



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Cave Spring Townhomes
121 Fincher Street
Cave Spring, Floyd County, Georgia 30124

Prepared For

Ms. Sandra Hudson
Northwest Georgia Housing Authority
Northwest Georgia Housing Authority (developer)
326 West 9th Street
Rome, Georgia 30165

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Section B – Executive Summary

This report evaluates the market feasibility of the Cave Spring Townhomes rental community to be developed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Cave Spring, Georgia. Based on the findings contained in this report, we believe a market exists for the subject development, assuming it is developed and operated as detailed in this report.

1. Project Description:

The subject project involves the new construction of the 52-unit Cave Spring Townhomes rental community at 121 Fincher Street in Cave Spring, Georgia. The project will replace existing Public Housing units and will target general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, all units within the subject development will receive project-based rental assistance through a HUD Rental Assistance Demonstration (RAD) conversion. Also note that while the subject property will be general-occupancy, it is anticipated that eight (8) units will target disabled households and will operate under the HUD Section 811 program. However, specific units to be set aside for this target population were not determined/finalized as of the time of this analysis. The proposed project is expected to be complete by November 2024. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
3	One-Br.	1.0	2-Story TH	776	50%/S8	\$714	\$87	\$801	\$594
5	One-Br.	1.0	2-Story TH	776	50%/PBRA	\$714	\$87	\$801	\$594
7	One-Br.	1.0	2-Story TH	776	60%/S8	\$714	\$87	\$801	\$801
8	Two-Br.	2.0	2-Story TH	1,093	50%/S8	\$857	\$106	\$963	\$713
20	Two-Br.	2.0	2-Story TH	1,093	60%/PBRA	\$857	\$106	\$963	\$856
4	Three-Br.	2.0	2-Story TH	1,349	50%/S8	\$980	\$132	\$1,112	\$824
5	Three-Br.	2.0	2-Story TH	1,349	60%/S8	\$980	\$132	\$1,112	\$989
52	Total								

Source: Northwest Georgia Housing Authority
 AMHI – Area Median Household Income (Floyd County, GA Non-Metro Area; 2021)
 S8 – Section 8; TH – Townhome

Overall, the amenity package offered at the property is considered appropriate for and marketable to the targeted tenant population and will be competitive with those offered among the comparable projects in the area. Amenities to be offered at the property include the following:

Unit Amenities		
• Electric Range	• Microwave	• Ceramic Tile Flooring
• Refrigerator	• Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Patio
• Dishwasher	• Walk-In Closet	

Community Amenities

- | | | |
|----------------------------|----------------------------|-----------------------|
| • Business/Computer Center | • Clubhouse/Community Room | • Community Garden |
| • Gazebo/Pavilion | • Laundry Room | • On-Site Management |
| • Grilling Area | • Playground | • Surface Parking Lot |

2. Site Description/Evaluation:

The subject site is located within an established mixed-use portion of Cave Spring. Surrounding structures are generally in good overall condition and are conducive to residential development such as that proposed for the subject site. The subject property will fit well with other surrounding residential structures in the immediate site area. Visibility and access are both considered good given the subject's frontage along Fincher Street which borders the site to the north and provides passerby traffic to the site property. This roadway also provides direct access to/from U.S. Highway 411 east of the site, further enhancing access to the property from throughout the area. Although limited, several basic area services are located within 1.0 mile from the site, while more extensive services are available in nearby surrounding areas such as Cedartown and Rome, Georgia. Overall, the subject site location is considered conducive to affordable multifamily rental product and is expected to have a positive impact on the subject's overall marketability.

3. Market Area Definition:

The Cave Spring Site PMA includes all of Cave Spring and other unincorporated portions of Floyd County and Polk County. The boundaries of the Cave Spring Site PMA generally follow State Route 20/Alabama Highway to the north; State Highway 1 and U.S. Highway 27 to the east; the Cedartown incorporated limits and Prior Station Road to the south; and the Georgia/Alabama state boundary to the west. The boundaries of the Cave Spring Site PMA are generally within 12.0 miles of the subject site. A map illustrating these boundaries is included on page E-2 of this report.

4. Community Demographic Data:

Albeit modest, the Cave Spring Site PMA is projected to experience both population and household growth between 2022 and 2024, a trend which has been ongoing since 2000. Household growth is projected to occur among several different age groups, though the majority will be concentrated among seniors aged 65 and older. Household growth will also be concentrated among owner-occupied households during this time period, though the number of renter households will remain stable between 2022 and 2024. It is also of note that nearly 62.0% of all renter households are projected to earn less than \$40,000 in 2024. Based on the preceding factors, a good base of potential support for affordable rental product will continue to exist within the Cave Spring market for the foreseeable future. Additional demographic data is included in *Section F* of this report.

Also note that based on 2015-2019 American Community Survey (ACS) data, 82.2% of the vacant housing units in the Site PMA are classified as “Other Vacant,” which encompasses foreclosed, dilapidated and/or abandoned housing. Based on information obtained from RealtyTrac.com, there is currently only one (1) foreclosed property available within Cave Spring. Further, our survey of the Cave Spring Site PMA revealed that established conventional rental properties are operating at strong occupancy levels within the market. Based on the preceding analysis, it is our opinion that foreclosed/abandoned homes will not have any tangible impact on the subject's marketability. This is especially true when considering the limited availability of LIHTC product in the Cave Spring market.

5. Economic Data:

Similar to most markets throughout the country, Floyd County experienced an economic downturn in 2020 as a result of the COVID-19 pandemic. The impact of the pandemic, however, was less significant within the county as compared to state and national trends, both in terms of total employment and unemployment rate figures. The county also quickly recovered from the impact of the pandemic as more than 2,300 jobs have been added to the county employment base since 2020 and the annual unemployment rate has declined to a rate of 3.2% through March of 2022. In addition to recent employment growth replacing all 1,975 jobs lost during 2020, an additional 356 jobs have been added to the county employment base through March of 2022. Unemployment rates within the county through March of 2022 are also lower than pre-pandemic levels. Based on the preceding factors, we expect the Floyd County economy will continue to improve/expand for the foreseeable future. Additional economic data is included in *Section G* of this report.

6. Project-Specific Affordability and Demand Analysis:

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income			
	LIHTC w/Subsidy All at 50% AMHI (\$0-\$34,250)	LIHTC Only		
		50% AMHI (\$20,366- \$34,250)	60% AMHI (\$27,463- \$41,100)	Overall (\$20,366- \$41,100)
Net Demand	307	88	62	113
Proposed Units / Net Demand	52	20	32	52
Capture Rate	16.9%	22.7%	51.6%	46.0%

Based on GDCA guidelines, capture rates up to 35.0% are generally considered acceptable for projects in rural markets such as the Cave Spring Site PMA. As such, the subject’s subsidized capture rate of 16.9% is considered relatively low and achievable. This capture rate demonstrates a sufficient base of potential support for the subject property as proposed, with the availability of a project-based subsidy to all units.

In the unlikely event that the subsidy was lost/not secured, and the property had to operate exclusively under the LIHTC guidelines, a more limited base of support would exist. This is illustrated by the higher 46.0% capture rate for the subject's LIHTC units in this scenario.

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

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
LIHTC w/Subsidy						
One-Bedroom (35%)	50%	15	107	0	107	14.0%
One-Bedroom	Total	15	107	0	107	14.0%
LIHTC Only						
Two-Bedroom (45%)	50%	28	138	0	138	20.3%
Two-Bedroom	Total	28	138	0	138	20.3%
LIHTC Only						
Three-Bedroom (20%)	50%	9	61	0	61	14.8%
Three-Bedroom	Total	9	61	0	61	14.8%
LIHTC Only						
One-Bedroom (35%)	50%	8	31	0	31	25.8%
One-Bedroom (35%)	60%	7	22	0	22	31.8%
One-Bedroom	Total	15	53	0	53	28.3%
LIHTC Only						
Two-Bedroom (45%)	50%	8	40	0	40	20.0%
Two-Bedroom (45%)	60%	20	28	0	28	71.4%
Two-Bedroom	Total	28	68	0	68	41.2%
LIHTC Only						
Three-Bedroom (20%)	50%	4	18	0	18	22.2%
Three-Bedroom (20%)	50%	5	12	0	12	41.7%
Three-Bedroom	Total	9	30	0	30	30.0%

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

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

^Reflective of maximum allowable LIHTC rent limits as proposed contract rent under subsidized program exceeds this limit

Achievable Market Rent as determined in *Section I*.

As the preceding illustrates, capture rates by bedroom type and AMHI level do not exceed 20.3% under the subsidized scenario. These are all below GDCA thresholds and demonstrate a sufficient base of support for the subject property assuming a subsidy will be provided to all units. In the unlikely event the subsidy was not provided and the property had to operate exclusively under the LIHTC guidelines, capture rates by bedroom type and AMHI level range from 20.0% to 71.4%. Similar to our overall capture rates and capture rates by AMHI level provided earlier, some of the higher capture rates by unit type under the non-subsidized scenario further demonstrate a more limited base of potential support for the subject property within the Cave Spring Site PMA under this scenario. Regardless, the project-based subsidy to be provided will ensure a sufficient base of potential support exists within the Cave Spring market for the subject property.

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

7. Competitive Rental Analysis

Tax Credit

The proposed subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, the subject property will also provide a project-based subsidy which will operate concurrently with all LIHTC units. Thus, the subject property could effectively compete with other subsidized product in the area. However, for the purposes of this analysis, we only select non-subsidized Tax Credit product as to provide a comparison for the subject property in the unlikely event the project-based subsidy was not provided, and the property had to operate exclusively under the LIHTC guidelines.

Within the Cave Spring Site PMA, we identified and surveyed one non-subsidized general-occupancy LIHTC property. This property (Spring Haven Apartments) offers unit types similar to some of those proposed for the subject site in terms of bedroom type and targeted income (AMHI) level. Thus, this property is considered comparable to and competitive with the subject property and has been selected for this analysis.

Due to the limited supply of non-subsidized LIHTC product offered within the Cave Spring Site PMA, we also identified and surveyed three additional non-subsidized LIHTC properties outside the Cave Spring Site PMA but within the nearby area of Cedartown, Georgia. Note that while one of these projects is general-occupancy (family), the two remaining projects are restricted to seniors age 55 and older. We recognize that this is a different target population from that proposed for the subject property. However, these properties will provide a good additional base of comparison for the subject property given the limited supply of non-subsidized general-occupancy LIHTC product in the market and surrounding area. Nonetheless, the three properties surveyed outside the Cave Spring Site PMA are not expected to be directly competitive with the subject project given their geographic location.

The subject property and the four comparable LIHTC properties selected for this analysis are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Cave Spring Townhomes	2024	52	-	-	-	Families; 50% & 60% AMHI & Section 8 & PBRA
2	Spring Haven Apts.	2002	24	100.0%	0.7 Miles	4 HH	Families; 50% & 60% AMHI
904	Evergreen Village Apts.	2000 / 2020	56	100.0%	9.0 Miles	37 HH	Families; 50% & 60% AMHI
905	Hummingbird Pointe Apts.	2011	64	100.0%	9.6 Miles	12 HH	Seniors 55+; 50% & 60% AMHI
906	Kirkwood Trails Apts.	2003	41*	100.0%	12.9 Miles	16 HH	Seniors 55+; 50% & 60% AMHI

OCC. – Occupancy; HH - Households

900 Series Map IDs are located outside the Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0% and all four maintain waiting lists for their next available units. These are clear indications of strong and pent-up demand for non-subsidized LIHTC product in the market and nearby surrounding region.

Also note that the subject property will be at least 13 years newer than each of the properties surveyed and selected for this analysis. The newness and anticipated quality of the subject property is expected to create a competitive advantage for the property and contribute to its rent potential within this market.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Cave Spring Townhomes	\$594*/50% (3)^ \$594*/50% (5)^ \$801/60% (7)^	\$713*/50% (8)^ \$856*/60% (20)^	\$824*/50% (4)^ \$989*/60% (5)^	-
2	Spring Haven Apts.	\$625/50% (10/0) \$749/60% (6/0)	\$748/50% (4/0) \$897/60% (4/0)	-	None
904	Evergreen Village Apts.	\$462/50% (8/0) \$467/60% (8/0)	\$548/50% (10/0) \$585/60% (10/0)	\$625/50% (10/0) \$645/60% (10/0)	None
905	Hummingbird Pointe Apts.	\$531/50% (3/0) \$554/60% (5/0)	\$622/50% (10/0) \$642/60% (46/0)	-	None
906	Kirkwood Trails Apts.	\$509/50% (15/0) \$528/60% (10/0)	\$617/50% (10/0) \$686/60% (6/0)	-	None

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds this limit

^Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

900 Series Map IDs are located outside the Site PMA

As the preceding illustrates, the subject's proposed gross Tax Credit rents are generally competitive with those reported for similar unit types offered among the comparable LIHTC properties surveyed in the area. Regardless, the subject property will effectively operate with a project-based subsidy available to all LIHTC units. Thus, tenants of these units will effectively pay up to only 30% of their income towards rent, rather than the non-subsidized rents reflected in the preceding table. This will ensure the subject property represents a significant value and is affordable to very low-income renters within the Cave Spring market.

Comparable/Competitive Tax Credit Summary

A very limited supply of non-subsidized Tax Credit product is offered within the Cave Spring Site PMA, as illustrated by the fact that only one such property was surveyed at the time of this analysis. This property is currently 100.0% occupied with a waiting list, similar to three additional comparable LIHTC properties surveyed outside the Cave Spring Site PMA but within the nearby Cedartown, Georgia area. The subject property will be competitive with these existing comparable LIHTC properties in the market/region in terms of price point (gross rent) and overall design and amenities offered. It is also important to reiterate that the subject property will operate with a project-based subsidy available to all LIHTC units. This will further ensure that the property is affordable to low-income renters in the area as residents will be required to pay up to only 30% of their income towards rent.

An in-depth comparable analysis is included in *Section I* of this report.

Achievable Market Rent

Based on Rent Comparability Grids included in *Section I*, the achievable market rents determined for the subject project are summarized as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Bedroom	50%	\$507*	\$920	44.9%
One-Bedroom	60%	\$714	\$920	22.4%
Two-Bedroom	50%	\$607*	\$1,085	44.1%
Two-Bedroom	60%	\$750*	\$1,085	30.9%
Three-Bedroom	50%	\$692*	\$1,210	42.8%
Three-Bedroom	60%	\$857*	\$1,210	29.2%

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds this limit.

Typically, Tax Credit rents for units targeting households earning up to 60% of AMHI are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. The subject's proposed rents, including the market-rate rents, represent market rent advantages ranging from 22.4% to 44.9%. Thus, the subject rents are expected to be perceived as very good to excellent values within the Cave Spring market.

In fact, the subject's Tax Credit rents/units are expected to be perceived an even greater value than that indicated by the market rent advantages in the preceding table due to the presence of a project-based subsidy. This subsidy will effectively allow tenants of these units to pay only 30% of their income towards rent, rather than the non-subsidized rents reflected in the preceding table.

8. Absorption/Stabilization Estimates

Based on our analysis, it is our opinion that the 52 proposed units for the subject site will reach a stabilized occupancy of at least 93.0% within approximately four months of opening. This absorption period is based on an average monthly absorption rate of approximately 12 to 13 units per month.

9. Overall Conclusion:

Based on the preceding factors, the subject property is considered marketable and supportable within the Cave Spring Site PMA. We have no recommendations to the subject project at this time.

SUMMARY TABLE**(must be completed by the analyst and included in the executive summary)**

Development Name:	Cave Spring Townhomes	Total # Units: 52
Location:	121 Fincher Street, Cave Spring, GA 30124 (Floyd County)	# LIHTC Units: 52
PMA Boundary:	State Route 20/Alabama Highway to the north; State Highway 1 and U.S. Highway 27 to the east; the Cedartown incorporated limits and Prior Station Road to the south; and the Georgia/Alabama state boundary to the west.	
	Farthest Boundary Distance to Subject: ~12.0 miles	

RENTAL HOUSING STOCK (found on page I-1 & 6)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	2	35	0	100.0%
Market-Rate Housing	1	11	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	0	-	-	-
LIHTC	1	24	0	100.0%
Stabilized Comps	4*	185	0	100.0%
Properties in Construction & Lease Up	0	-	-	-

*Includes comparable LIHTC properties located outside of the Site PMA

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
3	One-Br.	1.0	776	\$507 (50%)*	\$920	\$1.19	44.9%	\$1,299	\$1.62
5	One-Br.	1.0	776	\$507 (50%)*	\$920	\$1.19	44.9%	\$1,299	\$1.62
7	One-Br.	1.0	776	\$714 (60%)*	\$920	\$1.19	22.4%	\$1,299	\$1.62
8	Two-Br.	2.0	1,093	\$607 (50%)*	\$1,085	\$0.99	44.1%	\$1,499	\$1.35
20	Two-Br.	2.0	1,093	\$750 (60%)*	\$1,085	\$0.99	30.9%	\$1,499	\$1.35
4	Three-Br.	2.0	1,349	\$692 (50%)*	\$1,210	\$0.90	42.8%	\$1,775	\$1.20
5	Three-Br.	2.0	1,349	\$857 (60%)*	\$1,210	\$0.90	29.2%	\$1,775	\$1.20

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds this limit

CAPTURE RATES (found on page H-5)

Targeted Population	30%	50%	60%	Market-Rate	Other: LIHTC w/Subsidy	Overall (LIHTC Only)
Capture Rate	-	22.7%	51.6%	-	16.9%	46.0%

Section C - Project Description

Project Name:	Cave Spring Townhomes
Location:	121 Fincher Street, Cave Spring, Georgia 30124 (Floyd County)
Census Tract:	20
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 52-unit Cave Spring Townhomes rental community at 121 Fincher Street in Cave Spring, Georgia. The project will replace existing Public Housing units and will target general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, all units within the subject development will receive project-based rental assistance through a HUD Rental Assistance Demonstration (RAD) conversion. Also note that while the subject property will be general-occupancy, it is anticipated that eight (8) units will target disabled households and will operate under the HUD Section 811 program. However, specific units to be set aside for this target population were not determined/finalized as of the time of this analysis. The proposed project is expected to be complete by November 2024. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
3	One-Br.	1.0	2-Story TH	776	50%/S8	\$714	\$87	\$801	\$594
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8	Two-Br.	2.0	2-Story TH	1,093	50%/S8	\$857	\$106	\$963	\$713
20	Two-Br.	2.0	2-Story TH	1,093	60%/PBRA	\$857	\$106	\$963	\$856
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5	Three-Br.	2.0	2-Story TH	1,349	60%/S8	\$980	\$132	\$1,112	\$989
52	Total								

Source: Northwest Georgia Housing Authority

AMHI – Area Median Household Income (Floyd County, GA Non-Metro Area; 2021)

S8 – Section 8; TH – Townhome

The maximum allowable LIHTC gross rents ranging from \$594 to \$989 are the programmatic limits for units targeting households earning up to 50% and 60% of AMHI. However, these limits would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy. Nonetheless, as most of the proposed contract rents under the subsidized programs proposed for the property exceed maximum allowable LIHTC rent limits for the area, we have evaluated these units utilizing maximum allowable LIHTC rent limits throughout this report.

Building/Site Information	
Residential Buildings:	11 two-story buildings
Building Style:	Townhomes
Community Space:	Stand-alone building
Acres:	7.9

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	November 2023
Begin Preleasing:	September 2024
Construction End:	November 2024

Unit Amenities		
• Electric Range	• Microwave	• Ceramic Tile Flooring
• Refrigerator	• Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Patio
• Dishwasher	• Walk-In Closet	

Community Amenities		
• Business/Computer Center	• Clubhouse/Community Room	• Community Garden
• Gazebo/Pavilion	• Laundry Room	• On-Site Management
• Grilling Area	• Playground	• Surface Parking Lot

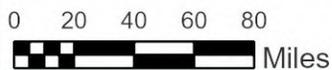
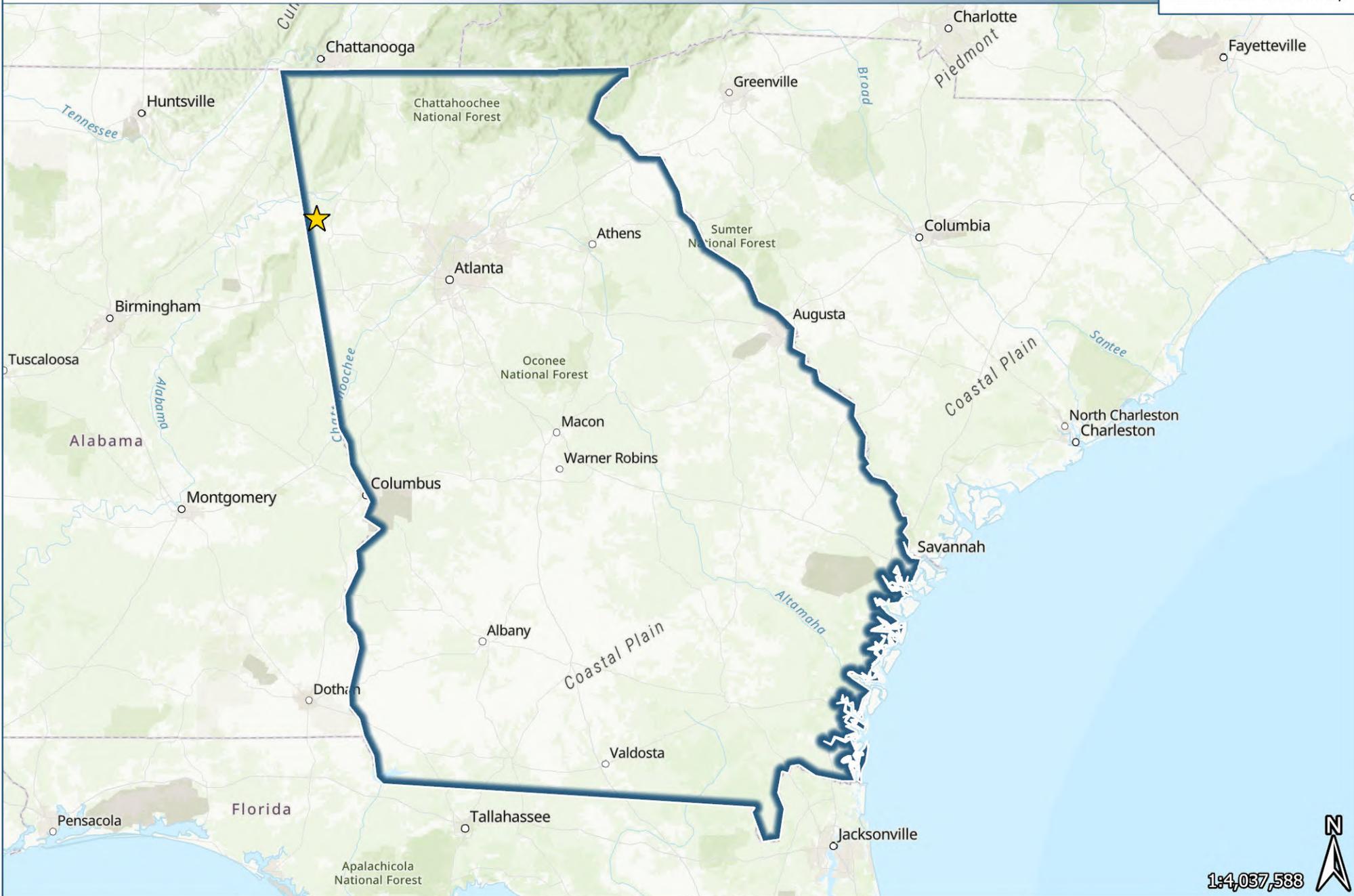
Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
Source	Electric	Electric	Electric				

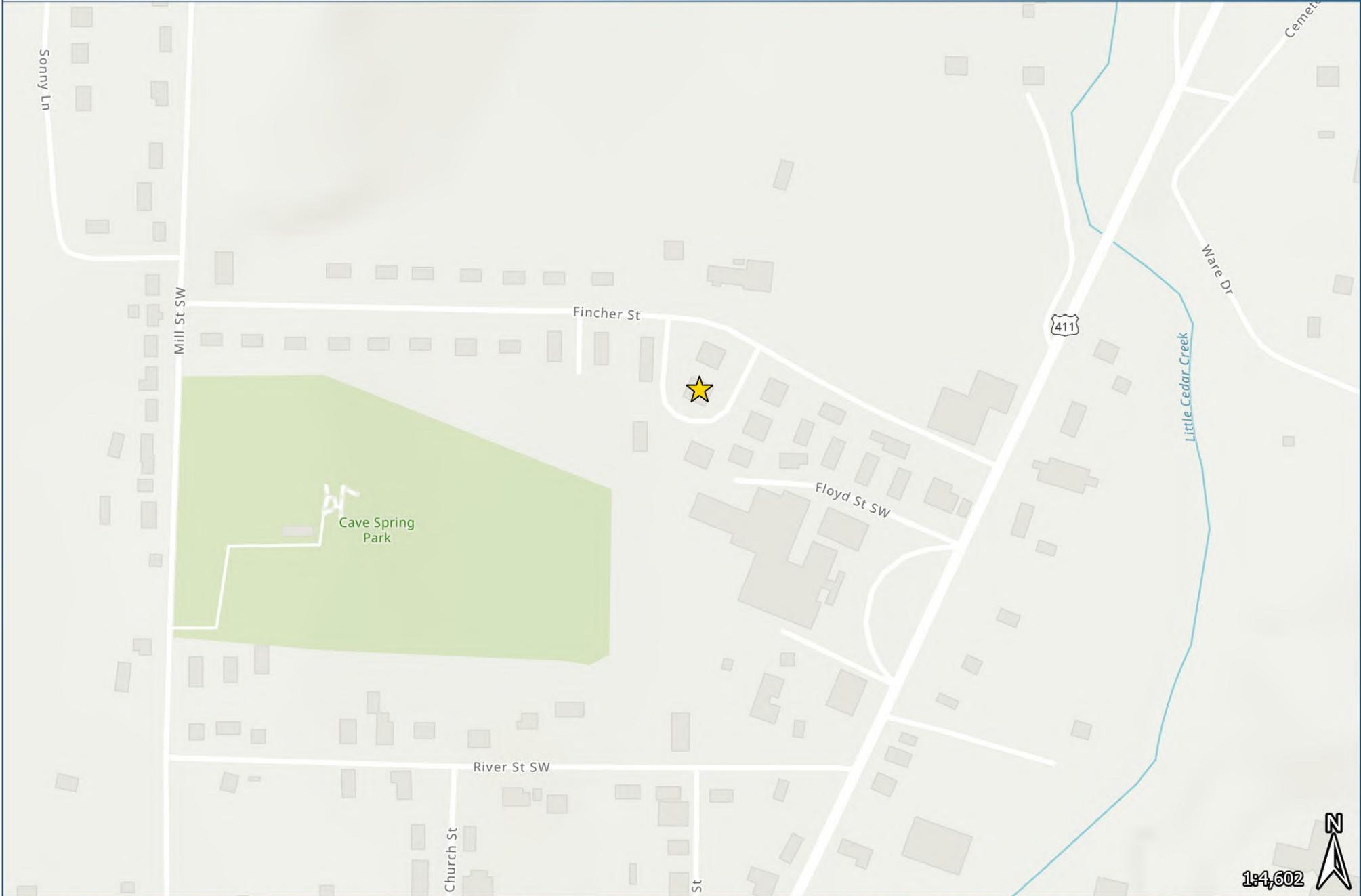
FLOOR AND SITE PLAN REVIEW:

Floor and site plans were not provided for the subject project for review at the time this report was prepared. Information provided at the time of this analysis, however, indicates that the subject property will include one- through three-bedroom townhome units located within 11 two-story buildings. The subject units will range in size from 776 to 1,349 square feet, with the two- and three-bedroom units including two (2.0) bathrooms and the one-bedroom units offering one (1.0) bathroom. Each unit will come well-equipped in terms of unit amenities and will feature a full kitchen appliance package and dedicated laundry area with washer/dryer hookups.

In addition to the subject’s residential units, the property will feature an array of community amenities integrated throughout the property. These will include but not be limited to a stand-alone clubhouse/community space, on-site management office, laundry facility, computer/business center, community garden, and playground. This will further enhance marketability of the subject project. Overall, the subject property appears to be marketable in terms of overall design. Nonetheless, an in-depth comparable/competitive analysis is included in *Section H* to better determine the competitive position and overall marketability of the subject project within the Cave Spring market.

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



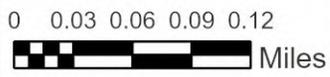


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 Miles

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Section D – Site Evaluation

1. LOCATION

The subject site is currently comprised of an existing public housing rental community located at 121 Fincher Street in the central portion of Cave Spring, Georgia. This existing property is to be demolished and redeveloped as the proposed subject project, as detailed in *Section C*. Located within Floyd County, Cave Spring is approximately 10.0 miles northwest of Cedartown, Georgia and 16.0 miles southwest of Rome, Georgia. Sidney McCrary, an employee of Bowen National Research, inspected the site and area apartments during the week of May 2, 2022.

2. SURROUNDING LAND USES

The subject site is within an established area of Cave Spring, Georgia. Surrounding land uses generally include single-family homes, Cave Spring Elementary School, Dollar General, Cave Spring Fire Department, Cave Spring Park, and various area services/businesses. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by Fincher Street, a two-lane residential roadway with light traffic patterns. Adjacent north along Fincher Street is a Cave Spring Fire Department station in very good condition. Northeast of the site is a Dollar General, also in very good condition. Continuing north is agricultural and wooded land that extends north for a considerable distance.
East -	The eastern boundary is defined by Cave Spring Market and a Dollar General store, both of which were observed to be in good overall condition and are located along State Route 53/U.S. Highway 411, a two-lane arterial roadway with moderate traffic patterns. Single-family homes in good condition, and agricultural and wooded land extend east for a considerable distance.
South -	The southern boundary is defined by Cave Spring Elementary School in good condition. Continuing south are single-family homes, various small businesses, retail shops, commercial buildings, and dining options located along U.S. Highway 411/Paddock Mountain Road Southwest, a primary arterial with moderate traffic patterns. Single-family homes followed by agricultural and wooded land extend farther south.
West -	The western boundary is defined by single-family homes in good condition. Continuing west is Cave Spring Park located along the east side of Mill Street, a two-lane arterial roadway with light traffic patterns. Agricultural and wooded land extend farther west towards homes located along Fosters Mill Road (State Route 100).

The subject site is situated within an established mixed-use portion of Cave Spring. Surrounding land uses were generally observed to be in good to very good overall condition, which will contribute to the subject's marketability. The subject property is expected to fit well with the surrounding residential structures within the immediate site area.

3. VISIBILITY AND ACCESS

The subject site maintains frontage along and is clearly visible from Fincher Street, a two-lane residential roadway with light traffic patterns bordering the site to the north. Visibility is mostly obstructed from the east, south, and west due to the commercial buildings and wooded land that borders the site in these directions. Nonetheless, overall visibility of the site is considered good given the subject's clear visibility from Fincher Street. We also expect the subject property will provide proper site signage which will be visible to passerby traffic along Fincher Street.

Although site plans were unavailable for the subject development at the time of this analysis, it is anticipated that the subject property will derive vehicular access from Fincher Street, similar to the existing public housing project currently located on the subject site. This aforementioned roadway borders the site to the north and was observed to experience light vehicular traffic patterns which will allow for unimpeded ingress/egress of the subject site property. Also note that this roadway provides direct access to/from State Route 53/U.S. Highway 411 east of the site. This is the primary highway providing access throughout the Cave Spring area and further enhances access to the subject site.

Based on the preceding factors, both visibility and access are considered good and are expected to have a positive impact on the subject's overall marketability.

According to area planning and zoning officials and based on the observations of our analyst while in the field, no notable road or other infrastructure projects are underway or planned for the immediate site area.

4. SITE PHOTOGRAPHS

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

Cave Spring Townhomes



Typical exterior of building



Typical exterior of building



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast

Cave Spring Townhomes



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site

Cave Spring Townhomes



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site

Cave Spring Townhomes



Streetscape: West view of Fincher Street



Streetscape: East view of Fincher Street



Streetscape: Northeast view of U.S. Highway 411/ State Route 53



Streetscape: Southwest view of U.S. Highway 411/ State Route 53

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

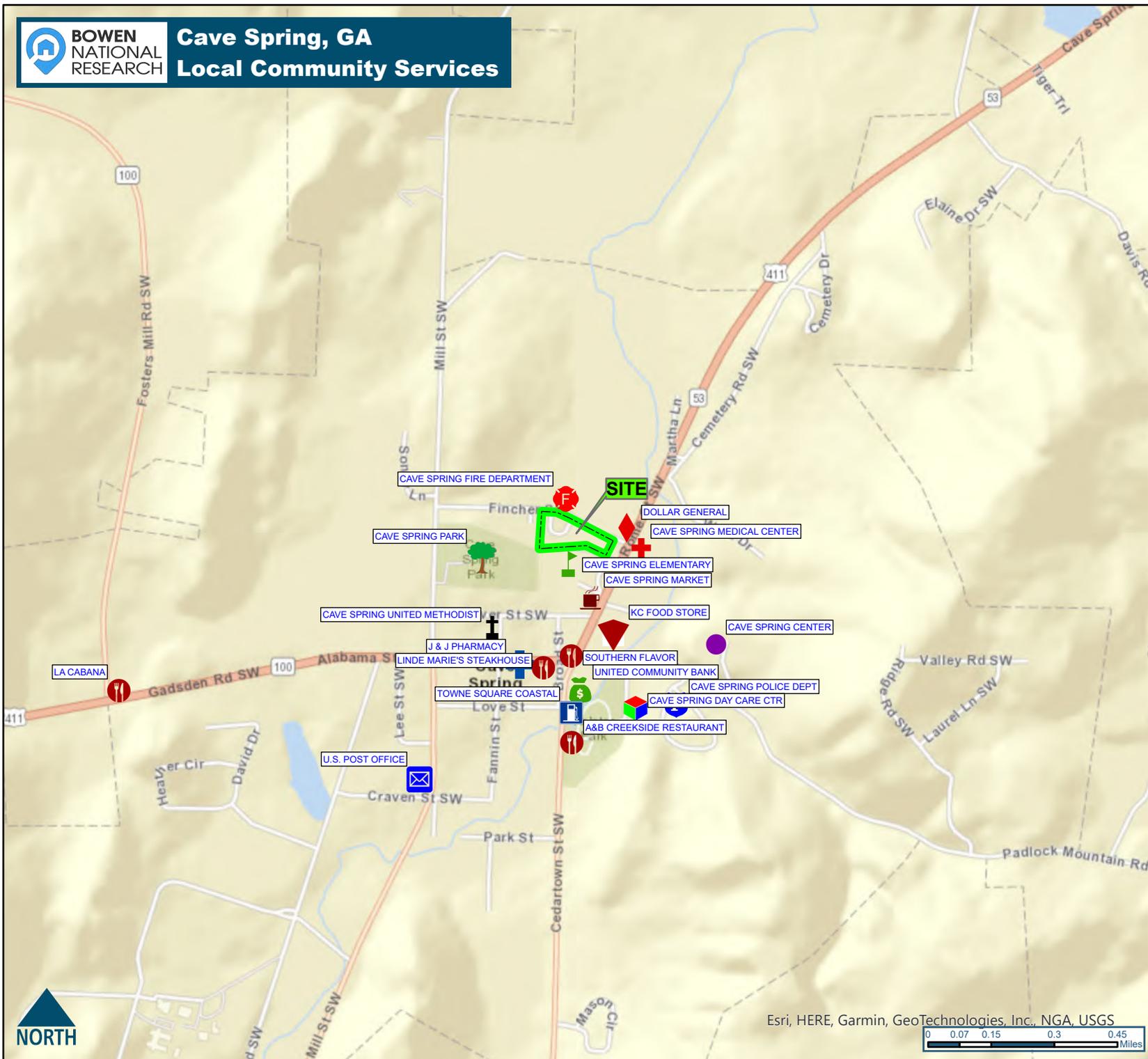
Community Services	Name	Driving Distance From Site (Miles)
Major Highway	State Route 53 State Route 100 U.S. Highway 411	0.1 East 0.3 West 0.4 South
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Walmart Supercenter HNI Corporation	9.5 Southeast 10.6 Southeast
Convenience Store	Cave Spring Market	0.2 East
Grocery	KC Food Store Walmart Supercenter	0.4 South 9.5 Southeast
Discount Department Store	Dollar General	0.1 East
Shopping Center/Mall	Cedartown Shopping Center	10.0 Southeast
Schools: Elementary Elementary Middle/Junior High High	Cave Spring Elementary Cherokee Elementary Cedartown Middle School Cedartown High School	0.2 Southeast 8.8 Southeast 11.6 Southeast 12.2 Southeast
Hospital	Cave Spring Medical Center Floyd Medical Center	0.2 East 17.0 Northeast
Police	Cave Spring Police Department	0.4 Southeast
Fire	Cave Spring Fire Department	Adjacent North
Post Office	U.S. Post Office	0.8 Southwest
Bank	United Community Bank	0.3 South
Park	Cave Spring Park	0.5 West
Church	Cave Spring United Methodist	0.6 South
Recreational Facilities	Cedartown Recreation Center Gilbreath Recreation Center	9.8 Southeast 12.8 Northeast
Gas Station	Cave Spring Market Town Square	0.2 East 0.3 South
Pharmacy	J&J Pharmacy Walmart Pharmacy	0.4 South 9.5 Southeast
Restaurant	Linde Marie's Steakhouse Southern Flavor A&B Creekside Restaurant	0.4 South 0.4 South 0.5 South
Day Care	Reach for the Stars Cave Spring Daycare	0.5 South
Community Center	Cave Spring Center	0.8 Southeast

Not Available

Despite the rural nature of the Cave Spring area, several basic area services are located less than 1.0 mile from the site. These include but are not limited to a grocery store, post office, bank, park, gas station, pharmacy, and various restaurants. Many area services are located along the U.S. Highway 411 corridor east and south of the site. More extensive services, including a Walmart, are available in nearby Cedartown, Georgia, southeast of Cave Spring and accessible via State Route 100.

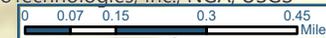
Public Safety Services are provided through the Cave Spring Police and Fire departments, which are located no more than 0.4 miles from the site, with the nearest fire station located directly north of the site. The nearest medical center is Cave Spring Medical Center, 0.2 miles east of the site along U.S. Highway 411. The nearest full-service hospital is Floyd Medical Center located 17.0 miles northeast of the site. All applicable attendance schools are located within approximately 12.0 miles of the site. Also note that while Cave Springs Elementary is located directly south of the site, it is our understanding from interviews with local sources that were interviewed that this facility is scheduled to close following this school year due to enrollment requirements. Thus, students currently attending Cave Springs Elementary are expected to attend Cherokee Elementary starting in the 2022/2023 school year.

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



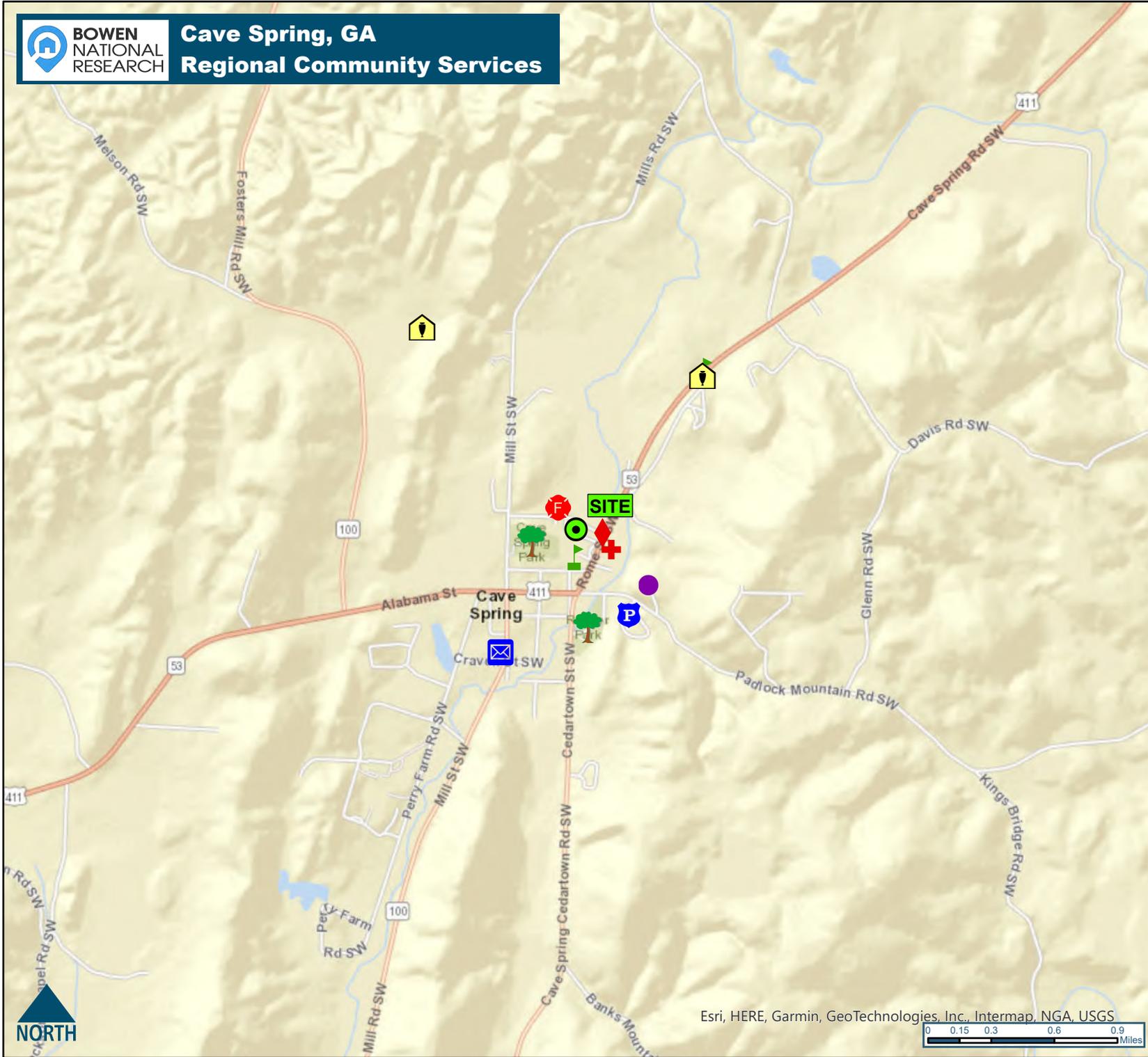
Legend

- Site Area
- Bank
- Child Care
- Church
- Convenience Store
- Elementary School
- Fire
- Gas
- Grocery
- Medical Center
- Park
- Pharmacy
- Police
- Post Office
- Recreation Center
- Restaurant
- Shopping





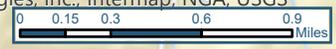
Cave Spring, GA Regional Community Services



- Legend**
- Site
 - Elementary School
 - Fire
 - Medical Center
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Shopping



Esri, HERE, Garmin, GeoTechnologies, Inc., Intermap, NGA, USGS



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the Site ZIP Code is 60, with an overall personal crime index of 46 and a property crime index of 62. Total crime risk for Floyd County is 116, with indexes for personal and property crime of 92 and 120, respectively.

	Crime Risk Index	
	Site ZIP Code	Floyd County
Total Crime	60	116
Personal Crime	46	92
Murder	58	115
Rape	45	79
Robbery	43	70
Assault	47	103
Property Crime	62	120
Burglary	64	120
Larceny	64	127
Motor Vehicle Theft	47	67

Source: Applied Geographic Solutions

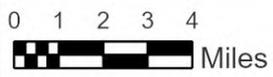
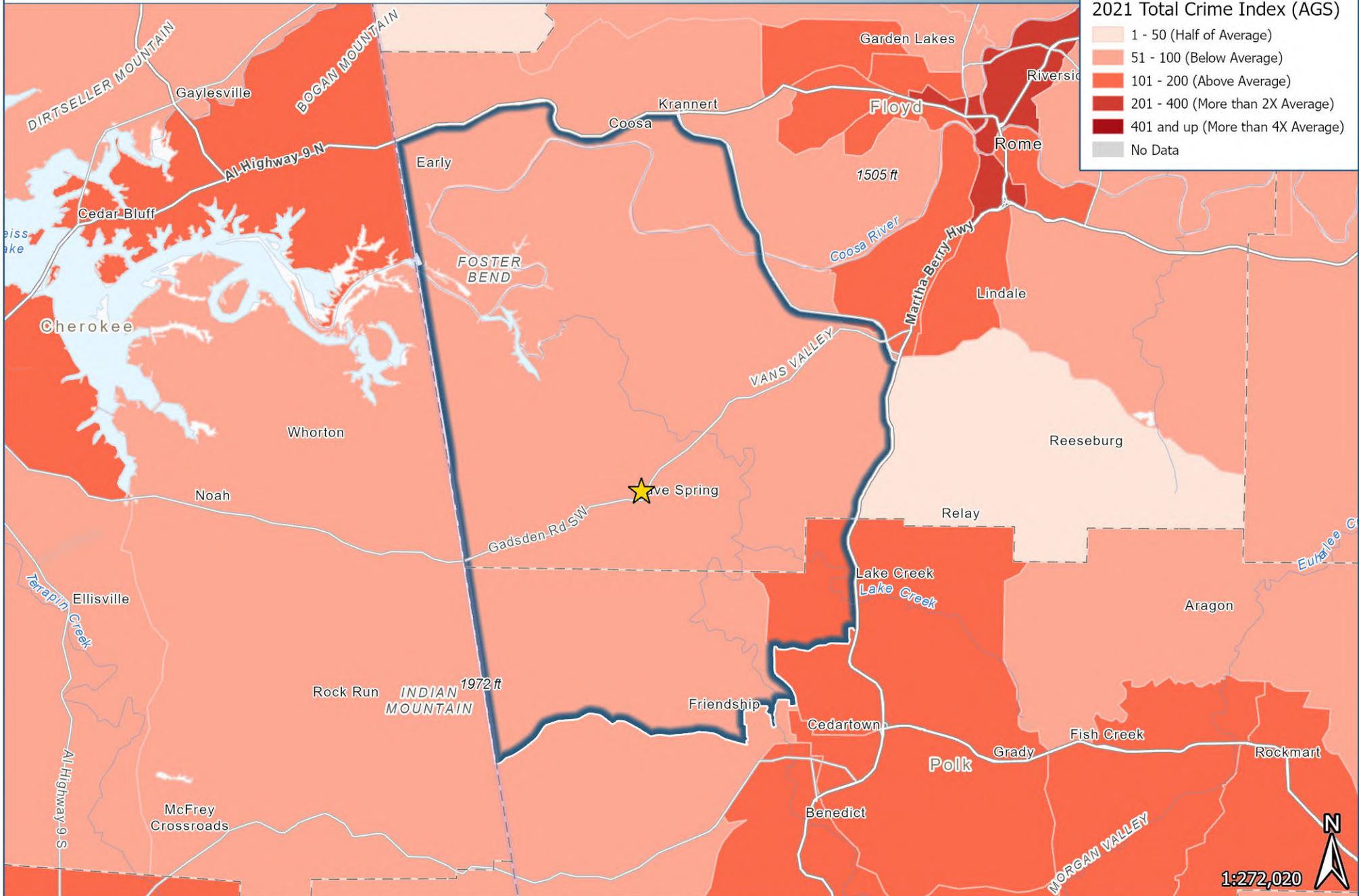
The crime risk index reported for the subject site area (60) is lower than that reported for Floyd County (116) as a whole, as well as the national average of 100. This is considered a low crime index and is a good indication there is likely a low perception of crime within the site area and throughout Cave Spring. This is expected to have a positive impact on the subject's overall marketability.

A map illustrating crime risk is on the following page.

★ Site
— PMA

2021 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data

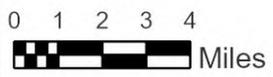
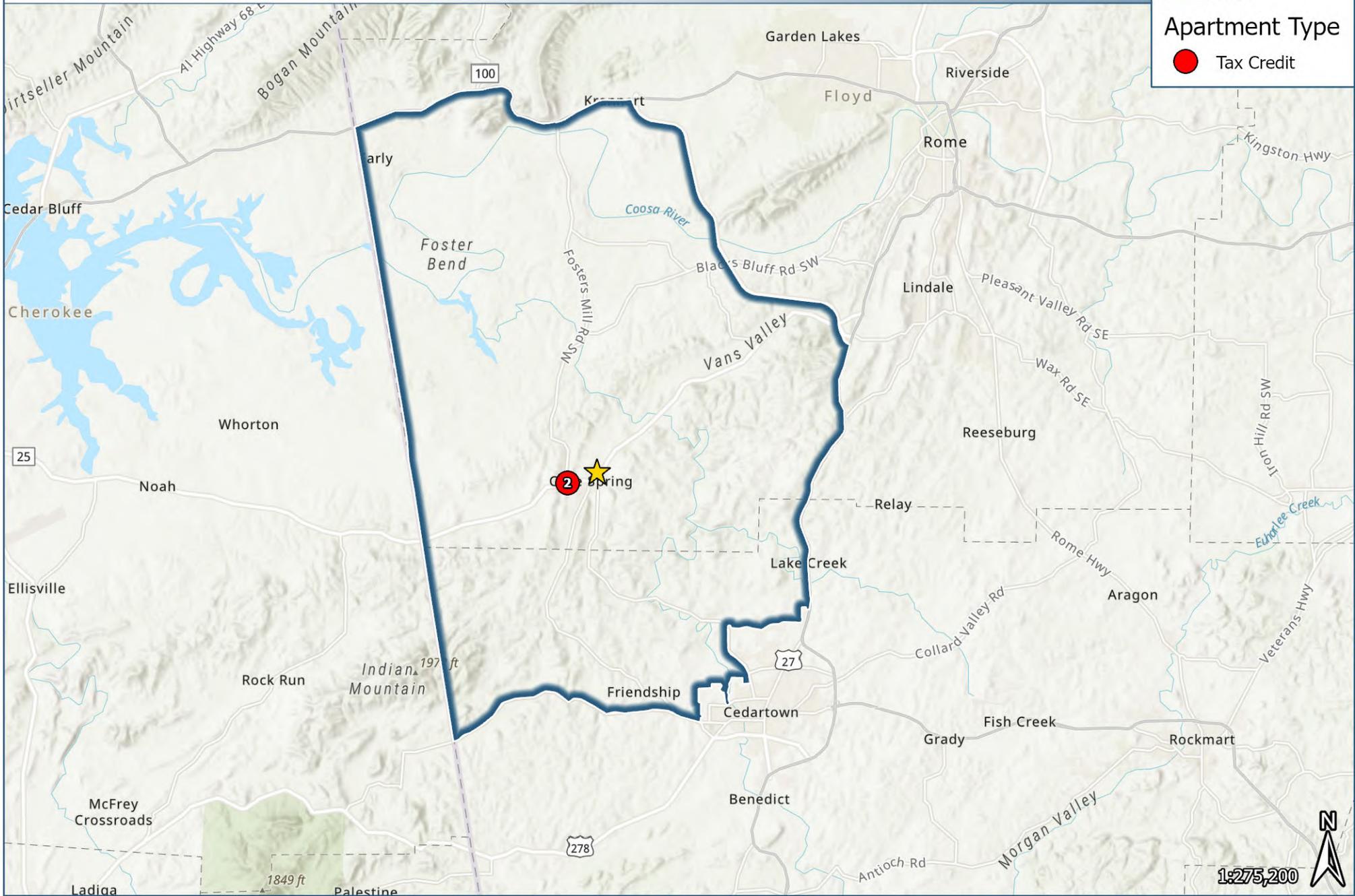


7. OVERALL SITE EVALUATION

The subject site is located within an established mixed-use portion of Cave Spring. Surrounding structures are generally in good overall condition and are conducive to residential development such as that proposed for the subject site. The subject property will fit well with other surrounding residential structures in the immediate site area. Visibility and access are both considered good given the subject's frontage along Fincher Street which borders the site to the north and provides passerby traffic to the site property. This roadway also provides direct access to/from U.S. Highway 411 east of the site, further enhancing access to the property from throughout the area. Although limited, several basic area services are located within 1.0 mile from the site, while more extensive services are available in nearby surrounding areas such as Cedartown and Rome, Georgia. Overall, the subject site location is considered conducive to affordable multifamily rental product and is expected to have a positive impact on the subject's overall marketability.

8. MAP OF LOW-INCOME RENTAL HOUSING

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



Section E – Market Area

The Site Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters are expected to be drawn from. It is also the geographic area expected to generate the most demographic support for the subject development. The Cave Spring Site PMA was determined through interviews with area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

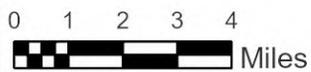
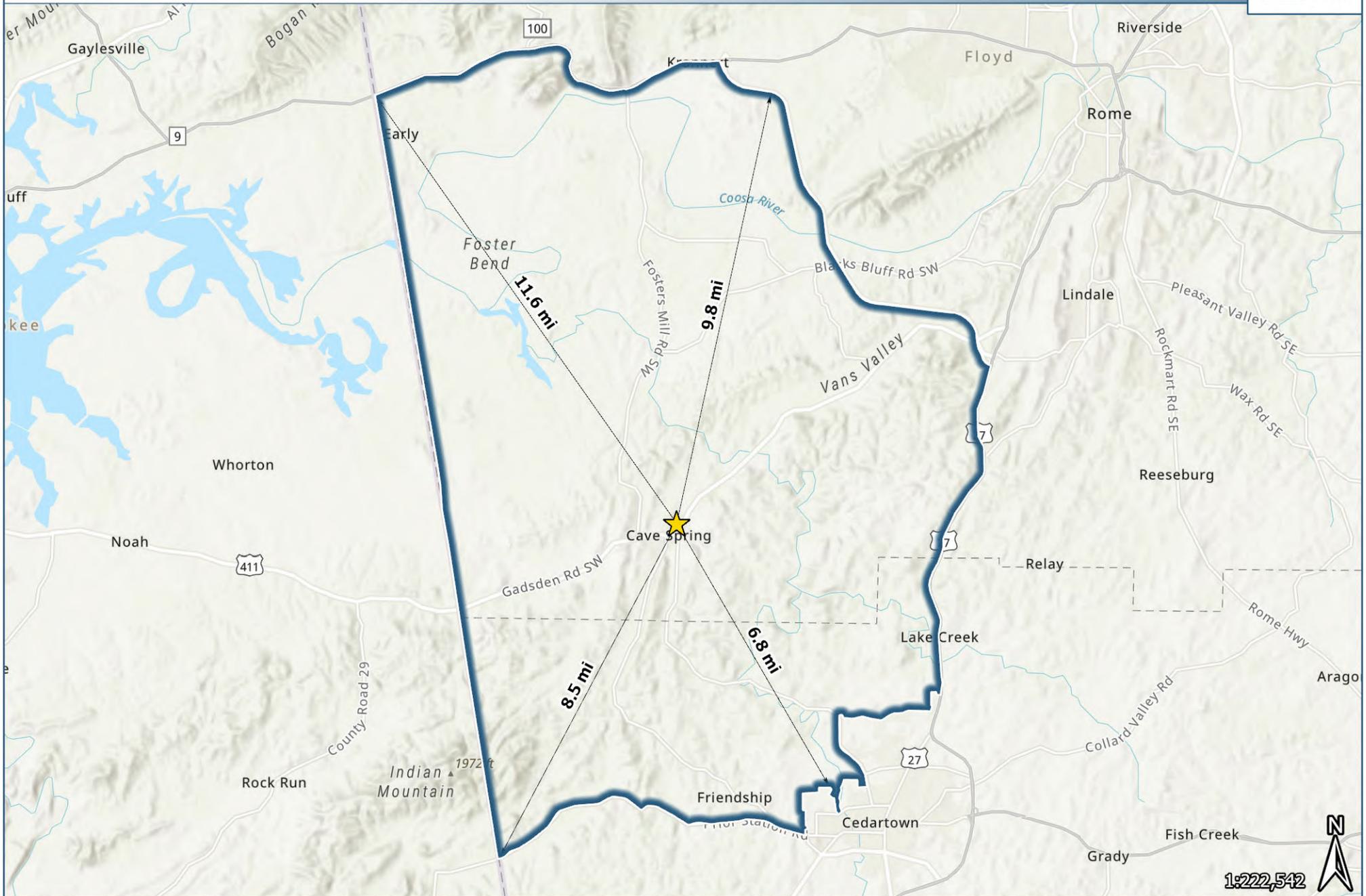
The Cave Spring Site PMA includes all of Cave Spring and other unincorporated portions of Floyd County and Polk County. The boundaries of the Cave Spring Site PMA generally follow State Route 20/Alabama Highway to the north; State Highway 1 and U.S. Highway 27 to the east; the Cedartown incorporated limits and Prior Station Road to the south; and the Georgia/Alabama state boundary to the west. The boundaries of the Cave Spring Site PMA are generally within 12.0 miles of the subject site.

Tony Junior is the Owner/Property Manager of the Limestone Springs Apartments, a market-rate rental property located in Cave Spring. Mr. Junior stated that his tenants are from the general Cave Spring area, but he has received some, though limited, support from residents relocating from Cedartown. Mr. Junior confirmed the boundaries of the Site PMA, explaining that Cave Spring is primarily rural, and individuals generally do not relocate to this area from larger surrounding areas. According to Mr. Junior, surrounding communities are also located in more desirable school districts and are closer to larger employers, which further limits support from surrounding areas outside of the Cave Spring Site PMA.

Valerie Austin is the Property Manager at Riverwood Park Apartments, a market-rate property located outside of the boundaries of the Cave Spring Site PMA but in the nearby area of Rome, Georgia. Ms. Austin stated that her tenants are from Rome and were likely born and raised in the area. Ms. Austin also explained that Cave Spring is a town comprised mostly of older families who are homeowners. Ms. Austin further stated that apartment options in Cave Spring are limited and that support for a new rental community in this area would likely originate primarily from within the immediate Cave Spring area. Residents of Rome would not likely move to Cave Spring due to limited community services and the lack of public transportation, according to Ms. Austin.

While we recognize the subject property could potentially receive some support from areas outside the Cave Spring Site PMA, this potential base of support is expected to be modest based on our observations and information provided by various local sources. We have not considered any secondary market area within this report.

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



Section F – Community Demographic Data

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2022 (estimated) and 2024 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2024 (Projected)
Population	7,563	8,164	8,724	8,803
Population Change	-	601	560	79
Percent Change	-	7.9%	6.9%	0.9%

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

The Cave Spring Site PMA population base increased by 601 between 2000 and 2010. This represents a 7.9% increase over the 2000 population, or an annual rate of 0.8%. Between 2010 and 2022, the population increased by 560, or 6.9%. It is projected that the population will increase by 79, or 0.9%, between 2022 and 2024.

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

Population by Age	2010 (Census)		2022 (Estimated)		2024 (Projected)		Change 2022-2024	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	2,183	26.7%	1,943	22.3%	1,955	22.2%	12	0.6%
20 to 24	458	5.6%	430	4.9%	413	4.7%	-17	-4.0%
25 to 34	818	10.0%	1,025	11.8%	958	10.9%	-68	-6.6%
35 to 44	1,023	12.5%	986	11.3%	1,033	11.7%	48	4.8%
45 to 54	1,346	16.5%	1,123	12.9%	1,090	12.4%	-34	-3.0%
55 to 64	1,136	13.9%	1,358	15.6%	1,371	15.6%	13	0.9%
65 to 74	732	9.0%	1,178	13.5%	1,217	13.8%	39	3.3%
75 & Over	468	5.7%	679	7.8%	766	8.7%	86	12.7%
Total	8,164	100.0%	8,724	100.0%	8,803	100.0%	79	0.9%

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

As the preceding table illustrates, nearly 52% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Cave Spring Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2024 (Projected)
Households	2,862	3,118	3,373	3,407
Household Change	-	256	255	34
Percent Change	-	8.9%	8.2%	1.0%
Household Size	2.64	2.62	2.54	2.54

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

Within the Cave Spring Site PMA, households increased by 256 (8.9%) between 2000 and 2010. Between 2010 and 2022, households increased by 255 or 8.2%. By 2024, there will be 3,407 households, an increase of 34 households, or 1.0% over 2022 levels. This is an increase of approximately 17 households annually over the next two years.

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

Households by Age	2010 (Census)		2022 (Estimated)		2024 (Projected)		Change 2022-2024	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	99	3.2%	74	2.2%	73	2.2%	0	-0.5%
25 to 34	344	11.0%	390	11.6%	361	10.6%	-29	-7.4%
35 to 44	526	16.9%	482	14.3%	500	14.7%	18	3.7%
45 to 54	687	22.0%	551	16.3%	530	15.6%	-21	-3.8%
55 to 64	633	20.3%	726	21.5%	725	21.3%	0	-0.1%
65 to 74	481	15.4%	706	20.9%	723	21.2%	16	2.3%
75 to 84	270	8.7%	360	10.7%	401	11.8%	41	11.3%
85 & Over	78	2.5%	84	2.5%	93	2.7%	10	11.5%
Total	3,118	100.0%	3,373	100.0%	3,407	100.0%	34	1.0%

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

Although modest, household growth is projected to occur among most age cohorts between 2022 and 2024. The greatest growth is projected to occur among seniors aged 75 to 84. Note however, that while most growth will occur among seniors, households aged 25 to 64 are projected to comprise more than 62.0% of the total household base within the Cave Spring Site PMA in 2024. This is expected to be the primary age group of potential renters for the subject property.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2024 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,344	75.2%	2,499	74.1%	2,537	74.5%
Renter-Occupied	774	24.8%	873	25.9%	870	25.5%
Total	3,118	100.0%	3,372	100.0%	3,407	100.0%

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

In 2022, homeowners occupied 74.1% of all occupied housing units, while the remaining 25.9% were occupied by renters. The share of renters is relatively low but not uncommon of a rural market with limited rental options, such as the Cave Spring Site PMA. The total number of renter households is projected to remain relatively stable between 2022 and 2024.

The household sizes by tenure within the Site PMA, based on the 2022 estimates and 2024 projections, were distributed as follows:

Persons Per Renter Household	2022 (Estimated)		2024 (Projected)		Change 2022-2024	
	Households	Percent	Households	Percent	Households	Percent
1 Person	304	34.9%	304	34.9%	-1	-0.3%
2 Persons	247	28.3%	248	28.5%	1	0.4%
3 Persons	144	16.5%	143	16.4%	-1	-0.5%
4 Persons	97	11.1%	95	11.0%	-1	-1.3%
5 Persons+	82	9.3%	79	9.1%	-2	-2.5%
Total	873	100.0%	870	100.0%	-4	-0.4%

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

Persons Per Owner Household	2022 (Estimated)		2024 (Projected)		Change 2022-2024	
	Households	Percent	Households	Percent	Households	Percent
1 Person	511	20.4%	515	20.3%	4	0.9%
2 Persons	952	38.1%	967	38.1%	15	1.6%
3 Persons	447	17.9%	453	17.9%	6	1.4%
4 Persons	305	12.2%	307	12.1%	2	0.7%
5 Persons+	287	11.5%	296	11.7%	9	3.1%
Total	2,501	100.0%	2,538	100.0%	37	1.5%

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

The subject property will offer one- through three-bedroom units which are expected to house up to five-person households. As such, the subject property will be capable of accommodating most renter households in this market, based on household size.

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

Household Income	2010 (Census)		2022 (Estimated)		2024 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	306	9.8%	143	4.3%	138	4.1%
\$10,000 to \$19,999	439	14.1%	385	11.4%	378	11.1%
\$20,000 to \$29,999	352	11.3%	415	12.3%	406	11.9%
\$30,000 to \$39,999	375	12.0%	349	10.3%	338	9.9%
\$40,000 to \$49,999	340	10.9%	249	7.4%	244	7.2%
\$50,000 to \$59,999	316	10.1%	263	7.8%	267	7.8%
\$60,000 to \$74,999	330	10.6%	340	10.1%	353	10.4%
\$75,000 to \$99,999	333	10.7%	408	12.1%	422	12.4%
\$100,000 to \$124,999	118	3.8%	415	12.3%	438	12.9%
\$125,000 to \$149,999	59	1.9%	187	5.5%	194	5.7%
\$150,000 to \$199,999	79	2.5%	142	4.2%	149	4.4%
\$200,000 & Over	71	2.3%	78	2.3%	81	2.4%
Total	3,118	100.0%	3,374	100.0%	3,407	100.0%
Median Income	\$42,559		\$55,570		\$57,509	

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

In 2010, the median household income was \$42,559. This increased by 30.6% to \$55,570 in 2022. By 2024, it is projected that the median household income will be \$57,509, an increase of 3.5% over 2022.

The following tables illustrate renter household income by household size for 2010, 2022 and 2024 for the Cave Spring Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	57	33	22	21	16	149
\$10,000 to \$19,999	74	39	26	25	19	184
\$20,000 to \$29,999	38	26	18	17	13	113
\$30,000 to \$39,999	28	23	16	15	11	92
\$40,000 to \$49,999	20	20	14	13	10	77
\$50,000 to \$59,999	13	14	9	9	7	52
\$60,000 to \$74,999	13	15	10	10	7	55
\$75,000 to \$99,999	10	12	8	8	6	44
\$100,000 to \$124,999	1	1	1	1	1	5
\$125,000 to \$149,999	0	1	0	0	0	2
\$150,000 to \$199,999	0	0	0	0	0	1
\$200,000 & Over	0	0	0	0	0	1
Total	255	184	125	120	89	774

Source: ESRI; Urban Decision Group

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	30	22	13	9	7	80
\$10,000 to \$19,999	76	48	28	19	16	186
\$20,000 to \$29,999	63	46	27	18	15	169
\$30,000 to \$39,999	45	31	18	12	10	117
\$40,000 to \$49,999	29	22	13	9	7	81
\$50,000 to \$59,999	16	18	11	7	6	58
\$60,000 to \$74,999	20	24	14	9	8	75
\$75,000 to \$99,999	15	19	11	7	6	58
\$100,000 to \$124,999	6	10	6	4	3	29
\$125,000 to \$149,999	3	4	3	2	1	13
\$150,000 to \$199,999	1	2	1	1	1	5
\$200,000 & Over	1	1	1	0	0	3
Total	304	247	144	97	82	873

Source: ESRI; Urban Decision Group

Renter Households	2024 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	28	21	12	8	7	76
\$10,000 to \$19,999	75	47	27	18	15	181
\$20,000 to \$29,999	63	46	27	18	15	168
\$30,000 to \$39,999	45	30	17	12	10	113
\$40,000 to \$49,999	29	22	13	9	7	80
\$50,000 to \$59,999	16	19	11	7	6	60
\$60,000 to \$74,999	22	25	15	10	8	80
\$75,000 to \$99,999	16	19	11	7	6	60
\$100,000 to \$124,999	6	11	6	4	3	31
\$125,000 to \$149,999	3	5	3	2	2	14
\$150,000 to \$199,999	1	1	1	1	0	4
\$200,000 & Over	0	1	0	0	0	2
Total	304	248	143	95	79	870

Source: ESRI; Urban Decision Group

Demographic Summary

Albeit modest, the Cave Spring Site PMA is projected to experience both population and household growth between 2022 and 2024, a trend which has been ongoing since 2000. Household growth is projected to occur among several different age groups, though the majority will be concentrated among seniors aged 65 and older. Household growth will also be concentrated among owner-occupied households during this time period, though the number of renter households will remain stable between 2022 and 2024. It is also of note that nearly 62.0% of all renter households are projected to earn less than \$40,000 in 2024. Based on the preceding factors, a good base of potential support for affordable rental product will continue to exist within the Cave Spring market for the foreseeable future.

Section G – Employment Trend

1. LABOR FORCE PROFILE

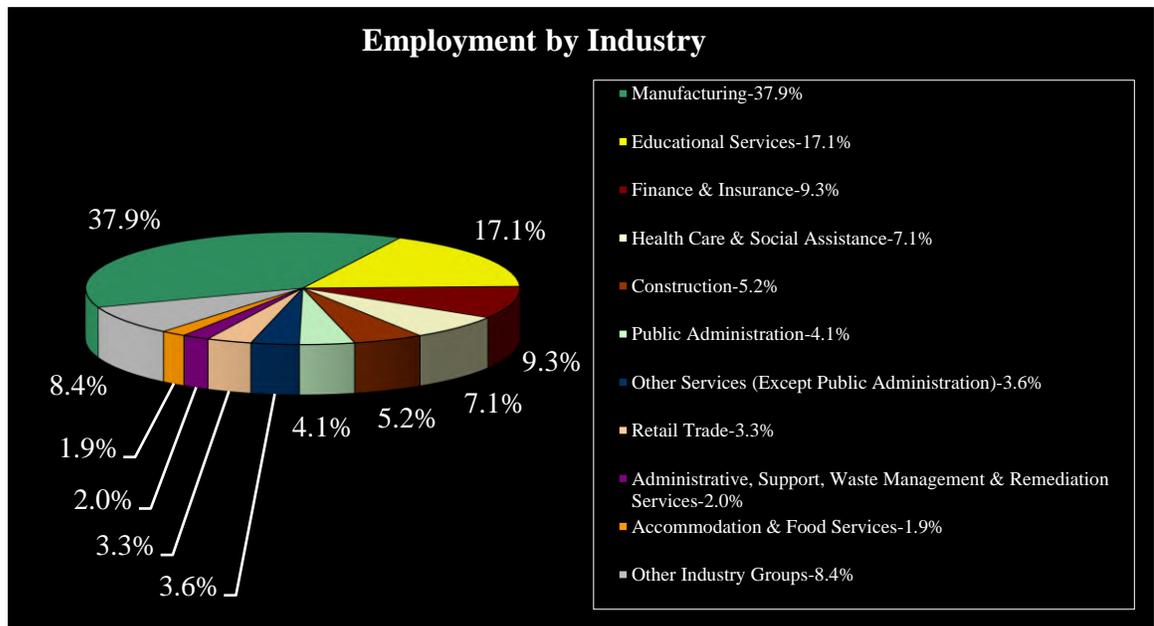
The labor force within the Cave Spring Site PMA is based primarily in two sectors. Manufacturing (which comprises 37.9%) and Educational Services comprise over 55% of the Site PMA labor force. Employment in the Cave Spring Site PMA, as of 2022, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	2.1%	4	0.3%	2.0
Mining	1	1.0%	12	0.9%	12.0
Utilities	0	0.0%	0	0.0%	0.0
Construction	9	9.3%	70	5.2%	7.8
Manufacturing	4	4.1%	510	37.9%	127.5
Wholesale Trade	4	4.1%	20	1.5%	5.0
Retail Trade	9	9.3%	45	3.3%	5.0
Transportation & Warehousing	1	1.0%	3	0.2%	3.0
Information	0	0.0%	1	0.1%	0.0
Finance & Insurance	7	7.2%	125	9.3%	17.9
Real Estate & Rental & Leasing	5	5.2%	17	1.3%	3.4
Professional, Scientific & Technical Services	4	4.1%	12	0.9%	3.0
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	3	3.1%	27	2.0%	9.0
Educational Services	3	3.1%	230	17.1%	76.7
Health Care & Social Assistance	7	7.2%	96	7.1%	13.7
Arts, Entertainment & Recreation	4	4.1%	18	1.3%	4.5
Accommodation & Food Services	6	6.2%	25	1.9%	4.2
Other Services (Except Public Administration)	17	17.5%	48	3.6%	2.8
Public Administration	4	4.1%	55	4.1%	13.8
Nonclassifiable	7	7.2%	26	1.9%	3.7
Total	97	100.0%	1,344	100.0%	13.9

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

E.P.E. - Average Employees Per Establishment

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



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

Typical Wage by Occupation Type		
Occupation Type	Rome MSA	Georgia
Management Occupations	\$93,240	\$115,210
Business and Financial Occupations	\$60,830	\$77,270
Computer and Mathematical Occupations	\$76,670	\$96,570
Architecture and Engineering Occupations	\$78,570	\$85,660
Community and Social Service Occupations	\$46,310	\$51,460
Art, Design, Entertainment and Sports Medicine Occupations	\$44,950	\$59,610
Healthcare Practitioners and Technical Occupations	\$72,740	\$83,100
Healthcare Support Occupations	\$30,390	\$32,090
Protective Service Occupations	\$44,150	\$44,170
Food Preparation and Serving Related Occupations	\$23,590	\$25,620
Building and Grounds Cleaning and Maintenance Occupations	\$28,330	\$30,420
Personal Care and Service Occupations	\$26,280	\$29,760
Sales and Related Occupations	\$34,720	\$42,520
Office and Administrative Support Occupations	\$37,650	\$39,930
Construction and Extraction Occupations	\$44,520	\$47,840
Installation, Maintenance and Repair Occupations	\$52,540	\$50,570
Production Occupations	\$41,360	\$39,240
Transportation and Moving Occupations	\$34,870	\$39,550

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

Most annual blue-collar salaries range from \$23,590 to \$52,540 within the Rome MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$76,410. It is important to note that most occupational types within the Rome MSA have lower typical wages than the state of Georgia's typical wages. The proposed project will target households with incomes generally below \$40,000. Thus, the area employment base appears to have a

significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The ten largest employers within the Floyd County area are summarized in the following table. Note that the number employed by each employer was unavailable at the time of this analysis.

Employer Name	Business Type
Berry College	Education
F & P Georgia	Manufacturing
Atrium Health Floyd	Healthcare
Harbin Clinic	Healthcare
Integrated Fiber Solutions	Manufacturing
International Paper	Manufacturing
Keebler Company	Manufacturing
Lowes Home Centers	Distribution
AdventHealth Redmond	Healthcare
Walmart	Retail

Source: Rome Floyd Chamber

The following summarizes COVID-19 vaccination rates for Floyd County, the state of Georgia, and the United States as of May 3, 2022.

Vaccination Status	Vaccination Rates as of May 3, 2022		
	Floyd County	Georgia	United States
Fully Vaccinated	42.4%	54.7%	66.2%
Fully Vaccinated with Booster	37.8%	37.5%	45.8%

As the preceding illustrates, the vaccination rate within Floyd County is lower than both state and national rates.

According to a representative with the City of Cave Spring Downtown Development Authority, the Cave Spring economy is slowly improving following the initial impact of COVID-19. Cave Spring is a small town, so there was not much economic growth from 2021 to early 2022. It is of note, however, that the Floyd County Board voted in early 2021 to close the existing Cave Spring Elementary School due to the student head count being under the minimum requirement.

The following are summaries of some other recent and notable economic development activity/announcements within the Floyd County area based on our research at the time of this analysis.

- Construction started in December 2021 on Hillman Group’s Distribution Center in Rome. The 425,000 square-foot distribution center is set to open fall 2022 and will retain 144 jobs with plans to create more jobs in the future.

- Plymouth Industrial REIT plans to build an industrial spec building on Calhoun Highway in Rome. Additional information pertaining to this project was unavailable.
- A new pre-K program plans to open in Cave Spring in a building connected to an existing daycare facility. Reach for the Stars of Cave Spring Daycare will open new programs once renovations are complete.
- In fall 2022, the First Baptist Church of Cave Spring will become the new Cave Spring Learning Center’s K-8 campus while the Hearn Academy in Cave Spring was announced as the campus for high school students grades 9-12.

Infrastructure Projects

The following table summarizes ongoing infrastructure projects within the Floyd County area:

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
Sewer Remodel	Repair leaking sewer lines and replace manhole covers throughout Cave Spring	Under Construction	\$5 million

WARN Notices of large-scale layoffs/closures were reviewed on May 3, 2022, and according to the Georgia Department of Labor there have been no WARN notices reported for Floyd County over the past 12 months.

3. EMPLOYMENT TRENDS

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

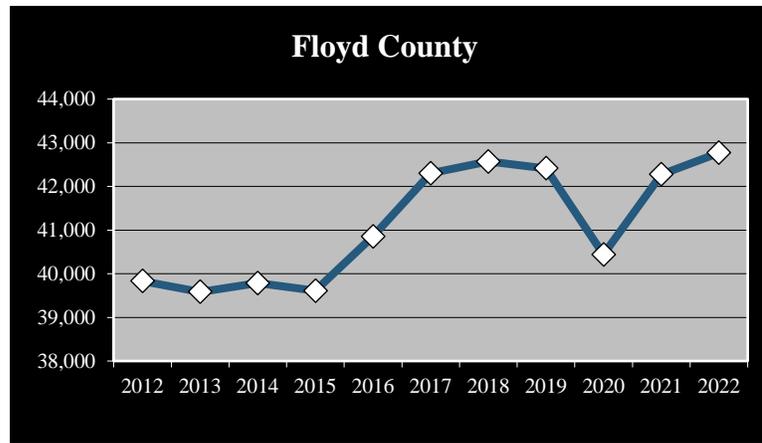
Excluding 2022, the employment base has declined by 0.06% over the past five years in Floyd County, while the state of Georgia increased by 2.4%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Floyd County, the state of Georgia and the United States.

Year	Total Employment					
	Floyd County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2012	39,833	-	4,339,369	-	143,548,588	-
2013	39,586	-0.6%	4,363,292	0.6%	144,904,568	0.9%
2014	39,787	0.5%	4,407,067	1.0%	147,293,817	1.6%
2015	39,611	-0.4%	4,446,515	0.9%	149,540,791	1.5%
2016	40,856	3.1%	4,653,740	4.7%	151,934,228	1.6%
2017	42,301	3.5%	4,864,813	4.5%	154,721,780	1.8%
2018	42,570	0.6%	4,915,713	1.0%	156,709,685	1.3%
2019	42,415	-0.4%	4,967,503	1.1%	158,806,263	1.3%
2020	40,440	-4.7%	4,751,105	-4.4%	149,192,714	-6.1%
2021	42,277	4.5%	4,983,732	4.9%	154,178,982	3.3%
2022*	42,771	1.2%	5,114,427	2.6%	157,420,669	2.1%

Source: Department of Labor; Bureau of Labor Statistics

*Through March



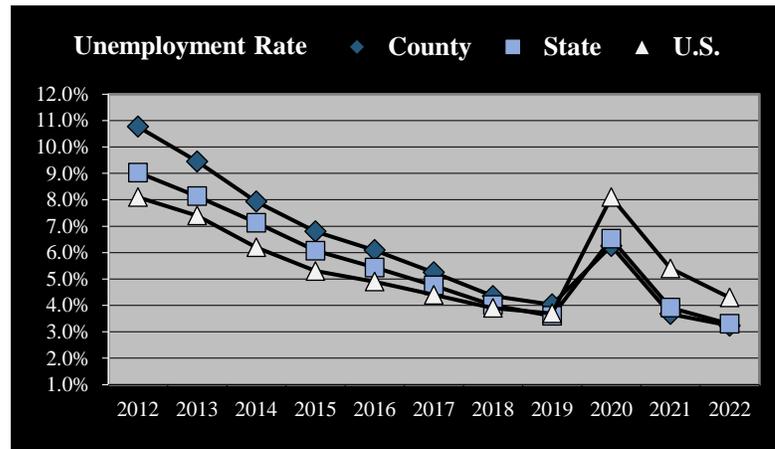
As the preceding illustrates, the Floyd County employment base experienced a sharp decline of 4.7% (1,975 jobs) in 2020 as a result of the COVID-19 pandemic. This rate of decline was slightly higher than the state average but well below that reported for the United States. Since 2020 (through March of 2022), the county employment base has increased by 2,331 jobs, or 5.8%. Thus, the county employment base has fully recovered from the impact of the pandemic in 2020.

Unemployment rates for Floyd County, the state of Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Floyd County	Georgia	United States
2012	10.8%	9.0%	8.1%
2013	9.5%	8.1%	7.4%
2014	7.9%	7.1%	6.2%
2015	6.8%	6.1%	5.3%
2016	6.1%	5.4%	4.9%
2017	5.3%	4.8%	4.4%
2018	4.4%	4.0%	3.9%
2019	4.0%	3.6%	3.7%
2020	6.3%	6.5%	8.1%
2021	3.7%	3.9%	5.4%
2022*	3.2%	3.3%	4.3%

Source: Department of Labor, Bureau of Labor Statistics

*Through March



The unemployment rate in Floyd County declined by more than three full percentage points since 2020, to a rate of 3.2% through March of 2022. This is lower than pre-pandemic levels reported for the county and is also below both state and national averages.

The following table illustrates the monthly unemployment rate since January 2020.

Monthly Unemployment Rate – Floyd County					
Month	Rate	Month	Rate	Month	Rate
2020		2021		2022	
January	4.2%	January	4.8%	January	3.3%
February	3.9%	February	4.4%	February	3.2%
March	4.0%	March	4.0%	March	3.2%
April	13.4%	April	3.8%		
May	9.7%	May	3.7%		
June	7.9%	June	4.3%		
July	7.4%	July	3.7%		
August	5.8%	August	3.6%		
September	5.2%	September	3.2%		
October	4.5%	October	3.2%		
November	4.3%	November	2.7%		
December	4.7%	December	2.7%		

Source: Department of Labor, Bureau of Labor Statistics

The monthly unemployment rate within Floyd County reached a high of 13.4% during the initial impact of the pandemic in April of 2020. Although elevated, this is lower than monthly unemployment rates reported for many markets during this time period, some of which reached or exceeded 20.0%. It is also of note that since this increase the monthly unemployment rate within the county has experienced a significant decline and was just 3.2% as of March 2022, lower than pre-pandemic levels.

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

In-Place Employment Floyd County			
Year	Employment	Change	Percent Change
2011	36,315	-	-
2012	36,634	319	0.9%
2013	36,833	199	0.5%
2014	37,776	943	2.6%
2015	38,237	461	1.2%
2016	38,726	489	1.3%
2017	39,170	444	1.1%
2018	39,438	268	0.7%
2019	39,710	272	0.7%
2020	37,857	-1,853	-4.7%
2021*	38,827	970	2.6%

Source: Department of Labor, Bureau of Labor Statistics

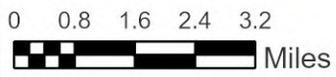
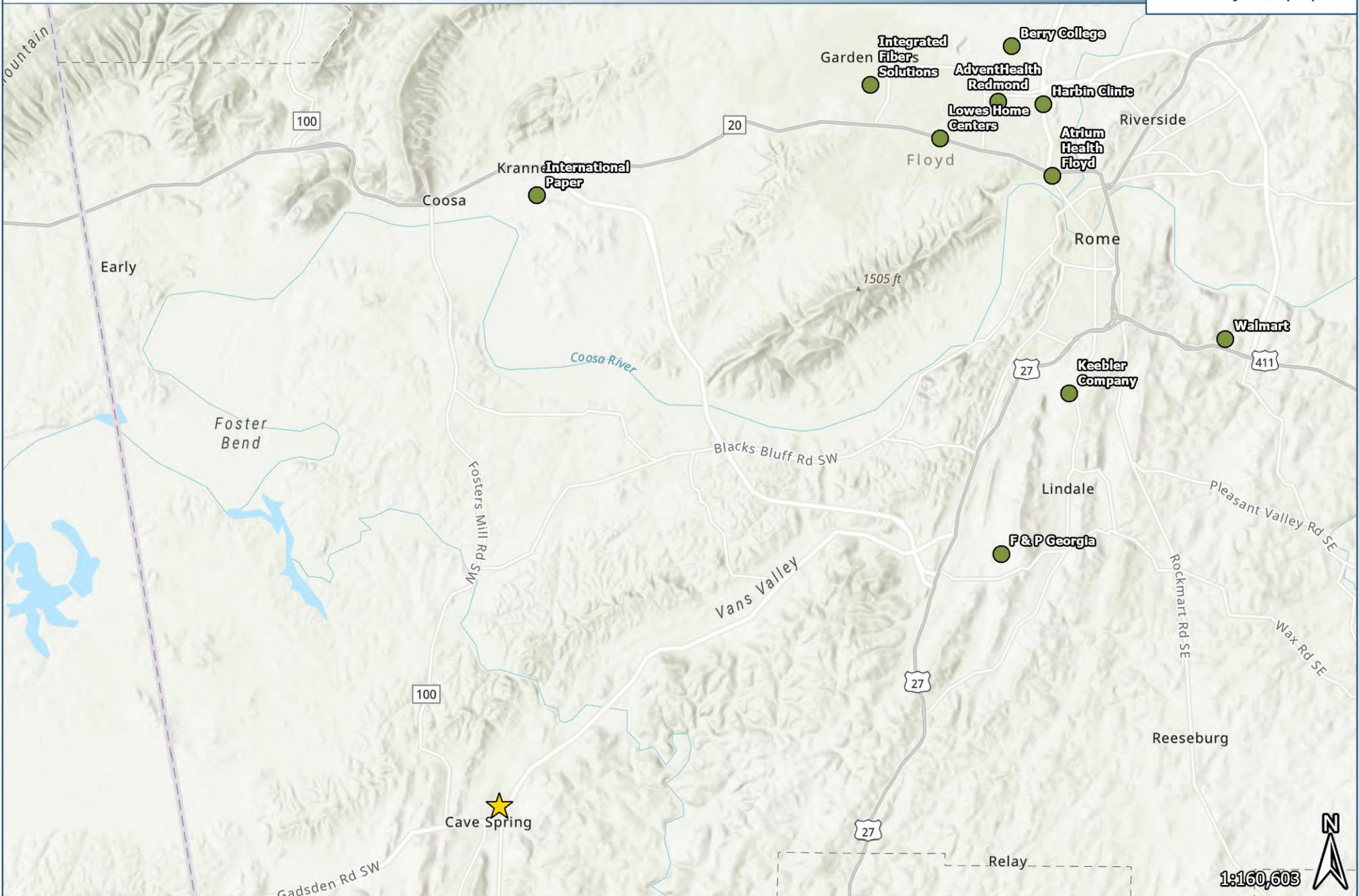
*Through September

Data for 2020, the most recent year that year-end figures are available, indicates in-place employment in Floyd County to be 93.6% of the total Floyd County employment. This means that Floyd County has a good share of employed persons that both live and work within the county.

4. ECONOMIC FORECAST

Similar to most markets throughout the country, Floyd County experienced an economic downturn in 2020 as a result of the COVID-19 pandemic. The impact of the pandemic, however, was less significant within the county as compared to state and national trends, both in terms of total employment and unemployment rate figures. The county also quickly recovered from the impact of the pandemic as more than 2,300 jobs have been added to the county employment base since 2020 and the annual unemployment rate has declined to a rate of 3.2% through March of 2022. In addition to recent employment growth replacing all 1,975 jobs lost during 2020, an additional 356 jobs have been added to the county employment base through March of 2022. Unemployment rates within the county through March of 2022 are also lower than pre-pandemic levels. Based on the preceding factors, we expect the Floyd County economy will continue to improve/expand for the foreseeable future.

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



Section H – Affordability & Demand Analysis

1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Rome, GA Metropolitan Statistical Area (MSA) which has a median four-person household income of \$53,500 for 2021. However, the project location, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$63,400 in 2021. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Targeted AMHI Maximum Allowable Income	
	50%	60%
One-Person	\$22,200	\$26,640
Two-Person	\$25,350	\$30,420
Three-Person	\$28,550	\$34,260
Four-Person	\$31,700	\$38,040
Five-Person	\$34,250	\$41,100

a. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$41,100** under the Tax Credit program. Note, however, that the subject’s Tax Credit units will also operate with a concurrent project-based Section 8 or Project-Based Rental Assistance (PBRA) subsidy. Due to the presence of this subsidy, the subject’s Tax Credit units will effectively be restricted to households earning up to 50% of AMHI, thus resulting in the maximum allowable income for these units being **\$34,250**.

b. Minimum Income Requirements

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

As stated earlier and throughout this analysis, the subject’s Tax Credit units will effectively operate with a project-based subsidy allowing tenants of these units to pay up to only 30% of their income towards rent. Thus, these units will effectively be capable of accommodating households earning as little as **\$0**.

In the unlikely event that the project-based subsidy was lost, and these units had to operate exclusively under the Tax Credit program, they would have a lowest gross rent of \$594. This assumes that the subject units with contract rents under the subsidized programs exceeding maximum allowable LIHTC rent limits for the area would operate at maximum allowable levels in this unlikely scenario. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,128. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$20,366** under this unlikely non-subsidized scenario.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required for living at the proposed project with LIHTC units built to serve households at 50% and 60% of AMHI, with and without a project-based subsidy is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/Subsidy (Limited to 50% of AMHI)	\$0	\$34,250
Tax Credit Only (Limited to 50% of AMHI)	\$20,366	\$34,250
Tax Credit Only (Limited to 60% of AMHI)	\$27,463	\$41,100
Tax Credit Only Overall	\$20,366	\$41,100

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs (GDCA):

- a. Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand*

*analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households*

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

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

Based on Table B25074 of the American Community Survey (ACS) 2015-2019 5-year estimates, approximately 33.1% to 59.5% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on Table B25016 of the American Community Survey (ACS) 2015-2019 5-year estimates, 4.7% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

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

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

Net Demand

The overall demand components illustrated above are added together and the competitive supply of vacant and/or units constructed in the past two years (2020/2021) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2020 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **GDCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from GDCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

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

Within the Cave Springs Site PMA, we identified and surveyed one existing LIHTC property which opened in 2002 and is currently 100.0% occupied. While this property will be at least partially competitive with the subject property, it is operating at strong/stabilized occupancy level and therefore has not been considered in our demand estimates. Additionally, there are no other rental properties currently under construction and/or in the development pipeline within the Cave Spring Site PMA.

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income			
	LIHTC w/Subsidy All at 50% AMHI (\$0-\$34,250)	LIHTC Only		
		50% AMHI (\$20,366- \$34,250)	60% AMHI (\$27,463- \$41,100)	Overall (\$20,366- \$41,100)
Demand From New Households (Age- and Income-Appropriate)	480 – 485 = -5	212 – 213 = -1	167 – 169 = -2	287 – 289 = -2
+				
Demand From Existing Households (Rent Overburdened)	485 X 59.5% = 289	213 X 37.3% = 79	169 X 33.1% = 56	289 X 34.9% = 101
+				
Demand From Existing Households (Renters in Substandard Housing)	485 X 4.7% = 23	213 X 4.7% = 10	169 X 4.7% = 8	289 X 4.7% = 14
=				
Demand Subtotal	307	88	62	113
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A			
=				
Total Demand	307	88	62	113
-				
Supply (Directly Comparable Units Built and/or Funded Since 2020)	0	0	0	0
=				
Net Demand	307	88	62	113
Proposed Units / Net Demand	52	20	32	52
Capture Rate	16.9%	22.7%	51.6%	46.0%

N/A – Not applicable

Based on GDCA guidelines, capture rates up to 35.0% are generally considered acceptable for projects in rural markets such as the Cave Spring Site PMA. As such, the subject's subsidized capture rate of 16.9% is considered relatively low and achievable. This capture rate demonstrates a sufficient base of potential support for the subject property as proposed, with the availability of a project-based subsidy to all units.

In the unlikely event that the subsidy was lost/not secured, and the property had to operate exclusively under the LIHTC guidelines, a more limited base of support would exist. This is illustrated by the higher 46.0% capture rate for the subject's LIHTC units in this scenario.

It is also important to point out that the non-subsidized LIHTC capture rates included in the preceding table assume the subject property would operate at maximum allowable LIHTC rent levels in this unlikely scenario. This is due to the proposed rents provided at the time of this analysis being the contract rents under the subsidized programs. Tax Credit rents were not provided at the time of this analysis. Therefore, it is possible that in this unlikely LIHTC only scenario that the subject property could operate with lower rents than those considered in our preceding analysis. This would likely result in a larger base of potential support and thus lower capture rates under the LIHTC only scenario. Nonetheless, a project-based subsidy will be available to all of the subject units and therefore a sufficient base of potential support will exist within this market for the subject property.

Based on our survey of conventional apartments, as well as the distribution of bedroom types in balanced markets, the estimated share of demand by bedroom type is distributed as follows.

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	35.0%
Two-Bedroom	45.0%
Three-Bedroom	20.0%
Total	100.0%

Applying these shares to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows:

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Achievable Market Rent	Market Rents Band Min-Max	Proposed Subject Rents
LIHTC w/Subsidy									
One-Bedroom (35%)	50%	15	107	0	107	14.0%	\$920	\$950-\$1,299	\$507^
One-Bedroom	Total	15	107	0	107	14.0%	\$920	\$950-\$1,299	-
Two-Bedroom (45%)	50%	28	138	0	138	20.3%	\$1,085	\$950-\$1,499	\$607^
Two-Bedroom	Total	28	138	0	138	20.3%	\$1,085	\$950-\$1,499	-
Three-Bedroom (20%)	50%	9	61	0	61	14.8%	\$1,210	\$950-\$1,775	\$692^
Three-Bedroom	Total	9	61	0	61	14.8%	\$1,210	\$950-\$1,775	-

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

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

^Reflective of maximum allowable LIHTC rent limits as proposed contract rent under subsidized program exceeds this limit Achievable Market Rent as determined in *Section I*.

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Achievable Market Rent	Market Rents Band Min-Max	Proposed Subject Rents
LIHTC Only									
One-Bedroom (35%)	50%	8	31	0	31	25.8%	\$920	\$950-\$1,299	\$507^
One-Bedroom (35%)	60%	7	22	0	22	31.8%	\$920	\$950-\$1,299	\$714
One-Bedroom	Total	15	53	0	53	28.3%	\$920	\$950-\$1,299	-
Two-Bedroom (45%)									
Two-Bedroom (45%)	50%	8	40	0	40	20.0%	\$1,085	\$950-\$1,499	\$607^
Two-Bedroom (45%)	60%	20	28	0	28	71.4%	\$1,085	\$950-\$1,499	\$750^
Two-Bedroom	Total	28	68	0	68	41.2%	\$1,085	\$950-\$1,499	-
Three-Bedroom (20%)									
Three-Bedroom (20%)	50%	4	18	0	18	22.2%	\$1,210	\$950-\$1,775	\$692^
Three-Bedroom (20%)	50%	5	12	0	12	41.7%	\$1,210	\$950-\$1,775	\$857^
Three-Bedroom	Total	9	30	0	30	30.0%	\$1,210	\$950-\$1,775	-

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

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

^Reflective of maximum allowable LIHTC rent limits as proposed contract rent under subsidized program exceeds this limit Achievable Market Rent as determined in *Section I*.

As the preceding illustrates, capture rates by bedroom type and AMHI level do not exceed 20.3% under the subsidized scenario. These are all below GDCA thresholds and demonstrate a sufficient base of support for the subject property assuming a subsidy will be provided to all units. In the unlikely event the subsidy was not provided and the property had to operate exclusively under the LIHTC guidelines, capture rates by bedroom type and AMHI level range from 20.0% to 71.4%. Similar to our overall capture rates and capture rates by AMHI level provided earlier, some of the higher capture rates by unit type under the non-subsidized scenario further demonstrate a more limited base of potential support for the subject property within the Cave Spring Site PMA under this scenario. Regardless, the project-based subsidy to be provided will ensure a sufficient base of potential support exists within the Cave Spring market for the subject property.

Section I – Competitive Rental Analysis

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Cave Spring Site PMA in 2010 and 2022 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2022 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	3,118	88.4%	3,373	91.6%
Owner-Occupied	2,344	75.2%	2,499	74.1%
Renter-Occupied	774	24.8%	873	25.9%
Vacant	409	11.6%	310	8.4%
Total	3,527	100.0%	3,683	100.0%

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

Based on a 2022 update of the 2010 Census, of the 3,683 total housing units in the market, 8.4% were vacant. Notably, both the number and share of vacant housing units has declined between 2010 and 2022, a good indication of an improving and well-performing overall housing market. Nonetheless, we conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Cave Spring Site PMA.

Conventional Rentals

The Cave Spring Site PMA is very rural and thus offers a limited supply of conventional rental product, which is evident by the fact that we identified and personally surveyed only two conventional rental housing projects containing a total of just 35 units. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	1	11	0	100.0%
Tax Credit	1	24	0	100.0%
Total	2	35	0	100.0%

As previously mentioned, and illustrated by the preceding table, a very limited supply of conventional rental product is offered within the Cave Spring Site PMA. The two properties surveyed operate as market-rate and non-subsidized Tax Credit properties, both of which are 100.0% occupied, demonstrating strong demand for conventional rental product within the Cave Spring market.

While the preceding is a good indication of the limited supply of conventional rental product in the market, it is also of note that more than 97.0% of all renter-occupied housing units in the Cave Spring Site PMA are comprised of non-conventional rentals. This includes detached single-family home rentals, mobile homes, and units located within structures containing less than five total units, based on American Community Survey (ACS) data.

It should also be reiterated that the subject project will involve the redevelopment of an existing public housing project which still stands at the subject site. This property, however, was not surveyed as part of this analysis, though it was observed that some existing units at the subject site are currently occupied. However, this property will be demolished to make way for the proposed subject development. The local housing authority was contacted the time of this analysis in an attempt to obtain current occupancy and waiting list information pertaining to the existing public housing project at the subject site. However, this information was unavailable at the time of this analysis. It is likely/anticipated that some tenants of this existing property will continue to qualify for and remain at the subject property once open/complete.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	11	100.0%	0	0.0%	\$1,111
Total Market-Rate		11	100.0%	0	0.0%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	66.7%	0	0.0%	\$625
Two-Bedroom	1.0	8	33.3%	0	0.0%	\$823
Total Tax Credit		24	100.0%	0	0.0%	-

The market-rate and non-subsidized Tax Credit units surveyed are 100.0% occupied and comprised of one- and two-bedroom units. Comparatively, the subject property will offer one- through three-bedroom units and therefore will provide a rental alternative that is not currently available among existing conventional rentals (three-bedroom units) within this market. Also note the median gross Tax Credit rents reported for the one existing property surveyed as they are positioned well below the median gross rent reported for unrestricted market-rate units surveyed in this market. These lower rents, along with the 100.0% occupancy rate, demonstrate the value non-subsidized Tax Credit product represents within this market.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	11	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	24	0.0%

Both properties surveyed within the Cave Spring Site PMA are considered to be of good overall quality/condition, as indicated by the quality ratings assigned by our analyst and detailed in the preceding table. The subject property is expected to have a similar, if not superior, overall quality which will contribute to its marketability within the Cave Spring Site PMA.

2. SUMMARY OF ASSISTED PROJECTS

Only one assisted (Tax Credit) apartment development was surveyed in the Cave Spring Site PMA. This project was surveyed in April 2022 and is summarized as follows:

Map I.D.	Project Name	Type	Year Built	Total Units	Occupancy	Gross Rent (Unit Mix)	
						One-Br.	Two-Br.
2	Spring Haven Apts.	Tax Credit	2002	24	100.0%	\$625 - \$749 (16)	\$748 - \$897 (8)
Total				24	100.0%		

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

As previously discussed, the one Tax Credit property surveyed in the Cave Spring Site PMA is comprised of one- and two-bedroom units which are all currently occupied (100.0% occupancy rate). This is indicative of a very limited supply of Tax Credit product within the Cave Spring area. Thus, the subject property will help to fill a void in the local rental market.

Housing Choice Voucher Holders

The following table summarizes the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers among the affordable properties surveyed within the Site PMA:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
2	Spring Haven Apts.	24	3	12.5%
Total		24	3	12.5%

As the preceding table illustrates, there are a total of approximately three (3) voucher holders residing at the one non-subsidized Tax Credit property within the market. This comprises 12.5% of the 24 total non-subsidized Tax Credit units offered at this property, which is considered a low share of voucher support. This indicates that this property likely does not rely heavily, if at all, on support from voucher holders. This is also a good indication that the rents reported for this property are achievable within this market.

Regardless, if the rents do not exceed the Payment Standards established by the local/regional housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Georgia Department of Community Affairs (GDCA) Rental Assistance Division, the regional Payment

Standards, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$644	\$594* (50%) \$801* (60%)
Two-Bedroom	\$813	\$713* (50%) \$856* (60%)
Three-Bedroom	\$1,090	\$824* (50%) \$989* (60%)

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds this limit

As the preceding table illustrates, some of the proposed gross rents are below the Payment Standards set by the Georgia Department of Community Affairs (GDCA) Rental Assistance Division for the Cave Spring area. As such, the subject property will be able to accommodate some households which have Housing Choice Vouchers. This will likely increase the base of income-appropriate renter households within the Cave Spring Site PMA for the subject development in the unlikely event the project-based subsidy is not provided, and the property has to operate exclusively under the LIHTC guidelines. This has been considered in our absorption projections in *Section I* of this report. In reality, the subject property will operate with a project-based subsidy available to all Tax Credit units. Therefore, these units will not be able to accommodate households with tenant-based vouchers.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there are no additional multifamily projects in the development pipeline within the Cave Spring Site PMA.

Building Permit Data

The following table illustrates single-family and multifamily building permits issued within Floyd County for the most current ten-year period available.

Housing Unit Building Permits for Floyd County:										
Permits	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Multifamily Permits	77	11	9	5	4	124	0	12	0	0
Single-Family Permits	32	32	53	70	89	102	157	198	263	282
Total Units	109	43	62	75	93	226	157	210	263	282

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

As the preceding illustrates, a very limited number of multifamily building permits have been issued within the county over the past ten-year period, as no more than 124 permits were issued in any given year during this time. It is also important to point out that the two properties surveyed within the Cave Spring Site PMA were both built prior to 2011. Thus, the multifamily building permits issued and illustrated in the preceding table were likely issued in other surrounding areas of Floyd County, such

as the larger city of Rome. The lack of multifamily building permits issued within the Cave Spring area in recent years coincides with the relatively limited growth among renter households within the Cave Spring Site PMA since 2010.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The proposed subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, the subject property will also provide a project-based subsidy which will operate concurrently with all LIHTC units. Thus, the subject property could effectively compete with other subsidized product in the area. However, for the purposes of this analysis, we only select non-subsidized Tax Credit product as to provide a comparison for the subject property in the unlikely event the project-based subsidy was not provided, and the property had to operate exclusively under the LIHTC guidelines.

Within the Cave Spring Site PMA, we identified and surveyed one non-subsidized general-occupancy LIHTC property. This property (Spring Haven Apartments) offers unit types similar to some of those proposed for the subject site in terms of bedroom type and targeted income (AMHI) level. Thus, this property is considered comparable to and competitive with the subject property and has been selected for this analysis.

Due to the limited supply of non-subsidized LIHTC product offered within the Cave Spring Site PMA, we also identified and surveyed three additional non-subsidized LIHTC properties outside the Cave Spring Site PMA but within the nearby area of Cedartown, Georgia. Note that while one of these projects is general-occupancy (family), the two remaining projects are restricted to seniors age 55 and older. We recognize that this is a different target population from that proposed for the subject property. However, these properties will provide a good additional base of comparison for the subject property given the limited supply of non-subsidized general-occupancy LIHTC product in the market and surrounding area. Nonetheless, the three properties surveyed outside the Cave Spring Site PMA are not expected to be directly competitive with the subject project given their geographic location.

The subject property and the four comparable LIHTC properties selected for this analysis are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Cave Spring Townhomes	2024	52	-	-	-	Families; 50% & 60% AMHI & Section 8 & PBRA
2	Spring Haven Apts.	2002	24	100.0%	0.7 Miles	4 HH	Families; 50% & 60% AMHI
904	Evergreen Village Apts.	2000 / 2020	56	100.0%	9.0 Miles	37 HH	Families; 50% & 60% AMHI
905	Hummingbird Pointe Apts.	2011	64	100.0%	9.6 Miles	12 HH	Seniors 55+; 50% & 60% AMHI
906	Kirkwood Trails Apts.	2003	41*	100.0%	12.9 Miles	16 HH	Seniors 55+; 50% & 60% AMHI

OCC. – Occupancy; HH - Households

900 Series Map IDs are located outside the Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0% and all four maintain waiting lists for their next available units. These are clear indications of strong and pent-up demand for non-subsidized LIHTC product in the market and nearby surrounding region.

Also note that the subject property will be at least 13 years newer than each of the properties surveyed and selected for this analysis. The newness and anticipated quality of the subject property is expected to create a competitive advantage for the property and contribute to its rent potential within this market.

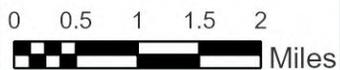
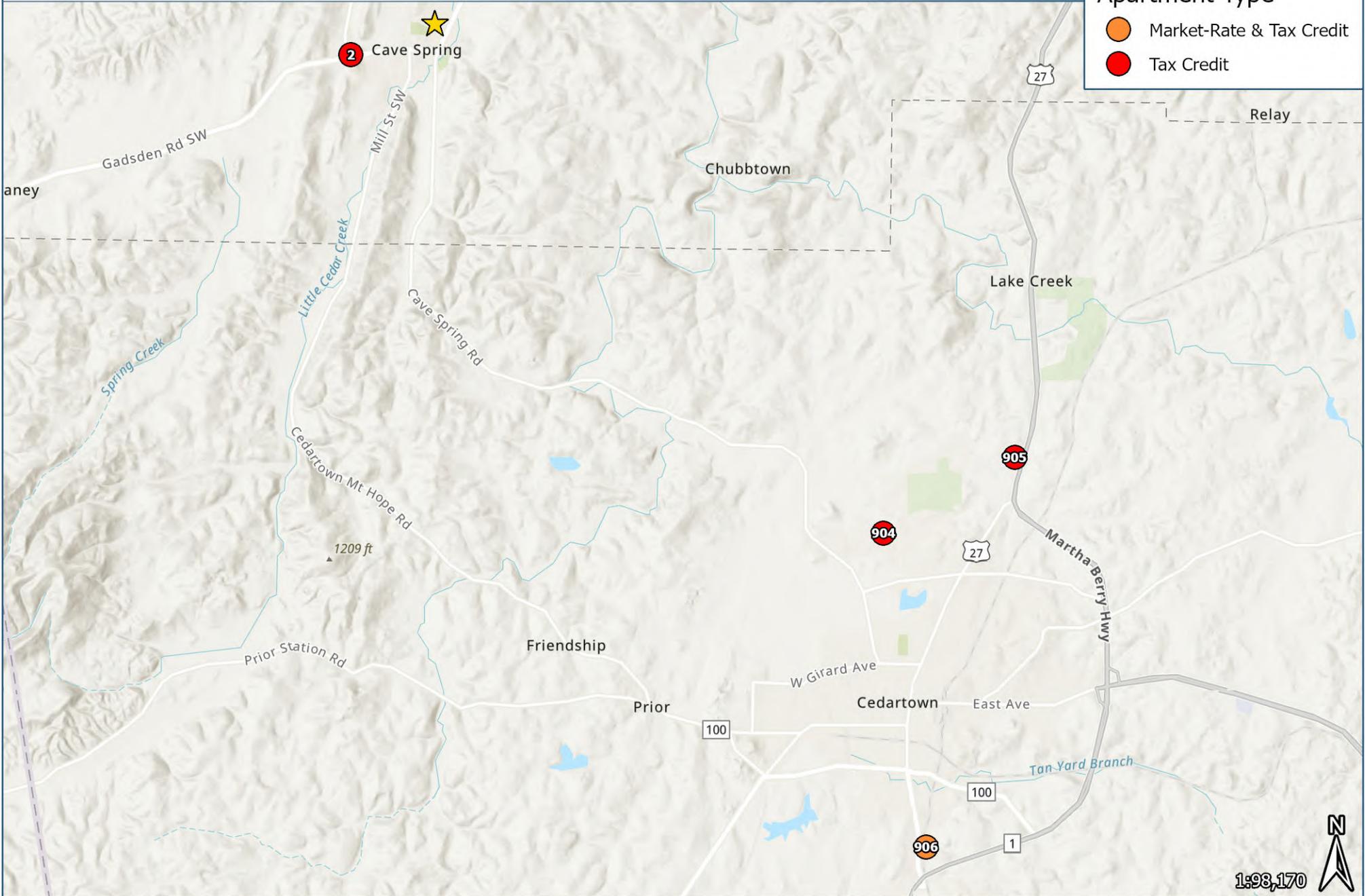
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed site location.

★ Site

Apartment Type

○ Market-Rate & Tax Credit

● Tax Credit



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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Cave Spring Townhomes	\$594*/50% (3)^ \$594*/50% (5)^ \$801/60% (7)^	\$713*/50% (8)^ \$856*/60% (20)^	\$824*/50% (4)^ \$989*/60% (5)^	-
2	Spring Haven Apts.	\$625/50% (10/0) \$749/60% (6/0)	\$748/50% (4/0) \$897/60% (4/0)	-	None
904	Evergreen Village Apts.	\$462/50% (8/0) \$467/60% (8/0)	\$548/50% (10/0) \$585/60% (10/0)	\$625/50% (10/0) \$645/60% (10/0)	None
905	Hummingbird Pointe Apts.	\$531/50% (3/0) \$554/60% (5/0)	\$622/50% (10/0) \$642/60% (46/0)	-	None
906	Kirkwood Trails Apts.	\$509/50% (15/0) \$528/60% (10/0)	\$617/50% (10/0) \$686/60% (6/0)	-	None

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds this limit

^Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)
900 Series Map IDs are located outside the Site PMA

As the preceding illustrates, the subject's proposed gross Tax Credit rents are generally competitive with those reported for similar unit types offered among the comparable LIHTC properties surveyed in the area. Regardless, the subject property will effectively operate with a project-based subsidy available to all LIHTC units. Thus, tenants of these units will effectively pay up to only 30% of their income towards rent, rather than the non-subsidized rents reflected in the preceding table. This will ensure the subject property represents a significant value and is affordable to very low-income renters within the Cave Spring market.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Cave Spring Townhomes	776	1,093	1,349
2	Spring Haven Apts.	649	819	-
904	Evergreen Village Apts.	756	915	1,136
905	Hummingbird Pointe Apts.	786	1,078	-
906	Kirkwood Trails Apts.	826	1,029	-

900 Series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Cave Spring Townhomes	1.0	2.0	2.0
2	Spring Haven Apts.	1.0	1.0	-
904	Evergreen Village Apts.	1.0	1.0	2.0
905	Hummingbird Pointe Apts.	1.0	2.0	-
906	Kirkwood Trails Apts.	1.0	1.0	-

900 Series Map IDs are located outside the Site PMA

The proposed development will be competitive with, if not superior to, the existing LIHTC projects in the market and surrounding area based on unit size (square footage) and the number of baths offered.

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

Tax Credit Unit Amenities by Map ID						
	Site*	2	904	905◆	906◆	
Appliances	Dishwasher	X	X	X	X	X
	Disposal	X	X	X	X	X
	Microwave	X		X	X	
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	W/D Hookup	X	X	X	X	X
	W/D					
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony/ Patio/ Sunroom	X		X	X	X
	Basement					
	Ceiling Fan		X	X	X	X
	Controlled Access					
	E-Call System				X	X
	Furnished					
	Walk-In Closet	X				
	Window Treatments	X	X	X	X	X
Flooring	Carpet		X		X	X
	Ceramic Tile	X				
	Hardwood					
	Finished Concrete					
	Composite/Vinyl/Laminate		X	X	X	X
Upgraded	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High/Vaulted Ceilings					
	Oversized Windows					
Parking	Attached Garage					
	Detached Garage					
	Street Parking					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	No Provided Parking					

◆ - Senior Property

* Proposed Site(s): Cave Spring Townhomes

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

Continued on Next Page

The subject property will also be very competitive with existing LIHTC product in the area in terms of both unit and project amenities, as detailed by the preceding tables. Most notably, the subject property will feature a full kitchen appliance package, washer/dryer hookups, and a patio area in all units, as well as a computer/business center, community space, laundry facility, on-site management office, and playground as key project amenities. The subject property does not appear to lack any key amenities that would adversely impact its marketability as a LIHTC property within this market, particularly when considering the availability of a project-based subsidy on all LIHTC units proposed for the property.

Comparable/Competitive Tax Credit Summary

A very limited supply of non-subsidized Tax Credit product is offered within the Cave Spring Site PMA, as illustrated by the fact that only one such property was surveyed at the time of this analysis. This property is currently 100.0% occupied with a waiting list, similar to three additional comparable LIHTC properties surveyed outside the Cave Spring Site PMA but within the nearby Cedartown, Georgia area. The subject property will be competitive with these existing comparable LIHTC properties in the market/region in terms of price point (gross rent) and overall design and amenities offered. It is also important to reiterate that the subject property will operate with a project-based subsidy available to all LIHTC units. This will further ensure that the property is affordable to low-income renters in the area as residents will be required to pay up to only 30% of their income towards rent.

Competitive Housing Impact

The anticipated occupancy rate of the one existing comparable Tax Credit development surveyed *in* the Site PMA following completion of the subject project is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2024
2	Spring Haven Apts.	100.0%	95.0% +

As detailed throughout this report and again in the preceding table, the existing non-subsidized general-occupancy LIHTC property surveyed within the Cave Spring Site PMA is 100.0% occupied. Further, this property maintains a waiting list for their next available unit. In addition, the three comparable LIHTC properties surveyed outside the Cave Spring Site PMA in the surrounding region are also 100.0% occupied with waiting lists maintained for their next available units. Considering the performance of these properties and our demand estimates included in *Section H*, we do not anticipate the development of the subject property will have any adverse impact on future occupancy rates at these existing properties. This is particularly true when considering the subject property will effectively operate with a project-based subsidy available to all LIHTC units, unlike the non-subsidized comparable properties surveyed.

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

Achievable Market Rent/Market Rent Advantage Analysis

We identified four market-rate properties within and near the Cave Spring Site PMA that we consider most comparable to the subject project in terms of unit types offered, overall design, age, and/or unit and project amenities. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Cave Spring Townhomes	2024	56	-	-	17 (-)	30 (-)	9 (-)
1	Limestone Springs Townhomes	2000 / 2019	11	100.0%	-	-	11 (100.0%)	-
903	Eastland Court	2007	116	100.0%	-	34 (100.0%)	62 (100.0%)	20 (100.0%)
907	Peak at Callier Springs Apts.	1998	77 + 11**	100.0%	-	14 (100.0%)	32 (100.0%)	31 (100.0%)
908	Riverpoint Apts.	2018	124	100.0%	7 (100.0%)	32 (100.0%)	55 (100.0%)	30 (100.0%)

Occ. – Occupancy

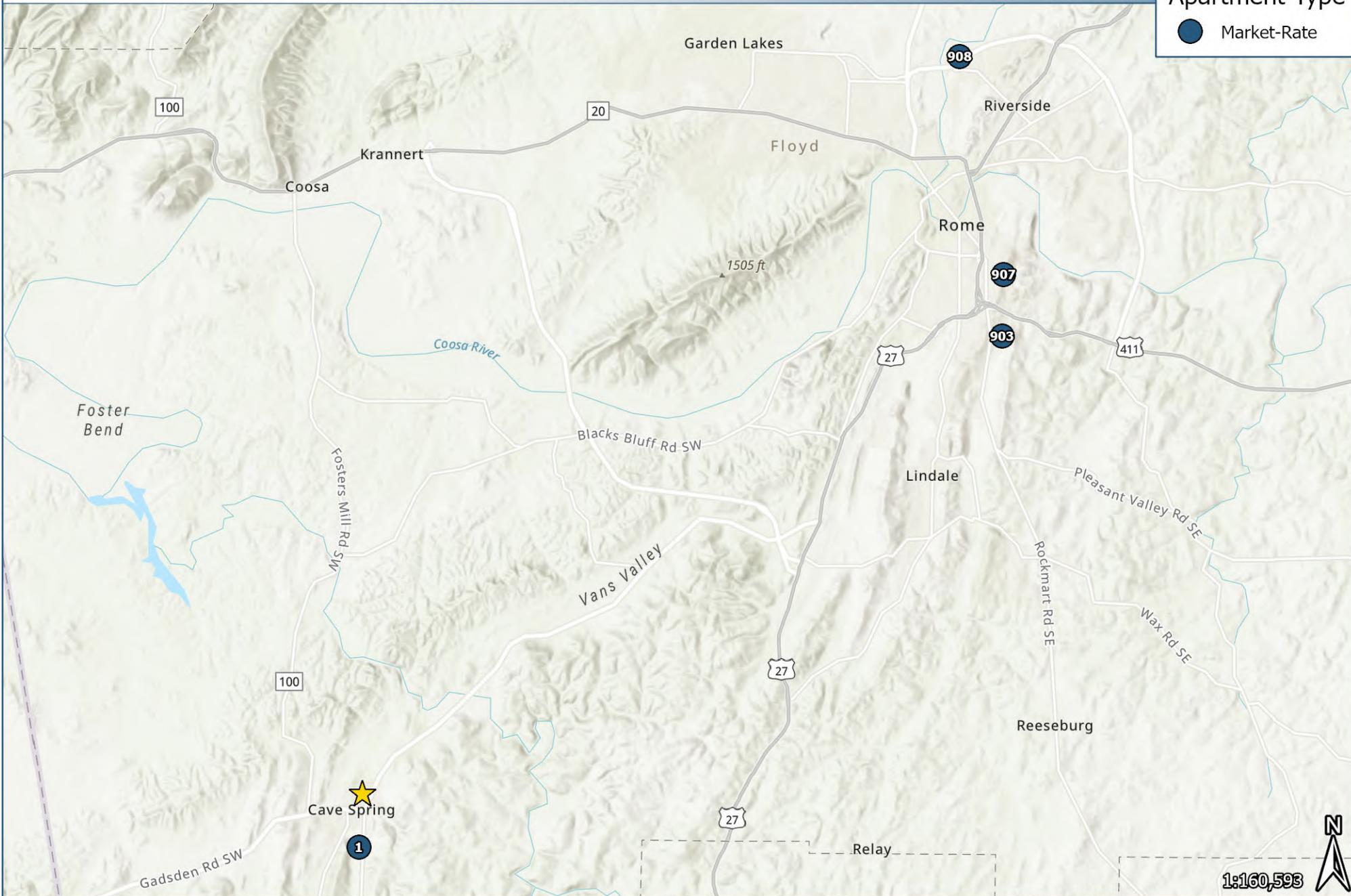
*Market-rate units only

**Units under construction

900 Series Map IDs are located outside the Site PMA

The four selected market-rate projects have a combined total of 328 units with an overall occupancy rate of 100.0%. These strong occupancy rates demonstrate that these properties are well-received within the area and will serve as accurate benchmarks with which to compare the subject property.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. A map depicting the location of the comparable market-rate projects in relation to the subject site precedes the Rent Comparability Grids.



Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Cave Spring Townhomes		Limestone Springs Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.	
121 Fincher Street		20 Church St		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint Pl NE	
Cave Spring, GA		Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$950		\$1,150		\$1,150		\$1,299	
2	Date Surveyed	May-22		May-22		Apr-22		Apr-22	
3	Rent Concessions	None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$950	0.79	\$1,150	1.43	\$1,150	1.62	\$1,299	1.60
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/4		WU/2		EE/4	
7	Yr. Built/Yr. Renovated	2024		2007	\$17	1998	\$26	2018	\$6
8	Condition/Street Appeal	G		G		G		E	(\$15)
9	Neighborhood	G		G		G		G	
10	Same Market?	Yes		No	(\$288)	No	(\$288)	No	(\$325)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1	(\$50)	1		1		1	
12	# Baths	1		1		1		1	
13	Unit Interior Sq. Ft.	776	(\$137)	804	(\$9)	708	\$22	811	(\$11)
14	Patio/Balcony/Sunroom	Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L	\$15	HU	\$5	HU/L		HU	\$5
19	Floor Coverings	T		C/V		C/V		C/W	
20	Window Treatments	Y		Y		Y		Y	
21	Secured Entry	N		Y	(\$3)	N		N	
22	Garbage Disposal	Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	N/N		Y/N	(\$5)	Y/Y	(\$10)	N/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		Y	
26	Security Features	N		Y	(\$5)	N		Y	(\$5)
27	Community Space	Y	\$5	Y		Y		Y	
28	Pool/Recreation Areas	G	\$3	P/F	(\$12)	N	\$3	P/F	(\$12)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	Y	\$3	Y		N	\$3	N	\$3
31	Playground	Y	\$3	N	\$3	Y		N	\$3
32	Social Services	N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$48	N/N	\$48	N/N	\$48	N/N	\$48
39	Trash/Recycling	Y/N	\$15	Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	2	5	6	6	2	6	5
41	Sum Adjustments B to D	\$56	(\$187)	\$33	(\$322)	\$62	(\$298)	\$25	(\$368)
42	Sum Utility Adjustments	\$63		\$48		\$48		\$48	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$68)	\$306	(\$241)	\$403	(\$188)	\$408	(\$295)	\$441
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$882		\$909		\$962		\$1,004	
45	Adj Rent/Last rent		93%		79%		84%		77%
46	Estimated Market Rent	\$920	\$1.19 ←	Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Cave Spring Townhomes		Limestone Springs Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.	
121 Fincher Street		20 Church St		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint Pl NE	
Cave Spring, GA		Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$950		\$1,350		\$1,250		\$1,499	
2	Date Surveyed	May-22		May-22		Apr-22		Apr-22	
3	Rent Concessions	None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$950	0.79	\$1,350	1.28	\$1,250	1.35	\$1,499	1.26
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/4		WU/2		EE/4	
7	Yr. Built/Yr. Renovated	2024		2007	\$17	1998	\$26	2018	\$6
8	Condition/Street Appeal	G		G		G		E	(\$15)
9	Neighborhood	G		G		G		G	
10	Same Market?	Yes		No	(\$338)	No	(\$313)	No	(\$375)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2	
12	# Baths	2	\$30	2		2		2	
13	Unit Interior Sq. Ft.	1093	(\$31)	1056	\$11	927	\$48	1191	(\$28)
14	Patio/Balcony/Sunroom	Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L	\$15	HU	\$5	HU/L		HU	\$5
19	Floor Coverings	T		C/V		C/V		C/W	
20	Window Treatments	Y		Y		Y		Y	
21	Secured Entry	N		Y	(\$3)	N		N	
22	Garbage Disposal	Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	N/N		Y/N	(\$5)	Y/Y	(\$10)	N/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		Y	
26	Security Features	N		Y	(\$5)	N		Y	(\$5)
27	Community Space	Y	\$5	Y		Y		Y	
28	Pool/Recreation Areas	G	\$3	P/F	(\$12)	N	\$3	P/F	(\$12)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	Y	\$3	Y		N	\$3	N	\$3
31	Playground	Y	\$3	N	\$3	Y		N	\$3
32	Social Services	N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$55	N/N	\$55	N/N	\$55	N/N	\$55
39	Trash/Recycling	Y/N	\$15	Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	10	1	6	5	6	2	6	5
41	Sum Adjustments B to D	\$86	(\$31)	\$44	(\$363)	\$88	(\$323)	\$25	(\$435)
42	Sum Utility Adjustments	\$70		\$55		\$55		\$55	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$125	\$187	(\$264)	\$462	(\$180)	\$466	(\$355)	\$515
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,075		\$1,086		\$1,070		\$1,144	
45	Adj Rent/Last rent		113%		80%		86%		76%
46	Estimated Market Rent	\$1,085	\$0.99 ←	Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Cave Spring Townhomes		Limestone Springs Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.	
121 Fincher Street		20 Church St		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint Pl NE	
Cave Spring, GA		Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$950		\$1,550		\$1,365		\$1,775	
2	Date Surveyed	May-22		May-22		Apr-22		Apr-22	
3	Rent Concessions	None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$950	0.79	\$1,550	1.02	\$1,365	1.20	\$1,775	1.07
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/4		WU/2		EE/4	
7	Yr. Built/Yr. Renovated	2024		2007	\$17	1998	\$26	2018	\$6
8	Condition/Street Appeal	G		G		G		E	(\$15)
9	Neighborhood	G		G		G		G	
10	Same Market?	Yes		No	(\$388)	No	(\$341)	No	(\$444)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3	\$50	3		3		3	
12	# Baths	2	\$30	2		2		2	
13	Unit Interior Sq. Ft.	1349	\$38	1516	(\$43)	1134	\$55	1660	(\$80)
14	Patio/Balcony/Sunroom	Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L	\$15	HU	\$5	HU/L		HU	\$5
19	Floor Coverings	T		C/V		C/V		C/W	
20	Window Treatments	Y		Y		Y		Y	
21	Secured Entry	N		Y	(\$3)	N		N	
22	Garbage Disposal	Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	N/N		Y/N	(\$5)	Y/Y	(\$10)	N/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		Y	
26	Security Features	N		Y	(\$5)	N		Y	(\$5)
27	Community Space	Y	\$5	Y		Y		Y	
28	Pool/Recreation Areas	G	\$3	P/F	(\$12)	N	\$3	P/F	(\$12)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	Y	\$3	Y		N	\$3	N	\$3
31	Playground	Y	\$3	N	\$3	Y		N	\$3
32	Social Services	N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$68	N/N	\$68	N/N	\$68	N/N	\$68
39	Trash/Recycling	Y/N	\$15	Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	12		5	6	6	2	6	5
41	Sum Adjustments B to D	\$174		\$33	(\$456)	\$95	(\$351)	\$25	(\$556)
42	Sum Utility Adjustments	\$83		\$68		\$68		\$68	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$257	\$257	(\$355)	\$557	(\$188)	\$514	(\$463)	\$649
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,207		\$1,195		\$1,177		\$1,312	
45	Adj Rent/Last rent		127%		77%		86%		74%
46	Estimated Market Rent	\$1,210	\$0.90 ←	Estimated Market Rent/ Sq. Ft					

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Bedroom	50%	\$507*	\$920	44.9%
One-Bedroom	60%	\$714	\$920	22.4%
Two-Bedroom	50%	\$607*	\$1,085	44.1%
Two-Bedroom	60%	\$750*	\$1,085	30.9%
Three-Bedroom	50%	\$692*	\$1,210	42.8%
Three-Bedroom	60%	\$857*	\$1,210	29.2%

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds this limit.

Typically, Tax Credit rents for units targeting households earning up to 60% of AMHI are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. The subject's proposed rents, including the market-rate rents, represent market rent advantages ranging from 22.4% to 44.9%. Thus, the subject rents are expected to be perceived as very good to excellent values within the Cave Spring market.

In fact, the subject's Tax Credit rents/units are expected to be perceived an even greater value than that indicated by the market rent advantages in the preceding table due to the presence of a project-based subsidy. This subsidy will effectively allow tenants of these units to pay only 30% of their income towards rent, rather than the non-subsidized rents reflected in the preceding table.

Rent Adjustment Explanations (Rent Comparability Grid)

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

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

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1998 and 2018. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have a very good overall quality/condition and aesthetic appeal, once complete. We have made adjustments for those properties that we consider to be of superior quality compared to the subject development.
10. As detailed throughout this report, the Cave Spring Site PMA offers a very limited supply of conventional rental product, as indicated by the fact that only one of the properties selected for this analysis is located within the subject market. The three remaining properties selected for this analysis are located outside the Cave Spring Site PMA in nearby Rome, Georgia. This aforementioned market is larger and more developed than the Cave Spring market in terms of total population, housing alternatives, services, and employment opportunities. These factors allow rental product in this area to command higher rents than a similar property in Cave Spring, as indicated by the rents reported for the properties located outside the Cave Spring Site PMA compared to the one property located in market. As such, we have applied negative adjustments of 25% to each of the properties located in Rome, Georgia to account for out-of-market differences.
11. All of the comparable properties selected for this analysis offer two-bedroom units, though some lack one- and/or three-bedroom units. In these instances, we have utilized the two-bedroom units offered and applied either a positive or negative adjustment of \$50 to account for the inclusion or lack of an additional bedroom within the subject project.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package similar to the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.

24.-32. The proposed project offers a relatively comparable project amenities package. We have made monetary adjustments to reflect the difference between the proposed project and the selected properties' project amenities.

33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

5. **SINGLE-FAMILY HOME IMPACT**

According to ESRI, the median home value within the Site PMA was \$158,314. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$158,314 home is \$953, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$158,314
Mortgaged Value = 95% of Median Home Price	\$150,398
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$762
Estimated Taxes and Insurance*	\$191
Estimated Monthly Mortgage Payment	\$953

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$507 to \$857. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$96 more than the cost of renting at the subject project. While it is possible that some tenants would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market. This is particularly true when considering that all units will operate with a project-based subsidy allowing tenants to pay up to only 30% of their income towards rent. Thus, tenants of the property will effectively pay rents which will be much lower than the non-subsidized Tax Credit rents evaluated throughout this report.

Section J – Absorption & Stabilization Rates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA guidelines that assume a 2024 completion date for the subject project, we also assume that initial units at the site will be available for rent sometime in 2024.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the high occupancy rates and waiting lists maintained among the existing comparable LIHTC product in the market and surrounding area. The subject's competitive position among existing comparable product surveyed, has also been considered in our absorption projections, as have the subject's capture rate and market rent advantage.

Based on our analysis, it is our opinion that the 52 proposed units for the subject site will reach a stabilized occupancy of at least 93.0% within approximately four months of opening. This absorption period is based on an average monthly absorption rate of approximately 12 to 13 units per month.

These absorption projections assume a November 2024 opening date. A different opening date may impact the absorption potential (positively or negatively) for the subject project. Further, these absorption projections assume the project will be built and operated as outlined in this report. Changes to the project's rents, subsidy availability, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

As indicated above, the preceding absorption projections assume the property will be built/operated as proposed, which includes the availability of a project-based subsidy on all units. In the unlikely event this subsidy is not secured/provided, we expect the property would experience an extended absorption period due to the more limited base of demographic support for the property in this scenario. This is evident by the higher capture rates calculated in *Section H* for the property under this unlikely scenario. In the event the subsidy is not provided, it is our opinion that the property would reach a stabilized occupancy rate of 93.0% within eight months of opening. This is reflective of an average absorption rate of approximately six units per month.

Section K – Interviews

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

- Artagus Newell, the Planning Director of Floyd County, stated there definitely is a need for more affordable rental housing, especially with the way market-rate rents have been increasing. According to this representative, rents are exceeding the Area Median Household Income (AMHI) for residents of Floyd County.
- Tony Junior is the Owner/Property Manager of Limestone Springs Apartments, a market-rate rental property in Cave Spring. Mr. Junior stated that Cave Spring needs more affordable housing. Mr. Junior also explained that there is limited rental housing in Cave Spring and incomes are low to moderate, which is conducive to affordable housing alternatives. Mr. Junior also stated that residents of Cave Spring would support additional rental product as he receives calls daily regarding availability at his property.
- Valerie Austin is the Property Manager of Riverwood Park Apartments, a market-rate property located outside the Cave Spring Site PMA but within the nearby Rome, Georgia area. Ms. Austin stated that more affordable housing is needed due to rents increasing every year within the area. Ms. Austin also explained that more properties should accept Housing Choice Vouchers and/or offer income-based rents. According to Ms. Austin, many families in her area have decided to live together to help with the increasing cost of living.
- Tabitha Murfree-Blair is the Housing Choice Voucher Coordinator for Northwest Georgia Housing Authority. Ms. Murfree-Blair stated that there is a definite need for more affordable housing in the area, including in Cave Spring. The existing stock is minimal and it seems almost impossible for renters to find a quality home with the wages they are paid in the area. The number of single-family homes that were rentals has decreased as those said homes are being put on the market for-sale. Families are struggling to find affordable housing and it has been difficult for them to use a Section 8 voucher if they have one, according to Ms. Murfree-Blair.

Section L – Conclusions & Recommendations

Based on the findings of our market study, it is our opinion that a market exists for the 52 units proposed for the subject site, assuming it is developed and operated as detailed in this report. Changes in the project's site, rent, subsidy availability, amenities or opening date may alter these findings.

The subject site location is considered conducive to affordable rental product, as indicated by the fact that an existing public housing property is currently present on the subject site. This property, however, will be demolished and improved by the proposed subject property. The subject site is clearly visible and easily accessible, and most basic area services are offered within a short drive of the site.

The Cave Spring Site PMA is very rural and offers a limited supply of conventional rental product, as only two such properties were surveyed in the market. Both properties surveyed in the Cave Spring Site PMA are 100.0% occupied, demonstrating that conventional rental product is in high demand and effectively unavailable at this time. The subject property will help retain some existing affordable housing while also adding additional affordable rental units to a market which is limited in supply. The subject property will be competitive with existing comparable Tax Credit product in the Cave Spring market and other nearby surrounding areas such as Cedartown, Georgia, in terms of price point and overall design. Further, the property will offer a project-based subsidy to all 52 units proposed, which will further ensure the property represents a value and is affordable to low-income renters in the Cave Spring area.

In addition to being competitively positioned in terms of price point and overall design, the subject property will also be well supported demographically within the Cave Spring Site PMA. This is evident by our demand estimates (capture rates) which indicate a good base of potential support for the subject property, assuming the availability of a project-based subsidy to all units. In the unlikely event this subsidy is not provided, a more limited base of potential support will exist for the market, as indicated by the higher LIHTC only capture rate calculated for the subject property in *Section H*. This would result in a slower absorption rate for the subject property. Regardless, a project-based subsidy will be provided to all units, thus ensuring a sufficient base of potential support for the property within the Cave Spring market, as indicated by the overall capture rate of 16.9% for the subject's LIHTC units.

Overall, the subject property is considered marketable as proposed and evaluated throughout this report. We have no recommendations/modifications to the subject property at this time.

Section M - Signed Statement Requirements

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

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



Craig Rupert (Primary Contact)
Market Analyst
craigr@bowennational.com
Date: May 13, 2022

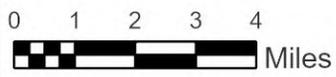
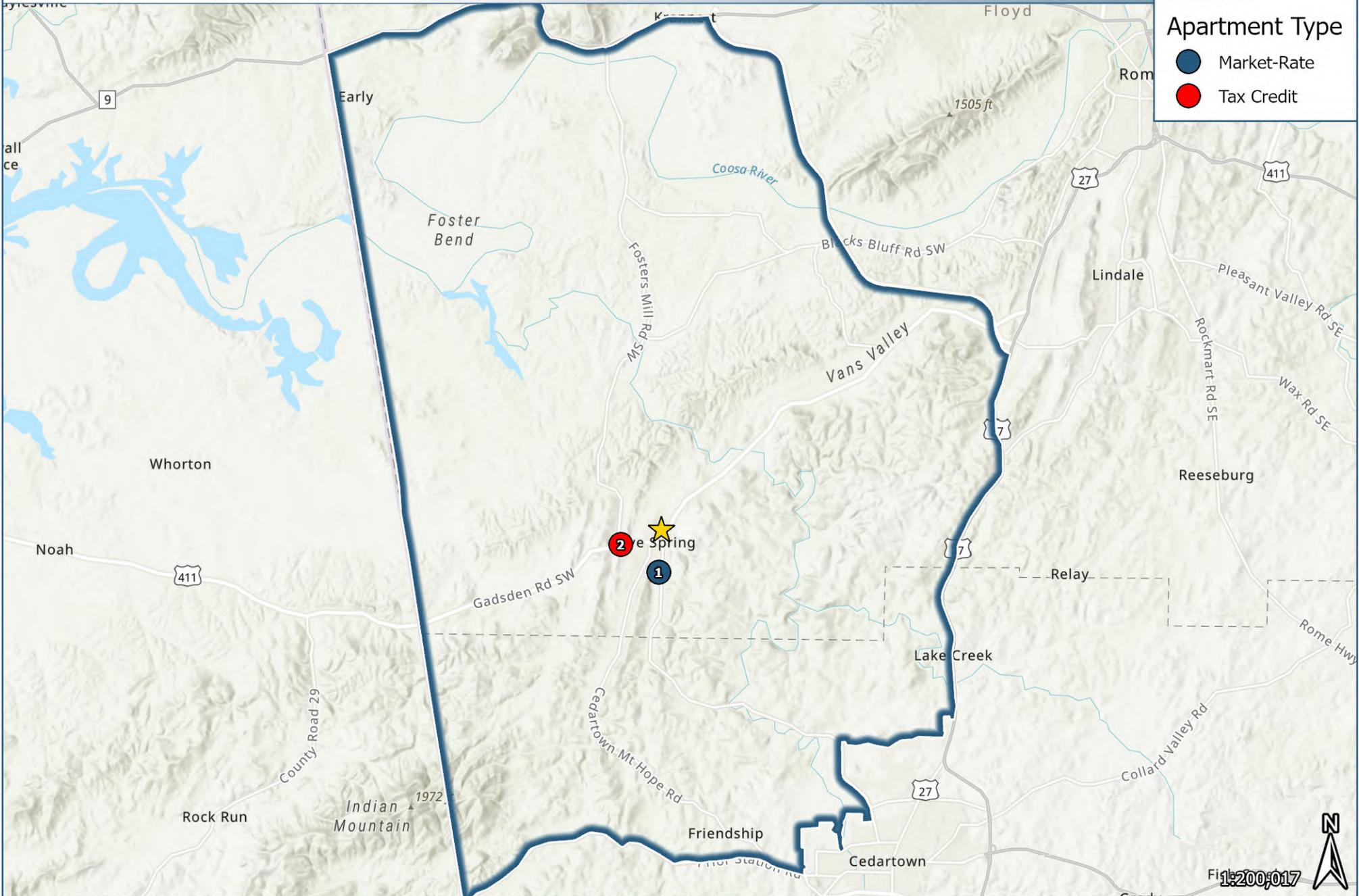


Sidney McCrary
Market Analyst
sidneym@bowennational.com
Date: May 13, 2022



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: May 13, 2022

ADDENDUM A:
FIELD SURVEY OF
CONVENTIONAL RENTALS



Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	Limestone Springs Townhomes	MRR	B	2000	11	0	100.0%	0.6
✓ 2	Spring Haven Apts.	TAX	B	2002	24	0	100.0%	0.7
✓ 903	Eastland Court	MRR	B+	2007	116	0	100.0%	15.0
✓ 904	Evergreen Village Apts.	TAX	B	2000	56	0	100.0%	9.0
◆ ✓ 905	Hummingbird Pointe Apts.	TAX	B	2011	64	0	100.0%	9.6
◆ ✓ 906	Kirkwood Trails Apts.	MRT	B	2003	52	0	100.0%	12.9
✓ 907	Peak at Collier Springs Apts.	MRR	B	1998	77	0	100.0%	15.4
✓ 908	Riverpoint Apts.	MRR	A	2018	124	0	100.0%	18.5

*Drive distance in miles

✓	Comparable Property	■	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	■	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆	Senior Restricted	■	(TAX) Tax Credit	■	(INR) Income-Restricted (not LIHTC)
■	(MRR) Market-Rate	■	(TGS) Tax Credit & Government-Subsidized	■	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
■	(MRT) Market-Rate & Tax Credit	■	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	■	(GSS) Government-Subsidized
■	(MRG) Market-Rate & Government-Subsidized	■	(TIN) Tax Credit & Income-Restricted (not LIHTC)	■	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
■	(MIN) Market-Rate & Income-Restricted (not LIHTC)	■	(TMG) Tax Credit, Market-Rate & Government-Subsidized		



1	Limestone Springs Townhomes 20 Church St, Cave Spring, GA 30124	Contact: Tony Phone: (706) 528-3485
	Total Units: 11 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2000 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2019 Rent Special: None Notes:	



2	Spring Haven Apts. 7 Perry Farm Rd. SW, Cave Spring, GA 30124	Contact: Cindy Phone: (706) 777-9600
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2002 BR: 1, 2 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	



903	Eastland Court 40 Chateau Dr. SE, Rome, GA 30161	Contact: April Phone: (706) 232-2300
	Total Units: 116 UC: 0 Occupancy: 100.0% Stories: 4 Year Built: 2007 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 9 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	



904	Evergreen Village Apts. 110 Evergreen Ln, Cedartown, GA 30125	Contact: Layne Phone: (770) 749-9333
	Total Units: 56 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2000 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 37 HH AR Year: Target Population: Family Yr Renovated: 2020 Rent Special: None Notes: Tax Credit	



905	Hummingbird Pointe Apts. 51 Cherokee Rd, Cedartown, GA 30125	Contact: Carol Phone: (770) 748-0720
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2 w/Elevator Year Built: 2011 BR: 1, 2 Vacant Units: 0 Waitlist: 12 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (8 units)	

✔	Comparable Property		(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized		(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆	Senior Restricted		(TAX) Tax Credit		(INR) Income-Restricted (not LIHTC)
	(MRR) Market-Rate		(TGS) Tax Credit & Government-Subsidized		(ING) Income-Restricted (not LIHTC) & Government-Subsidized
	(MRT) Market-Rate & Tax Credit		(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)		(GSS) Government-Subsidized
	(MRG) Market-Rate & Government-Subsidized		(TIN) Tax Credit & Income-Restricted (not LIHTC)		(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
	(MIN) Market-Rate & Income-Restricted (not LIHTC)		(TMG) Tax Credit, Market-Rate & Government-Subsidized		



906	Kirkwood Trails Apts. 133 Cason Rd, Cedartown, GA 30125	Contact: Danielle Phone: (770) 749-9403
	Total Units: 52 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2003 BR: 1, 2 Vacant Units: 0 Waitlist: 16 HH AR Year:	Yr Renovated:
	Target Population: Senior 55+	
	Rent Special: None	
	Notes: Market-rate (11 units); Tax Credit (41 units)	



907	Peak at Collier Springs Apts. 2522 Callier Springs Rd., Rome, GA 30161	Contact: Woman Phone: (706) 802-0017
	Total Units: 77 UC: 11 Occupancy: 100.0% Stories: 2 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2 HH AR Year:	Yr Renovated:
	Target Population: Family	
	Rent Special: None	
	Notes: 11 units under renovation	



908	Riverpoint Apts. 24 Riverpoint Pl NE, Rome, GA 30161	Contact: Kimberly Phone: (706) 290-0020
	Total Units: 124 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2018 BR: 0, 1, 2, 3 Vacant Units: 0 Waitlist: 3 mos AR Year:	Yr Renovated:
	Target Population: Family	
	Rent Special: None	
	Notes:	

Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	

Source: Georgia Department of Community Affairs
Effective: 01/2022

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	8	12	14	18	24	28	9	13	16	20	26	29
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	30
	Bottled Gas	29	46	53	70	91	107	35	48	62	78	88	99
	Electric	12	17	21	26	31	38	13	18	24	29	36	41
	Heat Pump	8	9	11	16	20	21	8	9	11	16	20	21
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Cooking	Natural Gas	2	3	4	5	6	7	2	3	4	5	6	7
	Bottled Gas	8	13	16	19	24	29	8	13	16	19	24	29
	Electric	5	8	10	12	15	17	5	8	10	12	15	17
Other Electric	16	22	28	34	44	50	16	22	28	34	44	50	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	5	7	9	12	14	17	6	8	10	13	16	19	
Water Heating	Natural Gas	3	5	7	8	10	12	3	5	7	8	10	12
	Bottled Gas	13	19	27	32	37	48	13	19	27	32	37	48
	Electric	9	14	19	24	29	34	9	14	19	24	29	34
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	20	24	27	33	39	43	20	24	27	33	39	43	
Sewer	19	24	28	35	42	46	19	24	28	35	42	46	
Trash Collection	15	15	15	15	15	15	15	15	15	15	15	15	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

* Estimated- not from source

ADDENDUM B

COMPARABLE PROPERTY PROFILES

1 Limestone Springs Townhomes 0.6 miles to site



Address: 20 Church St, Cave Spring, GA 30124
 Phone: (706) 528-3485 Contact: Tony
 Property Type: Market Rate
 Target Population: Family
 Total Units: 11 Year Built: 2000
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2019
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: A/A

Notes:



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Microwave; Range; Refrigerator; Central AC; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities:

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	T	11	0	1,200	\$0.79	\$950	Market

*Adaptive Reuse

*DTS is based on drive time

2 Spring Haven Apts. 0.7 miles to site



Address: 7 Perry Farm Rd. SW, Cave Spring, GA 30124
 Phone: (706) 777-9600 Contact: Cindy (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 24 Year Built: 2002
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1
 Waitlist: 4 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: A/A

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Clubhouse/Community Room; Laundry Room; On-Site Management; Recreation Areas (Grilling Area); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	10	0	649	\$0.78	\$509	50%
1	1	G	6	0	649	\$0.98	\$633	60%
2	1	G	4	0	819	\$0.74	\$606	50%
2	1	G	4	0	819	\$0.92	\$755	60%

*Adaptive Reuse

*DTS is based on drive time

903 Eastland Court 15.0 miles to site



Address: 40 Chateau Dr. SE, Rome, GA 30161
 Phone: (706) 232-2300 Contact: April (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 116 Year Built: 2007
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4
 Waitlist: 9 HH
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: B/C

Notes:



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; High/Vaulted Ceilings

Property Amenities: Clubhouse/Community Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Outdoor Swimming Pool); CCTV, Courtesy Officer, Security Gate; Extra Storage; WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	20	0	804	\$1.43	\$1,150	Market
1	1	G	14	0	919	\$1.36	\$1,250	Market
2	2	G	62	0	1,056	\$1.28	\$1,350	Market
3	2	G	20	0	1,516	\$1.02	\$1,550	Market

*Adaptive Reuse

*DTS is based on drive time

904 Evergreen Village Apts. 9.0 miles to site



Address: 110 Evergreen Ln, Cedartown, GA 30125
 Phone: (770) 749-9333 Contact: Layne
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 56 Year Built: 2000
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2020
 Turnover: Stories: 2
 Waitlist: 37 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B-/B-

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room; Laundry Room; On-Site Management; Recreation Areas (Basketball, Grilling Area, Playground); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	8	0	756	\$0.52	\$394	50%
1	1	G	8	0	756	\$0.53	\$399	60%
2	1	G	10	0	915	\$0.50	\$461	50%
2	1	G	10	0	915	\$0.54	\$498	60%
3	2	G	10	0	1,136	\$0.46	\$517	50%
3	2	G	10	0	1,136	\$0.47	\$537	60%

*Adaptive Reuse

*DTS is based on drive time

905 Hummingbird Pointe Apts. 9.6 miles to site



Address: 51 Cherokee Rd, Cedartown, GA 30125
 Phone: (770) 748-0720 Contact: Carol
 Property Type: Tax Credit
 Target Population: Senior 55+
 Total Units: 64 Year Built: 2011
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2 (w/Elev)
 Waitlist: 12 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B-/B

Notes: Tax Credit; HOME Funds (8 units)



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Library, Putting Green, Shuffleboard); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	786	\$0.53	\$415	50%
1	1	G	5	0	786	\$0.56	\$438	60%
2	2	G	10	0	1,078	\$0.45	\$480	50%
2	2	G	46	0	1,078	\$0.46	\$500	60%

*Adaptive Reuse

*DTS is based on drive time

906 Kirkwood Trails Apts. 12.9 miles to site



Address: 133 Cason Rd, Cedartown, GA 30125
 Phone: (770) 749-9403 Contact: Danielle
 Property Type: Market Rate, Tax Credit
 Target Population: Senior 55+
 Total Units: 52 Year Built: 2003
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1
 Waitlist: 16 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/C+

Notes: Market-rate (11 units); Tax Credit (41 units)



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Ceiling Fan; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Clubhouse/Community Room; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	15	0	826	\$0.53	\$441	50%
1	1	G	10	0	826	\$0.56	\$460	60%
1	1	G	7	0	826	\$0.68	\$560	Market
2	1	G	10	0	1,029	\$0.52	\$530	50%
2	1	G	6	0	1,029	\$0.58	\$599	60%
2	1	G	4	0	1,029	\$0.63	\$650	Market

*Adaptive Reuse

*DTS is based on drive time

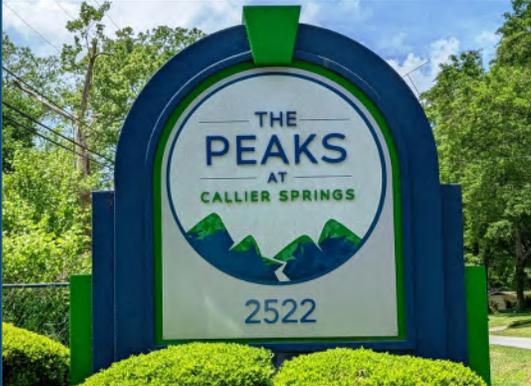
907 Peak at Callier Springs Apts. 15.4 miles to site



Address: 2522 Callier Springs Rd., Rome, GA 30161
 Phone: (706) 802-0017 Contact: Woman
 Property Type: Market Rate
 Target Population: Family
 Total Units: 77 Year Built: 1998
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 2 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: A/B

Notes: 11 units under renovation



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; Ceiling Fan; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops

Property Amenities: Clubhouse/Community Room; Cafe / Coffee Bar; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Playground); Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	14	0	708	\$1.62	\$1,150	Market
2	2	G	32	0	927	\$1.35	\$1,250	Market
3	2	G	31	0	1,134	\$1.20	\$1,365	Market

*Adaptive Reuse

*DTS is based on drive time

908 Riverpoint Apts. **18.5 miles to site**



Address: 24 Riverpoint PI NE, Rome, GA 30161
 Phone: (706) 290-0020 Contact: Kimberly (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 124 Year Built: 2018
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: 3 mos
 Rent Special: None

Ratings
 Quality: A
 Neighborhood: B
 Access/Visibility: B/A

Notes:



Features And Utilities

Utility Schedule Provided by: Georgia Department of Community Affairs
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Hardwood)

Property Amenities: Clubhouse/Community Room; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Outdoor Swimming Pool); Security Gate; Extra Storage; Water Feature

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	7	0	687	\$1.75	\$1,200	Market
1	1	G	32	0	687 - 811	\$1.89 - \$1.60	\$1,299	Market
2	2	G	55	0	1,191	\$1.26	\$1,499	Market
3	2	G	30	0	1,660	\$1.07	\$1,775	Market

*Adaptive Reuse

*DTS is based on drive time

Addendum C - Market Study Representation

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

Addendum D - Qualifications

The Company

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

Company Leadership

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

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

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

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

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

Jonathan Kabat, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

Andrew Lundell, Market Analyst, has an experienced background in customer service and financial analysis. He has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Mr. Lundell has a Bachelor of Arts in Criminal Justice from Ohio University.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

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

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Chris Wilhoit, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wilhoit also has a background in architectural photography.

Research Staff

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

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

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

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

Addendum E – Market Analyst Certification Checklist

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

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



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: May 13, 2022



Craig Rupert
Market Analyst
craigr@bowennational.com
Date: May 13, 2022

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

Market Study Index

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

Addendum F – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Cave Spring, Georgia by Northwest Georgia Housing Authority.

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

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

- A detailed demographic and socioeconomic evaluation
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
- A drive-time analysis for the site
- Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Addendum A: Field Survey of Conventional Rentals*.

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

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

3. REPORT LIMITATIONS

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

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

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4. SOURCES

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

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