



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

Magnolia Place Apartments

Blue Ridge, Fannin County, Georgia

Prepared for:

Beverly J. Searles Foundation

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1. EXECUTIVE SUMMARY

Beverly J. Searles Foundation has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis for Magnolia Place, a proposed rental community in Blue Ridge, Fannin County, Georgia. As proposed, Magnolia Place will be newly constructed and financed in part with nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA). Magnolia Place will offer 84 rental units including 75 LIHTC rental units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. Nine rental units will be market rate. Of the 75 LIHTC units, 48 will benefit from project based rental assistance (PBRA) with rents based on a percentage of each tenant's income. The following report, including the executive summary, is based on DCA's 2022 market study requirements.

1. Project Description

- The subject site is positioned along the southeastern intersection of Boardtown Road and Trakside Lane in Blue Ridge, Fannin County, Georgia.
- Magnolia Place will offer 84 newly constructed apartments including 75 Low Income Housing Tax Credit (LIHTC) units targeting renter households earning up to 60 percent of the Area Median Income (AMI) in Blue Ridge, Fannin County, Georgia. Nine units will be market rate. Of the 75 LIHTC units, 48 will benefit from project based rental assistance (PBRA) with rents based on a percentage of each tenant's income. The community will offer 30 one bedroom units, 34 two bedroom units, 14 three bedroom units, and six four bedroom units.
- The community will offer newly constructed garden apartments.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below. The rents shown will include trash removal.

Unit Mix/Rents										
Type	Bed	Bath	Income Target	Quantity	Gross Heated Sq. Feet	Net Rent	Utility Allowance	Gross Rent	Rent/Gross Sq. Foot	Maximum Net LIHTC Rent
LIHTC	1	1	60% AMI	10	650	\$605	\$108	\$713	\$0.93	\$651
LIHTC/PBRA	1	1	60% AMI	16	650	\$553	\$165	\$718	\$0.85	\$591
MKT	1	1		4	650	\$799	\$108	\$907	\$1.23	
One Bedroom Subtotal				30	650	\$603		\$742	\$0.93	
LIHTC	2	2	60% AMI	17	850	\$724	\$132	\$856	\$0.85	\$778
LIHTC/PBRA	2	2	60% AMI	12	850	\$707	\$194	\$901	\$0.83	\$713
MKT	2	2		5	850	\$956	\$132	\$1,088	\$1.12	
Two Bedroom Subtotal				34	850	\$752		\$906	\$0.88	
LIHTC/PBRA	3	2	60% AMI	14	1,100	\$878	\$240	\$1,118	\$0.80	\$808
Three Bedroom Subtotal				14	1,100	\$878		\$1,118	\$0.80	
LIHTC/PBRA	4	2	60% AMI	6	1,250	\$1,138	\$286	\$1,424	\$0.91	\$884
Four Bedroom Subtotal				6	1,250	\$1,138		\$1,424	\$0.91	
Total/Average				84	849	\$747		\$920	\$0.88	

Rents include: trash removal

Source: Beverly J. Searles Foundation

- Magnolia Place will offer a refrigerator, range/oven, dishwasher, microwave, carpet in bedroom areas and LVT in living, dining, kitchen, and bathrooms, high speed internet, balconies, and in-unit washer and dryers which are generally comparable or superior to all surveyed communities. The proposed unit features will be competitive in the market area among both LIHTC and market rate communities.



- Magnolia Place will offer a community room, fitness room, business center, community garden, library, wellness room, and playground. Magnolia Place's proposed amenities will be generally superior to those offered at the surveyed market rate communities and comparable to the surveyed LIHTC communities.

2. Site Description / Evaluation:

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has ample access to amenities, services, employers, and transportation arteries.

- The subject site is in a rural setting approximately one mile southwest of downtown Blue Ridge. The immediate neighborhood surrounding the site is a mixture of residential and commercial uses, such as a logging business, multi-family apartments, an air conditioning business, and a self-storage facility. Commercial development is densest near central Blue Ridge along Main Street with residential uses extending away from central Blue Ridge. Appalachian Highway, a major transportation thoroughfare, is located 0.2 miles west of the subject site. Although located just east of Appalachian Highway, the subject site is situated away from the thoroughfare with well-wooded areas, multi-family apartments, and low-density single-family neighborhoods surrounding the property.
- The subject site is an undeveloped parcel without any existing structures; the site is comprised low vegetation with trees at the edges of the site. The site for Magnolia Place is 9.09 acres. The site is roughly rectangular with flat elevation. Magnolia Place will offer 84 general occupancy garden apartments.
- Neighborhood amenities are convenient to the site including a convenience store, library, schools, police department, fire department, restaurants, a bank, and a pharmacy within two miles of the site. Shopping including Walmart Supercenter is within three miles of the subject site while downtown Blue Ridge is less than one mile northeast of the subject site.
- The subject site is positioned along the southeastern intersection of Boardtown Road and Trackside Lane in Blue Ridge, Fannin County, Georgia.
- Magnolia Place will have high visibility from Boardtown Road, which is a connector street to Appalachian Highway, the primary transportation thoroughfare, to the west. Boardtown Road also connects to Main Street to the east. The subject property will also have high visibility from Trackside Lane, a connector street. The high visibility from drive-by traffic from Boardtown Road to Appalachian Highway to the west and Main Street to the east will be an asset to the community.
- The subject's crime risk is comparable to the location of most commercial and residential areas in and surrounding Blue Ridge, with lower crime risks approximately two miles to the north, south, and east. The areas with lower crime risks are primarily rural. Based on this data and observations made during our site visit, RPRG does not believe crime, or the perception of crime, will negatively impact the subject property's viability.
- The subject site is suitable for the proposed development. RPRG did not identify any negative land uses that would affect the proposed development's viability in the marketplace.

3. Market Area Definition

- The Magnolia Place Market Area consists of the 11 census tracts in northern Gilmer County, Fannin County, and eastern Union County centered on the city of Blue Ridge. The neighborhoods included in the Magnolia Place Market Area are those most comparable with the area immediately surrounding the subject site and residents of this market area would likely consider the subject property a suitable shelter location. The Magnolia Place Market Area is bound by the Georgia/North Carolina/Tennessee state boundary to the north, Notley



Lake/Owltown Road to the east, Highway 52 East to the south, and Fannin County/Murray County boundary to the west. The market area encompasses the North Georgia mountains and rural areas north of the Atlanta metropolitan region. The Magnolia Place Market Area is bound by the Fannin County/Murray County boundary to the west, Georgia/North Carolina/Tennessee state boundary to the north, Notley Lake/Owltown Road to the east, and Highway 52 East to the south

- The boundaries of the Magnolia Place Market Area and their approximate distance from the subject site are Georgia/North Carolina/Tennessee state boundary (8.7 miles to the north), Notley Lake/Owltown Road (18.5 miles to the east), Highway 52 East (18.4 miles to the south), and Fannin County/Murray County boundary (16.2 miles to the west).

4. Community Demographic Data

- The Magnolia Place Market Area's population and household base increased steadily between 2000 and 2010 Census counts. RPRG estimates that population growth remained steady and household growth slowed slightly in the market area over the past 12 years. Growth is projected to slow slightly on a percentage basis, however, accelerate slightly on a nominal basis over the next three years.
 - Magnolia Place Market Area's population and household base increased steadily between 2000 and 2010 Census counts with net growth of 7,660 people (19.0 percent) and 3,637 households (21.9 percent); the market area's average annual growth was 766 people (1.8 percent) and 364 households (2.0 percent).
 - Based on Esri data, RPRG estimates that population growth remained steady and household growth slowed slightly in the Magnolia Place Market Area from 2010 to 2022. The Magnolia Place Market Area added 9,122 people (19.0 percent) and 4,134 households (20.4 percent) from 2010 to 2022; this equates to annual average net growth of 760 people (1.5 percent) and 345 households (1.6 percent).
 - Based on Esri data, RPRG projects the Magnolia Place Market Area's growth to slow slightly on a percentage basis, however, accelerate slightly on nominal basis over the next three years with annual growth of 831 persons (1.4 percent) and 369 households (1.5 percent) from 2022 to 2025. The total net growth will be 2,492 people (4.4 percent) and 1,108 households (4.5 percent) over this period. The Magnolia Place Market Area is projected to reach 59,544 people and 25,482 households by 2025.
- The median age of the population residing in the Magnolia Place Market Area is slightly older than the Tri-County Region's population with median ages of 50 and 49, respectively. The Magnolia Place Market Area has large proportions of Adults ages 35 to 61 (34.4 percent) and Seniors ages 62 and older (33.3 percent). Young Adults ages 20 to 34 and Children/Youth under 20 years old account for 13.2 and 19.1 percent of the Magnolia Place Market Area's population, respectively. The Tri-County Region has a larger proportion of people under 35 years old when compared to the Magnolia Place Market Area (33.0 percent versus 32.3 percent).
- Multi-person households without children were the most common household type in the Magnolia Place Market Area at 48.5 percent compared to 48.3 percent in the Tri-County Region. Approximately 25.6 percent were multi-person households with children; 26.0 percent of households in the Magnolia Place Market Area were single-person households.
- The number of renter households in the Magnolia Place Market Area increased significantly from 3,149 in 2000 to 5,000 in 2022, representing a net increase of 1,851 renter households or 58.8 percent; the Magnolia Place Market Area added 84 renter households per year over



the past 22 years. At the same time, the number of owner households in the Magnolia Place Market Area increased from 13,453 in 2000 to 19,373 in 2022, or an increase of 44.0 percent.

- The Magnolia Place Market Area’s renter percentage of 20.5 percent in 2022 is slightly higher than the Tri-County Region’s 19.8 percent. The Magnolia Place Market Area’s annual average household growth by tenure over the past 22 years was 84 renter households (2.1 percent) and 269 owner households (1.7 percent), increasing the renter percentage from 19.0 percent in 2000 to 20.5 percent in 2022. Renter households accounted for 23.8 percent of net household growth in the Magnolia Place Market Area from 2000 to 2022 compared to 21.3 percent in the Tri-County Region. RPRG projects renter households will account for 23.8 percent of net household growth over the next three years which is equal to the trend over the past 22 years. This results in annual growth of 88 renter households, which is slightly above annual renter growth of 84 households from 2000 to 2022, for a total of 264 renter households over the next three years.
- Over three-fifths (60.7 percent) of renter households in the Magnolia Place Market Area had one or two people including 35.1 percent with one person, the most common household size. Approximately 28.5 percent of renter households had three or four people and 10.8 percent had 5+ people.
- Magnolia Place Market Area’s 2022 median income of \$55,708 is \$365, or 0.7 percent lower than the median income of \$56,073 in the Tri-County Region. Over two-fifths (45.7 percent) of all households in the Magnolia Place Market Area have an annual income of \$49,999 or less; 18.5 percent of households have an annual income of \$50,000 to \$74,999. Approximately one-fifth (20.9 percent) of households have an annual income of \$100,000 or more.
- RPRG estimates that the median income of Magnolia Place Market Area households by tenure is \$35,218 for renters and \$62,177 for owners. Nearly half (49.7 percent) of all Magnolia Place Market Area renter households earn less than \$35,000 and 30.7 percent earn \$35,000 to \$74,999. Approximately one-fifth (19.6 percent) of renter households earn \$75,000 or more.
- We do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units given its affordable nature.

5. Economic Data:

Fannin County added jobs in eight of nine years from 2011 to 2019, and growth rates in the county outpaced the nation on a percentage basis five of six years prior to the COVID-19 pandemic in 2020. Growth has been significant with the addition of an average of 256 jobs in each of the six years prior to the COVID-19 pandemic. The county’s most recent unemployment rate of 2.4 percent in December 2021 remains lower than the state (2.9 percent) and national (3.7 percent) unemployment rates. Like all areas of the nation, Fannin County’s economy was negatively impacted by the COVID-19 pandemic with increased unemployment and job losses; however, the county has rebounded at rates better than the state and nation and has improved to a better economic state than it was prior to the pandemic. The current economic environment will not negatively impact the demand for additional or renovated rental housing.

- Fannin County’s unemployment rate decreased significantly over the nine years prior to the pandemic from a recession-era high of 11.8 percent in 2010 to 3.5 percent in 2019, slightly below the state (3.6 percent) and national rate (3.7 percent). Prior to the pandemic, the county’s 2019 unemployment rate (3.5 percent) was the lowest level in at least ten years and was less than one-third the peak unemployment rate in 2010 (11.8 percent). Unemployment rates increased in all three areas in 2020; however, all three areas’ unemployment rates greatly decreased in 2021 to pre-pandemic levels of 2.8 percent for the county, 3.9 percent for the state, and 5.4 percent for the nation. Fannin County’s unemployment rate remained essentially unchanged through March 2020 with an unemployment rate of 3.7 percent but spiked to 10.5 percent in April 2020; this increase reflects the impact of business-related



closures related to the COVID-19 pandemic. The county's employment rate decreased most of the following 21 months to 2.4 percent in December 2021. The county's most recent unemployment rate of 2.4 percent remains lower than the state (2.9 percent) and national (3.7 percent) unemployment rates.

- Fannin County added jobs in eight of nine years from 2011 to 2019 with net growth of 1,434 jobs or 27.4 percent, approximately three times the recession-era loss of 488 total jobs in 2008 and 2009. Job loss was limited to two years (2008-2009) during the previous recession-era in Fannin County. However, the majority of job loss (283 jobs) in the county during this period was in 2009. Growth has been significant with the addition of an average of 256 jobs in each of the six years prior to the COVID-19 pandemic. Growth rates in the county have outpaced the nation on a percentage basis five of six years prior to the COVID-19 pandemic in 2020. Reflecting the impact of the COVID-19 pandemic, the county lost 470 jobs in 2020; however, the county has rebounded significantly through Q3 of 2021 with 638 jobs added, or 10.3 percent growth.
- Trade-Transportation-Utilities is the largest employment sector in Fannin County at 26.3 percent of all jobs in 2021 Q3 compared to 19.0 percent of jobs nationally. Three sectors (Leisure-Hospitality, Government, and Education-Health) each account for 13.2 percent to 22.1 percent of the county's jobs while Professional-Business accounts for 7.8 percent.
- According to the Georgia Department of Economic Development press releases, no major expansions were identified in Fannin County since January 2020. In contrast, the Worker Adjustment and Retraining Notification (WARN) Act helps ensure advance notice of qualified plant closings and mass layoffs. RPRG did not identify any WARN notices in 2021 or 2022 in Fannin County.

6. Affordability and Demand Analysis:

- Magnolia Place will offer 84 rental units of which 75 will target households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. Nine units will be market rate. Of the 75 LIHTC units, 48 will benefit from project based rental assistance (PBRA). The affordability analysis of the proposed units at the subject property do not account for the proposed PBRA and utilizes the average gross rent.
- The proposed units will target renter householders earning from \$24,549 to \$72,600. The 84 proposed units would need to capture 4.0 percent of the 2,106 income-qualified renter households to lease-up.
- The proposed LIHTC units will target renter householders earning from \$24,549 to \$46,800. The 75 LIHTC units would need to capture 5.6 percent of the 1,344 income-qualified renter households to lease-up.
- Forty-eight of the LIHTC units will have PBRA with tenant-paid rents based on a percentage of income with no minimum income requirement. The number of income eligible renter households will increase significantly with the elimination of a minimum income limit for the units with PBRA; the capture rates will improve significantly.
- All renter capture rates are acceptable indicating sufficient income-qualified renter households will exist in Magnolia Place Market Area as of 2025 to support the 84 units proposed at Magnolia Place.
- The project's overall DCA demand capture rate is 10.3 percent and capture rates by income level range from 4.4 percent to 17.6 percent for 60 percent AMI units and 0.7 percent to 1.0 percent for market rate (120 percent AMI) units. By floorplan, capture rates range from 0.7 percent to 12.1 percent for one bedroom units, 1.0 percent to 17.6 percent for two bedroom



units, 8.9 percent for three bedroom units, and 4.4 percent for four bedroom units, all of which are below DCA thresholds. With the proposed PBRA, the capture rates will be lower.

- All capture rates are below DCA thresholds and indicate sufficient demand in the market area to support the proposed Magnolia Place.

7. Competitive Rental Analysis

RPRG surveyed seven general occupancy communities in the Magnolia Place Market Area including five market rate communities, one LIHTC community, and one deeply subsidized community. Due to limited stock of rental communities in the market area, we also surveyed Near Market communities representing regional options in this analysis, which includes two LIHTC communities and one deeply subsidized community in the Blairsville area east of the market area. While not all rental communities surveyed will directly compete with the subject property, they offer insight into current multi-family options, conditions, and pricing in the region. The rental market is performing very well with zero vacancies.

- The Magnolia Place rental market is performing very well with zero vacancies among 219 combined units for an aggregate vacancy rate of 0.0 percent. Near Market communities also reported zero vacancies among 135 combined units for an aggregate vacancy rate of 0.0 percent.
- Among all surveyed communities, net rents, unit sizes, and rents per square foot were as follows:
 - **One bedroom** effective rents average \$622 per month. The average one bedroom unit size is 683 square feet resulting in a net rent per square foot of \$0.91.
 - **Two bedroom** effective rents average \$814 per month. The average two bedroom unit size is 1,089 square feet resulting in a net rent per square foot of \$0.64.
 - **Three bedroom** effective rents average \$693 per month. The average three bedroom unit size is 1,089 square feet resulting in a net rent per square foot of \$0.64. No market rate communities offered three bedroom units, so the three bedroom average is skewed low as only LIHTC and deeply subsidized communities have three bedroom units.
 - **Four bedroom** effective rents average \$688 per month. The average four bedroom unit size is 1,372 square feet resulting in a net per square foot of \$0.50. Only one LIHTC community offered four bedroom units, so the four bedroom average is skewed low due to the LIHTC income targeting.

Average effective rents include LIHTC units at 30 percent, 50 percent, and 60 percent AMI as well as market rate units. LIHTC rents are generally at the lowest end of the market in terms of price.

- Based on our adjustment calculations, the estimated market rents for the units at Magnolia Place are \$831 for one bedroom units, \$946 for two bedroom units, \$1,100 for three bedroom units, and \$1,241 for four bedroom units. All proposed rents have a significant rent advantage of at least 23 percent for LIHTC units; one bedroom market rate units have a 3.9 percent rent advantage and two bedroom units have a 1.1 percent rent disadvantage. The overall market advantage for market rate units is 1.1 percent. The overall market advantage is 23.12 percent.
- RPRG identified one market rate multi-family development under construction off McKinney Road in Blue Ridge. The development is expected to comprise 18 units, of which ten will be one bedroom units and eight will be two bedroom units according to Marie Woody, Department Head of Fannin County Land Development.



8. Absorption/Stabilization Estimates

- Based on the proposed product and the factors discussed above, we expect Magnolia Place to lease-up at a rate of ten units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within nine months.
- Given the well performing rental market in the Magnolia Place Market Area and projected renter household growth, we do not expect Magnolia Place to have a negative impact on existing and proposed rental communities in the Magnolia Place Market Area including those with tax credits.

9. Interviews

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, leasing agents, Olivia Holloway with Union County Building and Development, Marie Woody, Department Head of Fannin County Land Development, Karen Henson, Director of Gilmer County Planning and Zoning, Chris Mortimer, Taxes and Licensing Clerk with the City of Blue Ridge, and the Blue Ridge Housing Authority. We also reviewed DCA's lists of recent LIHTC awards/applications.

10. Overall Conclusion / Recommendation

Based on affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Magnolia Place Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing rental communities in the Magnolia Place Market Area and the units will be well received by the target market.

We recommend proceeding with the project as planned.



DCA Summary Table:

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large Household Size Adjustment (3+ Persons)	Adjusted Demand	Supply	Net Demand	Capture Rate	Average Market Rent	Market Rents Band	Proposed Rents
60% AMI	\$24,549 - \$46,800											
One Bedroom Units		26	11.1%	215		215	0	215	12.1%	\$778	\$495-\$1,050	\$553-\$605
Two Bedroom Units		29	8.5%	165		165	0	165	17.6%	\$980	\$700-\$1,300	\$707-\$724
Three Bedroom Units		14	8.1%	156	39.3%	61	0	156	8.9%	-	-	\$808
Four Bedroom Units		6	7.1%	137	39.3%	54	0	137	4.4%	-	-	\$884
120% AMI	\$31,097 - \$72,600											
One Bedroom Units		4	29.4%	568		568	10	558	0.7%	\$778	\$495-\$1,050	\$799
Two Bedroom Units		5	25.7%	497		497	8	489	1.0%	\$980	\$700-\$1,300	\$956
By Bedroom												
One Bedroom Units		30	40.5%	783		783	10	773	3.9%	\$778	\$495-\$1,050	\$553-\$799
Two Bedroom Units		34	34.2%	662		662	8	654	5.2%	\$980	\$700-\$1,300	\$707-\$956
Three Bedroom Units		14	8.1%	156	39.3%	61	0	156	8.9%	-	-	\$808
Four Bedroom Units		6	7.1%	137	39.3%	54	0	137	4.4%	-	-	\$884
Project Total	\$24,549 - \$72,600											
60% AMI	\$24,549 - \$46,800	75	27.5%	532			0	532	14.1%			
LIHTC Units	\$24,549 - \$46,800	75	27.5%	532			0	532	14.1%			
120% AMI	\$31,097 - \$72,600	9	33.7%	652			18	634	1.4%			
Total Units	\$24,549 - \$72,600	84	43.2%	834			18	816	10.3%			

SUMMARY TABLE:	
Development Name:	Magnolia Place Total # Units: 84
	75
Location:	Southeastern intersection of Boardtown Road and Trackside Lane, Blue Ridge, GA # LIHTC Units: _____
PMA Boundary:	North: Georgia/North Carolina/Tennessee state boundary, East: Notley Lake/Owltown Road, South: Highway 52 East, West: Fannin County/Murray County boundary
	Farthest Boundary Distance to Subject: 18.5 miles

RENTAL HOUSING STOCK – (found on pages 10, 47, 52-56)									
Type	# Properties	Total Units	Vacant Units	Average Occupancy					
All Rental Housing	10	354	0	100.0%					
Market-Rate Housing	5	112	0	100.0%					
Assisted/Subsidized Housing not to include LIHTC	2	89	0	100.0%					
LIHTC	3	153	0	100.0%					
Stabilized Comps	10	354	0	100.0%					
Properties in construction & lease up									
Subject Development					Achievable Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
10	1	1	650	\$605	\$831	\$1.28	27.2%	\$1,050	\$1.68
16	1	1	650	\$553	\$831	\$1.28	33.5%	\$1,050	\$1.68
4	1	1	650	\$799	\$831	\$1.28	3.9%	\$1,050	\$1.68
17	2	2	850	\$724	\$946	\$1.11	23.5%	\$1,300	\$1.39
12	2	2	850	\$707	\$946	\$1.11	25.2%	\$1,300	\$1.39
5	2	2	850	\$956	\$971	\$1.11	-1.1%	\$1,300	\$1.39
14	3	2	1,100	\$808	\$1,100	\$1.00	26.6%	\$817	\$0.80
6	4	2	1,250	\$884	\$1,241	\$0.99	28.8%	\$762	\$0.55

CAPTURE RATES (found on page 45)					
Targeted Population	60% AMI (w/o PBRA)	Market Rate			Overall
Capture Rate	14.1%	1.4%			10.3%

2. INTRODUCTION

A. Overview of Subject

The subject of this report is Magnolia Place, a proposed affordable multi-family rental community in Blue Ridge, Fannin County, Georgia. Magnolia Place will be newly constructed and financed in part with nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA). Magnolia Place will offer 84 rental units including 75 LIHTC rental units targeting households earning up to 60 percent of the Area Median Income (AMI), adjusted for household size. Of the 75 LIHTC rental units, 48 rental units will benefit from project based rental assistance (PBRA). Nine rental units will be market rate.

B. Purpose of Report

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

C. Format of Report

The report format is comprehensive and conforms to DCA's 2022 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

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

E. Applicable Requirements

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

- DCA's 2022 Market Study Manual and Qualified Allocation Plan (QAP).
- The National Council of Housing Market Analysts' (NCHMA) Recommended Model Content.

F. Scope of Work

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

- Please refer to Appendix 5 for a detailed list of DCA requirements as well as the corresponding pages of requirements within the report.
- Quincy Haisley (Analyst) conducted a site visit to the subject site, neighborhood, and market area on May 12, 2022.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and leasing agents. RPRG also corresponded with Olivia Holloway with Union County Building and Development, Marie Woody, Department Head of Fannin County Land Development, Karen Henson, Director of Gilmer County Planning and Zoning, and Chris Mortimer, Taxes and Licensing Clerk with the City of Blue Ridge. RPRG also conducted a review



of DCA's LIHTC application and allocation lists and contacted the Blue Ridge Housing Authority.

- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

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

H. Other Pertinent Remarks

None.

3. PROJECT DESCRIPTION

A. Project Overview

Magnolia Place will offer 84 newly constructed apartments including 75 Low Income Housing Tax Credit (LIHTC) units targeting renter households earning up to 60 percent of the Area Median Income (AMI) in Blue Ridge, Fannin County, Georgia. Nine units will be market rate. Of the 75 LIHTC units, 48 will benefit from project based rental assistance (PBRA) with rents based on a percentage of each tenant's income. The community will offer 30 one bedroom units, 34 two bedroom units, 14 three bedroom units, and six four bedroom units. The site is the property southeast of the intersection of Boardtown Road and Trackside Lane in Blue Ridge, Georgia.

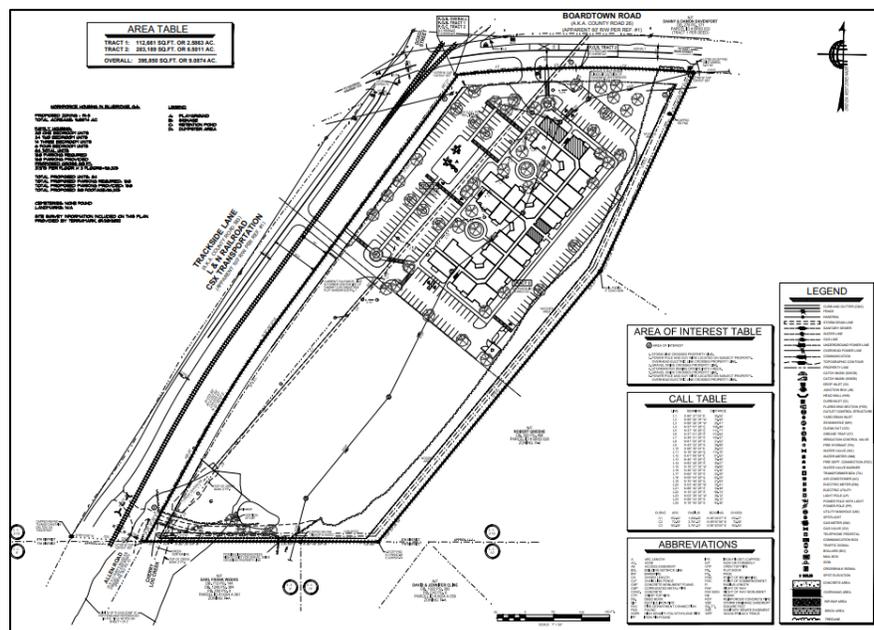
B. Project Type and Target Market

Magnolia Place will target low to moderate income renter households. The targeted tenancy of the development is general occupancy. The proposed unit mix includes 30 one bedroom units (35.7 percent), 34 two bedroom units (40.5 percent), 14 three bedroom units (16.7 percent), and six four bedroom units (7.1 percent). The proposed one and two bedroom units will primarily target singles, couples, and roommates. The three bedroom and four bedroom units will appeal to households desiring additional space including larger households with children.

C. Building Types and Placement

Magnolia Place will include one three-story garden-style building with a mountain residential exterior. Surface parking will surround the building to the north, south, east, and west. The site will be accessible via one entrance on the northern portion of the site via Boardtown Road (Figure 1). The subject property will be in the central portion of the overall site. The CSX Transportation line will border the western boundary of the subject site.

Figure 1 Site Plan, Magnolia Place



Source: Beverly J. Searles Foundation



D. Detailed Project Description

1. Project Description

Magnolia Place will offer 30 one bedroom units (35.7 percent), 34 two bedroom units (40.5 percent), 14 three bedroom units (16.7 percent), and six four bedroom units (7.1 percent), of which 75 units will be targeting households earning up to 60 percent of the Area Median Income (AMI). Nine units will be market rate. Forty-eight units will benefit from PBRA through the Rental Assistance Demonstration (RAD) subsidy.

- One bedroom units will have one bathroom and 650 square feet.
- Two bedroom units will have two bathrooms and 850 square feet.
- Three bedroom units will have two bathrooms and 1,100 square feet.
- Four bedroom units will have two bathrooms and 1,250 square feet (Table 1).
- The subject property will be southeast of the intersection of Boardtown Road and Trackside Lane in Blue Ridge, Georgia.
- Magnolia Place will offer newly constructed garden apartments with a mountain residential exterior.
- The proposed rents will include the cost of trash removal. Tenants will bear the cost of all other utilities.
- The proposed development will include project based rental assistance for 48 units. Tenants in these units will pay a percentage of their income for rent; minimum income limits and tenant-paid rents will not apply. We utilize the lesser of the proposed contract rent and maximum allowable LIHTC rent (most that could be charged without PBRA) for this analysis and throughout the report.
- Utility allowances vary for LIHTC units and units benefitting from PBRA.
- Proposed unit features and community amenities are detailed in Table 2.

Table 1 Detailed Unit Mix and Rents, Magnolia Place

Unit Mix/Rents										
Type	Bed	Bath	Income Target	Quantity	Gross Heated Sq. Feet	Net Rent	Utility Allowance	Gross Rent	Rent/Gross Sq. Foot	Maximum Net LIHTC Rent
LIHTC	1	1	60% AMI	10	650	\$605	\$108	\$713	\$0.93	\$651
LIHTC/PBRA	1	1	60% AMI	16	650	\$553	\$165	\$718	\$0.85	\$591
MKT	1	1		4	650	\$799	\$108	\$907	\$1.23	
One Bedroom Subtotal				30	650	\$603		\$742	\$0.93	
LIHTC	2	2	60% AMI	17	850	\$724	\$132	\$856	\$0.85	\$778
LIHTC/PBRA	2	2	60% AMI	12	850	\$707	\$194	\$901	\$0.83	\$713
MKT	2	2		5	850	\$956	\$132	\$1,088	\$1.12	
Two Bedroom Subtotal				34	850	\$752		\$906	\$0.88	
LIHTC/PBRA	3	2	60% AMI	14	1,100	\$878	\$240	\$1,118	\$0.80	\$808
Three Bedroom Subtotal				14	1,100	\$878		\$1,118	\$0.80	
LIHTC/PBRA	4	2	60% AMI	6	1,250	\$1,138	\$286	\$1,424	\$0.91	\$884
Four Bedroom Subtotal				6	1,250	\$1,138		\$1,424	\$0.91	
Total/Average				84	849	\$747		\$920	\$0.88	

Rents include: trash removal

Source: Beverly J. Searles Foundation



Table 2 Unit Features and Community Amenities, Magnolia Place

Unit Features	Community Amenities
<ul style="list-style-type: none"> • Kitchens with refrigerator, range/oven, dishwasher, disposal, and microwave • In-unit washer and dryer • Carpet in bedroom areas and LVT plank in living, dining, kitchen, and bathrooms • High speed internet • Balconies • Five percent of units will be ADA 	<ul style="list-style-type: none"> • Community room • Fitness center • Business center • Community garden • Library • Wellness room • Playground

Source: Beverly J. Searles Foundation

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Magnolia Place is expected to begin construction in August 2023 with construction completion in September 2024. The first move-ins are expected in October 2024. The subject property’s anticipated placed-in-service year is 2025 for the purposes of this report.

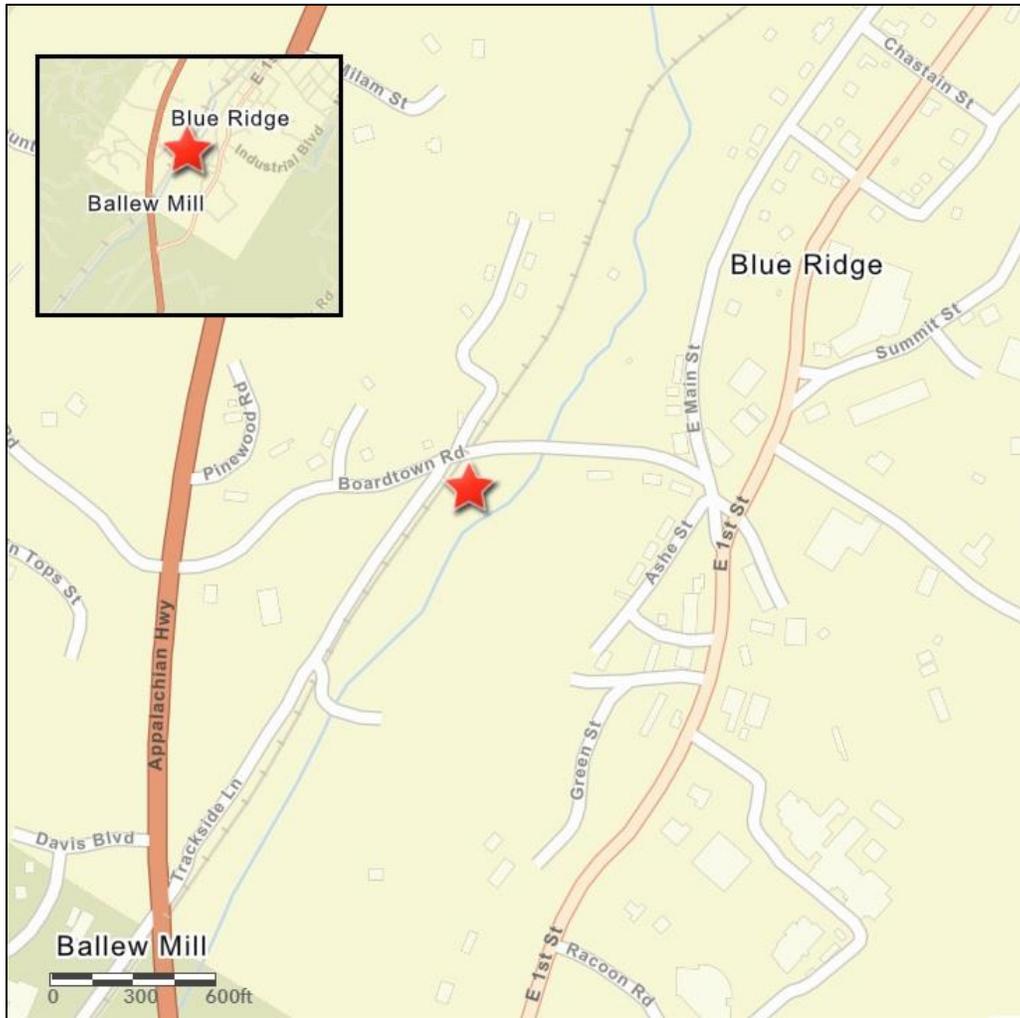
4. SITE EVALUATION

A. Site Analysis

1. Site Location

The subject site is positioned along the southeastern intersection of Boardtown Road and Trackside Lane in Blue Ridge, Fannin County, Georgia (Map 1).

Map 1 Site Location, Magnolia Place



2. Existing and Proposed Uses

The subject site is an undeveloped parcel without any existing structures; the site is comprised low vegetation with trees at the edges of the site. The site for Magnolia Place is 9.09 acres. The site is roughly rectangular with flat elevation (Figure 2). Magnolia Place will offer 84 general occupancy garden apartments.

Figure 2 Views of Subject Site



Facing south from Boardtown Road



Facing southwest from Boardtown Road



Facing east from Trackside Lane



Facing east from Boardtown Road, site on right



Facing northeast from Trackside Lane

3. General Description of Land Uses Surrounding the Subject Site

The subject property is approximately one mile southwest of downtown Blue Ridge and is surrounded by a mixture of land uses. Residential uses, a logging business, air conditioning business, a storage facility, and cabin rentals are located to the north, south, west, and east of the subject site (Figure 3). Older multi-family units are found to the east of the subject site and single-family homes are located north and west of the site. A CSX Transportation line is immediately west of the subject site adjacent to Trackside Lane. Main Street is less than 0.2 mile east of the site, which leads to downtown Blue Ridge. Downtown Blue Ridge is less than one mile northeast of the subject site and is comprised multiple small businesses including Das Kaffee Haus, The Blue Coyote, Out of the Blue, Southern Charm, and Cucinella's Pizzeria. Also found in the downtown Blue Ridge area are the Blue Ridge Scenic Railway, Blue Ridge Mountains Arts Association, and Downtown Blue Ridge Play Park.

Figure 3 Satellite Image of Subject Site



4. Land Uses Surrounding the Subject Site

Nearby land uses surrounding the subject site include (Figure 4):

- **North:** Logging business, single-family homes, and downtown Blue Ridge
- **East:** Multi-family apartments and Main Street
- **South:** Self-storage facility and undeveloped land
- **West:** CSX Transportation line, James Thomas Heating and Cooling, Mountain Top Cabin Rentals, and Appalachian Highway



Grumpy Old Men Brewing to the northeast



Blue Ridge Scenic Railway to the north



Multi-family apartments to the east



Blue Ridge Community Theater to the east



James Thomas Heating and Cooling to the west

Figure 4 Views of Surrounding Land Uses



B. Neighborhood Analysis

1. General Description of Neighborhood

The subject site is in a rural setting approximately one mile southwest of downtown Blue Ridge. The immediate neighborhood surrounding the site is a mixture of residential and commercial uses, such as a logging business, multi-family apartments, an air conditioning business, and a self-storage facility. Commercial development is densest near central Blue Ridge along Main Street with residential uses extending away from central Blue Ridge. Appalachian Highway, a major transportation thoroughfare, is located 0.2 mile west of the subject site. Although located just east of Appalachian Highway, the subject site is situated away from the thoroughfare with well-wooded areas, multi-family apartments, and low-density single-family neighborhoods surrounding the property.

2. Neighborhood Planning Activities

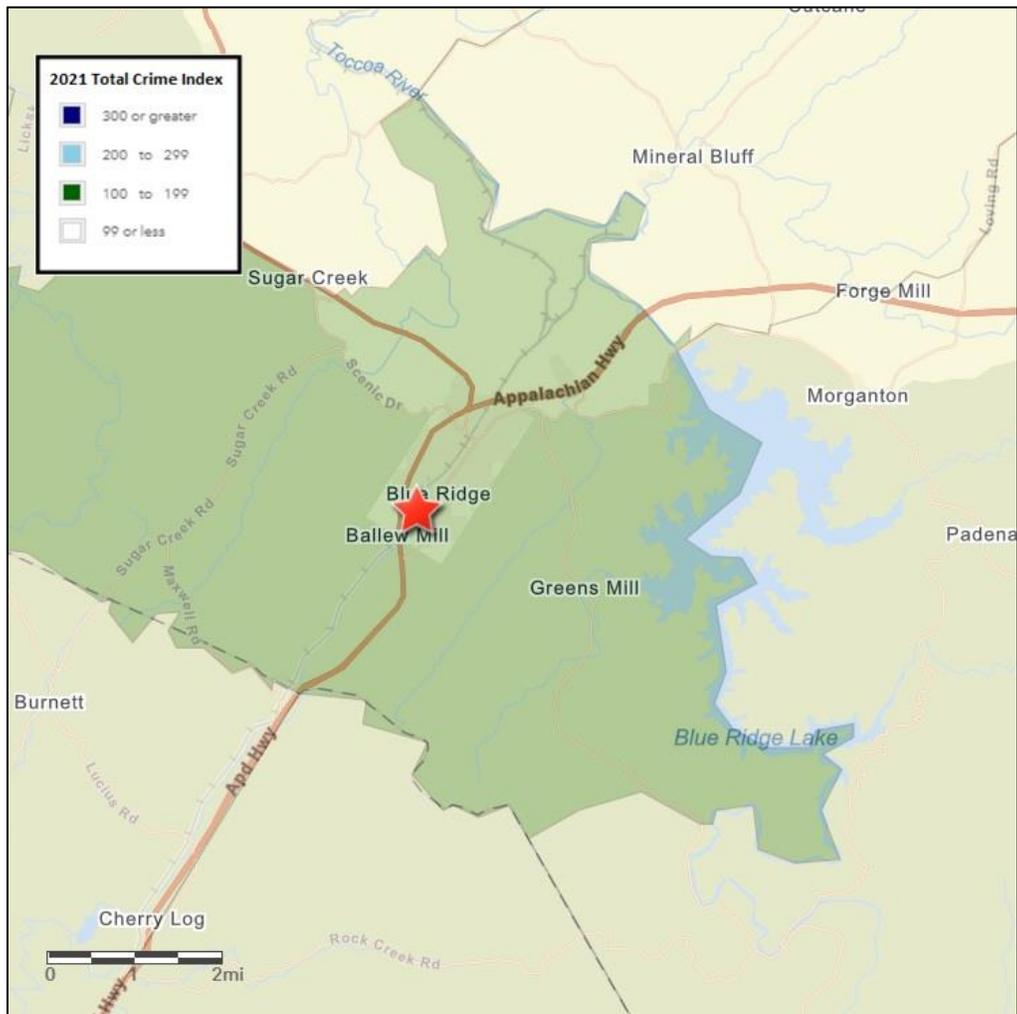
Fannin County with cities of Blue Ridge, McCaysville, and Morganton are currently in the process to update their joint comprehensive plan. The first required public hearing was in December 2021. The second public hearing is expected to be held in July 2022. The comprehensive plan is expected to be completed in October 2022. Under the Georgia Planning Act of 1989, all local governments must prepare and update the local comprehensive plan to maintain Qualified Local Government Status (QLG).

3. Public Safety

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2021 CrimeRisk Index for the census tracts in the general vicinity of the subject site are color coded with the site's census tract being light blue, indicating a crime risk (100 to 199) slightly above the national average (100) (Map 2). The subject's crime risk is comparable to the location of most commercial and residential areas in and surrounding Blue Ridge, with lower crime risks approximately two miles to the north, south, and east. The areas with lower crime risks are primarily rural. Based on this data and observations made during our site visit, RPRG does not believe crime, or the perception of crime, will negatively impact the subject property's viability.

Map 2 Crime Index Map



C. Site Visibility and Accessibility

1. Visibility

Magnolia Place will have high visibility from Boardtown Road, which is a connector street to Appalachian Highway, the primary transportation thoroughfare, to the west. Boardtown Road also connects to Main Street to the east. The subject property will also have high visibility from Trackside Lane, a connector street. The high visibility from drive-by traffic from Boardtown Road to Appalachian Highway to the west and Main Street to the east will be an asset to the community.

2. Vehicular Access

Magnolia Place will be accessible via one entrance on Boardtown Road to the north, a well trafficked connector street. Boardtown Road does not have traffic breaks; however, the lack of traffic breaks is considered sufficient considering the rural area and use as a connector street. Boardtown Road does not have a turn lane for westbound traffic. Due to Boardtown Road's function as a connector street, RPRG does not anticipate problems with accessibility.



3. Availability of Public Transit

The city of Blue Ridge does not currently offer public transportation or transit service. However, Fannin County provides on-demand transportation service throughout Fannin County. The Mountain Area Transportation System (M.A.T.S) offers transportation services operated on non-fixed routes; vehicles are available and accessible to wheelchairs and curbside pick-up. A reservation is encouraged 24 hours in advance; the service is available for a fee of \$2.00 one-way up to ten miles and \$3.00 one-way over ten miles.

4. Availability of Inter-Regional Transit

From a regional perspective, the subject site is less than one mile east of access to U.S. Highway 76 (Appalachian Highway), which in turn, turns into Highway 575 that ties to the Atlanta Metro Area to the south and downtown Atlanta, roughly 91 miles south of the subject property. The site is approximately 12 miles south of the Tennessee state border and 14 miles south of the North Carolina state border. Atlanta's Hartsfield-Jackson International Airport is roughly 100 miles (one hour and 45 minutes) south of the subject site via Interstates 575 and 75.

5. Accessibility Improvements Under Construction and Planned

Roadway Improvements Under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. RPRG did not identify any significant roadway projects as planned that would affect the subject site.

Transit and Other Improvements Under Construction and/or Planned

None.

6. Environmental Concerns

RPRG did not identify any visible environmental site concerns.

D. Residential Support Network

1. Key Facilities and Services near the Subject Site

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

Table 3 Key Facilities and Services

Establishment	Type	Address	Driving Distance
Pete's Place	Restaurant	2460 E 1st St.	0.3 mile
Dollar General	General Retail	2686 E 1st St.	0.5 mile
Dr. Thomas Gary, M.D.	Doctor/Medical	809 E Main St.	0.8 mile
Fannin County Public Library	Library	400 W Main St.	0.8 mile
Blue Ridge Police Station	Police	301 Church St.	0.9 mile
Fire Station 1	Fire	342 W Main St.	1 mile
Fannin County High School	Public School	360 Rebel Cir.	1 mile
Truist	Bank	3831 Appalachian Hwy.	1.5 miles
Blue Ridge Elementary	Public School	224 E Highland St.	1.6 miles
Southern Drug Company	Pharmacy	4075 E 1st St.	1.8 miles
BP	Convenience Store	181 W First St.	1.9 miles
Walmart Supercenter	General Retail	97 Commerce Dr.	2.2 miles
Fannin County Middle School	Public School	4560 Old Hwy 76	2.4 miles
Food Lion	Grocery	4295 Old Hwy 76	2.8 miles
United States Postal Service	Post Office	273 Orvin Lance Dr.	3.3 miles
Fannin Regional Hospital	Hospital	2855 Old Hwy 5 North	6.8 miles

Source: Field and Internet Research, RPRG, Inc.

2. Essential Services

Health Care

Fannin Regional Hospital is roughly seven miles northwest of the subject property at 2855 Old Highway 5 North in Blue Ridge. This 50-bed acute-care hospital offers many services including a 24/7 emergency department, surgical services, and rehabilitation services.

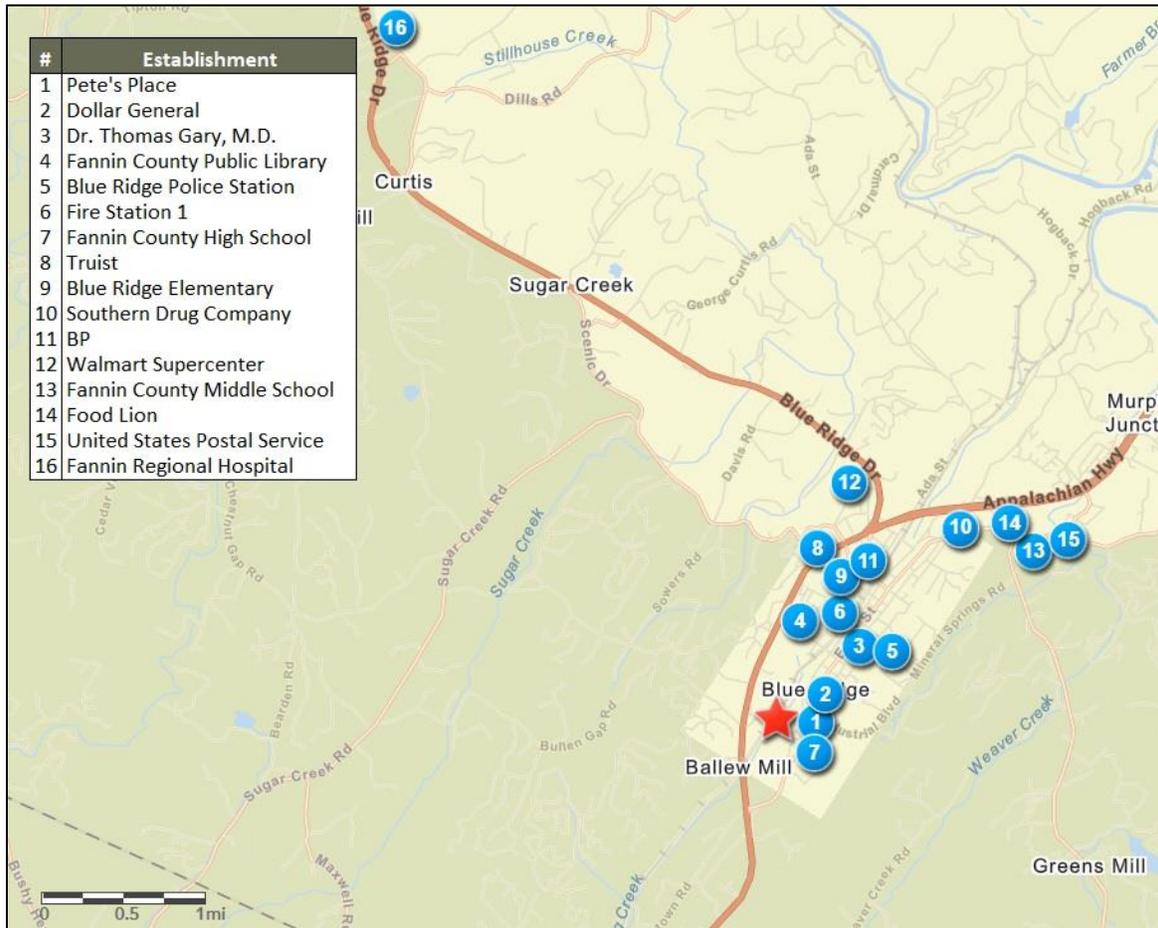
Dr. Thomas Gary, M.D. is a doctor's office less than one mile north of the subject site on E Main Street in Blue Ridge.

Education

The subject site is in the Fannin County School District which has an enrollment of roughly 2,900 students. Based on current attendance zones, students residing at the subject property would attend Blue Ridge Elementary School (1.6 miles), Fannin County Middle School (2.4 miles), and Fannin County High School (one mile).

Several colleges and universities are located throughout the region including University of North Georgia – Blue Ridge Campus (5.9 miles), Dalton State College – Gilmer Campus (15.0 miles), North Georgia Technical College (23.0 miles), and Young Harris College (32.2 miles). Atlanta, approximately 91 miles south of the site, has a number of colleges and universities including Emory University, the Georgia Institute of Technology, and Georgia State University.

Map 3 Location of Key Facilities and Services



3. Commercial Goods and Services

Convenience Goods

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

One convenience store (BP), a pharmacy (Southern Drug Company), a bank (Truist), grocery store (Food Lion), and general retail (Dollar General) are within approximately 3.0 miles of the site.

Shoppers Goods

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

Walmart Supercenter is approximately two miles north of the site on Commerce Drive. Adjacent to Walmart are retailers such as The Home Depot, Sherwin-Williams Paint Store, and various small retailers and restaurants including AT&T Store, Starbucks, and Kizuna Japanese.



4. Location of Low Income Housing

A list and map of existing low-income housing in the Magnolia Place Market Area are provided in the Existing Low Income Rental Housing section of this report, starting on page 61.

E. Site Conclusion

The subject site is an undeveloped parcel and will be suitable for its intended use. Magnolia Place is in a rural setting near commercial development and community amenities, while also retaining its privacy and quiet. Neighborhood amenities and major traffic arteries are convenient to the subject property and surrounding land uses are compatible with multi-family rental housing. Quincy Haisley (Analyst) conducted a site visit to the subject site, neighborhood, and market area on May 12, 2022. RPRG did not identify negative attributes that would impact the ability of Magnolia Place to successfully lease its units.



5. MARKET AREA

A. Introduction

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

B. Delineation of Market Area

The Magnolia Place Market Area consists of the 11 census tracts in northern Gilmer County, Fannin County, and eastern Union County centered on the city of Blue Ridge (Map 4). The neighborhoods included in the Magnolia Place Market Area are those most comparable with the area immediately surrounding the subject site and residents of this market area would likely consider the subject property a suitable shelter location. The Magnolia Place Market Area is bound by the Georgia/North Carolina/Tennessee state boundary to the north, Notley Lake/Owltown Road to the east, Highway 52 East to the south, and Fannin County/Murray County boundary to the west. The market area encompasses the North Georgia mountains and rural areas north of the Atlanta metropolitan region. The Magnolia Place Market Area extends to three counties due to the large census tracts and sparse population throughout the market area.

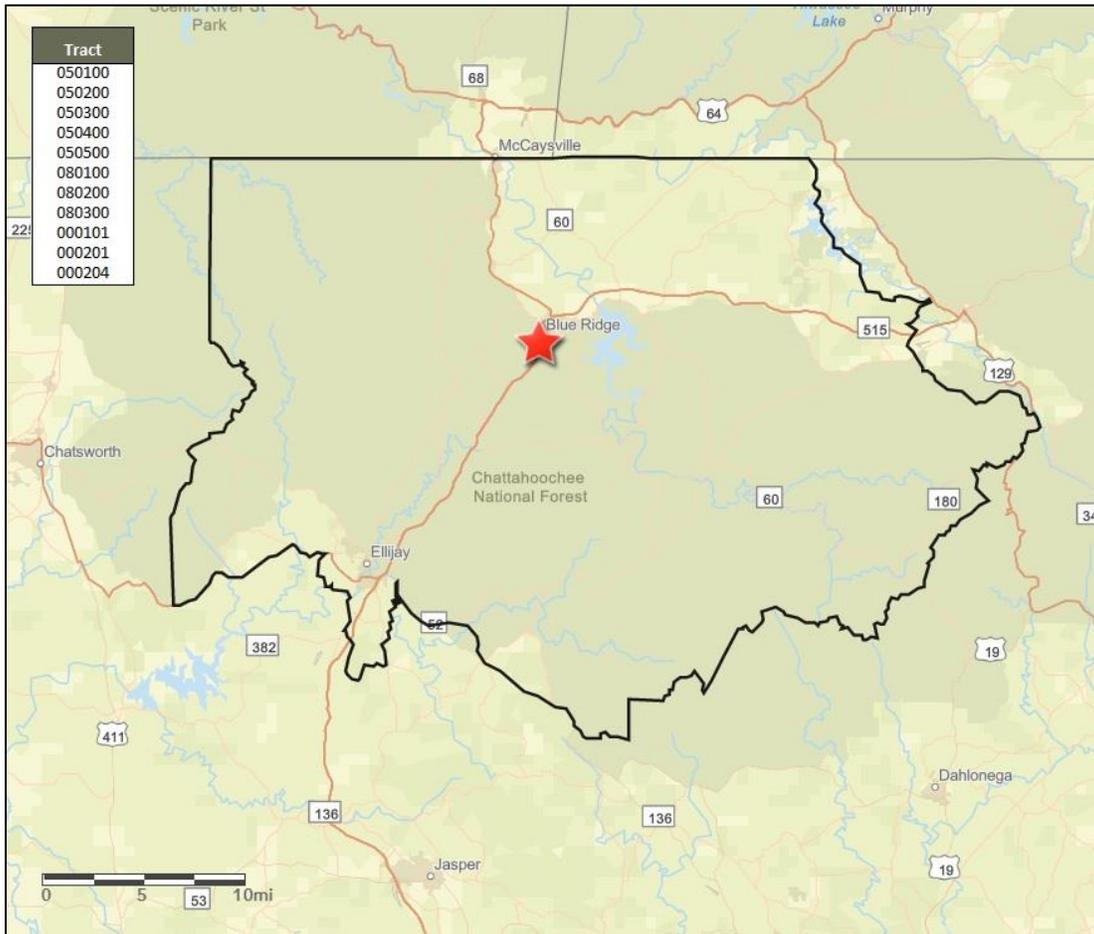
The boundaries of the Magnolia Place Market Area and their approximate distance from the subject site are:

- North:** Georgia/North Carolina/Tennessee state boundary (8.7 miles)
- East:** Notley Lake/Owltown Road..... (18.5 miles)
- South:** Highway 52 East..... (18.4 miles)
- West:** Fannin County/Murray County boundary (16.2 miles)

The Magnolia Place Market Area is compared to the Tri-County Region, comprised Gilmer County, Fannin County, and Union County, which is presented as a secondary market area for demographic purposes. Demand estimates are based only on the Magnolia Place Market Area.



Map 4 Magnolia Place Market Area





6. COMMUNITY DEMOGRAPHIC DATA

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Magnolia Place Market Area and Tri-County Region, comprising Gilmer County, Fannin County, and Union County, and using U.S. Census data and data from Esri, a national data vendor which prepares small area estimates and projections of population and households. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered. All demographic data is based on historic Census data and the most recent local area projections available for the Magnolia Place Market Area and Tri-County Region. In this case, estimates and projections were derived by Esri in 2021, which were developed following the onset of the COVID-19 pandemic and trended forward by RPRG. Demographic data is presented for 2010, 2022, and 2025 per DCA's 2022 Market Study Guide.

B. Trends in Population and Households

1. Recent Past Trends

Magnolia Place Market Area's population and household base increased steadily between 2000 and 2010 Census counts with net growth of 7,660 people (19.0 percent) and 3,637 households (21.9 percent); the market area's average annual growth was 766 people (1.8 percent) and 364 households (2.0 percent) (Table 4). The Tri-County Region grew at slightly more robust rates from 2000 to 2010 with the net addition of 12,787 people (21.1 percent) and 6,018 households (24.5 percent).

Based on Esri data, RPRG estimates that population growth remained steady and household growth slowed slightly in the Magnolia Place Market Area from 2010 to 2022. The Magnolia Place Market Area added 9,122 people (19.0 percent) and 4,134 households (20.4 percent) from 2010 to 2022; this equates to annual average net growth of 760 people (1.5 percent) and 345 households (1.6 percent). Growth in Tri-County Region grew at steady, although slightly slower, paces over the past 12 years when compared to the previous decade's trend; the region's annual growth rates were 1.4 percent among population and 1.5 percent among households from 2010 to 2022. Total household counts in 2022 are estimated at 24,373 households in the market area and 36,705 households in the region.

2. Projected Trends

Based on Esri data, RPRG projects the Magnolia Place Market Area's growth to slow slightly on a percentage basis, however, accelerate slightly on nominal basis over the next three years with annual growth of 831 persons (1.4 percent) and 369 households (1.5 percent) from 2022 to 2025 (Table 4). The total net growth will be 2,492 people (4.4 percent) and 1,108 households (4.5 percent) over this period. The Magnolia Place Market Area is projected to reach 59,544 people and 25,482 households by 2025.

The Tri-County Region's average annual growth rates are projected to remain comparable to the Magnolia Place Market Area's with annual growth of 1.4 percent among population and 1.5 percent among households from 2022 to 2025.

The average household size in the market area is 2.33 persons per household in 2022; the average household size is expected to remain steady at 2.33 persons per household by 2025 (Table 5).

3. Building Permit Trends

RPRG examines building permit trends as one way of determining if the housing supply is meeting demand, as measured by new households. The Tri-County Region permitted an average of 482 new housing units per year from 2009 to 2020, approximately 95 percent of the annual household growth



over the past 12 years in the Tri-County Region (Table 6). Permit activity increased significantly in 2016 and has steadily increased to 938 units permitted in 2020, the highest amount since 2009.

Single-family detached homes accounted for 98.0 percent of all residential units permitted in Fannin County over this period. Multi-family units with five or more units represented 109 units permitted.

Table 4 Population and Household Projections

		Tri-County Region				Magnolia Place Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	60,543					40,271				
2010	73,330	12,787	21.1%	1,279	1.9%	47,931	7,660	19.0%	766	1.8%
2022	86,624	13,294	18.1%	1,108	1.4%	57,053	9,122	19.0%	760	1.5%
2025	90,328	3,704	4.3%	1,235	1.4%	59,544	2,492	4.4%	831	1.4%
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	24,599					16,602				
2010	30,617	6,018	24.5%	602	2.2%	20,239	3,637	21.9%	364	2.0%
2022	36,705	6,088	19.9%	507	1.5%	24,373	4,134	20.4%	345	1.6%
2025	38,351	1,646	4.5%	549	1.5%	25,482	1,108	4.5%	369	1.5%

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

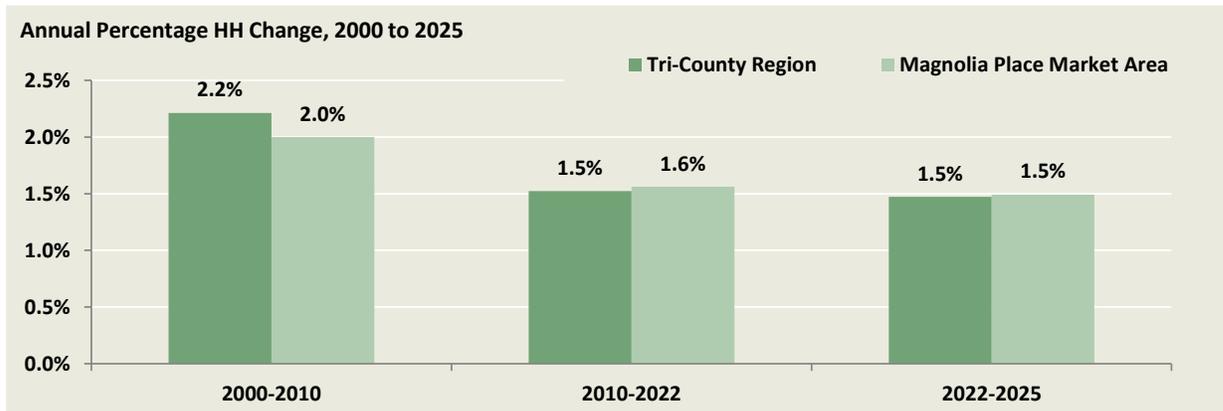


Table 5 Persons per Household, Magnolia Place Market Area

Average Household Size			
Year	2010	2022	2025
Population	47,931	57,053	59,544
Group Quarters	299	293	142
Households	20,239	24,373	25,482
Avg. HH Size	2.35	2.33	2.33

Source: 2010 Census; Esri; and RPRG, Inc.



Table 6 Building Permits by Structure Type, Tri-County Region

Tri-County Region					
Year	Single - Unit	Two Units	3-4 Units	5+ Units	Ann. Total
2009	329	0	0	0	329
2010	263	2	0	0	265
2011	213	0	0	0	213
2012	307	0	0	0	307
2013	347	0	0	0	347
2014	357	0	0	0	357
2015	434	0	0	0	434
2016	544	0	0	0	544
2017	643	0	0	0	643
2018	666	2	0	24	692
2019	718	0	0	0	718
2020	853	0	0	85	938
2009-2020	5,674	4	0	109	5,787
Ann. Avg.	473	0	0	9	482



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

C. Demographic Characteristics

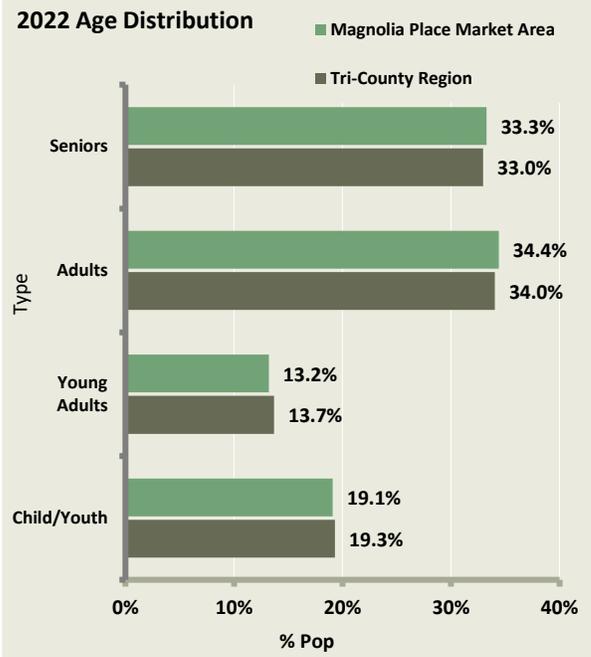
1. Age Distribution and Household Type

The median age of the population residing in the Magnolia Place Market Area is slightly older than the Tri-County Region’s population with median ages of 50 and 49, respectively (Table 7). The Magnolia Place Market Area has large proportions of Adults ages 35 to 61 (34.4 percent) and Seniors ages 62 and older (33.3 percent). Young Adults ages 20 to 34 and Children/Youth under 20 years old account for 13.2 and 19.1 percent of the Magnolia Place Market Area’s population, respectively. The Tri-County Region has a larger proportion of people under 35 years old when compared to the Magnolia Place Market Area (33.0 percent versus 32.3 percent).



Table 7 Age Distribution

2022 Age Distribution	Tri-County Region		Magnolia Place Market Area	
	#	%	#	%
Children/Youth	16,717	19.3%	10,900	19.1%
Under 5 years	3,845	4.4%	2,492	4.4%
5-9 years	4,290	5.0%	2,794	4.9%
10-14 years	4,549	5.3%	2,962	5.2%
15-19 years	4,033	4.7%	2,653	4.6%
Young Adults	11,866	13.7%	7,538	13.2%
20-24 years	3,383	3.9%	2,126	3.7%
25-34 years	8,483	9.8%	5,412	9.5%
Adults	29,492	34.0%	19,627	34.4%
35-44 years	9,173	10.6%	5,974	10.5%
45-54 years	10,327	11.9%	6,853	12.0%
55-61 years	9,992	11.5%	6,799	11.9%
Seniors	28,549	33.0%	18,988	33.3%
62-64 years	4,282	4.9%	2,914	5.1%
65-74 years	14,541	16.8%	9,889	17.3%
75-84 years	7,526	8.7%	4,806	8.4%
85 and older	2,200	2.5%	1,379	2.4%
TOTAL	86,624	100%	57,053	100%
Median Age	49		50	

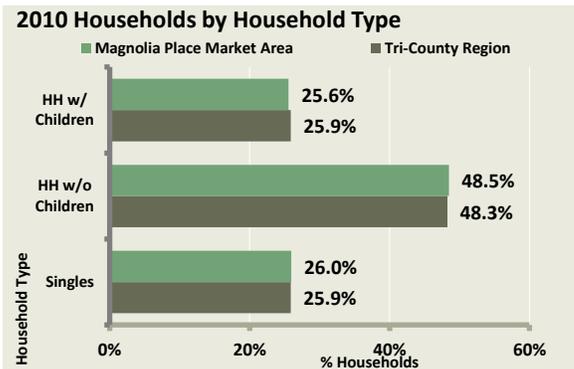


Source: Esri; RPRG, Inc.

Multi-person households without children were the most common household type in the Magnolia Place Market Area at 48.5 percent compared to 48.3 percent in the Tri-County Region. Approximately 25.6 percent were multi-person households with children; 26.0 percent of households in the Magnolia Place Market Area were single-person households (Table 8). The Tri-County Region had a similar distribution; however, the county had larger proportions of multi-person households with children (25.9 percent) and lower proportions of single-person households (25.9 percent) and multi-person households without children (48.3 percent) when compared to the market area.

Table 8 Households by Household Type

2010 Households by Household Type	Tri-County Region		Magnolia Place Market Area	
	#	%	#	%
Married w/Children	5,543	18.1%	3,589	17.7%
Other w/ Children	2,378	7.8%	1,586	7.8%
Households w/ Children	7,921	25.9%	5,175	25.6%
Married w/o Children	11,918	38.9%	7,847	38.8%
Other Family w/o Children	1,638	5.3%	1,146	5.7%
Non-Family w/o Children	1,220	4.0%	818	4.0%
Households w/o Children	14,776	48.3%	9,811	48.5%
Singles	7,920	25.9%	5,253	26.0%
Total	30,617	100%	20,239	100%



Source: 2010 Census; RPRG, Inc.

2. Household Trends by Tenure

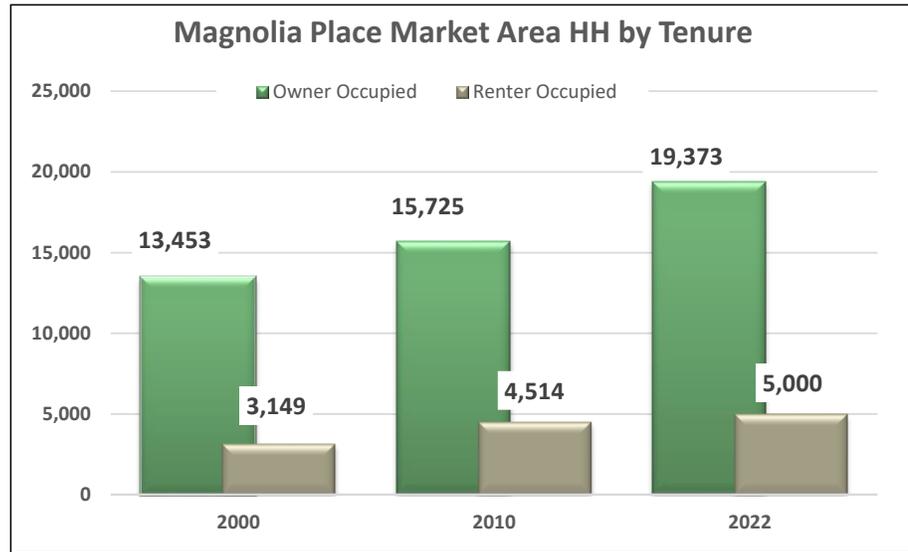
a. Recent Past Trends

The number of renter households in the Magnolia Place Market Area increased significantly from 3,149 in 2000 to 5,000 in 2022, representing a net increase of 1,851 renter households or 58.8 percent (Figure 5); the Magnolia Place Market Area added 84 renter households per year over the past 22



years. At the same time, the number of owner households in the Magnolia Place Market Area increased from 13,453 in 2000 to 19,373 in 2022, or an increase of 44.0 percent.

Figure 5 Magnolia Place Market Area Households by Tenure 2000 to 2022



The Magnolia Place Market Area’s renter percentage of 20.5 percent in 2022 is slightly higher than the Tri-County Region’s 19.8 percent (Table 9). The Magnolia Place

Market Area’s annual average household growth by tenure over the past 22 years was 84 renter households (2.1 percent) and 269 owner households (1.7 percent), increasing the renter percentage from 19.0 percent in 2000 to 20.5 percent in 2022. Renter households accounted for 23.8 percent of net household growth in the Magnolia Place Market Area from 2000 to 2022 compared to 21.3 percent in the Tri-County Region.

Table 9 Households by Tenure, 2000 to 2022

Tri-County Region	2000		2010		2022		Change 2000-2022				% of Change 2000 - 2022
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	19,886	80.8%	23,879	78.0%	29,419	80.2%	9,533	47.9%	433	1.8%	78.7%
Renter Occupied	4,713	19.2%	6,738	22.0%	7,286	19.8%	2,573	54.6%	117	2.0%	21.3%
Total Occupied	24,599	100%	30,617	100%	36,705	100%	12,106	49.2%	550	1.8%	100%
Total Vacant	8,460		16,206		21,653						
TOTAL UNITS	33,059		46,823		58,358						

Magnolia Place Market Area	2000		2010		2022		Change 2000-2022				% of Change 2000 - 2022
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	13,453	81.0%	15,725	77.7%	19,373	79.5%	5,920	44.0%	269	1.7%	76.2%
Renter Occupied	3,149	19.0%	4,514	22.3%	5,000	20.5%	1,851	58.8%	84	2.1%	23.8%
Total Occupied	16,602	100%	20,239	100%	24,373	100%	7,771	46.8%	353	1.8%	100%
Total Vacant	5,614		11,110		15,059						
TOTAL UNITS	22,216		31,349		39,433						

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

b. Projected Household Tenure Trends

Esri’s data suggests renter households will account for only 10.4 percent of the market area’s net household growth over the next three years, below the overall renter percentage and a significant departure from the trend over the past 22 years (23.8 percent). Based on our research including an analysis of demographic and multi-family trends, RPRG projects renter households will account for 23.8 percent of net household growth over the next three years which is equal to the trend over the past 22 years. This results in annual growth of 88 renter households, which is slightly above annual



renter growth of 84 households from 2000 to 2022, for a total of 264 renter households over the next three years.

Table 10 Households by Tenure, 2022 to 2025

Magnolia Place Market Area	2022		2025 Esri HH by Tenure		Esri Change by Tenure		Annual Change by Tenure	
	#	%	#	%	#	%	#	%
Housing Units								
Owner Occupied	19,373	79.5%	20,366	79.9%	993	89.6%	331	1.7%
Renter Occupied	5,000	20.5%	5,116	20.1%	115	10.4%	38	0.8%
Total Occupied	24,373	100%	25,482	100%	1,108	100%	369	1.5%
Total Vacant	15,059		15,855					
TOTAL UNITS	39,433		41,337					

Magnolia Place Market Area	2022		2025 RPRG HH by Tenure		RPRG Change by Tenure		Annual Change by Tenure	
	#	%	#	%	#	%	#	%
Housing Units								
Owner Occupied	19,373	79.5%	20,217	79.3%	844	76.2%	281	1.5%
Renter Occupied	5,000	20.5%	5,264	20.7%	264	23.8%	88	1.8%
Total Occupied	24,373	100%	25,482	100%	1,108	100%	369	1.5%
Total Vacant	15,059		15,855					
TOTAL UNITS	39,433		41,337					

Source: Esri, RPRG, Inc.

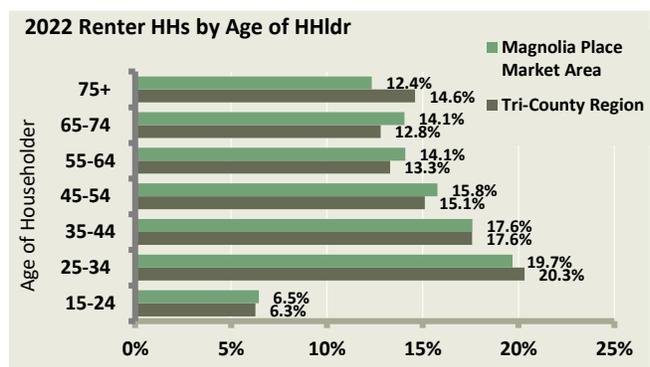
3. Renter Household Characteristics

Over half (53.1 percent) of renter householders in the Magnolia Place Market Area are working age adults age 25-54 years and 14.1 percent are older adults age 55-64 years. Approximately 6.5 percent of householders are under the age of 24 and over one-fourth (26.5 percent) are age 65+ (Table 11). The Tri-County Region has a similar distribution with a slightly higher proportion of households age 25-34 years.

Table 11 2022 Renter Households by Age of Householder

Renter Households	Tri-County Region		Magnolia Place Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	457	6.3%	323	6.5%
25-34 years	1,480	20.3%	984	19.7%
35-44 years	1,281	17.6%	880	17.6%
45-54 years	1,101	15.1%	789	15.8%
55-64 years	970	13.3%	705	14.1%
65-74 years	933	12.8%	703	14.1%
75+ years	1,064	14.6%	618	12.4%
Total	7,286	100%	5,000	100%

Source: Esri, Real Property Research Group, Inc.



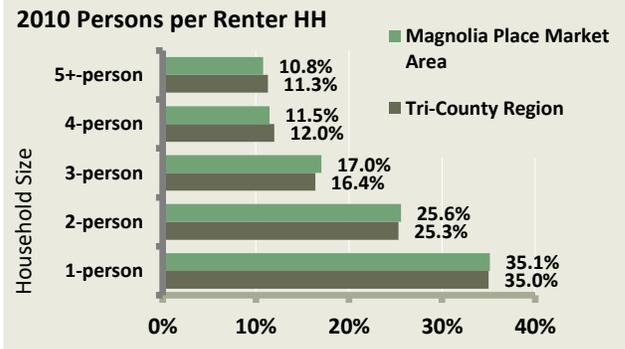
Over three-fifths (60.7 percent) of renter households in the Magnolia Place Market Area had one or two people including 35.1 percent with one person, the most common household size. Approximately 28.5 percent of renter households had three or four people and 10.8 percent had 5+ people (Table 12). The Tri-County Region had a slightly lower percentage of renter households with one to three people when compared to the market area.



Table 12 2010 Renter Households by Household Size

Renter Occupied	Tri-County Region		Magnolia Place Market Area	
	#	%	#	%
1-person hhld	2,359	35.0%	1,586	35.1%
2-person hhld	1,706	25.3%	1,155	25.6%
3-person hhld	1,104	16.4%	769	17.0%
4-person hhld	808	12.0%	517	11.5%
5+-person hhld	761	11.3%	487	10.8%
TOTAL	6,738	100%	4,514	100%

Source: 2010 Census



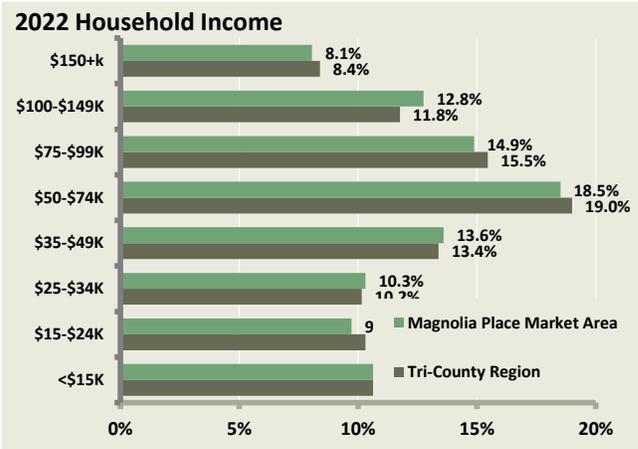
4. Income Characteristics

Magnolia Place Market Area’s 2022 median income of \$55,708 is \$365, or 0.7 percent lower than the median income of \$56,073 in the Tri-County Region (Table 13). Over two-fifths (45.7 percent) of all households in the Magnolia Place Market Area have an annual income of \$49,999 or less; 18.5 percent of households have an annual income of \$50,000 to \$74,999. Approximately one-fifth (20.9 percent) of households have an annual income of \$100,000 or more.

Table 13 2022 Household Income

Estimated 2022 Household Income		Tri-County Region		Magnolia Place Market Area	
		#	%	#	%
less than \$15,000	\$15,000	4,230	11.5%	2,956	12.1%
\$15,000	\$24,999	3,787	10.3%	2,372	9.7%
\$25,000	\$34,999	3,728	10.2%	2,514	10.3%
\$35,000	\$49,999	4,912	13.4%	3,314	13.6%
\$50,000	\$74,999	6,976	19.0%	4,515	18.5%
\$75,000	\$99,999	5,673	15.5%	3,627	14.9%
\$100,000	\$149,999	4,317	11.8%	3,110	12.8%
\$150,000	Over	3,082	8.4%	1,966	8.1%
Total		36,705	100%	24,373	100%
Median Income		\$56,073		\$55,708	

Source: Esri; Real Property Research Group, Inc.

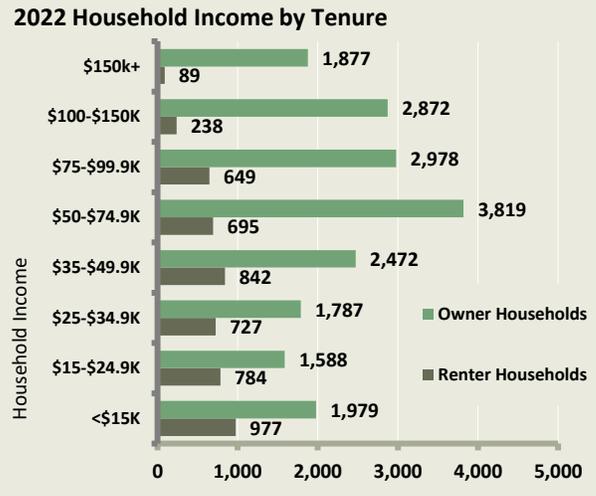


Based on the U.S. Census Bureau’s American Community Survey data, the breakdown of tenure, and household estimates, RPRG estimates that the median income of Magnolia Place Market Area households by tenure is \$35,218 for renters and \$62,177 for owners (Table 14). Nearly half (49.7 percent) of all Magnolia Place Market Area renter households earn less than \$35,000 and 30.7 percent earn \$35,000 to \$74,999. Approximately one-fifth (19.6 percent) of renter households earn \$75,000 or more.



Table 14 2022 Household Income by Tenure, Magnolia Place Market Area

Estimated 2022 HH Income		Renter Households		Owner Households	
Magnolia Place Market Area		#	%	#	%
less than \$15,000		977	19.5%	1,979	10.2%
\$15,000 - \$24,999		784	15.7%	1,588	8.2%
\$25,000 - \$34,999		727	14.5%	1,787	9.2%
\$35,000 - \$49,999		842	16.8%	2,472	12.8%
\$50,000 - \$74,999		695	13.9%	3,819	19.7%
\$75,000 - \$99,999		649	13.0%	2,978	15.4%
\$100,000 - \$149,999		238	4.8%	2,872	14.8%
\$150,000 over		89	1.8%	1,877	9.7%
Total		5,000	100%	19,373	100%
Median Income		\$35,218		\$62,177	



Source: American Community Survey 2016-2020 Estimates, RPRG, Inc.

Roughly 33 percent of renter households in the Magnolia Place Market Area pay at least 35 percent of income for rent (Table 15). Approximately 6.2 percent of renter households are living in substandard conditions; this includes only overcrowding and incomplete plumbing.

Table 15 Rent Burdened and Substandard Housing, Magnolia Place Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	171	3.2%
10.0 to 14.9 percent	567	10.7%
15.0 to 19.9 percent	491	9.2%
20.0 to 24.9 percent	401	7.5%
25.0 to 29.9 percent	682	12.8%
30.0 to 34.9 percent	598	11.2%
35.0 to 39.9 percent	361	6.8%
40.0 to 49.9 percent	317	6.0%
50.0 percent or more	745	14.0%
Not computed	984	18.5%
Total	5,317	100.0%
> 35% income on rent	1,423	32.8%

Source: American Community Survey 2016-2020

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	17,109
1.00 or less occupants per room	16,613
1.01 or more occupants per room	496
Lacking complete plumbing facilities:	77
Overcrowded or lacking plumbing	573
Renter occupied:	
Complete plumbing facilities:	5,317
1.00 or less occupants per room	4,989
1.01 or more occupants per room	328
Lacking complete plumbing facilities:	0
Overcrowded or lacking plumbing	328
Substandard Housing	901
% Total Stock Substandard	4.0%
% Rental Stock Substandard	6.2%

7. EMPLOYMENT TRENDS

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Fannin County, Georgia, the county in which the subject site is located. Economic trends in Georgia and the nation are also discussed for comparison purposes. This section presents the latest economic data available at the local and national levels.

B. Labor Force, Resident Employment, and Unemployment

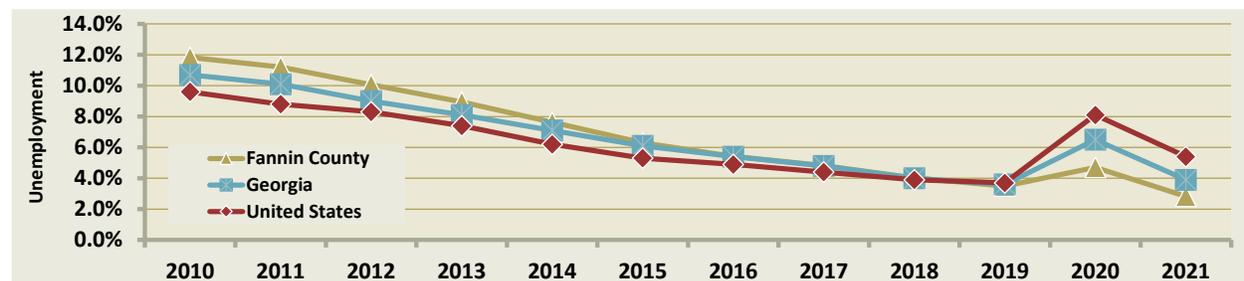
1. Trends in Annual Average Labor Force and Unemployment Data

Fannin County added 1,204 net workers from 2010 to 2019 (12.6 percent net growth). The annual average labor force of 11,505 workers in 2019 was an all-time high for the county prior to the pandemic (Table 16). The employed portion of the labor force grew at a faster pace over the previous nine years with the net addition of 2,021 employed workers (22.3 percent) from 2010 to 2019; the number of workers classified as unemployed dropped by 67.0 percent from 1,219 in 2010 to 402 in 2019. Reflecting the impact of the COVID-19 pandemic, the county's labor force decreased in 2020 and rebounded in 2021 to an economic state better than that of 2019, prior to the pandemic.

Table 16 Annual Average Labor Force and Unemployment Data

Annual Average Unemployment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Labor Force	10,301	10,252	9,982	9,750	9,840	9,999	10,829	11,088	11,321	11,505	11,132	11,797
Employment	9,082	9,103	8,977	8,878	9,090	9,369	10,242	10,553	10,865	11,103	10,608	11,463
Unemployment	1,219	1,149	1,005	872	750	630	587	535	456	402	524	334
Unemployment Rate												
Fannin County	11.8%	11.2%	10.1%	8.9%	7.6%	6.3%	5.4%	4.8%	4.0%	3.5%	4.7%	2.8%
Georgia	10.7%	10.1%	9.0%	8.1%	7.1%	6.1%	5.4%	4.8%	4.0%	3.6%	6.5%	3.9%
United States	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	5.4%

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



Fannin County's unemployment rate decreased significantly over the nine years prior to the pandemic from a recession-era high of 11.8 percent in 2010 to 3.5 percent in 2019, slightly below the state (3.6 percent) and national rate (3.7 percent) (Table 16). Prior to the pandemic, the county's 2019 unemployment rate (3.5 percent) was the lowest level in at least ten years and was less than one-third the peak unemployment rate in 2010 (11.8 percent). Unemployment rates increased in all three areas in 2020; however, all three areas' unemployment rates greatly decreased in 2021 to pre-pandemic levels of 2.8 percent for the county, 3.9 percent for the state, and 5.4 percent for the nation.

2. Trends in Recent Monthly Labor Force and Unemployment Data

The impact of the COVID-19 pandemic on the Fannin County economy is presented in recent monthly labor force and unemployment data (Table 17). Fannin County's total and employed labor force both



increased in the first two months of 2020 before decreasing significantly in April 2020 at the onset of the COVID-19 pandemic. The labor force decreased by 922 workers from March 2020 to April 2020 while the employed portion of the labor force decreased by 1,577 workers (14.6 percent) over this period; the number of unemployed workers more than doubled from 431 in March 2020 to 1,086 in April 2020. The total and employed labor force rebounded over the following eight months with the net addition of 1,199 total workers, 1,860 employed workers, and a reduction of 661 unemployed workers from April 2020 through December 2020. The trend continued throughout 2021, and as of December 2021, the total labor force, employed labor force, and unemployed labor force improved to a better economic state than that of 2019, prior to the pandemic. The county reached 11,644 employed workers as of December 2021, higher than pre-pandemic levels.

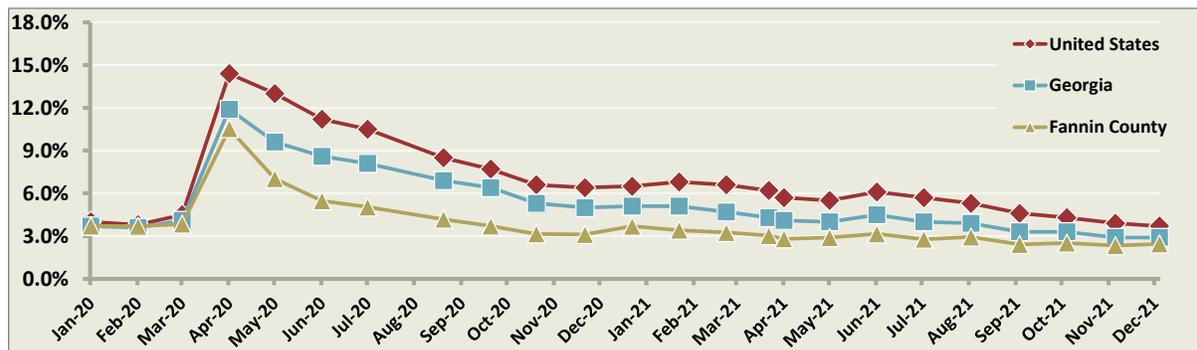
Fannin County’s unemployment rate remained essentially unchanged through March 2020 with an unemployment rate of 3.7 percent but spiked to 10.5 percent in April 2020; this increase reflects the impact of business-related closures related to the COVID-19 pandemic. The county’s employment rate decreased most of the following 21 months to 2.4 percent in December 2021. The county’s most recent unemployment rate of 2.4 percent remains lower than the state (2.9 percent) and national (3.7 percent) unemployment rates.

Table 17 Recent Monthly Labor Force and Unemployment Data

2020 Monthly Unemployment	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Labor Force	11,320	11,362	11,229	10,307	10,801	10,945	11,011	11,042	10,987	11,608	11,465	11,506
Employment	10,900	10,942	10,798	9,221	10,042	10,346	10,456	10,580	10,580	11,242	11,108	11,081
Unemployment	420	420	431	1,086	759	599	555	462	407	366	357	425
Unemployment Rate												
Fannin County	3.7%	3.7%	3.8%	10.5%	7.0%	5.5%	5.0%	4.2%	3.7%	3.2%	3.1%	3.7%
Georgia	3.7%	3.6%	4.1%	11.9%	9.6%	8.6%	8.1%	6.9%	6.4%	5.3%	5.0%	5.1%
United States	4.0%	3.8%	4.5%	14.4%	13.0%	11.2%	10.5%	8.5%	7.7%	6.6%	6.4%	6.5%

2021 Monthly Unemployment	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Labor Force	11,399	11,455	11,648	11,712	11,740	11,770	12,067	12,045	11,925	11,944	11,917	11,936
Employment	11,010	11,082	11,295	11,383	11,400	11,398	11,732	11,691	11,637	11,644	11,639	11,644
Unemployment	389	373	353	329	340	372	335	354	288	300	278	292
Unemployment Rate												
Fannin County	3.4%	3.3%	3.0%	2.8%	2.9%	3.2%	2.8%	2.9%	2.4%	2.5%	2.3%	2.4%
Georgia	5.1%	4.7%	4.3%	4.1%	4.0%	4.5%	4.0%	3.9%	3.3%	3.3%	2.9%	2.9%
United States	6.8%	6.6%	6.2%	5.7%	5.5%	6.1%	5.7%	5.3%	4.6%	4.3%	3.9%	3.7%

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



C. Commutation Patterns

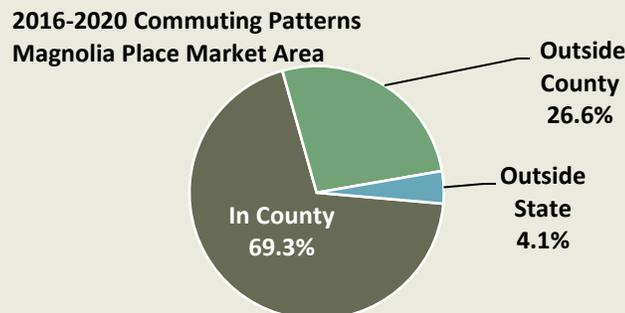
Workers residing in the Magnolia Place Market Area have a wide range of commute times. Over half (51.0 percent) of workers residing in the Magnolia Place Market Area commuted less than 20 minutes or worked from home, 31.3 percent commuted 20 to 39 minutes, and 17.4 percent commuted at least 40 minutes including 11.2 percent commuting at least 60 minutes (Table 18).

Nearly 70 percent of workers residing in the Magnolia Place Market Area worked in their county of residence while 26.6 percent worked in another Georgia county. Approximately four percent of Magnolia Place Market Area workers were employed outside the state, reflecting the close proximity to the North Carolina and Tennessee state borders.

Table 18 Commutation Data, Magnolia Place Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	19,004	93.1%	Worked in state of residence:	19,575	95.9%
Less than 5 minutes	472	2.3%	Worked in county of residence	14,142	69.3%
5 to 9 minutes	2,010	9.8%	Worked outside county of residence	5,433	26.6%
10 to 14 minutes	3,026	14.8%	Worked outside state of residence	843	4.1%
15 to 19 minutes	3,520	17.2%	Total	20,418	100%
20 to 24 minutes	2,802	13.7%			
25 to 29 minutes	1,009	4.9%			
30 to 34 minutes	2,215	10.8%			
35 to 39 minutes	390	1.9%			
40 to 44 minutes	302	1.5%			
45 to 59 minutes	964	4.7%			
60 to 89 minutes	1,212	5.9%			
90 or more minutes	1,082	5.3%			
Worked at home	1,414	6.9%			
Total	20,418				

Source: American Community Survey 2016-2020



Source: American Community Survey 2016-2020

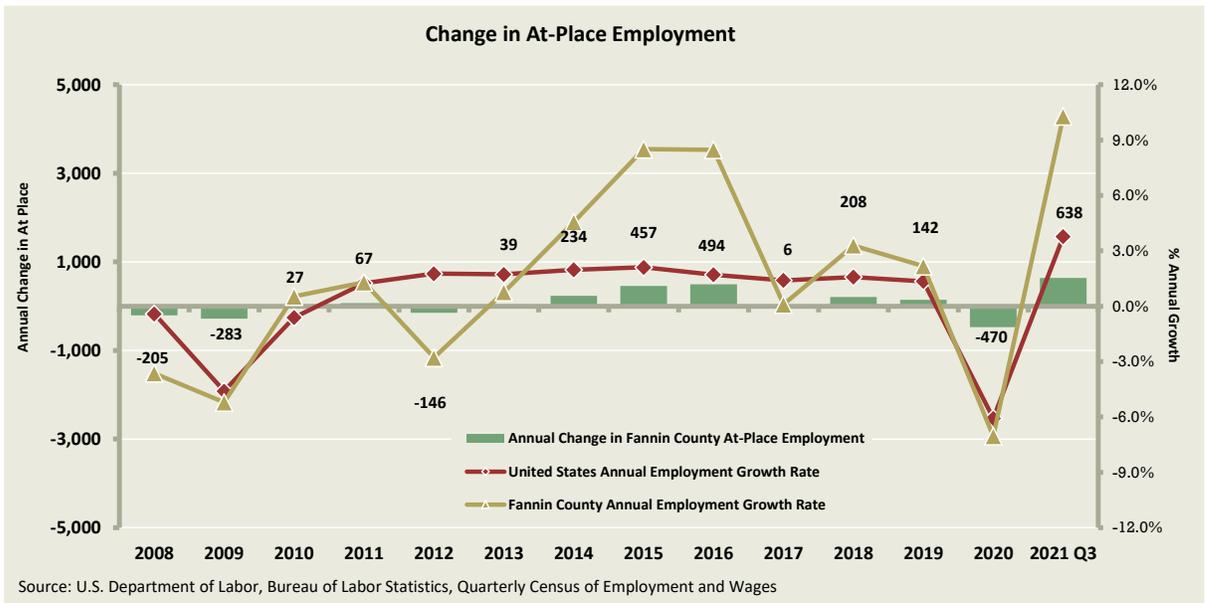
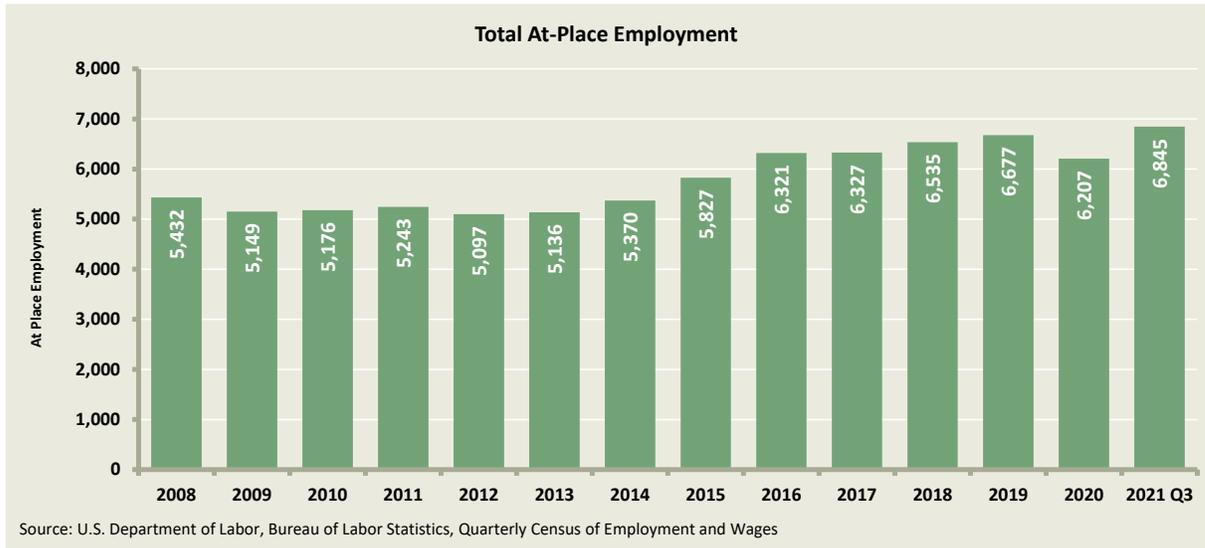
D. At-Place Employment

1. Trends in Total At-Place Employment

Fannin County added jobs in eight of nine years from 2011 to 2019 with net growth of 1,434 jobs or 27.4 percent, approximately three times the recession-era loss of 488 total jobs in 2008 and 2009 (Figure 6). Job loss was limited to two years (2008-2009) during the previous recession-era in Fannin County. However, the majority of job loss (283 jobs) in the county during this period was in 2009. Growth has been significant with the addition of an average of 256 jobs in each of the six years prior to the COVID-19 pandemic. As illustrated in the line on the lower panel of Figure 6, growth rates in the county have outpaced the nation on a percentage basis five of six years prior to the COVID-19 pandemic in 2020. Reflecting the impact of the COVID-19 pandemic, the county lost 470 jobs in 2020; however, the county has rebounded significantly through Q3 of 2021 with 638 jobs added, or 10.3 percent growth. The county's loss in 2020 was comparable to the nation, but its rate of recovery has been much faster.



Figure 6 At-Place Employment, Fannin County

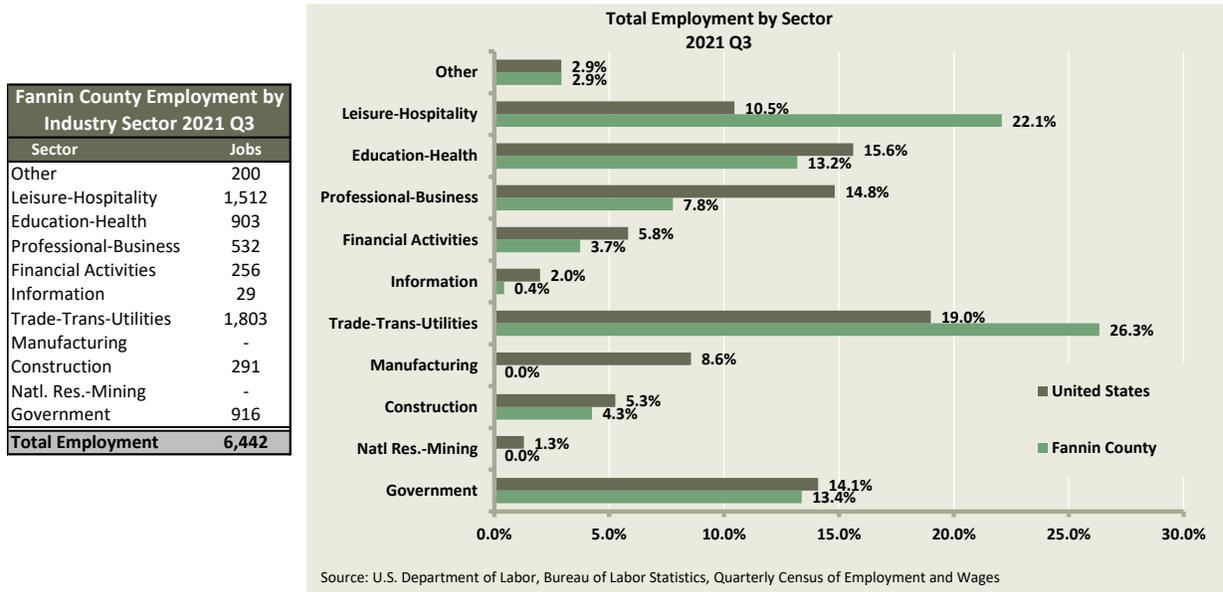


2. At-Place Employment by Industry Sector

Trade-Transportation-Utilities is the largest employment sector in Fannin County at 26.3 percent of all jobs in 2021 Q3 compared to 19.0 percent of jobs nationally (Figure 7). Three sectors (Leisure-Hospitality, Government, and Education-Health) each account for 13.2 percent to 22.1 percent of the county’s jobs while Professional-Business accounts for 7.8 percent. The Trade-Transportation-Utilities and Leisure-Hospitality sectors account for significantly larger proportions of the county’s jobs compared to jobs nationally with the largest discrepancy in the Leisure-Hospitality sector (22.1 percent versus 10.5 percent). Fannin County has a notably smaller percentage of jobs in the Professional-Business sector when compared to the nation. Data regarding the Manufacturing and Natural Resources-Mining sectors were unavailable.



Figure 7 Total Employment by Sector, Fannin County 2021 (Q3)



Five of 11 economic sectors added jobs in Fannin County through the third quarter of 2021 (Figure 8). The largest sector of Leisure-Hospitality increased by 108.0 percent and the notable sector of Trade-Transportation-Utilities increased by 44.1 percent. Other and Professional-Business also increased significantly at 83.8 percent and 53.9 percent, respectively. Education-Health, Financial Activities, and Government were the only sectors to lose jobs since 2011. Data was unavailable for the sectors of Manufacturing, Construction, and Natural Resources-Mining.

Given the rapidly changing economic conditions in the latter part of 2020, we have isolated At-Place Employment change by sector from the first quarter of 2020 (Pre-Pandemic) to the third quarter of 2021 (most recent data available) (Figure 9). Over this period, three of 11 sectors lost jobs in Fannin County with the losses on a nominal basis among Government (58 jobs lost), Education-Health (52 jobs lost), and Other (three jobs lost). Data was unavailable for the Manufacturing, Construction, and Natural Resources-Mining sectors.



Figure 8 Employment Change by Sector, Fannin County 2011 – 2021 (Q3)

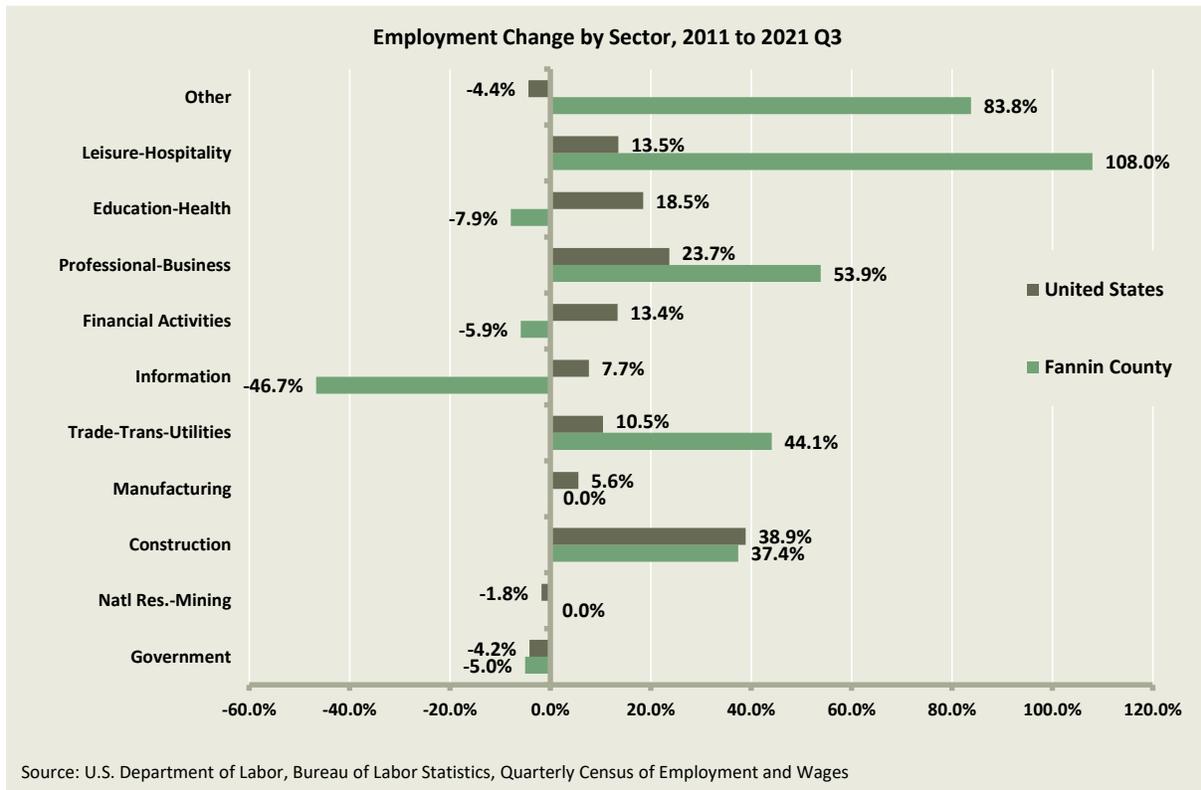
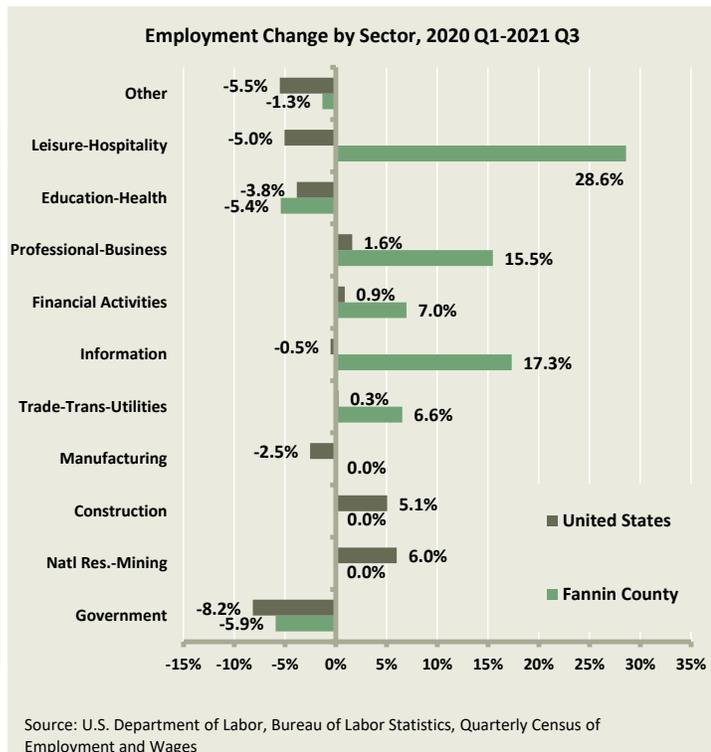


Figure 9 Employment Change by Sector, 2020 (Q1) – 2021 (Q3)

Fannin County Employment by Industry Sector 2020 Q1 - 2021 Q3				
Sector	2020 Q1	2021 Q3	# Change	% Change
Other	203	200	-3	-1.3%
Leisure-Hospitality	1,176	1,512	336	28.6%
Education-Health	954	903	-52	-5.4%
Professional-Business	461	532	71	15.5%
Financial Activities	239	256	17	7.0%
Information	25	29	4	17.3%
Trade-Trans-Utilities	1,692	1,803	111	6.6%
Manufacturing	-	-	-	-
Construction	-	-	-	-
Natl. Res.-Mining	-	-	-	-
Government	973	916	-58	-5.9%
Total Employment	5,723	6,151	428	7.5%





3. Major Employers

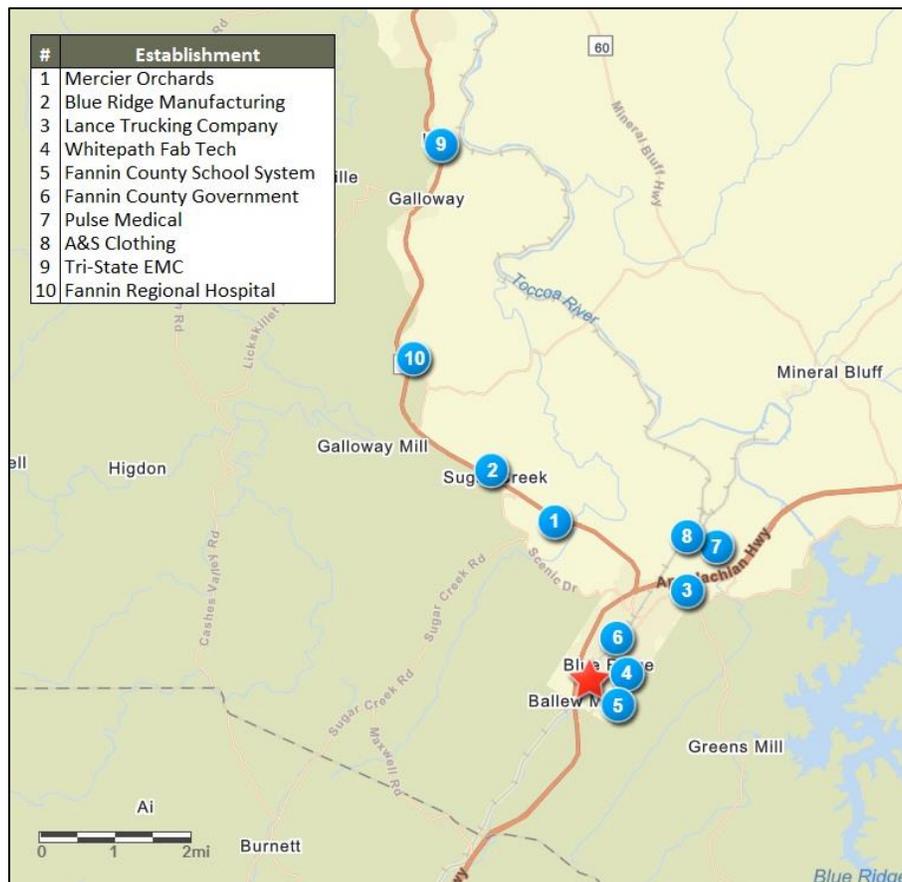
Mercier Orchards, an agricultural company, is Fannin County’s largest single employer. Other major employers include four manufacturers, a trucking transportation company, the Fannin County School System, the county’s government, Tri-State EMC, and the regional hospital (Table 19). The majority of Fannin County’s major employers are in Blue Ridge within two miles of the subject site (Map 5).

Table 19 Major Employers, Fannin County

Rank	Name	Sector
1	Mercier Orchards	Agriculture
2	Blue Ridge Manufacturing	Manufacturing
3	Lance Trucking Company	Trucking Transportation
4	Whitepath Fab Tech	Manufacturing
5	Fannin County School System	Education
6	Fannin County Government	Government
7	Pulse Medical	Manufacturing
8	A&S Clothing	Manufacturing
9	Tri-State EMC	Utilities
10	Fannin Regional Hospital	Healthcare

Source: Fannin County Development Authority

Map 5 Major Employers, Fannin County





4. Recent Economic Expansions and Contractions

According to the Georgia Department of Economic Development press releases, no major expansions were identified in Fannin County since January 2020.

In contrast, the Worker Adjustment and Retraining Notification (WARN) Act helps ensure advance notice of qualified plant closings and mass layoffs. RPRG did not identify any WARN notices in 2021 or 2022 in Fannin County.

E. Conclusions on Local Economics

Fannin County added jobs in eight of nine years from 2011 to 2019, and growth rates in the county outpaced the nation on a percentage basis five of six years prior to the COVID-19 pandemic in 2020. Growth has been significant with the addition of an average of 256 jobs in each of the six years prior to the COVID-19 pandemic. The county's most recent unemployment rate of 2.4 percent in December 2021 remains lower than the state (2.9 percent) and national (3.7 percent) unemployment rates. Like all areas of the nation, Fannin County's economy was negatively impacted by the COVID-19 pandemic with increased unemployment and job losses; however, the county has rebounded at rates better than the state and nation and has improved to a better economic state than it was prior to the pandemic. The current economic environment will not negatively impact the demand for additional or renovated rental housing.

8. AFFORDABILITY & DEMAND ANALYSIS

A. Affordability Analysis

1. Methodology

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

The first component of the Affordability Analysis involves looking at the total household income distribution and renter household income distribution among Magnolia Place Market Area households for the target year of 2025. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2016-2020 American Community Survey along with estimates and projected income growth by Esri (Table 20).

A housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden.' For the Affordability Analysis, RPRG employs a 35 percent gross rent burden. This rent burden only applies for tenants who do not receive PBRA. As 48 of 84 units at the subject property will have PBRA and minimum income limits will not apply, the affordability analysis has been conducted without this additional subsidy. The average gross rent was utilized for this analysis.

HUD has computed a 2021 median household income of \$67,200 for Fannin County, GA. Based on that median income, adjusted for household size, the maximum income limit and minimum income requirements are computed for each floor plan (Table 21). The minimum income limits are calculated assuming up to 35 percent of income is spent on total housing cost (rent plus utilities). The maximum allowable incomes are based on 1.5 persons per bedroom rounded up to the nearest whole number per DCA requirements. Maximum gross rents, however, are based on the federal regulation of 1.5 persons per bedroom.

Table 20 2025 Total and Renter Income Distribution

Magnolia Place Market Area		2025 Total Households		2025 Renter Households	
2025 Income		#	%	#	%
less than	\$15,000	2,902	11.4%	989	18.8%
	\$15,000 \$24,999	2,398	9.4%	817	15.5%
	\$25,000 \$34,999	2,531	9.9%	754	14.3%
	\$35,000 \$49,999	3,200	12.6%	838	15.9%
	\$50,000 \$74,999	4,485	17.6%	712	13.5%
	\$75,000 \$99,999	4,163	16.3%	768	14.6%
	\$100,000 \$149,999	3,623	14.2%	285	5.4%
	\$150,000 Over	2,180	8.6%	102	1.9%
Total		25,482	100%	5,264	100%
Median Income		\$59,531		\$36,304	

Source: American Community Survey 2016-2020 Projections, RPRG, Inc.

Table 21 LIHTC Income and Rent Limits, Fannin County, GA

HUD 2021 Median Household Income											
		Fannin County, GA		\$67,200							
		Very Low Income for 4 Person Household		\$33,600							
		2021 Computed Area Median Gross Income		\$67,200							
Utility Allowance:											
		1 Bedroom		\$108							
		2 Bedroom		\$132							
		3 Bedroom		\$240							
		4 Bedroom		\$286							
Household Income Limits by Household Size:											
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%		
1 Person	\$14,130	\$18,840	\$23,550	\$28,260	\$37,680	\$47,100	\$56,520	\$70,650	\$94,200		
2 Persons	\$16,140	\$21,520	\$26,900	\$32,280	\$43,040	\$53,800	\$64,560	\$80,700	\$107,600		
3 Persons	\$18,150	\$24,200	\$30,250	\$36,300	\$48,400	\$60,500	\$72,600	\$90,750	\$121,000		
4 Persons	\$20,160	\$26,880	\$33,600	\$40,320	\$53,760	\$67,200	\$80,640	\$100,800	\$134,400		
5 Persons	\$21,780	\$29,040	\$36,300	\$43,560	\$58,080	\$72,600	\$87,120	\$108,900	\$145,200		
6 Persons	\$23,400	\$31,200	\$39,000	\$46,800	\$62,400	\$78,000	\$93,600	\$117,000	\$156,000		
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):											
Persons	# Bed-rooms	30%	40%	50%	60%	80%	100%	120%	150%	200%	
2	1	\$16,140	\$21,520	\$26,900	\$32,280	\$43,040	\$53,800	\$64,560	\$80,700	\$107,600	
3	2	\$18,150	\$24,200	\$30,250	\$36,300	\$48,400	\$60,500	\$72,600	\$90,750	\$121,000	
5	3	\$21,780	\$29,040	\$36,300	\$43,560	\$58,080	\$72,600	\$87,120	\$108,900	\$145,200	
6	4	\$23,400	\$31,200	\$39,000	\$46,800	\$62,400	\$78,000	\$93,600	\$117,000	\$156,000	
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):											
# Persons		30%		40%		50%		60%		80%	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom		\$378	\$270	\$504	\$396	\$630	\$522	\$756	\$648	\$1,009	\$901
2 Bedroom		\$453	\$321	\$605	\$473	\$756	\$624	\$907	\$775	\$1,210	\$1,078
3 Bedroom		\$524	\$284	\$699	\$459	\$873	\$633	\$1,048	\$808	\$1,398	\$1,158
4 Bedroom		\$585	\$299	\$780	\$494	\$975	\$689	\$1,170	\$884	\$1,560	\$1,274

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



2. Affordability Analysis

The steps below look at the affordability of the proposed units at the subject property without accounting for the proposed PBRA. The average gross rent was utilized for this analysis (Table 22):

- Looking at the one bedroom units at 60 percent AMI (top left panel), the average gross rent would be \$716.
- We determined that a one bedroom unit at 60 percent AMI would be affordable to households earning at least \$24,549 per year by applying a 35 percent rent burden to the gross rent. A projected 3,240 renter households in the market area will earn at least this amount in 2025.
- Assuming a household size of two people per bedroom, the maximum income limit for a one bedroom unit at 60 percent AMI would be \$32,280. According to the interpolated income distribution for 2025, 2,697 renter households are projected to reside in the market area with incomes exceeding this income limit.
- Subtracting the 2,697 renter households with incomes above the maximum income limit from the 3,240 renter households that could afford to rent this unit, RPRG computes that a projected 543 renter households in the Magnolia Place Market Area are in the band of affordability for Magnolia Place's one bedroom units at 60 percent AMI.
- Magnolia Place would need to capture 4.8 percent of these income-qualified renter households to absorb the 26 proposed one bedroom units at 60 percent AMI.
- Using the same methodology, we determined the band of qualified households for the remaining floor plan types, AMI levels, and for the project overall. The remaining capture rates range from 0.3 percent to 7.0 percent.
- By income level, renter capture rates are 5.6 percent for 60 percent AMI units and 0.5 percent for market rate units. The LIHTC capture rate is 5.6 percent and the total capture rate is 4.0 percent.
- Forty-eight of the LIHTC units will have PBRA with tenant-paid rents based on a percentage of income with no minimum income requirement. The number of income eligible renter households will increase significantly with the elimination of a minimum income limit for the units with PBRA; the capture rates will improve significantly.



Table 22 Affordability Analysis, Magnolia Place without PBRA

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units		Four Bedroom Units	
Number of Units		26		29		14		6	
Average Gross Rent		\$716		\$875		\$1,048		\$1,170	
Income Range (Min, Max)		\$24,549	\$32,280	\$30,000	\$36,300	\$35,931	\$43,560	\$40,114	\$46,800
Renter Households									
Range of Qualified Hhlds		3,240	2,697	2,857	2,440	2,459	2,064	2,242	1,896
# Qualified Households		543		417		395		346	
Renter HH Capture Rate		4.8%		7.0%		3.5%		1.7%	

120% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units	
Number of Units		4		5	
Average Gross Rent		\$904		\$1,085	
Income Range (Min, Max)		\$30,994	\$64,560	\$37,200	\$72,600
Renter Households					
Range of Qualified Hhlds		2,787	1,346	2,393	1,134
# Qualified Households		1,441		1,259	
Renter HH Capture Rate		0.3%		0.4%	

Income Target	# Units	Renter Households = 4,879				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
60% AMI	75	<i>Income Households</i>	\$24,549 3,240	\$46,800 1,896	1,344	5.6%
LIHTC Units	75	<i>Income Households</i>	\$24,549 3,240	\$46,800 1,896	1,344	5.6%
120% AMI	9	<i>Income Households</i>	\$30,994 2,787	\$72,600 1,134	1,653	0.5%
Total Units	84	<i>Income Households</i>	\$24,549 3,240	\$72,600 1,134	2,106	4.0%

Source: Income Projections, RPRG, Inc.

3. Conclusions of Affordability

All renter capture rates are acceptable indicating sufficient income-qualified renter households will exist in Magnolia Place Market Area as of 2025 to support the 84 units proposed at Magnolia Place. With the proposed PBRA for 48 LIHTC units, the capture rates will improve significantly.

B. Demand Estimates and Capture Rates

1. Methodology

DCA’s demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of income-qualified renter households projected to move into the Magnolia Place Market Area between the base year (2022) and the placed-in-service year of 2025.
- The next component of demand is income-qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to ACS data, the percentage of renter households in the primary market area that are “substandard” is 6.2 percent (see Table 15 on page 33). This substandard percentage is applied to current household numbers.

- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 32.8 percent of Magnolia Place Market Area renter households are categorized as cost burdened (see Table 15 on page 33).

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 23. Income qualification percentages for demand estimates are derived by using the Affordability Analysis detailed in Table 22.

2. Demand Analysis

According to DCA's demand methodology, all comparable units recently funded by DCA, proposed for funding for a bond allocation from DCA, or any comparable units at communities undergoing lease-up are to be subtracted from the demand estimates to arrive at net demand. RPRG identified one development of 18 market rate units undergoing construction in the market area comprising ten one bedroom units and eight two bedroom units.

The project's overall DCA demand capture rate is 10.3 percent and capture rates by income level range from 4.4 percent to 17.6 percent for 60 percent AMI units and 0.7 percent to 1.0 percent for market rate (120 percent AMI) units. By floorplan, capture rates range from 0.7 percent to 12.1 percent for one bedroom units, 1.0 percent to 17.6 percent for two bedroom units, 8.9 percent for three bedroom units, and 4.4 percent for four bedroom units, all of which are below DCA thresholds (Table 23 and Table 24). With the proposed PBRA, the capture rates will be lower.

Table 23 Overall Demand Estimates, Magnolia Place without PBRA

	Income Target	60% AMI	LIHTC Units	120% AMI	Total Units
	Minimum Income Limit	\$24,549	\$24,549	\$30,994	\$24,549
	Maximum Income Limit	\$46,800	\$46,800	\$72,600	\$72,600
(A) Renter Income Qualification Percentage		27.5%	27.5%	33.9%	43.2%
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		27	27	33	43
PLUS					
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>		80	80	98	125
PLUS					
Demand from Existing Renter HHs (Overburdened) - <i>Calculation B*E*F*A</i>		425	425	523	667
Total Demand		532	532	655	834
LESS					
Comparable Units		0	0	18	18
Net Demand		532	532	637	816
Proposed Units		75	75	9	84
Capture Rate		14.1%	14.1%	1.4%	10.3%

Demand Calculation Inputs	
A). % of Renter HHlds with Qualifying Income	see above
B). 2022 Householders	22,919
C). 2025 Householders	23,399
D). Substandard Housing (% of Rental Stock)	6.2%
E). Rent Overburdened (% of Renter HHs at >35%)	32.8%
F). Renter Percentage (% of all 2022 HHs)	20.5%



Table 24 Demand Estimates by Floor Plan, Magnolia Place without PBRA

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large Household Size Adjustment (3+ Persons)	Adjusted Demand	Supply	Net Demand	Capture Rate	Average Market Rent	Market Rents Band	Proposed Rents
60% AMI		\$24,549 - \$46,800										
One Bedroom Units		26	11.1%	215		215	0	215	12.1%	\$778	\$495-\$1,050	\$553-\$605
Two Bedroom Units		29	8.5%	165		165	0	165	17.6%	\$980	\$700-\$1,300	\$707-\$724
Three Bedroom Units		14	8.1%	156	39.3%	61	0	156	8.9%	-	-	\$808
Four Bedroom Units		6	7.1%	137	39.3%	54	0	137	4.4%	-	-	\$884
120% AMI		\$31,097 - \$72,600										
One Bedroom Units		4	29.4%	568		568	10	558	0.7%	\$778	\$495-\$1,050	\$799
Two Bedroom Units		5	25.7%	497		497	8	489	1.0%	\$980	\$700-\$1,300	\$956
By Bedroom												
One Bedroom Units		30	40.5%	783		783	10	773	3.9%	\$778	\$495-\$1,050	\$553-\$799
Two Bedroom Units		34	34.2%	662		662	8	654	5.2%	\$980	\$700-\$1,300	\$707-\$956
Three Bedroom Units		14	8.1%	156	39.3%	61	0	156	8.9%	-	-	\$808
Four Bedroom Units		6	7.1%	137	39.3%	54	0	137	4.4%	-	-	\$884
Project Total		\$24,549 - \$72,600										
60% AMI	\$24,549 - \$46,800	75	27.5%	532			0	532	14.1%			
LIHTC Units	\$24,549 - \$46,800	75	27.5%	532			0	532	14.1%			
120% AMI	\$31,097 - \$72,600	9	33.7%	652			18	634	1.4%			
Total Units	\$24,549 - \$72,600	84	43.2%	834			18	816	10.3%			

3. DCA Demand Conclusions

All capture rates are below DCA thresholds and indicate sufficient demand in the market area to support the proposed units at Magnolia Place with or without PBRA on a portion of the units; capture rates will decrease with the inclusion of PBRA.

9. COMPETITIVE RENTAL ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Magnolia Place Market Area. We pursued several avenues of research to identify multi-family rental projects that are in the planning stages or under construction in the Magnolia Place Market Area. We contacted Olivia Holloway with Union County Building and Development, Marie Woody, Department Head of Fannin County Land Development, Karen Henson, Director of Gilmer County Planning and Zoning, Chris Mortimer, Taxes and Licensing Clerk with the City of Blue Ridge, and the Blue Ridge Housing Authority. We also reviewed DCA's lists of recent LIHTC awards/applications as well as local news articles. The rental survey was conducted in May 2022.

B. Overview of Market Area Housing Stock

The renter occupied housing stock in both the Magnolia Place Market Area and Tri-County Region includes a mix of structure types. Roughly one-fourth (25.6 percent) of renter occupied units in the Magnolia Place Market Area are in multi-family structures including 11.3 percent in structures with five or more units compared to 11.9 percent in the Tri-County Region (Table 25). Approximately half (50.2 percent) of renter occupied units in the Magnolia Place Market Area are single-family detached homes compared to 50.7 percent in the Tri-County Region. Mobile home renter occupied units are slightly more common in the Tri-County Region at 23.0 percent compared to 22.1 percent in the Magnolia Place Market Area. Roughly 86 percent of owner occupied units are single-family detached homes in both the Magnolia Place Market Area and Tri-County Region with nearly all remaining units in mobile homes.

Table 25 Occupied Housing Units by Structure and Tenure

Structure Type	Owner Occupied				Renter Occupied			
	Tri-County Region		Magnolia Place Market Area		Tri-County Region		Magnolia Place Market Area	
	#	%	#	%	#	%	#	%
1, detached	22,158	86.5%	14,782	86.2%	4,057	50.7%	2,664	50.2%
1, attached	138	0.5%	128	0.7%	131	1.6%	109	2.1%
2	10	0.0%	10	0.1%	261	3.3%	149	2.8%
3-4	25	0.1%	24	0.1%	239	3.0%	174	3.3%
5-9	12	0.0%	12	0.1%	266	3.3%	216	4.1%
10-19	74	0.3%	74	0.4%	248	3.1%	219	4.1%
20+ units	14	0.1%	14	0.1%	951	11.9%	601	11.3%
Mobile home	3,176	12.4%	2,111	12.3%	1,843	23.0%	1,173	22.1%
TOTAL	25,607	100%	17,155	100%	7,996	100%	5,305	100%

Source: American Community Survey 2016-2020

The renter occupied housing stock in the Magnolia Place Market Area is slightly older than the Tri-County Region's with a renter occupied median year built of 1987 compared to 1988 in the Tri-County Region (Table 26). Over half (56.0 percent) of renter occupied units in the Magnolia Place Market Area were built prior to 1990 while approximately 8.2 percent were built in the 2010s. Owner occupied units are significantly newer than renter occupied units in the Magnolia Place Market Area with a median year built of 1995; approximately 61 percent of owner occupied units in the market area were built in the 1990s or later. Approximately one-fourth (23.5 percent) of owner occupied units in the market area were built prior to 1980. The 1980s, 1990s, and 2000s were the most active decades for construction among the market area's renter occupied units with 60.6 percent of all renter occupied units built in this time frame.



According to 2016-2020 ACS data, the median value among owner occupied housing units in the Magnolia Place Market Area was \$208,457, which is \$4,335 or 2.1 percent higher than the Tri-County Region median of \$204,122 (Table 27). ACS estimates home values based upon values from homeowners’ assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight of relative housing values among two or more areas.

Table 26 Dwelling Units by Year Built and Tenure

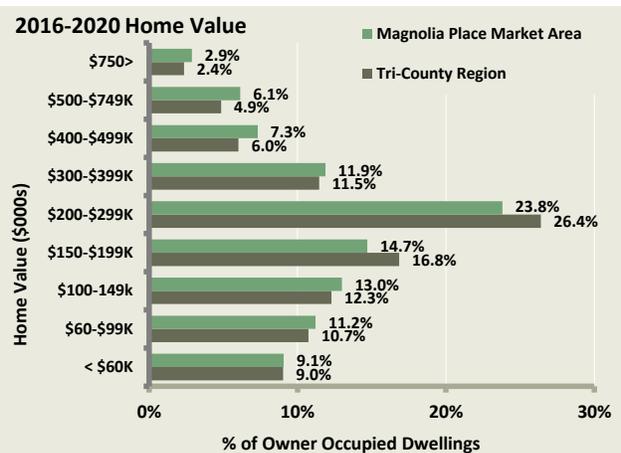
Year Built	Owner Occupied				Renter Occupied			
	Tri-County Region		Magnolia Place Market Area		Tri-County Region		Magnolia Place Market Area	
	#	%	#	%	#	%	#	%
2014 or later	1,155	4.5%	809	4.7%	354	4.4%	337	6.3%
2010 to 2013	804	3.1%	533	3.1%	115	1.4%	103	1.9%
2000 to 2009	8,584	33.2%	5,514	32.1%	1,354	16.9%	779	14.7%
1990 to 1999	5,670	22.0%	3,639	21.2%	1,880	23.5%	1,121	21.1%
1980 to 1989	4,134	16.0%	2,671	15.5%	2,166	27.0%	1,319	24.8%
1970 to 1979	1,979	7.7%	1,583	9.2%	681	8.5%	476	9.0%
1960 to 1969	1,210	4.7%	820	4.8%	519	6.5%	399	7.5%
1950 to 1959	1,190	4.6%	732	4.3%	470	5.9%	426	8.0%
1940 to 1949	502	1.9%	425	2.5%	294	3.7%	266	5.0%
1939 or earlier	592	2.3%	460	2.7%	175	2.2%	91	1.7%
TOTAL	25,820	100%	17,186	100%	8,008	100%	5,317	100%
MEDIAN YEAR BUILT	1995		1995		1988		1987	

Source: American Community Survey 2016-2020

Table 27 Value of Owner Occupied Housing Stock

2016-2020 Home Value	Tri-County Region		Magnolia Place Market Area	
	#	%	#	%
less than \$60,000	2,331	9.0%	1,558	9.1%
\$60,000 - \$99,999	2,774	10.7%	1,928	11.2%
\$100,000 - \$149,999	3,174	12.3%	2,233	13.0%
\$150,000 - \$199,999	4,350	16.8%	2,528	14.7%
\$200,000 - \$299,999	6,815	26.4%	4,091	23.8%
\$300,000 - \$399,999	2,958	11.5%	2,041	11.9%
\$400,000 - \$499,999	1,556	6.0%	1,257	7.3%
\$500,000 - \$749,999	1,254	4.9%	1,056	6.1%
\$750,000 over	608	2.4%	494	2.9%
Total	25,820	100%	17,186	100%
Median Value	\$204,122		\$208,457	

Source: American Community Survey 2016-2020



C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

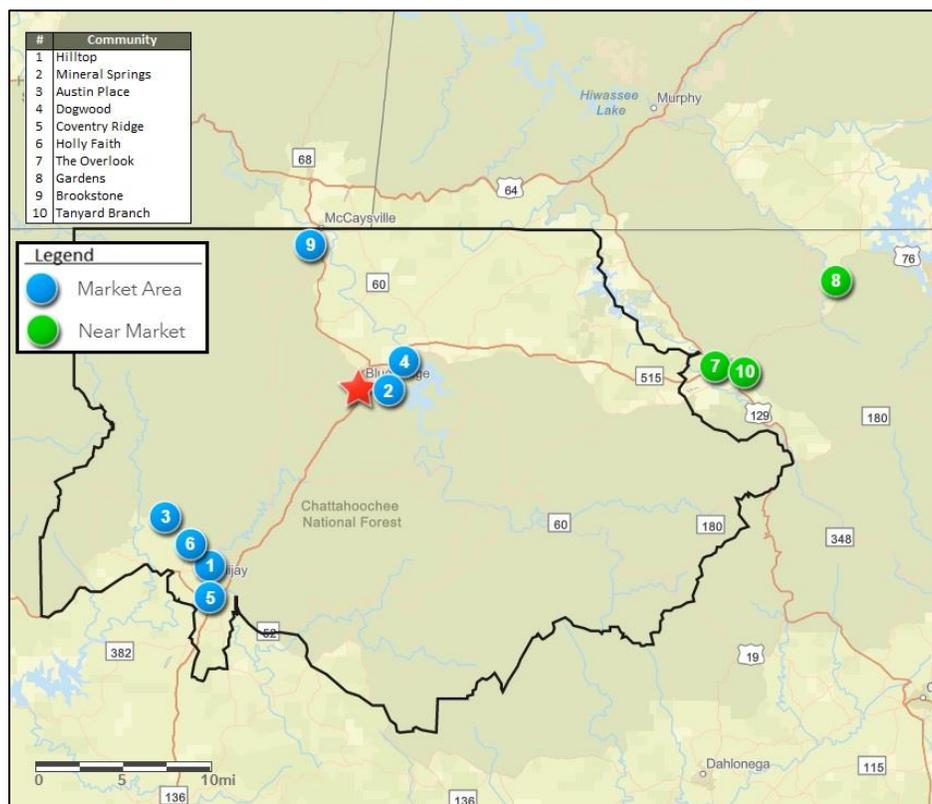
As part of this analysis, RPRG surveyed seven general occupancy communities in the Magnolia Place Market Area including five market rate communities, one LIHTC community, and one deeply subsidized community. Due to limited stock of rental communities in the market area, we also

surveyed Near Market communities representing regional options in this analysis, which includes two LIHTC communities and one deeply subsidized community in the Blairsville area east of the market area. While not all rental communities surveyed will directly compete with the subject property, they offer insight into current multi-family options, conditions, and pricing in the region. Two deep subsidy communities, Brookstone and Tanyard Branch, were included in the analysis. Age-restricted communities were excluded from the analysis given the difference in age-targeting. Cox Creek and Ellijay East did not respond to RPRG's repeated contact attempts. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 6.

2. Location

Two of seven Market Area communities are in Blue Ridge, just east of the subject site. Four surveyed Market Area communities are clustered in Ellijay, to the southwest of the subject site. One Market Area community is located northwest of the subject site in McCaysville. Two Near Market communities are located near U.S. Highway 515 in Blairsville. One Near Market community is located northeast of the subject site in Young Harris (Map 6).

Map 6 Surveyed Rental Communities



3. Size of Communities

The surveyed Market Area communities range in size from 12 to 67 units and average 31 units; the Near Market surveyed communities range in size from 35 to 49 units and average 48 units (Table 28). LIHTC communities are slightly larger than the total average at 51 units with the largest LIHTC community containing 67 units. Three surveyed communities have 20 units or less, three communities have 20 to 40 units, and four surveyed communities have 40 units or more.



4. Age of Communities

The average year built across all surveyed rental communities is 2000 with a placed-in-service range from 1990 to 2017 (Table 28). The Near Market communities are significantly newer with a placed-in-service range of 1994 to 2017 with an average year built of 2008; the Market Area communities are older with a placed-in-service range of 1990 to 2003 with an average year built of 1996. The surveyed LIHTC communities have a placed-in-service range of 2003 to 2017 and are much newer with the communities built in 2003, 2014, and 2017.

5. Structure Type

Among the seven Market Area communities, three surveyed communities are exclusively garden apartments. Two communities offer garden apartments and townhomes; one community, Hilltop, offers townhomes exclusively. Dogwood, a Market Area community, offers a mixed structure. Two of three Near Market communities offer garden apartments exclusively; one Near Market community offers garden apartments and townhomes. Two of three surveyed LIHTC communities are garden apartments. Mineral Springs, also a LIHTC community, offers both townhomes and garden apartments (Table 28).

6. Vacancy Rates

The Magnolia Place rental market is performing very well with zero vacancies among 219 combined units for an aggregate vacancy rate of 0.0 percent (Table 28). Near Market communities also reported zero vacancies among 135 combined units for an aggregate vacancy rate of 0.0 percent.

7. Rent Concessions

Reflective of the tight rental market, no communities reported rental incentives.

Table 28 Summary, Surveyed Rental Communities

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Avg 3BR Rent (1)	Avg 4BR Rent (1)	Incentives
	Subject Property - 60% AMI			75			\$573	\$717	\$808	\$884	
	Subject Property - Market			9			\$799	\$956			
	Total			84							
Market Area Communities											
1	Hilltop	1990	TH	37	0	0.0%		\$1,300			None
2	Mineral Springs*	2003	Gar/TH	67	0	0.0%		\$851	\$809	\$762	None
3	Austin Place	1998	Gar/TH	26	0	0.0%	\$1,050	\$1,100			None
4	Dogwood	-	Mix	19	0	0.0%		\$850			None
5	Coventry Ridge	1995	Gar	18	0	0.0%	\$790	\$950			None
6	Holly Faith	1995	Gar	12	0	0.0%	\$495	\$700			None
7	Brookstone^	1992	Gar	40	0	0.0%	\$595	\$717	\$817		None
	Near Market Total			219	0	0.0%					
	Near Market Average	1996		31			\$733	\$924	\$813	\$762	
Near Market Communities											
8	The Overlook*	2017	Gar	35	0	0.0%	\$600	\$717	\$814		None
9	Gardens*	2014	Gar	51	0	0.0%	\$577	\$702			None
10	Tanyard Branch^	1994	Gar/TH	49	0	0.0%	\$520	\$545	\$593		None
	Market Area Total			135	0	0.0%					
	Market Area Average	2008		45			\$566	\$655	\$704		
	Total Average	2000		354	0	0.0%					
	LIHTC Total			153	0	0.0%	\$661	\$843	\$758	\$762	
	LIHTC Average	2011		51			\$589	\$757	\$811	\$762	

(1) Rent is contract rent, and not adjusted for utilities or incentives

(*) LIHTC

Source: Phone Survey, RPRG, Inc. May 2022

(^) Deeply Subsidized Community



8. Absorption History

The Overlook delivered 35 units in August 2017 after pre-leasing began in May 2017. The community stabilized in December 2017 for an average monthly absorption of roughly four units. The Overlook has zero vacancies as of the time of our rental survey.

D. Analysis of Product Offerings

1. Payment of Utility Costs

Among Market Area communities, six of seven communities include trash removal. One community, Coventry Ridge, includes all utilities in rent. Austin Place includes water and sewer in rent. Brookstone, a deeply subsidized community, does not include any utilities in rent. (Table 29). Among Near Market communities, all communities include trash removal in rent; one community also includes water and sewer in rent. Among surveyed LIHTC communities, all include trash removal in rent. Magnolia Place will include the cost of trash removal in the rent.

2. Unit Features

Among Market Area Communities, most surveyed communities offer a dishwasher and all communities offer washer and dryer hook ups. Two Market Area communities offer disposals and none of the surveyed Market Area communities offer microwaves. Ceiling fans come standard at three Market Area communities (Table 29). All surveyed Near Market communities offer a dishwasher, disposal, and washer and dryer hook ups. Two of three surveyed Near Market communities offer a microwave. Patios and balconies are offered at most surveyed communities. Magnolia Place will offer a refrigerator, stove/oven, dishwasher, microwave, disposal, standard balconies, and in-unit washer and dryers in each unit which is generally comparable or superior to all surveyed communities.

3. Parking

All surveyed communities offer surface parking as the standard parking option.

4. Community Amenities

The surveyed communities in both the Market Area and Near Market area generally offer limited amenities. Among surveyed Market Area communities, two communities offer a playground. Mineral Springs, a LIHTC community, also offers a clubhouse, fitness room, and business center. One community in the Near Market area, The Overlook, offers a clubhouse, playground, and business center. The Gardens, a LIHTC community in the Near Market area, offers a fitness room. (Table 30). Magnolia Place will offer a community room, fitness center, business center, community garden, library, wellness room, and playground. Magnolia Place's proposed amenities will be competitive among surveyed LIHTC communities and will be superior to the surveyed market rate communities.



Table 29 Utility Arrangement and Unit Features, Surveyed Rental Communities

Community	Heat Source	Utilities Included in Rent						Dish-washer	Dispos- al	Micro- wave	Applia- nces	Count-ers	In Unit Laundry	Patio Balcony
		Heat	Hot Water	Cooking	Electric	Water	Trash							
Subject Property	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD	SS	STD	STD - Full	STD				
Market Area Communities														
Hilltop	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD		Wht	Lam	Hook Ups					
Mineral Springs*	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD		Wht	Lam	Hook Ups	STD				
Austin Place	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD			Wht	Lam	Hook Ups	STD
Dogwood	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sel Units			Wht	Lam	Hook Ups	Sel Units				
Coventry Ridge	Gas	<input checked="" type="checkbox"/>				Wht	Lam	Hook Ups	STD					
Holly Faith	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD			Wht	Lam	Hook Ups					
Brookstone^		<input type="checkbox"/>	STD	STD		Wht	Lam	Hook Ups	STD					
Near Market Communities														
The Overlook*	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD	Wht	Lam	Hook Ups	STD				
Gardens*	Elec	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD	Wht	Lam	Hook Ups	STD				
Tanyard Branch^		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD			Wht	Lam	Hook Ups	STD

Source: Phone Survey, RPRG, Inc. May 2022 (*) LIHTC (^) Deeply Subsidized

Table 30 Community Amenities, Surveyed Rental Communities

Community	Clubhouse	Fitness Room	Playground	Business Center
Subject Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Market Area Communities				
Hilltop	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mineral Springs*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Austin Place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dogwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coventry Ridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Holly Faith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brookstone^	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Near Market Communities				
The Overlook*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Gardens*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tanyard Branch^	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, RPRG, Inc. May 2022 (*) LIHTC (^) Deeply Subsidized



5. Unit Distribution

All ten surveyed communities offer two bedroom units. Seven of ten surveyed communities offer one bedroom units; four of ten surveyed communities offer three bedroom units. Three of ten surveyed communities offer one bedroom, two bedroom, and three bedroom units. One LIHTC community offers two bedroom, three bedroom, and four bedroom units (Table 31). Market Area communities reporting unit distributions contain 74.0 percent of the Market Area rental stock. Among Market Area communities, two bedroom units are the most common at 69.0 percent; four bedroom units are least common at 4.8 percent. Three bedroom units comprise 19.0 percent of Market Area housing stock and one bedroom units comprise 7.1 percent of Market Area housing stock. Near Market communities reporting unit distributions contain 37.8 percent of the Near Market rental stock. Among these communities, two bedroom units are the most common at 64.7 percent of surveyed units followed by one bedroom units at 35.3 percent. Three bedroom unit distributions were unavailable. No Near Market communities offered four bedroom units.

6. Effective Rents

Unit rents presented in Table 31 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where rents include the cost of trash removal.

Among all surveyed rental communities, net rents, unit sizes, and rents per square foot are as follows:

- **One bedroom** effective rents average \$622 per month. The average one bedroom unit size is 683 square feet resulting in a net rent per square foot of \$0.91.
- **Two bedroom** effective rents average \$814 per month. The average two bedroom unit size is 1,089 square feet resulting in a net rent per square foot of \$0.64.
- **Three bedroom** effective rents average \$693 per month. The average three bedroom unit size is 1,089 square feet resulting in a net rent per square foot of \$0.64. No market rate communities offered three bedroom units, so the three bedroom average is skewed low as only LIHTC and deeply subsidized communities have three bedroom units.
- **Four bedroom** effective rents average \$688 per month. The average four bedroom unit size is 1,372 square feet resulting in a net per square foot of \$0.50. Only one LIHTC community offered four bedroom units, so the four bedroom average is skewed low due to the LIHTC income targeting.

Average effective rents include LIHTC units at 30 percent, 50 percent, and 60 percent AMI as well as market rate units. LIHTC rents are generally at the lowest end of the market in terms of price.



Table 31 Unit Distribution, Size, and Pricing, Surveyed Rental Communities

Community	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units				Four Bedroom Units			
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject - 60% AMI	75	26	\$573	650	\$0.88	29	\$717	850	\$0.84	14	\$808	1,100	\$0.73	6	\$884	1,250	\$0.71
Subject - Market	9	4	\$799	650	\$1.23	5	\$956	850	\$1.12								
Total	84	30				34				14				6			
Market Area Communities																	
Hilltop	37					37	\$1,300	1,000	\$1.30								
Mineral Springs	14					14	\$1,165	840	\$1.39								
Austin Place	26	8	\$1,035	760	\$1.36	18	\$1,080	1,100	\$0.98								
Dogwood	19					18	\$850	900	\$0.94								
Coventry Ridge	18		\$670	400	\$1.68		\$800	800	\$1.00								
Holly Faith	12	4	\$495	800	\$0.62	8	\$700	1,100	\$0.64								
Mineral Springs 60% AMI*	30									25	\$888	1,104	\$0.80	5	\$985	1,372	\$0.72
Mineral Springs 50% AMI*	21					21	\$625	840	\$0.74								
Mineral Springs 30% AMI*	10									7	\$351	1,104	\$0.32	3	\$391	1,372	\$0.28
Brookstone^	40		\$595	624	\$0.95		\$717	928	\$0.77		\$817	-	-				
Market Area Total/Average	227		\$699	646	\$1.08		\$905	939	\$0.96		\$685	1,104	\$0.62		\$688	1,372	\$0.50
Market Area Unit Distribution	168	12				116				32				8			
Market Area % of Total	74.0%	7.1%				69.0%				19.0%				4.8%			
Near Market Communities																	
The Overlook 60% AMI*	35		\$600	719	\$0.83		\$717	1,029	\$0.70		\$814	1,200	\$0.68				
Gardens 60% AMI*	45	15	\$586	719	\$0.82	30	\$705	1,029	\$0.69								
Gardens 50% AMI*	6	3	\$473	719	\$0.66	3	\$562	1,029	\$0.55								
Tanyard Branch^	49		\$520	723	\$0.72		\$545	854	\$0.64		\$593	949	\$0.62				
Near Market Total/Average	135		\$545	720	\$0.76		\$632	985	\$0.64		\$704	1,075	\$0.65				
Near Market Unit Distribution	51	18				33				0				0			
Near Market % of Total	37.8%	35.3%				64.7%				0.0%				0.0%			
Total/Average	273		\$622	683	\$0.91		\$814	954	\$0.85		\$693	1,089	\$0.64		\$688	1,372	\$0.50
Unit Distribution	219	30				149				32				8			
% of Total	80.2%	13.7%				68.0%				14.6%				3.7%			

(1) Rent is adjusted to include trash, and Incentives

(*) LIHTC

(^) Deeply Subsidized

Source: Phone Survey, RPRG, Inc. May 2022

7. Scattered Site Rentals

Given the multi-family rental options in the market area and rent and income restrictions proposed for 75 of 84 units at Magnolia Place, scattered site rentals are not expected to be a significant source of competition for the subject property.

8. Estimated Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. No market rate communities offer one, two, three, and four bedroom units. Three market rate communities offering one and two bedroom units are included in this analysis and adjustments made are broken down into four classifications. Notably, a \$100 adjustment will be utilized regarding number of bedrooms. These classifications and an explanation of the adjustments made follows:

Table 32 Estimate of Market Rent Adjustments

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
 - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition.
 - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
 - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. An adjustment of \$20 per variance was applied for condition. Likewise, the neighborhood or location adjustment was \$20 per variance.
 - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$25 for each amenity.
- Site Amenities – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$10 and \$15 for each amenity.

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	\$25.00
Year Built / Condition	\$0.75
Quality/Street Appeal	\$20.00
Location	\$20.00
C. Unit Equipment / Amenities	
Number of Bedrooms	\$100.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
D. Site Equipment / Amenities	
Parking (\$ Fee)	
Club House	\$10.00
Pool	\$10.00
Recreation Areas	\$5.00
Fitness Center	\$10.00

Based on our adjustment calculations, the estimated market rents for the units at Magnolia Place are \$831 for one bedroom units (Table 33), \$946 for two bedroom units (Table 34), \$1,100 for three bedroom units (Table 35), and \$1,241 for four bedroom units (Table 36). All proposed rents have a significant rent advantage of at least 23 percent for LIHTC units; one bedroom market rate units have a 3.9 percent rent advantage and two bedroom units have a 1.1 percent rent disadvantage. The overall market advantage for market rate units is 1.1 percent (Table 37). The overall market advantage is 23.12 percent.


Table 33 Adjusted Rent Comparison, One Bedroom

One Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Magnolia Place SE intersection of Boardtown Road and Trackside Lane Blue Ridge, Fannin County, GA	Austin Place		Coventry Ridge		Holly Faith		
	3017 Chatsworth Highway		137 Sumner Top Lane		79 Tower Road		
	Ellijay	Gilmer	Ellijay	Gilmer	Ellijay	Gilmer	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60% LIHTC)	\$605	\$1,050	\$0	\$790	\$0	\$495	\$0
Utilities Included	T	W, S, T	(\$15)	None	(\$120)	T	\$0
Rent Concessions	\$0	None	\$0	None	\$0	None	\$0
Effective Rent	\$605	\$1,035		\$670		\$495	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden/TH	(\$25)	Garden	\$0	Garden	\$0
Year Built / Condition	2025	1998	\$20	1995	\$23	1995	\$23
Quality/Street Appeal	Average	Average	\$0	Below Average	\$20	Below Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	1	\$0	1	\$0
Number of Bathrooms	1	1	\$0	1	\$0	1	\$0
Unit Interior Square Feet	650	760	(\$28)	400	\$63	800	(\$38)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Window	\$5	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / No	\$5	No / No	\$10	No / Yes	\$5
Washer / Dryer: In Unit	Yes	No	\$25	No	\$25	No	\$25
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Learning Center	Yes	No	\$10	No	\$10	No	\$10
Club House	Yes	No	\$10	No	\$10	No	\$10
Pool	No	No	\$0	No	\$0	No	\$0
Recreation Areas	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	No	\$10	No	\$10	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		7	2	10	0	10	1
Sum of Adjustments B to D		\$85	(\$53)	\$181	\$0	\$118	(\$38)
F. Total Summary							
<i>Gross Total Adjustment</i>		\$138		\$181		\$156	
<i>Net Total Adjustment</i>		\$32		\$181		\$80	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,067		\$851		\$575	
% of Effective Rent		103.1%		127.0%		116.2%	
Estimated Market Rent	\$831						
Rent Advantage \$	\$226						
Rent Advantage %	27.2%						



Table 34 Adjusted Rent Comparison, Two Bedroom

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Magnolia Place SE intersection of Boardtown Road and Trackside Lane Blue Ridge, Fannin County, GA	Austin Place		Coventry Ridge		Holly Faith		
	3017 Chatsworth Highway		137 Sumner Top Lane		79 Tower Road		
	Ellijay	Gilmer	Ellijay	Gilmer	Ellijay	Gilmer	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60% LIHTC)	\$724	\$1,100	\$0	\$950	\$0	\$700	\$0
Utilities Included	T	W, S, T	(\$20)	All	(\$150)	T	\$0
Rent Concessions	\$0	None	\$0	None	\$0	None	\$0
Effective Rent	\$724	\$1,080		\$800		\$700	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden/TH	(\$25)	Garden	\$0	Garden	\$0
Year Built / Condition	2025	1998	\$20	1995	\$23	1995	\$23
Quality/Street Appeal	Average	Average	\$0	Below Average	\$20	Below Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	1.5	\$15	1	\$30	1	\$30
Unit Interior Square Feet	850	1,100	(\$63)	800	\$13	1,100	(\$63)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Window	\$5	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / No	\$5	No / No	\$10	No / Yes	\$5
Washer / Dryer: In Unit	Yes	No	\$25	No	\$25	No	\$25
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Learning Center	Yes	No	\$10	No	\$10	No	\$10
Club House	Yes	No	\$10	No	\$10	No	\$10
Pool	No	No	\$0	No	\$0	No	\$0
Recreation Areas	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	No	\$10	No	\$10	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		8	2	11	0	11	1
Sum of Adjustments B to D		\$100	(\$88)	\$161	\$0	\$148	(\$63)
F. Total Summary							
Gross Total Adjustment		\$188		\$161		\$211	
Net Total Adjustment		\$12		\$161		\$85	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,092		\$961		\$785	
% of Effective Rent		101.1%		120.1%		112.1%	
Estimated Market Rent	\$946						
Rent Advantage \$	\$222						
Rent Advantage %	23.5%						



Table 35 Adjusted Rent Comparison, Three Bedroom

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Magnolia Place	Austin Place		Coventry Ridge		Holly Faith		
SE intersection of Boardtown Road and Trackside Lane Blue Ridge, Fannin County, GA	3017 Chatsworth Highway		137 Sumner Top Lane		79 Tower Road		
	Ellijay	Gilmer	Ellijay	Gilmer	Ellijay	Gilmer	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60% LIHTC)	\$808	\$1,100	\$0	\$950	\$0	\$700	\$0
Utilities Included	T	W, S, T	(\$25)	All	(\$170)	T	\$0
Rent Concessions	\$0	None	\$0	None	\$0	None	\$0
Effective Rent	\$808	\$1,075		\$780		\$700	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden/TH	(\$25)	Garden	\$0	Garden	\$0
Year Built / Condition	2025	1998	\$20	1995	\$23	1995	\$23
Quality/Street Appeal	Average	Average	\$0	Below Average	\$20	Below Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	2	\$100	2	\$100	2	\$100
Number of Bathrooms	2	1.5	\$15	1	\$30	1	\$30
Unit Interior Square Feet	1,100	1,100	\$0	800	\$75	1,100	\$0
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Window	\$5	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / No	\$5	No / No	\$10	No / Yes	\$5
Washer / Dryer: In Unit	Yes	No	\$25	No	\$25	No	\$25
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Learning Center	Yes	No	\$10	No	\$10	No	\$10
Club House	Yes	No	\$10	No	\$10	No	\$10
Pool	No	No	\$0	No	\$0	No	\$0
Recreation Areas	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	No	\$10	No	\$10	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		9	1	12	0	12	0
Sum of Adjustments B to D		\$200	(\$25)	\$323	\$0	\$248	\$0
F. Total Summary							
<i>Gross Total Adjustment</i>		\$225		\$323		\$248	
<i>Net Total Adjustment</i>		\$175		\$323		\$248	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,250		\$1,103		\$948	
% of Effective Rent		116.3%		141.4%		135.4%	
Estimated Market Rent	\$1,100						
Rent Advantage \$	\$292						
Rent Advantage %	26.6%						



Table 36 Adjusted Rent Comparison, Four Bedroom

Four Bedroom Units							
Subject Property		Comparable Property #1		Comparable Property #2		Comparable Property #3	
Magnolia Place SE intersection of Boardtown Road and Trackside Lane Blue Ridge, Fannin County, GA		Austin Place		Coventry Ridge		Holly Faith	
		3017 Chatsworth Highway		137 Sumner Top Lane		79 Tower Road	
		Ellijay	Gilmer	Ellijay	Gilmer	Ellijay	Gilmer
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent (60% LIHTC)	\$884	\$1,100	\$0	\$950	\$0	\$700	\$0
Utilities Included	T	W, S, T	(\$40)	All	(\$217)	T	\$0
Rent Concessions	\$0	None	\$0	None	\$0	None	\$0
Effective Rent	\$884	\$1,060		\$733		\$700	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden/TH	(\$25)	Garden	\$0	Garden	\$0
Year Built / Condition	2025	1998	\$20	1995	\$23	1995	\$23
Quality/Street Appeal	Average	Average	\$0	Below Average	\$20	Below Average	\$20
Location	Average	Average	\$0	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	4	2	\$200	2	\$200	2	\$200
Number of Bathrooms	2	1.5	\$15	1	\$0	1	\$0
Unit Interior Square Feet	1,250	1,100	\$38	800	\$113	1,100	\$38
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Window	\$5	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / No	\$5	No / No	\$10	No / Yes	\$5
Washer / Dryer: In Unit	Yes	No	\$25	No	\$25	No	\$25
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Learning Center	Yes	No	\$10	No	\$10	No	\$10
Club House	Yes	No	\$10	No	\$10	No	\$10
Pool	No	No	\$0	No	\$0	No	\$0
Recreation Areas	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	No	\$10	No	\$10	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		10	1	11	0	12	0
Sum of Adjustments B to D		\$338	(\$25)	\$431	\$0	\$356	\$0
F. Total Summary							
Gross Total Adjustment		\$363		\$431		\$356	
Net Total Adjustment		\$313		\$431		\$356	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,373		\$1,164		\$1,056	
% of Effective Rent		129.5%		158.8%		150.9%	
Estimated Market Rent		\$1,241					
Rent Advantage \$		\$357					
Rent Advantage %		28.8%					

Table 37 Market Rent and Rent Advantage Summary

	One	Two	Three	Four
60% AMI Units	Bedroom	Bedroom	Bedroom	Bedroom
Subject Rent	\$605	\$724	\$808	\$884
Est. Market Rent	\$831	\$946	\$1,100	\$1,241
Rent Advantage (\$)	\$226	\$222	\$292	\$357
Rent Advantage (%)	27.2%	23.5%	26.6%	28.8%
Proposed Units	26	29	14	6
Market Advantage				25.8%
	One	Two	Three	Four
MKT Units	Bedroom	Bedroom	Bedroom	Bedroom
Subject Rent	\$799	\$956		
Est. Market Rent	\$831	\$946		
Rent Advantage (\$)	\$32	-\$10		
Rent Advantage (%)	3.9%	-1.1%		
Proposed Units	4	5		
Market Advantage				1.1%
Overall Market Advantage				23.12%

E. Multi-Family Pipeline

For purpose of identified pipeline projects, we examined local news sources and obtained information on emerging projects through discussions and/or correspondence with Olivia Holloway with Union County Building and Development, Marie Woody, Department Head of Fannin County Land Development, Karen Henson, Director of Gilmer County Planning and Zoning, and Chris Mortimer, Taxes and Licensing Clerk with the City of Blue Ridge. We also reviewed DCA's lists of recent LIHTC awards/applications.

RPRG identified one market rate multi-family development under construction off McKinney Road in Blue Ridge. The development is expected to comprise 18 units, of which ten will be one bedroom units and eight will be two bedroom units according to Marie Woody, Department Head of Fannin County Land Development. Another development is undergoing rezoning in June 2022 at 558 Progress Road in Ellijay. If approved, the developer will present plans for a maximum of 80 units, according to Karen Henson, Director of Gilmer County Planning and Zoning.

F. Housing Authority Information

According to the Blue Ridge Housing Authority's website, the multi-family public housing waiting list is currently closed, and the housing authority is not accepting applications for any units. The waiting list was open in November 2020 and closed in December 2020. The Blue Ridge Housing Authority manages 48 public housing units. The authority does not manage Section 8 Housing Choice Vouchers (HCV).

G. Existing Low Income Rental Housing

One general occupancy LIHTC community, Mineral Springs, is in the Magnolia Place Market Area and included in the rental survey (Table 38). Cox Creek and Ellijay East did not respond to RPRG's repeated



contact attempts. Brookstone, a subsidized community, was surveyed and included in the analysis. According to DCA, no affordable communities are planned or under construction in the market area. The location of these communities relative to the subject site is shown in Map 7.

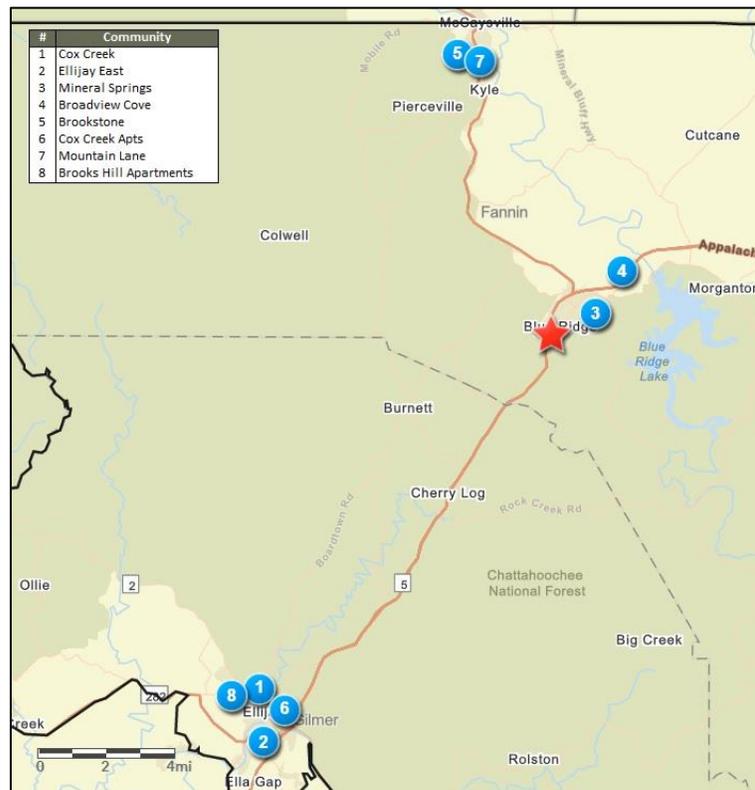
RPRG does not expect Magnolia Place to have a negative impact on existing and proposed rental communities in the Magnolia Place Market Area including those financed with tax credits, USDA, HUD 202 or 811, DCA or locally financed HOME properties, Sec. 1602 Tax Credit Exchange program, HTF, HUD 221(d)(3) and HUD 221(d)(4), and other market rate FHA insured properties..

Table 38 Affordable Communities, Magnolia Place Market Area

Community	Subsidy	Type	Address	City	Distance
Cox Creek	LIHTC	Family	200 Penland St.	Ellijay	15.3 miles
Ellijay East	LIHTC	Family	188 Eric Simpson Dr.	East Ellijay	16 miles
Mineral Springs	LIHTC	Family	297 Mineral Springs Rd.	Blue Ridge	1.8 miles
Broadview Cove	LIHTC	Senior	93 Broadview Ln.	Blue Ridge	3.9 miles
Brookstone	USDA-RD	Family	85 Brookstone Way	McCaysville	11.6 miles
Cox Creek Apts	USDA-RD	Family	200 Penland St.	Ellijay	15.3 miles
Mountain Lane	USDA-RD	Family	40 Mountain Ln.	Blue Ridge	10.8 miles
Brooks Hill Apartments	USDA-RD	Senior	185 Penland St.	Ellijay	15.3 miles

Source: HUD, GA DCA

Map 7 Affordable Rental Communities, Magnolia Place Market Area





H. Impact of Abandoned, Vacant, or Foreclosed Homes

RPRG attempted to obtain recent foreclosure data from several sources including RealtyTrac in the Magnolia Place Market Area; however, data was not available for the past several months. The lack of foreclosure data likely reflects restrictions on foreclosures due to the COVID-19 pandemic. As evidenced by very low vacancy rates, foreclosures or vacant homes will not negatively impact the performance of the subject property.

10. FINDINGS AND CONCLUSIONS

A. Key Findings

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

1. Site and Neighborhood Analysis

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has ample access to amenities, services, employers, and transportation arteries.

- The subject site is in a rural setting approximately one mile southwest of downtown Blue Ridge. The immediate neighborhood surrounding the site is a mixture of residential and commercial uses, such as a logging business, multi-family apartments, an air conditioning business, and a self-storage facility. Commercial development is densest near central Blue Ridge along Main Street with residential uses extending away from central Blue Ridge. Appalachian Highway, a major transportation thoroughfare, is located 0.2 miles west of the subject site. Although located just east of Appalachian Highway, the subject site is situated away from the thoroughfare with well-wooded areas, multi-family apartments, and low-density single-family neighborhoods surrounding the property.
- Neighborhood amenities are convenient to the site including a convenience store, library, schools, police department, fire department, restaurants, a bank, and a pharmacy within two miles of the site. Shopping including Walmart Supercenter is within three miles of the subject site while downtown Blue Ridge is less than one mile northeast of the subject site.
- The subject site is positioned along the southeastern intersection of Boardtown Road and Trackside Lane in Blue Ridge, Fannin County, Georgia.
- The subject site is an undeveloped parcel without any existing structures; the site is comprised low vegetation with trees at the edges of the site. The site for Magnolia Place is 9.09 acres. The site is roughly rectangular with flat elevation. Magnolia Place will offer 84 general occupancy garden apartments.
- The subject's crime risk is comparable to the location of most commercial and residential areas in and surrounding Blue Ridge, with lower crime risks approximately two miles to the north, south, and east. The areas with lower crime risks are primarily rural. Based on this data and observations made during our site visit, RPRG does not believe crime, or the perception of crime, will negatively impact the subject property's viability.
- Magnolia Place will have high visibility from Boardtown Road, which is a connector street to Appalachian Highway, the primary transportation thoroughfare, to the west. Boardtown Road also connects to Main Street to the east. The subject property will also have high visibility from Trackside Lane, a connector street. The high visibility from drive-by traffic from Boardtown Road to Appalachian Highway to the west and Main Street to the east will be an asset to the community.
- The subject site is suitable for the proposed development. RPRG did not identify any negative land uses that would affect the proposed development's viability in the marketplace.

2. Economic Context

Fannin County added jobs in eight of nine years from 2011 to 2019, and growth rates in the county outpaced the nation on a percentage basis five of six years prior to the COVID-19 pandemic in 2020. Growth has been significant with the addition of an average of 256 jobs in each of the six years prior to the COVID-19 pandemic. The county's most recent unemployment rate of 2.4 percent in December 2021 remains lower than the state (2.9 percent) and national (3.7 percent) unemployment rates. Like



all areas of the nation, Fannin County's economy was negatively impacted by the COVID-19 pandemic with increased unemployment and job losses; however, the county has rebounded at rates better than the state and nation and has improved to a better economic state than it was prior to the pandemic. The current economic environment will not negatively impact the demand for additional or renovated rental housing.

- Fannin County's unemployment rate decreased significantly over the nine years prior to the pandemic from a recession-era high of 11.8 percent in 2010 to 3.5 percent in 2019, slightly below the state (3.6 percent) and national rate (3.7 percent). Prior to the pandemic, the county's 2019 unemployment rate (3.5 percent) was the lowest level in at least ten years and was less than one-third the peak unemployment rate in 2010 (11.8 percent). Unemployment rates increased in all three areas in 2020; however, all three areas' unemployment rates greatly decreased in 2021 to pre-pandemic levels of 2.8 percent for the county, 3.9 percent for the state, and 5.4 percent for the nation. Fannin County's unemployment rate remained essentially unchanged through March 2020 with an unemployment rate of 3.7 percent but spiked to 10.5 percent in April 2020; this increase reflects the impact of business-related closures related to the COVID-19 pandemic. The county's employment rate decreased most of the following 21 months to 2.4 percent in December 2021. The county's most recent unemployment rate of 2.4 percent remains lower than the state (2.9 percent) and national (3.7 percent) unemployment rates.
- Fannin County added jobs in eight of nine years from 2011 to 2019 with net growth of 1,434 jobs or 27.4 percent, approximately three times the recession-era loss of 488 total jobs in 2008 and 2009. Job loss was limited to two years (2008-2009) during the previous recession-era in Fannin County. However, the majority of job loss (283 jobs) in the county during this period was in 2009. Growth has been significant with the addition of an average of 256 jobs in each of the six years prior to the COVID-19 pandemic. Growth rates in the county have outpaced the nation on a percentage basis five of six years prior to the COVID-19 pandemic in 2020. Reflecting the impact of the COVID-19 pandemic, the county lost 470 jobs in 2020; however, the county has rebounded significantly through Q3 of 2021 with 638 jobs added, or 10.3 percent growth.
- Trade-Transportation-Utilities is the largest employment sector in Fannin County at 26.3 percent of all jobs in 2021 Q3 compared to 19.0 percent of jobs nationally. Three sectors (Leisure-Hospitality, Government, and Education-Health) each account for 13.2 percent to 22.1 percent of the county's jobs while Professional-Business accounts for 7.8 percent.
- According to the Georgia Department of Economic Development press releases, no major expansions were identified in Fannin County since January 2020. In contrast, the Worker Adjustment and Retraining Notification (WARN) Act helps ensure advance notice of qualified plant closings and mass layoffs. RPRG did not identify any WARN notices in 2021 or 2022 in Fannin County.

3. Population and Household Trends

Magnolia Place Market Area's population and household base increased steadily between 2000 and 2010 Census counts. RPRG estimates that population growth remained steady and household growth slowed slightly in the market area over the past 12 years. Growth is projected to slow slightly on a percentage basis, however, accelerate slightly on a nominal basis over the next three years.

- Magnolia Place Market Area's population and household base increased steadily between 2000 and 2010 Census counts with net growth of 7,660 people (19.0 percent) and 3,637 households (21.9 percent); the market area's average annual growth was 766 people (1.8 percent) and 364 households (2.0 percent).
- Based on Esri data, RPRG estimates that population growth remained steady and household growth slowed slightly in the Magnolia Place Market Area from 2010 to 2022. The Magnolia Place Market Area added 9,122 people (19.0 percent) and 4,134 households (20.4 percent)

- from 2010 to 2022; this equates to annual average net growth of 760 people (1.5 percent) and 345 households (1.6 percent).
- Based on Esri data, RPRG projects the Magnolia Place Market Area's growth to slow slightly on a percentage basis, however, accelerate slightly on nominal basis over the next three years with annual growth of 831 persons (1.4 percent) and 369 households (1.5 percent) from 2022 to 2025. The total net growth will be 2,492 people (4.4 percent) and 1,108 households (4.5 percent) over this period. The Magnolia Place Market Area is projected to reach 59,544 people and 25,482 households by 2025.

4. Demographic Analysis

The population and household base of the Magnolia Place Market Area is slightly older, less affluent, and more likely to rent when compared to the Tri-County Region.

- The median age of the population residing in the Magnolia Place Market Area is slightly older than the Tri-County Region's population with median ages of 50 and 49, respectively. The Magnolia Place Market Area has large proportions of Adults ages 35 to 61 (34.4 percent) and Seniors ages 62 and older (33.3 percent). Young Adults ages 20 to 34 and Children/Youth under 20 years old account for 13.2 and 19.1 percent of the Magnolia Place Market Area's population, respectively. The Tri-County Region has a larger proportion of people under 35 years old when compared to the Magnolia Place Market Area (33.0 percent versus 32.3 percent).
- Multi-person households without children were the most common household type in the Magnolia Place Market Area at 48.5 percent compared to 48.3 percent in the Tri-County Region. Approximately 25.6 percent were multi-person households with children; 26.0 percent of households in the Magnolia Place Market Area were single-person households.
- The number of renter households in the Magnolia Place Market Area increased significantly from 3,149 in 2000 to 5,000 in 2022, representing a net increase of 1,851 renter households or 58.8 percent; the Magnolia Place Market Area added 84 renter households per year over the past 22 years. At the same time, the number of owner households in the Magnolia Place Market Area increased from 13,453 in 2000 to 19,373 in 2022, or an increase of 44.0 percent.
- The Magnolia Place Market Area's renter percentage of 20.5 percent in 2022 is slightly higher than the Tri-County Region's 19.8 percent. The Magnolia Place Market Area's annual average household growth by tenure over the past 22 years was 84 renter households (2.1 percent) and 269 owner households (1.7 percent), increasing the renter percentage from 19.0 percent in 2000 to 20.5 percent in 2022. Renter households accounted for 23.8 percent of net household growth in the Magnolia Place Market Area from 2000 to 2022 compared to 21.3 percent in the Tri-County Region. RPRG projects renter households will account for 23.8 percent of net household growth over the next three years which is equal to the trend over the past 22 years. This results in annual growth of 88 renter households, which is slightly above annual renter growth of 84 households from 2000 to 2022, for a total of 264 renter households over the next three years.
- Over three-fifths (60.7 percent) of renter households in the Magnolia Place Market Area had one or two people including 35.1 percent with one person, the most common household size. Approximately 28.5 percent of renter households had three or four people and 10.8 percent had 5+ people.
- Magnolia Place Market Area's 2022 median income of \$55,708 is \$365, or 0.7 percent lower than the median income of \$56,073 in the Tri-County Region. Over two-fifths (45.7 percent) of all households in the Magnolia Place Market Area have an annual income of \$49,999 or less; 18.5 percent of households have an annual income of \$50,000 to \$74,999. Approximately one-fifth (20.9 percent) of households have an annual income of \$100,000 or more.



- RPRG estimates that the median income of Magnolia Place Market Area households by tenure is \$35,218 for renters and \$62,177 for owners. Nearly half (49.7 percent) of all Magnolia Place Market Area renter households earn less than \$35,000 and 30.7 percent earn \$35,000 to \$74,999. Approximately one-fifth (19.6 percent) of renter households earn \$75,000 or more.

5. Competitive Housing Analysis

RPRG surveyed seven general occupancy communities in the Magnolia Place Market Area including five market rate communities, one LIHTC community, and one deeply subsidized community. Due to limited stock of rental communities in the market area, we also surveyed Near Market communities representing regional options in this analysis, which includes two LIHTC communities and one deeply subsidized community in the Blairsville area east of the market area. While not all rental communities surveyed will directly compete with the subject property, they offer insight into current multi-family options, conditions, and pricing in the region. The rental market is performing very well with zero vacancies.

- The Magnolia Place rental market is performing very well with zero vacancies among 219 combined units for an aggregate vacancy rate of 0.0 percent. Near Market communities also reported zero vacancies among 135 combined units for an aggregate vacancy rate of 0.0 percent.
- The average year built across all surveyed rental communities is 2000 with a placed-in-service range from 1990 to 2017. The Near Market communities are significantly newer with a placed-in-service range of 1994 to 2017 with an average year built of 2008; the Market Area communities are older with a placed-in-service range of 1990 to 2003 with an average year built of 1996. The surveyed LIHTC communities have a placed-in-service range of 2003 to 2017 and are much newer with the communities built in 2003, 2014, and 2017.
- Among the seven Market Area communities, three surveyed communities are exclusively garden apartments. Two communities offer garden apartments and townhomes; one community, Hilltop, offers townhomes exclusively. Dogwood, a Market Area community, offers a mixed structure. Two of three Near Market communities offer garden apartments exclusively; one Near Market community offers garden apartments and townhomes. Two of three surveyed LIHTC communities are garden apartments. Mineral Springs, also a LIHTC community, offers both townhomes and garden apartments.
- Among Market Area Communities, most surveyed communities offer a dishwasher and all communities offer washer and dryer hook ups. Two Market Area communities offer disposals and none of the surveyed Market Area communities offer microwaves. Ceiling fans come standard at three Market Area communities. All surveyed Near Market communities offer a dishwasher, disposal, and washer and dryer hook ups. Two of three surveyed Near Market communities offer a microwave. Patios and balconies are offered at most surveyed communities. Magnolia Place will offer a refrigerator, stove/oven, dishwasher, microwave, disposal, standard balconies, and in-unit washer and dryers in each unit which is generally comparable or superior to all surveyed communities.
- All ten surveyed communities offer two bedroom units. Seven of ten surveyed communities offer one bedroom units; four of ten surveyed communities offer three bedroom units. Three of ten surveyed communities offer one bedroom, two bedroom, and three bedroom units. One LIHTC community offers two bedroom, three bedroom, and four bedroom units. Market Area communities reporting unit distributions contain 74.0 percent of the Market Area rental stock. Among Market Area communities, two bedroom units are the most common at 69.0 percent; four bedroom units are least common at 4.8 percent. Three bedroom units comprise 19.0 percent of Market Area housing stock and one bedroom units comprise 7.1 percent of Market Area housing stock. Near Market communities reporting unit distributions contain 37.8 percent of the Near Market rental stock. Among these communities, two bedroom units are the most common at 64.7 percent of surveyed units followed by one bedroom units at



35.3 percent. Three bedroom unit distributions were unavailable. No Near Market communities offered four bedroom units.

- Among all surveyed communities, net rents, unit sizes, and rents per square foot were as follows:
 - **One bedroom** effective rents average \$622 per month. The average one bedroom unit size is 683 square feet resulting in a net rent per square foot of \$0.91.
 - **Two bedroom** effective rents average \$814 per month. The average two bedroom unit size is 1,089 square feet resulting in a net rent per square foot of \$0.64.
 - **Three bedroom** effective rents average \$693 per month. The average three bedroom unit size is 1,089 square feet resulting in a net rent per square foot of \$0.64. No market rate communities offered three bedroom units, so the three bedroom average is skewed low as only LIHTC and deeply subsidized communities have three bedroom units.
 - **Four bedroom** effective rents average \$688 per month. The average four bedroom unit size is 1,372 square feet resulting in a net per square foot of \$0.50. Only one LIHTC community offered four bedroom units, so the four bedroom average is skewed low due to the LIHTC income targeting.

Average effective rents include LIHTC units at 30 percent, 50 percent, and 60 percent AMI as well as market rate units. LIHTC rents are generally at the lowest end of the market in terms of price.

- Based on our adjustment calculations, the estimated market rents for the units at Magnolia Place are \$831 for one bedroom units, \$946 for two bedroom units, \$1,100 for three bedroom units, and \$1,241 for four bedroom units. All proposed rents have a significant rent advantage of at least 23 percent for LIHTC units; one bedroom market rate units have a 3.9 percent rent advantage and two bedroom units have a 1.1 percent rent disadvantage. The overall market advantage for market rate units is 1.1 percent. The overall market advantage is 23.12 percent.
- RPRG identified one market rate multi-family development under construction off McKinney Road in Blue Ridge. The development is expected to comprise 18 units, of which ten will be one bedroom units and eight will be two bedroom units according to Marie Woody, Department Head of Fannin County Land Development.

B. Product Evaluation

Considered in the context of the competitive environment, the relative position of Magnolia Place is as follows:

- **Site:** The subject site is acceptable for a rental housing development targeting low to moderate income renter households. The site is convenient to major thoroughfares, employment, and neighborhood amenities. Surrounding land uses are compatible with multi-family development including single-family attached detached homes, commercial uses, and a multi-family development.
- **Unit Distribution:** The proposed unit mix for Magnolia Place includes 30 one bedroom units (35.7 percent), 34 two bedroom units (40.5 percent), 14 three bedroom units (16.7 percent), and six four bedroom units (7.1 percent). All four floorplans are found in the Magnolia Place Market Area with seven of ten surveyed communities offering one bedroom floorplans and all surveyed communities offering two bedroom floorplans. Four surveyed communities offer three bedroom floorplans. One LIHTC community, Mineral Springs, offers a four bedroom floorplan. The subject property will be weighted more heavily towards one bedroom units when compared to the overall rental market (35.7 percent versus 13.7 percent). However, over 60 percent of households in the market area had one or two person households and the



Affordability Analysis illustrates significant income qualified households will exist in the market area for the proposed unit mix and rents. The proposed unit mix is acceptable and will be well received by the target market of low to moderate income households.

- **Unit Size:** The proposed unit sizes at Magnolia Place are 650 square feet for one bedroom units, 850 square feet for two bedroom units, 1,100 square feet for three bedroom units, and 1,250 square feet for four bedroom units. The three bedroom sizes are larger than the overall market average of 1,089 square feet. However, the two bedroom unit sizes are significantly below the overall market average of 954 square feet; the four bedroom unit sizes are significantly below Mineral Springs' four bedroom unit sizes of 1,372 square feet. The one bedroom unit sizes are slightly below the overall market average of 683 square feet. The proposed unit sizes at Magnolia Place are mid-range within the overall market and are acceptable.
- **Unit Features:** Magnolia Place will offer a refrigerator, range/oven, dishwasher, microwave, carpet in bedroom areas and LVT in living, dining, kitchen, and bathrooms, high speed internet, balconies, and in-unit washer and dryers which are generally comparable or superior to all surveyed communities. The proposed unit features will be competitive in the market area among both LIHTC and market rate communities.
- **Community Amenities:** Magnolia Place will offer a community room, fitness room, business center, community garden, library, wellness room, and playground. Magnolia Place's proposed amenities will be generally superior to those offered at the surveyed market rate communities and comparable to the surveyed LIHTC communities.
- **Marketability:** The subject property will offer an attractive product with competitive unit features and community amenities.

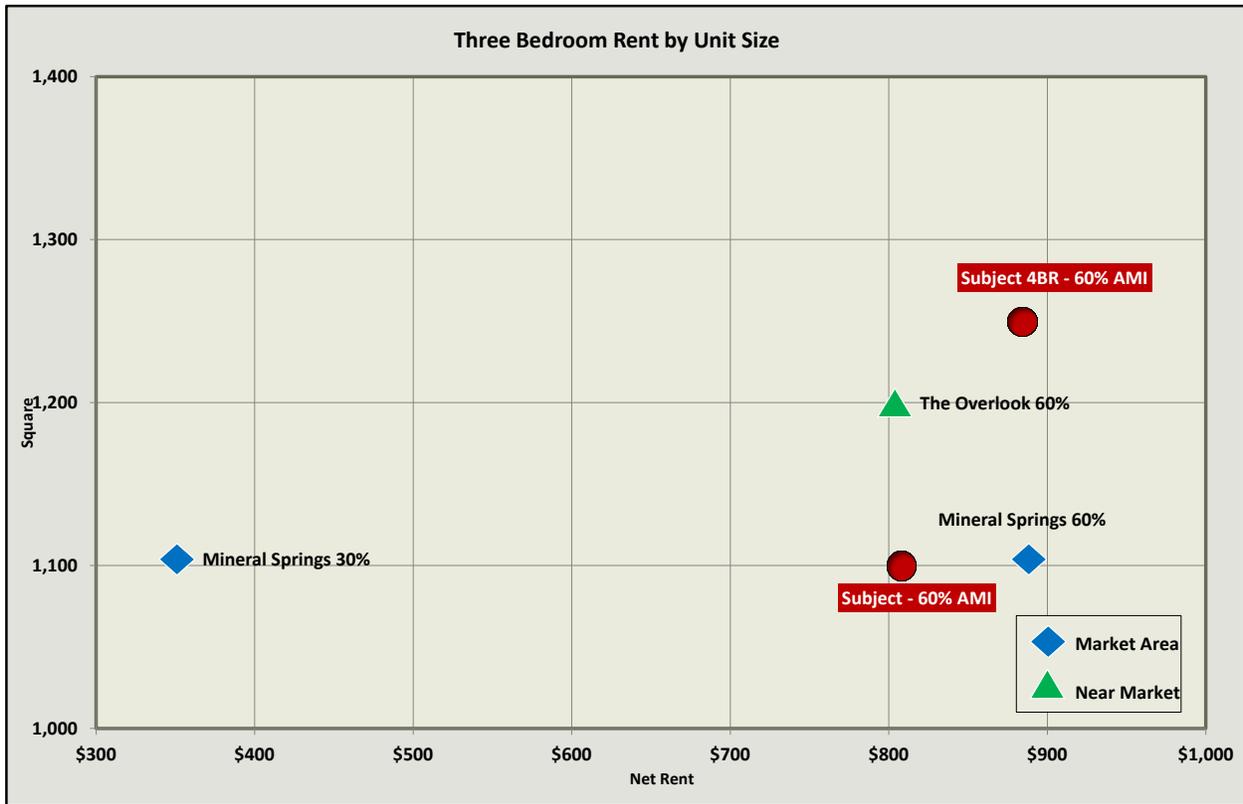
C. Price Position

The proposed average 60 percent AMI rents are comparably positioned with the existing LIHTC rents in the market area (Figure 10). The market rate rents are priced mid-range of the surveyed market and priced \$226 and \$334 below the top of the market for one bedroom and two bedroom units, respectively. The three bedroom and four bedroom market rate rents will be the only three bedroom and four bedroom market rate units offered within the market. The Affordability Analysis illustrates significant income-qualified renter households will exist in the market area for the proposed rents. All proposed rents are appropriate and will be competitive in the market area especially given the competitive proposed product.



Figure 10 Price Position, Magnolia Place







11. ABSORPTION AND STABILIZATION RATES

A. Absorption Estimate

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

- The market area is projected to add 1,108 net households over the next three years including 264 renter households.
- More than 1,300 renter households will be income-qualified for at least one of the proposed LIHTC units at the subject property; the project's LIHTC units affordability renter capture rate is 5.6 percent. The project's overall, including market rate units, affordability renter capture rate is 4.0 percent.
- All DCA demand capture rates overall and by floor plan are below DCA thresholds indicating sufficient demand to support the proposed units.
- The rental market in the Magnolia Place Market Area is performing very well with an aggregate vacancy rate of 0.0 percent, or zero vacancies.
- The newly constructed Magnolia Place will be competitive in the market area and will be appealing to low to moderate income renters.

Based on the proposed product and the factors discussed above, we expect Magnolia Place to lease-up at a rate of ten units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within nine months.

B. Impact on Existing and Pipeline Rental Market

Given the well performing rental market in the Magnolia Place Market Area and projected renter household growth, we do not expect Magnolia Place to have a negative impact on existing and proposed rental communities in the Magnolia Place Market Area including those with tax credits.



12. INTERVIEWS

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, leasing agents, Olivia Holloway with Union County Building and Development, Marie Woody, Department Head of Fannin County Land Development, Karen Henson, Director of Gilmer County Planning and Zoning, Chris Mortimer, Taxes and Licensing Clerk with the City of Blue Ridge, and the Blue Ridge Housing Authority. We also reviewed DCA's lists of recent LIHTC awards/applications.



13. CONCLUSIONS AND RECOMMENDATIONS

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large Household Size Adjustment (3+ Persons)	Adjusted Demand	Supply	Net Demand	Capture Rate	Average Market Rent	Market Rents Band	Proposed Rents
60% AMI		\$24,549 - \$46,800										
One Bedroom Units		26	11.1%	215		215	0	215	12.1%	\$778	\$495-\$1,050	\$553-\$605
Two Bedroom Units		29	8.5%	165		165	0	165	17.6%	\$980	\$700-\$1,300	\$707-\$724
Three Bedroom Units		14	8.1%	156	39.3%	61	0	156	8.9%	-	-	\$808
Four Bedroom Units		6	7.1%	137	39.3%	54	0	137	4.4%	-	-	\$884
120% AMI		\$31,097 - \$72,600										
One Bedroom Units		4	29.4%	568		568	10	558	0.7%	\$778	\$495-\$1,050	\$799
Two Bedroom Units		5	25.7%	497		497	8	489	1.0%	\$980	\$700-\$1,300	\$956
By Bedroom												
One Bedroom Units		30	40.5%	783		783	10	773	3.9%	\$778	\$495-\$1,050	\$553-\$799
Two Bedroom Units		34	34.2%	662		662	8	654	5.2%	\$980	\$700-\$1,300	\$707-\$956
Three Bedroom Units		14	8.1%	156	39.3%	61	0	156	8.9%	-	-	\$808
Four Bedroom Units		6	7.1%	137	39.3%	54	0	137	4.4%	-	-	\$884
Project Total		\$24,549 - \$72,600										
60% AMI	\$24,549 - \$46,800	75	27.5%	532			0	532	14.1%			
LIHTC Units	\$24,549 - \$46,800	75	27.5%	532			0	532	14.1%			
120% AMI	\$31,097 - \$72,600	9	33.7%	652			18	634	1.4%			
Total Units	\$24,549 - \$72,600	84	43.2%	834			18	816	10.3%			

Based on affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Magnolia Place Market Area, RPRG believes that the subject property will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with existing rental communities in the Magnolia Place Market Area and the units will be well received by the target market.

We recommend proceeding with the project as planned.

Quincy Haisley
Analyst

Tad Scepianiak
Managing Principal



14. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



15. APPENDIX 2 ANALYST CERTIFICATIONS

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

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

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

A handwritten signature in black ink that reads "Quincy Haisley". The signature is written in a cursive style and is positioned above a horizontal line.

Quincy Haisley
Analyst

Real Property Research Group, Inc.

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



16. APPENDIX 3 NCHMA CERTIFICATION

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

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

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

Real Property Research Group, Inc.



Tad Scepianiak

Name

Managing Principal

Title

May 12, 2022

Date



17. APPENDIX 4 ANALYST RESUMES

TAD SCEPANIAK Managing Principal

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

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

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however, his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

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



QUINCY HAISLEY
Analyst

Quincy Haisley joined RPRG in June 2021 after completion of her master's degree at the Georgia Institute of Technology. Prior to joining RPRG, Quincy earned a bachelor's degree in Geography with an emphasis in Urban and Regional Planning from Brigham Young University. At the Georgia Institute of Technology, she received her master's degree in City and Regional Planning, specializing in Housing and Community Development. Throughout her academic career, she interned with local governments, an affordable housing consulting firm, and an urban planning non-profit.

At RPRG, Quincy focuses on rental market studies.

Education:

Master of City and Regional Planning – Housing and Community Development; Georgia Institute of Technology

Bachelor of Science – Geography – Urban and Regional Planning; Brigham Young University



18. APPENDIX 5 DCA CHECKLIST

A. Executive Summary

1. Project Description:		
i. Brief description of the project location including address and/or position relative to the closest cross-street.....	Page(s)	1
ii. Construction and Occupancy Types	Page(s)	1
iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowance	Page(s)	1
iv. Any additional subsidies available, including project based rental assistance (PBRA)	Page(s)	1
v. Brief description of proposed amenities and how they compare with existing properties	Page(s)	1
2. Site Description/Evaluation:		
i. A brief description of physical features of the site and adjacent parcels	Page(s)	2
ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural)	Page(s)	2
iii. A discussion of site access and visibility	Page(s)	2
iv. Any significant positive or negative aspects of the subject site	Page(s)	2
v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc	Page(s)	2
vi. A brief discussion of public safety, including comments on local perceptions, maps, or statistics of crime in the area	Page(s)	2
vii. An overall conclusion of the site's appropriateness for the proposed development.....	Page(s)	2
3. Market Area Definition:		
i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject property	Page(s)	2
4. Community Demographic Data:		
i. Current and projected household and population counts for the PMA	Page(s)	3
ii. Household tenure including any trends in rental rates	Page(s)	3
iii. Household income level.	Page(s)	3
iv. Impact of foreclosed, abandoned / vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development.....	Page(s)	3
5. Economic Data:		
i. Trends in employment for the county and/or region.....	Page(s)	4
ii. Employment by sector for the primary market area.	Page(s)	4
iii. Unemployment trends for the county and/or region for the past five years.....	Page(s)	4
iv. Brief discussion of recent or planned employment contractions or expansions.....	Page(s)	4
v. Overall conclusion regarding the stability of the county's economic environment.	Page(s)	4
6. Affordability and Demand Analysis:		
i. Number of renter households income qualified for the proposed development given retention of current tenants (rehab only), the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households.	Page(s)	5
ii. Overall estimate of demand based on DCA's demand methodology.....	Page(s)	5
iii. Capture rates for the proposed development including the overall project, all LIHTC units (excluding any PBRA or market rate units), by AMI, by bedroom type, and a conclusion regarding the achievability of these capture rates.....	Page(s)	5



7.	Competitive Rental Analysis		
	i. An analysis of the competitive properties in the PMA.	Page(s)	6
	ii. Number of properties.....	Page(s)	6
	iii. Rent bands for each bedroom type proposed.	Page(s)	6
	iv. Average market rents.....	Page(s)	6
8.	Absorption/Stabilization Estimate:		
	i. An estimate of the number of units expected to be leased at the subject property, on average, per month.....	Page(s)	6
	ii. Number of months required for the project to stabilize at 93% occupancy..	Page(s)	6
	iii. Estimate of stabilization occupancy and number of months to achieve that occupancy rate.....	Page(s)	6
9.	Interviews	Page(s)	7
10.	Overall Conclusion:		
	i. Overall conclusion regarding potential for success of the proposed development.....	Page(s)	7
11.	Summary Table.....	Page(s)	7
 B. Project Description			
1.	Project address and location.....	Page(s)	11
2.	Construction type.....	Page(s)	11
3.	Occupancy Type.....	Page(s)	11
4.	Special population target (if applicable).....	Page(s)	N/A
5.	Number of units by bedroom type and income targeting (AMI).....	Page(s)	12
6.	Unit size, number of bedrooms, and structure type.....	Page(s)	12
7.	Rents and Utility Allowances.....	Page(s)	12
8.	Existing or proposed project based rental assistance.....	Page(s)	12
9.	Proposed development amenities.....	Page(s)	13
10.	For rehab proposals, current occupancy levels, rents being charged, and tenant incomes, if available, as well as detailed information with regard to the scope of work planned. Scopes of work should include an estimate of the total and per unit construction cost.....	Page(s)	N/A
11.	Projected placed-in-service date.....	Page(s)	13
 C. Site Evaluation			
1.	Date of site / comparables visit and name of site inspector.....	Page(s)	9
2.	Physical features of the site and adjacent parcel, including positive and negative attributes	Page(s)	14-17
3.	The site's physical proximity to surrounding roads, transportation (including bus stops), amenities, employment, and community services.....	Page(s)	19-23
4.	Labeled photographs of the subject property (front, rear and side elevations, on- site amenities, interior of typical units, if available), of the neighborhood, and street scenes with a description of each vantage point.....	Page(s)	15, 17
5.	A map clearly identifying the project and proximity to neighborhood amenities. A listing of the closest shopping areas, schools, employment centers, medical facilities and other amenities that would be important to the target population and the proximity in miles to each.....	Page(s)	21



6. The land use and structures of the area immediately surrounding the site including significant concentrations of residential, commercial, industrial, vacant, or agricultural uses; comment on the condition of these existing land uses.	Page(s)	16
7. Any public safety issues in the area, including local perceptions of crime, crime statistics, or other relevant information.	Page(s)	18
8. A map identifying existing low-income housing: 4% & 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 financed properties, and HUD 202 or 811 and Project Based Rental Assistance (PBRA). Indicate proximity in miles of these properties to the proposed site.....	Page(s)	62
9. Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	20
10. Vehicular and pedestrian access, ingress/egress, and visibility of site.....	Page(s)	19-20
11. Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	23

D. Market Area

1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	24
2. Map Identifying subject property's location within market area.....	Page(s)	25

E. Community Demographic Data

1. Population Trends		
i. Total Population.....	Page(s)	26
ii. Population by age group.....	Page(s)	28
iii. Number of elderly and non-elderly.....	Page(s)	N/A
iv. If a special needs population is proposed, provide additional information on population growth patterns specifically related to the population.....	Page(s)	N/A
2. Household Trends		
i. Total number of households and average household size.....	Page(s)	26-27
ii. Household by tenure (If appropriate, breakout by elderly and non-elderly).....	Page(s)	30-31
iii. Households by income. (Elderly proposals should reflect the income distribution of elderly households only).....	Page(s)	32-33
iv. Renter households by number of persons in the household.....	Page(s)	32

F. Employment Trends

1. Total jobs in the county or region.....	Page(s)	36
2. Total jobs by industry – numbers and percentages.....	Page(s)	37
3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area.....	Page(s)	40
4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past 10 years.....	Page(s)	34
5. Map of the site and location of major employment concentrations.....	Page(s)	40
6. Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	41

G. Affordability and Demand Analysis



1. Income Restrictions / Limits	Page(s)	43
2. Affordability estimates	Page(s)	44
3. Demand		
i. Demand from new households.....	Page(s)	46
ii. Occupied households (deduct current tenants who are expected, as per Relocation Plan, to return from property unit count prior to determining capture rates).....	Page(s)	46
iii. Demand from existing households.....	Page(s)	46
iv. Elderly Homeowners likely to convert to rentership.....	Page(s)	N/A
v. Net Demand and Capture Rate Calculations	Page(s)	46-47

H. Competitive Rental Analysis (Existing Competitive Rental Environment)

1. Detailed project information for each competitive rental community surveyed		
i. Name and address of the competitive property development	Page(s)	App. 6
ii. Name, title, and phone number of contact person and date contact was made.	Page(s)	App. 6
iii. Description of property.....	Page(s)	App. 6
iv. Photographs.....	Page(s)	App. 6
v. Square footages for each competitive unit type.....	Page(s)	55, App. 6
vi. Monthly rents and the utilities included in the rents of each unit type.....	Page(s)	53, 55, App. 6
vii. Project age and current physical condition.....	Page(s)	51, App. 6
viii. Concessions given if any.....	Page(s)	51
ix. Current vacancy rates, historic vacancy factors, waiting lists, and turnover rates, broken down by bedroom size and structure type.....	Page(s)	51
x. Number of units receiving rental assistance, description of assistance as project or tenant based.....	Page(s)	App. 6
xi. Lease-up history	Page(s)	52

Additional rental market information

2. An analysis of the vouchers available in the Market Area, including if vouchers go unused and whether waitlisted households are income-qualified and when the list was last updated.	Page(s)	61
3. If the proposed development represents an additional phase of an existing housing development, include a tenant profile and information on a waiting list of the existing phase.....	Page(s)	N/A
4. A map showing the competitive projects and all LIHTC and Bond proposed projects which have received tax credit allocations within the market area.....	Page(s)	50, 62
5. An assessment as to the quality and compatibility of the proposed amenities to what is currently available in the market.....	Page(s)	69
6. Consider tenancy type. If comparable senior units do not exist in the PMA, provide an overview of family-oriented properties, or vice versa. Account for differences in amenities, unit sizes, and rental levels.....	Page(s)	N/A
7. Provide the name, address/location, name of owner, number of units, unit configuration, rent structure, estimated date of market entry, and any other relevant market analysis information of developments in the planning, rehabilitation, or construction stages. If there are none, provide a statement to that effect.....	Page(s)	61



8. Provide documentation and diagrams on how the projected initial rents for the project compare to the rental range for competitive projects within the PMA and provide an achievable market rent and rent advantage for each of the proposed unit types.....	Page(s)	56, 69
9. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years.....		N/A
10. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.....	Page(s)	63
11. Comment on any other DCA funded projects located outside of the primary area, but located within a reasonable distance from the proposed project.....	Page(s)	61
12. Note whether the proposed project would adversely impact the occupancy and health of existing properties financed by Credits, USDA, HUD 202, or 811 (as appropriate), DCA or locally financed HOME properties, Sec. 1602 Tax Credit Exchange program, HTF, and HUD 221(d)(3) and HUD 221 (d) (4) and other market rate FHA insured properties (not including public housing properties).....	Page(s)	61, 72
 I. Absorption and Stabilization Rates		
1. Anticipated absorption rate of the subject property.....	Page(s)	72
2. Stabilization period.....	Page(s)	72
3. Projected stabilized occupancy rate and how many months to achieve it.....	Page(s)	72
 J. Interviews.....	Page(s)	73
 K. Conclusions and Recommendations.....	Page(s)	74
 L. Signed Statement Requirements.....	Page(s)	App 2



19. APPENDIX 6 RENTAL COMMUNITY PROFILES

Austin Place



ADDRESS
3017 Chatsworth Hwy., Ellijay, GA, 30540

COMMUNITY TYPE
Market Rate - General

STRUCTURE TYPE
2 Story - Garden/TH

UNITS
26

VACANCY
0.0 % (0 Units) as of 05/02/22

OPENED IN
1998



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	31%	\$1,025	760	\$1.35
Two	69%	\$1,070	1,100	\$0.97

Community Amenities

Features

Standard	Dishwasher, Ceiling Fan, Patio Balcony
Hook Ups	In Unit Laundry
Central / Heat Pump	Air Conditioning
White	Appliances
Laminate	Countertops

Parking

Parking Description	Free Surface Parking
Parking Description #2	

Contacts

Phone	706-273-2727
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Comments

PL-100%, Occ-100%. Waitlist: 300 households.

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0	8	\$1,050	760	\$1.38	Market	-
Townhouse		2	1.5	18	\$1,100	1,100	\$1.00	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	05/02/22	05/14/21	02/04/20
% Vac	0.0%	0.0%	0.0%
One	\$1,050	\$900	\$850
Two	\$1,100	\$950	\$900

Adjustments to Rent

Incentives	None
Utilities in Rent	Water/Sewer, Trash
Heat Source	Natural Gas

Austin Place

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent

(2) Published Rent is rent as quoted by management.

Brookstone



ADDRESS
85 Brookstone Way, McCaysville, GA, 30555

COMMUNITY TYPE
Deep Subsidy - General

STRUCTURE TYPE
Garden

UNITS
40

VACANCY
0.0 % (0 Units) as of 05/11/22

OPENED IN
1992



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	0%	\$595	624	\$0.95
Two	0%	\$717	928	\$0.77
Three	0%	\$817	0	\$

Community Amenities

Features

Standard	Dishwasher, Patio Balcony
Hook Ups	In Unit Laundry
Central / Heat Pump	Air Conditioning
White	Appliances
Laminate	Countertops

Parking	Contacts
Parking Description	Free Surface Parking
Parking Description #2	
Owner / Mgmt.	Boyd Management
Phone	706-492-3304

Comments

Management was unable to provide square footage of 3br units.

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0		\$595	624	\$0.95	RD	-
Garden		2	1.0		\$717	928	\$0.77	RD	-
Garden		3	2.0		\$817	0		RD	-

Historic Vacancy & Eff. Rent (1)	
Date	05/11/22
% Vac	0.0%
One	\$595
Two	\$717
Three	\$817

Adjustments to Rent	
Incentives	None
Utilities in Rent	

Brookstone

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent

(2) Published Rent is rent as quoted by management.

Coventry Ridge



ADDRESS 137 Sumner Top Ln., Ellijay, GA **COMMUNITY TYPE** Market Rate - General **STRUCTURE TYPE** 1 Story - Garden **UNITS** 18 **VACANCY** 0.0 % (0 Units) as of 05/03/22 **OPENED IN** 1995



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	0%	\$660	400	\$1.65
Two	0%	\$790	800	\$0.99

Community Amenities

Features

Standard	Ceiling Fan, Patio Balcony, Cable TV
Hook Ups	In Unit Laundry
Window Units	Air Conditioning
Vinyl/Linoleum	Flooring Type 1
Carpet	Flooring Type 2

Parking

Parking Description	Free Surface Parking
Parking Description #2	

Contacts

Phone	706-889-3709
--------------	--------------

Comments

PL-100%, Occ-100%

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0		\$790	400	\$1.98	Market	-
Garden		2	1.0		\$950	800	\$1.19	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	05/03/22	05/14/21	01/10/20
% Vac	0.0%	0.0%	0.0%
One	\$790	\$715	\$650
Two	\$950	\$890	\$825

Adjustments to Rent

Incentives	None
Utilities in Rent	Heat, Hot Water, Cooking, Electricity, Water/Sewer, Trash
Heat Source	Natural Gas

Coventry Ridge

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
 (2) Published Rent is rent as quoted by management.

Dogwood



ADDRESS
481 McKinney Rd., Blue Ridge, GA, 30513

COMMUNITY TYPE
Market Rate - General

STRUCTURE TYPE
Mix

UNITS
19

VACANCY
0.0 % (0 Units) as of 05/05/22



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Two	95%	\$840	900	\$0.93

Community Amenities

Features

Select Units Dishwasher, Patio Balcony
Hook Ups In Unit Laundry
Central / Heat Pump Air Conditioning

Parking		Contacts	
Parking Description	Free Surface Parking	Phone	706-632-5981
Parking Description #2			

Comments

Duplexes, Garden, and Single Family Homes

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
		2	1.0	18	\$850	900	\$0.94	Market	-

Historic Vacancy & Eff. Rent (1)		
Date	05/05/22	06/03/11
% Vac	0.0%	0.0%
Two	\$850	\$0

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Electric

Dogwood

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
 (2) Published Rent is rent as quoted by management.

Gardens



ADDRESS
150 Charlie Corn Drive, Young Harris, GA, 30582

COMMUNITY TYPE
LIHTC - General

STRUCTURE TYPE
2 Story - Garden

UNITS
51

VACANCY
0.0 % (0 Units) as of 05/03/22

OPENED IN
2014



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	35%	\$567	719	\$0.79
Two	65%	\$692	1,029	\$0.67

Community Amenities
Central Laundry, Fitness Room

Features

Standard	Dishwasher, Disposal, Microwave, Patio Balcony
Central / Heat Pump	Air Conditioning
Hook Ups	In Unit Laundry
White	Appliances
Laminate	Countertops

Parking		Contacts	
Parking Description	Free Surface Parking	Owner / Mgmt.	Investors Management Company
Parking Description #2		Phone	762-349-1501

Comments

PL-100%, Occ-100%. Waitlist: 7 households.

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0	15	\$596	719	\$0.83	LIHTC	60%
Garden		1	1.0	3	\$483	719	\$0.67	LIHTC	50%
Garden		2	2.0	3	\$572	1,029	\$0.56	LIHTC	50%
Garden		2	2.0	30	\$715	1,029	\$0.69	LIHTC	60%

Historic Vacancy & Eff. Rent (1)	
Date	05/03/22
% Vac	0.0%
One	\$540
Two	\$644

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash

Gardens

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent

(2) Published Rent is rent as quoted by management.

Hilltop



ADDRESS 351 Penland St, Ellijay, GA, 30540 **COMMUNITY TYPE** Market Rate - General **STRUCTURE TYPE** 2 Story – Townhouse **UNITS** 37 **VACANCY** 0.0 % (0 Units) as of 05/06/22 **OPENED IN** 1990



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Two	100%	\$1,290	1,000	\$1.29

Community Amenities
Basketball, Playground

Features

Standard	Dishwasher, Disposal
Hook Ups	In Unit Laundry
Central / Heat Pump	Air Conditioning
White	Appliances
Laminate	Countertops

Parking	Contacts
Parking Description Free Surface Parking	Phone 844-671-2995
Parking Description #2	

Comments

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Townhouse		2	1.5	37	\$1,300	1,000	\$1.30	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	05/06/22	06/11/20	02/04/20
% Vac	0.0%	0.0%	0.0%
Two	\$1,300	\$825	\$825

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Electric

Hilltop

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
 (2) Published Rent is rent as quoted by management.

Holly Faith



ADDRESS 79 Tower Rd., Ellijay, GA **COMMUNITY TYPE** Market Rate - General **STRUCTURE TYPE** 1 Story – Garden **UNITS** 12 **VACANCY** 0.0 % (0 Units) as of 05/10/22 **OPENED IN** 1995



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	33%	\$485	800	\$0.61
Two	67%	\$690	1,100	\$0.63

Community Amenities

Features

Standard Dishwasher, Ceiling Fan
Hook Ups In Unit Laundry
Central / Heat Pump Air Conditioning

Parking

Parking Description Free Surface Parking
Parking Description #2

Contacts

Phone 706-635-1501

Comments

Management was unable to provide updated pricing as all units have been under long-term leases. Pricing listed is from 6/11/2020 survey.

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
		1	1.0	4	\$495	800	\$0.62	Market	-
		2	1.0	8	\$700	1,100	\$0.64	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	05/10/22	05/14/21	06/11/20
% Vac	0.0%	0.0%	0.0%
One	\$495	\$495	\$495
Two	\$700	\$700	\$695

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Electric

Holly Faith

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
 (2) Published Rent is rent as quoted by management.

Mineral Springs



ADDRESS 297 Mineral Springs Rd., Blue Ridge, GA **COMMUNITY TYPE** LIHTC - General **STRUCTURE TYPE** 3 Story – Garden/TH **UNITS** 67 **VACANCY** 0.0 % (0 Units) as of 05/02/22 **OPENED IN** 2003



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Two	52%	\$841	840	\$1.00
Three	36%	\$799	1,104	\$0.72
Four+	12%	\$752	1,372	\$0.55

Community Amenities
Clubhouse, Fitness Room, Central Laundry, Playground, Business Center, Computer Center

Features

Standard	Dishwasher, Disposal, Patio Balcony
Hook Ups	In Unit Laundry
Central / Heat Pump	Air Conditioning
Vinyl/Linoleum	Flooring Type 1
Carpet	Flooring Type 2
White	Appliances
Laminate	Countertops

Parking		Contacts	
Parking Description	Free Surface Parking	Owner / Mgmt.	Envolve
Parking Description #2		Phone	706-258-3451

Comments

PL-100%, Occ-98.5%

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Townhouse		2	2.5	21	\$635	840	\$0.76	LIHTC	50%
Townhouse		2	2.5	14	\$1,175	840	\$1.40	Market	-
Garden		3	2.0	4	\$361	1,104	\$0.33	LIHTC	30%
Garden		3	2.0	20	\$898	1,104	\$0.81	LIHTC	60%
Garden		4	2.0	3	\$391	1,372	\$0.28	LIHTC	30%
Garden		4	2.0	5	\$985	1,372	\$0.72	LIHTC	60%

Historic Vacancy & Eff. Rent (1)			
Date	05/02/22	05/14/21	06/03/11
% Vac	0.0%	0.0%	9.0%
Two	\$905	\$732	\$0
Three	\$630	\$620	\$0
Four+	\$688	\$692	\$0

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Electric

Mineral Springs

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
 (2) Published Rent is rent as quoted by management.

Tanyard Branch



ADDRESS
234 Tanyard Street, Blairsville, GA, 30512

COMMUNITY TYPE
Deep Subsidy - General

STRUCTURE TYPE
Garden/TH

UNITS
49

VACANCY
0.0 % (0 Units) as of 05/05/22

OPENED IN
1994



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	0%	\$520	723	\$0.72
Two	0%	\$545	854	\$0.64
Three	0%	\$593	949	\$0.62

Community Amenities

Features

Standard	Dishwasher, Disposal
White	Appliances
Laminate	Countertops
Central / Heat Pump	Air Conditioning

Parking	Contacts
Parking Description	Owner / Mgmt.
Free Surface Parking	Boyd Management
Parking Description #2	Phone
	706-745-9115

Comments

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0		\$545	723	\$0.75	RD	-
Garden		2	1.5		\$575	854	\$0.67	RD	-
Garden		3	1.5		\$628	949	\$0.66	RD	-

Historic Vacancy & Eff. Rent (1)	
Date	05/05/22
% Vac	0.0%
One	\$545
Two	\$575
Three	\$628

Adjustments to Rent	
Incentives	None
Utilities in Rent	Water/Sewer, Trash

Tanyard Branch

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent

(2) Published Rent is rent as quoted by management.

The Overlook



ADDRESS
110 Overlook Court, Blairsville, GA, 30512

COMMUNITY TYPE
LIHTC - General

STRUCTURE TYPE
2 Story – Garden

UNITS
35

VACANCY
0.0 % (0 Units) as of 05/05/22

OPENED IN
2017



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	0%	\$590	719	\$0.82
Two	0%	\$707	1,029	\$0.69
Three	0%	\$804	1,200	\$0.67

Community Amenities
Clubhouse, Community Room, Central Laundry, Playground, Business Center, Computer Center, Picnic Area

Features

Standard	Dishwasher, Disposal, Microwave, Ceiling Fan, Patio Balcony
Hook Ups	In Unit Laundry
Central / Heat Pump	Air Conditioning
White	Appliances
Laminate	Countertops

Parking

Parking Description	Free Surface Parking
Parking Description #2	

Contacts

Owner / Mgmt.	Investors Management Company
Phone	706-400-5760

Comments

Started preleasing May 2017, opened August 2017, stabilized December 2017.

Floorplans									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0		\$600	719	\$0.83	LIHTC	60%
Garden		2	2.0		\$717	1,029	\$0.70	LIHTC	60%
Garden		3	2.0		\$814	1,200	\$0.68	LIHTC	60%

Historic Vacancy & Eff. Rent (1)			
Date	05/05/22		
% Vac	0.0%	N/A	N/A
One	\$600	\$0	\$0
Two	\$717	\$0	\$0
Three	\$814	\$0	\$0

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash

The Overlook

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(2) Published Rent is rent as quoted by management.