



"Providing solutions & exceeding expectations through vision, integrity & excellence"

Arbours at Town Branch (Phase II at Villa Rica)
155 Anderson Road
Villa Rica, Georgia 30180



Date of Research

May 16, 2022

Date of the Report

June 1, 2022

Prepared for

Mr. Sam Johnston
Arbour Valley Development
242 Inverness Center Drive
Birmingham, AL 35242

File Number 2022-131

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June 1, 2022

Mr. Sam Johnston
Arbour Valley Development
242 Inverness Center Drive
Birmingham, AL 35242

Internal File Number: 2022-131

Re: **Market Study** of the proposed apartment project known as Arbours at Town Branch (Phase II at Villa Rica), located at 155 Anderson Road in Villa Rica, Carroll County, Georgia 30180

Dear Mr. Johnston:

At your request, we have prepared a market study of the above referenced property. The subject is a proposed 64-unit rental apartment complex oriented towards senior households (age 55+) earning up to 40%, 50%, 60%, and 70% area median income (AMI) and will be financed with 9% Low Income Housing Tax Credits (LIHTC). The site is located in Villa Rica, a growing suburban market in the western portion of the Atlanta-Sandy Springs-Alpharetta, Georgia Metropolitan Statistical Area. The site is located along Anderson Road in a primarily residential neighborhood. Surrounding land uses are supportive of a multifamily development such as the subject.

Carroll County has a rapidly growing population as the local economy continues to expand. From 2000 to 2010, the county's population increased by more than 50%. Household growth is projected to continue through the near future. Employment in Carroll County has increased more than 20% since 2012, spurring demand for additional housing units.

The subject's target tenant base is currently underserved in the market. Only one existing LIHTC community in the primary market area is age-restricted towards households age 55+. This property, Conners Senior Village, operates with an extended wait list. Hickory Falls, an existing 220-unit apartment community, converted all units to market rate at the end of its 15-year compliance period and increased rents above attainable levels for low to moderate income seniors. Property managers in the area noted a need for additional affordable rental housing and expressed confidence the subject will lease-up rapidly.

The demand analyses, capture rate analyses, and absorption estimates located herein were completed in accordance with the 2022 DCA Housing Finance and Development Division Market Study Manual and 2022 QAP. Conclusions within the report indicate capture rates within the guidelines stipulated by the Georgia Department of Community Affairs in the 2022 QAP.

Based on the demographic analysis conducted, there is market support for a high-quality rental property such as the proposed subject. The addition of the subject will not create an over-supplied or overall soft housing market.

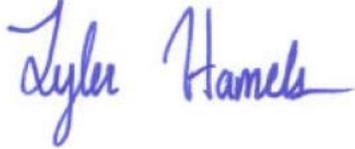
Mr. Sam Johnston
Arbour Valley Development

June 1, 2022
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We appreciate this opportunity to provide market study services to Arbour Valley Development.

Respectfully submitted,

VALUE TECH REALTY SERVICES, INC.



Tyler Hamels
Real Estate Analyst



Kay C. Kauchick, MAI
President

KK:kw
2022-131

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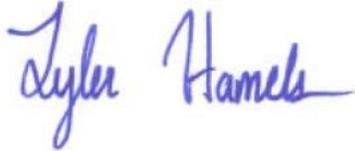
ADDENDA

COMPARABLES	ADDENDUM A
UTILITY ALLOWANCE	ADDENDUM B
QUALIFICATIONS	ADDENDUM C
ENGAGEMENT LETTER	ADDENDUM D

Certificate of Market Study

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is 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 upon the reporting of a predetermined result that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- This engagement is a market and economic analysis of the housing dynamics of the defined area and is not an appraisal or appraisal related service.
- Kay C. Kauchick, MAI conducted a physical inspection of the market and the comparables indicated.

VALUE TECH REALTY SERVICES, INC.



Tyler Hamels
Real Estate Analyst



Kay C. Kauchick, MAI
President

B. Executive Summary

1-Project Description

The subject property is a proposed Wood Frame garden-style and elevator-serviced apartment community known as Arbours at Town Branch (Phase II at Villa Rica). The site is located at 155 Anderson Road, Villa Rica, Carroll County, Georgia. The project is planned to enter the market in 2024. The community will be 64 units and will contain 66,520 square feet of rentable area. The improvements will be situated on a 8.09-acre site. The subject will be financed with Low Income Housing Tax Credits (LIHTC) targeting elderly households (age 55+) earning up to 40%, 50%, 60%, and 70% Area Median Income (AMI).

A summary of the unit mix including bedrooms, bathrooms, square footage, income targeting, rents, and utility allowance is provided:

SUBJECT UNIT MIX										
Unit Type	Orientation	BR	BA	Unit SF	# of Units	Total SF	Proposed Net Rent	Utility Allowance	Proposed Gross Rent	Max LIHTC Rents
One-Bedroom	40% AMI	1	1	850	2	1,700	\$615	\$108	\$723	\$723
One-Bedroom	50% AMI	1	1	850	3	2,550	\$796	\$108	\$904	\$904
One-Bedroom	60% AMI	1	1	850	17	14,450	\$900	\$108	\$1,008	\$1,085
One-Bedroom	70% AMI	1	1	850	2	1,700	\$1,100	\$108	\$1,208	\$1,266
Two-Bedroom	40% AMI	2	2	1,153	3	3,459	\$736	\$132	\$868	\$868
Two-Bedroom	50% AMI	2	2	1,153	5	5,765	\$953	\$132	\$1,085	\$1,085
Two-Bedroom	60% AMI	2	2	1,153	29	33,437	\$1,100	\$132	\$1,232	\$1,302
Two-Bedroom	70% AMI	2	2	1,153	3	3,459	\$1,300	\$132	\$1,432	\$1,519
Totals				1,039	64	66,520	\$998	\$123	\$1,121	\$1,179

The subject will not utilize any project based rental assistance (PBRA).

The subject will provide floor plans and amenities that are superior to most of the supply in the market. A summary of the subject’s proposed unit and project amenities is provided:

UNIT AMENITIES
Refrigerator
Range/Oven
Dishwasher
Microwave
Washer/Dryer Connections

PROJECT AMENITIES
Community Room
Laundry Facility
Business Center
WiFi in Common Area
Meeting Area with Kitchen
Wellness Center
Social Areas
Pavilion with BBQ
Secured Access
Elevators

These amenities will allow the subject to be highly competitive in the market.

2-Site Description/Evaluation

The subject site is located at 155 Anderson Road, Villa Rica, Carroll County, Georgia. The site is appropriate for a rental apartment development. The physical features of the site are briefly summarized below:

Physical Features

<i>Size</i>	Approximately 8.09 acres, or 352,400 square feet. This is considered to be generally the upland acres.
<i>Configuration</i>	Irregular
<i>Topography</i>	Level to Sloping

The site is sufficient in size and shape to support a residential multifamily complex. No adverse conditions were noted at the time of inspection.

Neighborhood Description

The land uses of the immediate surrounding parcels shown below are compatible with the subject:

LAND USES	
Northern	Vacant Land; Multifamily Residential
Southern	Single Family Residential
Eastern	Vacant Land
Western	Single Family Residential; Place of Worship

The subject’s immediate surrounding neighborhood is primarily residential. Arbours at Villa Rica Phase I is under construction along the north side of the subject site. A small development managed by the Villa Rica Housing Authority is located immediately south of the site. The Anderson Road/Cleghorn Street area contains a total of three small multifamily residential clusters operated by the Villa Rica Housing Authority, a church, and two small community services buildings.

Approximately 0.5 miles southwest of the subject is the commercial core of Villa Rica, centered along U.S. Highway 78. Approximately 1.5 miles northwest of the subject is a large industrial park, centered along Industrial Boulevard. A medical center is located within a 1.0-mile commute from the subject. Additional community support services, including a grocery store, bank, and pharmacy, are located within a 1.5-mile commute from the subject site.

The subject is located along a quiet residential street. Visibility is fair. A connector between Mirror Lake Boulevard and downtown Villa Rica is proposed immediately north of the subject site. The subject will have excellent visibility from this new road. There will be one driveway access point to the subject site along Anderson Road.

Crime Statistics

The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country. 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.

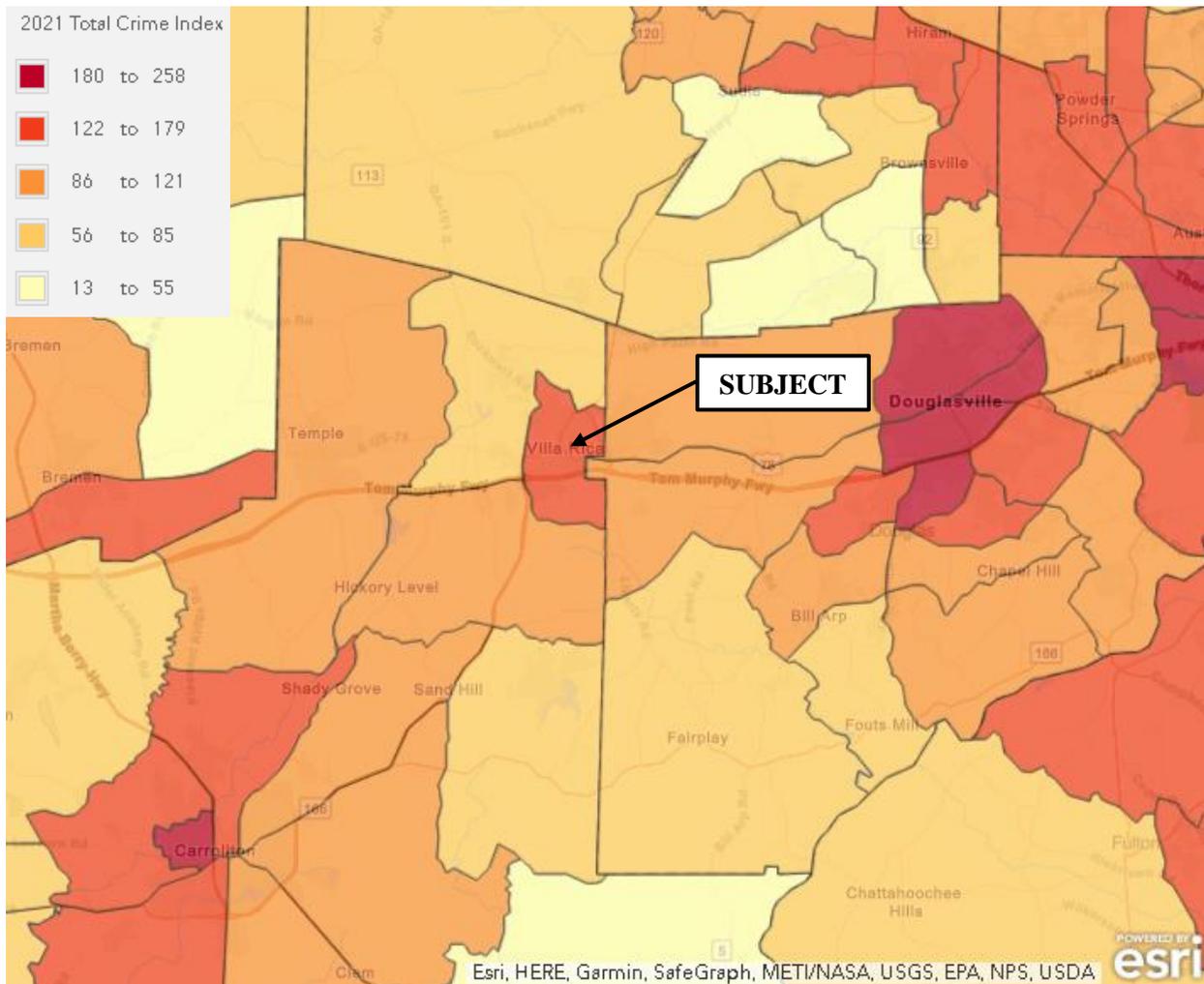
The subject is within the jurisdiction of the Villa Rica Police Department. The following chart illustrates the crime rate per 10,000 persons that were committed in the City of Villa Rica, the state of Georgia, and the United States as a whole in 2018:

2018 CRIME STATISTICS			
Category	Villa Rica	Georgia	National
Violent Crime	36.6890	32.6585	38.0559
Murder and Nonnegligent Manslaughter	0.6437	0.6103	0.4956
Rape	4.5057	2.5201	4.2602
Robbery	3.8620	7.8702	8.6213
Aggravated Assault	27.6777	21.6579	24.6788
Property Crime	375.2575	257.3684	219.9499
Burglary	41.1946	43.1286	37.6000
Larceny-Theft	316.0402	190.7025	159.4613
Motor Vehicle Theft	18.0227	23.5373	22.8886

Source: FBI.gov

Crime rates are not significantly higher than state or national rates.

A map of the 2021 crime index by census tract in the area is provided:



The crime index in the subject’s census tract is 164, indicating crime levels 64% higher than the national average. This is similar to or lower than the crime indices for the surrounding population centers in Carrollton (as high as 225) and Douglasville (as high as 246).

Conclusion

The subject site is appropriate for the proposed subject development. No negative or detrimental features exist with the site. The proposed project will be a strong competitor in the market and will provide a modern-quality living environment.

3-Market Area Definition

The primary market area (PMA) is the geographical area from which comparable properties and potential renters are expected for be drawn during the forecast period. The primary market area was established by evaluating the transportation link between the subject and key employment nodes and residential support services. The primary market area is defined by major arterials connecting Villa Rica with Dallas to the north, Douglasville to the east, Carrollton to the south, and Bremen to the west. The subject will likely be able to capture households residing in and locating to Villa Rica and the rural areas between Villa Rica and these surrounding cities. The selected census tracts correspond with the National Council of Housing Market Analysts (NCHMA) gravity model. Commuting routes were analyzed in the determination of the boundaries. Properties in Douglasville, Carrollton, Bremen, and Dallas are unlikely to directly compete with the subject.

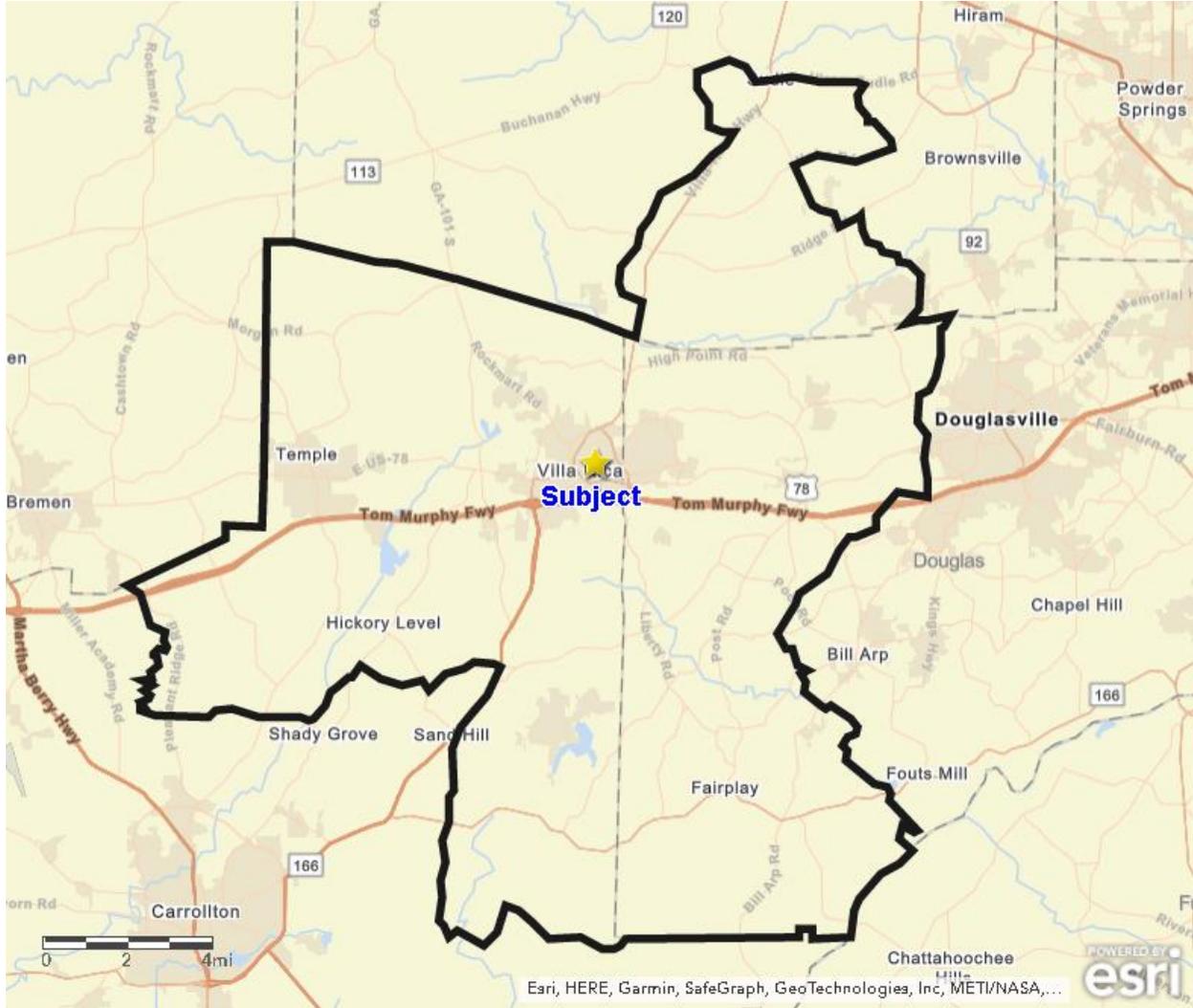
The PMA’s boundaries are presented in the charts as follows:

PMA BOUNDARIES		
<i>Direction</i>	<i>Area of Delineation</i>	<i>Distance from Subject (mi)</i>
Northern	County Line / Hiram Sudie Road	10.2
Southern	County Line / Horsley Drive / Hominy Creek / Hog Liver Road	11.3
Eastern	Mobley Creek / Flat Rock Road / Austin Bridge Road / Dallas Nebo Road	7.6
Western	County Line / Buck Creek / Wayside Road	11.3

The selected census tracts are presented in the chart as follows:

CENSUS TRACTS	
130450804.03	130459101.01
130450804.05	130459101.03
130450804.06	130459101.05
130450804.07	130459101.05
130450804.08	130459101.06
130451205.04	130459102.01
130451205.05	130459102.02
130451206.05	130459102.03
130451206.07	130459107.07

The following map illustrates the PMA:



4-Community Demographic Data

Current population and household counts, recent trends, and projections for the delivery year indicate a growing market that will require additional housing options. This is supported by the following forecasts:

POPULATION GROWTH: PRIMARY MARKET AREA				
<i>Year</i>	<i>Population</i>	<i>Change #</i>	<i>Change %</i>	<i>CAGR</i>
2000	54,626	---	---	---
2010	85,916	31,290	57.3%	4.6%
2021	96,612	10,696	12.4%	1.1%
2024	100,394	3,782	3.9%	1.3%
2026	103,118	2,724	2.7%	1.3%

Source: Esri

HOUSEHOLD GROWTH: PRIMARY MARKET AREA					
<i>Year</i>	<i>Households</i>	<i>Change #</i>	<i>Change %</i>	<i>CAGR</i>	<i>Avg HH Size</i>
2000	19,048	---	---	---	---
2010	29,477	10,429	54.8%	4.5%	2.91
2021	33,118	3,641	12.4%	1.1%	2.92
2024	34,381	1,263	3.8%	1.3%	2.92
2026	35,352	971	2.8%	1.4%	2.92

Source: Esri

Total population and households increased more than 50% from 2000 to 2010. The population and households continued to increase from 2010 to 2021. This growth is projected to continue through the subject’s delivery year of 2024 and the final year of Esri’s household projections in 2026.

Households by tenure in the PMA are provided:

HOUSEHOLD GROWTH BY TENURE: PRIMARY MARKET AREA				
<i>Year</i>	<i>Owner HH</i>	<i>% Change</i>	<i>Renter HH</i>	<i>% Change</i>
2000	16,387	---	2,661	---
2010	23,777	45.1%	5,700	114.2%
2021	26,645	12.1%	6,473	13.6%
2024	27,886	4.7%	6,495	0.3%
2026	28,827	3.4%	6,525	0.5%

Source: Esri

As of 2021, approximately 19.5% of occupied housing units in the PMA are renter occupied. This is an increase from an estimated 19.3% of occupied housing units in 2010. Both owner and renter household counts increased from 2010 to 2021, a trend which is projected to continue through 2026.

Current and projected household counts by income are provided:

HOUSEHOLDS BY INCOME IN PMA			
<i>Income Level:</i>	<i>2021</i>	<i>2024</i>	<i>% Chg</i>
<\$15,000	2,238	2,076	-7.2%
\$15,000-\$24,999	1,926	1,768	-8.2%
\$25,000-\$34,999	1,991	1,925	-3.3%
\$35,000-\$49,999	4,658	4,474	-4.0%
\$50,000-\$74,999	6,507	6,711	3.1%
\$75,000-\$99,999	6,158	6,508	5.7%
\$100,000-\$149,999	6,438	7,210	12.0%
\$150,000-\$199,999	1,992	2,327	16.8%
\$200,000+	1,210	1,381	14.2%
Total Households	33,118	34,381	3.8%
Median Income	\$70,965	\$74,905	5.6%

Source: Esri, VTRS

The median household income in the PMA as of 2021 was \$70,965. The median household income is projected to increase to approximately \$74,905 by 2024, an increase of 5.6%. Households earning \$100,000 or more are projected to grow the quickest, with total households in each band projected to increase more than 12%.

Foreclosed, abandoned, and vacant homes are not expected to impact the proposed subject.

5-Economic Data

The trend in at-place employment in Carroll County is presented:

AT-PLACE EMPLOYMENT IN CARROLL COUNTY			
Year	Employment	Change	Percent
2021 YTD*	41,391	887	2.2%
2020	40,504	-1,366	-3.3%
2019	41,870	1,087	2.7%
2018	40,783	797	2.0%
2017	39,986	950	2.4%
2016	39,036	111	0.3%
2015	38,925	536	1.4%
2014	38,389	1,089	2.9%
2013	37,300	206	0.6%
2012	37,094	1,629	4.6%
2011	35,465	-	-

*YTD data is provided through Sep. 2021
Source: Bureau of Labor Statistics

The trend in the market was positive through 2019 as employment increased. From February to April 2020, at-place employment decreased due to the impact of COVID-19 on the economy. As of September 2021 (most recent data available), at-place employment had nearly recovered. Employment recovery is projected to continue along a positive trajectory.

Employment totals by industry sector over the previous five years are provided:

CARROLL COUNTY AT-PLACE EMPLOYMENT BY INDUSTRY											
Industry Sector	Annual 2016	Annual 2017	% Chg	Annual 2018	% Chg	Annual 2019	% Chg	Annual 2020	% Chg	Sep 2021	% Chg
Private sector	32,870	33,542	2.0%	34,244	2.1%	35,271	3.0%	34,116	-3.3%	35,117	2.9%
Goods producing	9,142	9,713	6.2%	10,169	4.7%	10,395	2.2%	9,790	-5.8%	9,751	-0.4%
Natural resources and mining	144	195	35.4%	187	-4.1%	161	-13.9%	157	-2.5%	149	-5.1%
Construction	2,166	2,398	10.7%	2,450	2.2%	2,476	1.1%	2,661	7.5%	2,564	-3.6%
Manufacturing	6,832	7,119	4.2%	7,531	5.8%	7,758	3.0%	6,972	-10.1%	7,038	0.9%
Service providing	23,728	23,830	0.4%	24,076	1.0%	24,876	3.3%	24,326	-2.2%	25,366	4.3%
Trade, transportation, and utilities	7,237	7,253	0.2%	7,308	0.8%	7,515	2.8%	7,713	2.6%	8,029	4.1%
Information	681	634	-6.9%	596	-6.0%	921	54.5%	841	-8.7%	794	-5.6%
Financial activities	914	914	0.0%	894	-2.2%	920	2.9%	884	-3.9%	831	-6.0%
Professional and business services	3,996	3,821	-4.4%	3,665	-4.1%	3,445	-6.0%	3,580	3.9%	3,616	1.0%
Education and health services	5,479	5,626	2.7%	5,841	3.8%	6,097	4.4%	5,913	-3.0%	6,003	1.5%
Leisure and hospitality	4,580	4,837	5.6%	5,000	3.4%	5,200	4.0%	4,619	-11.2%	5,018	8.6%
Other services	749	689	-8.0%	707	2.6%	705	-0.3%	706	0.1%	934	32.3%
Unclassified	93	55	-40.9%	65	18.2%	73	12.3%	71	-2.7%	141	98.6%
Public sector	6,167	6,444	4.5%	6,540	1.5%	6,599	0.9%	6,389	-3.2%	6,274	-1.8%
Federal government	208	207	-0.5%	206	-0.5%	222	7.8%	254	14.4%	236	-7.1%
State government	2,082	2,252	8.2%	2,242	-0.4%	2,218	-1.1%	2,065	-6.9%	1,937	-6.2%
Local government	3,877	3,985	2.8%	4,092	2.7%	4,159	1.6%	4,070	-2.1%	4,101	0.8%
Total Employment	39,037	39,986	2.4%	40,784	2.0%	41,870	2.7%	40,505	-3.3%	41,391	2.2%

Source: Bureau of Labor Statistics

The top three industry sectors in the county are the trade, transportation, and utilities industry, the manufacturing industry, and the education and health services industry.

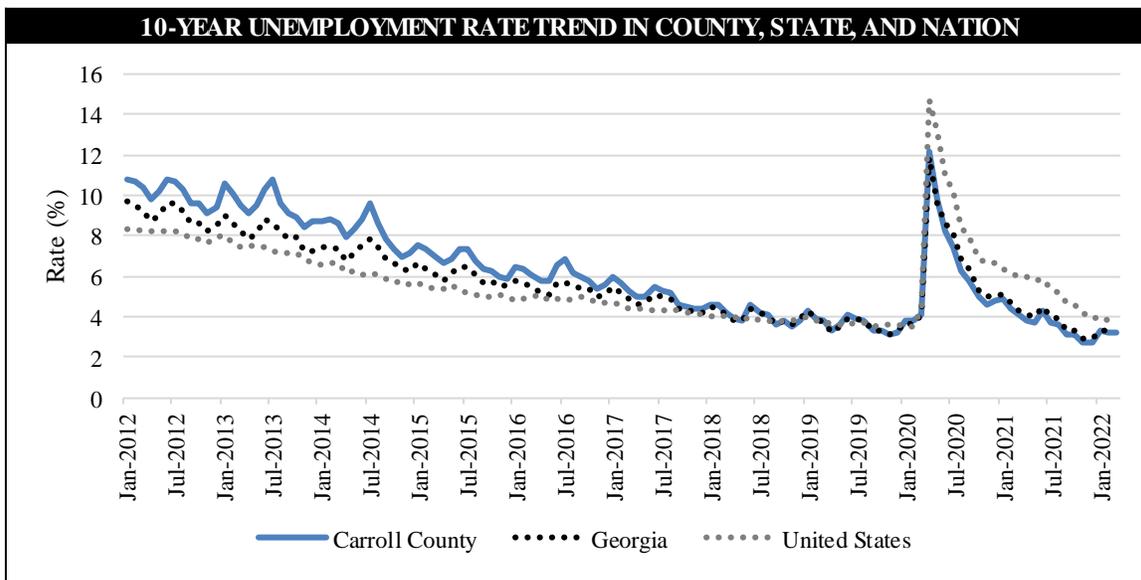
The trend in employment and unemployment for residents of Carroll County is provided:

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT DATA IN CARROLL COUNTY				
Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
2022 YTD*	57,925	56,069	1,856	3.2%
2021	56,140	54,073	2,067	3.7%
2020	54,696	51,259	3,437	6.3%
2019	55,771	53,746	2,025	3.6%
2018	55,094	52,854	2,240	4.1%
2017	55,432	52,618	2,814	5.1%
2016	53,550	50,291	3,259	6.1%
2015	51,208	47,706	3,502	6.8%
2014	51,886	47,618	4,268	8.2%
2013	51,788	46,833	4,955	9.6%
2012	51,829	46,582	5,247	10.1%

Source: Bureau of Labor Statistics
 YTD* 2022 consists of data through Mar 2022; the data is not seasonally adjusted.

The unemployment rate in Carroll County has been decreasing over the past several years, despite that the labor force is increasing. The employed population decreased from February 2020 to April 2020 due the impact of COVID-19 on businesses. The employed population has since recovered and will continue to increase.

The county’s unemployment rate compared to the state and national unemployment rates over the past 10 years is provided:



Carroll County’s unemployment rate has generally mirrored the state and national unemployment rate over the past 10 years. As of March 2022, Carroll County’s unemployment rate of 3.2% was lower than the state unemployment rate of 3.3%, and the national unemployment rate of 3.6%.

A new \$50 million 146,697-square-foot campus is being built for West Georgia Technical College at Buffalo Creek Technology Park in Carrollton. The new campus will replace the college’s current campus at 997 South Highway 16, which is more than 50 years old. The new campus will consist of three buildings,

with designated space for vocational training in cosmetology, construction, carpentry, commercial truck driving, and precision manufacturing. The campus will also include labs for chemistry, criminal justice, engineering, and early childhood development. The school currently has more than 7,000 students enrolled, with nearly 2,000 of them at the existing Carroll campus. The new campus is projected to open by August 2022.

Carroll County’s economy is growing. Employment within the county has increased every year since 2011, with the exception COVID-19’s impact on 2020 employment levels. Job growth is occurring across a spectrum of industries and income levels, supporting the addition of new rental housing, both affordable and market rate.

6-Project Specific Affordability and Demand Analysis

The subject will offer 64 units restricted at 40%, 50%, 60%, and 70% AMI. The subject will target the elderly population (age 55+). A summary of the subject’s unit mix is provided:

SUBJECT UNIT MIX										
Unit Type	Orientation	BR	BA	Unit SF	# of Units	Total SF	Proposed Net Rent	Utility Allowance	Proposed Gross Rent	Max LIHTC Rents
One-Bedroom	40% AMI	1	1	850	2	1,700	\$615	\$108	\$723	\$723
One-Bedroom	50% AMI	1	1	850	3	2,550	\$796	\$108	\$904	\$904
One-Bedroom	60% AMI	1	1	850	17	14,450	\$900	\$108	\$1,008	\$1,085
One-Bedroom	70% AMI	1	1	850	2	1,700	\$1,100	\$108	\$1,208	\$1,266
Two-Bedroom	40% AMI	2	2	1,153	3	3,459	\$736	\$132	\$868	\$868
Two-Bedroom	50% AMI	2	2	1,153	5	5,765	\$953	\$132	\$1,085	\$1,085
Two-Bedroom	60% AMI	2	2	1,153	29	33,437	\$1,100	\$132	\$1,232	\$1,302
Two-Bedroom	70% AMI	2	2	1,153	3	3,459	\$1,300	\$132	\$1,432	\$1,519
Totals				1,039	64	66,520	\$998	\$123	\$1,121	\$1,179

The subject will not feature any project based rental assistance. The subject’s units will be filled from a pool of 601 age- and income-qualified renter households in the subject’s delivery year (2024).

The subject’s DCA capture rates are under the rural market overall thresholds (35%) as presented below:

Income	Unit Type	Income Units	#Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
40% AMI	One-Bedroom	\$21,690 - \$30,880	2	71	0	71	2.8%
	Two-Bedroom	\$26,040 - \$30,880	3	87	0	87	3.5%
50% AMI	One-Bedroom	\$27,120 - \$38,600	3	79	0	79	3.8%
	Two-Bedroom	\$32,550 - \$38,600	5	97	0	97	5.2%
60% AMI	One-Bedroom	\$30,240 - \$46,320	17	83	11	72	23.7%
	Two-Bedroom	\$36,960 - \$46,320	29	101	12	89	32.6%
70% AMI	One-Bedroom	\$36,240 - \$54,040	2	68	0	68	2.9%
	Two-Bedroom	\$42,960 - \$54,040	3	83	0	83	3.6%
Bedroom Overall	One-Bedroom	\$21,690 - \$54,040	24	136	11	125	2.9%
	Two-Bedroom	\$26,040 - \$54,040	40	166	12	154	3.6%
TOTAL for Project	40% AMI	\$21,690 - \$30,880	5	158	0	158	3.2%
	50% AMI	\$27,120 - \$38,600	8	176	0	176	4.6%
	60% AMI	\$30,240 - \$46,320	46	184	23	161	28.6%
	70% AMI	\$36,240 - \$54,040	5	151	0	151	3.3%
	Overall	\$21,690 - \$54,040	64	302	23	279	23.0%

The 2022 QAP states the following factors are indicative of market feasibility:

- Market capture rates of 30% or less for all one-bedroom units, 30% or less for all two-bedroom units, 40% or less for all three-bedroom units, and 50% or less for all four-bedroom units in the project.
- In Rural area, market capture rates of 35% or less for all one-bedroom units, 35% or less for all two-bedroom units, 40% or less for all three-bedroom units, and 50% or less for all four-bedroom units in the project.
- The overall capture rate for tax credit and market rate units shall not exceed 30% for all applications in the flexible pool and 35% for applications in the Rural pool.
- Market capture rates for each bedroom type within each AMI market segment type (i.e. 30%, 50%, 60%, and market) shall not exceed 60%.

The subject is located in a rural area. Its overall capture rates are within DCA's guidelines for the rural pool. The capture rates for each bedroom and AMI are also within DCA guidelines. Based on the indicated capture rates, the subject should be able to lease-up in a normal timeframe and operate at stabilized levels without negatively impacting any existing or proposed developments.

7-Competitive Rental Analysis

Value Tech Realty Services, Inc. identified and surveyed 10 properties in the PMA including:

- Six (6) market-rate general occupancy communities
- One (1) market-rate age-restricted community
- One (1) LIHTC age-restricted community
- One (1) USDA RD subsidized community
- One (1) Rental Assistance Demonstration community at four (4) scattered sites

Among the surveyed rental apartment communities in the PMA, four market-rate communities and one LIHTC community were determined to be comparable to the subject based on age, quality, unit mix, and amenities.

A summary of the unit mixes for the comparable properties is provided:

COMPARABLE PROPERTIES WITHIN PMA									
Property Name	Year Built	Unit Type	# of Units by Type	Orientation	Total # of Units	Unit Size	Rent	Occupancy Rate	Occupied Units
Arbours at Town Branch (Phase II at Villa Rica) (SUBJECT)	2024	1x1	2	40% AMI	64	850	\$615	-	-
		1x1	3	50% AMI		850	\$796		
		1x1	17	60% AMI		850	\$900		
		1x1	2	70% AMI		850	\$1,100		
		2x2	3	40% AMI		1,153	\$736		
		2x2	5	50% AMI		1,153	\$953		
		2x2	29	60% AMI		1,153	\$1,100		
		2x2	3	70% AMI		1,153	\$1,300		
Hawthorne At Mirror Lake	2005	1x1	50	Market-Rate	250	807	\$1,621	94.4%	236
		1x1	37	Market-Rate		837	\$0		
		1x1	3	Market-Rate		849	\$1,621		
		2x2	35	Market-Rate		1,078	\$1,904		
		2x2	35	Market-Rate		1,089	\$1,603		
		2x2	30	Market-Rate		1,166	\$1,917		
		2x2	30	Market-Rate		1,213	\$1,731		
		3x2	20	Market-Rate		1,306	\$2,064		
Wildwood At Villa Rica	2003	1x1	66	Market-Rate	220	812	\$1,480	94.0%	207
		2x1	66	Market-Rate		900	\$1,555		
		2x2	66	Market-Rate		1,069	\$1,605		
		3x2	22	Market-Rate		1,225	\$1,985		
Hickory Falls	2003	1x1	24	Market-Rate	220	975	\$1,400	97.0%	213
		2x2	148	Market-Rate		1,175	\$1,539		
		3x2	48	Market-Rate		1,350	\$1,767		
Bellevue Senior Living	2000	2x1	92	Market-Rate	92	986	\$1,000	100.0%	92
Connors Senior Village	2012	1x1	3	50% AMI	120	960	N/A	98.3%	118
		1x1	9	60% AMI		960	\$674		
		1x1	2	50% AMI		960	N/A		
		1x1	10	60% AMI		960	\$674		
		2x2	9	50% AMI		1,039	N/A		
		2x2	39	60% AMI		1,039	\$733		
		2x2	7	50% AMI		1,039	N/A		
		2x2	41	60% AMI		1,039	\$733		
Totals/Averages (excluding Subject)					902			96.0%	866

The unadjusted market rent ranges and average market rents for the comparable properties are provided:

COMPARABLE RENTAL RANGE		
Unit Type	Market Rents Band	Avg. Market Rent
One-Bedroom	\$1,398 - \$1,621	\$1,519
One-Bedroom	\$1,000 - \$1,920	\$1,515

The rents indicated above are base asking rents and do not include utilities.

8-Absorption/Stabilization Estimate

The subject will be a newly-constructed apartment complex that will require lease-up. The most recent LIHTC community to enter the market was Connors Senior Village Phase II in 2014. Absorption information was not available for the community. As such, a new property in the same county as the subject was examined. The absorption rate for this property is provided:

ABSORPTION ANALYSIS				
<i>Property</i>	<i>Month Lease- Up Began</i>	<i>Total # of Units</i>	<i>Months in Lease Up</i>	<i>Absorbed Units per Month</i>
<i>RECENTLY STABILIZED</i>				
Northwinds Place (Carrollton, GA)	Jun-20	102	6	16
Source: Leasing agents at each community				

Northwinds Place is a senior LIHTC community in Carrollton. It entered the market in 2020 and experienced normal absorption. The property has operated at capacity since stabilizing. Due to similarities in market and apartment orientation, the subject should experience a similar absorption schedule.

The subject is anticipated to be fully absorbed within 4 months after leasing commences. The absorption schedule for the subject is estimated as follows:

ARBOURS AT TOWN BRANCH (PHASE II AT VILLA RICA)			
Total Units			64.0
Stabilized Occupancy			93.0%
Stabilized Units			59.5
	Move Ins	Occ. Units	Occupancy
Construction Begins	0.0	0.0	0%
Month 1 (First C/O - Leasing Begins)	15.0	15.0	23%
Month 2	15.0	30.0	47%
Month 3	15.0	45.0	70%
Month 4	14.5	59.5	93%
Total	59.5	59.5	93%

9-Overall Conclusion

The subject, as proposed, will be able to absorb units and maintain a stabilized occupancy level. Population and household growth projections in the PMA are positive. Existing affordable communities in the market operate at capacity. Since the conversion of Hickory Falls from LIHTC to market-rate, there is only one existing LIHTC community in the PMA. The additional LIHTC units under construction at Legacy Walton Trail will satisfy only a small portion of the unmet demand. The subject property will offer extensive community and unit amenities.

10-Interviews

Information utilized in the report was gathered from property managers throughout the region including Dick Chambers (Villa Rica Housing Authority), Ron Johnson (City of Villa Rica Planning), and Janet Hyde (Carroll County Planning).

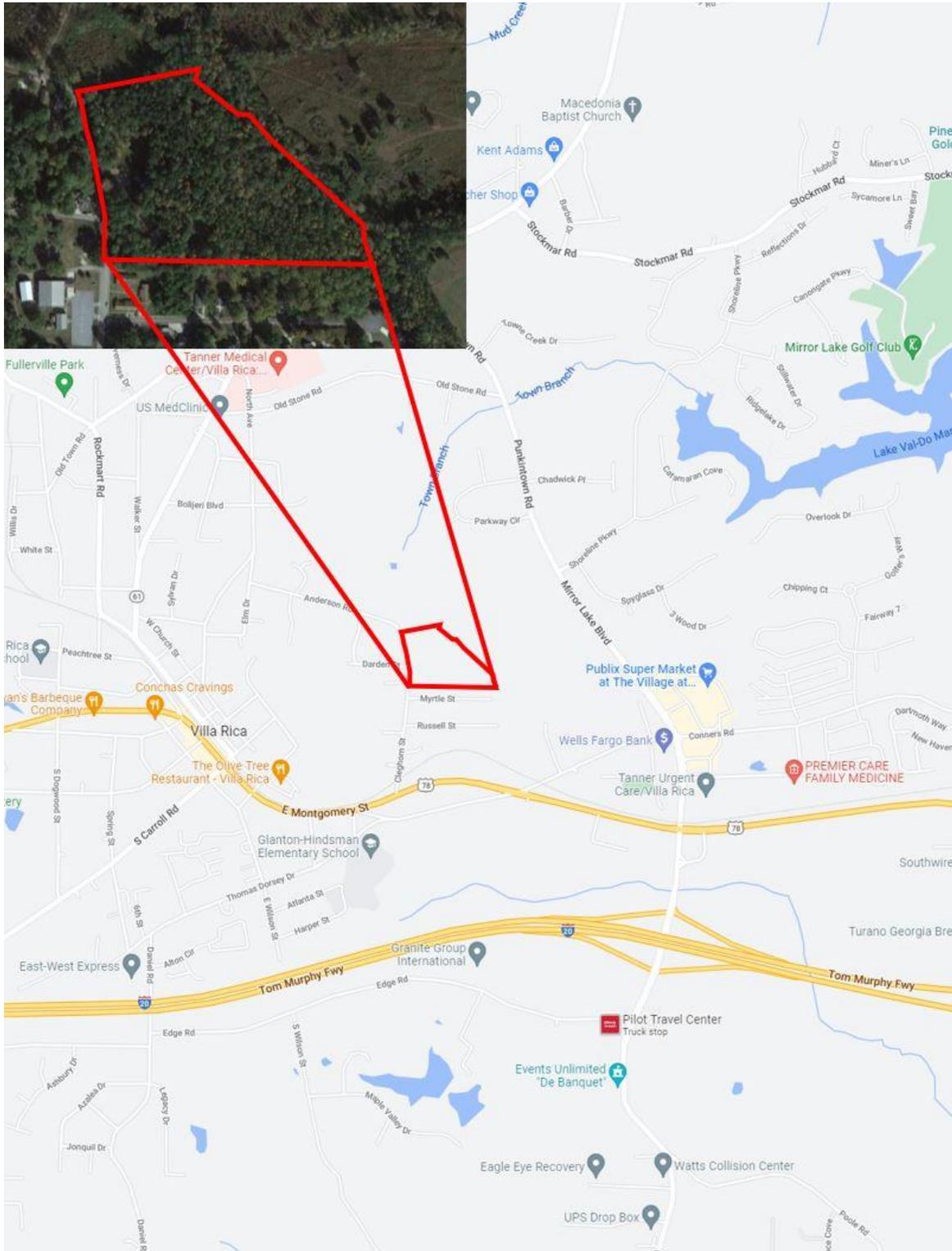
11-Summary Table

DCA’s project summary table is presented below:

Summary Table:									
Development Name:		Arbours at Town Branch (Phase II at Villa Rica)					Total # Units: 64		
Location:		155 Anderson Road, Villa Rica, Georgia					# LIHTC Units: 64		
PMA Boundary:		North: County Line, Hiram Sudie Rd South: County Line, Horsley Dr, Hominy Creek, Hog Liver Rd East: Mobley Creek, Flat Rock Rd, Austin Bridge Rd, Dallas Nebo Rd West: County Line, Buck Creek, Wayside Rd							
					Farthest Boundary Distance to Subject:			11.2 miles	
Rental Housing Stock (found on page 63)									
Type		# Properties	Total Units	Vacant Units	Average Occupancy				
All Rental Housing		10	1,342	48	96.4%				
Market-Rate Housing		7	1,021	39	96.2%				
Assisted/Subsidized Housing not to include LIHTC		2	201	7	96.5%				
LIHTC		1	120	2	98.3%				
Stabilized Comps		10	1,342	48	96.4%				
Properties in Construction & Lease Up		1	90	90	0.0%				
Subject Development				Average Market Rent				Highest Unadjusted Comp Rent	
# Units	# Beds	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	850	\$615	\$1,519	\$1.81	59.5%	\$1,480	\$1.82
3	1	1	850	\$796	\$1,519	\$1.81	47.6%	\$1,480	\$1.82
17	1	1	850	\$900	\$1,519	\$1.81	40.7%	\$1,480	\$1.82
2	1	1	850	\$1,100	\$1,519	\$1.81	27.6%	\$1,480	\$1.82
3	2	2	1,153	\$736	\$1,515	\$1.40	51.4%	\$1,917	\$1.73
5	2	2	1,153	\$953	\$1,515	\$1.40	37.1%	\$1,917	\$1.73
29	2	2	1,153	\$1,100	\$1,515	\$1.40	27.4%	\$1,917	\$1.73
3	2	2	1,153	\$1,300	\$1,515	\$1.40	14.2%	\$1,917	\$1.73
Capture Rates (found on page 47-61)									
Targeted Population		40% AMI	50% AMI	60% AMI	70% AMI	Overall			
Capture Rate		3.2%	4.6%	28.6%	3.3%	23.0%			

C. Project Description

Identification of the Subject



Subject Development

The subject property is a proposed elevator-serviced apartment community known as Arbours at Town Branch (Phase II at Villa Rica). The site is located at the 155 Anderson Road, Villa Rica, Carroll County, Georgia. The project is planned to enter the market in 2024. The community will be 64 units and will contain 66,520 square feet of rentable area. The improvements will be situated on a 8.09-acre site. The subject will be financed with Low Income Housing Tax Credits targeting general elderly (age 55+) households earning up to 40%, 50%, 60%, and 70% AMI.

A summary of the unit mix including bedrooms, bathrooms, square footage, income targeting, rents, and utility allowance is provided:

SUBJECT UNIT MIX										
Unit Type	Orientation	BR	BA	Unit SF	# of Units	Total SF	Proposed Net Rent	Utility Allowance	Proposed Gross Rent	Max LIHTC Rents
One-Bedroom	40% AMI	1	1	850	2	1,700	\$615	\$108	\$723	\$723
One-Bedroom	50% AMI	1	1	850	3	2,550	\$796	\$108	\$904	\$904
One-Bedroom	60% AMI	1	1	850	17	14,450	\$900	\$108	\$1,008	\$1,085
One-Bedroom	70% AMI	1	1	850	2	1,700	\$1,100	\$108	\$1,208	\$1,266
Two-Bedroom	40% AMI	2	2	1,153	3	3,459	\$736	\$132	\$868	\$868
Two-Bedroom	50% AMI	2	2	1,153	5	5,765	\$953	\$132	\$1,085	\$1,085
Two-Bedroom	60% AMI	2	2	1,153	29	33,437	\$1,100	\$132	\$1,232	\$1,302
Two-Bedroom	70% AMI	2	2	1,153	3	3,459	\$1,300	\$132	\$1,432	\$1,519
Totals				1,039	64	66,520	\$998	\$123	\$1,121	\$1,179

The subject will not utilize any project based rental assistance (PBRA).

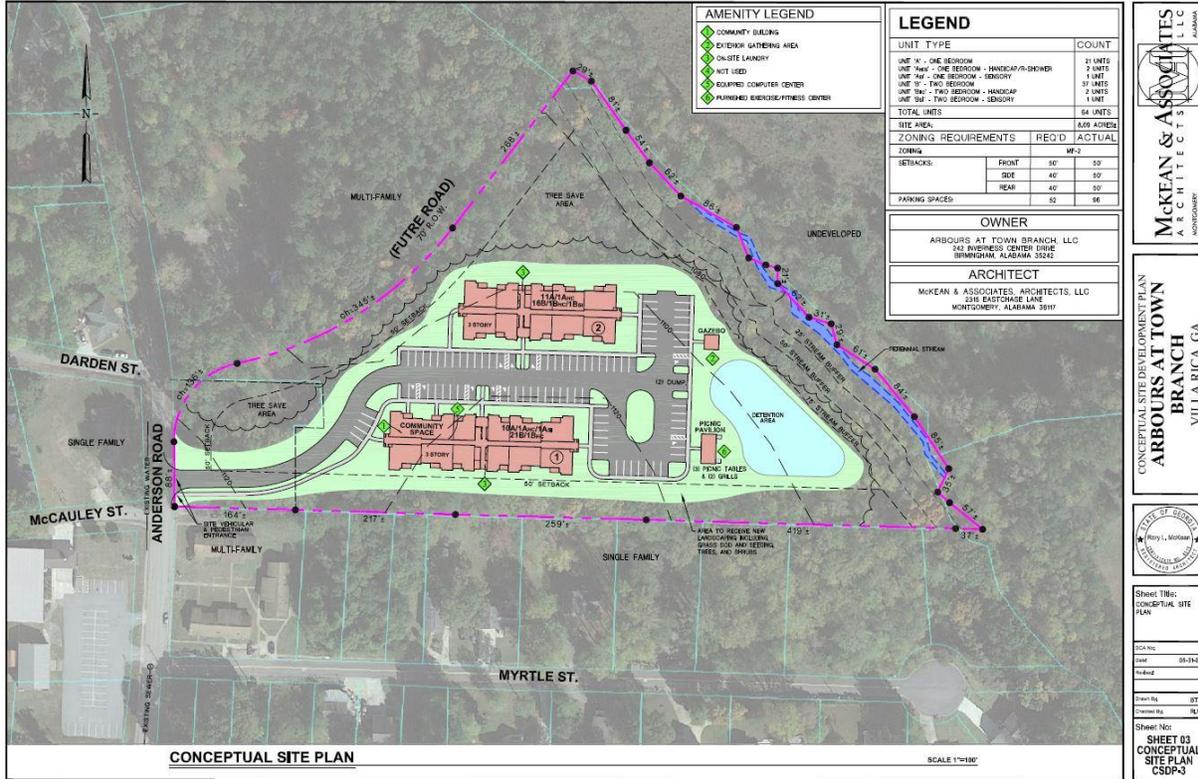
A summary of the subject’s proposed unit and project amenities is provided:

UNIT AMENITIES
Refrigerator
Range/Oven
Dishwasher
Microwave
Washer/Dryer Connections

PROJECT AMENITIES
Community Room
Laundry Facility
Business Center
WiFi in Common Area
Meeting Area with Kitchen
Wellness Center
Social Areas
Pavilion with BBQ
Secured Access
Elevators

These amenities are superior to most of the rental options in the area and will allow the subject to be highly competitive in the market.

Site Plan



D. Site Evaluation

Site Description

The property was inspected by Kay C. Kauchick, MAI on May 16, 2022.

Identification

Location 155 Anderson Road
Parcel Number A portion of V050180028, V050180029

Physical Features

Size Approximately 8.09 acres, or 352,400 square feet. This is considered to be generally the upland acres.
Configuration Irregular
Topography Level to Sloping
Drainage Appears Adequate
Utilities All Available
Ground Stability We were not provided with a soil report. We assume that the load bearing capacity of the soil is sufficient to support the proposed structure. We did not observe any evidence to the contrary during our physical inspection of the property.

Streets, Access, Frontage

Access Cleghorn Street
Frontage The subject has approximately 88 feet of primary frontage along Anderson Road.
Curbs/Gutters Yes, as proposed
Sidewalks Yes, as proposed
Easements, Encumbrances, Moratoriums We were not provided a current title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search be completed to determine whether any adverse conditions exist.
Encroachments We were not provided an ALTA survey. We observed no apparent encroachment(s) that would impact the marketability of the subject site.

Flood Hazard Zone

Zone Zone X
Panel Number 13045C01156D
Panel Date September 19, 2007
Flood Insurance The subject site is not located within the 100-year flood plain. Flood insurance may not be required.

Legal

Zoning Multifamily - Medium Density; The subject site is zoned MF2 for Medium Density Multifamily District use.

ZONING INFORMATION	
Zoning:	MF2
Maximum Height	65 feet (principal) / 24 feet (accessory)
Front Setback	35 feet - 80 feet (depending on structure and road)
Side Setback	40 feet (principal) / 10 feet (accessory)
Rear Setback	40 feet (principal) / 10 feet (accessory)
Legally Conforming?	Yes
Source: City of Villa Rica Code of Ordinances	

Utilities and Services

UTILITIES AND RELATED SERVICES	
Water	City of Villa Rica
Sewer	City of Villa Rica
Electricity	Georgia Power
Police/Fire	City of Villa Rica
Trash	Waste Pro
Telephone	AT&T, various others
Cable/Satellite	AT&T, various others

Land Uses

The surrounding uses complement the subject site. These are shown below:

LAND USES	
Northern	Vacant Land; Multifamily Residential
Southern	Single Family Residential
Eastern	Vacant Land
Western	Single Family Residential; Place of Worship

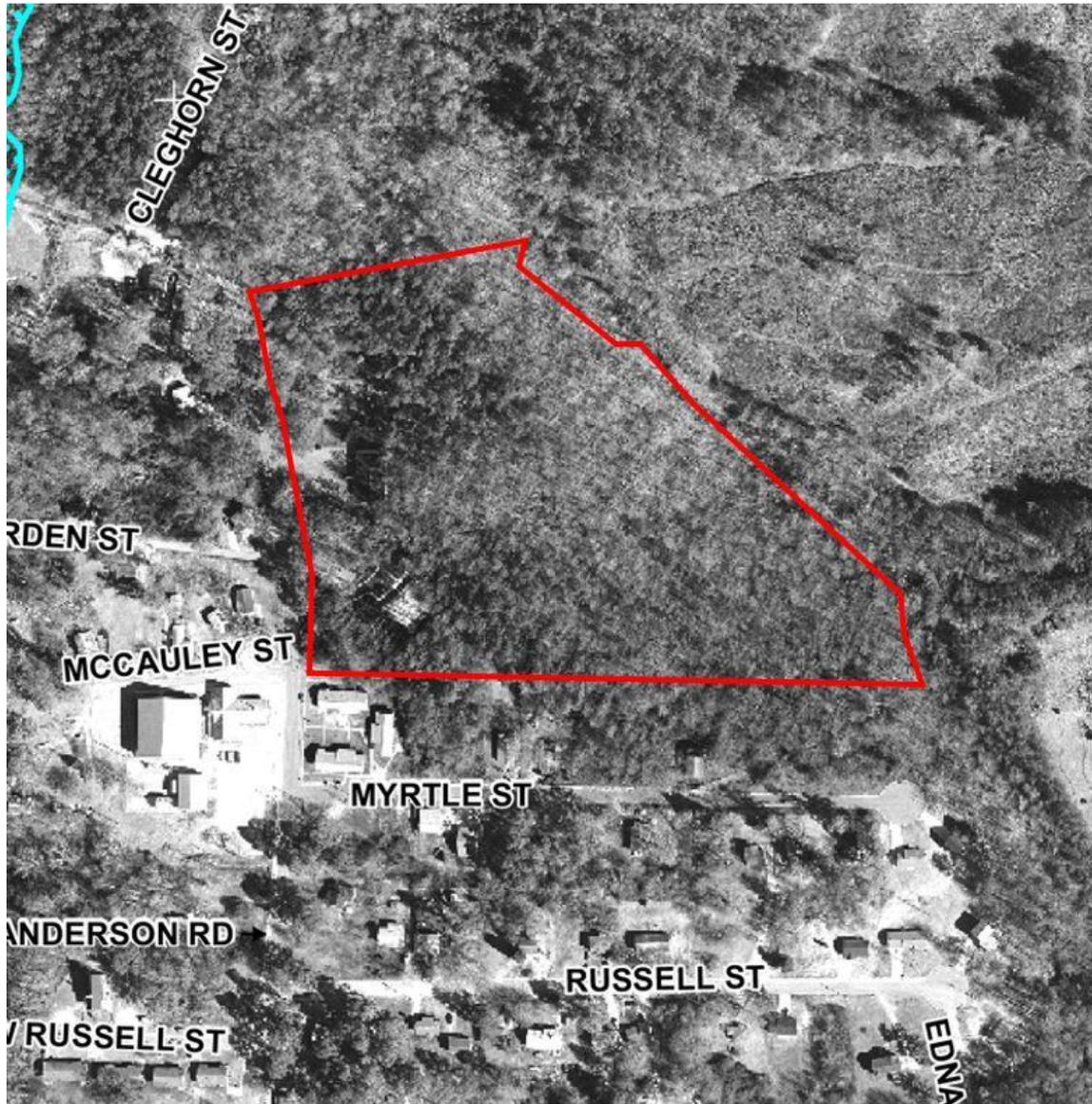
Noise

No noise hazard exists that would impact the marketability of the proposed project. A railroad track is located roughly 1,000 feet south of the subject site but has not impacted the marketability of other communities located in similar proximity.

Tax Map/Parcel Map



Flood Hazard Map



Site Photographs





Street Scenes



Surrounding Land Uses & Neighborhood Amenities



Surrounding Land Use - Single Family Residential



Surrounding Land Use - Community Center



Surrounding Land Use - Single Family Residential



Surrounding Land Use - Single Family Residential



Neighborhood Amenity - Grocery Store



Neighborhood Amenity - Medical Center



Neighborhood Amenity - Park



Adjacent Project - Southeast from Anderson Road



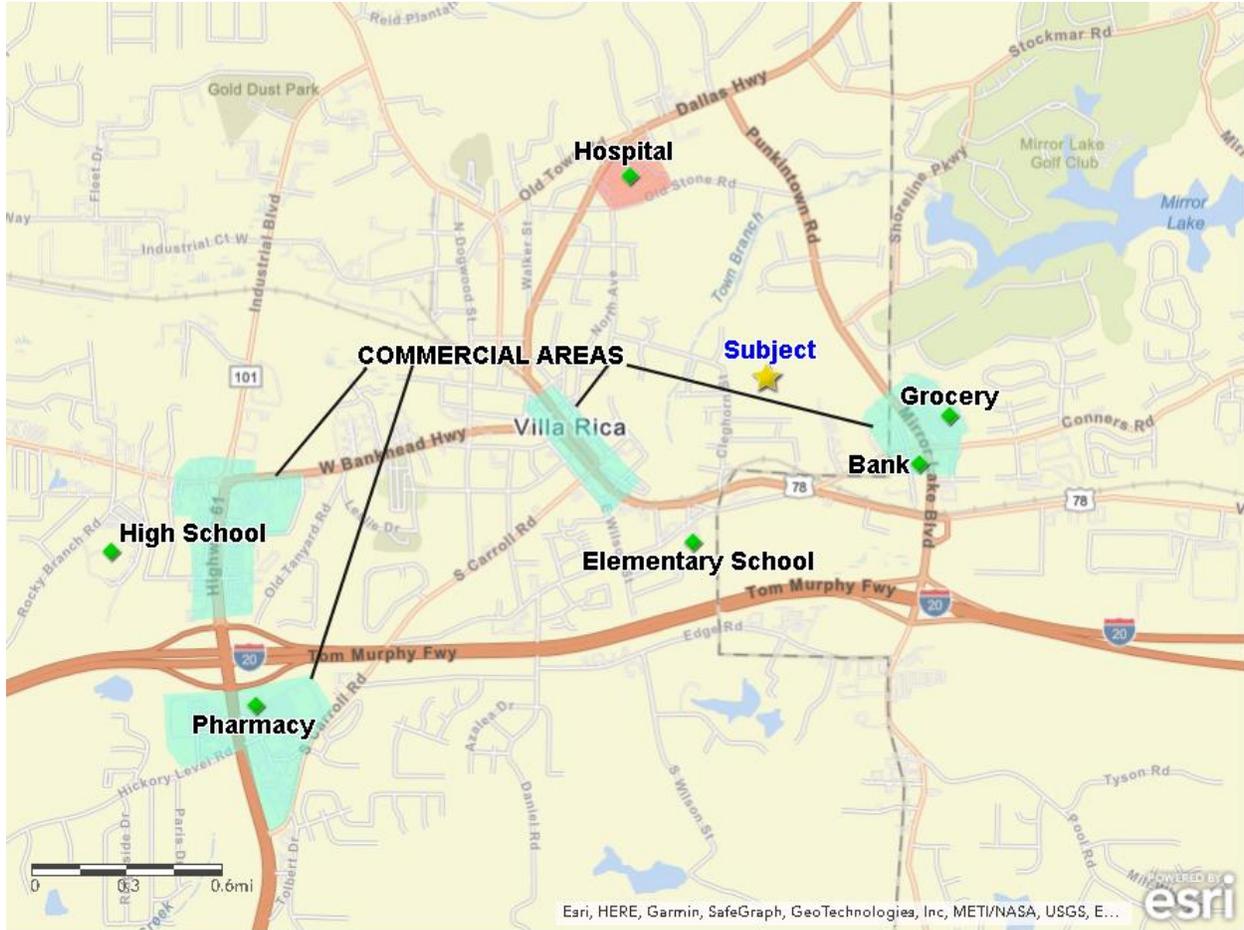
Adjacent Project - Northeast from Anderson Road

Hazardous or Toxic Materials

During our visual inspection of the subject, we did not observe any hazardous substances. We are not experts, however, in determining the presence of hazardous substances, defined as all hazardous or toxic wastes, pollutants, or contaminants (including asbestos, PCB's, or raw materials) either used in construction or stored on the property. This report reflects the assumption that the subject property is not so affected.

Neighborhood Amenities

There are a number of residential support services in the market area. Support services provide a network of easily accessible medical, shopping, dining, and social opportunities for residents and their families. The following map highlights several of the residential support services available within the market:

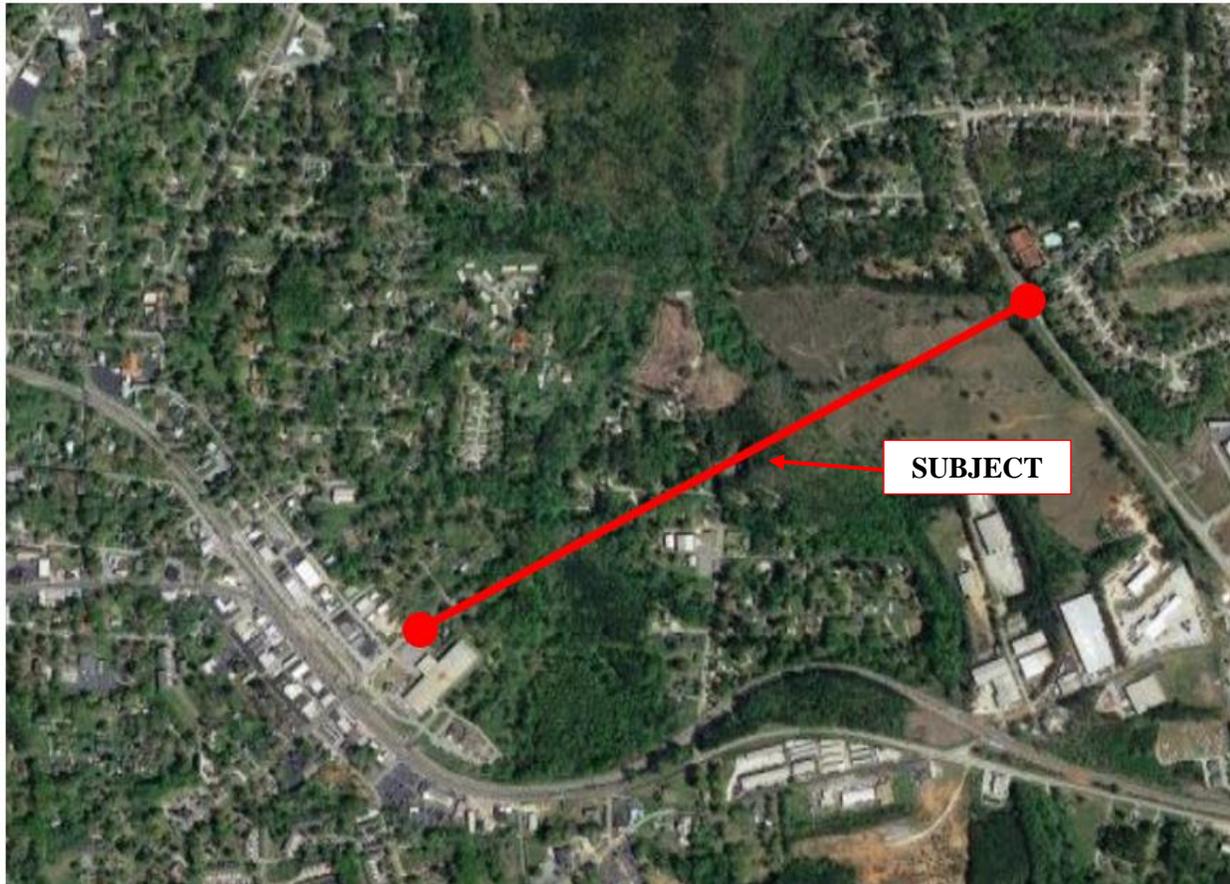


CIVIC, SOCIAL, AND COMMERCIAL CENTERS	
<i>Item</i>	<i>Distance (Miles)</i>
Grocery	~0.5
Bank	~0.5
Glanton-Hindsman Elementary School	~0.6
Hospital	~0.8
Pharmacy	~1.6
Villa Rica High School	~2.1
Villa Rica Middle School (northwest of subject)	~4.6

The subject is located in close proximity to all of the major support services needed for a residential property. These support services include a grocery store, pharmacy, bank, and schools.

The Villa Rica Planning Department is currently in the engineering and right-of-way phase for a proposed connector road between Mirror Lake Boulevard and downtown Villa Rica. The western terminus will be North Carroll Road and the eastern terminus will be Shoreline Parkway. The proposed road will intersect Anderson Road near the proposed subject. The proposed roadway will allow residents at the subject

community quicker access to support services such as a grocery store at The Village at Mirror Lake. A map showing the subject site in relation to the general path of the route is provided:



Crime Statistics

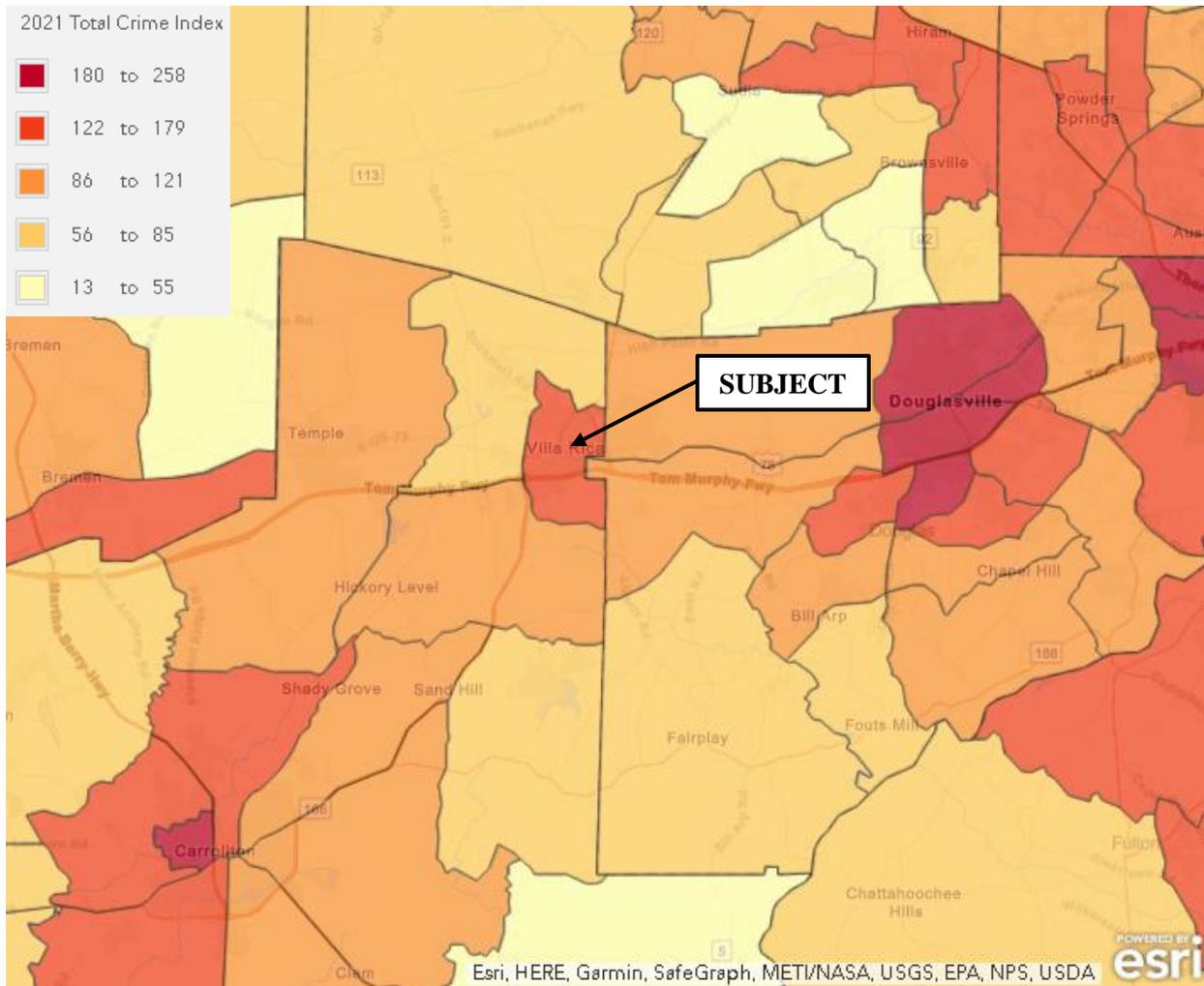
The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

The subject is within the jurisdiction of the Villa Rica Police Department. The following chart illustrates the crime rate per 10,000 persons that were committed in the City of Villa Rica, the state of Georgia, and the United States as a whole in 2019:

2018 CRIME STATISTICS			
Category	Villa Rica	Georgia	National
Violent Crime	36.6890	32.6585	38.0559
Murder and Nonnegligent Manslaughter	0.6437	0.6103	0.4956
Rape	4.5057	2.5201	4.2602
Robbery	3.8620	7.8702	8.6213
Aggravated Assault	27.6777	21.6579	24.6788
Property Crime	375.2575	257.3684	219.9499
Burglary	41.1946	43.1286	37.6000
Larceny-Theft	316.0402	190.7025	159.4613
Motor Vehicle Theft	18.0227	23.5373	22.8886

Source: FBI.gov

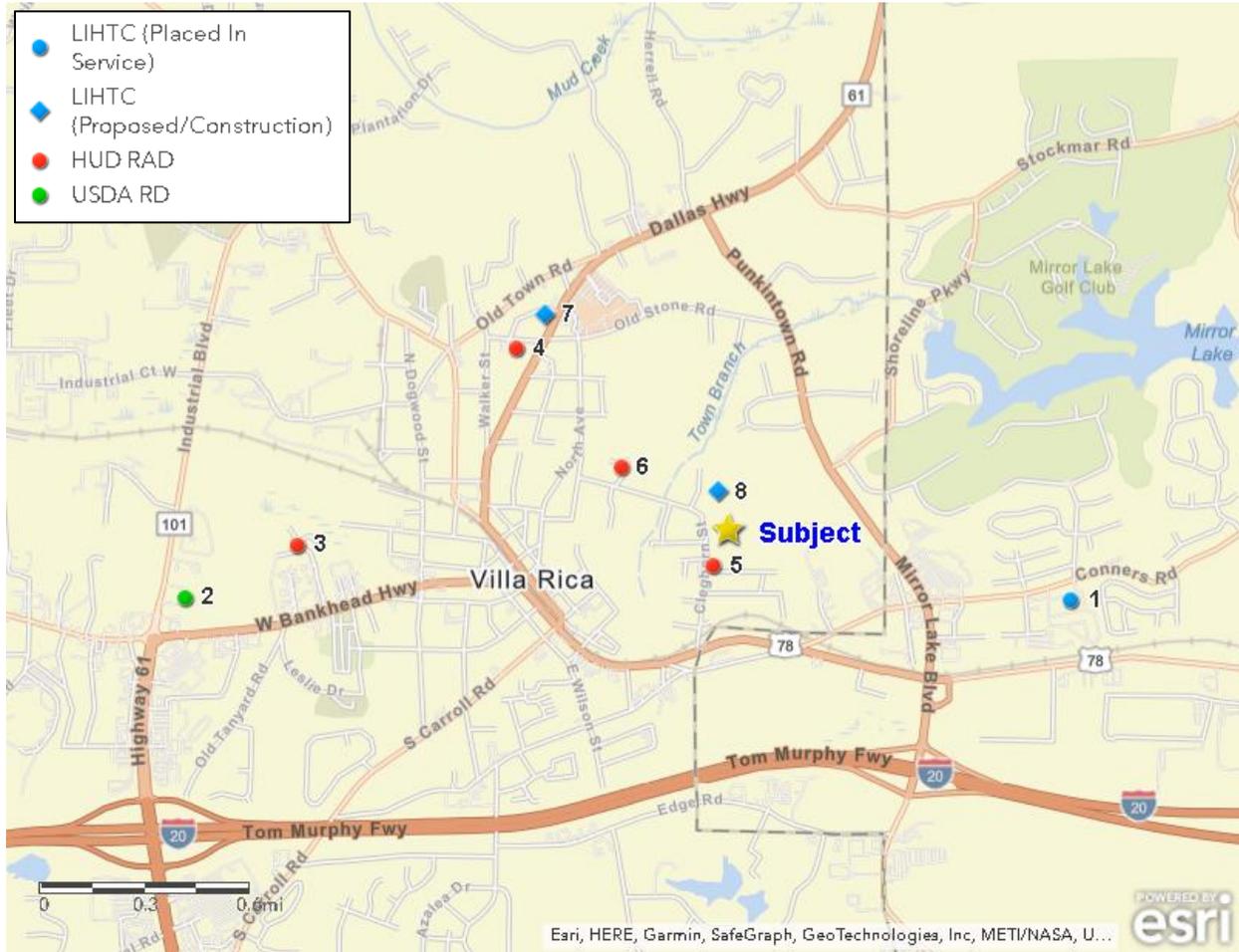
Crime rates are not significantly higher than national rates.
 A map of the 2021 crime index by census tract in the area is provided:



The crime index in the subject’s census tract is 164, indicating crime levels 64% higher than the national average. This is similar to or lower than the crime indices for the surrounding population centers in Carrollton (as high as 225) and Douglasville (as high as 246).

Location of Low-Income Housing

There is limited availability of affordable housing in the PMA. Below is a map of the proposed, under construction, and placed-in-service low-income housing including: 4% and 9% tax credit, tax exempt bond, Rural Development, Public Housing, DCA HOME funded, Sec. 1602 Tax Credit Exchange program, USDA financed, Georgia Housing Trust Fund of the Homeless, and HUD 202 or 811 Project Based Rental Assistance properties.



The proximity of the low-income communities to the subject site is provided:

AFFORDABLE HOUSING PROXIMITY TO SUBJECT			
#	Property Name	Status	Proximity (mi)
1	Connors Senior Village	Existing	1.4
2	Hampton Court Apartments	Existing	2.1
---	Villa Rica Housing Authority	---	---
3	Nunley Homes	Existing	1.8
4	Old Town Homes	Existing	0.9
5	Auburn Homes	Existing	0.1
6	Anderson Homes	Existing	0.4
7	Legacy Walton Trail	Construction	1.0
8	Arbours at Villa Rica	Construction	0.1

Conclusion

The subject has positive attributes with respect to location within close proximity to residential support services. The site will have good exposure along the proposed Mirror Lake Road connector. Access and exposure are good. No negative or detrimental features exist with the site. Surrounding land uses are compatible with a multifamily development such as the subject.

E. Market Area

Primary Market Area

The primary market area (PMA) is the geographical area from which comparable properties and potential renters are expected for be drawn during the forecast period. The primary market area was established by evaluating the transportation link between the subject and key employment nodes and residential support services. The primary market area is defined by major arterials connecting Villa Rica with Dallas to the north, Douglasville to the east, Carrollton to the south, and Bremen to the west. The subject will likely be able to capture households residing in and locating to Villa Rica and the rural areas between Villa Rica and these surrounding cities. The selected census tracts correspond with the National Council of Housing Market Analysts (NCHMA) gravity model. Commuting routes were analyzed in the determination of the boundaries. Properties in Douglasville, Carrollton, Bremen, and Dallas are unlikely to directly compete with the subject.

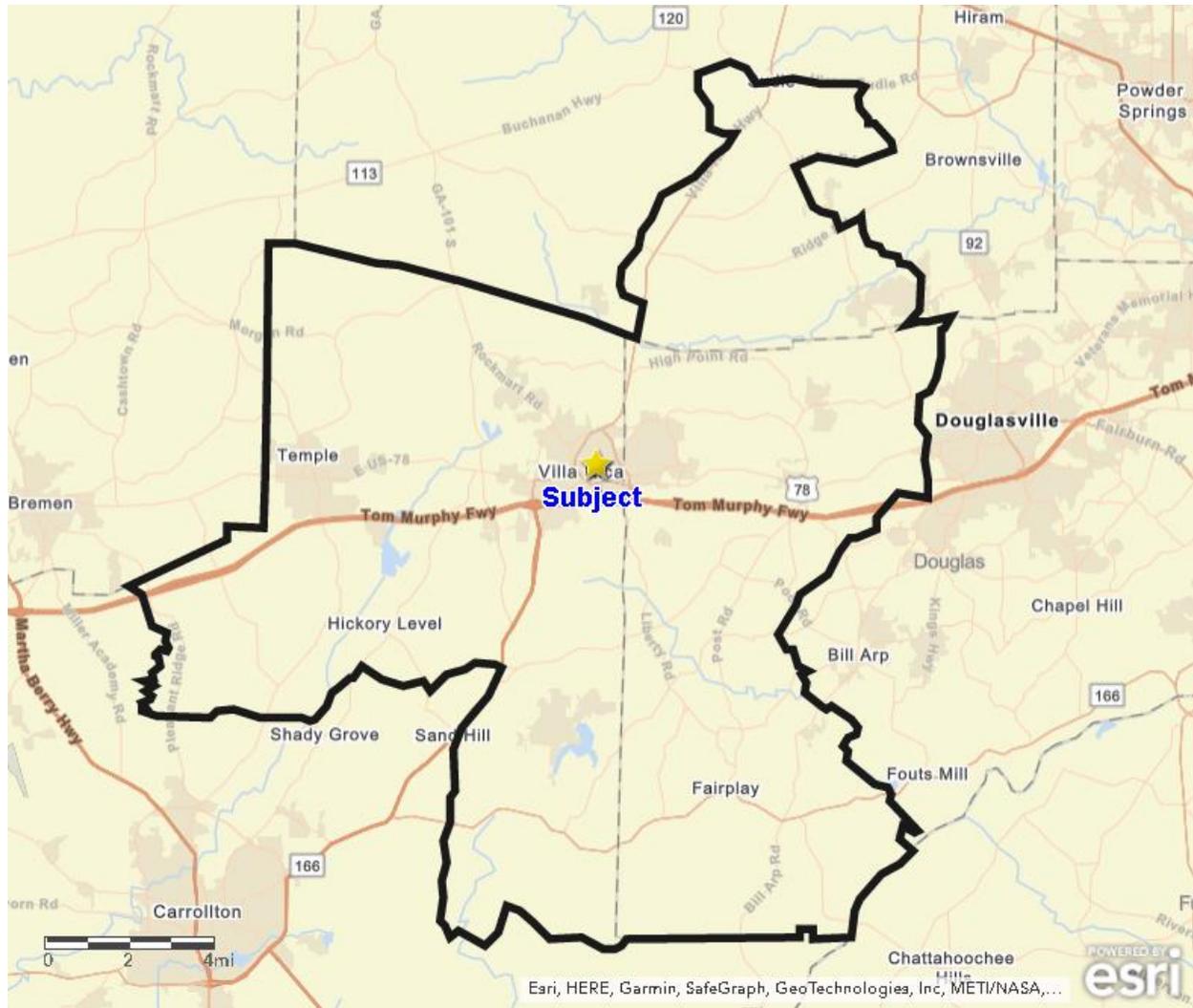
The PMA’s boundaries are presented in the charts as follows:

PMA BOUNDARIES		
<i>Direction</i>	<i>Area of Delineation</i>	<i>Distance from Subject (mi)</i>
Northern	County Line / HiramSudie Road	10.2
Southern	County Line / Horsley Drive / Hominy Creek / Hog Liver Road	11.3
Eastern	Mobley Creek / Flat Rock Road / Austin Bridge Road / Dallas Nebo Road	7.6
Western	County Line / Buck Creek / Wayside Road	11.3

The selected census tracts are presented in the chart as follows:

CENSUS TRACTS	
130450804.03	130459101.01
130450804.05	130459101.03
130450804.06	130459101.05
130450804.07	130459101.05
130450804.08	130459101.06
130451205.04	130459102.01
130451205.05	130459102.02
130451206.05	130459102.03
130451206.07	130459107.07

The following map illustrates the PMA:



F. Community Demographic Data

Population Trends

The information in this section was obtained through the U.S. Census Bureau and ESRI. Where available, trend data and projections are provided. The PMA continues to experience positive population growth as evidenced by the following:

POPULATION GROWTH: PRIMARY MARKET AREA				
<i>Year</i>	<i>Population</i>	<i>Change #</i>	<i>Change %</i>	<i>CAGR</i>
2000	54,626	---	---	---
2010	85,916	31,290	57.3%	4.6%
2021	96,612	10,696	12.4%	1.1%
2024	100,394	3,782	3.9%	1.3%
2026	103,118	2,724	2.7%	1.3%

Source: Esri

Total population increased more than 57% from 2000 to 2010. Population growth continued from 2010 to 2021 as the population increased more than 12%. The population is projected to continue to increase through the subject's delivery year based on interpolation of the five-year projected data.

The following chart provides historical population data as well as future projections by age for the PMA:

POPULATION GROWTH BY AGE: PRIMARY MARKET AREA					
<i>Age</i>	<i>2010</i>	<i>2021</i>	<i>% Chg</i>	<i>2024</i>	<i>% Chg</i>
0 - 4	6,313	6,279	-0.5%	6,508	3.7%
5 - 9	7,109	6,811	-4.2%	7,001	2.8%
10 - 14	7,224	6,830	-5.5%	7,216	5.6%
15 - 19	6,481	6,331	-2.3%	6,396	1.0%
20 - 24	4,647	5,409	16.4%	5,263	-2.7%
25 - 34	11,135	13,784	23.8%	14,444	4.8%
35 - 44	14,270	13,421	-5.9%	14,200	5.8%
45 - 54	12,508	13,307	6.4%	13,019	-2.2%
55 - 64	8,769	12,055	37.5%	12,380	2.7%
65 - 74	4,873	8,269	69.7%	9,013	9.0%
75 - 84	2,042	3,309	62.0%	4,007	21.1%
85+	545	807	48.1%	946	17.2%
Total	85,916	96,612	12.4%	100,394	3.9%
Total (55+)	16,229	24,440	50.6%	26,346	7.8%

Source: Esri, VTRS

While the overall population increased 12.4% from 2010 to 2021, the senior population (age 55+) increased even more quickly, growing 50.6% over the same period. Through 2024, senior population growth is projected to continue to outpace the pace of total population growth.

Household Trends

The information in this section was obtained through the U.S. Census Bureau and ESRI. Where available, trend data and projections are provided. The PMA continues to experience positive household growth as evidenced by the following:

HOUSEHOLD GROWTH: PRIMARY MARKET AREA					
Year	Households	Change #	Change %	CAGR	Avg HH Size
2000	19,048	---	---	---	---
2010	29,477	10,429	54.8%	4.5%	2.91
2021	33,118	3,641	12.4%	1.1%	2.92
2024	34,381	1,263	3.8%	1.3%	2.92
2026	35,352	971	2.8%	1.4%	2.92

Source: Esri

Total population and households increased more than 50% from 2000 to 2010. The population and households continued to increase from 2010 to 2021. This growth is projected to continue through the subject’s delivery year of 2024 and the final year of Esri’s household projections in 2026.

The average household size has remained stable since 2010 and is projected to continue to remain stable.

Trends in households by tenure are provided:

HOUSEHOLD GROWTH BY TENURE: PRIMARY MARKET AREA				
Year	Owner HH	% Change	Renter HH	% Change
2000	16,387	---	2,661	---
2010	23,777	45.1%	5,700	114.2%
2021	26,645	12.1%	6,473	13.6%
2024	27,886	4.7%	6,495	0.3%
2026	28,827	3.4%	6,525	0.5%

Source: Esri

Trends in household income in the PMA are provided:

HOUSEHOLDS BY INCOME IN PMA			
Income Level:	2021	2024	% Chg
<\$15,000	2,238	2,076	-7.2%
\$15,000-\$24,999	1,926	1,768	-8.2%
\$25,000-\$34,999	1,991	1,925	-3.3%
\$35,000-\$49,999	4,658	4,474	-4.0%
\$50,000-\$74,999	6,507	6,711	3.1%
\$75,000-\$99,999	6,158	6,508	5.7%
\$100,000-\$149,999	6,438	7,210	12.0%
\$150,000-\$199,999	1,992	2,327	16.8%
\$200,000+	1,210	1,381	14.2%
Total Households	33,118	34,381	3.8%
Median Income	\$70,965	\$74,905	5.6%

Source: Esri, VTRS

The median household income in the PMA as of 2021 was \$70,965. The median household income is projected to increase to approximately \$74,905 by 2024, an increase of 5.6%. Households earning \$100,000 or more are projected to grow the quickest, with total households in each band projected to increase more than 12%.

The estimate of households by income (age 55+ only) is provided:

HOUSEHOLDS BY INCOME IN PMA: AGE 55+			
Income Level:	2021	2024	% Chg
<\$15,000	1,169	1,120	-4.2%
\$15,000-\$24,999	1,019	976	-4.2%
\$25,000-\$34,999	1,092	1,107	1.4%
\$35,000-\$49,999	1,961	1,957	-0.2%
\$50,000-\$74,999	2,756	2,987	8.4%
\$75,000-\$99,999	2,363	2,601	10.1%
\$100,000-\$149,999	1,792	2,105	17.5%
\$150,000-\$199,999	687	832	21.1%
\$200,000+	524	615	17.3%
Total Households	13,363	14,300	7.0%

Source: Esri, VTRS

Renter households by size in the PMA is provided:

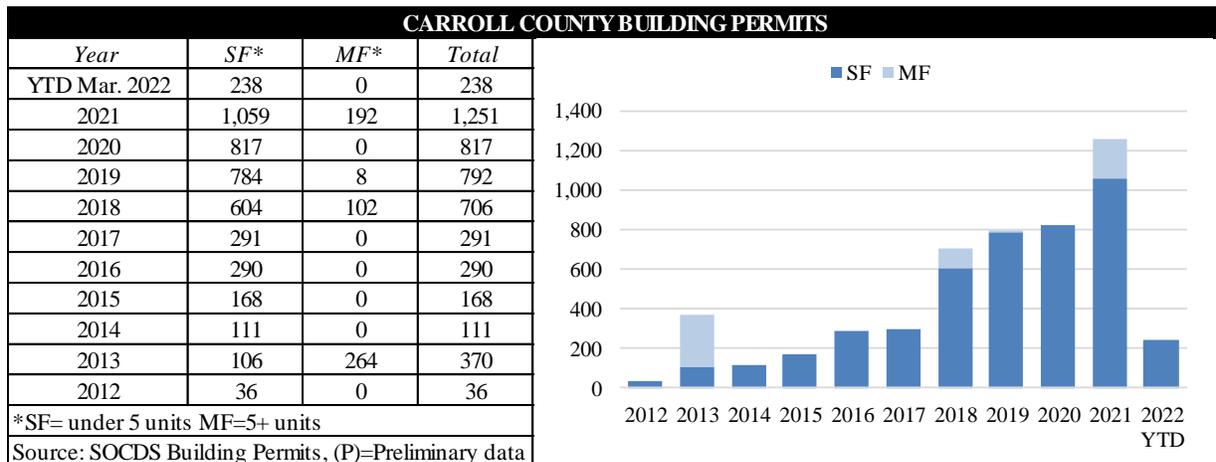
RENTER HOUSEHOLDS IN PMA		
Household Size	# of Renter HH	% of Renter HH
1-person	1,419	21.9%
2-person	2,054	31.7%
3-person	879	13.6%
4-person	1,388	21.4%
4-person	493	7.6%
6-person	166	2.6%
7+-person	74	1.1%

Source: Esri, American Community Survey, VTRS

Approximately 53.6% of renter households in the PMA are one- or two-person households. Large renter households with six or more persons make up slightly less than 4% of renter households.

Housing Market

Residential building permits for Carroll County are presented below:



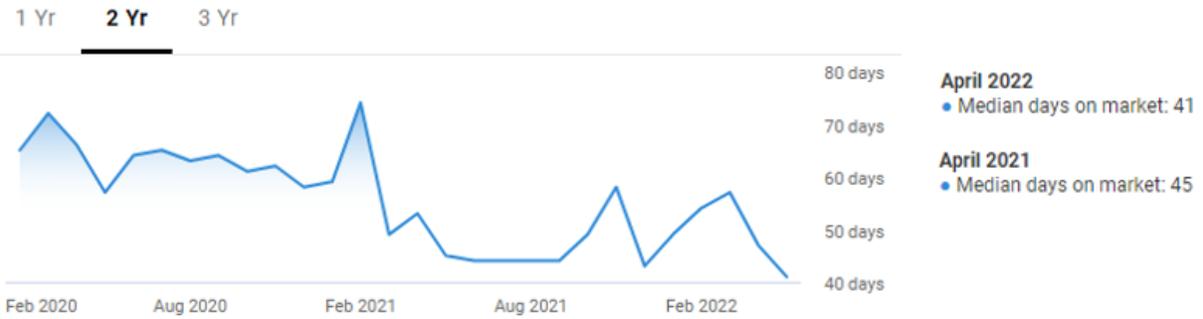
Residential development in the market has trended upward. An average of 483 building permits were issued annually from 2012 to 2021. Over the last three years, an average of 953 units were permitted annually.

April 2022 single-family housing trends for Carroll County were obtained from realtor.com and are provided below:

Median Listing Home Price vs. Median Home Sold Price



Median Days on Market



The median sold price increased by 22% year-over-year, from \$230k to \$295k. During this same period, the median days on market decreased by 8.9% year over year, from 45 to 41. These factors indicate a stable single-family housing market in Carroll County.

G. Employment Trend

Employment Trends

At-place employment in Carroll County refers to jobs that are located within the county, regardless of the home residence of employees. The trend in the market is presented:

AT-PLACE EMPLOYMENT IN CARROLL COUNTY			
Year	Employment	Change	Percent
2021 YTD*	41,391	887	2.2%
2020	40,504	-1,366	-3.3%
2019	41,870	1,087	2.7%
2018	40,783	797	2.0%
2017	39,986	950	2.4%
2016	39,036	111	0.3%
2015	38,925	536	1.4%
2014	38,389	1,089	2.9%
2013	37,300	206	0.6%
2012	37,094	1,629	4.6%
2011	35,465	-	-

*YTD data is provided through Sep. 2021
Source: Bureau of Labor Statistics

The trend in the market was positive through 2019 as employment increased. From February to April 2020, at-place employment decreased due to the impact of COVID-19 on the economy. As of September 2021 (most recent data available), at-place employment had nearly recovered. Employment recovery is projected to continue along a positive trajectory.

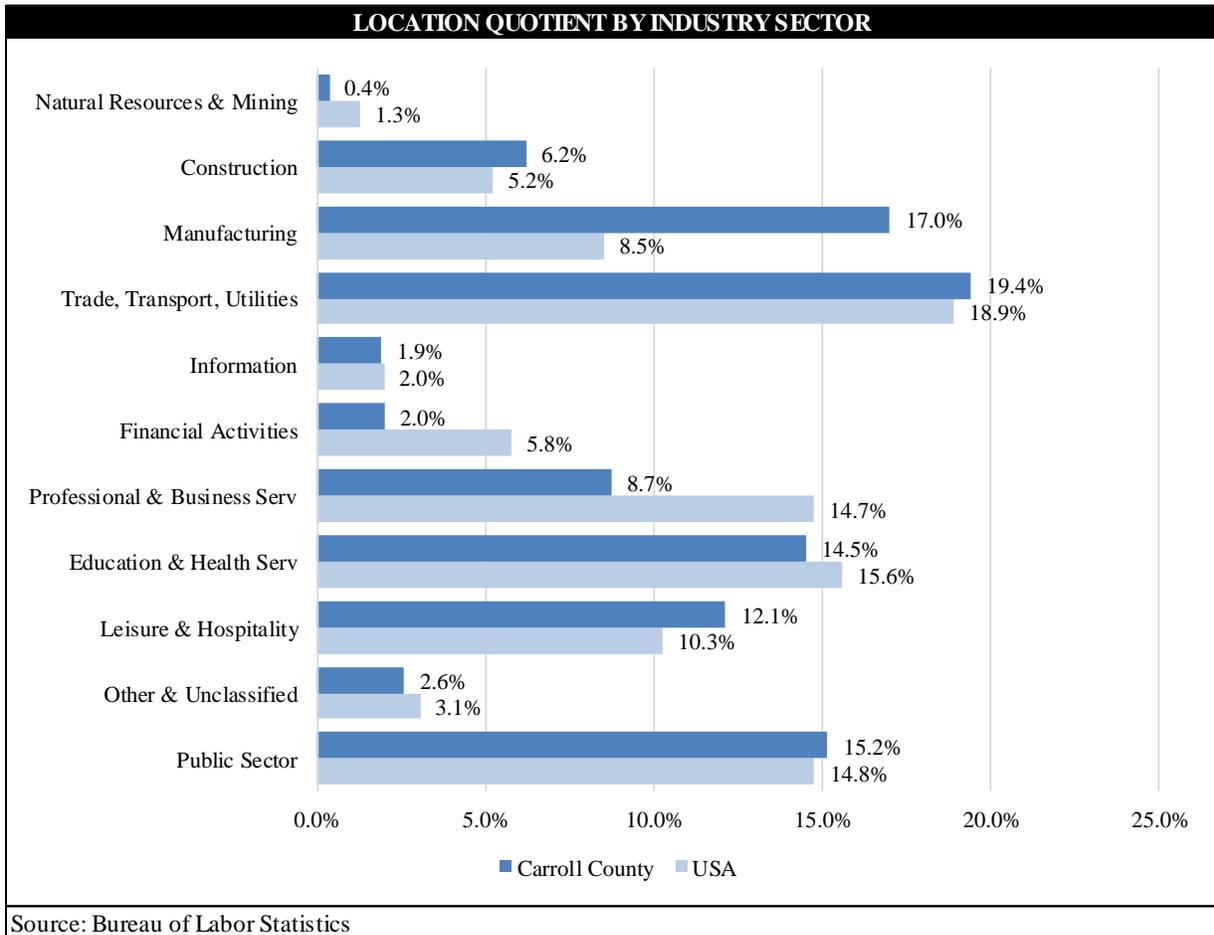
Employment totals by industry sector over the previous five years are provided:

CARROLL COUNTY AT-PLACE EMPLOYMENT BY INDUSTRY											
Industry Sector	Annual 2016	Annual 2017	% Chg	Annual 2018	% Chg	Annual 2019	% Chg	Annual 2020	% Chg	Sep 2021	% Chg
Private sector	32,870	33,542	2.0%	34,244	2.1%	35,271	3.0%	34,116	-3.3%	35,117	2.9%
Goods producing	9,142	9,713	6.2%	10,169	4.7%	10,395	2.2%	9,790	-5.8%	9,751	-0.4%
Natural resources and mining	144	195	35.4%	187	-4.1%	161	-13.9%	157	-2.5%	149	-5.1%
Construction	2,166	2,398	10.7%	2,450	2.2%	2,476	1.1%	2,661	7.5%	2,564	-3.6%
Manufacturing	6,832	7,119	4.2%	7,531	5.8%	7,758	3.0%	6,972	-10.1%	7,038	0.9%
Service providing	23,728	23,830	0.4%	24,076	1.0%	24,876	3.3%	24,326	-2.2%	25,366	4.3%
Trade, transportation, and utilities	7,237	7,253	0.2%	7,308	0.8%	7,515	2.8%	7,713	2.6%	8,029	4.1%
Information	681	634	-6.9%	596	-6.0%	921	54.5%	841	-8.7%	794	-5.6%
Financial activities	914	914	0.0%	894	-2.2%	920	2.9%	884	-3.9%	831	-6.0%
Professional and business services	3,996	3,821	-4.4%	3,665	-4.1%	3,445	-6.0%	3,580	3.9%	3,616	1.0%
Education and health services	5,479	5,626	2.7%	5,841	3.8%	6,097	4.4%	5,913	-3.0%	6,003	1.5%
Leisure and hospitality	4,580	4,837	5.6%	5,000	3.4%	5,200	4.0%	4,619	-11.2%	5,018	8.6%
Other services	749	689	-8.0%	707	2.6%	705	-0.3%	706	0.1%	934	32.3%
Unclassified	93	55	-40.9%	65	18.2%	73	12.3%	71	-2.7%	141	98.6%
Public sector	6,167	6,444	4.5%	6,540	1.5%	6,599	0.9%	6,389	-3.2%	6,274	-1.8%
Federal government	208	207	-0.5%	206	-0.5%	222	7.8%	254	14.4%	236	-7.1%
State government	2,082	2,252	8.2%	2,242	-0.4%	2,218	-1.1%	2,065	-6.9%	1,937	-6.2%
Local government	3,877	3,985	2.8%	4,092	2.7%	4,159	1.6%	4,070	-2.1%	4,101	0.8%
Total Employment	39,037	39,986	2.4%	40,784	2.0%	41,870	2.7%	40,505	-3.3%	41,391	2.2%

Source: Bureau of Labor Statistics

The top three industry sectors in the county are the trade, transportation, and utilities industry, the manufacturing industry, and the education and health services industry.

Location Quotients (LQ) compare the concentration of employment in an industry within a specific area to the concentration of employment in that industry nationwide. This measurement helps understand the local economy’s reliance on a particular industry. The LQs for industry sectors in Carroll County are provided below:



The manufacturing industry plays a notably larger role in the local economy than in the national economy

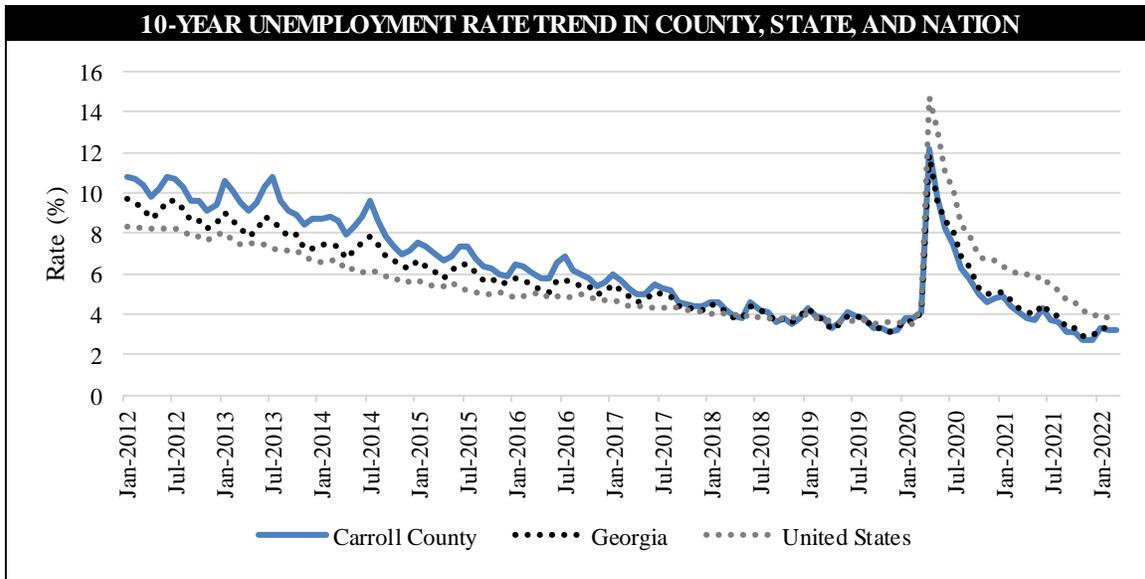
The civilian labor force is defined as all employed or unemployed persons 16+ years of age who are actively looking for work and available to accept employment. Persons in the Armed Forces or within institutional settings such as prisons, nursing homes, etc. are not counted within the civilian labor force. The trend in employment is provided:

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT DATA IN CARROLL COUNTY				
Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
2022 YTD*	57,925	56,069	1,856	3.2%
2021	56,140	54,073	2,067	3.7%
2020	54,696	51,259	3,437	6.3%
2019	55,771	53,746	2,025	3.6%
2018	55,094	52,854	2,240	4.1%
2017	55,432	52,618	2,814	5.1%
2016	53,550	50,291	3,259	6.1%
2015	51,208	47,706	3,502	6.8%
2014	51,886	47,618	4,268	8.2%
2013	51,788	46,833	4,955	9.6%
2012	51,829	46,582	5,247	10.1%

Source: Bureau of Labor Statistics
 YTD* 2022 consists of data through Mar 2022; the data is not seasonally adjusted.

The unemployment rate in Carroll County has been decreasing over the past several years, despite the labor force increasing. The employed population decreased from February 2020 to April 2020 due the impact of COVID-19 on businesses. The employed population has since recovered and will continue to increase.

The county’s unemployment rate compared to the state and national unemployment rates over the past 10 years is provided:



Carroll County’s unemployment rate has generally mirrored the state and national unemployment rate over the past 10 years. As of March 2022, Carroll County’s unemployment rate of 3.2% was lower than the state unemployment rate of 3.3%, and the national unemployment rate of 3.6%.

Major Employers

The following table illustrates the major employers in the area:

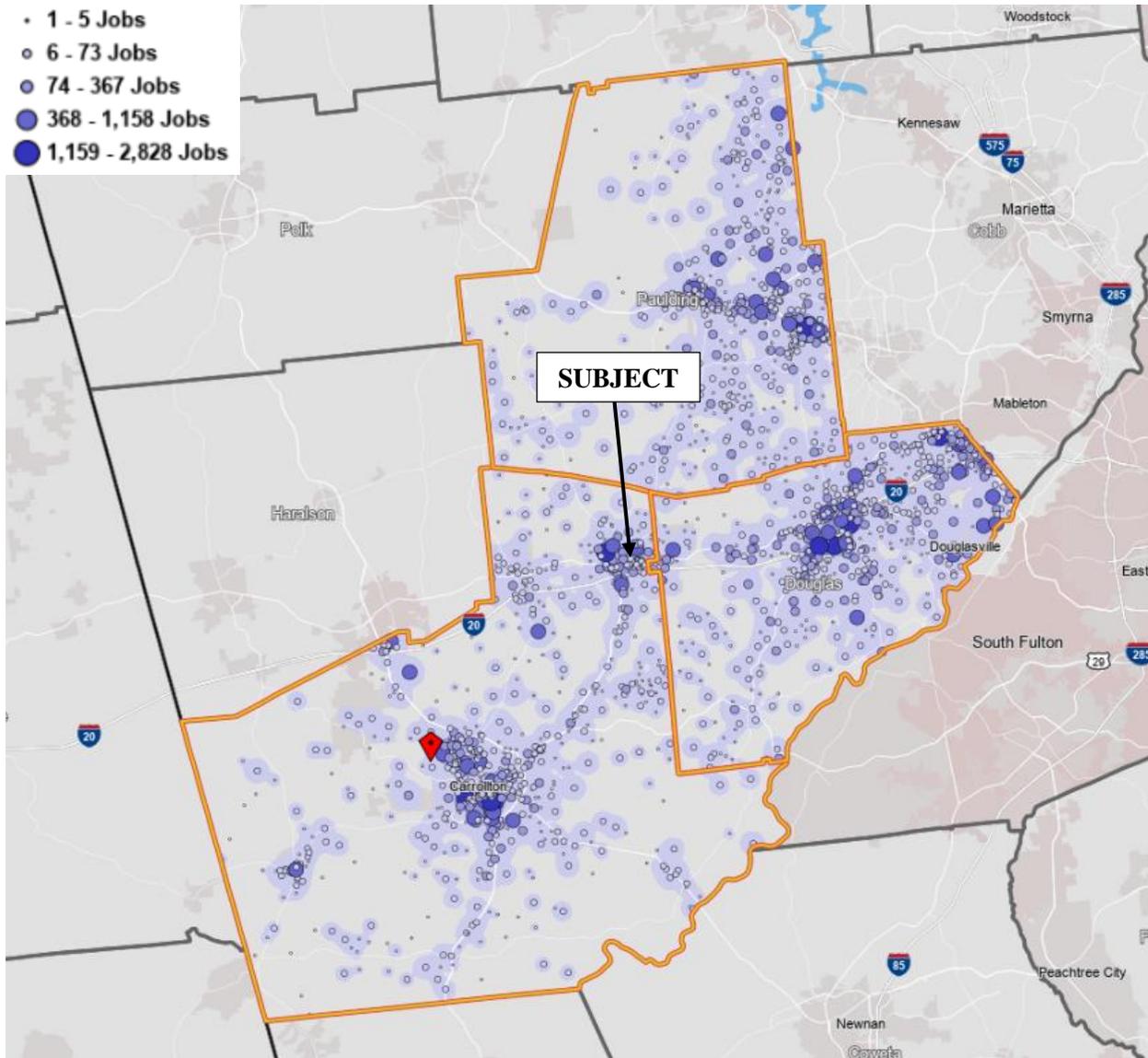
MAJOR EMPLOYERS IN CARROLL COUNTY		
<i>Company</i>	<i>Number of Employees</i>	<i>Industry</i>
Southwire Company	3,400	Manufacturing
Tanner Health System	2,800	Healthcare
Carroll County Schools	1,800	Education
University of West Georgia	1,200	Education
Magna/Decostar	830	Manufacturing
Pilgrim's	730	Food Processing
Carroll County Government	650	Government
Carrollton City Schools	564	Education
Bremen Bowdon Investment Company	560	Manufacturing
Printpack, Inc.	550	Manufacturing
Flowers Baking Company	494	Food Processing
Sugar Foods	390	Food Processing
Walmart.com	386	Retail
Janus International	360	Manufacturing
Source: Carroll County Chamber of Commerce Newcomers' Guide 2020		

Economic Development

West Georgia Technical College

A new \$50 million 146,697-square-foot campus is being built for West Georgia Technical College at Buffalo Creek Technology Park in Carrollton. The new campus will replace the college's current campus at 997 South Highway 16, which is more than 50 years old. The new campus will consist of three buildings, with designated space for vocational training in cosmetology, construction, carpentry, commercial truck driving, and precision manufacturing. The campus will also include labs for chemistry, criminal justice, engineering, and early childhood development. The school currently has more than 7,000 students enrolled, with nearly 2,000 of them at the existing Carroll campus. The new campus is projected to open by August 2022.

While the subject site is located in Carroll County, Villa Rica extends over the county line into Douglas County. Villa Rica's location in the northern portion of Carroll and Douglas Counties places it in close proximity to Paulding County. A map of the subject site in relation to employment concentrations in Carroll County and the surrounding counties is provided:



Source: Census OnTheMap

Worker Adjustment and Retraining Notification Act (WARN)

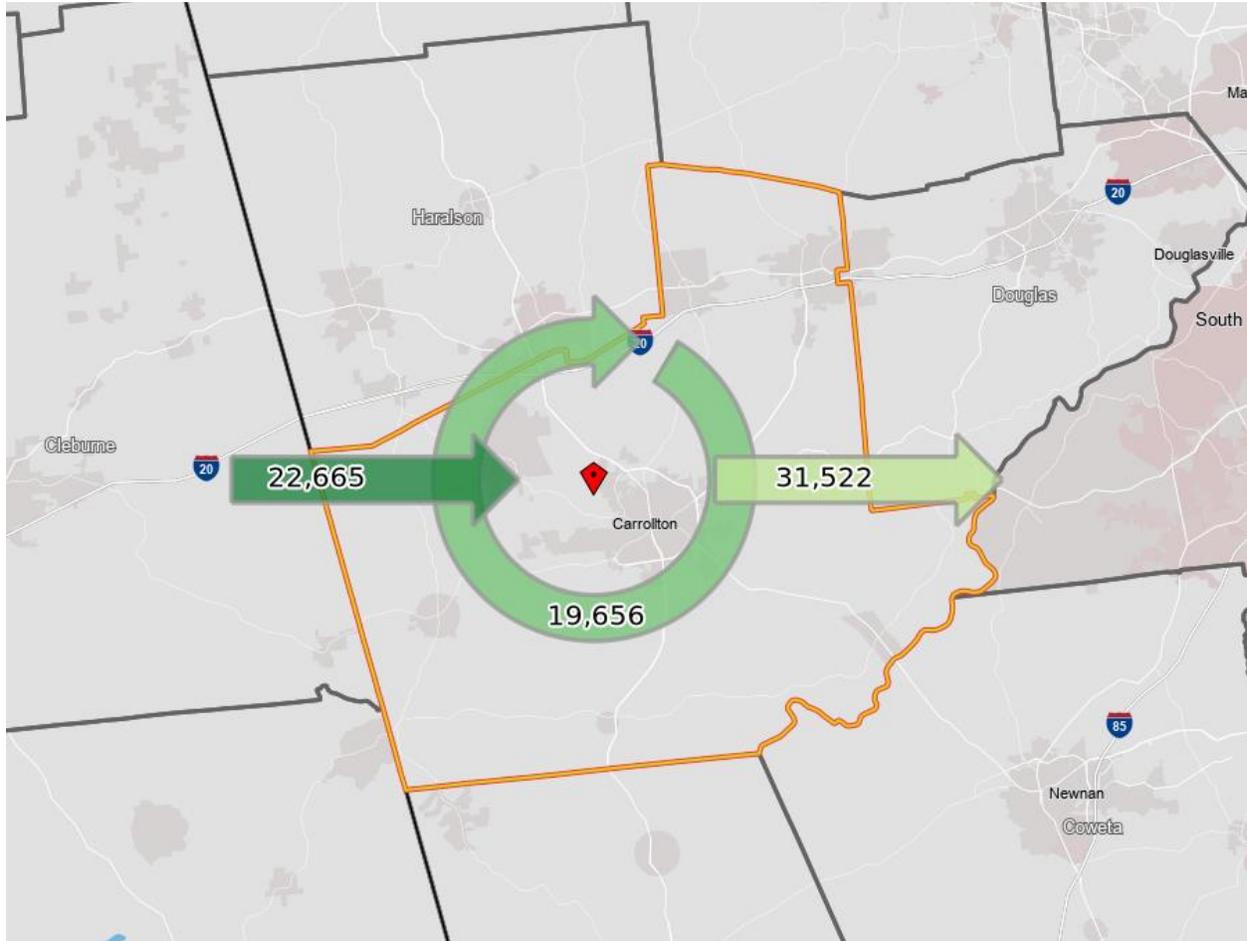
WARN notices are sent in coordination with the United States labor law which protects employees by requiring most employers with 100 or more employees to provide 60 calendar day advance notification of plant closings and mass layoffs of employees. WARN notices are available at the city level. The following chart illustrates organizations that have issued WARN notices in the last two years in Carroll County:

WARN NOTICES IN CARROLL COUNTY		
<i>Company/Organizations</i>	<i>Number Affected</i>	<i>Effective Date</i>
CDI Head Start (Carrollton - Rome St.)	37	8/31/2020

Source: Georgia Department of Labor

Commuting Patterns

An inflow/outflow map of residents and workers in Carroll County is provided:



Source: Census OnTheMap

Carroll County is bedroom community for surrounding counties. Based on 2019 (most recent available) data, 51,178 workers live in Carroll County but 42,321 workers are employed in Carroll County.

Typical travel time provides an indication of the distance from employment residents live and/or the traffic congestion involved with their commutes. The typical travel time is provided:

TYPICAL TRAVEL TIME		
<i>Commute Time</i>	<i>Number</i>	<i>Percent</i>
Less Than 15 Minutes	12,739	25.4%
15 to 29 Minutes	16,246	32.4%
30 to 44 Minutes	9,709	19.3%
45 to 59 Minutes	4,788	9.5%
60 or More Minutes	6,714	13.4%
Total	50,196	100.0%

Source: American Community Survey

Most residents have travel times less than 30 minutes. This suggests that a majority of the residents will live within urban or suburban areas.

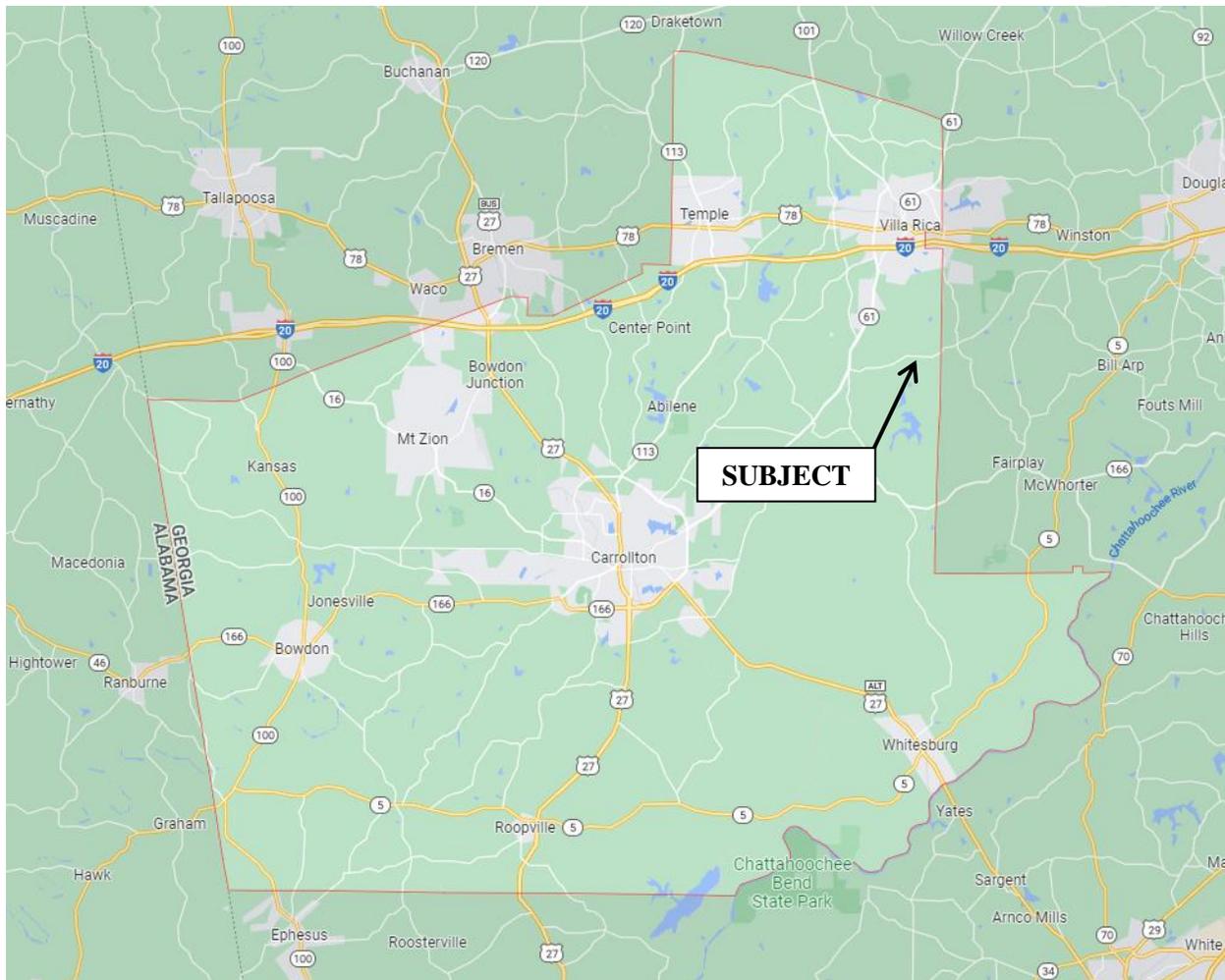
Travel patterns in the county provide an indication of where residents work and their commuting patterns. The typical modes of transportation are provided:

TYPICAL MODE OF TRANSPORTATION		
Mode of Transportation	Number	Percent
Drove Alone	42,079	79.6%
Carpooled	6,255	11.8%
Public Transit	232	0.4%
Walked	665	1.3%
Other Means	965	1.8%
Worked at Home	2,652	5.0%
Total	52,848	100.0%

Source: American Community Survey

Most residents commute alone.

Transportation



Highway Network

Interstate 20 and U.S. Highway 78 cuts through the northern part of the county providing access to Atlanta to the east and Alabama to the west. U.S. Highway 27 travels north-south on through the center of the county connecting the county to the rural communities of North and South Georgia. State Road 166 travels east-west through the middle of the county and converges with U.S. Highway 27. There are several state and county roads throughout the area providing local access to employment nodes, residences, and support services.

Public Transit

Carroll Connection is a county-provided paratransit to county residents. The service is provided anywhere in the county Monday through Friday with fares ranging from \$3, for one-way trips, to \$6, for roundtrips. All trips must be booked at least 24-hours in advance. In its first year of operation, it made over 15,000 trips totaling over 120,000 miles.

Airport

The closest major airport is Hartsfield-Jackson Atlanta International Airport, lying approximately 43 miles east of the subject. The airport offers nonstop service to more than 150 domestic destinations as well as 70 international destinations. In 2019, the airport had an estimated economic impact of \$34.8 billion within metro Atlanta and is responsible for over 63,000 jobs on-site.

Conclusion

Carroll County is located in Western Central Georgia bordering Alabama to the west, and is in the Atlanta-Sandy Springs-Roswell, GA MSA. The region is primarily supported by the trade, transportation, and utilities industry along with its robust manufacturing industry, notably in the areas of good processing. Globally active firms such as Southwire and Pilgrim provide an economic backbone to the county, as they continue to invest and expand their operations in the area. Continued population and household growth continues to drive demand for rental housing.

H. Project-Specific Affordability & Demand Analysis

Projected Households by Income

The analysis begins with the quantification of households within the defined PMA by income. Once total households are calculated, they were projected forward based on growth rates obtained through ESRI. Per industry standards, it is recommended that the forecast period be between 36 and 48 months from the date of the study. Household growth projected forward by income to 2026 is provided:

TOTAL HOUSEHOLDS IN THE PMA						
Income Level:	2021	2022	2023	2024	2025	2026
<\$15,000	2,238	2,183	2,129	2,076	2,025	1,975
\$15,000-\$24,999	1,926	1,872	1,819	1,768	1,718	1,670
\$25,000-\$34,999	1,991	1,969	1,947	1,925	1,903	1,882
\$35,000-\$49,999	4,658	4,596	4,534	4,474	4,414	4,355
\$50,000-\$74,999	6,507	6,574	6,642	6,711	6,781	6,851
\$75,000-\$99,999	6,158	6,272	6,389	6,508	6,629	6,752
\$100,000-\$149,999	6,438	6,686	6,943	7,210	7,488	7,776
\$150,000-\$199,999	1,992	2,098	2,210	2,327	2,451	2,582
\$200,000+	1,210	1,265	1,322	1,381	1,444	1,509
Total Households	33,118	33,514	33,935	34,381	34,853	35,352

The subject will be age-restricted to senior households age 55+. Age 55+ household growth projected forward by income to 2026 is provided:

AGE-QUALIFIED HOUSEHOLDS IN THE PMA (55+)						
Income Level:	2021	2022	2023	2024	2025	2026
<\$15,000	1,169	1,153	1,136	1,120	1,105	1,089
\$15,000-\$24,999	1,019	1,004	990	976	962	948
\$25,000-\$34,999	1,092	1,097	1,102	1,107	1,112	1,117
\$35,000-\$49,999	1,961	1,960	1,959	1,957	1,956	1,955
\$50,000-\$74,999	2,756	2,831	2,908	2,987	3,068	3,152
\$75,000-\$99,999	2,363	2,440	2,519	2,601	2,685	2,772
\$100,000-\$149,999	1,792	1,891	1,995	2,105	2,221	2,343
\$150,000-\$199,999	687	732	780	832	887	945
\$200,000+	524	553	583	615	649	684
Total Households	13,363	13,660	13,972	14,300	14,644	15,005

Projected Renter Households by Income

The most recent American Community Survey data for the PMA is used to estimate propensity to rent by income within the defined PMA:

PROPENSITY TO RENT - EXISTING HOUSEHOLDS	
Income Level	Renter %
<\$15,000	47.0%
\$15,000-\$24,999	20.0%
\$25,000-\$34,999	24.6%
\$35,000-\$49,999	31.9%
\$50,000-\$74,999	27.4%
\$75,000-\$99,999	17.9%
\$100,000-\$149,999	15.3%
\$150,000+	5.8%

Source: American Community Survey

These rates are generally indicative of an inverse relationship between household income levels and the propensity to rent: as household incomes increase, the propensity to rent decreases. The propensity to rent is applied to the age-qualified households to determine potential rental housing demand.

The propensity to rent by income is then applied to the projection of renter households by income at the end of the 36-month analysis period:

PROJECTED RENTER HOUSEHOLDS (55+) BY INCOME - 2024			
Income Levels	Total Households	Propensity to Rent	Renter Households
\$0-\$14,999	1,120	47.0%	527
\$15,000-\$24,999	976	20.0%	195
\$25,000-\$34,999	1,107	24.6%	272
\$35,000-\$49,999	1,957	31.9%	625
\$50,000-\$74,999	2,987	27.4%	819
\$75,000-\$99,999	2,601	17.9%	465
\$100,000-\$149,999	2,105	15.3%	323
\$150,000-\$199,999	832	5.8%	48
\$200,000+	615	5.8%	36
Total Projected Renter Households - 2024			3,309

Source: American Community Survey, Esri, Value Tech Realty Services

Rent Overburdened & Substandard Housing Demand

The American Community Survey was utilized to quantify rent overburdened households and households living in substandard housing. Senior households were considered rent overburdened when gross rent as a percentage of household income was 40% or above. Rental households by gross rent as a percentage of monthly income are provided as follows:

RENT OVERBURDENED HOUSEHOLDS IN PMA									
Household Income	<20.0%	20.0%-24.9%	25.0%-29.9%	30.0%-34.9%	35.0%-39.9%	40.0%-49.9%	50.0%+	Not Computed	Total
Less than \$10,000:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	77.4%	22.6%	100.0%
\$10,000 to \$19,999:	0.0%	0.0%	0.0%	2.4%	0.0%	18.9%	72.2%	6.4%	100.0%
\$20,000 to \$34,999:	15.5%	9.5%	3.1%	15.3%	4.6%	28.8%	22.0%	1.2%	100.0%
\$35,000 to \$49,999:	23.2%	28.5%	7.6%	15.3%	13.8%	4.8%	3.0%	3.8%	100.0%
\$50,000 to \$74,999:	38.4%	29.1%	15.1%	3.9%	7.4%	1.4%	0.0%	4.7%	100.0%
\$75,000 to \$99,999:	74.9%	16.1%	2.1%	1.2%	0.0%	0.0%	0.0%	5.6%	100.0%
\$100,000 or more:	91.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.1%	100.0%

Source: American Community Survey 2016-2020

Households residing in substandard housing can be accommodated by the subject. Substandard housing is defined as households that lack complete plumbing or kitchen facilities and households that have greater than 1.0 occupants per room. Total substandard households regardless of age or income are calculated as a percentage of total rental households. Once this percentage is calculated, it is applied to the rental households in the PMA in order to determine the number of substandard households.

SUBSTANDARD HOUSING INTERPOLATION	
Renter Households	6,781
Complete Kitchen Facilities	6,781
Lacking Complete Kitchen Facilities	0
Complete Plumbing Facilities	6,781
Lacking Complete Plumbing Facilities	0
<0.51 Occupants per Room	4,205
0.51-1.00 Occupants per Room	2,381
1.01-1.50 Occupants per Room	129
1.51-2.00 Occupants per Room	66
>2.00 Occupants per Room	0
Total Substandard Housing Units	195
Substandard Housing %	2.9%
Source: American Community Survey 2016-2020	

As the charts illustrate, there is significant demand for affordable housing. Apartments have the ability to accommodate much of this demand. Demand levels for each income group targeted by the subject property follow.

EFFECTIVE DEMAND – 40% AMI

The subject will include five units oriented towards households earning up to 40% AMI.

Income Qualification – 40% AMI

An analysis was conducted to determine the cost-to-income ratio that is supportable by the market for potential residents at the subject property. According to DCA guidelines, elderly (age 55+) households are considered rent overburdened when more than 40% of income is spent on housing. Therefore, a 40% income ratio was applied in the analysis.

HOUSEHOLD INCOME REQUIREMENTS 40% AMI	
Low End of Subject's Rental Range	\$723
Maximum Housing Cost as % of Income	40%
Monthly Income Required	\$1,808
Annual Income Required	\$21,690

The maximum income limits in Carroll County are provided:

MAXIMUM INCOME LIMIT BY AMI & HOUSEHOLD SIZE				
Persons	40% AMI	50% AMI	60% AMI	70% AMI
1	\$27,000	\$33,750	\$40,500	\$47,250
2	\$30,880	\$38,600	\$46,320	\$54,040
3	\$34,720	\$43,400	\$52,080	\$60,760
4	\$38,560	\$48,200	\$57,840	\$67,480
5	\$41,680	\$52,100	\$62,520	\$72,940
6	\$44,760	\$55,950	\$67,140	\$78,330

Source: Novogradac

The subject will offer one- and two-bedroom units targeting the 40% AMI level. Utilizing guidelines of no more than two people in an age-restricted two-bedroom unit, the maximum allowable income for households at the 40% AMI income level is \$30,880. We have allocated percentages of each income group between the minimum income required to afford rent and the maximum income allowed to qualify for 40% AMI. The allocations for each income group are presented:

MINIMUM INCOME LIMIT ALLOCATION 40% AMI	
Minimum Income Band	\$15,000
Maximum Income Band	\$24,999
Minimum Allowable Income	\$21,690
Difference	\$3,309
Income Band Range	\$9,999
Difference as a Percent of Income Band Range	33%
Allocation for 40% AMI	33%

MAXIMUM INCOME LIMIT ALLOCATION 40% AMI	
Minimum Income Band	\$25,000
Maximum Income Band	\$34,999
Maximum Allowable Income	\$30,880
Difference	\$4,119
Income Band Range	\$9,999
Difference as a Percent of Income Band Range	41%
Allocation for 40% AMI	59%

Only a portion of the income groups will income qualify. This is calculated as follows:

40% AMI RENTER HOUSEHOLDS (55+) - 2024			
<i>Income Level:</i>	<i>Total Renter Households (55+)</i>	<i>Allocation</i>	<i>Qualified Renter Households (55+)</i>
<\$15,000	527	0.0%	0
\$15,000-\$24,999	195	33.1%	65
\$25,000-\$34,999	272	58.8%	160
\$35,000-\$49,999	625	0.0%	0
\$50,000-\$74,999	819	0.0%	0
\$75,000-\$99,999	465	0.0%	0
\$100,000-\$149,999	323	0.0%	0
\$150,000-\$199,999	48	0.0%	0
\$200,000+	36	0.0%	0
Total Households	3,309	6.8%	225

Approximately 6.8% of the age-qualified renter households in the PMA will be income qualified based on the subject's proposed starting rents.

Future Supply – 40% AMI

There are no proposed units in the subject's defined PMA targeting the 40% AMI households.

Qualified Net Demand – 40% AMI

A summary of the incremental demand for additional rental housing units at 40% AMI is provided:

Four sources of demand are considered for senior-oriented projects:

1. Household growth;
2. Rent overburdened households;
3. Renter households residing in substandard housing.
4. Elderly homeowner turnover (5% of homeowners in designated rural areas)

The components of demand at the end of the 36-month analysis period are provided:

CAPTURE RATE ANALYSIS - 40% AMI							
a	Projected Age- and Income-Qualified Renter Household Growth (2022 - 2024)					0	
b	Existing Demand from Rent Overburdened Households		50.8%	+		114	
c	Existing Demand from Substandard Rental Units		2.9%	+		6	
d	Existing Demand from Elderly Homeowner Turnover		5.0%	+		37	
e	TOTAL DEMAND			=		158	
	UNIT TYPE	# UNITS	DEMAND SHARE	TOTAL DEMAND	FUTURE SUPPLY	NET DEMAND	CAPTURE RATE
g	One-Bedroom Units	2	45%	71	0	71	2.8%
h	Two-Bedroom Units	3	55%	87	0	87	3.5%
k	Total - 40% AMI	5	100%	158	0	158	3.2%

Based on the demographic analysis, there is market support for the subject. There is enough demand for all of the properties in the PMA.

EFFECTIVE DEMAND – 50% AMI

The subject will include eight units oriented towards households earning up to 50% AMI.

Income Qualification – 50% AMI

An analysis was conducted to determine the cost-to-income ratio that is supportable by the market for potential residents at the subject property. According to DCA guidelines, elderly (age 55+) households are considered rent overburdened when more than 40% of income is spent on housing. Therefore, a 40% income ratio was applied in the analysis.

HOUSEHOLD INCOME REQUIREMENTS 50% AMI	
Low End of Subject's Rental Range	\$904
Maximum Housing Cost as % of Income	40%
Monthly Income Required	\$2,260
Annual Income Required	\$27,120

The maximum income limits in Carroll County are provided:

MAXIMUM INCOME LIMIT BY AMI & HOUSEHOLD SIZE				
Persons	40% AMI	50% AMI	60% AMI	70% AMI
1	\$27,000	\$33,750	\$40,500	\$47,250
2	\$30,880	\$38,600	\$46,320	\$54,040
3	\$34,720	\$43,400	\$52,080	\$60,760
4	\$38,560	\$48,200	\$57,840	\$67,480
5	\$41,680	\$52,100	\$62,520	\$72,940
6	\$44,760	\$55,950	\$67,140	\$78,330

Source: Novogradac

The subject will offer one- and two-bedroom units targeting the 50% AMI income level. Utilizing guidelines of no more than two people in an age-restricted two-bedroom unit, the maximum allowable income for households at the 50% AMI income level is \$38,600. We have allocated percentages of each income group between the minimum income required to afford rent and the maximum income allowed to qualify for 50% AMI. The allocations for each income group are presented:

MINIMUM INCOME LIMIT ALLOCATION 50% AMI	
Minimum Income Band	\$25,000
Maximum Income Band	\$34,999
Minimum Allowable Income	\$27,120
Difference	\$7,879
Income Band Range	\$9,999
Difference as a Percent of Income Band Range	79%
Allocation for 50% AMI	79%

MAXIMUM INCOME LIMIT ALLOCATION 50% AMI	
Minimum Income Band	\$35,000
Maximum Income Band	\$49,999
Maximum Allowable Income	\$38,600
Difference	\$11,399
Income Band Range	\$14,999
Difference as a Percent of Income Band Range	76%
Allocation for 50% AMI	24%

Only a portion of the income groups will income qualify. This is calculated as follows:

50% AMI RENTER HOUSEHOLDS (55+) - 2024			
<i>Income Level:</i>	<i>Total Renter Households (55+)</i>	<i>Allocation</i>	<i>Qualified Renter Households (55+)</i>
<\$15,000	527	0.0%	0
\$15,000-\$24,999	195	0.0%	0
\$25,000-\$34,999	272	78.8%	214
\$35,000-\$49,999	625	24.0%	150
\$50,000-\$74,999	819	0.0%	0
\$75,000-\$99,999	465	0.0%	0
\$100,000-\$149,999	323	0.0%	0
\$150,000-\$199,999	48	0.0%	0
\$200,000+	36	0.0%	0
Total Households	3,309	11.0%	364

Approximately 11.0% of the age-qualified renter households in the PMA will be income qualified based on the subject’s proposed starting rents.

Future Supply – 50% AMI

Arbours at Villa Rica received a LIHTC allocation during the 2018 funding cycle from the Georgia DCA. The project is proposed with 192 total units including 30 units at 50% AMI. Since the project will not be age restricted and will target families, there will be minimal competitive overlap with the proposed subject.

Qualified Net Demand – 50% AMI

A summary of the incremental demand for additional rental housing units at 50% AMI is provided:

Four sources of demand are considered for senior-oriented projects:

1. Household growth;
2. Rent overburdened households;
3. Renter households residing in substandard housing.
4. Elderly homeowner turnover (5% of homeowners in designated rural areas)

The components of demand at the end of the 36-month analysis period are provided:

CAPTURE RATE ANALYSIS - 50% AMI							
a	Projected Age- and Income-Qualified Renter Household Growth (2022 - 2024)					2	
b	Existing Demand from Rent Overburdened Households	31.4%	+			114	
c	Existing Demand from Substandard Rental Units	2.9%	+			10	
d	Existing Demand from Elderly Homeowner Turnover	5.0%	+			49	
e	TOTAL DEMAND		=			176	
	UNIT TYPE	# UNITS	DEMAND SHARE	TOTAL DEMAND	FUTURE SUPPLY	NET DEMAND	CAPTURE RATE
g	One-Bedroom Units	3	45%	79	0	79	3.8%
h	Two-Bedroom Units	5	55%	97	0	97	5.2%
k	Total - 50% AMI	8	100%	176	0	176	4.6%

Based on the demographic analysis, there is market support for the subject. There is enough demand for all of the properties in the PMA.

EFFECTIVE DEMAND – 60% AMI

The subject will include 46 units oriented towards households earning up to 60% AMI.

Income Qualification – 60% AMI

An analysis was conducted to determine the cost-to-income ratio that is supportable by the market for potential residents at the subject property. According to DCA guidelines, elderly (age 55+) households are considered rent overburdened when more than 40% of income is spent on housing. Therefore, a 40% income ratio was applied in the analysis.

HOUSEHOLD INCOME REQUIREMENTS 60% AMI	
Low End of Subject's Rental Range	\$1,008
Maximum Housing Cost as % of Income	40%
Monthly Income Required	\$2,520
Annual Income Required	\$30,240

The maximum income limits in Carroll County are provided:

MAXIMUM INCOME LIMIT BY AMI & HOUSEHOLD SIZE				
Persons	40% AMI	50% AMI	60% AMI	70% AMI
1	\$27,000	\$33,750	\$40,500	\$47,250
2	\$30,880	\$38,600	\$46,320	\$54,040
3	\$34,720	\$43,400	\$52,080	\$60,760
4	\$38,560	\$48,200	\$57,840	\$67,480
5	\$41,680	\$52,100	\$62,520	\$72,940
6	\$44,760	\$55,950	\$67,140	\$78,330

Source: Novogradac

The subject will offer one- and two-bedroom units targeting the 60% AMI income level. Utilizing guidelines of no more than two people in an age-restricted two-bedroom unit, the maximum allowable income for households at the 60% AMI income level is \$46,320. We have allocated percentages of each income group between the minimum income required to afford rent and the maximum income allowed to qualify for 60% AMI. The allocations for each income group are presented:

MINIMUM INCOME LIMIT ALLOCATION 60% AMI	
Minimum Income Band	\$25,000
Maximum Income Band	\$34,999
Minimum Allowable Income	\$30,240
Difference	\$4,759
Income Band Range	\$9,999
Difference as a Percent of Income Band Range	48%
Allocation for 60% AMI	48%

MAXIMUM INCOME LIMIT ALLOCATION 60% AMI	
Minimum Income Band	\$35,000
Maximum Income Band	\$49,999
Maximum Allowable Income	\$46,320
Difference	\$3,679
Income Band Range	\$14,999
Difference as a Percent of Income Band Range	25%
Allocation for 60% AMI	75%

Only a portion of the income groups will income qualify. This is calculated as follows:

60% AMI RENTER HOUSEHOLDS - 2024			
<i>Income Level:</i>	<i>Total Renter Households (55+)</i>	<i>Allocation</i>	<i>Qualified Renter Households (55+)</i>
<\$15,000	527	0.0%	0
\$15,000-\$24,999	195	0.0%	0
\$25,000-\$34,999	272	47.6%	129
\$35,000-\$49,999	625	75.5%	471
\$50,000-\$74,999	819	0.0%	0
\$75,000-\$99,999	465	0.0%	0
\$100,000-\$149,999	323	0.0%	0
\$150,000-\$199,999	48	0.0%	0
\$200,000+	36	0.0%	0
Total Households	3,309	18.2%	601

Approximately 18.2% of the age-qualified renter households in the PMA will be income qualified based on the subject's proposed starting rents.

Future Supply – 60% AMI

Legacy at Walton Trail Senior Apartments received a LIHTC allocation during the 2019 funding cycle from the Georgia DCA. It will replace existing public housing units located adjacent to Tanner Medical Center. The project is currently under construction and will offer 90 units, including 23 units (11 one-bedroom and 12 two-bedroom) restricted at 60% AMI. Any additional future phases of the Legacy at Walton Trail development are yet to receive funding.

Arbours at Villa Rica received a LIHTC allocation during the 2018 funding cycle from the Georgia DCA. The project is proposed with 192 total units including 132 units at 60% AMI. Since the project will not be age restricted and will target families, there will be minimal competitive overlap with the proposed subject.

Qualified Net Demand – 60% AMI

A summary of the incremental demand for additional rental housing units at 60% AMI is provided:

Four sources of demand are considered for senior-oriented projects:

1. Household growth;
2. Rent overburdened households;
3. Renter households residing in substandard housing.
4. Elderly homeowner turnover (5% of homeowners in designated rural areas)

The components of demand at the end of the 36-month analysis period are provided:

CAPTURE RATE ANALYSIS - 60% AMI							
a	Projected Renter Household Growth (2022 - 2024)					1	
b	Existing Demand from Rent Overburdened Households		15.9%	+		96	
c	Existing Demand from Substandard Rental Units		2.9%	+		17	
d	Existing Demand from Elderly Homeowner Turnover		5.0%	+		70	
e	TOTAL DEMAND			=		184	
	UNIT TYPE	# UNITS	DEMAND SHARE	TOTAL DEMAND	FUTURE SUPPLY	NET DEMAND	CAPTURE RATE
g	One-Bedroom Units	17	45%	83	11	72	23.7%
h	Two-Bedroom Units	29	55%	101	12	89	32.6%
k	Total - 60% AMI	46	100%	184	23	161	28.6%

Based on the demographic analysis, there is market support for the subject. There is enough demand for all of the properties in the PMA.

EFFECTIVE DEMAND – 70% AMI

The subject will include five units oriented towards households earning up to 70% AMI.

Income Qualification – 70% AMI

An analysis was conducted to determine the cost-to-income ratio that is supportable by the market for potential residents at the subject property. According to DCA guidelines, elderly (age 55+) households are considered rent overburdened when more than 40% of income is spent on housing. Therefore, a 40% income ratio was applied in the analysis.

HOUSEHOLD INCOME REQUIREMENTS 70% AMI	
Low End of Subject's Rental Range	\$1,208
Maximum Housing Cost as % of Income	40%
Monthly Income Required	\$3,020
Annual Income Required	\$36,240

The maximum income limits in Carroll County are provided:

MAXIMUM INCOME LIMIT BY AMI & HOUSEHOLD SIZE				
Persons	40% AMI	50% AMI	60% AMI	70% AMI
1	\$27,000	\$33,750	\$40,500	\$47,250
2	\$30,880	\$38,600	\$46,320	\$54,040
3	\$34,720	\$43,400	\$52,080	\$60,760
4	\$38,560	\$48,200	\$57,840	\$67,480
5	\$41,680	\$52,100	\$62,520	\$72,940
6	\$44,760	\$55,950	\$67,140	\$78,330

Source: Novogradac

The subject will offer one- and two-bedroom units targeting the 70% AMI income level. Utilizing guidelines of no more than two people in an age-restricted two-bedroom unit, the maximum allowable income for households at the 70% AMI income level is \$54,040. We have allocated percentages of each income group between the minimum income required to afford rent and the maximum income allowed to qualify for 70% AMI. The allocations for each income group are presented:

MINIMUM INCOME LIMIT ALLOCATION 70% AMI	
Minimum Income Band	\$35,000
Maximum Income Band	\$49,999
Minimum Allowable Income	\$36,240
Difference	\$13,759
Income Band Range	\$14,999
Difference as a Percent of Income Band Range	92%
Allocation for 70% AMI	92%

MAXIMUM INCOME LIMIT ALLOCATION 70% AMI	
Minimum Income Band	\$50,000
Maximum Income Band	\$74,999
Maximum Allowable Income	\$54,040
Difference	\$20,959
Income Band Range	\$24,999
Difference as a Percent of Income Band Range	84%
Allocation for 70% AMI	16%

Only a portion of the income groups will income qualify. This is calculated as follows:

70% AMI RENTER HOUSEHOLDS - 2024			
<i>Income Level:</i>	<i>Total Renter Households (55+)</i>	<i>Allocation</i>	<i>Qualified Renter Households (55+)</i>
<\$15,000	527	0.0%	0
\$15,000-\$24,999	195	0.0%	0
\$25,000-\$34,999	272	0.0%	0
\$35,000-\$49,999	625	91.7%	573
\$50,000-\$74,999	819	16.2%	132
\$75,000-\$99,999	465	0.0%	0
\$100,000-\$149,999	323	0.0%	0
\$150,000-\$199,999	48	0.0%	0
\$200,000+	36	0.0%	0
Total Households	3,309	21.3%	705

Approximately 21.3% of the age-qualified renter households in the PMA will be income qualified based on the subject's proposed starting rents.

Future Supply – 70% AMI

There are no proposed units in the subject's defined PMA targeting the 70% AMI households.

Qualified Net Demand – 70% AMI

A summary of the incremental demand for additional rental housing units at 70% AMI is provided:

Four sources of demand are considered for senior-oriented projects:

1. Household growth;
2. Rent overburdened households;
3. Renter households residing in substandard housing.
4. Elderly homeowner turnover (5% of homeowners in designated rural areas)

The components of demand at the end of the 36-month analysis period are provided:

CAPTURE RATE ANALYSIS - 70% AMI							
a	Projected Renter Household Growth (2022 - 2024)					6	
b	Existing Demand from Rent Overburdened Households	6.5%	+			46	
c	Existing Demand from Substandard Rental Units	2.9%	+			20	
d	Existing Demand from Elderly Homeowner Turnover	5.0%	+			79	
e	TOTAL DEMAND		=			151	
	UNIT TYPE	# UNITS	DEMAND SHARE	TOTAL DEMAND	FUTURE SUPPLY	NET DEMAND	CAPTURE RATE
g	One-Bedroom Units	2	45%	68	0	68	2.9%
h	Two-Bedroom Units	3	55%	83	0	83	3.6%
k	Total - 70% AMI	5	100%	151	0	151	3.3%

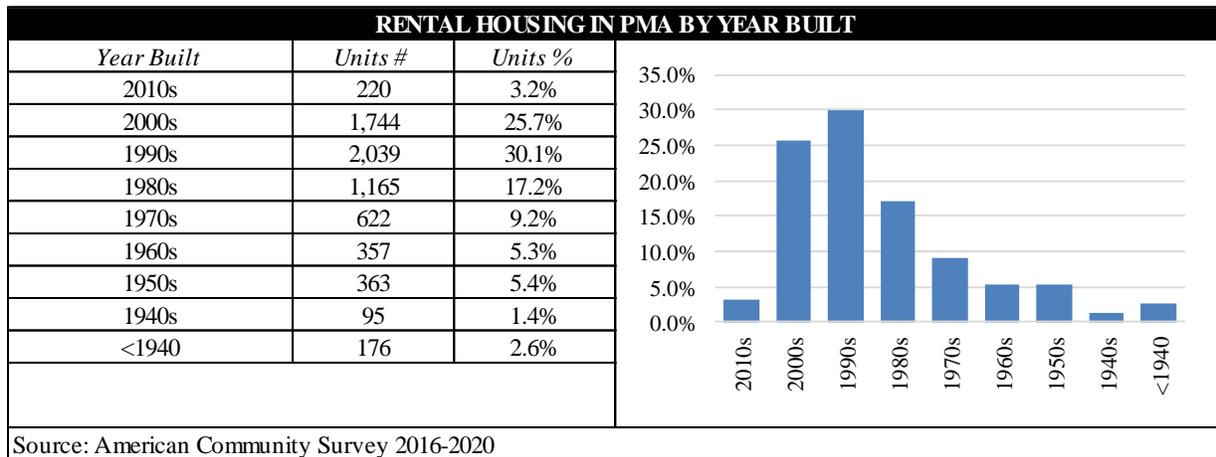
Based on the demographic analysis, there is market support for the subject. There is enough demand for all of the properties in the PMA.

I. Existing Competitive Rental Environment

This section provides an overview of the current state of the rental housing market in the defined PMA. An overview of the general characteristics of the overall rental market is provided. This is followed by a summary of all surveyed properties and a more granular analysis of the competitive/comparable group of rental apartment communities.

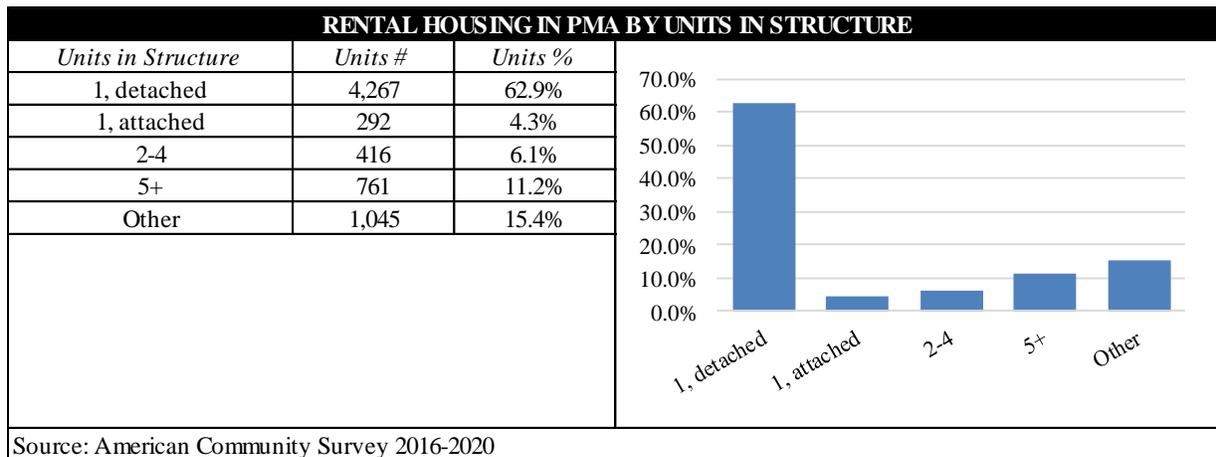
PMA Rental Market Overview

Rental housing options in the PMA are summarized by year built:



The majority of rental housing options in the PMA were built between 1990 and 2009. Suburban sprawl has pushed the outer limits of Greater Atlanta’s established growth corridors further to the north. Long commute times made development of the long ignored west side of Greater Atlanta a more attractive venture. In the 1990s and 2000s, construction accelerated in high-quality developments such as Mirror Lake and Fairfield Plantation.

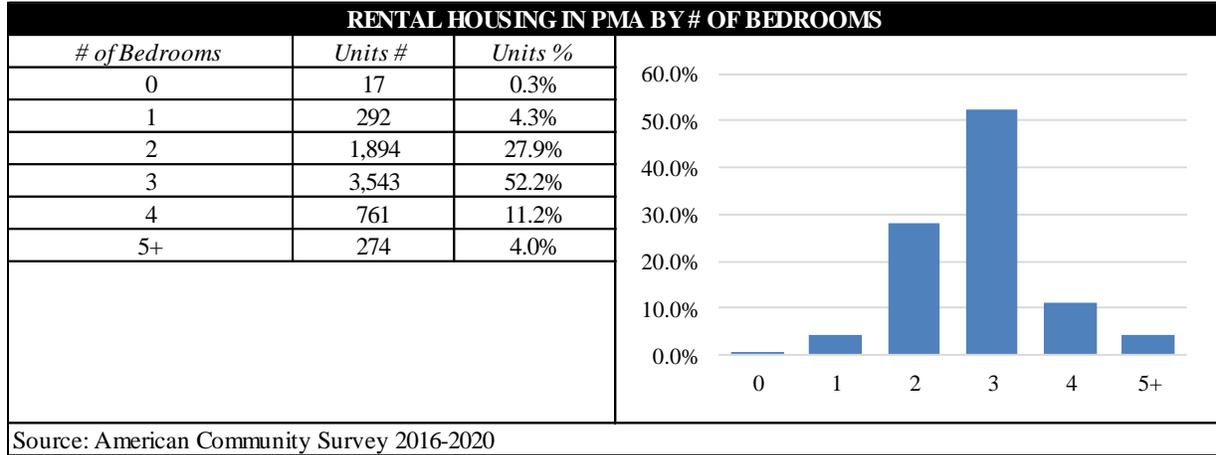
Rental housing options in the PMA are summarized by units per structure:



The subject’s PMA is considered “rural” according to the USDA. A rural market will typically contain lower density housing. Single family housing accounts for roughly 70% of the rental housing stock. “Other”

rental housing, which primarily consists of mobile homes, makes up another 14% of the PMA rental housing. All multifamily development accounts for the remaining 16%.

Rental housing options in the PMA are summarized by number of bedrooms:



The majority of rental housing options in the PMA contain three bedrooms. This is consistent with a market dominated by single-family rental units since most single-family housing units contain three bedrooms.

PMA Rental Survey Results

Rental apartment communities in the subject’s region were interviewed in order to understand the dynamics of the market. Since the subject lies in a designated Rural area, properties located outside the PMA but within a 10-mile radius of the subject were also surveyed. These properties are broken out by geography below. Occupancy levels for the properties are as follows:

APARTMENTS LOCATED WITHIN THE SUBJECT’S PMA							
#	Property Name	Year Built	Type	Orientation	# Units	Occupancy	Occupied Units
---	Arbours at Town Branch (Phase II at	2024	Market-Rate	Senior (55+)	64	--	--
1	Hawthorne At Mirror Lake	2005	Market-Rate	Family	250	94%	236
2	Wildwood At Villa Rica	2003	Market-Rate	Family	220	94%	207
3	Hickory Falls	2003	Market-Rate	Family	220	97%	213
4	Arbor Bend	2002	Market-Rate	Family	96	96%	92
5	Temple Townhomes	2006	Market-Rate	Family	55	100%	55
6	Westshire Townhome Apartments	2001	Market-Rate	Family	88	99%	87
7	Bellevue Senior Living	2000	Market-Rate	Senior (55+)	92	100%	92
8	Connors Senior Village	2012	LIHTC	Senior (55+)	120	98%	118
9	Hampton Court Apartments	1985	USDA	Family	100	93%	93
10	Villa Rica Housing Authority	1960	RAD	Family	101	100%	101
Surveyed Rental Units in PMA					1,342	96.4%	1,294

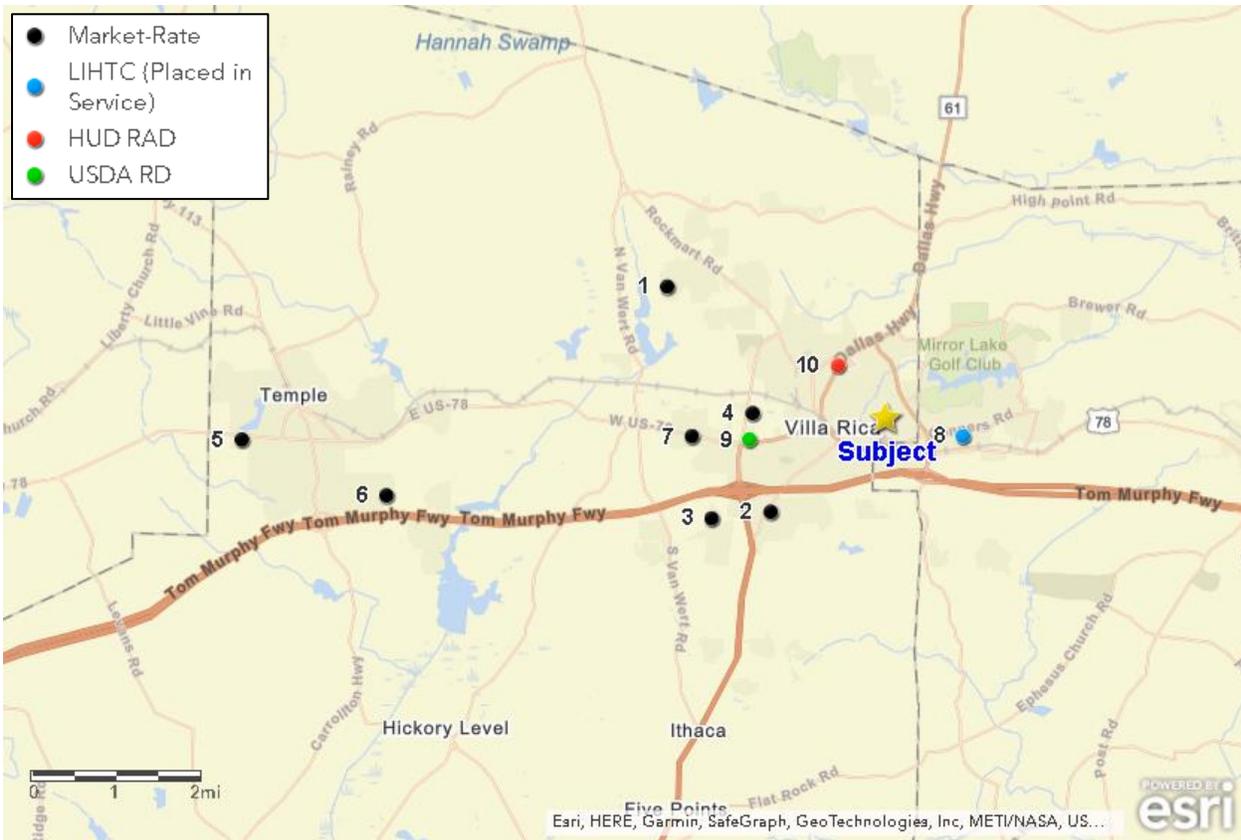
Properties within the PMA are operating at or above stabilized levels. Hawthorne at Mirror Lake completed a second phase in 2018. The Villa Rica Housing Authority demolished 40 units in 2020 to make way for a new age-restricted community.

A breakdown of occupancy levels by market segment for properties in the PMA is provided:

SURVEYED APARTMENT COMMUNITIES BY TYPE			
Property Type	# Units	Occupancy	Occupied Units
Market-Rate (Family)	929	95.8%	890
Market-Rate (Senior)	92	100.0%	92
LIHTC	120	98.3%	118
Subsidized	201	96.5%	194

Market-rate general occupancy communities are operating just under 96% occupied. All senior communities, both market-rate and LIHTC are effectively full with waiting lists. The two vacant units at Conners Senior Village are being filled from a waiting list. The subsidized communities in the PMA are approximately 96.5% occupied.

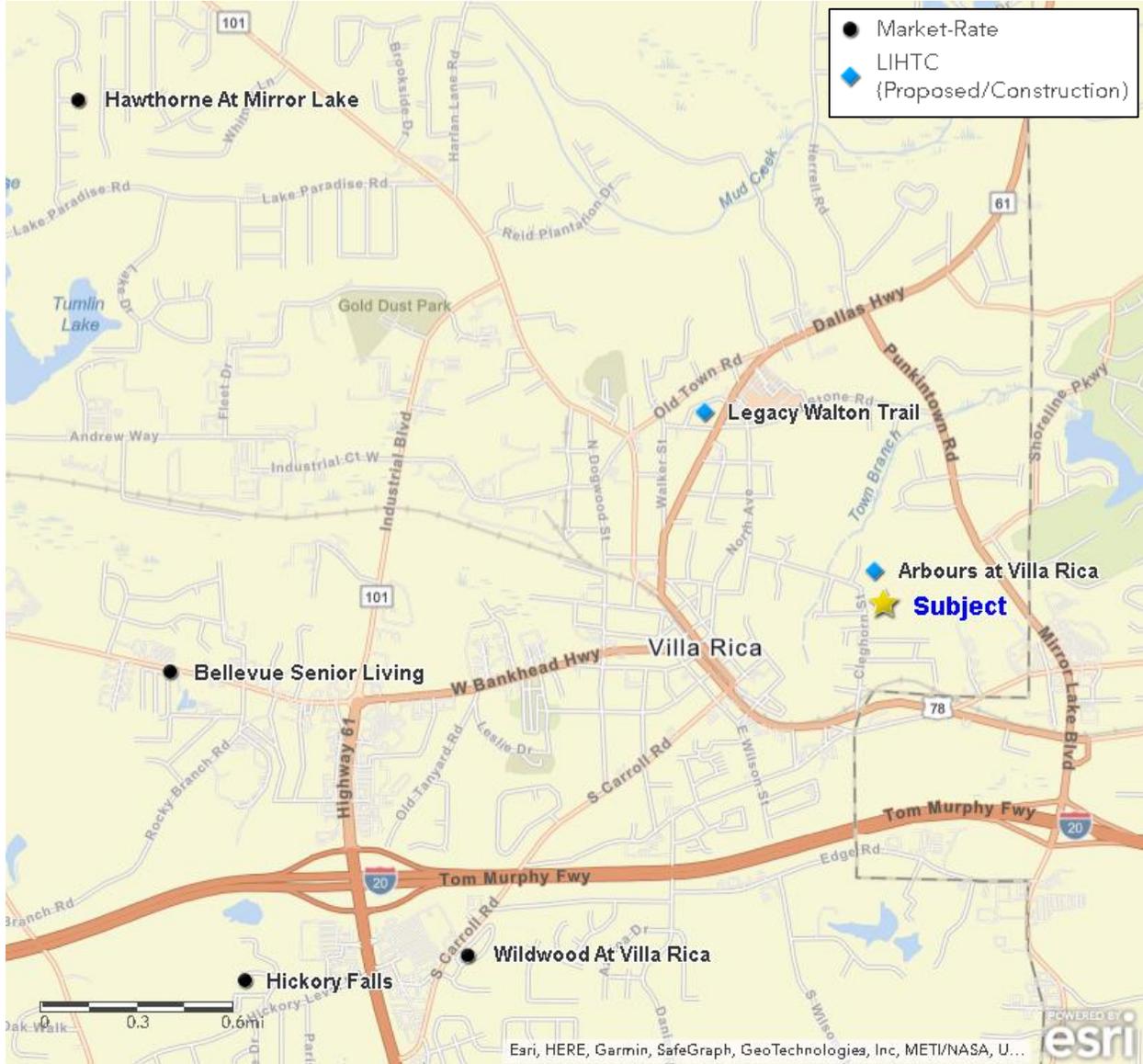
A map of the surveyed rental apartment communities in the PMA is provided:



The comparable properties in the PMA were selected based on their age, target tenant, unit mix, and offerings of finishes and amenities. The comparable properties in the PMA are presented below:

SUBJECT'S COMPARABLE SUPPLY							
#	Property Name	Year Built	Type	Orientation	# Units	Occupancy	Occupied Units
---	Arbours at Town Branch (Phase II at	2024	Market-Rate	Senior (55+)	64	--	--
1	Hawthorne At Mirror Lake	2005	Market-Rate	Family	250	94%	236
2	Wildwood At Villa Rica	2003	Market-Rate	Family	220	94%	207
3	Hickory Falls	2003	Market-Rate	Family	220	97%	213
4	Bellevue Senior Living	2000	Market-Rate	Senior (55+)	92	100%	92
Surveyed Competitive Units in PMA					782	96%	748

The comparable properties and proposed LIHTC projects in the PMA are noted on the map below:



A summary of the comparable units is provided:

COMPARABLE PROPERTY LOCATIONS	
<i>Property Name</i>	<i>Address</i>
Hawthorne at Mirror Lake	100 Woods Walk, Villa Rica, GA
Wildwood at Villa Rica	540 South Carroll Road, Villa Rica, GA
Hickory Falls	801 Hickory Level Road, Villa Rica, GA
Bellevue Senior Living	1050 West Bankhead Highway, Villa Rica, GA

Hawthorne At Mirror Lake (Lease # 1)

Hawthorne At Mirror Lake is a 250-unit apartment community built in two phases in 2005 and 2018. It offers one-, two-, and three-bedroom units ranging from 807 to 1,362 square-feet. The property features a clubhouse, business center, fitness center, pool, tennis court, playground, barbeque/picnic area, pet park, pet spa, gated access, storage and garages available. Each unit includes a balcony/patio, walk-in closet, granite countertops (select units), ceiling fans, washer/dryer connections, carpet/wood-vinyl flooring, blinds, stainless steel (select units), refrigerator, range/oven, dishwasher, garbage disposal, and microwave.

No utilities are included in base rents. Water, sewer, trash removal, pest control, and parcel lockers are bundled together in a monthly fee of \$97, \$107, and \$117 for one-, two-, and three-bedroom units, respectively. The community is offering a concession of \$500 off upfront and \$50 off monthly on select units. Detached garages can be rented for \$125 per month. Storage units are available ranging from \$35 to \$50 per month, depending on size. At the time of the survey, the property was 94.4% occupied.

Wildwood At Villa Rica (Lease # 2)

Wildwood at Villa Rica is a 220-unit apartment community built in 2003. It offers one-, two-, and three-bedroom units ranging from 812 to 1,225 square-feet. The property features a clubhouse, business center, fitness center, pool, playground, barbeque/picnic area, pet park, car care center, laundry facility, gated access, and garages available. Each unit includes a balcony/patio, walk-in closet, ceiling fans, carpet, wood-vinyl flooring, blinds, refrigerator, range/oven, dishwasher, garbage disposal, microwave, and washer/dryer.

No utilities are included in base rent. Trash removal is \$28 per month and pest control \$3 per month. There is a premium of approximately \$115 on renovated units. Garages and storage can be rented out for an additional \$75 and \$25 per month, respectively. At the time of the survey, the property was 94% occupied. Half of the units have been renovated.

Hickory Falls (Lease # 3)

Hickory Falls is a 220-unit apartment community built in 2003. The property was initially funded with 4% Tax Credits; however shortly after sale in 2017, the property was converted to market-rate at the end of its 15-year affordability period. It offers one-, two-, and three-bedroom units ranging from 975 to 1,350 square feet. The property features a clubhouse, business center, fitness center, pool, tennis court, playground, barbeque/picnic area, pet park, laundry facility, gated access, and garages available. Each unit includes a balcony/patio, walk-in closet, ceiling fans, carpet/tile flooring, granite/quartz countertops (select units), blinds, washer/dryer connection, stainless steel (select units), refrigerator, range/oven, dishwasher, and garbage disposal.

No utilities are included in base rent. Trash removal and pest control are a combined fee of \$15 per month. Detached garages can be rented for \$125 per month. At the time of the survey, the property was 97% occupied.

Bellevue Senior Living (Lease # 4)

Bellevue is a 92-unit age-restricted apartment community built in 2000. It offers two-bedroom units that are 900 square-feet. The property features a clubhouse, barbeque/picnic area, courtyard, and carports. Each unit includes a balcony/patio, walk-in closet, ceiling fans, carpet/tile flooring, blinds, washer/dryer connection, refrigerator, range/oven, dishwasher, and garbage disposal.

No utilities are included in base rents. Water, sewer, trash removal, and pest control are billed together at \$60 per month. At the time of the survey, the property was 100% occupied.

Future Supply

Legacy at Walton Trail Senior Apartments received LIHTC allocations during the 2019 funding cycle from the Georgia DCA. Walton Communities is developing the project at 490 Old Stone Road. Legacy Walton Trail is replacing former public housing units (Housing Authority has recently converted all its units to RAD) located adjacent to Tanner Medical Center. According to Dick Chambers with the Villa Rica Housing Authority, construction is underway with delivery later in 2022. The project will offer 90 units, including 27 units restricted at 30% AMI with project-based rental assistance, 23 units restricted at 60% AMI, and 40 units restricted at 80% AMI. There are plans for additional redevelopment of the existing RAD units; however, any additional construction plans are tentative and have not received funding at this time.

Arbours at Villa Rica received a LIHTC allocation during the 2018 funding cycle from the Georgia DCA. The project is proposed with 192 total units including 30 units at 50% AMI and 132 units at 60% AMI. Since the project will not be age restricted and will target families, there will be minimal competitive overlap with the proposed subject.

There are additional proposed market-rate projects in the PMA that have not yet broken ground:

Parkside at Villa Rica is a proposed 195-unit market rate multifamily development to be located at 135 Commerce Drive in Villa Rica.

Avemore Village is a proposed 325-unit market-rate multifamily development to be located at 63 Goldsworth Road in Villa Rica.

Cottages at Villa Rica is a proposed 200-unit market-rate rental cottage community to be located at 1301 U.S. Highway 78 in Villa Rica.

Fuqua Mixed-Use Project is a proposed mixed use development containing 208 apartments, 255 townhomes, and 18 acres of commercial space to be located at 300 Mirror Lake Boulevard.

Amenities

The subject's proposed unit and project amenities compared to the competitive properties in the market is provided:

COMMUNITY AMENITIES														
Community	Clubhouse	Fitness Room	Business Center	Pool	Sports Court	Playground	Barbeque/Picnic Area	Car Care Center	Laundry Facility	Dog Park	Attached Garages	Detached Garages	Elevators	Gated Access
Subject	x	x	x				x		x				x	x
Hawthorne At Mirror Lake	x	x	x	x	x	x	x			x		x	x	x
Wildwood At Villa Rica	x	x	x	x		x	x	x	x	x		x		x
Hickory Falls	x	x	x	x	x	x	x		x	x		x		x
Bellevue Senior Living	x						x							

All surveyed comparable properties offer a clubhouse and barbeque/picnic area. Most comparables also offer a fitness center, business center, pool, dog park, and gated/secured access.

UNIT AMENITIES														
Community	Utilities Included in Rent				Patio/ Balcony	Outside Storage	Dishwasher	Microwave	Washer/Dryer Connections	Washer/ Dryer in Unit	Granite/Quartz Countertops	Wood Vinyl Flooring	Stainless Steel Appliances	Ceiling Fans
	Electric	Water/ Sewer	Trash Removal	Pest Control										
Subject			x	x	x		x	x	x					
Hawthorne At Mirror Lake					x	x	x	x	x	x	x	x	x	x
Wildwood At Villa Rica					x		x	x	x	x		x		x
Hickory Falls					x	x	x		x		x		x	
Bellevue Senior Living		x	x	x	x		x		x					

All surveyed comparable properties offer a patio/balcony, refrigerator, range/oven, dishwasher, and washer/dryer connections. Hawthorne at Mirror Lake and Wildwood at Villa Rica include microwaves in the kitchen. Wildwood at Villa Rica and Hawthorne at Mirror Lake include a washer/dryer in addition to connections. Hawthorne at Mirror Lake and Hickory Falls feature granite countertops and stainless steel appliances in select units.

A list of competitive advantages and disadvantages follows:

COMPETITIVE ADVANTAGES/DISADVANTAGES			
Item	Advantage	Disadvantage	Comparable
Street Exposure			X
Access			X
Design			X
Building Type			X
Parking Adequate			X
Unit Size			X
Unit Features			X
Unit Finishes			X
Common Area			X
Recreational Amenities			X
Views			X

The subject will offer units of similar size with superior build quality to most of the existing properties.

Market Rent Analysis

The subject’s base rate will include trash removal and pest control. Therefore, utility costs including water/sewer and electric are the responsibility of the tenant. Gross rents for each property were analyzed. The resident paid utilities were based on local market data as follows:

HOUSING AUTHORITY UTILITY ALLOWANCE- WATER AND SEWER		
<i>Item</i>	<i>One-Bedroom</i>	<i>Two-Bedroom</i>
Water	\$22	\$25
Sewer	\$23	\$27
Total Water/Sewer	\$45	\$52
Source: Housing Authority		

HOUSING AUTHORITY ELECTRIC ADJUSTMENT		
<i>Item</i>	<i>One-Bedroom</i>	<i>Two-Bedroom</i>
Heating	\$9	\$11
Cooking	\$8	\$10
Water Heating	\$14	\$19
Other Electric	\$22	\$28
Air Conditioning	\$7	\$9
Total Electric	\$60	\$77
Source: Housing Authority		

TRASH REMOVAL ADJUSTMENT	
<i>Property</i>	<i>Rate</i>
Wildwood at Villa Rica	\$28
Conclusion	\$28

PEST CONTROL ADJUSTMENT	
<i>Property</i>	<i>Rate</i>
Wildwood at Villa Rica	\$3
Conclusion	\$3

The income targeted by the subject was defined based on the most comparable properties located in the PMA. The rental rates provided reflect current 2022 rents and have not been trended into the future. The rental rate range for the comparable set is summarized by unit type as follows:

ONE-BEDROOM RENTS						
<i>Property</i>	<i>Unadjusted Rents</i>		<i>Utilities</i>		<i>Adjusted Gross Rents</i>	
	<i>Low End</i>	<i>High End</i>	<i>Utilities Included</i>	<i>Utility Cost Difference</i>	<i>Low End</i>	<i>High End</i>
SUBJECT	\$615	\$1,100	TP	\$108	\$723	\$1,208
Hawthorne At Mirror Lake	\$1,621	\$1,621	None	\$136	\$1,757	\$1,757
Wildwood At Villa Rica	\$1,480	\$1,480	None	\$136	\$1,616	\$1,616
Hickory Falls	\$1,400	\$1,400	None	\$136	\$1,536	\$1,536

TWO-BEDROOM RENTS						
<i>Unadjusted Rents</i>			<i>Utilities</i>		<i>Adjusted Gross Rents</i>	
Property	Low End	High End	Utilities Included	Utility Cost Difference	Low End	High End
SUBJECT	\$736	\$1,300	TP	\$132	\$868	\$1,432
Hawthorne At Mirror Lake	\$1,603	\$1,917	None	\$160	\$1,763	\$2,077
Wildwood At Villa Rica	\$1,555	\$1,605	None	\$160	\$1,715	\$1,765
Hickory Falls	\$1,539	\$1,539	None	\$160	\$1,699	\$1,699

The subject’s proposed rents provide an advantage over the average market rent in the PMA at each bedroom type and AMI. A summary of the subject’s proposed rents and the average market rent for the comparable properties is provided:

SUBJECT RENT ADVANTAGE			
<i>Unit Type</i>	<i>Subject Rent</i>	<i>Average Comparable Rent</i>	<i>Subject Rent Advantage</i>
1BR @ 40% AMI	\$615	\$1,519	59.5%
1BR @ 50% AMI	\$796	\$1,519	47.6%
1BR @ 60% AMI	\$900	\$1,519	40.7%
1BR @ 70% AMI	\$1,100	\$1,519	27.6%
2BR @ 40% AMI	\$736	\$1,515	51.4%
2BR @ 50% AMI	\$953	\$1,515	37.1%
2BR @ 60% AMI	\$1,100	\$1,515	27.4%
2BR @ 70% AMI	\$1,300	\$1,515	14.2%

Concessions

Concessions among the competitive properties are minimal, as noted:

CONCESSION SUMMARY	
<i>Property Name</i>	<i>Concession Offered</i>
Hawthorne At Mirror Lake	\$500 off upfront; \$50 off monthly on select units
Wildwood At Villa Rica	0
Hickory Falls	None
Bellevue Senior Living	None

A summary of the subject and comparable units is provided:

COMPARABLE PROPERTIES WITHIN PMA									
Property Name	Year Built	Unit Type	# of Units by Type	Orientation	Total # of Units	Unit Size	Rent	Occupancy Rate	Occupied Units
Arbours at Town Branch (Phase II at Villa Rica) (SUBJECT)	2024	1x1	2	40% AMI	64	850	\$615	-	-
		1x1	3	50% AMI		850	\$796		
		1x1	17	60% AMI		850	\$900		
		1x1	2	70% AMI		850	\$1,100		
		2x2	3	40% AMI		1,153	\$736		
		2x2	5	50% AMI		1,153	\$953		
		2x2	29	60% AMI		1,153	\$1,100		
		2x2	3	70% AMI		1,153	\$1,300		
Hawthorne At Mirror Lake	2005	1x1	50	Market-Rate	250	807	\$1,621	94.4%	236
		1x1	37	Market-Rate		837	\$0		
		1x1	3	Market-Rate		849	\$1,621		
		2x2	35	Market-Rate		1,078	\$1,904		
		2x2	35	Market-Rate		1,089	\$1,603		
		2x2	30	Market-Rate		1,166	\$1,917		
		2x2	30	Market-Rate		1,213	\$1,731		
		3x2	20	Market-Rate		1,306	\$2,064		
Wildwood At Villa Rica	2003	1x1	66	Market-Rate	220	812	\$1,480	94.0%	207
		2x1	66	Market-Rate		900	\$1,555		
		2x2	66	Market-Rate		1,069	\$1,605		
		3x2	22	Market-Rate		1,225	\$1,985		
Hickory Falls	2003	1x1	24	Market-Rate	220	975	\$1,400	97.0%	213
		2x2	148	Market-Rate		1,175	\$1,539		
		3x2	48	Market-Rate		1,350	\$1,767		
Bellevue Senior Living	2000	2x1	92	Market-Rate	92	986	\$1,000	100.0%	92
Connors Senior Village	2012	1x1	3	50% AMI	120	960	N/A	98.3%	118
		1x1	9	60% AMI		960	\$674		
		1x1	2	50% AMI		960	N/A		
		1x1	10	60% AMI		960	\$674		
		2x2	9	50% AMI		1,039	N/A		
		2x2	39	60% AMI		1,039	\$733		
		2x2	7	50% AMI		1,039	N/A		
		2x2	41	60% AMI		1,039	\$733		
Totals/Averages (excluding Subject)					902			96.0%	866

Market Area Vouchers

The Villa Rica Housing Authority does not administer Housing Choice Vouchers. According to the Housing Authority, the waiting list for housing authority managed units is currently closed.

Impact of Abandoned, Vacant, and Foreclosed Properties

Foreclosed, abandoned, and vacant homes are not expected to impact the proposed subject.

Conclusion

The subject is a proposed LIHTC community targeting senior (age 55+) households up to 40%, 50%, 60%, and 70% AMI levels. The only existing DCA funded property in the PMA is Connors Senior Village. According to management, there are nearly 1,000 households on the waiting list. The pipeline includes one 90-unit age-restricted LIHTC community and one 192-unit family LIHTC community. There will be minimal competitive overlap between this project and the subject. The subject’s amenity offerings are on par with newest market-rate apartment communities in the PMA. The subject’s units represent a price advantage over the comparable market-rate properties. **The project, as proposed, will be able to lease up quickly and maintain a stabilized occupancy level without negatively impacting any proposed or existing properties.**

J. Absorption & Stabilization Rates

The subject will be a newly-constructed apartment complex that will require lease-up. The most recent LIHTC community to enter the market was Connors Senior Village Phase II in 2014. Absorption information was not available for the community. As such, a new property in the same county as the subject was examined. The absorption rate for this property is provided:

ABSORPTION ANALYSIS				
<i>Property</i>	<i>Month Lease-Up Began</i>	<i>Total # of Units</i>	<i>Months in Lease Up</i>	<i>Absorbed Units per Month</i>
<i>RECENTLY STABILIZED</i>				
Northwinds Place (Carrollton, GA)	Jun-20	102	6	16

Source: Leasing agents at each community

Northwinds Place is a senior LIHTC community in Carrollton. It entered the market in 2020 and experienced normal absorption. The property has operated at capacity since stabilizing. Due to similarities in market and apartment orientation, the subject should experience a similar absorption schedule.

The subject is anticipated to be fully absorbed within 4 months after leasing commences. The absorption schedule for the subject is estimated as follows:

ARBOURS AT TOWN BRANCH			
	Move Ins	Occ. Units	Occupancy
Total Units			64.0
Stabilized Occupancy			93.0%
Stabilized Units			59.5
Construction Begins	0.0	0.0	0%
Month 1 (First C/O - Leasing Begins)	15.0	15.0	23%
Month 2	15.0	30.0	47%
Month 3	15.0	45.0	70%
Month 4	14.5	59.5	93%
Total	59.5	59.5	93%

K. Interviews

Information utilized in the report was gathered from property managers throughout the region including Dick Chambers (Villa Rica Housing Authority), Ron Johnson (City of Villa Rica Planning), and Janet Hyde (Carroll County Planning).

L. Conclusions and Recommendations

The subject, as proposed, will be successful in the market. Based on the analysis of household and economic growth, the subject’s proposed income targeting and amenities, and current market conditions, we have concluded that the subject will be able to lease up in a normal timeframe and maintain a 93% occupancy level. There are no detrimental site conditions that would negatively impact the subject development. A summary of the numerical findings is provided:

Income	Unit Type	Income Units	#Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Avg- Market Rent	Market Rents Band	Proposed Rent
40% AMI	One-Bedroom	\$21,690 - \$30,880	2	71	0	71	2.8%	\$1,519	\$1,400 - \$1,621	\$615
	Two-Bedroom	\$26,040 - \$30,880	3	87	0	87	3.5%	\$1,515	\$1,000 - \$1,917	\$736
50% AMI	One-Bedroom	\$27,120 - \$38,600	3	79	0	79	3.8%	\$1,519	\$1,400 - \$1,621	\$796
	Two-Bedroom	\$32,550 - \$38,600	5	97	0	97	5.2%	\$1,515	\$1,000 - \$1,917	\$953
60% AMI	One-Bedroom	\$30,240 - \$46,320	17	83	11	72	23.7%	\$1,519	\$1,400 - \$1,621	\$900
	Two-Bedroom	\$36,960 - \$46,320	29	101	12	89	32.6%	\$1,515	\$1,000 - \$1,917	\$1,100
70% AMI	One-Bedroom	\$36,240 - \$54,040	2	68	0	68	2.9%	\$1,519	\$1,400 - \$1,621	\$1,100
	Two-Bedroom	\$42,960 - \$54,040	3	83	0	83	3.6%	\$1,515	\$1,000 - \$1,917	\$1,300
Bedroom Overall	One-Bedroom	\$21,690 - \$54,040	24	136	11	125	2.9%	\$1,519	\$1,400 - \$1,621	---
	Two-Bedroom	\$26,040 - \$54,040	40	166	12	154	3.6%	\$1,515	\$1,000 - \$1,917	---
TOTAL for Project	40% AMI	\$21,690 - \$30,880	5	158	0	158	3.2%	---	\$1,000 - \$1,917	---
	50% AMI	\$27,120 - \$38,600	8	176	0	176	4.6%	---	\$1,000 - \$1,917	---
	60% AMI	\$30,240 - \$46,320	46	184	23	161	28.6%	---	\$1,000 - \$1,917	---
	70% AMI	\$36,240 - \$54,040	5	151	0	151	3.3%	---	\$1,000 - \$1,917	---
	Overall	\$21,690 - \$54,040	64	302	23	279	23.0%	---	\$1,000 - \$1,917	---

M. Signed Statement Requirement

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

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

DCA may rely on the representation made in the market study. The document is assignable to other lenders.



Signature

ADDENDUM A
RENT COMPARABLES

**Lease Comparable 1
Hawthorne At Mirror Lake**

Property Identification - 15994

Property Name Hawthorne At Mirror Lake
Property Type Multifamily
Address 100 Woods Walk
City, State, Zip Villa Rica, Georgia 30180
Occupancy 94.4%
Confirmed By Amanda Seay
Confirmed With Katie
Date of Confirmation May 2022
Confirmation Phone 470-279-4388



Physical Data

Year Built 2005
Stories 3
Number of Units 250
Building Condition Good
Property Amenities Clubhouse, Business Center, Fitness Center, Pool, Tennis Court, Playground, Barbeque/Picnic Area, Pet Park, Pet Spa, Gated Access
Unit Amenities Balcony/Patio, Walk-In Closet, Granite Countertops (Select Units), Ceiling Fans, Carpet/Wood-Vinyl Flooring, Blinds, Washer/Dryer Connection
Unit Appliances Stainless Steel (Select Units), Refrigerator, Range/Oven, Dishwasher, Garbage Disposal, Microwave, W/D (Select Units)
Utilities with Rent None

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
The Tupelo (P2)	1 Bd 1.0 Ba	50	807	40,350	\$1,621	\$81,050	\$2.01	20%
The Birch	1 Bd 1.0 Ba	37	837	30,969				15%
The Sweet Gum (P2)	1 Bd 1.0 Ba	3	849	2,547	\$1,621	\$4,863	\$1.91	1%
The Walnut (P2)	2 Bd 2.0 Ba	35	1,078	37,730	\$1,904	\$66,640	\$1.77	14%
The Chestnut G	2 Bd 2.0 Ba	35	1,089	38,115	\$1,603	\$56,105	\$1.47	14%
The Cedar (P2)	2 Bd 2.0 Ba	30	1,166	34,980	\$1,917	\$57,510	\$1.64	12%
The Dogwood	2 Bd 2.0 Ba	30	1,213	36,390	\$1,731	\$51,930	\$1.43	12%
The Buckeye (P2)	3 Bd 2.0 Ba	20	1,306	26,120	\$2,064	\$41,280	\$1.58	8%
The Willow	3 Bd 2.0 Ba	10	1,362	13,620	\$1,853	\$18,530	\$1.36	4%
* Totals *		250	1,043	260,821	\$1,512	\$377,908	\$1.45	100%

Remarks

Hawthorne At Mirror Lake is a 250-unit apartment community built in two phases in 2005 and 2018. It offers one-, two-, and three-bedroom units ranging from 807 to 1,362 square-feet. The property features a clubhouse, business center, fitness center, pool, tennis court, playground, barbeque/picnic area, pet park, pet spa, gated access, storage and garages available. Each unit includes a balcony/patio, walk-in closet, granite countertops (select units), ceiling fans, washer/dryer connections, carpet/wood-vinyl flooring, blinds, stainless steel (select units), refrigerator, range/oven, dishwasher, garbage disposal, and microwave. No utilities are included in base rents. Water, sewer, trash removal, pest control, and parcel lockers are bundled together in a monthly fee of \$97, \$107, and \$117 for one-, two-, and three-bedroom units, respectively. The community is offering a concession of \$500 off upfront and \$50 off monthly on select units. Detached garages can be rented for \$125 per month. Storage units are available ranging from \$35 to \$50 per month, depending on size. At the time of the survey, the property was 94.4% occupied.

**Lease Comparable 2
Wildwood At Villa Rica**

Property Identification - 14078

Property Name Wildwood At Villa Rica
Property Type Multifamily
Address 540 South Carroll Road
City, State, Zip Villa Rica, Georgia 30180
Occupancy 94.0%
Confirmed By Kevin Daniel Manrique
Confirmed With Amy
Date of Confirmation May 2022
Confirmation Phone 678-264-3693



Physical Data

Gross Building Area 215,000
Rentable Area 215,000
Year Built 2003
Stories 2
Number of Units 220
Building Condition Good

Property Amenities Clubhouse, Business Center, Fitness Center, Pool, Playground, Barbeque/Picnic Area, Pet Park, Car Care Center, Laundry Facility, Gated Access, Garages Available
Unit Amenities Balcony/Patio, Walk-In Closet, Ceiling Fans, Carpet, Wood-Vinyl Flooring, Blinds
Unit Appliances Refrigerator, Range/Oven, Dishwasher, Garbage Disposal, Microwave, Washer/Dryer
Utilities with Rent None

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
The Maple	1 Bd 1.0 Ba	66	812	53,592	\$1,480	\$97,680	\$1.82	30%
The Poplar	2 Bd 1.0 Ba	66	900	59,400	\$1,555	\$102,630	\$1.73	30%
The Oak	2 Bd 2.0 Ba	66	1,069	70,554	\$1,605	\$105,930	\$1.50	30%
The Magnolia	3 Bd 2.0 Ba	22	1,225	26,950	\$1,985	\$43,670	\$1.62	10%
* Totals *		220	957	210,496	\$1,590	\$349,910	\$1.66	100%

Remarks

Wildwood at Villa Rica is a 220-unit apartment community built in 2003. It offers one-, two-, and three-bedroom units ranging from 812 to 1,225 square-feet. The property features a clubhouse, business center, fitness center, pool, playground, barbeque/picnic area, pet park, car care center, laundry facility, gated access, and garages available. Each unit includes a balcony/patio, walk-in closet, ceiling fans, carpet, wood-vinyl flooring, blinds, refrigerator, range/oven, dishwasher, garbage disposal, microwave, and washer/dryer.

No utilities are included in base rent. Trash removal is \$28 per month and pest control \$3 per month. There is a premium of approximately \$115 on renovated units. Garages and storage can be rented out for an additional \$75 and \$25 per month, respectively. At the time of the survey, the property was 94% occupied. Half of the units have been renovated.

**Lease Comparable 3
Hickory Falls**

Property Identification - 15986

Property Name Hickory Falls
Property Type Multifamily
Address 801 Hickory Level Road
City, State, Zip Villa Rica, Georgia 30180
Occupancy 97.0%
Confirmed By Amanda Seay
Confirmed With Naomi
Date of Confirmation May 2022
Confirmation Phone 770-746-9471



Physical Data

Rentable Area 262,100
Year Built 2003
Stories 3
Number of Units 220
Building Condition Good

Property Amenities Clubhouse, Business Center, Fitness Center, Pool, Tennis Court, Playground, Barbeque/Picnic Area, Pet Park, Laundry Facility, Gated Access, Garages Available

Unit Amenities Balcony/Patio, Walk-In Closet, Ceiling Fans, Carpet/Tile Flooring, Granite/Quartz Countertops (Select Units), Blinds, Washer/Dryer Connection

Unit Appliances Stainless Steel (Select Units), Refrigerator, Range/Oven, Dishwasher, Garbage Disposal
Utilities with Rent None

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
A1	1 Bd 1.0 Ba	24	975	23,400	\$1,400	\$33,600	\$1.44	11%
B1	2 Bd 2.0 Ba	148	1,175	173,900	\$1,539	\$227,772	\$1.31	67%
C1	3 Bd 2.0 Ba	48	1,350	64,800	\$1,767	\$84,816	\$1.31	22%
* Totals *		220	1,191	262,100	\$1,574	\$346,188	\$1.32	100%

Remarks

Hickory Falls is a 220-unit apartment community built in 2003. The property was initially funded with 4% Tax Credits; however shortly after sale in 2017, the property was converted to market-rate at the end of its 15-year affordability period. It offers one-, two-, and three-bedroom units ranging from 975 to 1,350 square feet. The property features a clubhouse, business center, fitness center, pool, tennis court, playground, barbeque/picnic area, pet park, laundry facility, gated access, and garages available. Each unit includes a balcony/patio, walk-in closet, ceiling fans, carpet/tile flooring, granite/quartz countertops (select units), blinds, washer/dryer connection, stainless steel (select units), refrigerator, range/oven, dishwasher, and garbage disposal. No utilities are included in base rent. Trash removal and pest control are a combined fee of \$15 per month. Detached garages can be rented for \$125 per month. At the time of the survey, the property was 97% occupied.

**Lease Comparable 4
Bellevue Senior Living**

Property Identification - 15989

Property Name Bellevue Senior Living
Property Type Age Restricted Multifamily
Address 1050 West Bankhead
 Highway
City, State, Zip Villa Rica, Georgia 30180
Occupancy 100.0%
Confirmed By Amanda Seay
Confirmed With Leasing Agent
Date of Confirmation May 2022
Confirmation Phone 770-456-9144



Physical Data

Year Built 2000
Stories 1
Number of Units 92

Property Amenities Clubhouse, Barbeque/Picnic Area, Courtyard, Carports
Unit Amenities Balcony/Patio, Walk-In Closet, Ceiling Fans, Carpet/Tile Flooring, Blinds, Washer/Dryer Connection
Unit Appliances Refrigerator, Range/Oven, Dishwasher, Garbage Disposal
Utilities with Rent None

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
	2 Bd 1.0 Ba	92	986	90,712	\$1,000	\$92,000	\$1.01	100%

Remarks

Bellevue is a 92-unit age-restricted apartment community built in 2000. It offers two-bedroom units that are 900 square-feet. The property features a clubhouse, barbeque/picnic area, courtyard, and carports. Each unit includes a balcony/patio, walk-in closet, ceiling fans, carpet/tile flooring, blinds, washer/dryer connection, refrigerator, range/oven, dishwasher, and garbage disposal. No utilities are included in base rents. Water, sewer, trash removal, and pest control are billed together at \$60 per month. At the time of the survey, the property was 100% occupied.

ADDENDUM B
UTILITY ALLOWANCE

**Allowances for
Tenant-Furnished Utilities
and Other Services**

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

OMB Approval No. 2577-0169
(exp. 07/31/2022)

Locality		Unit Type					Date
Georgia North		Low-Rise Apartment					
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	8	12	14	19	24	28
	b. Bottle Gas	29	46	53	70	91	107
	c. Electric	12	17	21	26	31	38
	d. Heat Pump	8	9	11	16	20	21
Cooking	a. Natural Gas	2	3	4	5	6	7
	b. Bottle Gas	8	13	16	19	24	29
	c. Electric	5	8	10	12	15	17
		-	-	-	-	-	-
Other Electric		16	22	28	34	44	50
Air Conditioning		5	7	9	12	14	17
Water Heating	a. Natural Gas	3	5	7	8	10	12
	b. Bottle Gas	13	19	27	32	37	48
	c. Electric	9	14	19	24	29	34
		-	-	-	-	-	-
Water		20	24	27	33	39	43
Sewer		19	24	28	35	42	46
Trash Collection		15	15	15	15	15	15
Range/Microwave		11	11	11	11	11	11
Refrigerator		13	13	13	13	13	13
Other -			108	132			

Actual Family Allowances To be used by the family to compute allowance.		Utility or Service	per month cost
Complete below for the actual unit rented		Space Heating	
Name of Family		Cooking	
		Other Electric	
		Air Conditioning	
		Water Heating	
		Water	
Unit Address		Sewer	
		Trash Collection	
		Range/Microwave	
		Refrigerator	
Number of Bedrooms		Other	
		Total	

based on form HUD-52667 (04/15)

Previous editions are obsolete

ref. Handbook 7420.8

Effective 01/01/2022

ADDENDUM C
QUALIFICATIONS



"Providing solutions & exceeding expectations through vision, integrity & excellence"

Kay Kauchick, MAI

President

Value Tech Realty Services, Inc.

240 Crystal Grove Boulevard

Lutz, FL 33548

813.948.0545 ph

813.909.9338 fax

Certifications

Member: Appraisal Institute (MAI No. 10510)
NCHMA – National Council of Housing Market Analysts

State-Certified General Real Estate Appraiser in the following states:

- Alabama – G00706
- Florida – RZ 2066
- Georgia – 251355
- Indiana – CG40700410
- Kentucky – 003868
- Maryland – 32466
- Michigan – 1201006024
- Mississippi – GA-813
- North Carolina – A6711
- New Jersey – 42RG00194800
- New York – 46000051040
- Ohio – 2006006410
- Texas – TX-1336610-G
- Virginia – 4001-015705

Education

Bachelor of Arts – Michigan State University with specializations in Tourism and Travel Management, Economics and Marketing.

Ms. Kauchick has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and others. She is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members. Ms. Kauchick completed the HUD sponsored MAP training session in October 2000. She regularly updates her USPAP training and other education requirements as needed to maintain licensure in each state.

Professional Experience

Ms. Kauchick is co-founder of Value Tech Realty Services, Inc. She is a real estate consultant and Member of the Appraisal Institute. Her consulting services cover a broad spectrum of industries including market analytics, economic evaluations and financial valuations with deliverables that include a variety of real estate related services such as appraisals, market studies, economic impact reports and investment consulting. Reports have been prepared for a variety of private and governmental entities including the U.S Department of Housing and Urban Development (HUD) including MAP applications, Fannie Mac, Freddie Mac, LIHTC and various Bond programs. Each report was prepared in conformance with its individual agency requirements and with adherence to USPAP.

Ms. Kauchick has been actively engaged in real estate valuation and consulting since 1979 on national and international levels. Her background includes experience with the creation of economic development programs for third world countries utilizing tourism and real estate development as a stimulus for growth and detail market studies for private and public entities. She has assisted banks, international investment funds, and various profit and non-profit entities, evaluate investment opportunities. Her specialization has been within the housing, healthcare, multifamily, retail, office and hospitality industries. Clients served include accountants, investment firms, law firms, and lenders, private and public agencies. Valuations and market studies have been done on proposed, partially completed, renovated and existing structures.

Military-related work has been completed for the Navy, Air Force, Army, Army Core of Engineers, AAFES and developers providing services to each of the divisions. Economic and market program models have been created for the ability to evaluate various development scenarios. Demand studies were developed to interface with financial modeling programs in order to judge the highest and/or best use for military projects.

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"Providing solutions & exceeding expectations through vision, integrity & excellence"

Tyler Hamels

Project Director
Value Tech Realty Services, Inc.
240 Crystal Grove Boulevard
Lutz, FL 33548
813.948.0545 ph
813.909.9338 fax

Certifications

Member: NCHMA – National Council of Housing Market Analysts

Education

University of South Florida – Bachelor of Arts in Economics

Professional Experience

Tyler serves as project director of multifamily market analysis services. He has completed studies for income-restricted, market-rate, and mixed-income developments in urban, suburban and rural environments. Tyler has worked with a variety of clients including state finance agencies, private equity firms, national lenders, and developers. He also assists in military housing studies, rent comparability studies, and appraisals. Mr. Hamels has analyzed multifamily markets in Alabama, Arizona, Arkansas, California, Florida, Georgia, Idaho, Iowa, Kansas, Louisiana, Maryland, Mississippi, Missouri, Montana, Nevada, New Jersey, North Carolina, Ohio, South Carolina, South Dakota, Tennessee, Texas, and Virginia.

ADDENDUM D
ENGAGEMENT LETTER



"Providing solutions & exceeding expectations through vision, integrity & excellence"

April 21, 2022

Mr. Sam Johnston
Arbour Valley Development
242 Inverness Center Drive
Birmingham, AL 35242
sam@arbourvalley.com

RE: Georgia DCA Market Study for a proposed apartment complex in Villa Rica, Georgia.

Dear Mr. Johnston:

We are pleased to present this proposal to conduct a market study for a multifamily project located in Villa Rica, Georgia. The project will be a phase II to Arbours at Villa Rica, analyzed under file number 2020-102. The market study will be used for a tax credit application. The report will be compliant under Georgia Department of Community Affairs (DCA) guidelines.

Market Study Scope of Work

The first part of the assignment is to become familiar with market area and the general dynamics of the multifamily industry in the region. The steps necessary to achieve this understanding are as follows:

1. Gather inventory of the apartments in the market if they marketed themselves readily to the public (CoStar, apartment guide, etc.);
2. Quantify the level of demand currently accommodated;
3. Analyze job and household growth to estimate the future rental household demand that would likely reside within apartments;
4. Determine if the subject would satisfy the need of residents based on location, project description/amenities, etc.;
5. Determine if there is market support for the subject property.
6. Analyze general demographic and economic trends on a macro basis for the region, county and/or city as appropriate including population and household trends, age and income distribution, and projections;
7. Analyze specific demographic and economic trends on a micro basis for the city and/or specific census tracts/zip codes including population and household trends, age and income distribution, and projections;
8. Evaluate the current state of the housing market segmented according to age, income levels; and housing needs; and,
9. Assess net demand levels based on existing supply/qualified demand and if there appears to be a basis for additions to the market.

We will complete a preliminary evaluation of the different income orientation scenarios and give you feedback on their viability prior to completing the full study.

Writing the full market study document and finalizing the research will cost the balance of the total fee. This will result in bringing all aspects of the research together and providing a finalized conclusion involving the viability of the defined geographical market area. The purpose of the market study assignment is to establish the demand for affordable housing so that you can demonstrate there is

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Mr. Sam Johnston
Arbour Valley Development

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April 21, 2022

sufficient demand to support the property. All research and findings will be coordinated and presented in conformance with typical financing standards. The effective date of the market study will be our most recent inspection date and/or the most current date of obtaining market information.

Timing and Fees

TIMING AND FEES		
	Timing	Fee
Market Study	By May 19th	

This project will be completed on or before May 19th. If at any time during our research we believe that there may be limitations to the market, we will call you to discuss our findings and will stop progress on the assignment. Our fees will be amended to reflect the time spent on the assignment.

The total fee for this assignment is _____ A _____ **retainer** will be due upon acceptance of this engagement.

Reports

We will issue four original copies of the report. If additional copies are needed, please contact us so that we can make all copies at one time.

Arbour Valley Development and the Georgia Department of Community Affairs will be intended users of the report.

We appreciate the opportunity to submit this proposal and would welcome the opportunity to work with you on this assignment. Please call me at (813) 948-0545 if you have any questions.

Sincerely,

VALUE TECH REALTY SERVICES, INC.



Kay Kauchick, MAI
President

Your signature along with the amount _____ authorizes our firm to complete this assignment. The retainer will be applied to the total fee. The balance of the fee will be due 30 days after issuance of the report. It is understood that in the event any part of the fee or expenses is not delivered to Value Tech Realty Services, Inc., the proprietary interest in the research shall remain exclusively in Value Tech Realty Services, Inc. It is further understood that you, the client, shall be responsible for any fees or costs that may be incurred in an attempt to collect unpaid fees under this agreement.


Accepted by: _____ Date: 4/22/2022
Mr. Sam Johnston, Arbour Valley Development