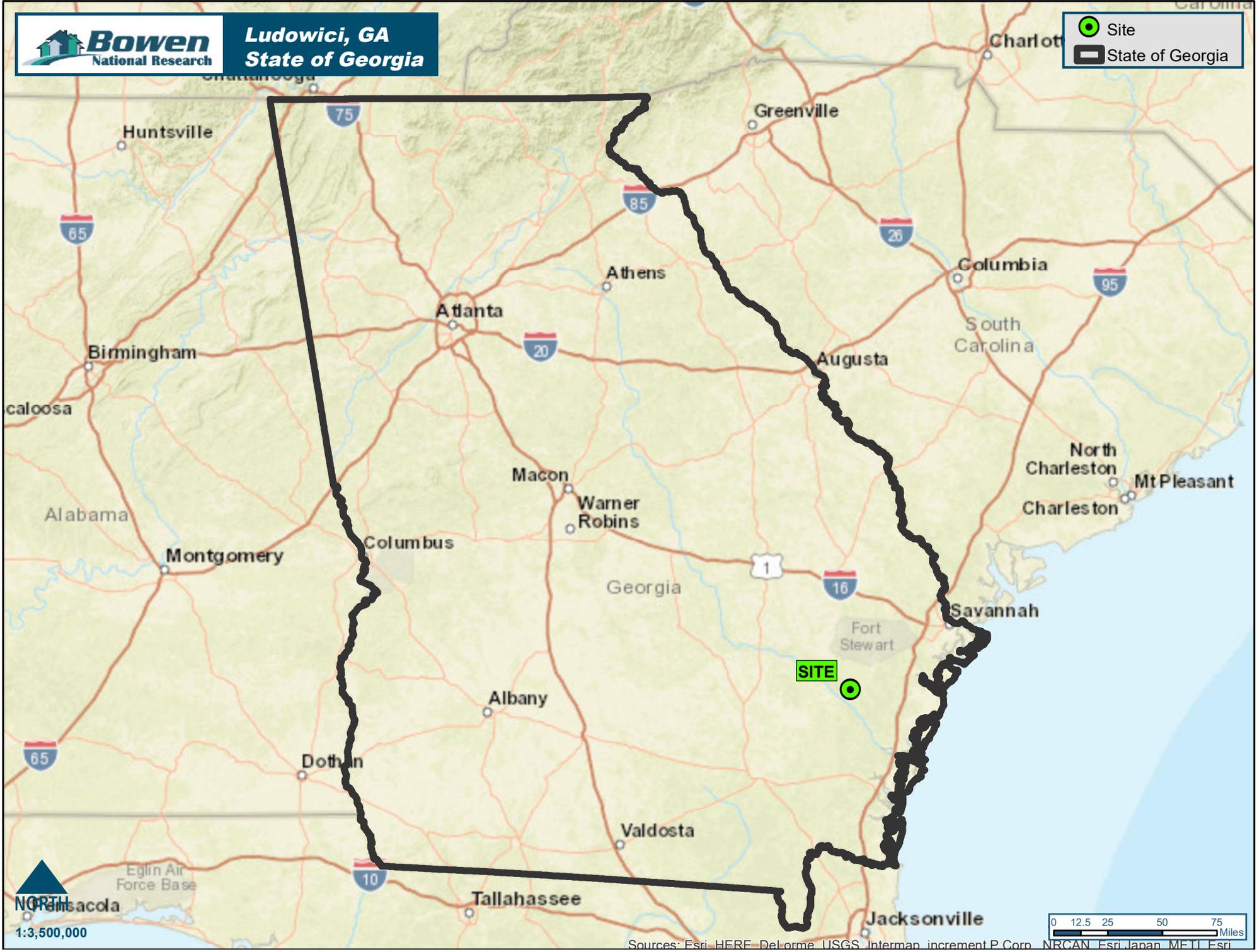
Long County, GA HUD Metro FMR Area (2017)

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



Ludowici, GA State of Georgia

● Site
▭ State of Georgia



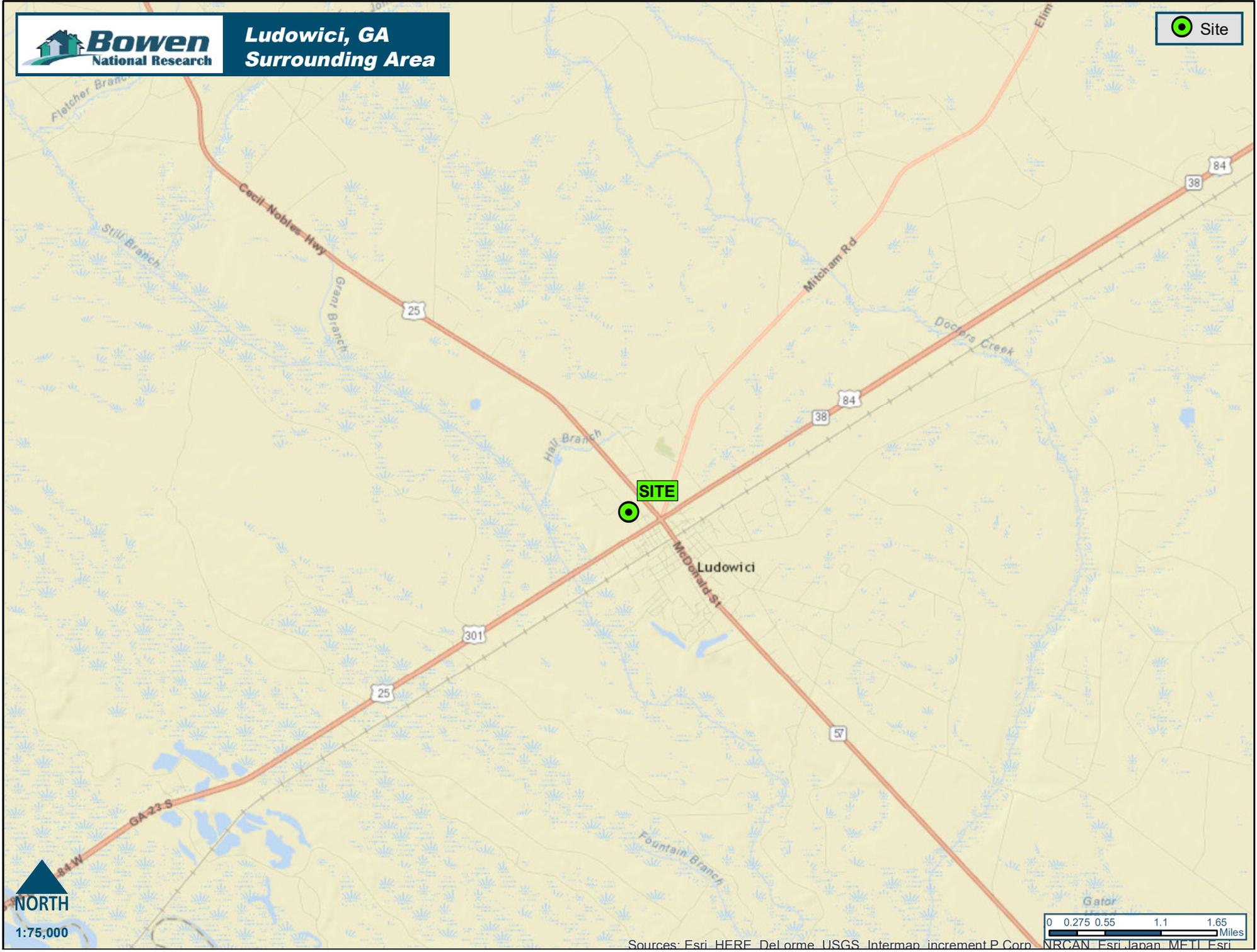
NORTH
1:3,500,000



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



Ludowici, GA Surrounding Area





Ludowici, GA
Site Neighborhood

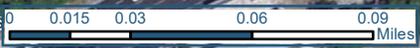
Legend
 Site Area



Oak St
Oak St NW
3rd St
3rd St NW

NW 4th St


NORTH
1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, AeroGRID, IGN, and the GIS User Community


Section C – Site Description And Evaluation

1. LOCATION

The subject site is the existing Sandalwood Terrace apartment property located at 23 4th Street Northwest in the northwestern portion of Ludowici, Georgia. Located within Long County, Ludowici is approximately 153.0 miles southeast of Macon, Georgia and approximately 55.3 miles southwest of Savannah, Georgia. Garth Semple, an employee of Bowen National Research, inspected the site and area apartments during the week of July 31, 2017.

2. SURROUNDING LAND USES

The subject site is within a partially developed area of Ludowici. Surrounding land uses include single-family homes and undeveloped wooded land. Adjacent land uses are detailed as follows:

North -	The northern boundary of the site is defined by 4 th Street Northwest, a two-lane roadway with light vehicular traffic. Undeveloped wooded land extends farther north for a considerable distance.
East -	The eastern boundary of the site is also defined by 4 th Street Northwest followed by scattered one-story single-family homes observed to be in average condition.
South -	Undeveloped heavily wooded land defines the southern boundary of the site and extends for a considerable distance.
West -	Undeveloped heavily wooded land defines the western boundary of the site and extends for a considerable distance.

The subject site is located within a partially developed area of Ludowici and surrounding land uses generally consist of single-family homes and undeveloped wooded land. The surrounding wooded land and residential dwellings provide a semi-private and appealing living environment conducive to the targeted senior population. Overall, the subject project is expected to fit well with the surrounding land uses and they should contribute to the marketability of the site.

3. VISIBILITY AND ACCESS

The subject site is situated along the southwest side of 4th Street Northwest, a lightly traveled two-lane roadway. The subject site derives access from the aforementioned roadway and maintains full frontage as well. Views are generally obstructed in all other directions by wooded land; however, the lack of visibility does not affect the marketability of the site as indicated by subject site reporting 100% occupancy. Access is good as vehicular traffic in the site neighborhood is light and ingress and

egress are convenient due to the light traffic. The site's proximity to U.S. Highway 301/84 will enhance accessibility of the subject site, as this roadway serves as a commercial corridor and arterial roadway in Ludowici and is accessed 0.2 miles southeast of the site. There is no fixed-route public transportation in Ludowici; however, CSI or Concerted Services, Incorporated offers limited transportation by appointment for seniors within Long County. Overall, visibility is considered fair and access is considered good.

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area.

4. **SITE PHOTOGRAPHS**

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

SITE PHOTOGRAPHS



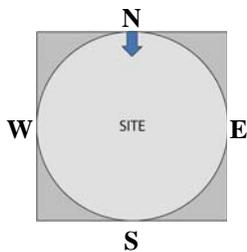
Site Entryway



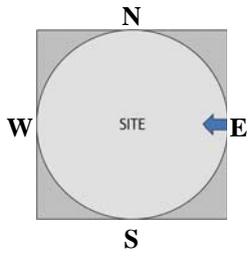
Entryway Signage



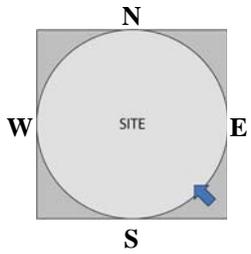
Typical Building Exterior



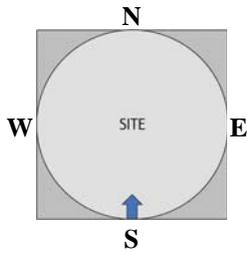
View of site from the north



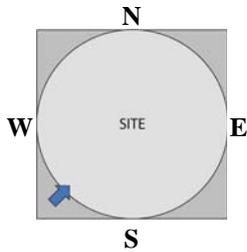
View of site from the east



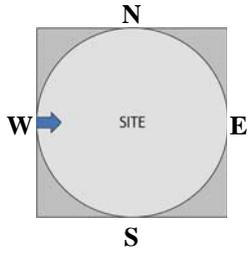
View of site from the southeast



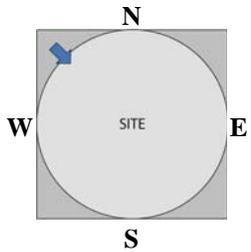
View of site from the south



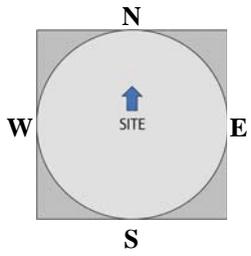
View of site from the southwest



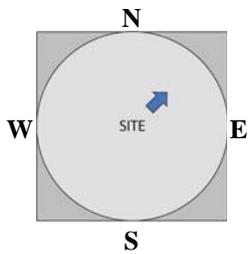
View of site from the west



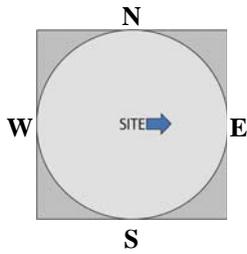
View of site from the northwest



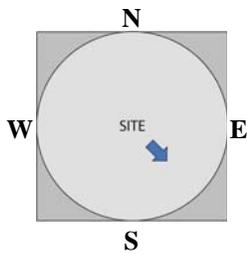
North view from site



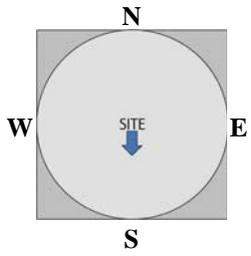
Northeast view from site



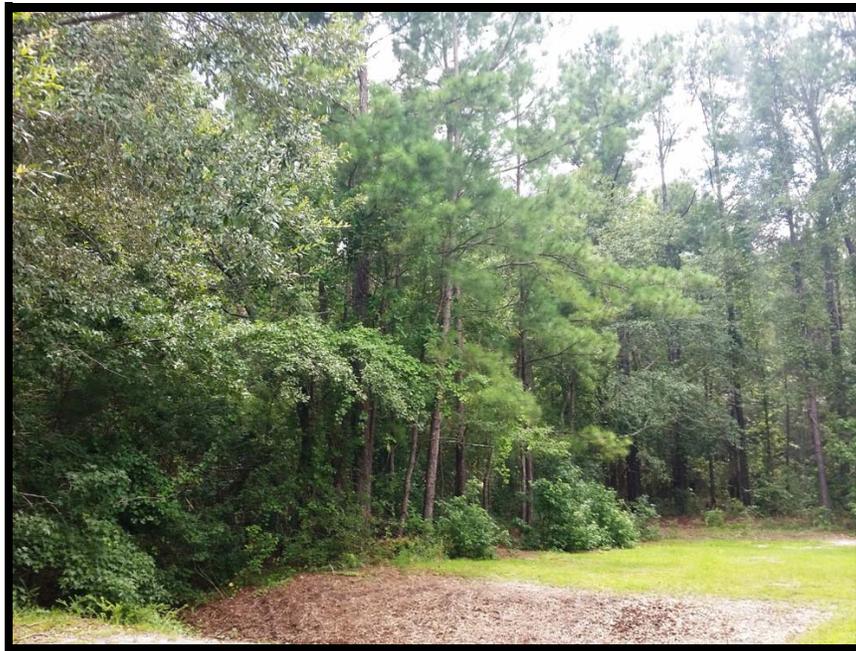
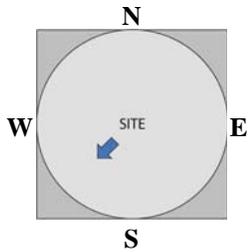
East view from site



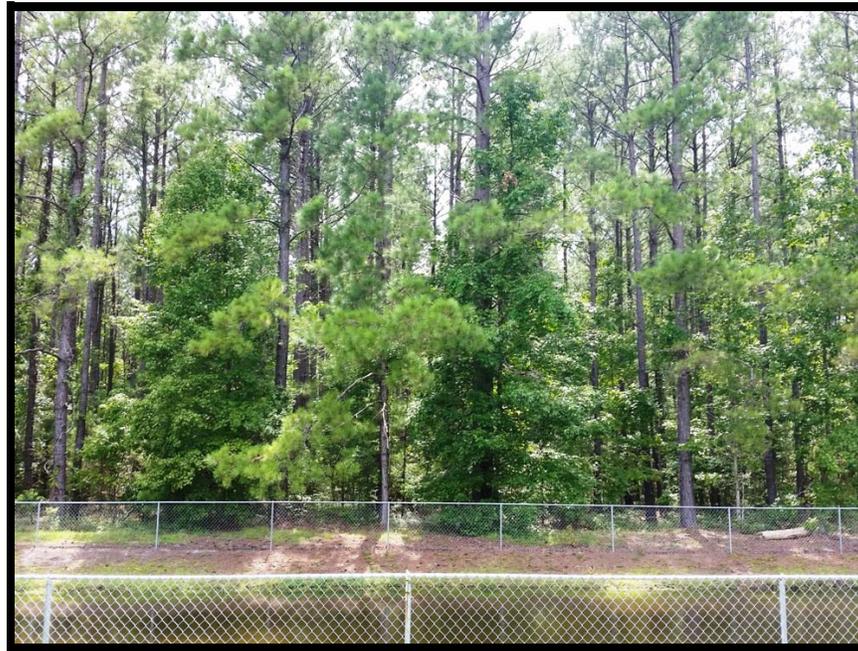
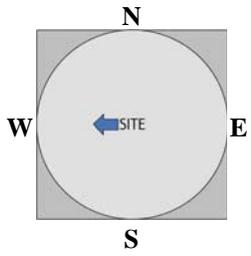
Southeast view from site



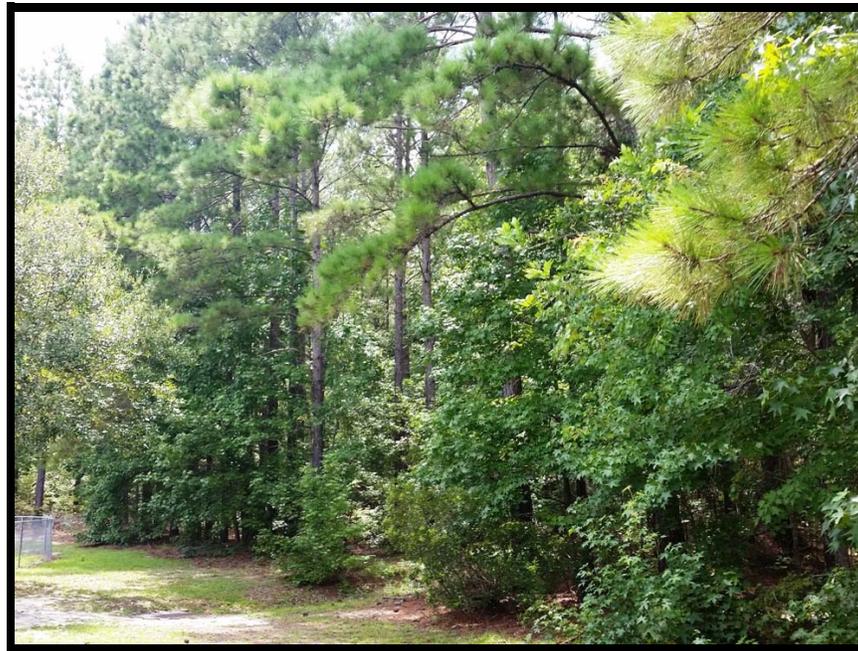
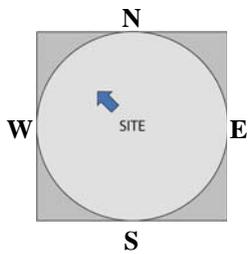
South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: Northwest view of Northwest 4th Street



Streetscape: Southeast view of Northwest 4th Street



Picnic Area



Gazebo



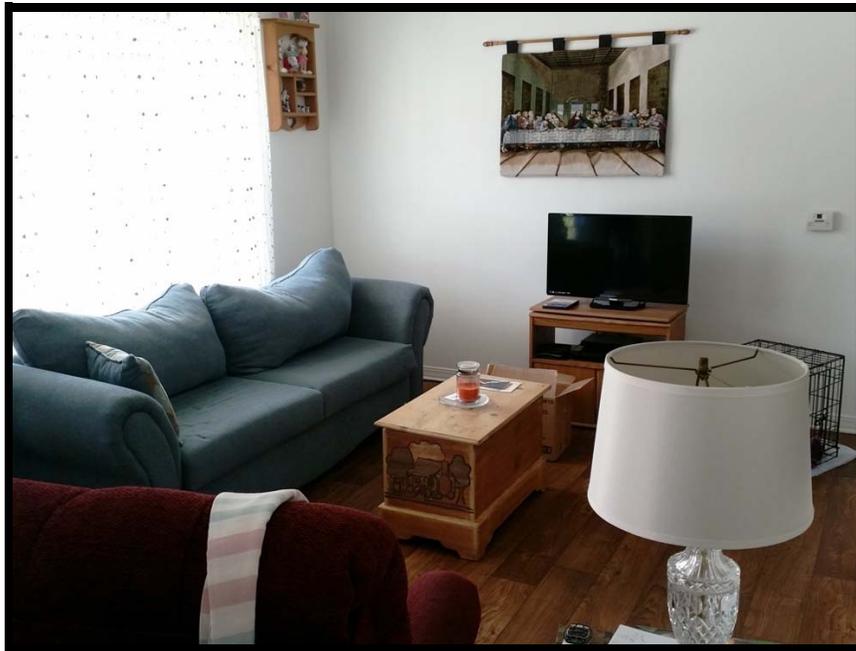
Retention Pond



Laundry Facility



Community Room



Typical One-Bedroom ADA Unit - Living Room



Typical One-Bedroom ADA Unit - Kitchen



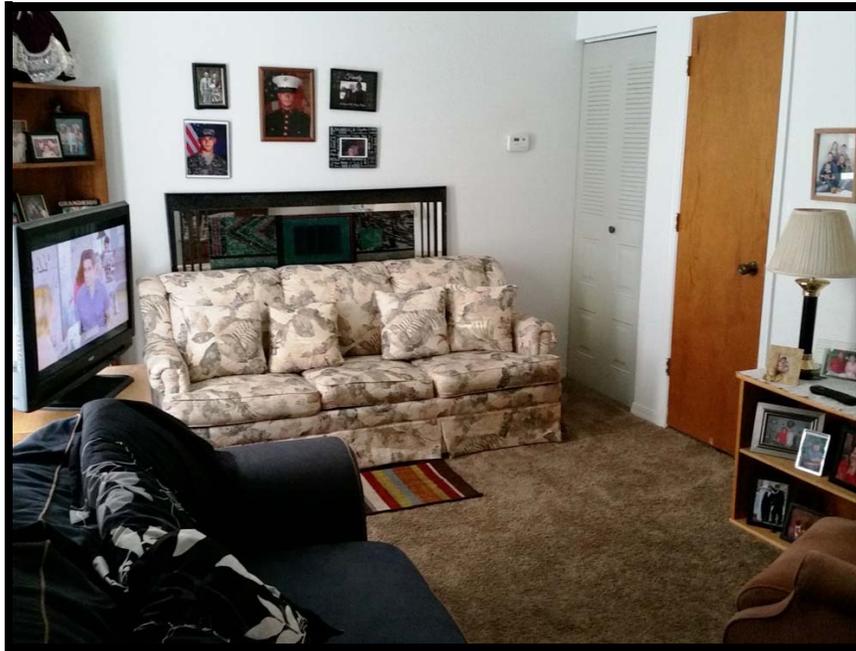
Typical One-Bedroom ADA Unit - Dining Area



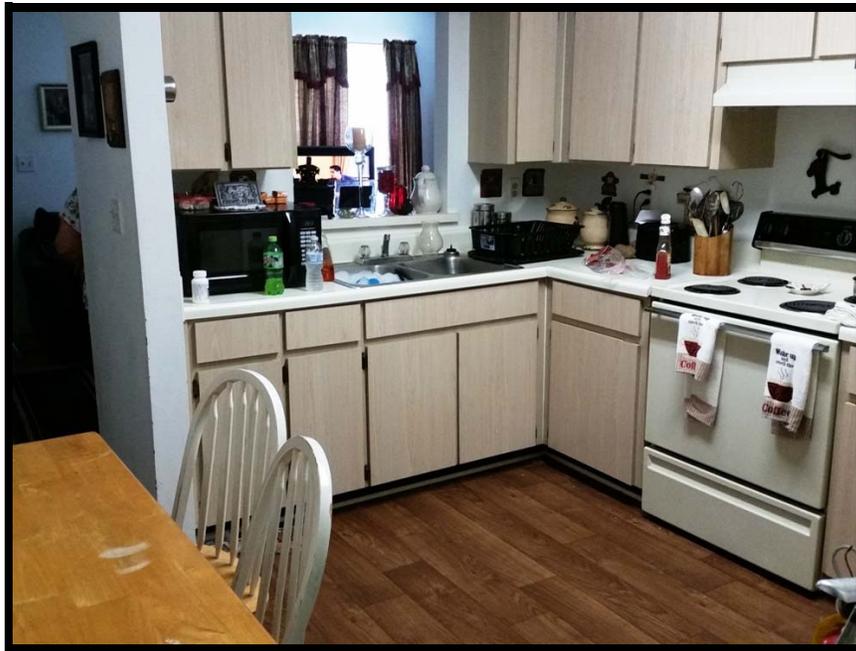
Typical One-Bedroom ADA Unit - Bedroom



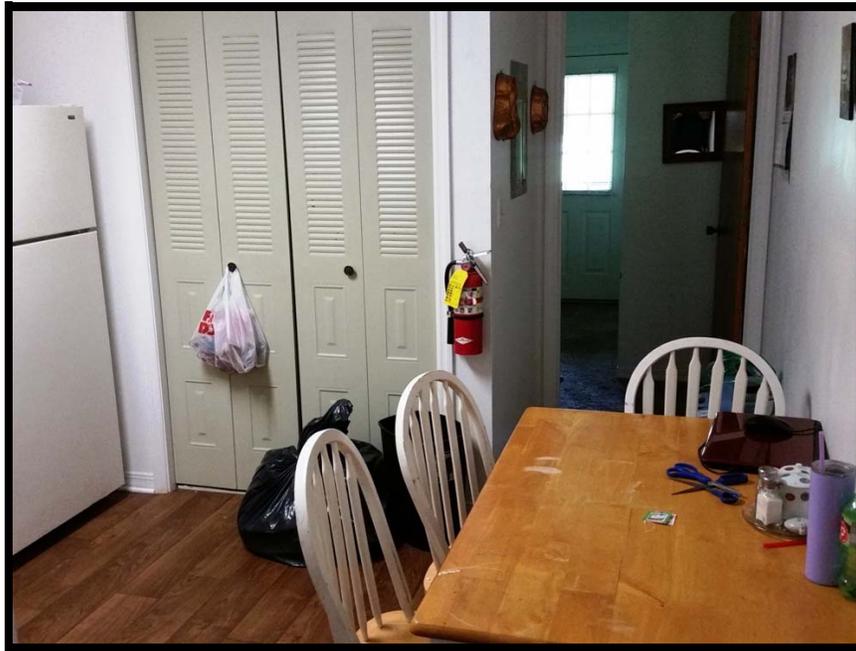
Typical One-Bedroom ADA Unit - Bathroom



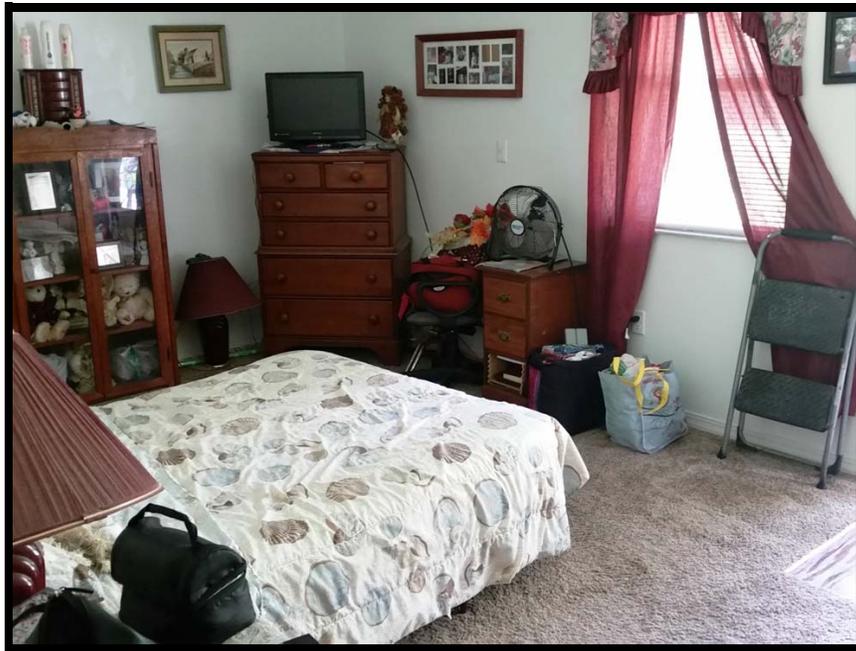
Typical One-Bedroom Unit - Living Room



Typical One-Bedroom Unit - Kitchen



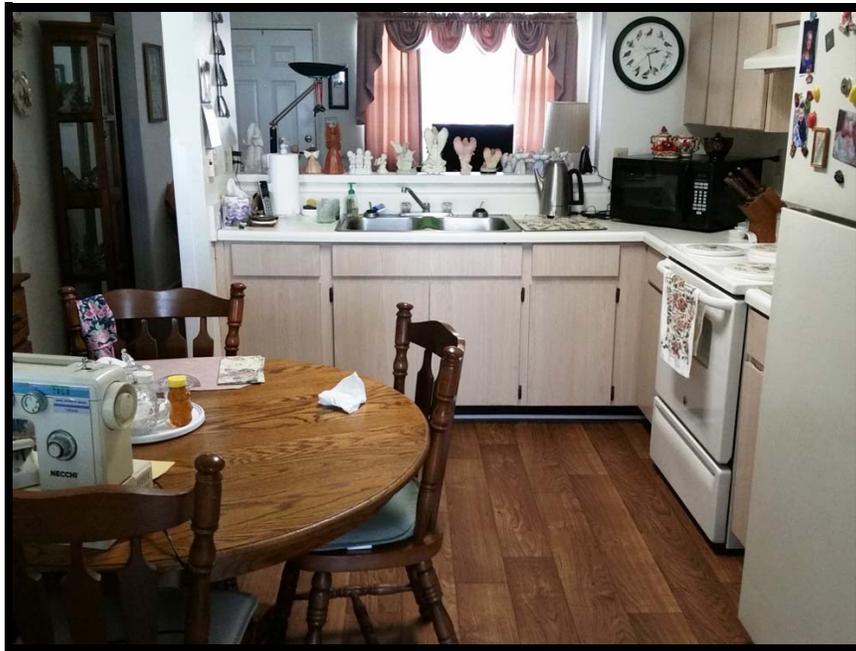
Typical One-Bedroom Unit - Dining Area



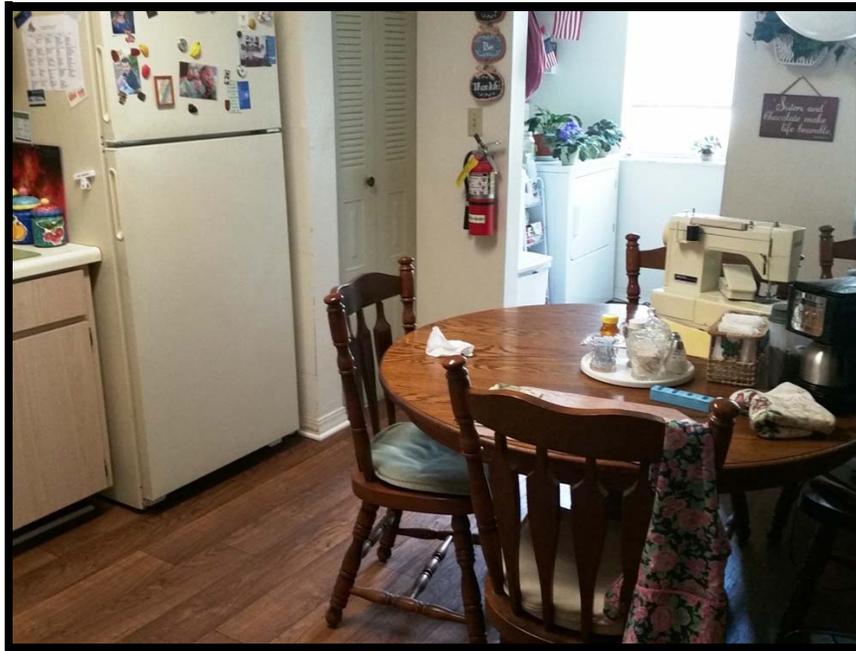
Typical One-Bedroom Unit - Bedroom



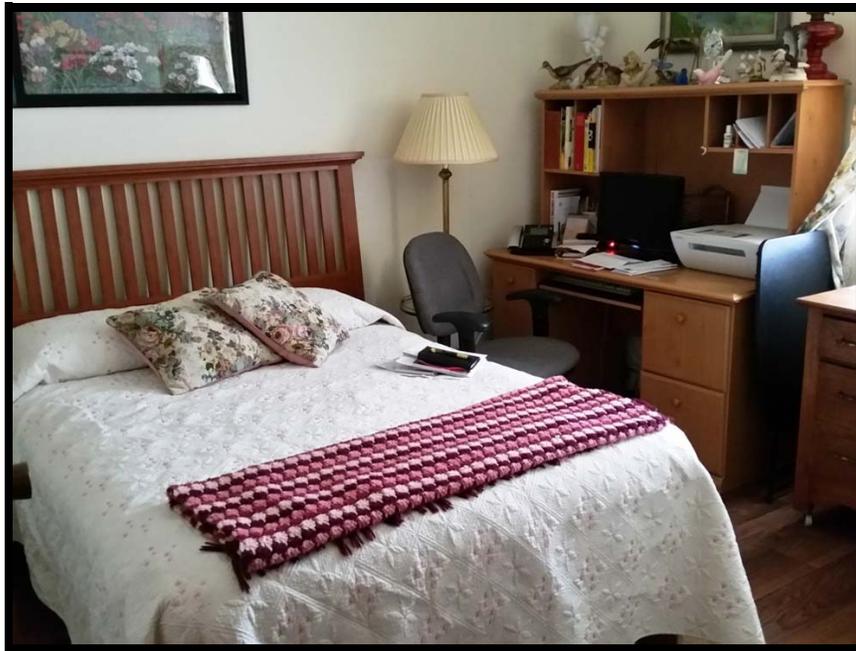
Typical Two-Bedroom Unit - Living Room



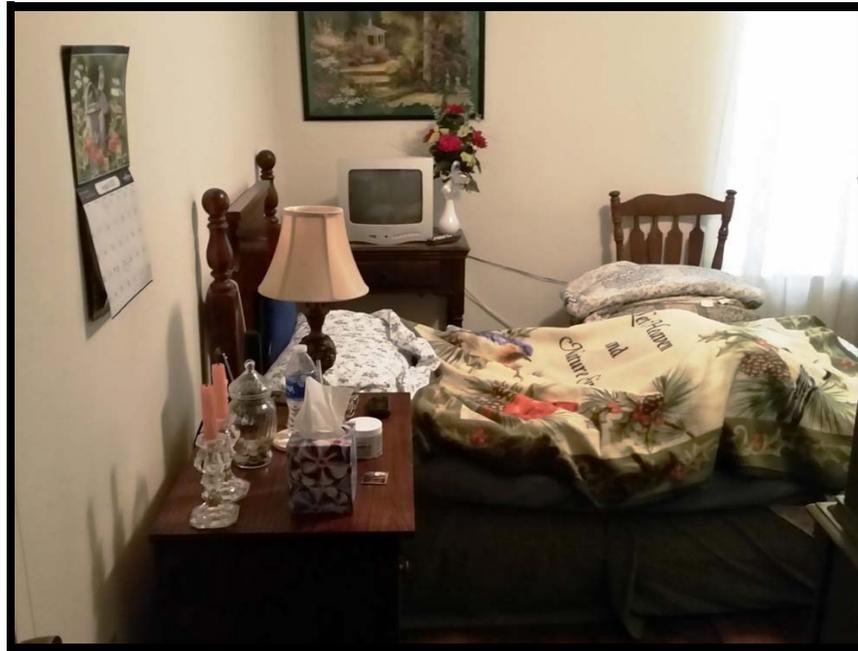
Typical Two-Bedroom Unit - Kitchen



Typical Two-Bedroom Unit - Dining Area



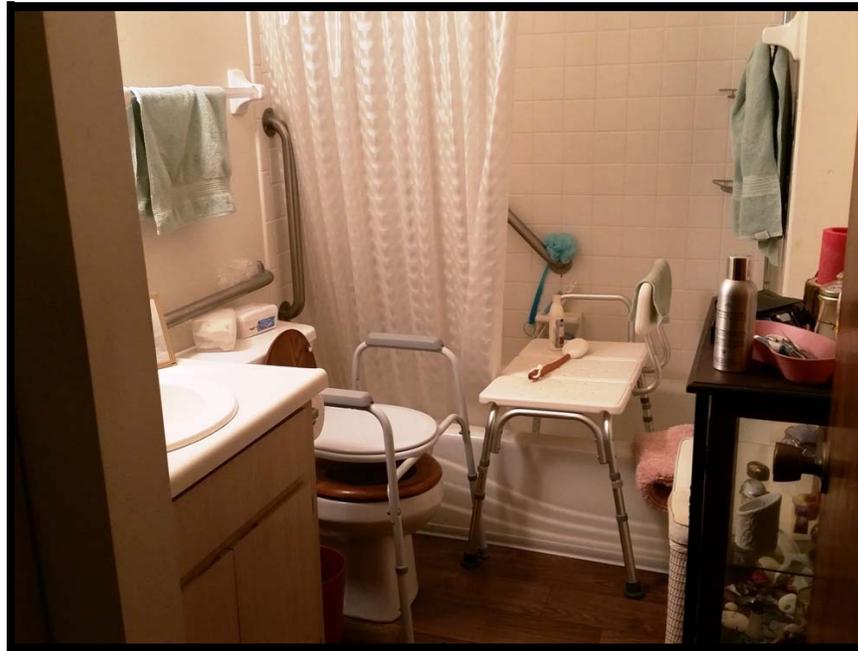
Typical Two-Bedroom Unit - Master Bedroom



Typical Two-Bedroom Unit - Spare Bedroom (View 1)



Typical Two-Bedroom Unit - Spare Bedroom (View 2)



Typical Two-Bedroom Unit - Bathroom



Typical Unit Back Patio and Storage Closet

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

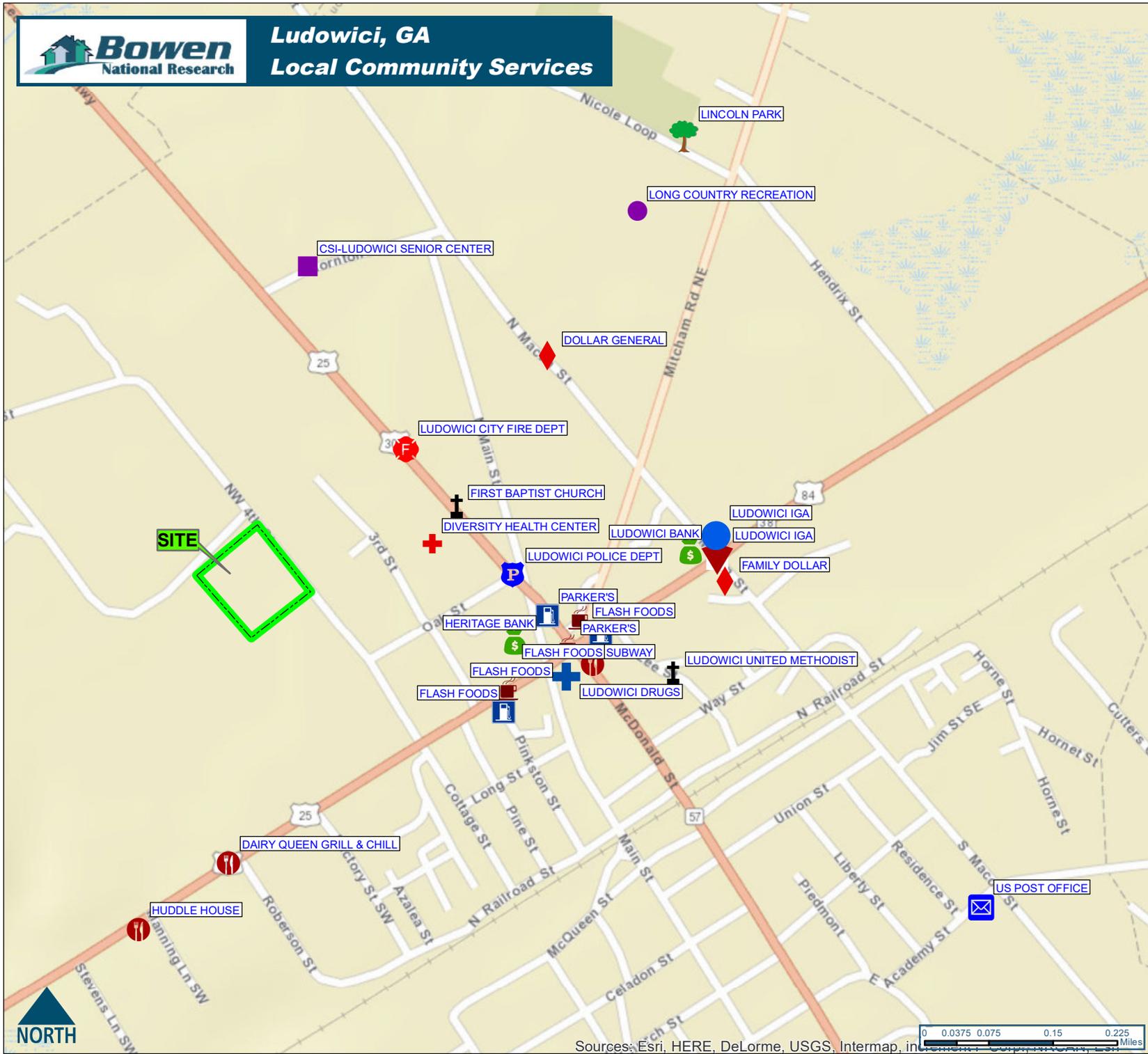
Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	U.S. Highway 301/84	0.2 Southeast
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Ludowici IGA Georgia Department of Corrections	0.5 East 1.9 Northeast
Convenience Store	Flash Foods (Store #1) Parker's Flash Foods (Store #2)	0.3 Southeast 0.4 Southeast 0.5 Southeast
Grocery	Ludowici IGA Walmart Supercenter Walmart Neighborhood Market	0.5 East 10.6 Southwest 10.7 Northeast
Discount Department Store	Family Dollar Dollar General Walmart Supercenter	0.5 East 0.6 Northeast 10.6 Southwest
Shopping Center/Mall	Oglethorpe Square	12.0 Northeast
Hospital	Wayne Memorial Hospital	12.1 Southwest
Medical Center	Diversity Health Center	0.4 East
Police	Ludowici Police Department	0.2 East
Fire	Ludowici City Fire Department	0.4 Northeast
Post Office	U.S. Post Office	0.9 Southeast
Bank	Heritage Bank Ludowici Bank	0.4 Southeast 0.6 East
Senior Center	CSI-Ludowici Senior Center	0.7 North
Recreational Facilities	Long County Recreation	0.9 Northeast
Gas Station	Flash Foods (Station #1) Parker's Flash Foods (Station #2)	0.3 Southeast 0.4 Southeast 0.5 Southeast
Pharmacy	Ludowici Pharmacy Walmart Pharmacy	0.4 Southeast 10.6 Southwest
Restaurant	Subway Dairy Queen Grill & Chill Huddle House	0.3 Southeast 0.4 Southwest 0.5 Southwest
Day Care	N/A	N/A
Library	Long County Library	1.3 Southeast
Park	Lincoln Park	1.0 Northeast
Church	First Baptist Church Ludowici United Methodist Church	0.3 East 0.5 Southeast
Community Center	Long County Recreation	0.9 Northeast

N/A – Not Applicable

The subject site is within proximity of various basic community services, many of them within 1.0 mile of the site. Employment opportunities, convenience stores, discount shopping, a restaurant, bank and pharmacy are all located within 1.0 mile of the site. More extensive shopping, dining and various employment opportunities are offered in nearby areas like Hinesville, including Hinesville Central which is located within 12.0 miles of the site and anchored by such retailers as TJ Maxx and Dick's Sporting Goods. Residents of the rural Ludowici area are accustomed to traveling for these services.

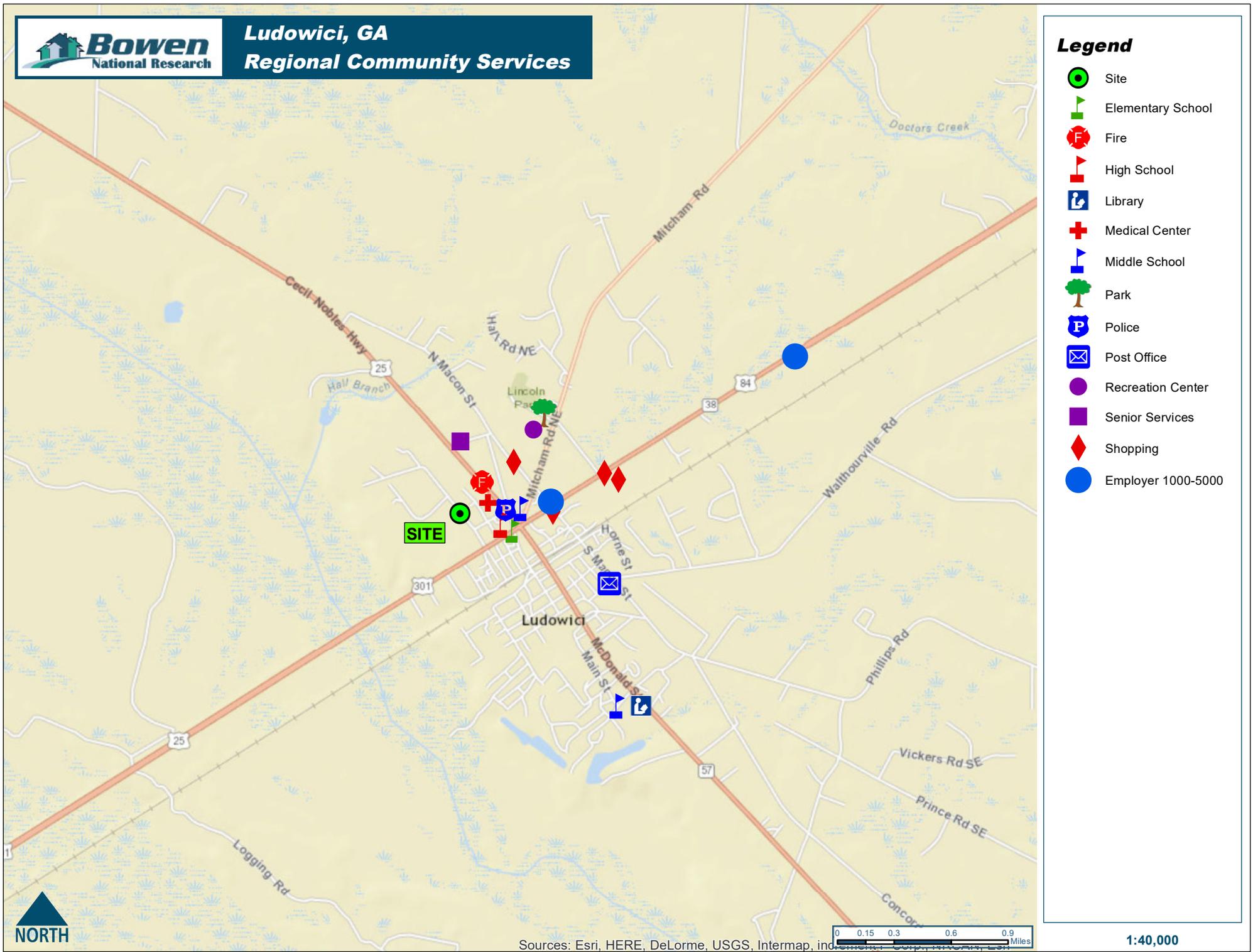
Public safety services are provided by the Ludowici City Police and Fire departments, are located within 0.4 miles of the site. CSI or Concerted Services, Incorporated offers a senior center with activities, congregate meals, limited transportation, and health screening to residents of Long County located 0.7 miles north of the site. The nearest full-service hospital is Wayne Memorial Hospital, located 12.1 miles southwest of the site. Diversity Health Center is a medical center offering primary and acute care located 0.4 miles east of the site. While many basic community services are located within 1.0 mile of the site, residents of Ludowici are accustomed to travel for more extensive shopping, medical, dining, and entertainment options. The proximity to basic community services and public safety services will positively impact the continued marketability of the site.

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



- ### Legend
- Site Area
 - Bank
 - Church
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Medical Center
 - Park
 - Pharmacy
 - Police
 - Post Office
 - Recreation Center
 - Restaurant
 - Senior Services
 - Shopping
 - Employer 1000-5000





Legend

-  Site
-  Elementary School
-  Fire
-  High School
-  Library
-  Medical Center
-  Middle School
-  Park
-  Police
-  Post Office
-  Recreation Center
-  Senior Services
-  Shopping
-  Employer 1000-5000



6. CRIME ISSUES

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

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

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

Total crime risk (46) for the Site PMA is below the national average with an overall personal crime index of 41 and a property crime index of 46. Total crime risk (41) for Long County is below the national average with indexes for personal and property crime of 40 and 38, respectively.

	Crime Risk Index	
	Site PMA	Long County
Total Crime	46	41
Personal Crime	41	40
Murder	91	81
Rape	45	32
Robbery	18	23
Assault	22	33
Property Crime	46	38
Burglary	50	62
Larceny	65	35
Motor Vehicle Theft	22	20

Source: Applied Geographic Solutions

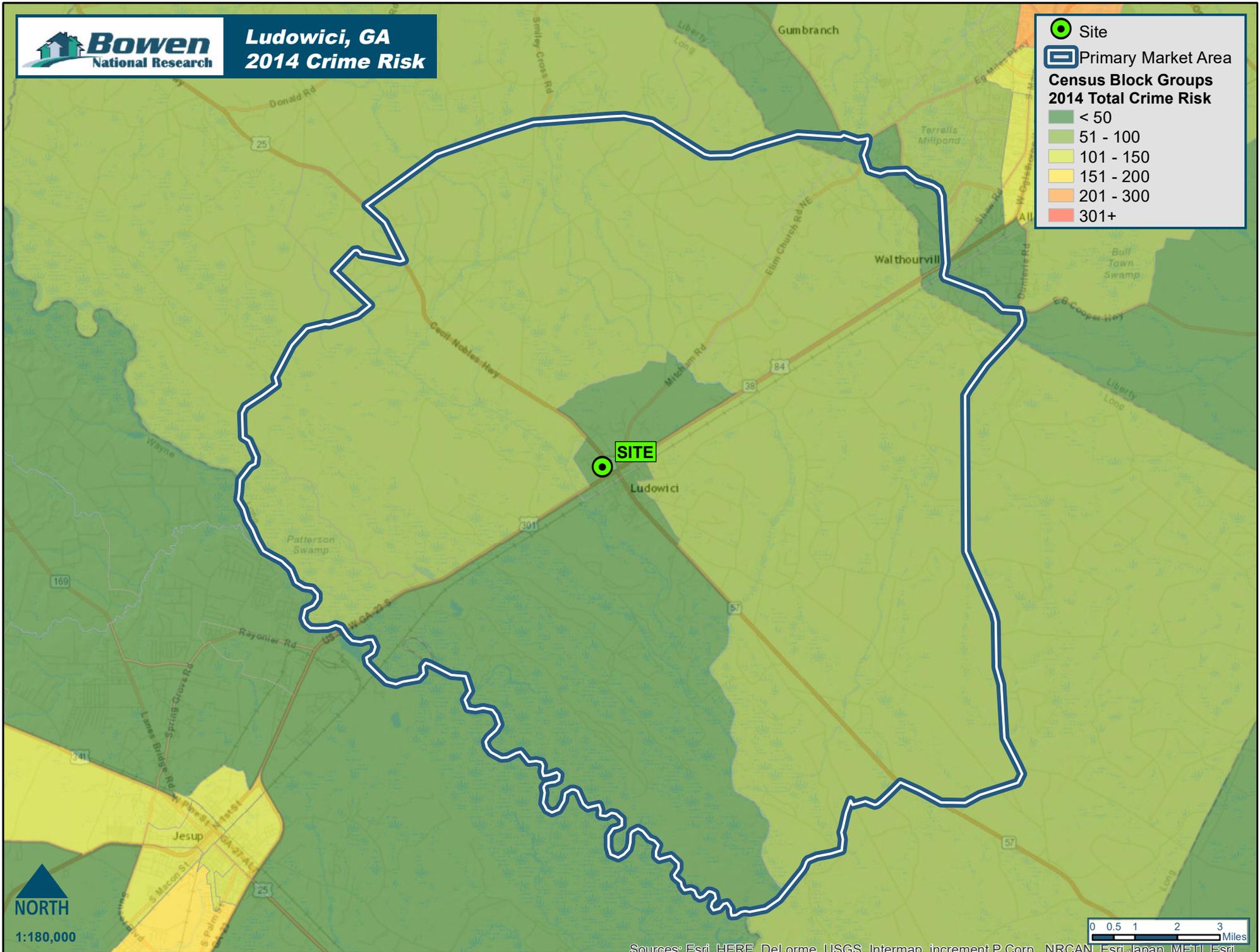
Given the extremely low crime risk at the Site PMA and the 100% occupancy rate of the subject project, we do not expect crime to adversely impact the subject project's marketability.

A map illustrating crime risk is on the following page.

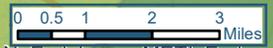
-  Site
-  Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



1:180,000



7. OVERALL SITE EVALUATION

The subject site is located within a partially developed area of Ludowici. The wooded land surrounding most of the subject site provides a semi-private living environment conducive to senior living. The residential dwellings bordering the site to the east are of average quality and positively contribute to the site's marketability. Visibility is considered fair due to the wooded land generally obstructing views of the site; however, the lack of visibility does not affect the marketability of the site as indicated by the subject site's 100% occupancy rate. Ingress and egress are convenient due to the light traffic within the site neighborhood and it is not anticipated that there will be any traffic disruptions. The subject site has easy access to U.S. Highway 301/84, which is an arterial roadway and commercial corridor in the Ludowici area and is accessed 0.2 miles southeast of the site. Proximity to area community services will continue to benefit the subject site as most basic area services are within 1.0 mile and more extensive options are available in the nearby areas of Hinesville and Jessup. Overall, the surrounding land uses and proximity to community services will continue to have a positive impact on the marketability of the site.

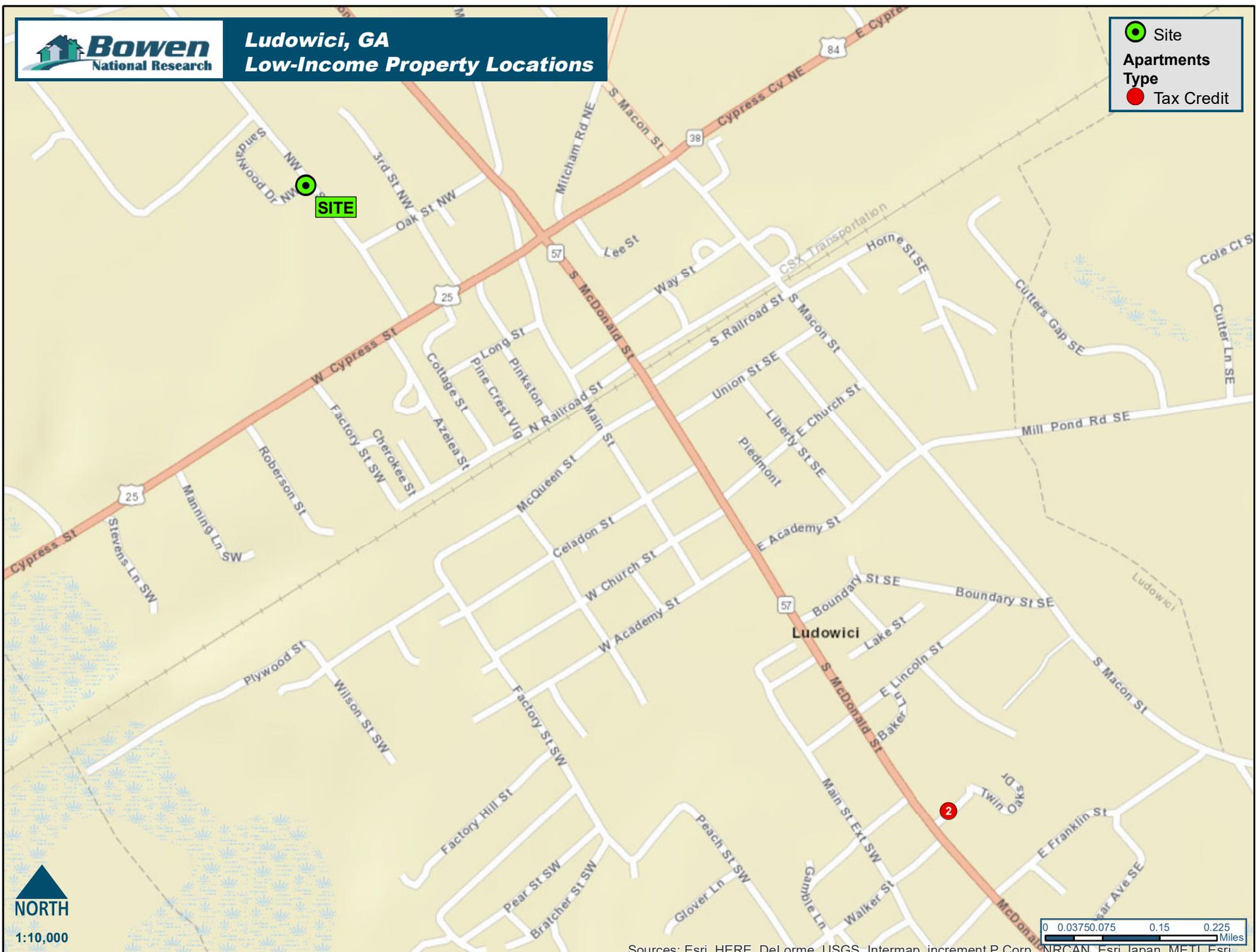
8. MAP OF LOW-INCOME RENTAL HOUSING

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

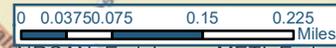


Ludowici, GA Low-Income Property Locations

- Site
- Apartments**
- Type**
- Tax Credit



NORTH
1:10,000



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

Section D – Primary Market Area Delineation

The Site Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters will originate. It is also the geographic area expected to generate the most demographic support for the subject development. The Ludowici Site PMA was determined through interviews with management at the subject site and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Ludowici Site PMA includes all of Ludowici, portions of Walthourville and some of the outlying unincorporated areas of Long County. The boundaries of the Site PMA include Rye Patch Road and State Route 196 to the north; State Route 119 and Tibet Road to the east; Tibet Road, State Route 57, Lennie and Middletown Lake roads and various unnamed roads to Altamaha River to the south; and Altamaha River, State Route 276, Jones Creek Loop, Henry Wolcott and Logging roads and U.S. Highway 301 to the west.

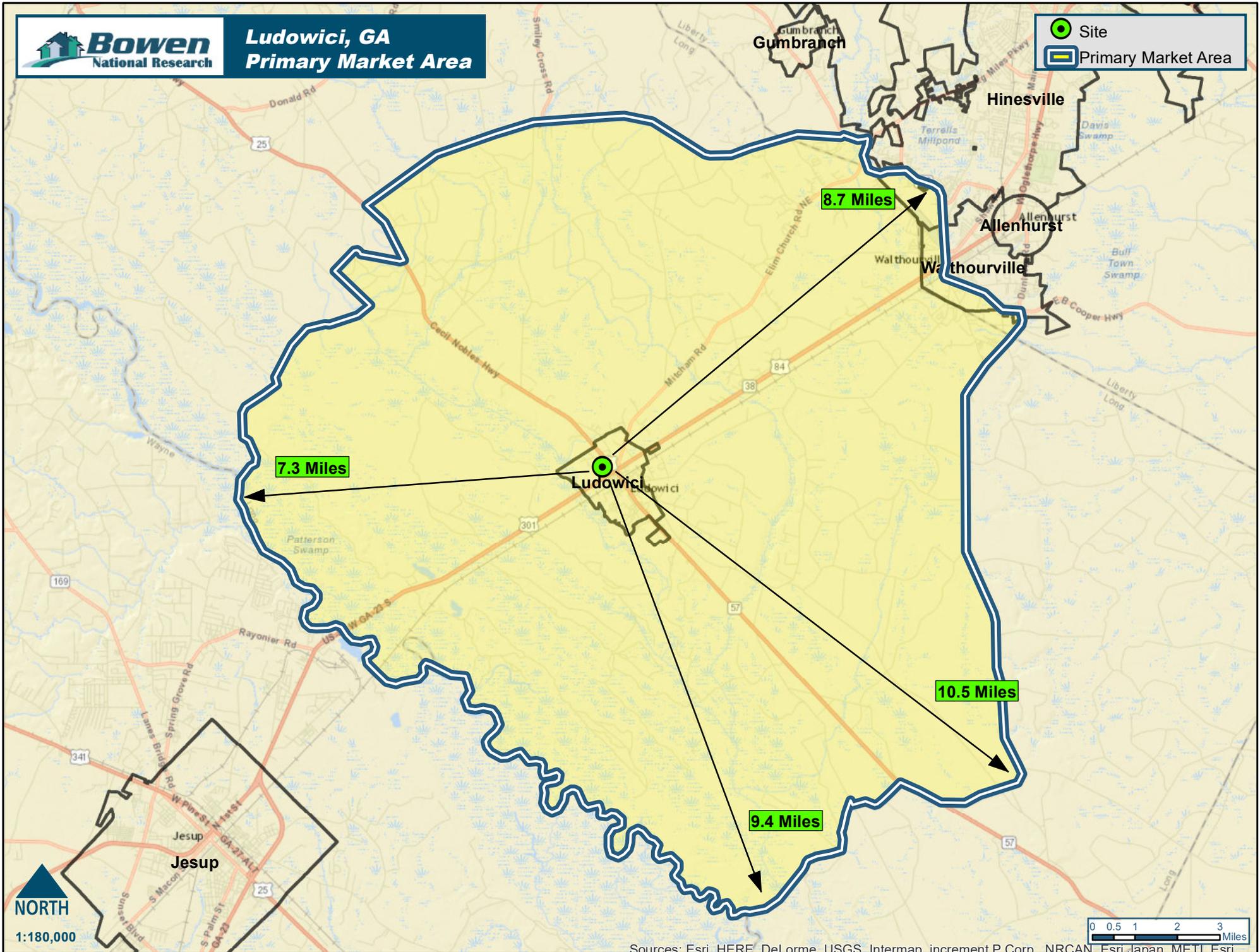
Donna Kennedy, Property Manager with Sandalwood Terrace (the subject site), stated most of her residents come from the immediate area of Ludowici and some small nearby areas of Long County. Ms. Kennedy stated she gets the occasional interest from Hinesville because an applicant might have a child or family member on the military base in the that area, but these applicants/residents do not make up a large majority. Ms. Kennedy confirmed the boundaries of the Site PMA.

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



Ludowici, GA Primary Market Area

- Site
- Primary Market Area



1:180,000



Section E – Community Demographic Data

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2017 (estimated) and 2019 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Population	8,408	11,657	15,272	16,411
Population Change	-	3,249	3,615	1,139
Percent Change	-	38.6%	31.0%	7.5%

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

The Ludowici Site PMA population base increased by 3,249 between 2000 and 2010. This represents a 38.6% increase over the 2000 population, or an annual rate of 3.3%. Between 2010 and 2017, the population increased by 3,615, or 31.0%. It is projected that the population will increase by 1,139, or 7.5%, between 2017 and 2019.

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

Population by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	3,912	33.6%	4,911	32.2%	5,264	32.1%	353	7.2%
20 to 24	938	8.0%	1,122	7.3%	1,157	7.0%	34	3.1%
25 to 34	1,944	16.7%	2,637	17.3%	2,786	17.0%	150	5.7%
35 to 44	1,590	13.6%	1,996	13.1%	2,167	13.2%	171	8.6%
45 to 54	1,531	13.1%	1,813	11.9%	1,900	11.6%	88	4.8%
55 to 64	962	8.3%	1,462	9.6%	1,583	9.6%	122	8.3%
65 to 74	464	4.0%	878	5.8%	1,035	6.3%	156	17.8%
75 & Over	319	2.7%	453	3.0%	518	3.2%	66	14.5%
Total	11,660	100.0%	15,272	100.0%	16,411	100.0%	1,139	7.5%

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

As the preceding table illustrates, over 18% of the population is expected to be age 55 and older and 8.8% of the population is age 65 and older in 2017. These age groups are the primary groups that would respond to the subject project.

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2017 (Estimated)	2019 (Projected)
Elderly (Age 62+)	1,033	1,739	2,007
Non-Elderly	10,624	13,533	14,404
Total	11,657	15,272	16,411

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

The elderly population is projected to increase by 268, or 15.4%, between 2017 and 2019. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	2,874	3,966	5,281	5,688
Household Change	-	1,092	1,315	408
Percent Change	-	38.0%	33.2%	7.7%
Household Size	2.93	2.94	2.82	2.81

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

Within the Ludowici Site PMA, households increased by 1,092 (38.0%) between 2000 and 2010. Between 2010 and 2017, households increased by 1,315 or 33.2%. By 2019, there will be 5,688 households, an increase of 408 households, or 7.7% over 2017 levels. This is an increase of approximately 204 households annually over the next two years.

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

Households by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	318	8.0%	393	7.4%	412	7.2%	19	4.9%
25 to 34	865	21.8%	1,214	23.0%	1,280	22.5%	66	5.4%
35 to 44	854	21.5%	1,073	20.3%	1,162	20.4%	88	8.2%
45 to 54	834	21.0%	984	18.6%	1,027	18.0%	42	4.3%
55 to 64	615	15.5%	853	16.2%	920	16.2%	66	7.8%
65 to 74	299	7.5%	521	9.9%	612	10.8%	91	17.5%
75 to 84	139	3.5%	179	3.4%	207	3.6%	29	16.0%
85 & Over	45	1.1%	65	1.2%	70	1.2%	5	7.6%
Total	3,969	100.0%	5,282	100.0%	5,689	100.0%	407	7.7%

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

Between 2017 and 2019, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74. The number of households age 55 and older is projected to increase by 191, representing a 10.6% increase. This growth will add to the demand for senior-oriented housing and the ongoing demand for the subject project.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,450	61.8%	3,081	58.4%	3,328	58.5%
Renter-Occupied	1,516	38.2%	2,199	41.6%	2,360	41.5%
Total	3,966	100.0%	5,281	100.0%	5,688	100.0%

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

In 2017, homeowners occupied 58.4% of all occupied housing units, while the remaining 41.6% were occupied by renters. The share of renters is relatively high.

Households by tenure for those age 55 and older in 2010, 2017 (estimated) and 2019 (projected) are distributed as follows:

Tenure Age 55+	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	911	83.0%	1,219	75.4%	1,316	72.9%
Renter-Occupied	187	17.0%	397	24.6%	489	27.1%
Total	1,098	100.0%	1,616	100.0%	1,805	100.0%

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

A total of 397 (24.6%) of all households age 55 and older within the Site PMA were renters in 2017.

Households by tenure for those age 62 and older in 2010, 2017 (estimated) and 2019 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	574	85.3%	791	77.4%	892	76.6%
Renter-Occupied	99	14.7%	231	22.6%	272	23.4%
Total	673	100.0%	1,022	100.0%	1,165	100.0%

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

A total of 231 (22.6%) of all households age 62 and older within the Site PMA were renters in 2017. This base of seniors is projected to increase by 41 households over the next two years.

Households by tenure are distributed as follows:

Distribution of Households	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 62)	1,883	47.4%	2,298	43.4%	2,441	42.9%
Owner-Occupied (Age 62+)	574	14.4%	791	15.0%	892	15.7%
Renter-Occupied (<Age 62)	1,419	35.7%	1,969	37.2%	2,091	36.7%
Renter-Occupied (Age 62+)	99	2.5%	231	4.4%	272	4.8%
Total	3,975	100.0%	5,288	100.0%	5,697	100.0%

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

Currently, 4.4% of all occupied housing units within the Site PMA are occupied by renters age 62 and older.

The household sizes by tenure for age 55 and older within the Site PMA, based on the 2017 estimates and 2019 projections, were distributed as follows:

Persons Per Renter Household Age 55+	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	239	60.3%	290	59.2%	50	21.1%
2 Persons	57	14.5%	72	14.8%	15	25.8%
3 Persons	61	15.3%	76	15.6%	16	25.7%
4 Persons	26	6.6%	33	6.7%	6	24.4%
5 Persons+	13	3.4%	18	3.7%	5	35.8%
Total	397	100.0%	489	100.0%	92	23.2%

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

Persons Per Owner Household Age 55+	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	266	21.8%	292	22.2%	26	9.8%
2 Persons	403	33.0%	432	32.8%	30	7.3%
3 Persons	192	15.8%	206	15.6%	14	7.3%
4 Persons	165	13.5%	178	13.5%	13	8.0%
5 Persons+	193	15.9%	208	15.8%	15	7.7%
Total	1,219	100.0%	1,316	100.0%	98	8.0%

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

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2017 estimates and 2019 projections, were distributed as follows:

Persons Per Renter Household Age 62+	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	130	56.5%	149	54.8%	19	14.4%
2 Persons	37	15.9%	44	16.3%	8	20.7%
3 Persons	39	17.0%	48	17.5%	8	21.4%
4 Persons	17	7.4%	21	7.7%	4	23.5%
5 Persons+	7	3.2%	10	3.7%	3	37.8%
Total	231	100.0%	272	100.0%	42	18.0%

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

Persons Per Owner Household Age 62+	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	219	27.7%	246	27.6%	28	12.6%
2 Persons	241	30.5%	272	30.4%	30	12.6%
3 Persons	114	14.4%	129	14.4%	15	13.4%
4 Persons	99	12.6%	112	12.6%	13	12.9%
5 Persons+	118	14.9%	133	14.9%	16	13.2%
Total	791	100.0%	892	100.0%	102	12.8%

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

The subject site will continue to primarily attract one- and two-bedroom units, which represent nearly three-fourths of the senior renters in the market. This contributes to the subject project's ongoing marketability.

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

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	840	21.2%	729	13.8%	799	14.0%
\$15,000 to \$24,999	507	12.8%	689	13.1%	738	13.0%
\$25,000 to \$34,999	546	13.8%	644	12.2%	702	12.3%
\$35,000 to \$49,999	708	17.8%	908	17.2%	878	15.4%
\$50,000 to \$74,999	823	20.7%	1,375	26.0%	1,491	26.2%
\$75,000 to \$99,999	277	7.0%	678	12.8%	781	13.7%
\$100,000 to \$149,999	161	4.1%	205	3.9%	234	4.1%
\$150,000 to \$199,999	51	1.3%	45	0.8%	56	1.0%
\$200,000 & Over	56	1.4%	6	0.1%	9	0.2%
Total	3,969	100.0%	5,280	100.0%	5,688	100.0%
Median Income	\$36,939		\$44,542		\$45,333	

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

In 2010, the median household income was \$36,939. This increased by 20.6% to \$44,542 in 2017. By 2019, it is projected that the median household income will be \$45,333, an increase of 1.8% over 2017.

The distribution of households by income age 55 and older within the Ludowici Site PMA is summarized as follows:

Household Income 55+	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	222	20.2%	261	16.2%	300	16.6%
\$15,000 to \$24,999	189	17.2%	248	15.3%	274	15.2%
\$25,000 to \$34,999	156	14.2%	186	11.5%	211	11.7%
\$35,000 to \$49,999	198	18.0%	243	15.1%	238	13.2%
\$50,000 to \$74,999	193	17.6%	411	25.4%	460	25.5%
\$75,000 to \$99,999	67	6.1%	206	12.8%	247	13.7%
\$100,000 to \$149,999	44	4.0%	49	3.0%	58	3.2%
\$150,000 to \$199,999	16	1.5%	9	0.6%	13	0.7%
\$200,000 & Over	13	1.2%	2	0.1%	3	0.2%
Total	1,098	100.0%	1,616	100.0%	1,805	100.0%
Median Income	\$33,846		\$41,945		\$42,374	

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

In 2010, the median household income for households age 55 and older was \$33,846. This increased by 23.9% to \$41,945 in 2017. By 2019, it is projected that the median household income will be \$42,374, an increase of 1.0% over 2017.

The distribution of households by income age 62 and older within the Ludowici Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	139	20.7%	177	17.3%	208	17.8%
\$15,000 to \$24,999	135	20.1%	191	18.7%	214	18.4%
\$25,000 to \$34,999	104	15.5%	129	12.6%	150	12.9%
\$35,000 to \$49,999	116	17.2%	167	16.4%	164	14.0%
\$50,000 to \$74,999	109	16.2%	226	22.1%	267	22.9%
\$75,000 to \$99,999	33	4.9%	105	10.3%	127	10.9%
\$100,000 to \$149,999	22	3.3%	22	2.1%	27	2.3%
\$150,000 to \$199,999	9	1.3%	5	0.5%	8	0.7%
\$200,000 & Over	6	0.9%	0	0.0%	1	0.1%
Total	673	100.0%	1,022	100.0%	1,165	100.0%
Median Income	\$31,010		\$36,328		\$35,954	

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

In 2010, the median household income for households age 62 and older was \$31,010. This increased by 17.1% to \$36,328 in 2017. By 2019, it is projected that the median household income will be \$35,954, a decline of 1.0% over 2017.

The following tables illustrate renter household income by household size for age 55 and older for 2010, 2017 and 2019 for the Ludowici Site PMA:

Renter Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	48	9	8	6	4	75
\$15,000 to \$24,999	31	5	5	4	2	47
\$25,000 to \$34,999	16	3	3	2	1	25
\$35,000 to \$49,999	19	3	3	3	1	29
\$50,000 to \$74,999	6	1	1	1	0	9
\$75,000 to \$99,999	1	0	0	0	0	1
\$100,000 to \$149,999	1	0	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	122	21	20	16	8	187

Source: ESRI; Urban Decision Group

Renter Age 55+ Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	97	23	24	11	6	160
\$15,000 to \$24,999	34	8	8	3	2	54
\$25,000 to \$34,999	40	11	12	5	3	70
\$35,000 to \$49,999	36	9	9	4	2	61
\$50,000 to \$74,999	21	4	5	2	1	34
\$75,000 to \$99,999	10	2	2	1	0	16
\$100,000 to \$149,999	1	0	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	239	57	61	26	13	397

Source: ESRI; Urban Decision Group

Renter Age 55+ Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	124	31	33	14	9	211
\$15,000 to \$24,999	31	7	7	3	1	50
\$25,000 to \$34,999	57	16	17	8	4	101
\$35,000 to \$49,999	39	10	10	4	3	66
\$50,000 to \$74,999	24	5	6	2	1	37
\$75,000 to \$99,999	15	3	3	2	1	23
\$100,000 to \$149,999	1	0	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	290	72	76	33	18	489

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 55 and older for 2010, 2017 and 2019 for the Ludowici Site PMA:

Owner Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	43	43	21	18	22	147
\$15,000 to \$24,999	44	41	19	16	22	142
\$25,000 to \$34,999	39	37	19	16	20	131
\$35,000 to \$49,999	47	51	25	22	24	169
\$50,000 to \$74,999	46	57	28	23	30	184
\$75,000 to \$99,999	16	21	10	9	10	66
\$100,000 to \$149,999	10	14	7	6	6	43
\$150,000 to \$199,999	4	5	3	3	1	16
\$200,000 & Over	3	5	2	2	1	13
Total	252	274	134	115	136	911

Source: ESRI; Urban Decision Group

Owner Age 55+ Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	26	31	16	12	16	101
\$15,000 to \$24,999	50	60	29	26	29	194
\$25,000 to \$34,999	29	37	17	16	17	116
\$35,000 to \$49,999	46	58	27	23	28	182
\$50,000 to \$74,999	72	128	61	52	64	377
\$75,000 to \$99,999	33	66	32	27	32	190
\$100,000 to \$149,999	8	18	8	7	8	48
\$150,000 to \$199,999	3	3	1	1	0	9
\$200,000 & Over	0	1	1	0	0	2
Total	266	403	192	165	193	1,219

Source: ESRI; Urban Decision Group

Owner Age 55+ Households	2019 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	25	26	13	11	13	89
\$15,000 to \$24,999	59	69	33	29	34	224
\$25,000 to \$34,999	30	34	16	15	16	111
\$35,000 to \$49,999	44	55	26	22	27	173
\$50,000 to \$74,999	83	143	68	58	71	423
\$75,000 to \$99,999	39	78	37	32	38	224
\$100,000 to \$149,999	9	21	9	8	9	57
\$150,000 to \$199,999	4	4	2	2	1	13
\$200,000 & Over	0	2	1	1	0	3
Total	292	432	206	178	208	1,316

Source: ESRI; Urban Decision Group

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2017 and 2019 for the Ludowici Site PMA:

Renter Age 62+ Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	24	5	5	3	2	39
\$15,000 to \$24,999	19	3	3	3	1	29
\$25,000 to \$34,999	9	2	2	1	0	14
\$35,000 to \$49,999	8	2	2	2	0	14
\$50,000 to \$74,999	3	0	0	0	0	3
\$75,000 to \$99,999	0	0	0	0	0	0
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	63	12	12	9	3	99

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2017 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	56	16	16	7	4	100
\$15,000 to \$24,999	21	6	6	2	1	35
\$25,000 to \$34,999	22	7	8	4	1	41
\$35,000 to \$49,999	19	6	6	3	1	35
\$50,000 to \$74,999	9	2	3	1	0	15
\$75,000 to \$99,999	4	1	1	0	0	6
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	130	37	39	17	7	231

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2019 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	73	21	23	10	6	133
\$15,000 to \$24,999	16	5	5	2	0	28
\$25,000 to \$34,999	29	10	11	5	2	57
\$35,000 to \$49,999	18	5	5	2	2	32
\$50,000 to \$74,999	9	3	3	1	0	16
\$75,000 to \$99,999	5	1	1	1	0	7
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	149	44	48	21	10	272

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2017 and 2019 for the Ludowici Site PMA:

Owner Age 62+ Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	35	27	13	11	14	100
\$15,000 to \$24,999	38	28	13	11	16	106
\$25,000 to \$34,999	32	23	12	10	13	90
\$35,000 to \$49,999	34	29	14	12	13	102
\$50,000 to \$74,999	33	30	15	12	16	106
\$75,000 to \$99,999	10	10	4	4	5	33
\$100,000 to \$149,999	7	6	4	3	2	22
\$150,000 to \$199,999	3	2	2	2	0	9
\$200,000 & Over	2	2	1	1	0	6
Total	194	157	78	66	79	574

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2017 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	23	22	11	9	12	77
\$15,000 to \$24,999	46	45	22	20	23	156
\$25,000 to \$34,999	26	26	12	11	13	88
\$35,000 to \$49,999	41	38	18	16	20	133
\$50,000 to \$74,999	53	67	31	27	33	211
\$75,000 to \$99,999	23	32	15	13	15	99
\$100,000 to \$149,999	5	8	3	3	3	22
\$150,000 to \$199,999	2	2	0	0	0	5
\$200,000 & Over	0	0	0	0	0	0
Total	219	241	114	99	118	791

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2019 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	23	21	10	9	11	75
\$15,000 to \$24,999	55	54	26	23	28	186
\$25,000 to \$34,999	28	27	13	12	13	93
\$35,000 to \$49,999	40	39	18	15	20	132
\$50,000 to \$74,999	64	79	38	32	38	251
\$75,000 to \$99,999	28	39	18	16	19	120
\$100,000 to \$149,999	6	9	4	4	4	27
\$150,000 to \$199,999	3	3	1	1	0	8
\$200,000 & Over	0	1	0	0	0	1
Total	246	272	129	112	133	892

Source: ESRI; Urban Decision Group

The overall population and total households within the Site PMA have grown significantly since 2000. It is projected that the population will increase by 1,139, or 7.5%, between 2017 and 2019, while the number of households are projected to increase by 408 households, or 7.7% over 2017 levels. The number of households age 55 and older is projected to increase by 191, representing a 10.6% increase. This growth will add to the demand for senior-oriented housing and the ongoing demand for the subject project.

Section F – Economic Trends

1. LABOR FORCE PROFILE

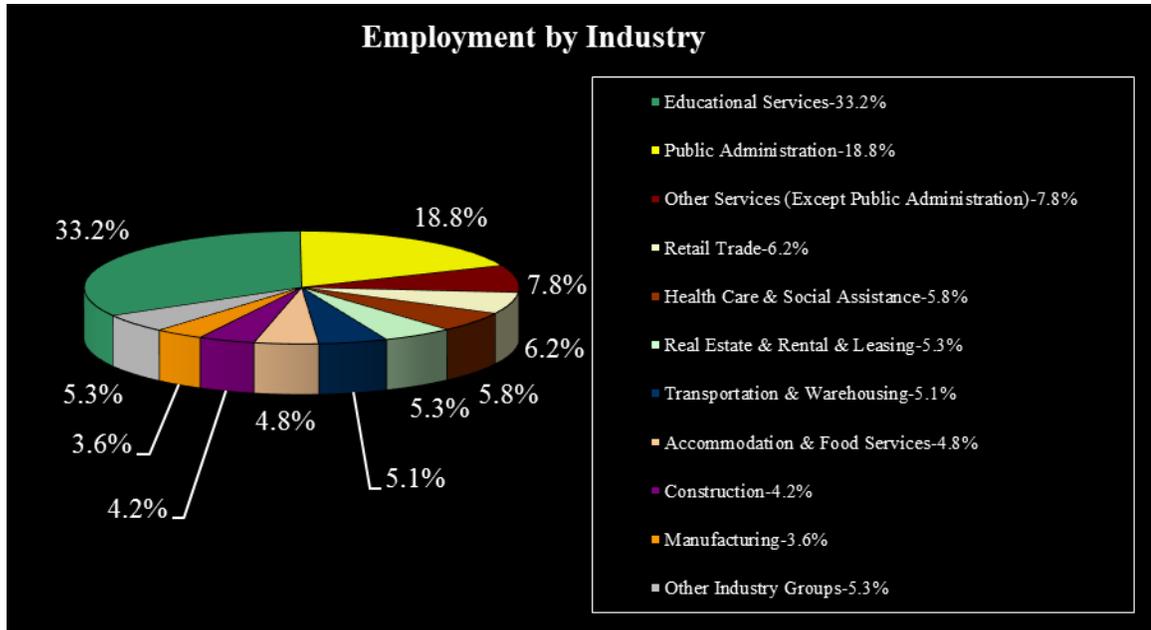
The labor force within the Ludowici Site PMA is based primarily in two sectors. Educational Services (which comprises 33.2%) and Public Administration comprise approximately 52% of the Site PMA labor force. Employment in the Ludowici Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	0	0.0%	0	0.0%	0.0
Mining	0	0.0%	0	0.0%	0.0
Utilities	1	0.5%	6	0.5%	6.0
Construction	15	7.9%	51	4.2%	3.4
Manufacturing	4	2.1%	44	3.6%	11.0
Wholesale Trade	2	1.0%	7	0.6%	3.5
Retail Trade	17	8.9%	75	6.2%	4.4
Transportation & Warehousing	8	4.2%	62	5.1%	7.8
Information	1	0.5%	3	0.2%	3.0
Finance & Insurance	15	7.9%	13	1.1%	0.9
Real Estate & Rental & Leasing	15	7.9%	64	5.3%	4.3
Professional, Scientific & Technical Services	5	2.6%	14	1.2%	2.8
Management of Companies & Enterprises	1	0.5%	2	0.2%	2.0
Administrative, Support, Waste Management & Remediation Services	4	2.1%	8	0.7%	2.0
Educational Services	10	5.2%	404	33.2%	40.4
Health Care & Social Assistance	10	5.2%	70	5.8%	7.0
Arts, Entertainment & Recreation	2	1.0%	4	0.3%	2.0
Accommodation & Food Services	9	4.7%	58	4.8%	6.4
Other Services (Except Public Administration)	38	19.9%	95	7.8%	2.5
Public Administration	26	13.6%	228	18.8%	8.8
Nonclassifiable	8	4.2%	8	0.7%	1.0
Total	191	100.0%	1,216	100.0%	6.4

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

E.P.E. - Average Employees Per Establishment

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



Typical wages by job category for the Hinesville Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Hinesville MSA	Georgia
Management Occupations	\$83,250	\$114,210
Business and Financial Occupations	\$61,520	\$71,300
Computer and Mathematical Occupations	\$81,720	\$85,800
Architecture and Engineering Occupations	\$71,650	\$78,820
Community and Social Service Occupations	\$47,480	\$45,460
Art, Design, Entertainment and Sports Medicine Occupations	\$62,580	\$52,710
Healthcare Practitioners and Technical Occupations	\$67,690	\$74,310
Healthcare Support Occupations	\$31,970	\$28,330
Protective Service Occupations	\$40,570	\$36,610
Food Preparation and Serving Related Occupations	\$19,760	\$20,530
Building and Grounds Cleaning and Maintenance Occupations	\$26,260	\$25,010
Personal Care and Service Occupations	\$22,940	\$24,390
Sales and Related Occupations	\$27,100	\$38,060
Office and Administrative Support Occupations	\$34,780	\$35,470
Construction and Extraction Occupations	\$41,670	\$40,540
Installation, Maintenance and Repair Occupations	\$45,190	\$44,550
Production Occupations	\$39,800	\$33,500
Transportation and Moving Occupations	\$37,140	\$33,720

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

Most annual blue-collar salaries range from -\$8 to \$62,580 within the Hinesville MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$73,166. The subject project will target low-income senior households. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw support.

2. MAJOR EMPLOYERS

The 10 largest employers within Long County are summarized in the table below. Note that the year established and salary range was not readily available for these top employers. However, these employers are well-established in the market and likely offer salaries/wages typical of those reported for the Hinesville MSA and reflected in the *Typical Wage by Occupation Type* table earlier in this section.

Industry	Business Type
American Fence Company	Manufacturer
Dairy Queen of Ludowici	Food Services
Excelsior Management, Inc.	Property Management
Flash Foods, Inc.	Convenience Stores
Flatwoods Forestry, Inc.	Forestry
Foster Logging, Inc.	Freight Shipping/Trucking Company
Georgia Department of Corrections	Government
Huddle House	Restaurant
Kenny Watsons Collision Center, Inc.	Automobile Body Repair & Painting
Ludowici IGA, Inc.	Grocery

Source: Georgia Labor Market Explorer: Local Area Profiles (3rd Quarter 2016)

According to a representative with the Long County Commissioners Office, the Long County economy is improving. The contact stated the residential areas are growing and feel the commercial development will follow. Several fast food restaurants, grocery stores and small retail businesses are currently in discussions to possible build within the county.

As far as negative factors, the lack of full-scale retail businesses in the area has an impact on local employment. Additionally, the ongoing resurfacing project on SR 57/US 301 from Glennville to Ludowici has caused some criticism from local residents.

Over the last year, the employment base has been steady and about 10 teachers have been hired through the Board of Education for the upcoming school year. More jobs are expected to follow due to a new school that is to opening in August 2018. There is also a new Mexican restaurant that is scheduled to open soon along with the Liberty Regional Medical Center at the end of the year. In the Sand Hill area, a new service station/convenience store is to open off of Highway 196 along with a new grocery store. Dollar General is expected to open a store in summer of 2018.

WARN (layoff notices):

According to the Georgia Economic Development there have been no WARN notices of large-scale layoffs or closures reported for Long County since January of 2016.

3. EMPLOYMENT TRENDS

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

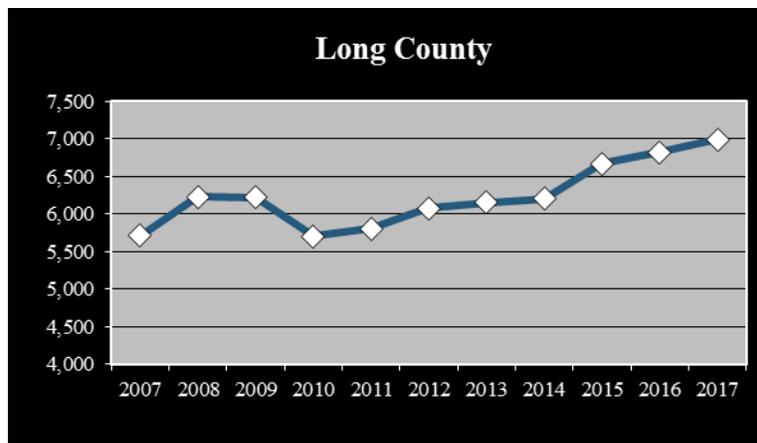
Excluding 2017, the employment base has increased by 12.2% over the past five years in Long County, more than the Georgia state increase of 7.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Long County, Georgia and the United States.

Year	Total Employment					
	Long County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	5,710	-	4,597,640	-	146,388,400	-
2008	6,233	9.2%	4,575,010	-0.5%	146,047,748	-0.2%
2009	6,220	-0.2%	4,311,854	-5.8%	140,696,560	-3.7%
2010	5,706	-8.3%	4,202,052	-2.5%	140,469,139	-0.2%
2011	5,809	1.8%	4,263,305	1.5%	141,791,255	0.9%
2012	6,079	4.6%	4,348,083	2.0%	143,621,634	1.3%
2013	6,153	1.2%	4,367,147	0.4%	144,996,474	1.0%
2014	6,208	0.9%	4,418,471	1.2%	147,403,607	1.7%
2015	6,669	7.4%	4,502,021	1.9%	149,648,686	1.5%
2016	6,823	2.3%	4,656,255	3.4%	152,001,644	1.6%
2017*	6,992	2.5%	4,767,833	2.4%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

*Through May



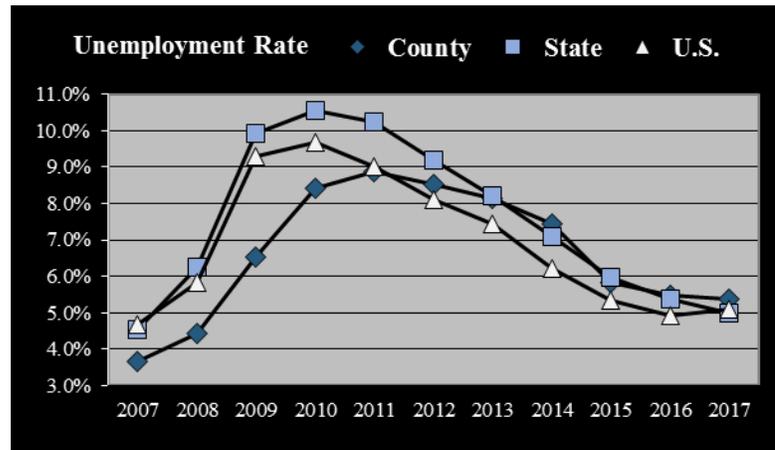
As the preceding illustrates, the Long County employment base has increased in each of the past seven years, adding more than 1,200 jobs during this time.

Unemployment rates for Long County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Long County	Georgia	United States
2007	3.7%	4.5%	4.7%
2008	4.4%	6.2%	5.8%
2009	6.5%	9.9%	9.3%
2010	8.4%	10.6%	9.7%
2011	8.9%	10.2%	9.0%
2012	8.5%	9.2%	8.1%
2013	8.2%	8.2%	7.4%
2014	7.4%	7.1%	6.2%
2015	5.8%	6.0%	5.3%
2016	5.5%	5.4%	4.9%
2017*	5.4%	5.0%	5.1%

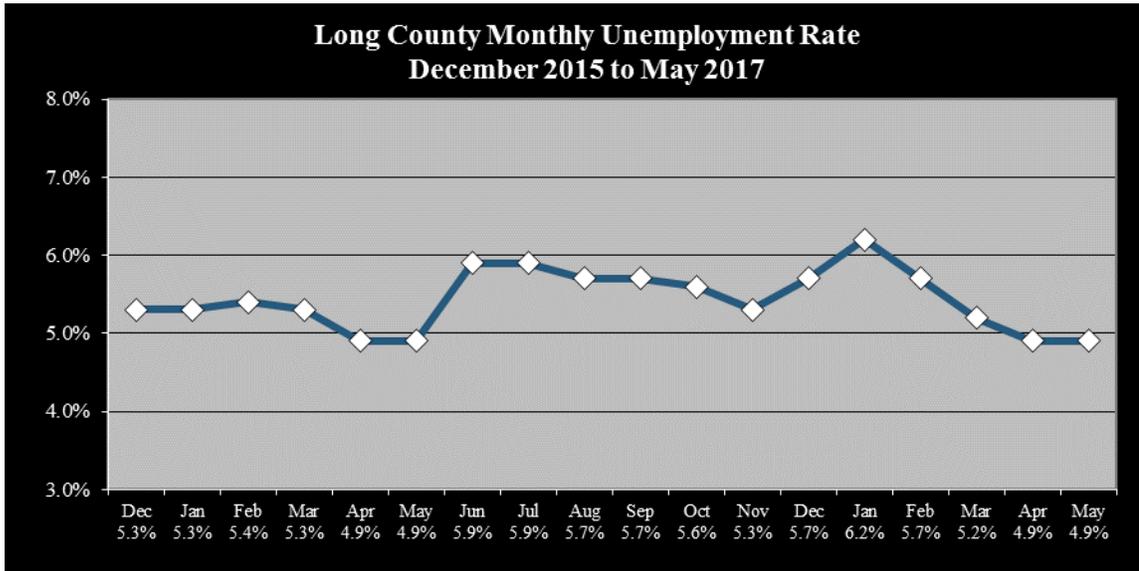
Source: Department of Labor, Bureau of Labor Statistics

*Through May



The unemployment rate in Long County has ranged between 3.7% and 8.9% since 2007. After peaking at 8.9% in 2011, the county's unemployment rate has declined in each of the past six years.

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



The county's unemployment rate has generally remained below 6.0% over the past 18 months.

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

Year	In-Place Employment Long County		
	Employment	Change	Percent Change
2006	918	-	-
2007	864	-54	-5.9%
2008	852	-12	-1.4%
2009	946	94	11.0%
2010	887	-59	-6.2%
2011	889	2	0.2%
2012	877	-12	-1.3%
2013	902	25	2.9%
2014	913	11	1.2%
2015	916	3	0.3%
2016	923	7	0.8%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Long County to be 13.5% of the total Long County employment. This means that Long County has more employed persons leaving the county for daytime employment than those who work in the county.

4. ECONOMIC FORECAST

More than half of the labor force within the Site PMA is employed within the Educational Services and Public Administration job sectors. The subject project will target low-income senior households. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw support. The Long County employment base has increased in each of the past seven years, adding more than 1,200 jobs during this time. After peaking at 8.9% in 2011, the county's unemployment rate has declined in each of the past six years. The economic trends of the market and county have been positive in recent years and are projected to remain positive for the foreseeable future.

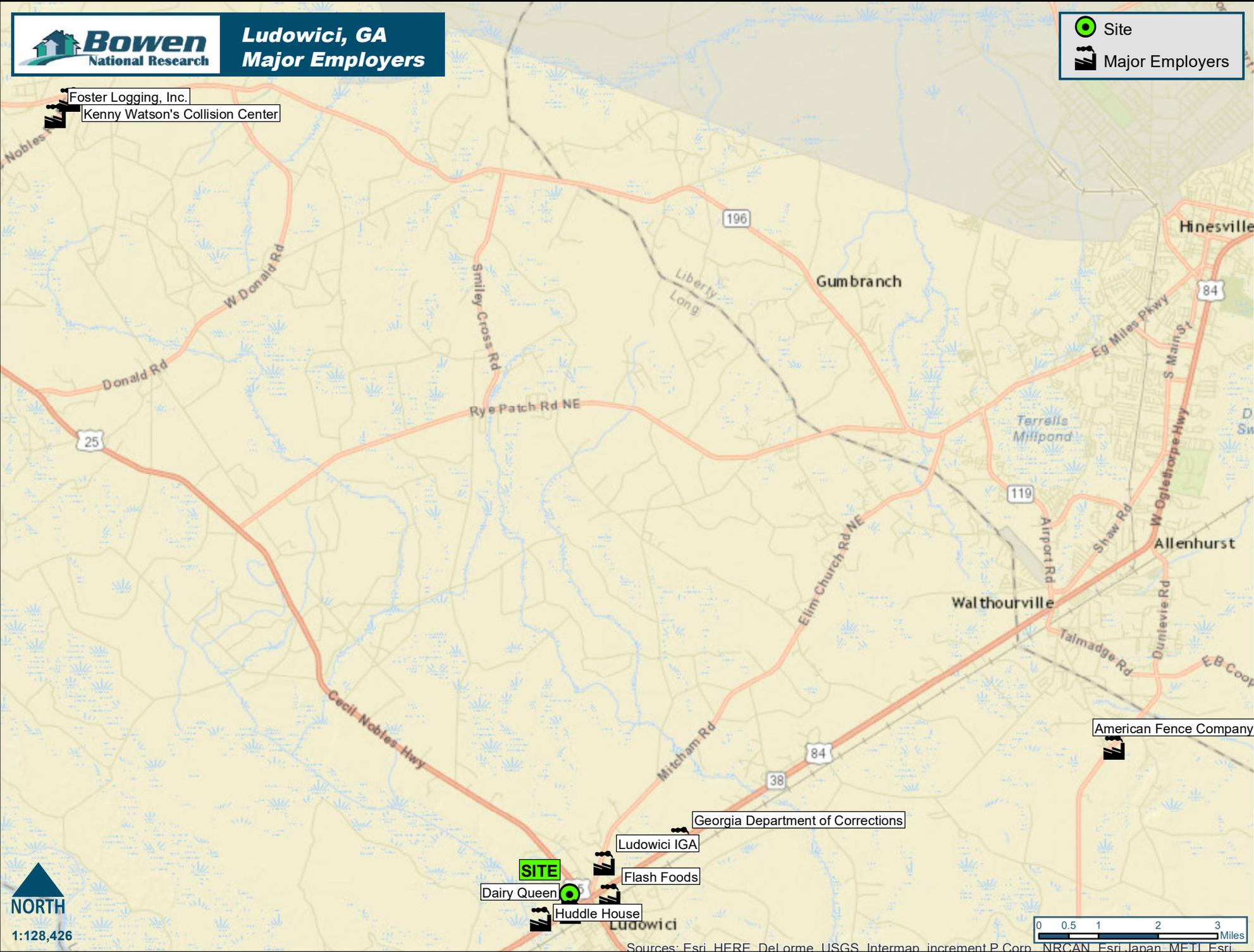
A map illustrating notable employment centers is on the following page.



Ludowici, GA Major Employers

- Site
- Major Employers

Foster Logging, Inc.
Kenny Watson's Collision Center



NORTH
1:128,426



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

Section G – Project-Specific Demand Analysis

The subject project currently operates under the income and rent requirements of the RD Section 515 program. While the project will be renovated with 4% Tax-Exempt Bond financing, it is expected to follow the same household eligibility requirements that are currently in effect. Regardless, we have provided various demand scenarios that evaluate the depth of continued support for the project under the RD program and in the event the project had to operate exclusively under the 4% Tax-Exempt Bond program.

1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Long County, Georgia HUD Metro FMR Area, which has a four-person median household income of \$57,500 for 2017. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size at 60% of AMHI.

Household Size	Maximum Allowable Income
	60%
One-Person	\$23,340
Two-Person	\$26,640

a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to two-person senior households age 62 and older. As such, the maximum allowable income at the subject site is **\$26,640**.

b. Minimum Income Requirements

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

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$575 (at 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,900. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,250.

Since the subject project will retain RA through Rural Development on 30 units, the project will continue to serve households with little to no income. As such, we have also conducted a capture rate analysis that considers the project to continue to operate with RA.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the RD 515 program and under the Tax Credit program separately.

Unit Type	Income Range	
	Minimum	Maximum
Rural Development/Tax Credit with RA	\$0	\$26,640
LIHTC Only without RA	\$17,250	\$26,640

2. METHODOLOGY

Demand

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

- a. Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households.*

b. Demand from Existing Households: The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent.*

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 52.2% to 68.2% (depending upon targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on Table B25016 of the American Community Survey (ACS) 2011-2015 5-year estimates, 2.6% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

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

Based on interviews with local apartment managers, it is not uncommon for a senior project to attract a notable share of homeowners to a senior rental project. We have conservatively assumed that no more than 2.5% of senior homeowners would convert to renters in a given year.

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

Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2015/2016) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2015 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

There are no comparable LIHTC projects in the Site PMA and none in the development pipeline. Therefore, there were no comparable Tax Credit units included in our demand analysis.

Two demand scenarios have been analyzed for the subject project. Scenario one assumes all rental assisted units are leasable (and will remain occupied) and also accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of Rental Assistance (RA) and the unlikely scenario the property had to operate exclusively under the Tax Credit guidelines. The following is a summary of our demand calculations.

Demand Component	Percent Of Median Household Income		
	Scenario One (Less units to remain occupied post renovations)	Scenario Two (Overall Demand Estimates)	
	RD 515/LIHTC w/ RA (\$0 - \$26,640)	RD 515/LIHTC w/ RA (\$0 - \$26,640)	LIHTC Only Without RA (\$17,250 - \$26,640)
Demand From New Renter Households (Income-Appropriate)	170 - 141 = 29	170 - 141 = 29	55 - 53 = 2
+			
Demand From Existing Households (Rent Overburdened)	141 X 68.2% = 96	141 X 68.2% = 96	53 X 52.2% = 28
+			
Demand From Existing Households (Renters In Substandard Housing)	141 X 2.6% = 4	141 X 2.6% = 4	53 X 2.6% = 1
=			
Demand Subtotal	129	129	31
+			
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	247 x 2.5% = 2**	247 x 2.5% = 2**	169 X 2.5% = 0**
=			
Total Demand	131	131	31
-			
Supply (Directly Comparable Units Built and/or Funded Since 2015)	0	0	0
=			
Net Demand	131	131	31
Proposed Units	0*	30	30
Proposed Units/ Net Demand	0* / 131	30 / 131	30 / 31
Capture Rate	= 0.0%	= 22.9%	= 96.8%

N/A – Not Applicable

*Assumes all RA units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

**Limited to 2.0% of total demand, per GDCA guidelines.

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the subject's overall capture rate of 22.9% (subsidized scenario) is considered achievable and demonstrates a sufficient base of support for the subject project. However, should the project lose its Rental Assistance and operate exclusively under the LIHTC program, it would have a capture rate of 96.8%. This demonstrates the importance of Rental Assistance at this project. Effectively, however, the subject project will have a capture rate of 0.0%, as all units will retain Rental Assistance and should remain full.

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

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

Applying these shares to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows. Note the following demand estimates by bedroom type have also been provided for each of the scenarios previously detailed in this section of the report.

Scenario One (Less units to remain occupied post renovations)

All 30 subject units will have Rental Assistance and are expected to remain occupied and/or be quickly filled by households on the wait list. Therefore, the project has an effective capture rate of 0.0%.

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
RD 515/LIHTC with Rental Assistance (RA)										
One-Bedroom (50%)	60%	26	65	0	65	40.0%	4 Months	\$775	\$650-\$923	\$471
One-Bedroom	Total	26	65	0	65	40.0%	4 Months	-	-	-
LIHTC Only										
Two-Bedroom (50%)	60%	4	65	0	65	6.2%	1 Month	\$922	\$595-\$1,046	\$497
Two-Bedroom	Total	4	65	0	65	6.2%	1 Month	-	-	-
LIHTC Only										
One-Bedroom (50%)	60%	26	16	0	16	100.0%+	16 Months	\$775	\$650-\$923	\$471
One-Bedroom	Total	26	16	0	16	100.0%+	16 Months	-	-	-
LIHTC Only										
Two-Bedroom (50%)	60%	4	15	0	15	26.7%	10 Months	\$922	\$595-\$1,046	\$491
Two-Bedroom	Total	4	15	0	15	26.7%	10 Months	-	-	-

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

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

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

Assuming the subject project retains Rental Assistance, the capture rates by bedroom type range from 6.2% to 40.0% depending upon unit type. These capture rates are all considered achievable within the Site PMA utilizing this methodology and demonstrate a sufficient base of support for the subject project if it retains Rental Assistance. Should the subject project operate exclusively under the LIHTC program, it will have a GDCA-formatted capture rate of 100.0% for its one-bedroom units, indicating a limited base of support. This has been considered in our absorption projections.

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Ludowici Site PMA in 2010 and 2017 (estimated) are summarized in the following table:

Housing Type	2010 (Census)		2017 (Estimated)	
	Housing Units	Percent	Housing Units	Percent
Total Occupied	3,966	82.8%	5,281	80.6%
Owner-Occupied	2,450	61.8%	3,081	58.4%
Renter-Occupied	1,516	38.2%	2,199	41.6%
Vacant	822	17.2%	1,269	19.4%
Total	4,788	100.0%	6,550	100.0%

Source: ESRI, Census 2010

Based on a 2017 update of the 2010 Census, of the 6,550 total housing units in the market, 19.4% were vacant. In 2017, it was estimated that homeowners occupied 58.4% of all occupied housing units, while the remaining 41.6% were occupied by renters. The share of renters is considered high.

The following table illustrates the status of vacant units within the Site PMA for 2010.

Vacant Units	Number	Percent
For Rent	498	60.6%
For-Sale Only	62	7.5%
Renter/Sold, Not Occ.	62	7.5%
Seasonal or Recreational	29	3.5%
Other Vacant	171	20.8%
Total	822	100.0%

Source: 2010 Census

Based on the 2010 Census, of the 822 vacant units in the Site PMA, 60.6% are classified as “for rent”. We have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Site PMA.

The estimated distribution of occupied housing by units in a structure and tenure is detailed within the following table.

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	1,439	58.3%	571	37.4%
1, Attached	10	0.4%	5	0.3%
2 to 4	0	0.0%	58	3.8%
5 to 9	0	0.0%	88	5.8%
10 to 19	0	0.0%	20	1.3%
20 to 49	0	0.0%	24	1.6%
50+	0	0.0%	3	0.2%
Mobile Homes	1,011	40.9%	727	47.7%
Boat, RV, Vans	10	0.4%	29	1.9%
Total	2,470	100.0%	1,525	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Over 85% of all renter-occupied housing units are single-family or mobile homes.

The following tables demonstrate the share of substandard housing found in the Site PMA, based on the presence or absence of kitchen and bathroom facilities:

	Kitchen Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Kitchen	2,443	98.9%	1,521	99.7%
Lacking Complete Kitchen	27	1.1%	5	0.3%
Total	2,470	100.0%	1,526	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

	Bathroom Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Plumbing	2,441	98.8%	1,524	99.9%
Lacking Complete Plumbing	29	1.2%	1	0.1%
Total	2,470	100.0%	1,525	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Based on the 2011-2015 ACS estimates, the percentage of owner- and renter-occupied housing with incomplete kitchen facilities was 1.1% and 0.3%, respectively, while 0.1% of renter-occupied households had incomplete plumbing facilities compared with the 1.2% of owner-occupied households.

The following table illustrates the percentage of households that are living in crowded quarters, as defined by the presence of 1.01 or more occupants per room.

	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
1.0 Or Less Occupants Per Room	2,419	97.9%	1,487	97.4%
1.01 Or More Occupants Per Room	52	2.1%	39	2.6%
Total	2,471	100.0%	1,526	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

The number of renter-occupied housing units with 1.01 or more occupants per room and considered overcrowded was 2.6% of the households, compared with 2.1% of owner-occupied households.

Owner and renter cost as a percent of income is illustrated in the following table:

Percentage of Income	Owner		Renter	
	Number	Percent	Number	Percent
Less Than 20%	1,467	59.4%	321	21.0%
20% to 29%	442	17.9%	403	26.4%
30% or More	530	21.5%	683	44.8%
Not Computed	31	1.3%	118	7.7%
Total	2,470	100.0%	1,525	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, 44.8% of renter households in the market pay more than 30% of their income towards rent. This is comparable to the national average of 47.9%.

Conventional Rentals

There is a limited supply of multifamily rentals in the Site PMA. We identified and personally surveyed two conventional housing projects containing a total of 70 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.1%, a high rate for rental housing. Among these projects, one is a non-subsidized (Tax Credit) project containing 40 units. These non-subsidized units are 95.0% occupied. The remaining project contains 30 government-subsidized units, which are 100.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	1	40	2	95.0%
Government-Subsidized	1	30	0	100.0%
Total	2	70	2	97.1%

Both multifamily housing segments are performing at high occupancy levels. There are no market-rate rentals identified in the market that are within multifamily projects. There do not appear to be any weaknesses in the multifamily rental housing stock.

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

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	12	30.0%	0	0.0%	\$383
Two-Bedroom	1.5	20	50.0%	1	5.0%	\$466
Three-Bedroom	2.0	8	20.0%	1	12.5%	\$597
Total Tax Credit		40	100.0%	2	5.0%	-

There are no market-rate units in the field survey of the Site PMA. The Tax Credit units are 95.0% occupied with only two vacant units. As such, there is limited availability of affordable rental housing in the Site PMA.

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

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B-	1	40	5.0%

The subject project will be renovated using Tax Credits, which will improve the project's quality and condition. This will contribute to the project's marketability.

2. SUMMARY OF ASSISTED PROJECTS

There are a total of two federally subsidized and/or Tax Credit apartment developments in the Ludowici Site PMA. These projects were surveyed in July 2017. They are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)		
						One-Br.	Two-Br.	Three-Br.
1	Sandalwood Terrace (Site)	RD 515	1994	30	100.0%	\$533 - \$683 (26)	\$586 - \$750 (4)	-
2	Twin Oaks Apts.	TAX	2000	40	95.0%	\$383 (12)	\$466 (20)	\$597 - \$601 (8)
Total				70	97.1%			

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

OCCUP. - Occupancy

TAX - Tax Credit

RD - Rural Development

*Market-rate units not included

The overall occupancy is 97.1% for these projects, indicating strong market demand. The proposed project offers Rental Assistance on 30 units; therefore, it will continue to be competitive with all affordable rental alternatives in the market.

HOUSING CHOICE VOUCHER HOLDERS

According to the Georgia Department of Community Affairs, there are approximately eight (8) Housing Choice Voucher holders within Long County and 13 people on the waiting list for an additional Voucher. This reflects the continuing need for Housing Choice Voucher assistance.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
2	Twin Oaks Apts.	40	2	5.0%
Total		40	2	5.0%

As the preceding table illustrates, there are a total of just two Voucher holders residing at the existing non-subsidized LIHTC properties in the Site PMA. This comprises only 5.0% of the 40 total non-subsidized LIHTC units occupied among these properties. This is a good indication that Voucher support is limited and that affordable housing product does not rely heavily on voucher support.

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

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$641	\$575 (60%)
Two-Bedroom	\$740	\$621 (60%)

As the preceding table illustrates, the proposed gross rents are below the Payment Standards set by the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Long County. As such, those who hold Housing Choice Vouchers will likely respond to the non-Rental Assistance (RA) units at the subject development. This will likely increase the base of income-appropriate support for units at the subject project and has been considered in our absorption estimates in *Section I* of this report.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with local planning representatives and online research, it was determined that there are no rental housing projects planned with the Site PMA.

Building Permit Data

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

Housing Unit Building Permits for Long County:										
Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	189	148	160	93	0	0	216	180	260	141
Total Units	189	148	160	93	0	0	216	180	260	141

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

All of the residential building permit activity in the county has involved single-family homes. Such activity has been significant over the past four years.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The subject project will include 30 Low-Income Housing Tax Credit (LIHTC) units, of which 30 will also operate with Rental Assistance. We identified one Low-Income Housing Tax Credit projects within the Site PMA. Given the lack of comparable product in the Site PMA, we have also surveyed LITHC projects located outside the Site PMA but within the region. These existing LIHTC projects are considered comparable with the subject development because they target households with incomes similar to those that will be targeted at the subject site.

These competitive properties and the subject development are summarized as follows.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Sandalwood Terrace	1994 / 2019	30	100.0%	-	2 H.H.	Seniors 62+; 60% AMHI & RD 515
2	Twin Oaks Apts.	2000	40	95.0%	1.2 Miles	None	Families; 50% AMHI
903	Sunset Pointe	2005	51*	100.0%	13.1 Miles	6 H.H.	Families; 30%, 50%, & 60% AMHI
904	Maria Senior Gardens	2013	43	100.0%	13.5 Miles	10 H.H.	Seniors 55+; 50% & 60% AMHI
909	Grove Park Apts.	1998	45	100.0%	13.6 Miles	47 H.H.	Seniors 62+; 50% & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

900 series Map IDs are located outside the Site PMA

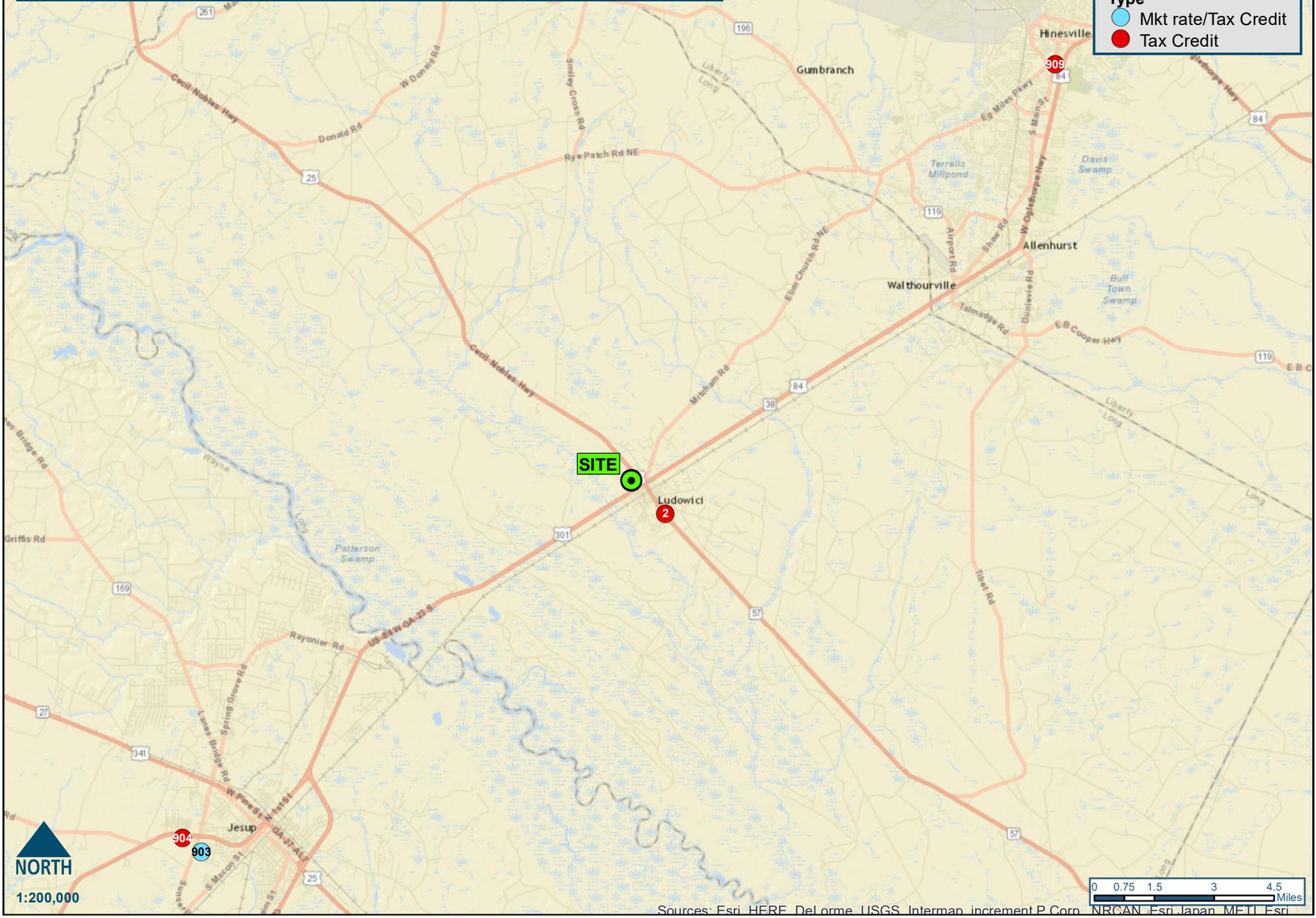
The four LIHTC projects have a combined occupancy rate of 98.9%, indicating a very strong demand for affordable housing in the region. The only surveyed LIHTC project in the Site PMA is 95% occupied with two vacancies. However, this project is not age restricted. Therefore, the renovations of the subject project will help to preserve affordable senior housing that is lacking in the market.

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



Ludowici, GA Comparable LIHTC Property Locations

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



NORTH
1:200,000



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

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Sandalwood Terrace	\$575/60% (26)	\$621/60% (4)	-	-
2	Twin Oaks Apts.	\$383/50% (12/0)	\$466/50% (20/1)	\$597-\$601/50% (8/1)	None
903	Sunset Pointe	\$252/30% (2/0)	\$314/30% (3/0)	\$378/30% (2/0) \$623/50% (10/0)	None
		\$417/50% (10/0)	\$519/50% (22/0)		
		\$417/60% (1/0)	\$534/60% (1/0)		
904	Maria Senior Gardens	\$399/50% (9/0) \$399/60% (3/0)	\$532/50% (5/0) \$532/60% (26/0)	-	None
909	Grove Park Apts.	\$454/50% (10/0) \$474/60% (19/0)	\$532/50% (6/0) \$537/60% (10/0)	-	None

900 series Map IDs are located outside the Site PMA

The proposed subject gross rents, ranging from \$575 to \$621, will be the highest priced LIHTC units targeting similar income levels in the market and region. This should not adversely impact the subject project as long as it retains Rental Assistance on most units. Should the subject project lose Rental Assistance, the developer will likely need to reduce rents to levels close to the rents of other LIHTC projects in the market and/or region.

Per Georgia DCA guidelines, the rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent	Proposed Rent	% AMHI	Difference	Proposed Rent	% AMHI	Rent Advantage
One-Br.	\$396	- \$471	60%	-\$75	/ \$471	60%	15.9%
Two-Br.	\$450	- \$497	60%	-\$47	/ \$497	60%	9.5%

The proposed subject rents are above the weighted average rents of the comparable LIHTC projects. Please note that these are weighted averages of *collected* rents do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed gross rents is available in Addendum F.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Sandalwood Terrace	667	796 - 813	-
2	Twin Oaks Apts.	647	920	1,080
903	Sunset Pointe	980	1,050	1,180
904	Maria Senior Gardens	762	1,088	-
909	Grove Park Apts.	600	850	-

900 series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Sandalwood Terrace	1.0	1.0	-
2	Twin Oaks Apts.	1.0	1.5	2.0
903	Sunset Pointe	1.0	2.0	2.0
904	Maria Senior Gardens	1.0	2.0	-
909	Grove Park Apts.	1.0	1.0	-

900 series Map IDs are located outside the Site PMA

The proposed development will be competitive with the existing LIHTC projects in the market and region based on unit size (square footage) and the number of baths offered, particularly when considering its age-restricted target market.

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

COMPARABLE PROPERTIES AMENITIES - LUDOWICI, GEORGIA

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

MAP ID	PROJECT AMENITIES															OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY		PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	
◆ SITE		X	X		X									X		X				Covered Pavilion
903		X	X	X		X		X		B				X	X	X				Walking Trail
2		X	X		X		X									X				
◆ 904		X	X		X	X						X		X		X				Gazebo
◆ 909		X	X		X										X	X				Gazebo

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

X - All Units
S - Some Units
O - Optional

Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

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

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

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

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

The amenity packages included at the subject development will be slightly inferior to the comparable LIHTC projects but does not appear to lack any amenities that would hinder its ability to operate as a Low-Income Housing Tax Credit project.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be competitive with these properties, as long as it retains Rental Assistance on virtually all units. Should the subject project lose Rental Assistance, the proposed LIHTC rents would have to be lowered to levels closer to the rents being achieved at the other LIHTC projects in the Site PMA.

The only LIHTC project in the Site PMA (Twin Oaks Apartments) is not age restricted and is not expected to compete directly with the subject project. Additionally, given the subject project involves the renovation of existing units that are fully occupied, it will not involve the introduction of new LIHTC supply. Therefore, we do not expect the subject project to adversely impact the future occupancies of the competing Tax Credit project in the Site PMA.

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

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$104,237. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$104,237 home is \$627, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$104,237
Mortgaged Value = 95% of Median Home Price	\$99,025
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$502
Estimated Taxes and Insurance*	\$125
Estimated Monthly Mortgage Payment	\$627

*Estimated at 25% of principal and interest

The subject project is an age-restricted project serving low-income households. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

Section I – Absorption & Stabilization Rates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2019 renovation completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2019.

According to management, the subject project is currently 100% occupied and maintains a wait list. Based on our review of the most current tenant rent roll and assuming that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 30 subject units will be vacated and that all units will have to be re-rented simultaneously.

Assuming the subject project operates with Rental Assistance, we anticipate absorption will average around eight units per month, resulting in a stabilized occupancy rate of 93% within four months of re-opening. Should the subject project lose Rental Assistance, it will likely have an absorption period of 16 or more months to reach a stabilized occupancy rate of 93%. This is due to the relatively small base of income-eligible seniors and the relatively high rents at the site. Our absorption projections assume that no other projects targeting a similar age or income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

Section J – Interviews

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

- Ms. Katina Madison, the Property Manager of the Maria Senior Apartments stated that she feels there is a need for more senior affordable housing in the area. She receives multiple inquiries from seniors that are slightly over qualified and they want to know if there are any affordable properties with a higher income limit. She also gets inquiries from seniors who cannot afford the \$335 rent for a one-bedroom at her property. The Maria Senior Apartments are 100% occupied with a waiting list with approximately 10 names.
- According to Franklin Etheridge, County Administrator for the Long County Commissioners Office, the community would be pleased with additional affordable rental housing in the area both for families and seniors. Franklin Etheridge went on to say that Ft. Stewart is seeing a lot of single-family homes but that area could use new apartments offering nice amenities. Mr. Etheridge went on to make a point that low-end Section 8 housing or public housing would not be welcomed to the area as the deserving citizens would not want to live there due to the fact of the current low-income housing that has gained a reputation of being poorly managed, unsafe and not maintained well.
- Donna Kennedy, Property Manager with Sandalwood Terrace (the subject site), stated improvement to the current affordable housing in the area is needed, as well as a small amount of additional units. Ms. Kennedy explained that Ludowici is such a small area it could not support a new large affordable rental community, but she does feel a few additional units to her property would easily be filled. Ms. Kennedy stated the largest demand is for one-bedroom affordable rentals for seniors. Ms. Kennedy stated she was unaware of the percentage of her residents that transitioned from homeownership.

Section K – Conclusions & Recommendations

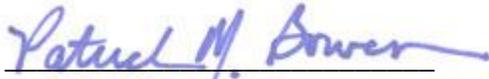
Based on the findings reported in our market study, it is our opinion that a market exists for the 30 units proposed at the subject site, assuming it is renovated and operated as detailed in this report and that it retains Rental Assistance. Changes in the project's scope of renovations, rent, amenities or renovation completion date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes. The proposed LIHTC rents appear to be high for the targeted low-income seniors in the market. We believe these rents would be difficult to achieve and would have a slowing effect on the absorption of these units. However, given that the subject project will retain Rental Assistance, tenants will only pay 30% of their income toward rent. Should the subject project lose Rental Assistance and operate exclusively under the LIHTC program, the rents would have to be reduced to levels closer to the LIHTC rents being achieved at the comparable properties.

Given the limited number of affordable developments within the Site PMA, the renovated subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with high capture rates for the project to operate exclusively under LIHTC program, the preservation of Rental Assistance will be important for the project's ongoing marketability. Because the subject project will not involve introducing any new units into the market, the subject project will not have any adverse impact on the existing Tax Credit developments in the Site PMA.

Section L - Signed Statement

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



Patrick M. Bowen
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(614) 833-9300
patrickb@bowennational.com
Date: August 14, 2017



Garth Semple
Market Analyst
garths@bowennational.com
Date: August 14, 2017

Section M – Market Study Representation

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

Section N - Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

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

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

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

Research Staff

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

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

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

LUDOWICI, GEORGIA

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

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

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

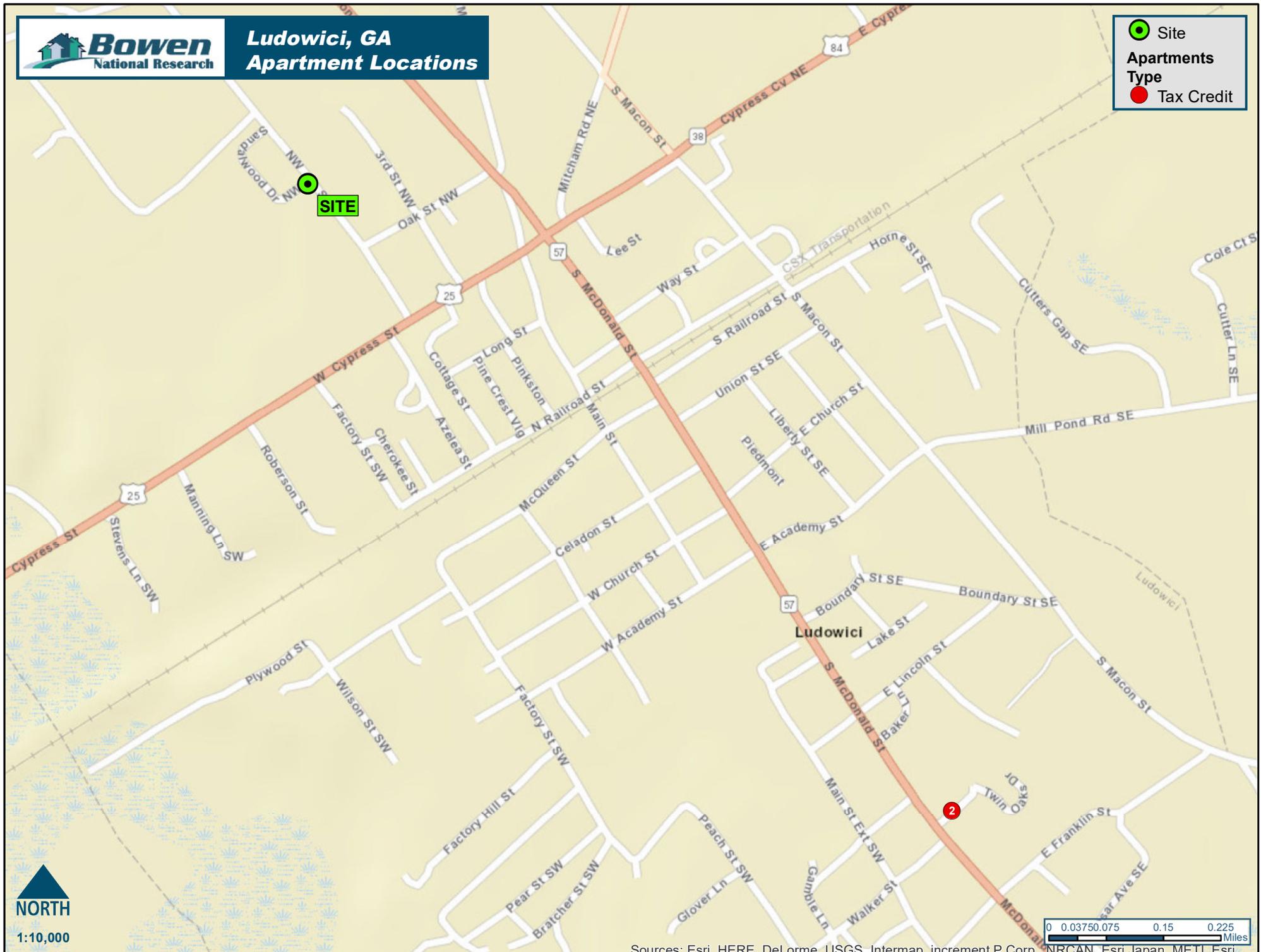
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

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

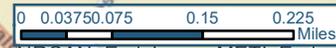


Ludowici, GA Apartment Locations

- Site
- Apartments Type
- Tax Credit



NORTH
1:10,000



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

MAP IDENTIFICATION LIST - LUDOWICI, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Sandalwood Terrace (Site)	GSS	B	1994	30	0	100.0%	-
2	Twin Oaks Apts.	TAX	B-	2000	40	2	95.0%	1.2

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TAX	1	40	2	95.0%	0
GSS	1	30	0	100.0%	0

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

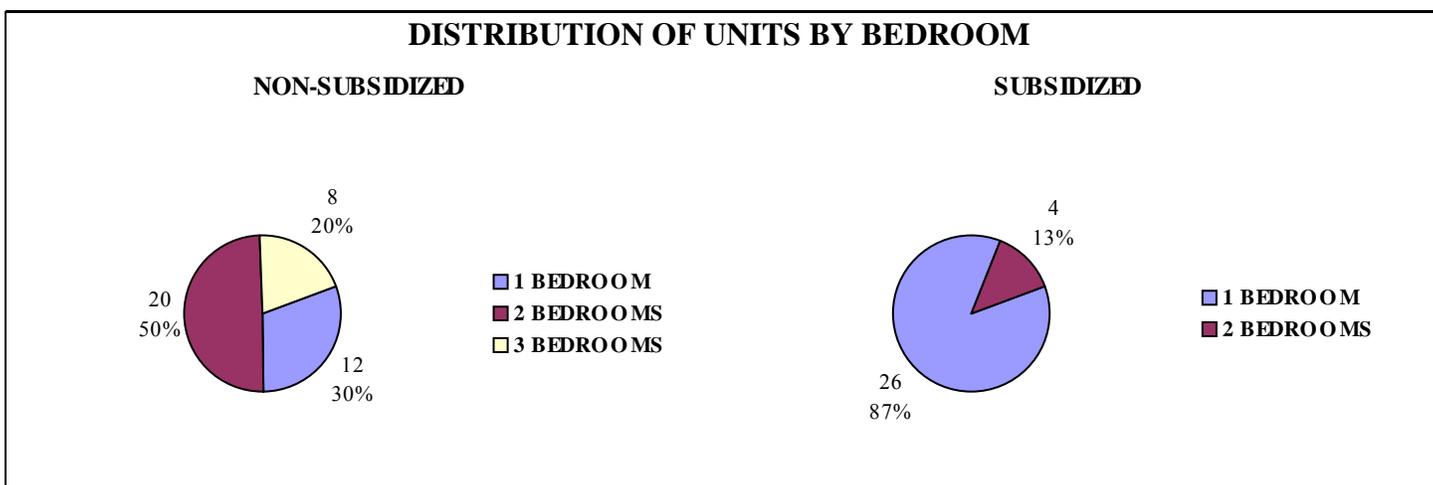
* - Drive Distance (Miles)

Survey Date: July 2017

DISTRIBUTION OF UNITS - LUDOWICI, GEORGIA

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	12	30.0%	0	0.0%	\$383
2	1.5	20	50.0%	1	5.0%	\$466
3	2	8	20.0%	1	12.5%	\$597
TOTAL		40	100.0%	2	5.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	26	86.7%	0	0.0%	N.A.
2	1	4	13.3%	0	0.0%	N.A.
TOTAL		30	100.0%	0	0.0%	
GRAND TOTAL		70	-	2	2.9%	



SURVEY OF PROPERTIES - LUDOWICI, GEORGIA

1 Sandalwood Terrace (Site)			
	Address 23 4th St. NW Ludowici, GA 31316	Phone (912) 545-2180 (Contact in person)	Total Units 30 Vacancies 0 Occupied 100.0%
	Year Built 1994 Comments RD 515, has RA (30 units); Random units have tenant installed ceiling fans; One 2-br manager unit not included in total	Contact Donna	Floors 1 Quality Rating B Senior Restricted (62+) Waiting List 2 households
2 Twin Oaks Apts.			
	Address 158 Twin Oaks Dr. SE Ludowici, GA 31316	Phone (912) 545-3161 (Contact in person)	Total Units 40 Vacancies 2 Occupied 95.0%
	Year Built 2000 Comments 50% AMHI; HCV (2 units); Select units have ceiling fans	Contact Helene	Floors 1,2 Quality Rating B- Waiting List None

Project Type

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

Survey Date: July 2017

TAX CREDIT UNITS - LUDOWICI, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Twin Oaks Apts.	12	647	1	50%	\$281
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Twin Oaks Apts.	20	920	1.5	50%	\$334
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Twin Oaks Apts.	8	1080	2	50%	\$435 - \$439

DISTRIBUTION OF UTILITIES - LUDOWICI, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	2	70	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	2	70	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	2	70	100.0%
			100.0%
ELECTRIC			
TENANT	2	70	100.0%
			100.0%
WATER			
TENANT	2	70	100.0%
			100.0%
SEWER			
TENANT	2	70	100.0%
			100.0%
TRASH PICK-UP			
LANDLORD	2	70	100.0%
			100.0%

UTILITY ALLOWANCE - LUDOWICI, GEORGIA

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

GA-Southern Region (1/2017)

Survey Date: July 2017

ADDENDUM B

COMPARABLE PROPERTY PROFILES

902 Jullington Creek

12.0 miles to site



Address	700 W. Orange St. Jesup, GA 31545		
Phone	(912) 427-3767	Contact	Tara
Total Units	32	Vacancies	1
		Percent Occupied	96.9%
Project Type	Market-Rate		
Year Open	1999	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities

Unit Configuration

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

910 Independence Place Apts.

11.5 miles to site



Address	130 Independence Place Dr. Hinesville, GA 31313		
Phone	(912) 877-2270	Contact	Chalecia
Total Units	264	Vacancies	19
		Percent Occupied	92.8%
Project Type	Market-Rate		
Year Open	2008	Floors	3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Does not accept HCV		



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash, Cable, Internet
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Fitness Center, Playground, Sports Court, Storage, Computer Lab, Picnic Area, Social Services, Dog Park; Tanning Be

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	48	1	607	\$1.44 - \$1.60	\$873 to \$973
2	2	G	119	8	802	\$1.24 - \$1.37	\$996 to \$1096
3	3	G	43	0	1272	\$0.92 - \$1.00	\$1169 to \$1269
4	4	G	54	10	1272	\$0.92 - \$1.00	\$1169 to \$1269

912 Link Terrace Apts.

13.0 miles to site



Address	110 Link Street Apt. Ln. Hinesville, GA 31313		
Phone	(912) 368-3555	Contact	Isabella
Total Units	54	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1985	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Accepts HCV (0 currently); Select units have dishwasher; 1 & 2-br have washer/dryer hookups		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Window AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
0	1	G	6	0	288	\$2.08 - \$2.19	\$600 to \$630
1	1	G	38	0	576 to 600	\$1.22 - \$1.23	\$700 to \$735
2	1 to 2	G	10	0	864	\$0.94 - \$0.98	\$815 to \$850

917 Stewart Way Apts.

14.5 miles to site



Address	302 General Stewart Way Hinesville, GA 31313		
Phone	(912) 368-3777	Contact	Isabella
Total Units	191	Vacancies	6
		Percent Occupied	96.9%
Project Type	Market-Rate		
Year Open	1986	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Accepts HCV (0 currently); 1 & 2-br units have dishwasher, washer/dryer hookups & patio; Rent range based on renovated units; Georgia Gateway Program for tenants with substance abuse (14-16 units)		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Window AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Attic Storage
Project Amenities	On-site Management, Laundry Facility

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
0	1	G	36	1	288	\$2.08 - \$2.19	\$600 to \$630
1	1	G	129	5	576	\$1.22 - \$1.28	\$700 to \$735
2	1 to 2	G	26	0	874	\$0.93 - \$0.97	\$815 to \$850

903 Sunset Pointe

13.1 miles to site



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

Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	980	\$0.47	\$465	
1	1	G	1	0	980	\$0.32	\$315	60%
1	1	G	10	0	980	\$0.32	\$315	50%
1	1	G	2	0	980	\$0.15	\$150	30%
2	2	G	6	0	1050	\$0.48	\$505	
2	2	G	1	0	1050	\$0.39	\$405	60%
2	2	G	22	0	1050	\$0.37	\$390	50%
2	2	G	3	0	1050	\$0.18	\$185	30%
3	2	G	4	0	1180	\$0.47	\$555	
3	2	G	10	0	1180	\$0.39	\$465	50%
3	2	G	2	0	1180	\$0.19	\$220	30%

914 Pines at Willowbrook

12.3 miles to site



Address	841 Willowbrook Dr. Hinesville, GA 31313		
Phone	(912) 877-2162	Contact	Alfred
Total Units	80	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2003	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Market-rate (16 units); 50% & 60% AMHI (64 units); HCV (8 units)		

Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	703	\$0.92	\$650	
1	1	G	5	0	703	\$0.73	\$512	60%
1	1	G	1	0	703	\$0.59	\$413	50%
2	1 to 2	G	9	0	923 to 960	\$0.85 - \$0.85	\$780 to \$820	
2	1 to 2	G	28	0	923 to 960	\$0.63 - \$0.65	\$601	60%
2	1 to 2	G	11	0	923 to 960	\$0.50 - \$0.52	\$483	50%
3	2	G	5	0	1150	\$0.78	\$900	
3	2	G	14	0	1150	\$0.59	\$684	60%
3	2	G	5	0	1150	\$0.48	\$547	50%

2

Twin Oaks Apts.

1.2 miles to site



Address 158 Twin Oaks Dr. SE
Ludowici, GA 31316

Phone (912) 545-3161 **Contact** Helene

Total Units 40 **Vacancies** 2 **Percent Occupied** 95.0%

Project Type Tax Credit

Year Open 2000 **Floors** 1,2

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating B- **Neighborhood Rating** B

Remarks 50% AMHI; HCV (2 units); Select units have ceiling fans



Features and Utilities

Utilities Landlord pays Trash

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage

Project Amenities On-site Management, Laundry Facility, Meeting Room, Playground, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	12	0	647	\$0.43	\$281	50%
2	1.5	T	20	1	920	\$0.36	\$334	50%
3	2	T	8	1	1080	\$0.40 - \$0.41	\$435 to \$439	50%

904 Maria Senior Gardens

13.5 miles to site



Address	89 Carmelita Dr. Jesup, GA 31545		
Phone	(912) 427-2022	Contact	Katina
Total Units	43	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2013	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (6 units); One manager unit not included in total; Handicap units have E-call button		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Elevator, Computer Lab, Picnic Area, Gazebo

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	762	\$0.44	\$335	60%
1	1	G	9	0	762	\$0.44	\$335	50%
2	2	G	26	0	1088	\$0.41	\$450	60%
2	2	G	5	0	1088	\$0.41	\$450	50%

909 Grove Park Apts.

13.6 miles to site



Address	550 S. Main St. Hinesville, GA 31313		
Phone	(912) 877-6017	Contact	Sherry
Total Units	45	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1998	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	47 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Accepts HCV; 16 2-br have patio storage; Square footage estimated		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, E-Call Button, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Picnic Area, Gazebo

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	19	0	600	\$0.68	\$410	60%
1	1	G	10	0	600	\$0.65	\$390	50%
2	1	G	10	0	850	\$0.54	\$455	60%
2	1	G	6	0	850	\$0.53	\$450	50%

Addendum C – NCHMA Member Certification & Checklist

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

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



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Date: August 14, 2017

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

Addendum C – Market Study Index

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of an existing apartment project in Georgia following renovations under the 4% Tax-Exempt Bond program. Currently, the project is a Rural Development Section 515 (RD Section 515) project. When applicable, we have incorporated the market study requirements as outlined in exhibits 4-10 and 4-11 of the Rural Development Handbook.

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

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

3. REPORT LIMITATIONS

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

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

Any reproduction or duplication of this report without the expressed approval of Greystone Servicing Corporation, Inc. or Bowen National Research is strictly prohibited.

4. SOURCES

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

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives

Addendum E:
RENT ROLL

PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE

(SERVICING OFFICE USE ONLY)

PART I	1. Date Received in the Servicing Office:	
2. Borrower Name:	3. Case Number :	4. Project Number :
5. Location of Project:	6. Report for the month of :	
7. Kind of Loan :	8. Plan of Operation:	
RRH	Full Profit	Plan II
RCH	Plan I	Plan II RA
LH	Section 8*	Plan RA
Direct RRH	Plan II (w/Sec. 8)	

9. Loan No.:	10. Loan Paymt.:	11. Overage/ Surcharge:	12. Total Due:	RENTAL ASSISTANCE	
				18. RA Agreement Number(s):	19. No. of Units Receiving RA This Month:
		Late Fees :	13.	20. Obligation Balance Brought Forward:	
		Total Payment Due:	14.		
		Less #21:	15.	21. Rental Assistance Requested this month:	
		Net Payment Due:	16.		
		Net Payment Remitted:	17.	22. Remaining Obligation Balance :	

Use Only for Projects with New Construction	23.		Section 8 Units x	24.	=	25.
Section 8 Units when HUD rent exceeds note rate rent .	26.		Section 8 Units x :	27.	=	28.
				<i>HUD Rent</i>		
				<i>RHS Note Rate Rent</i>		29.
ADDITIONAL PAYMENT TO RESERVE ACCOUNT						

In accordance with Rural Housing Service formula and procedures, all rental units are occupied by households who have executed Form 1944-8 , "Tenant Certification" and are farm workers if this is the Labor Housing Project or if this is the Rental Housing Project, have incomes within the limitations as set forth in Rural Development regulations or the Project has written permission from RHS to rent to ineligible occupants on a temporary basis.

I certify that the statements made above and in Part II are true to the best of my knowledge and belief and are made in good faith.

WARNING: Section 1001 of Title 18, United States code provides; "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same or contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.

30. _____
Date

31. _____
Signature - Borrower or Borrower's Representativ

*Includes previous Plan I S 8.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this collection is 0575-0033. The time required to complete this information collection is estimated to average 40 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Addendum F – Achievable Market Rent Analysis

A. INTRODUCTION

As detailed in Section H, and further evidenced by our Field Survey of Conventional Rentals, we did not identify or survey any conventional market-rate product within the Ludowici Site PMA. As such, it was necessary to identify comparable market-rate product outside the Site PMA in order to establish a good base of comparison for the subject project. Thus, the five market-rate properties selected as comparables are located in the surrounding towns of Jesup and Hinesville, Georgia. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)				
					Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Sandalwood Terrace	1994 / 2019	30	100.0%	-	26 (100.0%)	4 (100.0%)	-	-
902	Jullington Creek	1999	32	96.9%	-	-	32 (96.9%)	-	-
910	Independence Place Apts.	2008	264	92.8%	-	48 (97.9%)	119 (93.3%)	43 (100.0%)	54 (81.5%)
912	Link Terrace Apts.	1985	54	100.0%	6 (100.0%)	38 (100.0%)	10 (100.0%)	-	-
914	Pines at Willowbrook	2003	16*	100.0%	-	2 (100.0%)	9 (100.0%)	5 (100.0%)	-
917	Stewart Way Apts.	1986	191	96.9%	36 (97.2%)	129 (96.1%)	26 (100.0%)	-	-

Occ. - Occupancy

*Market-rate units only

900 series Map IDs are located outside the Site PMA

The five selected market-rate projects have a combined total of 557 units with an overall occupancy rate of 95.3%. None of the comparable properties has an occupancy rate below 92.8%.

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

Rent Comparability Grid

Unit Type →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Sandalwood Terrace		Jullington Creek		Independence Place Apts.		Link Terrace Apts.		Pines at Willowbrook		Stewart Way Apts.	
23 Fourth Street Northwest		700 W. Orange St.		130 Independence Place Dr.		110 Link Street Apt. Ln.		841 Willowbrook Dr.		302 General Stewart Way	
Ludowici, GA		Jesup, GA		Hinesville, GA		Hinesville, GA		Hinesville, GA		Hinesville, GA	
Data		Data		Data		Data		Data		Data	
on		\$ Adj		\$ Adj		\$ Adj		\$ Adj		\$ Adj	
Subject		Data		Data		Data		Data		Data	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$595		\$923		\$735		\$650		\$735	
2 Date Surveyed		Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		97%		98%		100%		100%		96%	
5 Effective Rent & Rent/ sq. ft	▼	\$595	0.66	\$923	1.52	\$735	1.23	\$650	0.92	\$735	1.28
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	R/1	WU/2		WU/3		R/1		WU/2		R/1	
7 Yr. Built/Yr. Renovated	1994/2019	1999	\$8	2008	(\$1)	1985	\$22	2003	\$4	1986	\$21
8 Condition/Street Appeal	G	G		E	(\$15)	G		G		G	
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$30)	No	(\$139)	No	(\$110)	No	(\$98)	No	(\$110)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	1	2	(\$50)	1		1		1		1	
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	667	900	(\$63)	607	\$16	600	\$18	703	(\$10)	576	\$24
14 Balcony/Patio	Y	Y		N	\$5	Y		Y		Y	
15 AC: Central/Wall	C	C		C		W	\$5	C		W	\$5
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/N	N/Y	(\$5)	Y/Y	(\$10)	N/N	\$5	N/Y	(\$5)	N/Y	(\$5)
18 Washer/Dryer	HU/L	HU	\$5	W/D	(\$25)	HU/L		HU/L		HU/L	
19 Floor Coverings	V	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23 Ceiling Fans/E-Call System	N/Y	Y/N		N/N	\$5	Y/N		Y/N		Y/N	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	N	\$5	Y		Y		Y		Y	
26 Security Features	N	N		N		N		N		N	
27 Community Space	Y	N	\$5	Y		N	\$5	Y		N	\$5
28 Pool/Recreation Areas	N	N		P/F/S/TB	(\$21)	N		F	(\$5)	N	
29 Computer/Business Center	Y	N	\$3	Y		N	\$3	Y		N	\$3
30 Picnic Area/Storage	Y/Y	N/N	\$8	Y/N	\$5	N/N	\$8	Y/N	\$5	N/Y	\$3
31 Library	N	N		N		N		N		N	
32 Social Services	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/G		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/G		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	N/N	N/N		Y/Y	(\$38)	N/N		Y/Y	(\$38)	Y/Y	(\$38)
39 Trash/Recycling	Y/N	Y/N		Y/N		N/N	\$15	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		6	4	4	7	7	2	2	5	6	3
41 Sum Adjustments B to D		\$34	(\$148)	\$31	(\$216)	\$66	(\$115)	\$9	(\$123)	\$61	(\$120)
42 Sum Utility Adjustments					(\$38)	\$15			(\$38)		(\$38)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$114)	\$182	(\$223)	\$285	(\$34)	\$196	(\$152)	\$170	(\$97)	\$219
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$481		\$700		\$701		\$498		\$638	
45 Adj Rent/Last rent			81%		76%		95%		77%		87%
46 Estimated Market Rent	\$605	\$0.91	← Estimated Market Rent/ Sq. Ft								

Rent Comparability Grid

Unit Type →

**TWO BEDROOM
(805 SF)**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Sandalwood Terrace		Jullington Creek		Independence Place Apts.		Link Terrace Apts.		Pines at Willowbrook		Stewart Way Apts.	
23 Fourth Street Northwest		700 W. Orange St.		130 Independence Place Dr.		110 Link Street Apt. Ln.		841 Willowbrook Dr.		302 General Stewart Way	
Ludowici, GA		Jesup, GA		Hinesville, GA		Hinesville, GA		Hinesville, GA		Hinesville, GA	
Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A.	Rents Charged										
1	\$ Last Rent / Restricted?	\$595		\$1,046		\$815		\$780		\$850	
2	Date Surveyed	Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	97%		93%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$595	0.66	\$1,046	1.30	\$815	0.94	\$780	0.85	\$850	0.97
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/2		WU/3		R/1		WU/2	
7	Yr. Built/Yr. Renovated	1994/2019		1999 \$8		2008 (\$1)	\$22	1985 \$22		2003 \$4	\$21
8	Condition/Street Appeal	G		G		E (\$15)		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$30)	No	(\$157)	No	(\$123)	No	(\$117)	No	(\$128)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1		1		2 (\$30)		1		1	
13	Unit Interior Sq. Ft.	805	(\$22)	900		802 \$1		864 (\$14)		923 (\$28)	(\$16)
14	Balcony/Patio	Y		Y		N \$5		Y		Y	
15	AC: Central/Wall	C		C		C	\$5	W \$5		C	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	Y/Y (\$10)	\$5	N/N \$5		N/Y (\$5)	(\$5)
18	Washer/Dryer	HU/L	\$5	HU	\$5	W/D (\$25)		HU/L		HU/L	
19	Floor Coverings	V		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N		N		Y (\$5)		Y (\$5)		Y (\$5)	
23	Ceiling Fans/E-Call System	N/Y		Y/N		N/N \$5		Y/N		Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	N	\$5	Y		Y		Y	
26	Security Features	N		N		N		N		N	
27	Community Space	Y	\$5	N	\$5	Y	\$5	N	\$5	Y	\$5
28	Pool/Recreation Areas	N		N		P/F/S/TB (\$21)		N		F (\$5)	
29	Computer/Business Center	Y	\$3	N	\$3	Y	\$3	N	\$3	Y	\$3
30	Picnic Area/Storage	Y/Y	\$8	N/N	\$8	Y/N \$5		N/N \$8		Y/N \$5	
31	Library	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		Y/Y (\$47)		N/N		Y/Y (\$47)	
39	Trash/Recycling	Y/N		Y/N		Y/N	\$15	N/N \$15		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	3	4	8	6	3	2	5	5	4
41	Sum Adjustments B to D	\$34	(\$57)	\$16	(\$264)	\$48	(\$142)	\$9	(\$160)	\$37	(\$154)
42	Sum Utility Adjustments				(\$47)	\$15			(\$47)		(\$47)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$23)	\$91	(\$295)	\$327	(\$79)	\$205	(\$198)	\$216	(\$164)	\$238
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$572		\$751		\$736		\$582		\$686	
45	Adj Rent/Last rent		96%		72%		90%		75%		81%
46	Estimated Market Rent	\$665	\$0.83	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

**TWO BEDROOM
(813 SF)**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Sandalwood Terrace		Jullington Creek		Independence Place Apts.		Link Terrace Apts.		Pines at Willowbrook		Stewart Way Apts.	
23 Fourth Street Northwest		700 W. Orange St.		130 Independence Place Dr.		110 Link Street Apt. Ln.		841 Willowbrook Dr.		302 General Stewart Way	
Ludowici, GA		Jesup, GA		Hinesville, GA		Hinesville, GA		Hinesville, GA		Hinesville, GA	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$595		\$1,046		\$815		\$780		\$850	
2	Date Surveyed	Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	97%		93%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$595	0.66	\$1,046	1.30	\$815	0.94	\$780	0.85	\$850	0.97
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/2		WU/3		R/1		WU/2	
7	Yr. Built/Yr. Renovated	1994/2019		1999	\$8	2008	(\$1)	1985	\$22	2003	\$4
8	Condition/Street Appeal	G		G		E	(\$15)	G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$30)	No	(\$157)	No	(\$123)	No	(\$117)	No	(\$128)
11	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
12	# Bedrooms	2		2		2		2		2	
13	# Baths	1		1		2	(\$30)	1		1	
14	Unit Interior Sq. Ft.	813	(\$20)	900		802	\$3	864	(\$12)	923	(\$26)
15	Balcony/Patio	Y		Y		N	\$5	Y		Y	
16	AC: Central/Wall	C		C		C		W	\$5	C	
17	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
18	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	Y/Y	(\$10)	N/N	\$5	N/Y	(\$5)
19	Washer/Dryer	HU/L		HU	\$5	W/D	(\$25)	HU/L		HU/L	
20	Floor Coverings	V		C		C		C		C	
21	Window Coverings	B		B		B		B		B	
22	Secured Entry	N		N		N		N		N	
23	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
24	Ceiling Fans/E-Call System	N/Y		Y/N		N/N	\$5	Y/N		Y/N	
D	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
25	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
26	On-Site Management	Y		N	\$5	Y		Y		Y	
27	Security Features	N		N		N		N		N	
28	Community Space	Y		N	\$5	Y		N	\$5	Y	
29	Pool/Recreation Areas	N		N		P/F/S/TB	(\$21)	N		F	(\$5)
30	Computer/Business Center	Y		N	\$3	Y		N	\$3	Y	
31	Picnic Area/Storage	Y/Y		N/N	\$8	Y/N	\$5	N/N	\$8	Y/N	\$5
32	Library	N		N		N		N		N	
33	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
34	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
35	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
38	Other Electric	N		N		N		N		N	
39	Cold Water/Sewer	N/N		N/N		Y/Y	(\$47)	N/N		Y/Y	(\$47)
40	Trash/Recycling	Y/N		Y/N		Y/N		N/N	\$15	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
41	# Adjustments B to D	6	3	4	8	6	3	2	5	5	4
42	Sum Adjustments B to D	\$34	(\$55)	\$18	(\$264)	\$48	(\$140)	\$9	(\$158)	\$37	(\$152)
43	Sum Utility Adjustments				(\$47)	\$15			(\$47)		(\$47)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
44	Net/ Gross Adjmts B to E	(\$21)	\$89	(\$293)	\$329	(\$77)	\$203	(\$196)	\$214	(\$162)	\$236
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
45	Adjusted Rent (5+ 43)	\$574		\$753		\$738		\$584		\$688	
46	Adj Rent/Last rent		96%		72%		91%		75%		81%
46	Estimated Market Rent	\$670		\$0.82		← Estimated Market Rent/ Sq. Ft					

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$605 for a one-bedroom unit, \$665 for a two-bedroom unit and \$670 for a larger two-bedroom unit.

Bedroom Type	Proposed Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One - Br.	\$471	60%	\$605	22.1%
Two - Br. (805 Sq. Ft.)	\$497	60%	\$665	25.3%
Two-Br. (813 Sq. Ft.)	\$497	60%	\$670	25.8%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. The proposed collected rents represent market rent advantages ranging from 22.1% to 25.8%. As such, the proposed rents should represent a good value for the local market. This is considered in our absorption rate estimates.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

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

7. Upon completion of renovations, the subject project will have a more modern effective age. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. One of the comparable properties is considered to be in superior condition when compared to the subject project. Therefore, we have adjusted this project by \$15.

10. Due to the lack of comparable market-rate product within the Site PMA, all five of the selected market-rate comparables are located outside the Site PMA, in the towns of Jesup and Hinesville, Georgia. Based on American Community Survey (ACS) data, these aforementioned markets are superior to the Ludowici market in the way of median household income and gross rents. Based on ACS data, negative adjustments of 5% have been applied to each of the comparable properties located in Ludowici, and 15% for those located in Hinesville.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package similar to the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project offers a project amenities package that is generally similar to the selected comparable properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Addendum G:
Executed Engagement Letter



July 20, 2017

Ms. Tanya Eastwood
 Greystone Affordable Housing Initiatives LLC
 4025 Lake Boone Trail, Suite 209
 Raleigh, NC 27607-2986
 Sent via email: vanessa.finn@greyco.com

Dear Ms. Eastwood,

Thank you for the opportunity to provide a proposal to conduct multiple market feasibility studies for existing affordable housing projects located in various cities in Georgia. **Each market study will comply with market study guidelines set by the Georgia Department of Community Affairs (GDCA) and by the USDA.**

Below is a listing of the studies requested. Please check the box next to the sites for which you are in need of a market study.

Property Name	Address	City	County	Population	Fee
Plantation I, Plantation II, Plantation III	201 Casey Drive	Richmond Hill	Bryan	Family	
Wildwood Villas I	50 Wildwood Circle	Statesboro	Bulloch	Family	
Wildwood Villas II	54 Wildwood Circle	Statesboro	Bulloch	Senior	
Hilltop Terrace I	4059 Martin Luther King Jr Boulevard	Kingsland	Camden	Family	
Hilltop Terrace II	4059 Martin Luther King Jr Boulevard	Kingsland	Camden	Senior	
Cumberland Village	116 Martha Drive	St Mary's	Camden	Family	
Satilla Villas	1100 Mcdonald Avenue	Woodbine	Camden	Family	
Quail Hollow I	888 Carswell Street	Homerville	Clinch	Senior	
Quail Hollow II	962 Carswell Street	Homerville	Clinch	Family	
Hunters Run	701 Lupo Lane	Douglas	Coffee	Senior	
The Forest I & The Forest II	582 26th Avenue SE	Moultrie	Colquitt	Senior	
The Forest III	2701 5th Street SE	Moultrie	Colquitt	Family	
Chester	400 Wynne Avenue	Chester	Dodge	Family	
Spring Hollow	800 Ash Street Extension	Springfield	Effingham	Family	
Gray Gardens	200 Eatonton Highway	Gray	Jones	Family	
Sandalwood Terrace	23 Fourth Street Northwest	Ludowici	Long	Senior	
Piedmont Hills	1001 West Main Street	Forsyth	Monroe	Family	
Arrowhead	369 Broad Street	Hawkinsville	Pulaski	Family	
Quail Village	199 Memorial Drive	Reidsville	Tattnall	Senior	

Continued)

Property Name	Address	City	County	Population	Fee
Meadow Crossing	408 Spinks Drive	Omega	Tift	Family	
The Grove	303 Jerriel Street	Vidalia	Toombs	Senior	
Yester Oaks	51 Yester Oaks Drive	Lafayette	Walker	Family	
Hillcrest	1503 John Collins Road NE	Pelham	Mitchell	Family	
Total Price					

The purpose of each study is to provide a detailed market analysis focusing on such items as unit-mix, proposed affordable rental levels compared to market rate rents, achievable Tax Credit and market-rate rents, absorption rate to achieve stabilized occupancy, competitive amenity package, market penetration, unit configuration, and a competitive analysis.

Pricing

Because of the amount of studies being ordered concurrently, the fee for each study will not exceed [REDACTED] if the site stands alone and there is no overlap with another county, or [REDACTED] if the site is within the same county as another, or [REDACTED] if the site is located in the same town as another. The total cost of all studies combined will not exceed [REDACTED]. Our fees include all expenses and out of pocket costs. *The fees are payable within 30 days of completion of each market study. Accounts not paid within the terms outlined are subject to a late fee of 1.5% interest per month past due.*

In order to commence work on this assignment, we will require an advance payment of \$ [REDACTED] (20.0% of the total cost). Upon the receipt of this signed proposal, we will immediately commence work on this assignment.

Cancellation Policy: If research has begun, the following is a summary of the percentage of the total cost to be billed based upon the work completed at the time of cancellation:

- In-house research and phone calls: 25.0%
- Fieldwork/Site Work completed: 50.0%
- Partial Writing/Analysis: 75.0%
- Full Analysis Completed: 100.0%

Delivery

Per your request, we will deliver a draft of the first market study by August 4th, which will allow you to review and comment on the contents of the report. Subsequently, we will incorporate any modifications you requested in the first study into all remaining studies. All studies will be delivered no later than August 14th. These delivery data are contingent upon all associated parties providing the necessary information (i.e. site contact information, scope of renovations, proposed rents and utility allowances, rent rolls, etc.) for each subject project by no later than August 2nd.

Please sign and return this contract via email, and we will commence work on each report immediately.

Thank you for contacting us.



Patrick M. Bowen
Bowen National Research



Authorized Signer
Greystone Affordable Housing Initiatives LLC



Printed Name

Date: 7/20/17

Addendum H:

Scope of Renovations

**Scope of Work
Sandalwood Terrace**

Project: Sandalwood Terrace
Developer: Hallmark

Property Summary:
 Street Address: 23 Fourth Street Northwest
 City: Ludowici
 County: Long County
 Approx. Year Constructed: 1995
 Target Population: Elderly
 Total Rentable Units: 30+1 Manager
 Bldg. Type: Single Story Garden Style
 Manager:
 Office Phone: (912) 545-2180
 Buildings: 7
 Approx. # of parking spaces: 53

Unit Summary:

Type	Quantity	Sq. Ft.	Bedrooms	Bathrooms
1 BR - Type A (HC)	1.00	667.00	1.00	1.00
1-BR - Type B	25.00	667.00	1.00	1.00
2 BR - Type A (HC)	1.00	813.00	2.00	1.00
2 BR - Type B	3.00	796.00	2.00	1.00
2 BR - Manager	1.00	830.00	2.00	1.00
Totals	31		36	31

The following Preliminary Scope of Work ("SOW") as prepared this 17th day of May 2017 by Greystone Affordable Development LLC ("GAD") is being presented to Hallmark Management, Inc and its successors, affiliates, or assigned "Owner" for review and approval. The included SOW has been prepared based on preliminary information provided to GAD by the Owner regarding the above referenced property.

The work described herein shall be completed in accordance with all regulations and requirements set forth by USDA Rural Housing Service ("RHS") and the Georgia Department of Community Affairs ("DCA"). The documents utilized and referred to during the preparation of this SOW include the 2017 DCA Qualified Allocation Plan and Multifamily Finance Guidelines, and applicable RHS guidelines, to the extent that it pertains to "moderate preservation or rehabilitation". All work shall also comply with all regulatory agencies, lenders, and additional items as prescribed by the developer, as well as any applicable local and state codes, ordinances, and amendments in the jurisdiction of the "Property" or "Owner".

The following SOW described within this document illustrates items typically required by participating governing agencies and GAHI standard SOW items. As efforts continue, GAD will utilize the required Environmental Studies, Capital Needs Assessments, and SOW item comparison to current Capital Expenditure information specific to the above referenced property. The review and comparison of these documents are necessary to ensure that proper action is taken to remediate any existing environmental concerns and to analyze the Estimated Useful Life for the various items that have been recently purchases/installed by Property Management and then to determine the condition and Remaining Useful Life of such items to substantiate or negate the need for item replacements and/or incorporation into the SOW.

Scope of Work:

Site Work:

- New site development sign (Replace signboard only, masonry surround to remain)
- Concrete parking and drive repair per plans (use sealant to repair minor concrete cracks)
- Stripe parking lots
- Install HC reserve parking signage
- Landscaping allowance: (Trim exist. Shrubs and trees as directed, add mulch, redo beds, add additional plantings per drawings.)
- Remove and replace existing dumpster enclosure per drawings (6' Vinyl panels)
- Remove and replace existing dumpster pads and apron per drawings, add bollards (apron: min 10 ft from front of dumpster.)
- Install new mail pedestals at existing location
- Provide positive drainage away from all buildings (Per Allowance)
- Replace or repair site fencing: (15% replacement)
- Install new 6 post pavilion, include BBQ Grill and picnic table
- Replace office directional sign 2'x3'
- Steel handrails at walks/ramps over 1:20 slope as identified on plans
- See Electrical section for site lighting
- Repair wood maintenance fencing & shed: (50% replacement)
- Pressure wash roads and walkways at completion of construction

0

Concrete:

Replace damaged sidewalks/curb walks throughout

Construct wheelchair accessible curb ramps as identified on plans

New ADA compliant sidewalk to new amenities from all Ground floor units.

Provide new ADA compliant Sidewalk to existing amenities from all ground floor units

Install new concrete pad at mailbox location per plans

Install new slab and foundation for Pavillion

Demo existing slab and repair as necessary for plumbing modifications at accessible units and at office bathroom

Pour Concrete slabs at accessible parking spaces to meet 2%

Repair concrete curbs as required as identified on plans

Provide accessible route from All ground floor units to All other ground floor units and ammenities.

Replace front and back porches at UFAS units as required (refer to site plan)

0

Building Exteriors:

Replace existing storm/screen doors

Replace metal entry doors: door, frame, peep, thresholds (ADA thresholds ground floor units only) & hardware (deadbolt+Lever pass) (Energy Star Certified)

Exterior storage door repair, new metal door, frame, threshold & Hardware

Install apartment signage in existing location at front of units

Remove exterior hose bibs/ Install (1) regular flush mount with wheel handle hose bib per unit

Paint existing gang meter cans

Tuck point all brick surfaces

Pressure wash all brick surfaces

Replace apt and community bldg. windows with low E energy efficient windows, include screens (Energy Star Certified). Windows must be compliant with egress regulations.

Install new shutters (color per owner)

Remove existing siding and replace with vinyl siding (Install building wrap over existing substrate)

No wall sheathing replacement included, any replacement will be handled via change order

Replace soffit and fascia with vinyl to match wall siding

Replace existing and/or provide new gutters and downspouts as needed at front, back, and sides of buildings

All Roofing was recently replaced. No replacement has been included (Capex indicates the following roofs were recently replaced and will not be included for replacement: Building A, Building. B, Building. C, Building. D, Building. E, Building. F, Building. G.) ALL ROOF REPLACED IN 2013

No vent cover or boot replacement has been included due to recent replacement of all roofing.

No roof sheathing has been included due to recent replacement of all roofing

Replace rear patio door (includes frame and hardware)

0

Building Interiors:

Retain and store any of the following that are in good condition: Appliances, HVAC units, Cabinetry, Steel doors, Water heaters, and etc. (OPTION)

General Demo: doors per plans, trim, cabinets, plumbing, hvac, applicances, etc.

Replace interior bifold doors with 6-panel masonite or flat panel to match existing doors that remain (include frame & hardware).

Replace all interior door hardware and install new door stops (Round wall mounted)

Install louvered door at mechanical closet where indicated.

Install new draft stops in the attic space if none existing

Install additional blown cellulose insulation to achieve an R-38 rating in the attics of all buildings.

Remove and replace all blinds with new 1" mini-blinds

Drywall repair for trade cuts and Tub repair with moisture resistant drywall

Drywall repair allowance per apartment. (Trade cuts and Tub drywall repair carried separate from allowance)

Painting interiors & ceiling, doors and trim (Low VOC) (one color/one sheen)

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Install Luxury vinyl floors throughout entire unit including stairs with tread cap (LVT to be 12mil with 15 year residential warranty and waterproof)

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Replace shoe mold where new vinyl or LVT floors are provided

Replace Kitchen Cabinets (base, wall, pantry, c.top,)

Replace Bath Vanities, (base, c.top,) and Wall hungs over toilet where they currently exist. Full vanities in ground floor units shall be breakaway fronts

Cabinets and Vanities w/ Formica or P-Lam countertop Cabinets in ground floor units shall be breakaway fronts

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Full vanities in ground floor units shall be breakaway fronts

Replace towel bars w/ 18" min., shower rod, wall mounted toilet paper, med cabinets w/ 16" x 20" mirrors, and vanity mirror.

Replace refrigerators with Energy Star certified model per Capex (Capex indicates (10) Refrigerators were recently replaced and have been removed from the scope.)

Replace 30" range and grease shield per capex. (front control at HC units) (Capex indicates (4) Ranges were recently replaced and have been removed from the scope.) (Ranges are 0)

Install fire suppression systems over ranges. (Range Queens)

Install Microhoods to match existing venting over range.

General reframing to allow for water heater or general requirements in standard units.

Reverse door swing at bathrooms (1 BR Only)

Construct cased openings at Laundry (1 BR Only)

Reverse door swings as needed for FFHA requirements

0

HVAC:

Replace air handling units, and disconnect per Capex (Energy Star Certified) (Capex indicates (5) Air handlers were recently replaced and have been removed from the scope.) (AHU's are 0)

Replace Condensing unit with a 15 SEER unit with a 8.5 HSPF rating and new suction lines (Energy Star Certified) (Capex indicates (5) condensing units were recently replaced and have been removed from the scope.)

Vent condensate lines to exteriors or to floor drain as allowed by AHJ

New Programmable thermostats. Thermostats in ground floor units shall be lowered to FFHA regulations

New registers/diffusers/return grilles

Flush all condensate drains to remove debris

Clean interiors of ductwork

Level existing concrete a/c pads as needed

0

Plumbing:

Replace toilets with water sense labeled (1.28 GPF) toilets w/ elongated bowl. (Toilets on first floor to be Comfort height.)

Replace 100% of tub/showers and surround (3 piece fiberglass)-Waiver requested for 1-piece (provide age in place backing on all ground floor tubs)

New tub control, water sense showerhead, diverter and drain at all tubs

Replace electric water heaters with 0.95 energy efficient rated water heater as well as associated piping, disconnect, pan on all floors (Energy Star) (Capex indicates (2) water heaters were recently replaced and have been removed from the scope.)

Install new Kitchen and Lavatory sinks. Lavatory sinks are to be water sense labeled

Replace existing washer boxes, trim ring, and valves in units

Repair or install new unit water shut off for each unit

Install hammer arresters at washer boxes

If pressure reducing valve exists install expansion tanks at water heaters

0

Electrical

Electrical switches and outlets to receive new decorative cover plates (Arch faults if mandated by AHJ installed via Change Order) (All switches and outlets in ground floor units must

Replace bath exhaust fans & ducts to exterior with 70cfm Energy Star efficient fan(wire w/ bath light, unit must be on timer)

New energy star light fixtures and bulbs at all locations to include exterior building lights, exit, and emergency lights. Provide energy star E-26 screw in type CFL bulbs for standard unit fixtures, (80% Flourescent or LED)

New GFI outlets in kitchens/bath/exteriors (Exteriors include new cover)

Install hardwired smoke detectors w/ battery backup per Code (3ft Away from HVAC grills and Bath door)

New TV Cable at LR's and BR's. Cable junction to be consolidated to one accessible exterior location for provider access.

Replace all entry lights

Dishwasher outlet not required - Elderly property

Dishwasher circuit not required - Elderly property

Install or replace lighting at property signage

Re-label electrical panel

0

Type A (Handicap) Unit Conversion

Provide HDCP Apt. (see also all general items above for typ. Apts.):

General demo/construction for clearances
Grab bars at toilet
Handheld shower with slide bar
Provide UFAS/ADA compliant cabinets (include in general count)
Pipe wrap at kitchen and bath sinks
Install remote switch for hood fan/light
Install hardwired smoke/strobe detector with battery back up in (2) apt.
Repair non functional call systems.
Plumbing/Elect./HVAC/Appliance handicap packages
New Accessible tub/shower units w/ bars & seats
Provide compliant flooring, transitions, and thresholds
Provide compliant interior & exterior Doors/Frames/hardware and hallway access per drawings.
Repair drywall per reframing requirements
Install new wire shelving at closets, include additional brackets.

0

Laundry Room

Remove and replace existing washer boxes including valves, trim ring, and outlet.
Provide and install new permanent folding table
Remove and replace existing laundry sink
New electrical fixtures & devices per above electrical section
New registers/diffusers/return grilles
Install new VCT flooring
Install new 80 gal. water heater
Replace exist. Wall heater
Replace windows including sill and blinds
Replace entry door including frame and hardware
Replace existing community washers and dryers, 5 washers and 4 dryers

0

Office / Storage

Install LVT throughout Office
New shoe mold
New electrical fixtures & devices per above electrical section
Paint throughout
Drywall patch
New interior & exterior doors & hardware as indicated in matrix
Follow interior & exterior replacement for HC unit items, when item currently exists in common spaces (doors, cabinets, appliances, etc.)
Replace interior bifold doors with 6-panel masonite or flat panel to match existing doors that remain (include frame & hardware).
Repalce windows including new sills and blinds

0

Community Room

Install new sheet vinyl flooring
New shoe mold
New electrical fixtures & devices per above electrical section
Paint throughout
Drywall patch
New interior & exterior doors & hardware as indicated in matrix
Renovate existing lavatory to be ADA compliant per plans
Install new computer desk countertop (with 120 power outlet and data drops at desk)
Follow interior & exterior replacement for HC unit items, when item currently exists in common spaces (doors, cabinets, appliances, etc.)
Kitchen existing in community room
Replace existing water heater: same as typical apartment scope
Replace furnace/air handler and A/C at community room

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