



**BOWEN
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RESEARCH**

Market Feasibility Analysis

Cave Spring Townhomes
121 Fincher Street and 106 Mill Street
Cave Spring, Floyd County, Georgia 30124

Prepared For

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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 56-unit Cave Spring Townhomes rental community at 121 Fincher Street and 106 Mill 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, 52 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 September 2025. 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	Townhome	776	50%/S8	\$445	\$91	\$536	\$668
10	One-Br.	1.0	Townhome	776	50%/PBRA	\$445	\$91	\$536	\$668
10	One-Br.	1.0	Townhome	776	60%/PBRA	\$445	\$91	\$536	\$801
2	One-Br.	1.0	Duplex	776	50%	\$445	\$91	\$536	\$668
8	Two-Br.	2.0	Townhome	1,093	50%/S8	\$593	\$112	\$705	\$802
12	Two-Br.	2.0	Townhome	1,093	60%/PBRA	\$593	\$112	\$705	\$963
2	Two-Br.	2.0	Duplex	1,093	60%	\$593	\$112	\$705	\$963
4	Three-Br.	2.0	Townhome	1,349	50%/S8	\$781	\$138	\$919	\$926
4	Three-Br.	2.0	Townhome	1,349	60%/S8	\$781	\$138	\$919	\$1,112
1	Four-Br.	2.0	Townhome	1,550	50%/S8	\$932	\$167	\$1,099	\$1,033
56	Total								

Source: Northwest Georgia Housing Authority

AMHI – Area Median Household Income (Floyd County, GA Non-Metro Area; 2022)

S8 – Section 8; PBRA – Project-Based Rental Assistance

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 Kitchen
• Multipurpose Room	• Common Area Wi-Fi	• Common Patio/Porch
• Community Garden	• Gazebo/Pavilion	• Laundry Room
• On-Site Management	• Grilling Area	• Playground
• CCTV/Cameras	• Surface Parking Lot	

*Units will be finished with premium appliances, countertops, cabinetry and fixtures

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 and Mill Street which border the site to the north and west, respectively and provide passerby traffic to the site property. Fincher Street 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:

The Cave Spring Site PMA is projected to experience modest population and household growth between 2023 and 2025, indicative of a stable overall demographic base. While the majority of household growth is projected to occur among seniors aged 65 and older, households between the ages of 25 and 64 are projected to comprise nearly 62.0% of all households in 2025, indicative of ongoing support for family-oriented/general-occupancy housing alternatives. The number

of renter households is projected to remain stable between 2023 and 2025, with nearly two-thirds (61.7%) of all renter households projected to earn less than \$50,000 in 2025. Based on the preceding factors, a good base of potential support for affordable general-occupancy rental product will continue to exist within Cave Spring market for the foreseeable future. Additional demographic data is included in *Section F* of this report.

Also note that based on 2017-2021 American Community Survey (ACS) data, 84.5% 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 are currently only five (5) foreclosed properties available within Cave Spring. Further, our survey of the Cave Spring Site PMA revealed that the one established conventional rental property identified and surveyed is operating at a strong occupancy level (100.0%) 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. Further, more than 3,100 jobs have been added to the county employment base since 2020 and the annual unemployment rate has declined to a rate of 3.5% through February of 2023. In addition to recent employment growth replacing all jobs lost during 2019 and 2020, more than 1,000 additional jobs have been added to the county employment base through February of 2023. Unemployment rates within the county through February of 2023 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				LIHTC Only		
	Subsidized	50%	60%	Overall	50%	60%	Overall
Net Demand	213	79	75	213	145	172	172
Proposed Units / Net Demand	52	2	2	56	28	28	56
Capture Rate	24.4%	2.5%	2.7%	26.3%	19.3%	16.3%	32.6%

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 overall subsidized capture rate of 26.3% is considered 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 most units.

In the unlikely event that the subsidy was not provided, and the property had to operate *exclusively* under the LIHTC guidelines, a more limited, yet still sufficient, base of support would exist. This is illustrated by the higher 32.6% 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 the proposed gross rents evaluated throughout this report. Should the rents be increased/decreased in this scenario, the subject’s capture rate could also increase/decrease. Nonetheless, a project-based subsidy will be available to most of the subject units and therefore a sufficient base of potential support will exist within this market for the subject property.

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%	25	75	0	75	33.3%
One-Bedroom	Total	25	75	0	75	33.3%
LIHTC Only						
Two-Bedroom (40%)	50%	20	85	0	85	23.5%
Two-Bedroom (40%)	60%	2	30	0	30	6.7%
Two-Bedroom	Total	22	115	0	115	19.1%
Three-Bedroom (20%)	50%	8	43	0	43	18.6%
Three-Bedroom	Total	8	43	0	43	18.6%
Four-Bedroom (5%)	50%	1	11	0	11	9.1%
Four-Bedroom	Total	1	11	0	11	9.1%
LIHTC Only						
One-Bedroom (35%)	50%	15	51	0	51	29.4%
One-Bedroom (35%)	60%	10	60	0	60	16.7%
One-Bedroom	Total	25	111	0	111	22.5%
Two-Bedroom (40%)	50%	8	58	0	58	13.8%
Two-Bedroom (40%)	60%	14	69	0	69	20.3%
Two-Bedroom	Total	22	127	0	127	17.3%
Three-Bedroom (20%)	50%	4	29	0	29	13.8%
Three-Bedroom (20%)	50%	4	34	0	34	11.8%
Three-Bedroom	Total	8	63	0	63	12.7%
Four-Bedroom (5%)	50%	1	7	0	7	14.3%
Four-Bedroom	Total	1	7	0	7	14.3%

*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.

As the preceding illustrates, capture rates by bedroom type and AMHI level do not exceed 33.3% under the subsidized scenario or 29.4% under the non-subsidized scenario. These are all below GDCA thresholds and demonstrate a sufficient base of support for the subject property under either scenario.

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 four-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 be provided to most units and operate concurrently with LIHTC program. 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	2025	56	-	-	-	Families; 50% & 60% AMHI & Section 8 & PBRA
1	Spring Haven Apts.	2002	24	100.0%	0.7 Miles	15 HH	Families; 50% & 60% AMHI
902	Evergreen Village Apts.	2000 / 2020	56	100.0%	9.0 Miles	52 HH	Families; 50% & 60% AMHI
903	Hummingbird Pointe Apts.	2011	64	100.0%	9.6 Miles	18 HH	Seniors 55+; 50% & 60% AMHI
904	Kirkwood Trails Apts.	2003	41*	100.0%	12.9 Miles	3 HH	Seniors 55+; 50% & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy; HH - Households

*Tax Credit units only

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 14 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 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:

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	One- Br.	Two- Br.	Three- Br.	Four- Br.	Rent Special
Site	Cave Spring Townhomes	\$536/50% (3)^ \$536/50% (10)^ \$536/50% (2) \$536/60% (10)^	\$705/50% (8)^ \$705/60% (12)^ \$705/60% (2) \$705/60% (2)	\$919/50% (4)^ \$919/60% (4)^	\$1,033*/50% (1)^	-
1	Spring Haven Apts.	\$670/50% (10/0) \$805/60% (6/0)	\$808/50% (4/0) \$969/60% (4/0)	-	-	None
902	Evergreen Village Apts.	\$669/50% (8/0) \$803/60% (8/0)	\$805/50% (10/0) \$966/60% (10/0)	\$931/50% (10/0) \$1,117/60% (10/0)	-	None
903	Hummingbird Pointe Apts.	\$542/50% (3/0) \$562/60% (5/0)	\$638/50% (10/0) \$658/60% (46/0)	-	-	None
904	Kirkwood Trails Apts.	\$509/50% (15/0) \$528/60% (10/0)	\$620/50% (10/0) \$689/60% (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 most 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 most units. This will further ensure that the property is affordable to low-income renters in the area as most 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%	\$445	\$1,065	58.2%
One-Bedroom	60%	\$445	\$1,065	58.2%
Two-Bedroom	50%	\$593	\$1,215	51.2%
Two-Bedroom	60%	\$593	\$1,215	51.2%
Three-Bedroom	50%	\$781	\$1,385	43.6%
Three-Bedroom	60%	\$781	\$1,385	43.6%
Four-Bedroom	50%	\$866*	\$1,505	42.5%

*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 represent market rent advantages ranging from 42.5% to 58.2%. Thus, the subject rents are expected to be perceived as excellent values within the Cave Spring market.

In fact, the subject’s Tax Credit 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 most 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 56 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 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:	56
Location:	121 Fincher Street and 106 Mill Street, Cave Spring, GA 30124	# LIHTC Units:	56
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	1	24	0	100.0%
Market-Rate Housing	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	\$445 (50%)*	\$1,065	\$1.37	58.2%	\$1,350	\$1.69
10	One-Br.	1.0	776	\$445 (50%)*	\$1,065	\$1.37	58.2%	\$1,350	\$1.69
10	One-Br.	1.0	776	\$445 (60%)*	\$1,065	\$1.37	58.2%	\$1,350	\$1.69
2	One-Br.	1.0	776	\$445 (50%)	\$1,065	\$1.37	58.2%	\$1,350	\$1.69
8	Two-Br.	2.0	1,093	\$593 (50%)*	\$1,215	\$1.11	51.2%	\$1,550	\$1.30
12	Two-Br.	2.0	1,093	\$593 (60%)*	\$1,215	\$1.11	51.2%	\$1,550	\$1.30
2	Two-Br.	2.0	1,093	\$593 (60%)	\$1,215	\$1.11	51.2%	\$1,550	\$1.30
4	Three-Br.	2.0	1,349	\$781 (50%)*	\$1,385	\$1.03	43.6%	\$1,825	\$1.23
4	Three-Br.	2.0	1,349	\$781 (60%)*	\$1,385	\$1.03	43.6%	\$1,825	\$1.23
1	Four-Br.	2.0	1,550	\$866** (50%)*	\$1,505	\$0.97	42.5%	\$1,825	\$1.23

*Units to operate with project-based subsidy

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

CAPTURE RATES (found on page H-5)

Targeted Population	30%	50%*	60%*	Market-Rate	Other: Overall Subsidized	Overall: LIHTC Only
Capture Rate	-	2.5%	2.7%		26.3%	32.6%

*Subsidized Scenario

Section C - Project Description

Project Name:	Cave Spring Townhomes
Location:	121 Fincher Street and 106 Mill 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 56-unit Cave Spring Townhomes rental community at 121 Fincher Street and 106 Mill 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, 52 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 September 2025. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
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3	One-Br.	1.0	Townhome	776	50%/S8	\$445	\$91	\$536	\$668
10	One-Br.	1.0	Townhome	776	50%/PBRA	\$445	\$91	\$536	\$668
10	One-Br.	1.0	Townhome	776	60%/PBRA	\$445	\$91	\$536	\$801
2	One-Br.	1.0	Duplex	776	50%	\$445	\$91	\$536	\$668
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12	Two-Br.	2.0	Townhome	1,093	60%/PBRA	\$593	\$112	\$705	\$963
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56	Total								

Source: Northwest Georgia Housing Authority
 AMHI – Area Median Household Income (Floyd County, GA Non-Metro Area; 2022)
 S8 – Section 8; PBRA – Project-Based Rental Assistance

The maximum allowable LIHTC gross rents ranging from \$668 to \$1,112 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 the proposed contract rents for the four-bedroom units under the subsidized program 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:	13 one- and two-story buildings
Building Style:	Townhomes and single-story duplexes
Community Space:	Stand-alone building
Acres:	8.7

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	November 2024
Begin Preleasing:	November 2024
Construction End:	September 2025

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

*Units will be finished with premium appliances, countertops, cabinetry and fixtures

Community Amenities		
• Business/Computer Center	• Clubhouse/Community Room	• Community Kitchen
• Multipurpose Room	• Common Area Wi-Fi	• Common Patio/Porch
• Community Garden	• Gazebo/Pavilion	• Laundry Room
• On-Site Management	• Grilling Area	• Playground
• CCTV/Cameras	• Surface Parking Lot	

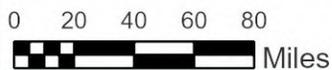
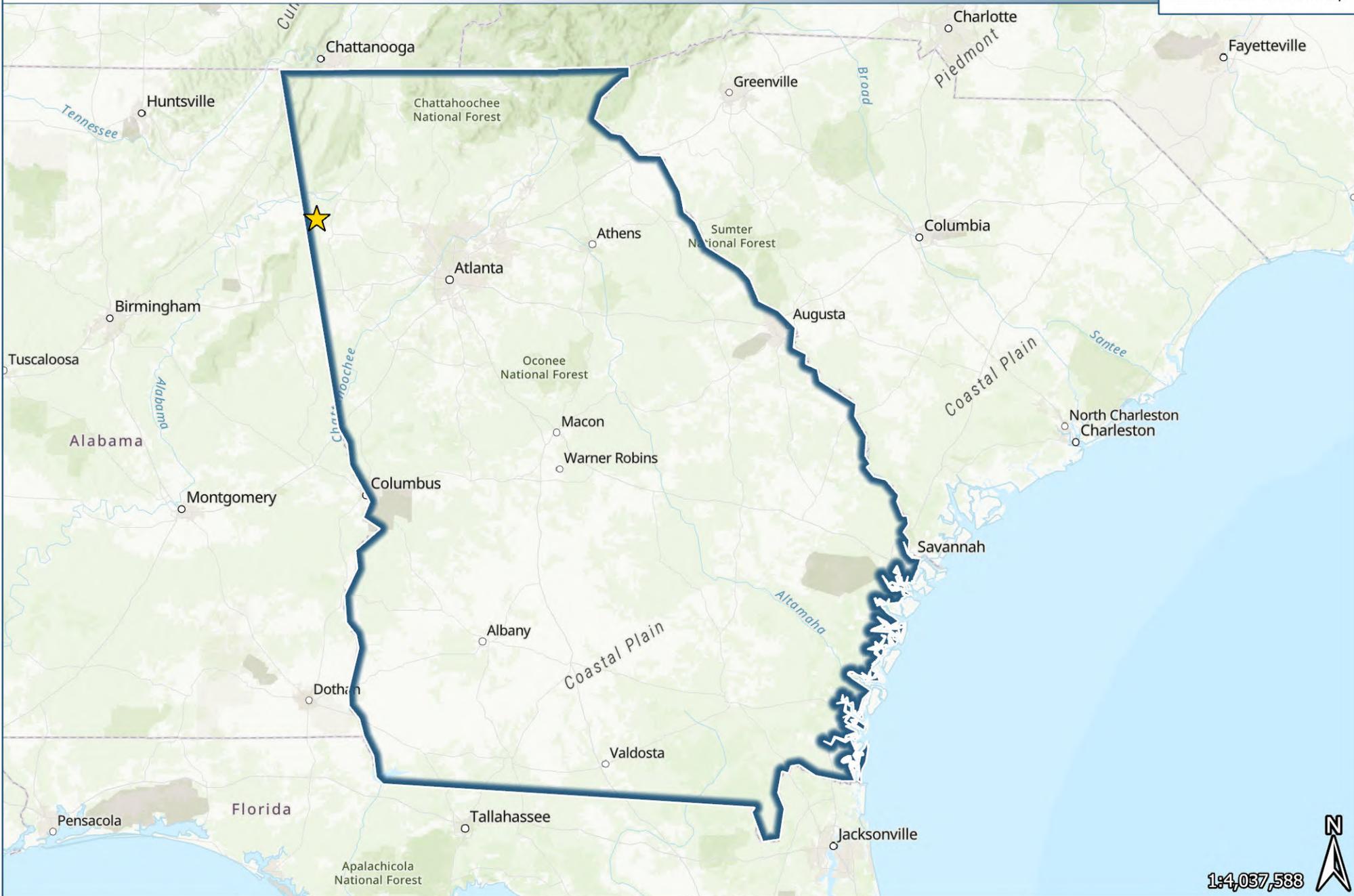
Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
Source	Electric	Electric	Electric				

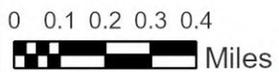
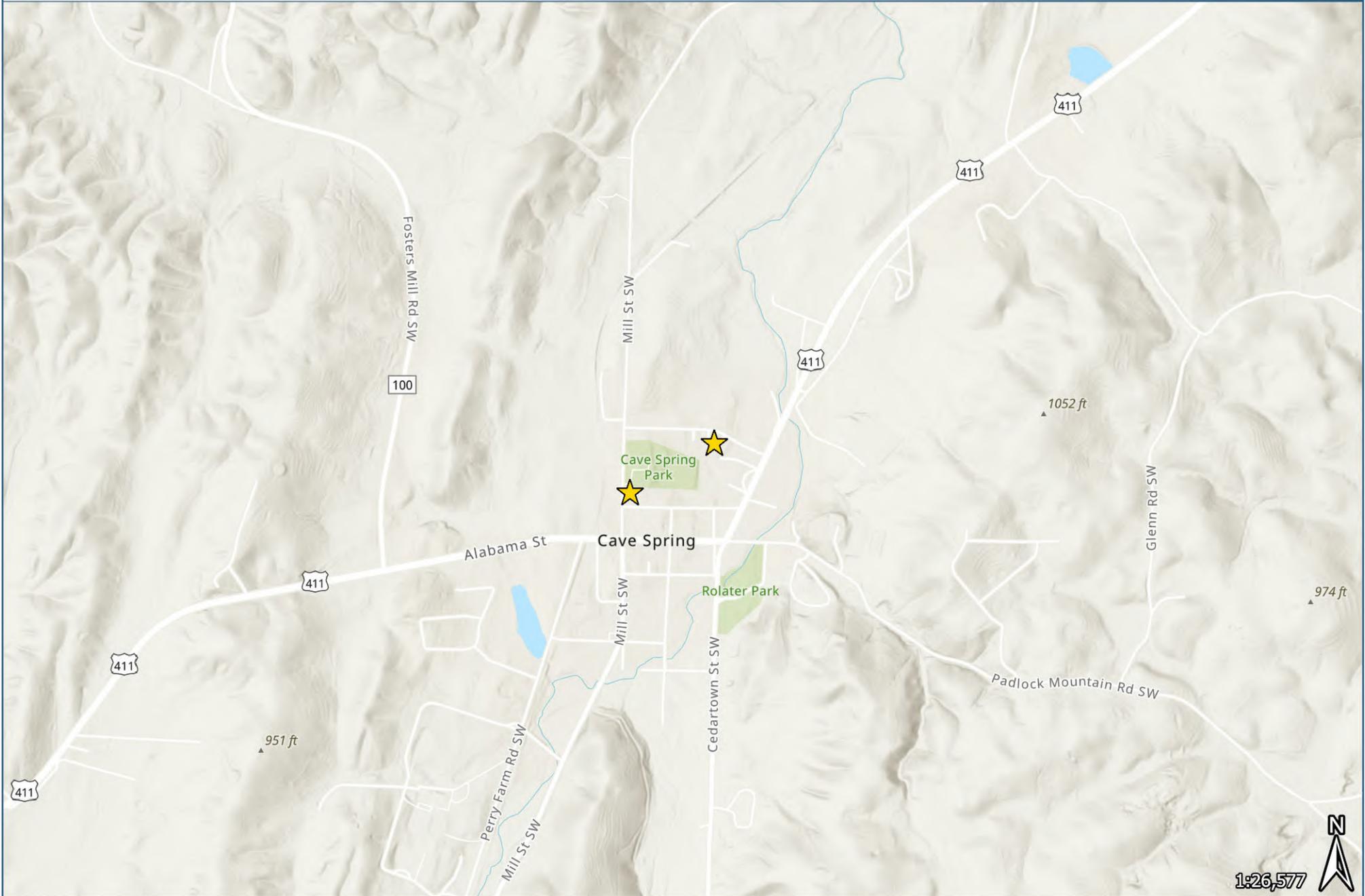
FLOOR AND SITE PLAN REVIEW:

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 four-bedroom units located within 13 one- and two-story buildings. The subject units will range in size from 776 to 1,550 square feet, with the two-bedroom and larger 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.







Section D – Site Evaluation

1. LOCATION

The subject site is currently comprised of an existing public housing rental community located at 121 Fincher Street and 106 Mill 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. Andrew Lundell, an employee of Bowen National Research, inspected the site and area apartments during the week of April 3, 2023.

2. SURROUNDING LAND USES

The subject site parcels are within an established neighborhood of Cave Spring, Georgia that is generally bound by Fincher Street to the north; State Route 53/U.S. Highway 411 to the east; River Street to the south; and Mill Street to the west. Surrounding land uses generally include single-family homes, the former 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 neighborhood 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, Dollar General and the former Cave Spring Elementary School 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 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 along Mill Street. Also note that Cave Spring Park is located along the east side of Mill Street. 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 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 and Mill Street, two-lane residential roadways with light traffic patterns bordering the site to the north and west, respectively. Visibility is mostly obstructed from the east and south, due to the commercial and residential 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 and Mill Street. We also expect the subject property will provide proper site signage which will be visible to passerby traffic along these roadways.

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 and Mill Street, similar to the existing public housing project currently located on the subject site. These aforementioned roadways border the site to the north and west and were observed to experience light vehicular traffic patterns which will allow for unimpeded ingress/egress of the subject site property. Also note that Fincher Street 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.



View of site from the north



View of site from the northeast



View of site from the east



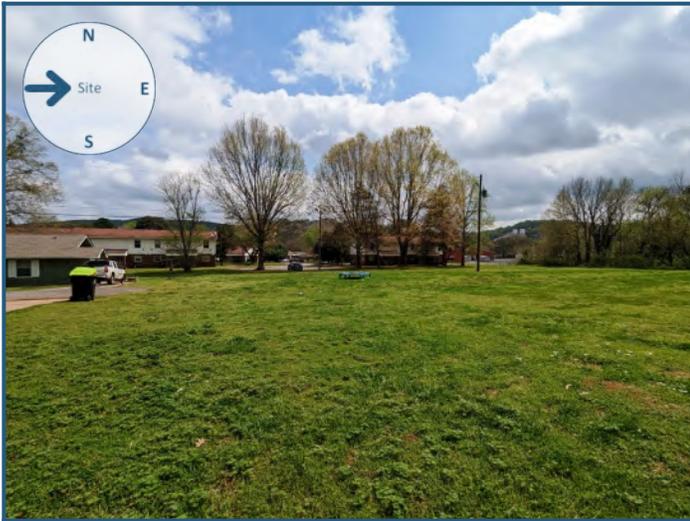
View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: East view of Fincher Street



Streetscape: West view of Fincher Street



Streetscape: East view of Access Road



Streetscape: West view of Access Road

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 Middle/Junior High High	Cherokee Elementary Cedartown Middle School Cedartown High School	8.7 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

N/A - Not Available

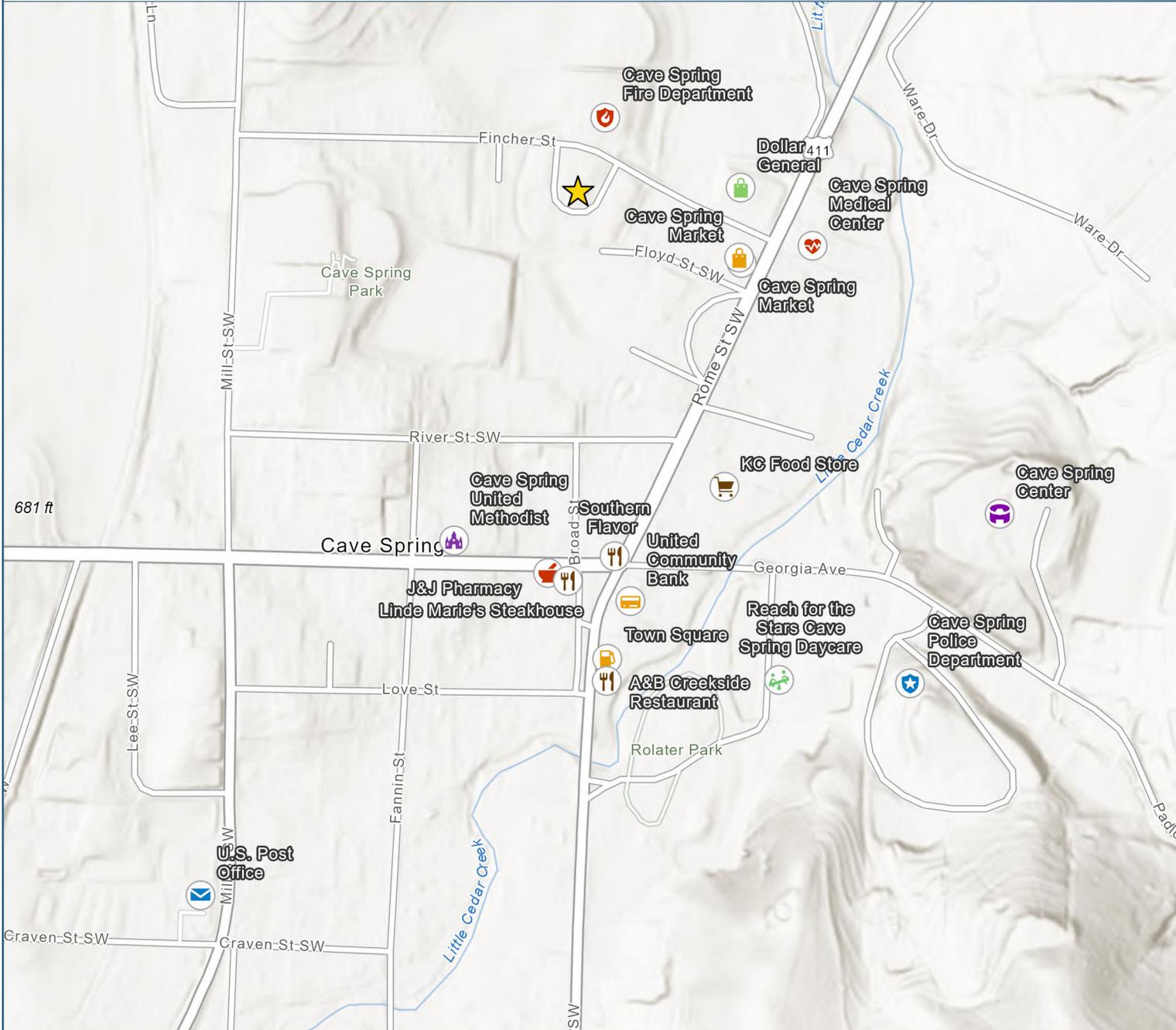
Despite the rural nature of the Cave Spring area, several basic area services are located less than 1.0 mile from the site. These include but are not limited to a grocery store, post office, bank, park, gas station, pharmacy, and various restaurants. Many area services are located along the U.S. Highway 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.

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

Community Services

-  Hospital/Medical Center
-  Police
-  Fire
-  Post Office
-  Pharmacy
-  Gas Station
-  Bank
-  Day Care
-  Community Center
-  Church
-  Restaurant
-  Grocery
-  Convenience Store
-  Discount Department Store



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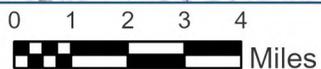
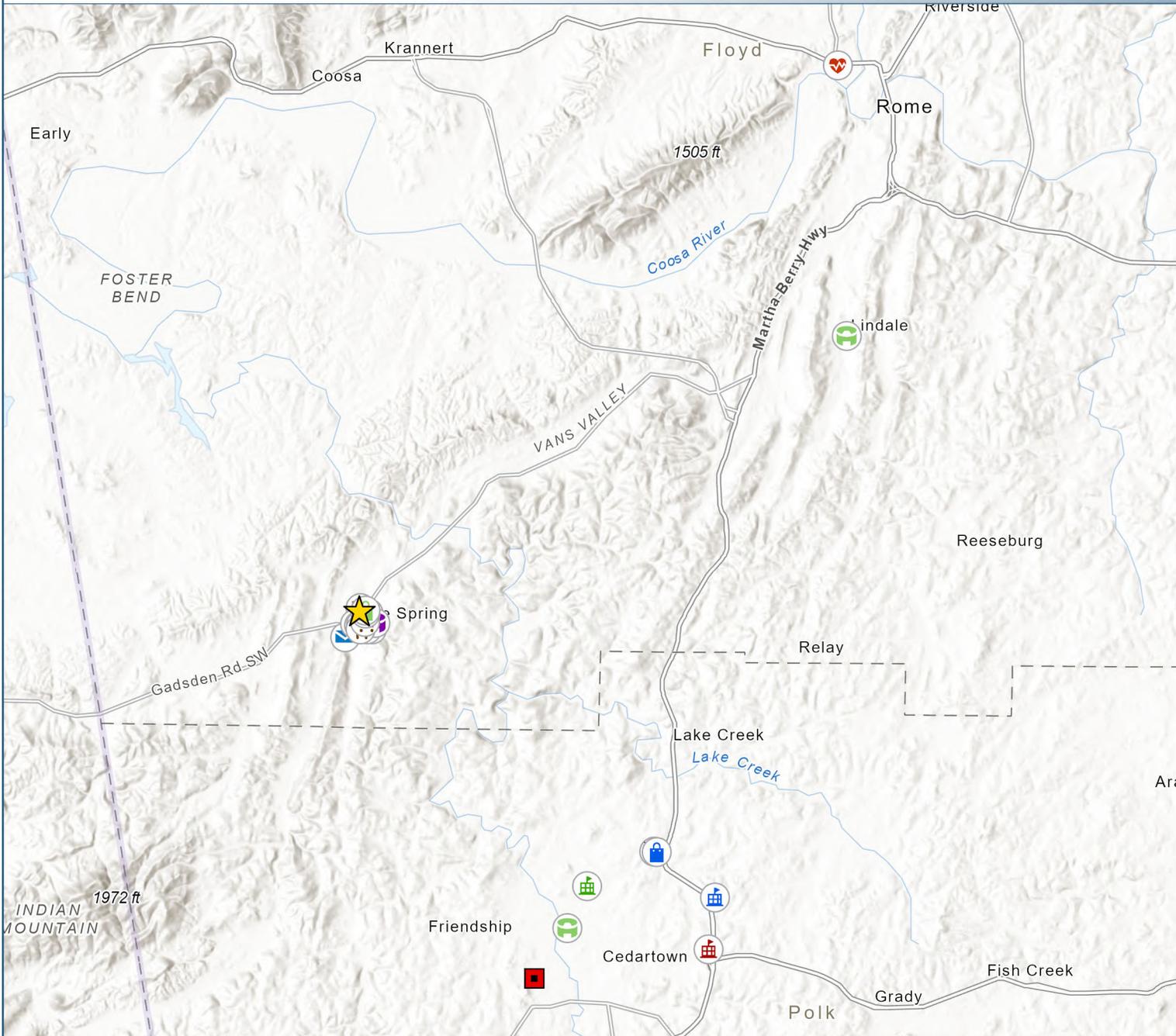
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 Additional Source(s): Bowen National Research



Site

Community Services

- Major Employers/Employment Centers
- Hospital/Medical Center
- Police
- Fire
- Post Office
- Pharmacy
- Gas Station
- Bank
- Day Care
- Schools, Elementary
- Schools, Middle/Junior High
- Schools, High
- Recreational Facility
- Community Center
- Church
- Restaurant
- Grocery
- Convenience Store
- Discount Department Store
- Shopping Center/Mall



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, Esri, NASA, NGA, USGS
 Additional Source(s): Bowen National Research

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 PMA/PSA is 64, with an overall personal crime index of 53 and a property crime index of 66. Total crime risk for Floyd County is 117, with personal and property crime indices of 95 and 120, respectively.

	Crime Risk Index	
	PMA	Floyd County
Total Crime Index	64	117
Personal Crime Index	53	95
Murder	42	127
Rape	65	78
Robbery	34	74
Assault	58	105
Property Crime Index	66	120
Burglary	71	119
Larceny	68	127
Motor Vehicle Theft	50	72

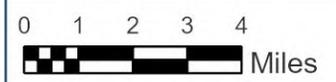
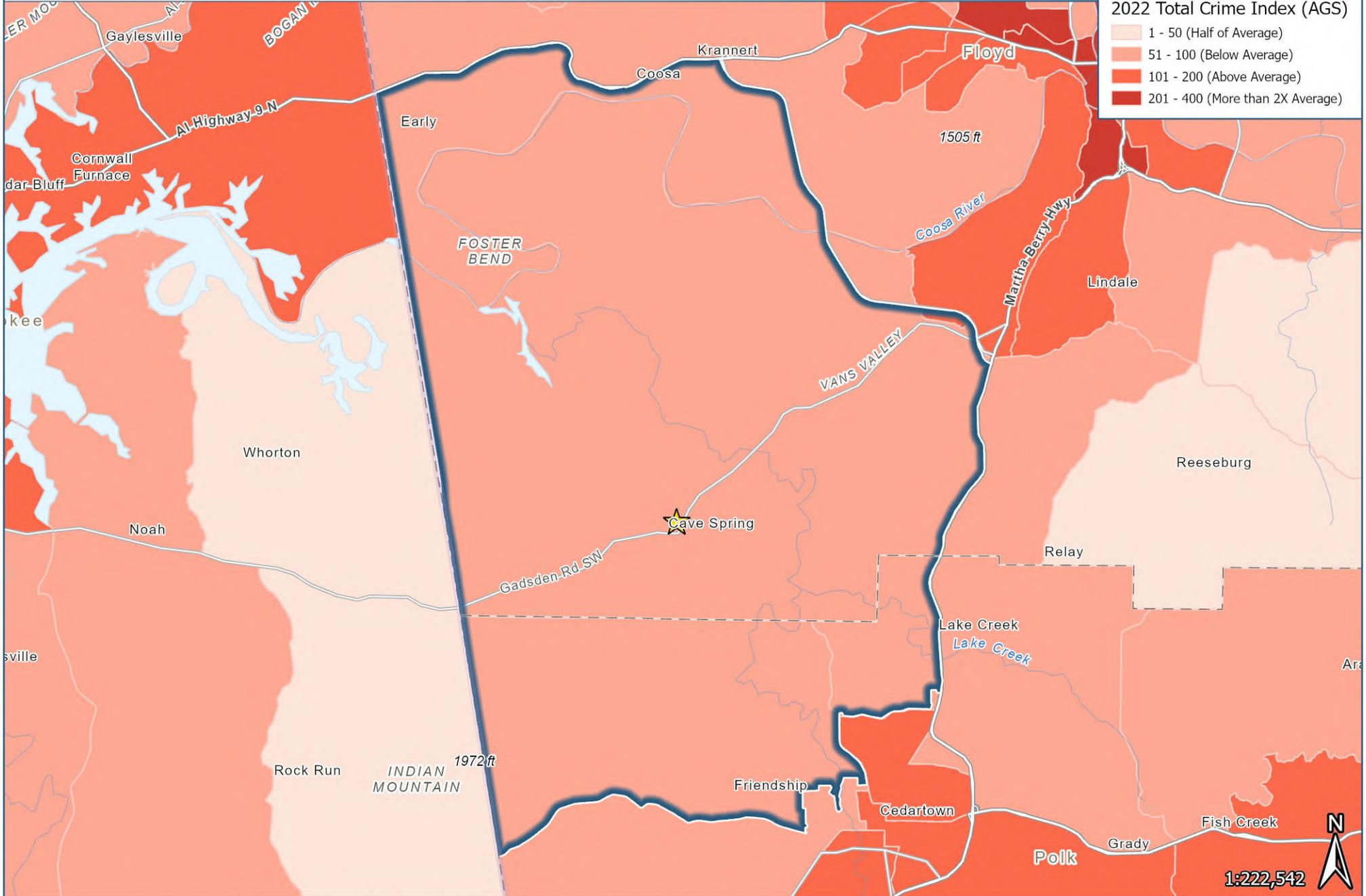
Source: Applied Geographic Solutions, FBI, ESRI

The crime risk index reported for the Site PMA (64) is lower than that reported for Floyd County (117) 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. This is expected to have a positive impact on the subject's overall marketability.

A map illustrating crime risk is on the following page.

2022 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)



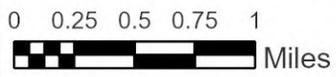
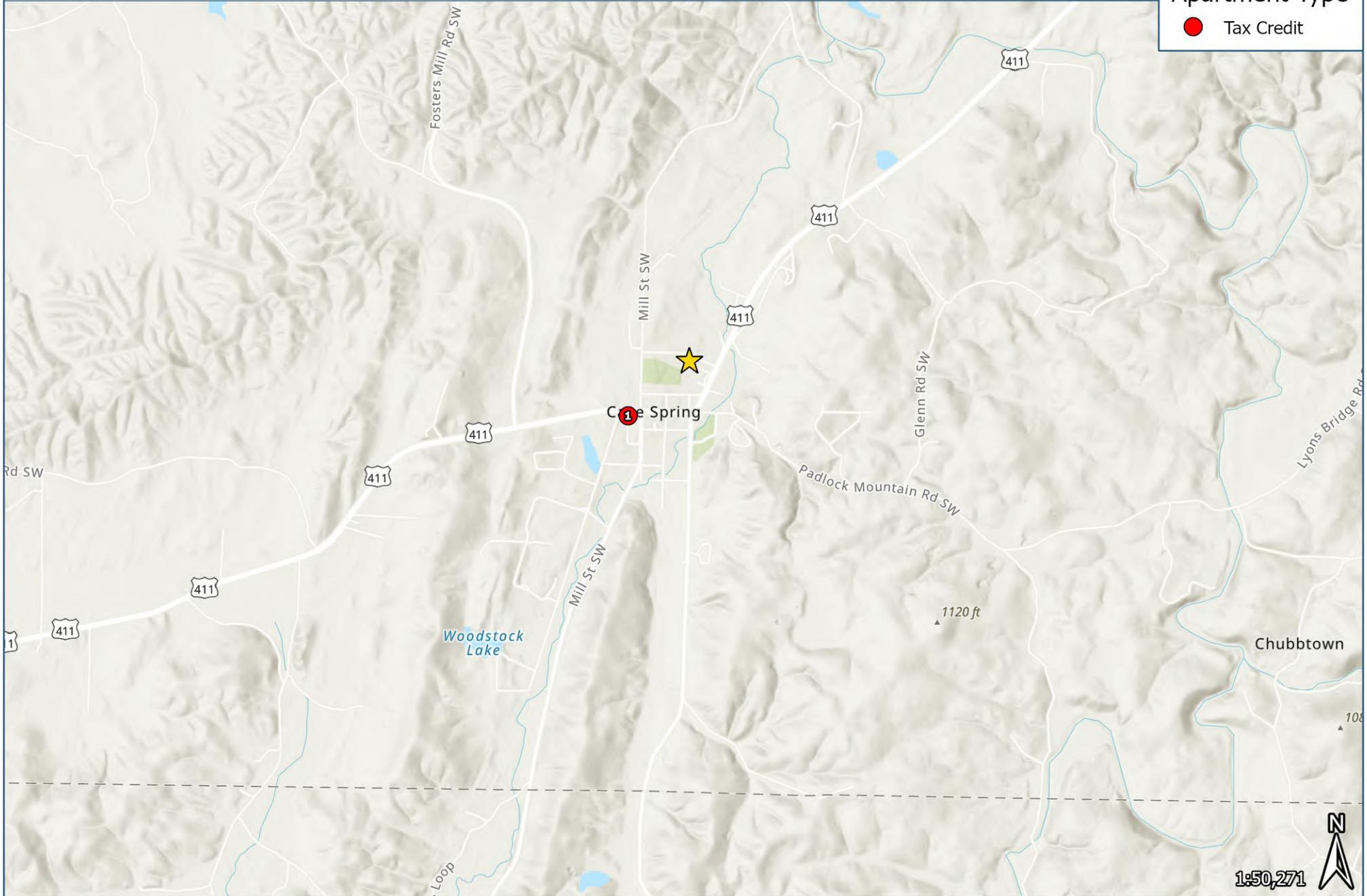
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Additional Source(s): Bowen National Research

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 and Mill Street which border the site to the north and west, respectively and provide passerby traffic to the site property. Fincher Street 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

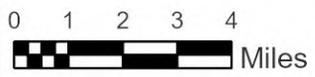
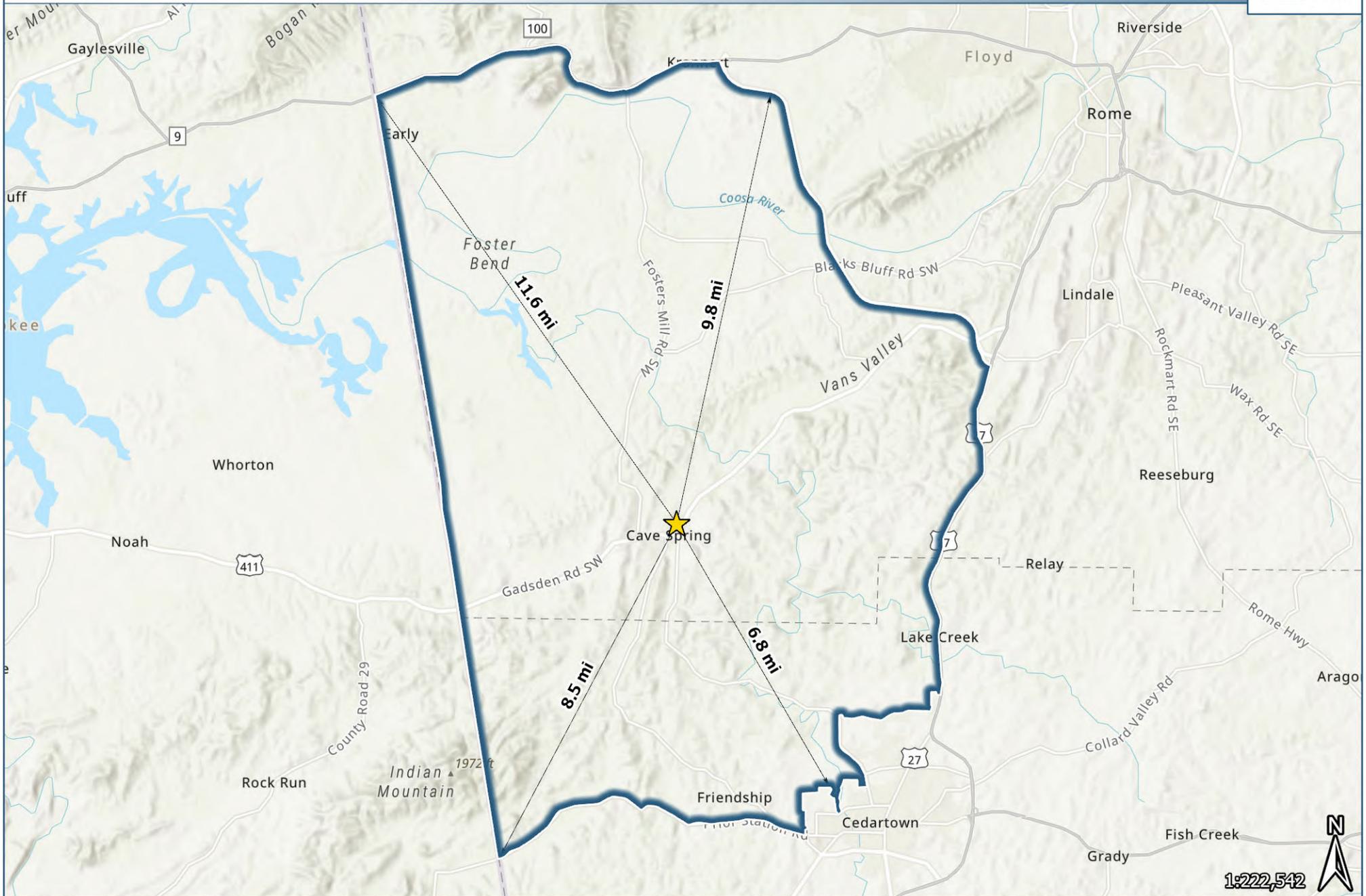
The Site Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters are expected to be drawn from. It is also the geographic area expected to generate the most demographic support for the subject development. The Cave Spring Site PMA was determined through interviews with management of the subject site, 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.

Carol Saunders is the Property Manager for Hummingbird Pointe Apartments, a Tax Credit apartment community located just outside the Cave Spring Site PMA in Cedartown, Georgia. Ms. Saunders confirmed the boundaries of the Cave Spring Site PMA, stating that the Cave Spring area tends to draw support from Cave Spring and the rural areas surrounding the town. Limited support for properties in Cave Spring is generated from the Cedartown and Rome areas.

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

The following demographic data relates to the Site PMA. It is important to note that not all estimates/projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the estimates/projections do not vary more than 1.0%.

1. POPULATION TRENDS

The Site PMA population bases for 2010, 2020, 2023 (estimated), and 2025 (projected) are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2023 (Estimated)	2025 (Projected)
Population	8,130	8,131	8,183	8,208
Population Change	-	1	52	26
Percent Change	-	< 0.1%	0.6%	0.3%

Source: 2010 & 2020 Census; ESRI; Bowen National Research

The Cave Spring Site PMA population base increased by one (1) between 2010 and 2020. This represents an increase of less than 0.1% over the 2010 population. Between 2020 and 2023, the population increased by 52, or 0.6%. It is projected that the population will increase by 26, or 0.3%, between 2023 and 2025.

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

Population by Age	2010 (Census)		2023 (Estimated)		2025 (Projected)		Change 2023-2025	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	2,171	26.7%	1,769	21.6%	1,769	21.6%	0	0.0%
20 to 24	448	5.5%	387	4.7%	368	4.5%	-19	-4.9%
25 to 34	810	10.0%	962	11.8%	890	10.8%	-72	-7.5%
35 to 44	1,019	12.5%	936	11.4%	977	11.9%	42	4.4%
45 to 54	1,349	16.6%	1,056	12.9%	1,020	12.4%	-36	-3.4%
55 to 64	1,141	14.0%	1,282	15.7%	1,283	15.6%	1	0.1%
65 to 74	725	8.9%	1,127	13.8%	1,158	14.1%	32	2.8%
75 & Older	468	5.8%	667	8.2%	744	9.1%	77	11.5%
Total	8,130	100.0%	8,183	100.0%	8,208	100.0%	26	0.3%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, nearly 52% of the population is expected to be between 25 and 64 years old in 2023. 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			
	2010 (Census)	2020 (Census)	2023 (Estimated)	2025 (Projected)
Households	3,097	3,184	3,228	3,245
Household Change	-	87	44	17
Percent Change	-	2.8%	1.4%	0.5%
Average Household Size	2.62	2.58	2.53	2.52

Source: Bowen National Research, ESRI, Census

Within the Cave Spring Site PMA, households increased by 87 (2.8%) between 2010 and 2020. Between 2020 and 2023, households increased by 44 or 1.4%. By 2025, there will be 3,245 households, an increase of 17 households, or 0.5% over 2023 levels. This is an increase of approximately nine (9) households annually during the projection period.

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

Households by Age	2010 (Census)		2023 (Estimated)		2025 (Projected)		Change 2023-2025	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	89	2.9%	83	2.6%	82	2.5%	0	0.0%
25 to 34	327	10.6%	369	11.4%	338	10.4%	-31	-8.4%
35 to 44	530	17.1%	450	13.9%	466	14.4%	16	3.6%
45 to 54	707	22.8%	523	16.2%	502	15.5%	-21	-4.1%
55 to 64	652	21.1%	702	21.7%	697	21.5%	-5	-0.7%
65 to 74	465	15.0%	672	20.8%	685	21.1%	13	2.0%
75 & Older	329	10.6%	429	13.3%	474	14.6%	45	10.5%
Total	3,097	100.0%	3,228	100.0%	3,245	100.0%	17	0.5%

Source: Bowen National Research, ESRI, Census

Household growth is projected to be primarily concentrated among households aged 65 and older, though some growth is also projected for the 35 to 44 age group. Households within the primary age group (25 to 64) anticipated for the subject property are projected to comprise nearly 62.0% of all households in 2025.

Households by tenure in 2010 (census), 2023 (estimated), and 2025 (projected) are distributed as follows:

Tenure	2010 (Census)		2023 (Estimated)		2025 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,387	77.1%	2,513	77.9%	2,532	78.0%
Renter-Occupied	710	22.9%	715	22.1%	712	22.0%
Total	3,097	100%	3,228	100.0%	3,245	100.0%

Source: Bowen National Research, ESRI, Census

In 2023, homeowners occupied 77.9% of all occupied housing units, while the remaining 22.1% were occupied by renters. While this is a relatively low share of renter households, this is not uncommon for rural markets such as the Cave Spring Site PMA. The number of renter households is projected to remain stable between 2023 and 2025. Further, nearly two-thirds (61.7%) of all renter households are projected to earn less than \$50,000 in the Cave Spring Site PMA in 2025, as detailed later in this section.

The household sizes by tenure within the Cave Spring Site PMA, based on the 2023 estimates and 2025 projections, were distributed as follows:

Persons per Owner Household	2023 (Estimated)		2025 (Projected)		Change 2023-2025	
	Households	Percent	Households	Percent	Households	Percent
1 Person	459	18.3%	460	18.2%	1	0.2%
2 Persons	1,068	42.5%	1,089	43.0%	20	1.9%
3 Persons	414	16.5%	413	16.3%	-2	-0.4%
4 Persons	320	12.7%	319	12.6%	-1	-0.3%
5+ Persons	251	10.0%	252	10.0%	1	0.3%
Total	2,513	100.0%	2,532	100.0%	20	0.8%

Source: Bowen National Research, ESRI, Census

Persons per Renter Household	2023 (Estimated)		2025 (Projected)		Change 2023-2025	
	Households	Percent	Households	Percent	Households	Percent
1 Person	185	25.8%	178	25.0%	-7	-3.7%
2 Persons	218	30.5%	223	31.2%	4	2.0%
3 Persons	132	18.5%	135	18.9%	2	1.8%
4 Persons	91	12.8%	90	12.6%	-2	-1.8%
5+ Persons	89	12.4%	88	12.3%	-1	-0.9%
Total	715	100.0%	712	100.0%	-2	-0.3%

Source: Bowen National Research, ESRI, Census

The one- through four-bedroom units proposed for the subject project are expected to primarily house up to six-person households. As such, the subject property will be able to accommodate 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)		2023 (Estimated)		2025 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	452	14.6%	207	6.4%	190	5.8%
\$15,000 - \$24,999	260	8.4%	430	13.3%	393	12.1%
\$25,000 - \$34,999	319	10.3%	289	8.9%	248	7.7%
\$35,000 - \$49,999	626	20.2%	365	11.3%	356	11.0%
\$50,000 - \$74,999	540	17.4%	592	18.3%	655	20.2%
\$75,000 - \$99,999	495	16.0%	424	13.1%	437	13.5%
\$100,000 - \$149,999	190	6.1%	649	20.1%	668	20.6%
\$150,000 & Higher	215	6.9%	272	8.4%	298	9.2%
Total	3,097	100.0%	3,228	100.0%	3,245	100.0%
Median Income	\$47,399		\$63,639		\$66,624	

Source: Bowen National Research, ESRI, Census

In 2023, the median household income is estimated to be \$63,639. By 2025, it is projected that the median household income will be \$66,624, an increase of 4.7% over 2023.

The following tables illustrate renter household income by household size for 2020, 2023, and 2025 for the Cave Spring Site PMA:

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	33	22	7	4	4	71
\$15,000 - \$24,999	66	65	31	13	19	193
\$25,000 - \$34,999	33	36	23	12	9	114
\$35,000 - \$49,999	31	46	30	18	9	134
\$50,000 - \$74,999	11	27	13	8	13	74
\$75,000 - \$99,999	1	10	6	2	2	21
\$100,000 - \$149,999	21	10	18	37	33	118
\$150,000 & Higher	-1	-4	-1	-1	-1	-8
Total	195	212	129	94	90	718

Source: ESRI, Bowen National Research

Renter Households	2023 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	30	21	7	4	4	65
\$15,000 - \$24,999	59	61	28	11	16	174
\$25,000 - \$34,999	27	31	20	9	7	96
\$35,000 - \$49,999	31	47	30	16	9	134
\$50,000 - \$74,999	14	38	18	10	16	95
\$75,000 - \$99,999	1	13	9	2	2	27
\$100,000 - \$149,999	24	12	21	40	35	130
\$150,000 & Higher	-1	-4	-1	-1	-1	-7
Total	185	218	132	91	89	715

Source: ESRI, Bowen National Research

Renter Households	2025 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	27	20	6	3	3	60
\$15,000 - \$24,999	54	58	26	10	14	162
\$25,000 - \$34,999	24	28	18	8	6	84
\$35,000 - \$49,999	30	48	31	15	8	133
\$50,000 - \$74,999	16	45	21	11	17	110
\$75,000 - \$99,999	1	15	10	2	3	30
\$100,000 - \$149,999	25	13	23	41	36	138
\$150,000 & Higher	0	-3	-1	0	0	-6
Total	178	223	135	90	88	711

Source: ESRI, Bowen National Research

Demographic Summary

The Cave Spring Site PMA is projected to experience modest population and household growth between 2023 and 2025, indicative of a stable overall demographic base. While the majority of household growth is projected to occur among seniors aged 65 and older, households between the ages of 25 and 64 are projected to comprise nearly 62.0% of all households in 2025, indicative of ongoing support for family-oriented/general-occupancy housing alternatives. The number of renter households is projected to remain stable between 2023 and 2025, with nearly two-thirds (61.7%) of all renter households projected to earn less than \$50,000 in 2025. Based on the preceding factors, a good base of potential support for affordable general-occupancy rental product will continue to exist within 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 three sectors. Manufacturing (which comprises 40.3%), Education Services, and Finance & Insurance comprise nearly 64.6% of the Site PMA labor force. Employment in the Cave Spring Site PMA, as of 2022, was distributed as follows:

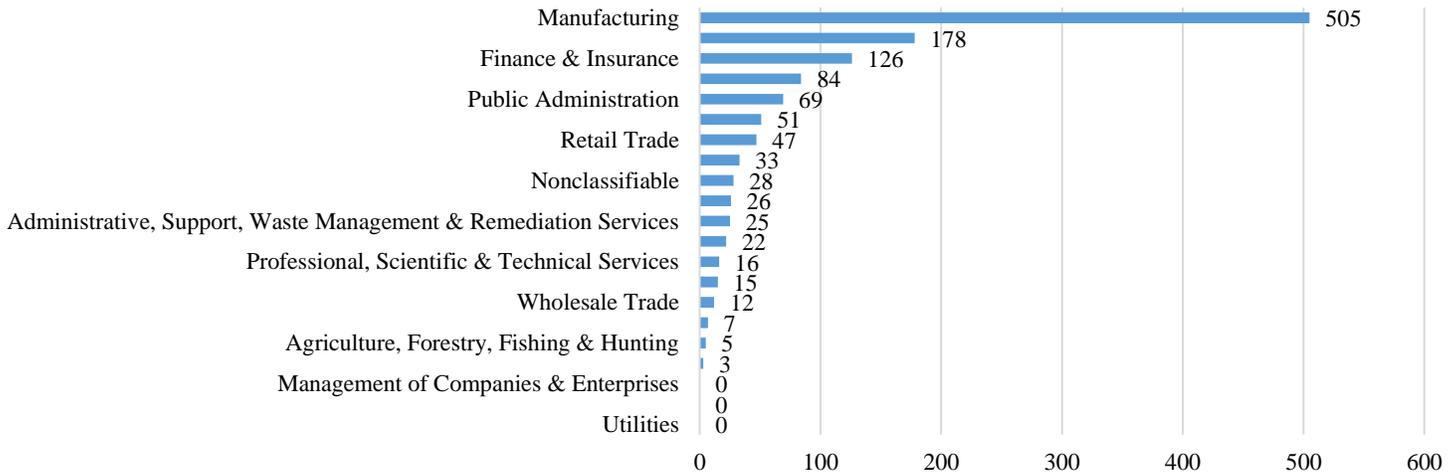
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	3	2.9%	5	0.4%	2
Mining	1	1.0%	7	0.6%	7
Utilities	0	0.0%	0	0.0%	0
Construction	9	8.8%	33	2.6%	4
Manufacturing	4	3.9%	505	40.3%	126
Wholesale Trade	4	3.9%	12	1.0%	3
Retail Trade	11	10.8%	47	3.8%	4
Transportation & Warehousing	1	1.0%	3	0.2%	3
Information	0	0.0%	0	0.0%	0
Finance & Insurance	7	6.9%	126	10.1%	18
Real Estate & Rental & Leasing	4	3.9%	15	1.2%	4
Professional, Scientific & Technical Services	4	3.9%	16	1.3%	4
Management of Companies & Enterprises	0	0.0%	0	0.0%	0
Administrative, Support, Waste Management & Remediation Services	3	2.9%	25	2.0%	8
Education Services	3	2.9%	178	14.2%	59
Health Care & Social Assistance	8	7.8%	84	6.7%	11
Arts, Entertainment & Recreation	4	3.9%	22	1.8%	6
Accommodation & Food Services	6	5.9%	26	2.1%	4
Other Services (Except Public Administration)	17	16.7%	51	4.1%	3
Public Administration	5	4.9%	69	5.5%	14
Nonclassifiable	8	7.8%	28	2.2%	4
Total	102	100.0%	1,252	100.0%	12

Source: Bowen National Research, ESRI, Census

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; however, these employees are included in our labor force calculations because their places of employment are located within the Site PMA.

Total Employment by Industry



Typical wages by job category for the MSA are compared with the state of Georgia in the following table:

Typical Wage By Occupation Type		
Occupation Type	MSA	Georgia
Management Occupations	\$57,480	\$76,798
Business And Financial Occupations	\$44,688	\$65,923
Computer And Mathematical Occupations	\$46,287	\$83,893
Architecture And Engineering Occupations	\$63,005	\$80,581
Community And Social Service Occupations	\$39,973	\$42,280
Art, Design, Entertainment, Sports, and Media Occupations	\$23,750	\$42,055
Healthcare Practitioners and Technical Occupations	\$53,186	\$60,823
Healthcare Support Occupations	\$21,754	\$25,971
Protective Service Occupations	\$40,188	\$41,287
Food Preparation and Serving Related Occupations	\$14,270	\$15,166
Building And Grounds Cleaning and Maintenance Occupations	\$21,104	\$22,037
Personal Care and Service Occupations	\$6,992	\$17,444
Sales And Related Occupations	\$30,387	\$32,936
Office And Administrative Support Occupations	\$31,776	\$33,841
Construction And Extraction Occupations	\$30,733	\$34,066
Installation, Maintenance and Repair Occupations	\$42,805	\$45,401
Production Occupations	\$34,736	\$33,911
Transportation Occupations	\$36,148	\$39,168
Material Moving Occupations	\$25,110	\$25,178

Source: U.S. Department of Labor, Bureau of Statistics
MSA - Rome, GA Metro Area

Most area wages are lower than typical wages for the state of Georgia, with many occupations having typical wages below \$50,000. This is a good indication of an employment base within the Cave Spring area that is conducive to affordable housing alternatives such as that proposed for the subject property.

2. MAJOR EMPLOYERS

The ten largest employers within the Floyd County area comprise a total of 11,838 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Atrium Health Floyd	Healthcare	3,400
Advent Redmond Health	Healthcare	1,576
Harbin Clinic	Healthcare	1,400
Floyd County Schools	Education	1,384
990 Veterans Memorial Highway	Education	931
Lowe's Regional Distribution Center	Distribution Center	883
Kellogg	Food Manufacturing	644
International Paper	Paper Manufacturing	550
Berry College	Private College	550
F & P Georgia	Automotive Part Supplier	520
Total		11,838

Source: Rome Floyd Development Authority (April 2023)

The following are summaries of recent and notable economic development activity/announcements within the Floyd County area at the time of this analysis.

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
TYM North America Expansion	\$20 million	150	Announced in 2022; Agricultural tractor manufacturing company expanding into Rome; Constructing 142,500 square-foot production facility to increase operations; ECD unknown.
Ball Corporation Expansion	\$52 million	70	Broke ground on 750,000 square-foot distribution center in spring 2022; Previously expanded in Floyd County, investing \$200 million and creating 180 jobs in 2020; ECD N/A.
Think 360, Inc. Expansion	\$2 million	43	Announced January 2023; Tradeshow display company expanding into Rome; ECD N/A.
Northwest Georgia Regional Hospital Property Redevelopment	\$5.5 million	N/A	Announced late 2022; Redevelopment of former hospital in Rome into an industrial park; To be completed in phases over the course of a few years; Construction timeline TBD.
Integrated Fiber Solutions (IFS) Expansion	\$30 million	40	Announced February 2021; Carpet fiber manufacturing company expanding existing facility in Rome; ECD 2026.
Hyundai-SK On Battery Plant	\$5 billion	3,500 upon opening with room for additional 10,000 jobs	Announced December 2022; 3 million square-foot battery plant to open in neighboring Bartow County, anticipated to have a significant impact on Floyd County; ECD June 2025.
Synthica Energy Expansion	\$38 million	15	Announced November 2022; Zero waste energy provider expanding into Northwest Regional Industrial Park in Floyd County; ECD N/A.
Cave Spring Elementary School Redevelopment	TBD	TBD	Multiple uses proposed in January 2023, including Cave Spring Library expansion, cultural arts center, community space, commercial space, and convention center; Federal funding possible; At the time this report was issued, no further information had been determined.

ECD – Estimated Completion Date; N/A - Not Available; TBD – To Be Determined

Infrastructure Projects

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

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
Water/Sewer expansion on Highway 411	Expanding sewer lines throughout the 411 Connector	In engineering phase as of April 2023; ECD unknown	\$3.75 million
Floyd County Osmosis Water Filtration System	Addition of reverse-osmosis water treatment plant to remove dangerous chemicals from Oostanaula River water supply in Rome	To break ground fall 2023; ECD 2025	\$99.5 million
Russel Regional Airport Runway Extension	Extending Floyd County airport by approximately 7,000 feet to accommodate larger aircraft	Broke ground late 2020; Three phases of construction; ECD unknown	\$6 million
State Route 239 Improvements	Construction of bridge and approaches	To break ground May 2023	\$8.5 million
Floyd County Broadband Expansion	Part of larger 29-county, \$455 million broadband expansion project; 2,987 homes and businesses to gain broadband access	Funding announced January 2023; Funds to be released over the course of a decade; Construction timeline N/A	\$13.5 million
SR 1 Loop from SR 20 to SR 1	4.6-mile construction four-lane roadway project in Floyd County	To break ground fall 2023; ECD 2028	\$104 million

ECD – Estimated Completion Date; N/A - Not Available

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on April 20, 2023, and according to the Technical College System of Georgia, have been no WARN notices reported for Floyd County over the past 12 months. However, it is known that Georgia Pacific downsized by 20 employees during this time period.

3. EMPLOYMENT TRENDS

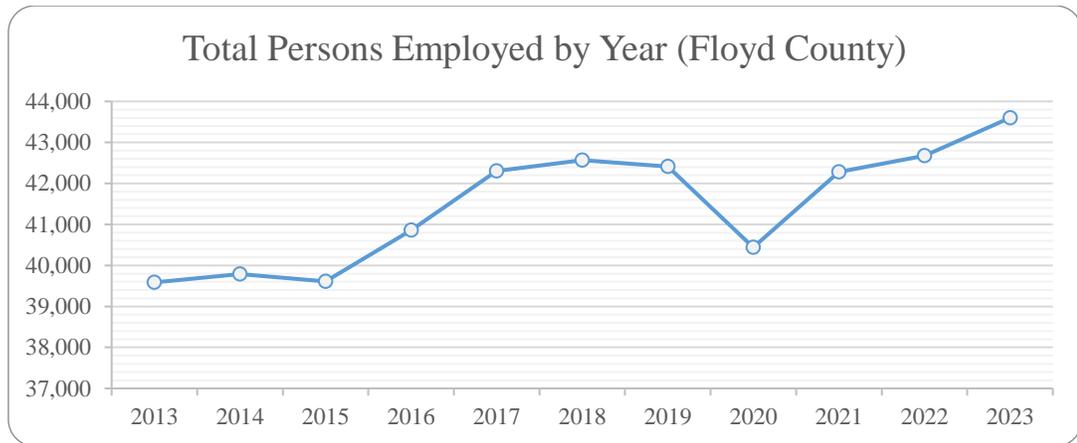
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

The following illustrates the total employment base for Floyd County, the state of Georgia, and the United States. Total employment reflects the number of employed persons who live within the county.

Year	Total Employment					
	Floyd County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	39,586	-	4,363,292	-	143,929,000	-
2014	39,787	0.5%	4,407,067	1.0%	146,305,000	1.7%
2015	39,611	-0.4%	4,446,515	0.9%	148,833,000	1.7%
2016	40,856	3.1%	4,653,740	4.7%	151,436,000	1.7%
2017	42,301	3.5%	4,864,813	4.5%	153,337,000	1.3%
2018	42,570	0.6%	4,922,489	1.2%	155,761,000	1.6%
2019	42,415	-0.4%	4,975,975	1.1%	157,538,000	1.1%
2020	40,440	-4.7%	4,766,734	-4.2%	147,795,000	-6.2%
2021	42,277	4.5%	4,977,562	4.4%	152,581,000	3.2%
2022	42,674	0.9%	5,075,093	2.0%	158,291,000	3.7%
2023	43,601*	2.2%	5,106,166*	0.6%	159,715,000**	0.9%

Source: Bureau of Labor Statistics

*Through February 2023; **Through March 2023

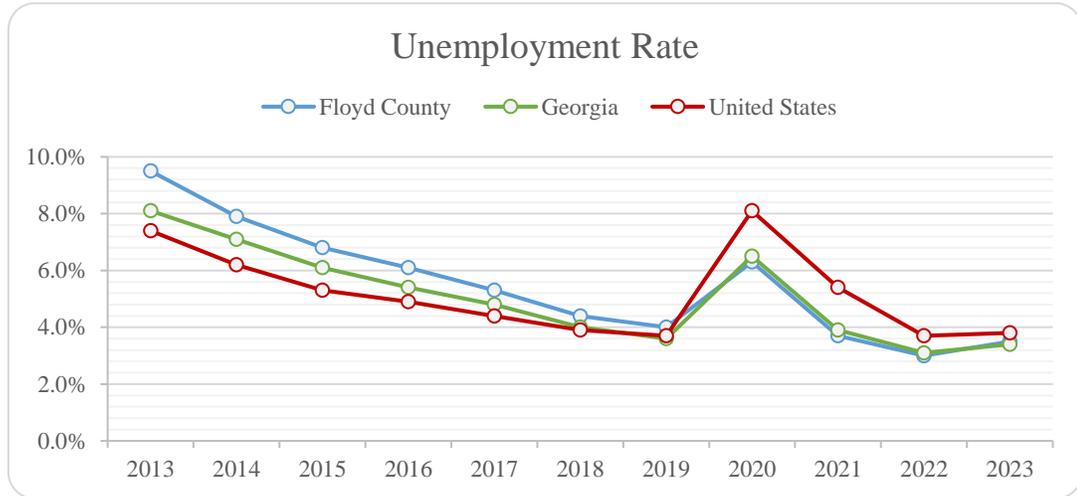


As the preceding illustrates, the Floyd County employment base declined by 2,130, or 5.0% between 2019 and 2020, with the majority of this decline occurring as a result of the pandemic in 2020. Since this decline, however, the county employment base has increased by 3,161, or 7.8%, through February of 2023. This replaces all jobs lost during the decline between 2019 and 2020, while also adding an additional 1,031 jobs. The total employment base reported through February of 2023 is the highest total reported for any given year over the past decade within the county.

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
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	3.0%	3.1%	3.7%
2023	3.5%*	3.4%*	3.8%**

Source: Department of Labor, Bureau of Labor Statistics
 *Through February 2023; **Through March 2023



The annual unemployment rate within the county increased by more than two full percentage points to a rate of 6.3% as a result of the pandemic in 2020. Despite the increase, the county unemployment rate remained below both state and national levels in 2020. Although the annual unemployment rate has increased slightly to start 2023, it remains below pre-pandemic levels and is very similar to the statewide unemployment rate.

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
2012	36,634	-	-
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	38,947	1,090	2.9%
2022*	39,464	517	1.3%

Source: Department of Labor, Bureau of Labor Statistics

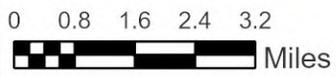
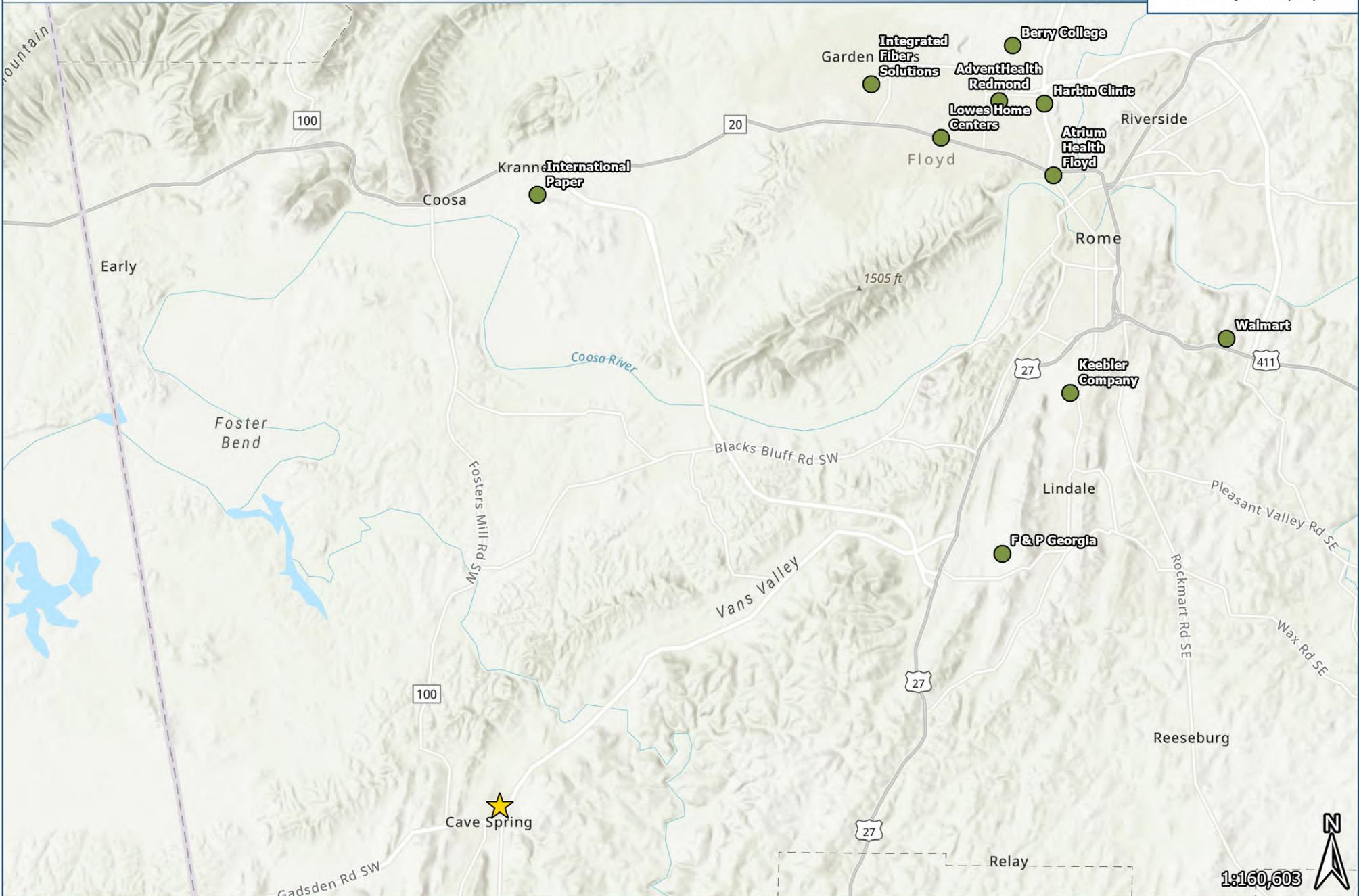
*Through September

Data for 2021, the most recent year that year-end figures are available, indicates in-place employment in Floyd County to be 92.1% 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. Further, more than 3,100 jobs have been added to the county employment base since 2020 and the annual unemployment rate has declined to a rate of 3.5% through February of 2023. In addition to recent employment growth replacing all jobs lost during 2019 and 2020, more than 1,000 additional jobs have been added to the county employment base through February of 2023. Unemployment rates within the county through February of 2023 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 \$70,700 for 2022. 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 \$71,300 in 2022. 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	\$24,950	\$29,940
Two-Person	\$28,500	\$34,200
Three-Person	\$32,100	\$38,520
Four-Person	\$35,650	\$42,780
Five-Person	\$38,500	\$46,200
Six-Person	\$41,350	\$49,620

a. Maximum Income Limits

The largest proposed units (four-bedroom) at the subject site are expected to house up to six-person households. However, these unit types will only be offered at 50% of AMHI. Therefore, the maximum allowable income for the subject property has been established using the three-bedroom units at 60% of AMHI which will have a maximum allowable income of **\$46,200** under the Tax Credit program. Note, however, that this would only apply in the unlikely scenario the subject property operated exclusively under the LIHTC guidelines, without the assistance of a project-based subsidy for most units. In reality, only four (4) units will operate as non-subsidized units. These will include one-bedroom units at 50% AMHI and two-bedroom units at 60% AMHI. Thus, the maximum allowable income for the proposed non-subsidized units is **\$38,520**.

While some of the subsidized units will target households earning up to 60% of AMHI, the presence of this subsidy will effectively limit the property to households earning up to 50% of AMHI, thus resulting in the maximum allowable income for these units being **\$41,350** under the subsidized scenario.

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 majority of the subject 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**.

There will be, however, four (4) non-subsidized units which will operate at the 50% and 60% AMHI levels under the Tax Credit program. These units will have a lowest gross rent of \$536. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,432, Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$18,377** for the proposed non-subsidized Tax Credit units.

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
Subsidized Scenario		
Tax Credit w/Subsidy (Limited to 50% of AMHI)	\$0	\$41,350
Tax Credit Only (Limited to 50% of AMHI)	\$18,377	\$28,500
Tax Credit Only (Limited to 60% of AMHI)	\$24,171	\$38,520
Tax Credit Only Scenario		
Tax Credit Only (Limited to 50% of AMHI)	\$18,377	\$41,350
Tax Credit Only (Limited to 60% of AMHI)	\$18,377	\$46,200
Tax Credit Only Overall	\$18,377	\$46,200

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) 2017-2021 5-year estimates, approximately 52.6% of lower-income renter households within Floyd County were rent overburdened. Rent overburdened 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) 2017-2021 5-year estimates, 9.2% 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 (2021/2022) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2021 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 Spring 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 a strong/stabilized occupancy level and therefore has not been considered in our demand estimates. 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				LIHTC Only		
	Subsidized	50%	60%	Overall	50%	60%	Overall
Demand From New Households (Age- and Income-Appropriate)	362 - 391 = -29	136 - 149 = -13	129 - 142 = -13	362 - 391 = -29	247 - 268 = -21	290 - 311 = -21	290 - 311 = -21
+							
Demand From Existing Households (Rent Overburdened)	391 x 52.6% = 206	149 x 52.6% = 78	142 x 52.6% = 75	391 x 52.6% = 206	268 x 52.6% = 141	311 x 52.6% = 164	311 x 52.6% = 164
+							
Demand From Existing Households (Renters in Substandard Housing)	391 x 9.2% = 36	149 x 9.2% = 14	142 x 9.2% = 13	391 x 9.2% = 36	268 x 9.2% = 25	311 x 9.2% = 29	311 x 9.2% = 29
=							
Demand Subtotal	213	79	75	213	145	172	172
+							
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A						
=							
Total Demand	213	79	75	213	145	172	172
-							
Supply (Directly Comparable Units Built and/or Funded Since 2021)	0	0	0	0	0	0	0
=							
Net Demand	213	79	75	213	145	172	172
Proposed Units / Net Demand	52	2	2	56	28	28	56
Capture Rate	24.4%	2.5%	2.7%	26.3%	19.3%	16.3%	32.6%

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 overall subsidized capture rate of 26.3% is considered 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 most units.

In the unlikely event that the subsidy was not provided, and the property had to operate *exclusively* under the LIHTC guidelines, a more limited, yet still sufficient, base of support would exist. This is illustrated by the higher 32.6% 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 the proposed gross rents evaluated throughout this report. Should the rents be increased/decreased in this scenario, the subject's capture rate could also increase/decrease. Nonetheless, a project-based subsidy will be available to most 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	40.0%
Three-Bedroom	20.0%
Four-Bedroom	5.0%
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%	25	75	0	75	33.3%	\$1,065	\$1,193-\$1,350	\$536
One-Bedroom	Total	25	75	0	75	33.3%	\$1,065	\$1,193-\$1,350	-
Two-Bedroom (40%)	50%	20	85	0	85	23.5%	\$1,215	\$1,293-\$1,550	\$705
Two-Bedroom (40%)	60%	2	30	0	30	6.7%	\$1,215	\$1,293-\$1,550	\$705
Two-Bedroom	Total	22	115	0	115	19.1%	\$1,215	\$1,293-\$1,550	-
Three-Bedroom (20%)	50%	8	43	0	43	18.6%	\$1,385	\$1,393-\$1,825	\$919
Three-Bedroom	Total	8	43	0	43	18.6%	\$1,385	\$1,393-\$1,825	-
Four-Bedroom (5%)	50%	1	11	0	11	9.1%	\$1,505	\$1,393-\$1,825	\$1,033^
Four-Bedroom	Total	1	11	0	11	9.1%	\$1,505	\$1,393-\$1,825	-

*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%	15	51	0	51	29.4%	\$1,065	\$1,193-\$1,350	\$536
One-Bedroom (35%)	60%	10	60	0	60	16.7%	\$1,065	\$1,193-\$1,350	\$536
One-Bedroom	Total	25	111	0	111	22.5%	\$1,065	\$1,193-\$1,350	-
Two-Bedroom (40%)									
Two-Bedroom (40%)	50%	8	58	0	58	13.8%	\$1,215	\$1,293-\$1,550	\$705
Two-Bedroom (40%)	60%	14	69	0	69	20.3%	\$1,215	\$1,293-\$1,550	\$705
Two-Bedroom	Total	22	127	0	127	17.3%	\$1,215	\$1,293-\$1,550	-
Three-Bedroom (20%)									
Three-Bedroom (20%)	50%	4	29	0	29	13.8%	\$1,385	\$1,393-\$1,825	\$919
Three-Bedroom (20%)	50%	4	34	0	34	11.8%	\$1,385	\$1,393-\$1,825	\$919
Three-Bedroom	Total	8	63	0	63	12.7%	\$1,385	\$1,393-\$1,825	-
Four-Bedroom (5%)									
Four-Bedroom (5%)	50%	1	7	0	7	14.3%	\$1,505	\$1,393-\$1,825	\$1,033^
Four-Bedroom	Total	1	7	0	7	14.3%	\$1,505	\$1,393-\$1,825	-

*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 33.3% under the subsidized scenario or 29.4% under the non-subsidized scenario. These are all below GDCA thresholds and demonstrate a sufficient base of support for the subject property under either scenario.

Section I – Competitive Rental Analysis

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Cave Spring Site PMA/PSA in 2010 and 2023, are summarized in the following table:

Housing Status	2010 (Census)		2023 (Estimate)	
	Number	Percent	Number	Percent
Total-Occupied	3,097	88.4%	3,228	90.9%
Owner-Occupied	2,387	77.1%	2,513	77.9%
Renter-Occupied	710	22.9%	715	22.1%
Vacant	406	11.6%	324	9.1%
Total	3,503	100.0%	3,552	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Of the 3,552 total housing units in the market, 9.1% were vacant. Notably, both the number and share of vacant housing units has declined between 2010 and 2023, 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 just one conventional rental housing project containing a total of just 24 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. Each rental housing segment surveyed is summarized in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	1	24	0	100.0%
Total	1	24	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 one property surveyed operates as a non-subsidized Tax Credit property and is 100.0% occupied, demonstrating strong demand for affordable non-subsidized 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 98.0% 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 ten total units, based on American Community Survey (ACS) data.

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

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	66.7%	0	0.0%	\$670
Two-Bedroom	1.0	8	33.3%	0	0.0%	\$889
Total Tax Credit		24	100.0%	0	0.0%	-

The 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 four-bedroom units and therefore will provide a rental alternative that is not currently available among existing conventional rentals (three- and four-bedroom units) 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). The following is a distribution by quality rating, units and vacancies.

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

The one non-subsidized Tax Credit property surveyed within the Cave Spring Site PMA is considered to be of good overall quality/condition, as indicated by the quality rating 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 of 2023 and is summarized as follows:

Map I.D.	Project Name	Type	Year Built	Total Units	Occupancy	Gross Rent (Unit Mix)	
						One-Br.	Two-Br.
1	Spring Haven Apts.	Tax Credit	2002	24	100.0%	\$670 - \$805 (16)	\$808 - \$969 (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
1	Spring Haven Apts.	24	3	12.5%
Total		24	3	12.5%

There are a total of 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	\$804	\$536 (50%/60%)
Two-Bedroom	\$1,058	\$705 (50%/60%)
Three-Bedroom	\$1,379	\$919 (50%/60%)
Four-Bedroom	\$1,650	\$1,033 (50%)*

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

As the preceding table illustrates, 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 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 non-subsidized units and/or for the subject development as a whole in the unlikely event the project-based subsidy is not provided, and the property has to operate *exclusively* under the LIHTC guidelines. In reality, the subject property will operate with a project-based subsidy available to most units. Therefore, these units will not be able to accommodate households with tenant-based vouchers.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with local planning/building representatives, our online research, and the observations of our analyst while in the field, it was determined there are no additional rental projects currently in the development pipeline within the 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Multifamily Permits	11	9	5	4	124	0	12	0	0	0
Single-Family Permits	32	53	70	89	102	157	198	263	282	204
Total Units	43	62	75	93	226	157	210	263	282	204

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 one property surveyed within the Cave Spring Site PMA was built prior to 2012. 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 four-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 be provided to most units and operate concurrently with LIHTC program. 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	2025	56	-	-	-	Families; 50% & 60% AMHI & Section 8 & PBRA
1	Spring Haven Apts.	2002	24	100.0%	0.7 Miles	15 HH	Families; 50% & 60% AMHI
902	Evergreen Village Apts.	2000 / 2020	56	100.0%	9.0 Miles	52 HH	Families; 50% & 60% AMHI
903	Hummingbird Pointe Apts.	2011	64	100.0%	9.6 Miles	18 HH	Seniors 55+; 50% & 60% AMHI
904	Kirkwood Trails Apts.	2003	41*	100.0%	12.9 Miles	3 HH	Seniors 55+; 50% & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy; HH - Households

*Tax Credit units only

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 14 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.

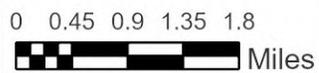
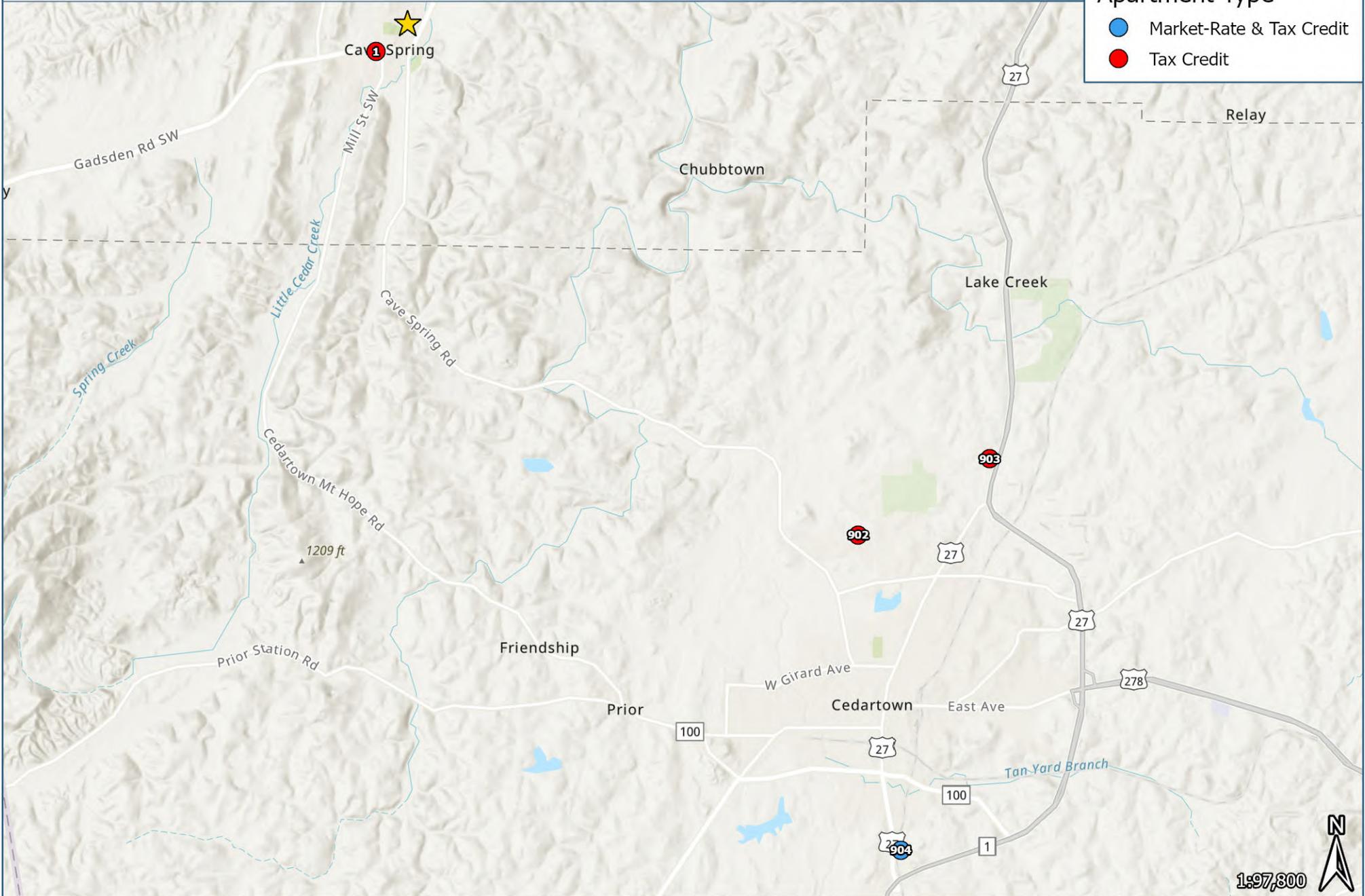
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed site location.

★ Site

Apartment Type

● Market-Rate & Tax Credit

● Tax Credit



The gross rents for the comparable 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.	Four-Br.	
Site	Cave Spring Townhomes	\$536/50% (3)^ \$536/50% (10)^ \$536/50% (2) \$536/60% (10)^	\$705/50% (8)^ \$705/60% (12)^ \$705/60% (2)	\$919/50% (4)^ \$919/60% (4)^	\$1,033*/50% (1)^	-
1	Spring Haven Apts.	\$670/50% (10/0) \$805/60% (6/0)	\$808/50% (4/0) \$969/60% (4/0)	-	-	None
902	Evergreen Village Apts.	\$669/50% (8/0) \$803/60% (8/0)	\$805/50% (10/0) \$966/60% (10/0)	\$931/50% (10/0) \$1,117/60% (10/0)	-	None
903	Hummingbird Pointe Apts.	\$542/50% (3/0) \$562/60% (5/0)	\$638/50% (10/0) \$658/60% (46/0)	-	-	None
904	Kirkwood Trails Apts.	\$509/50% (15/0) \$528/60% (10/0)	\$620/50% (10/0) \$689/60% (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 most 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 are compared with the subject development in the following tables.

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Cave Spring Townhomes	776	1,093	1,349	1,550
1	Spring Haven Apts.	649	819	-	-
902	Evergreen Village Apts.	756	915	1,136	-
903	Hummingbird Pointe Apts.	786	1,078	-	-
904	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.	Four-Br.
Site	Cave Spring Townhomes	1.0	2.0	2.0	2.0
1	Spring Haven Apts.	1.0	1.0	-	-
902	Evergreen Village Apts.	1.0	1.0	2.0	-
903	Hummingbird Pointe Apts.	1.0	2.0	-	-
904	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*	1	902	903◆	904◆		
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	X					
	Premium Countertops	X					
	Premium Cabinetry	X					
	Premium Fixtures	X					
	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 premium-grade kitchen appliance package, washer/dryer hookups, and a patio area with 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 most units. This will further ensure that the property is affordable to low-income renters in the area as most 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 2025
1	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 most 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

Due to the lack of comparable market-rate product surveyed within the Cave Spring Site PMA, we identified three market-rate properties outside the Cave Spring Site PMA but within the nearby area of Rome, Georgia 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 three selected properties include the following:

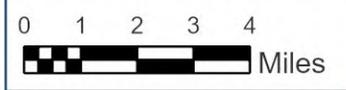
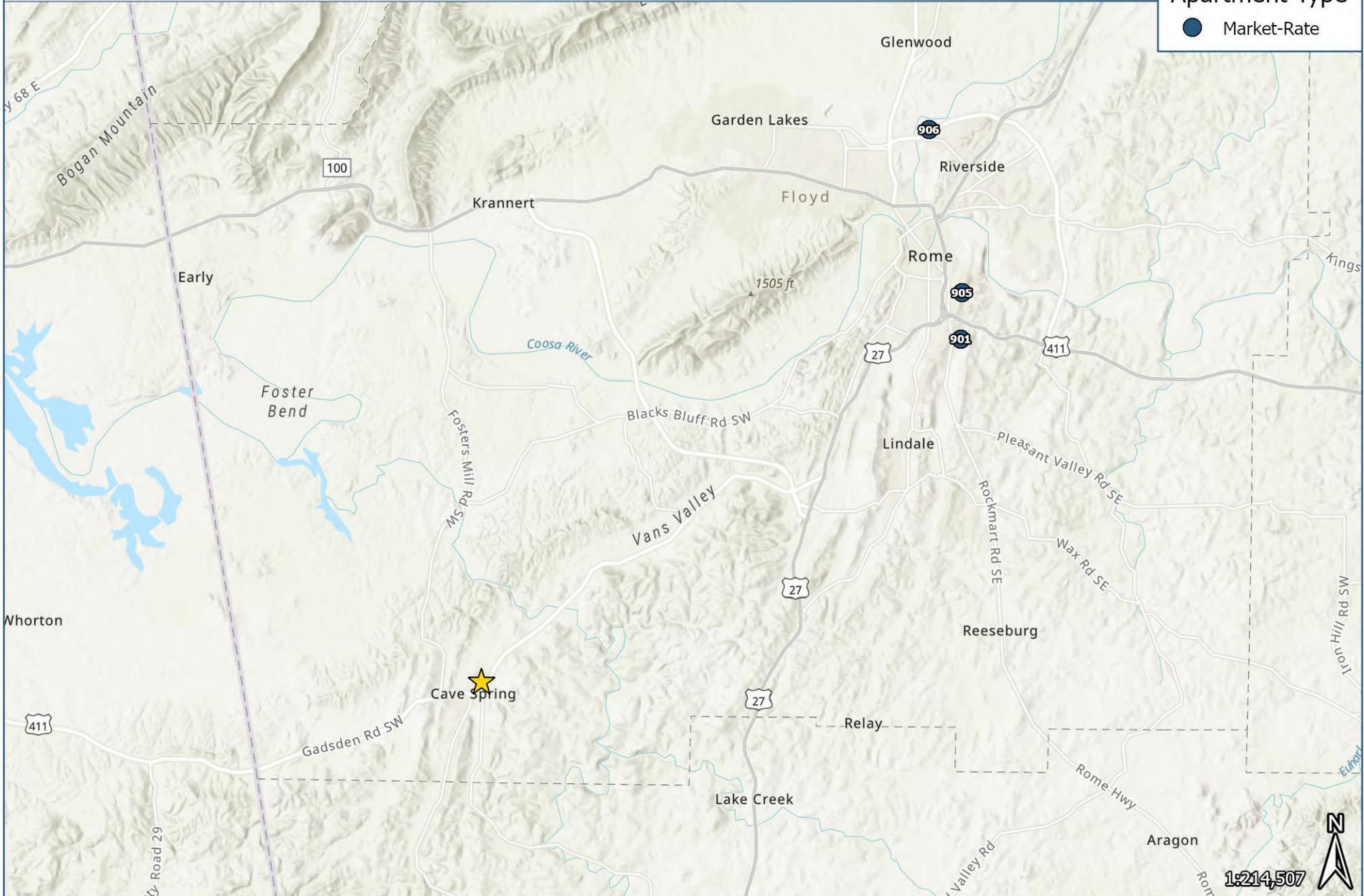
Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)				
					Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Cave Spring Townhomes	2025	56	-	-	25 (-)	22 (-)	8 (-)	1 (-)
901	Eastland Court	2007	116	100.0%	-	34 (100.0%)	62 (100.0%)	20 (100.0%)	-
905	Peak at Callier Springs Apts.	1998	88	81.8%	-	14 (78.6%)	37 (78.4%)	37 (86.5%)	-
906	Riverpoint Apts.	2018	124	100.0%	7 (100.0%)	32 (100.0%)	55 (100.0%)	30 (100.0%)	-

900 Series Map IDs are located outside the Site PMA

Occ. - Occupancy

The three selected market-rate projects have a combined total of 328 units with an overall occupancy rate of 95.1%. Note the 81.8% occupancy rate reported for the Peak at Callier Springs Apartments is attributed to typical tenant turnover and management of this property indicated that they are in the process of turning and re-renting these units. The generally strong occupancy rates reported indicate that the selected properties are generally well-received within the region 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 of the comparable market-rate developments in relation to the subject site precedes the Rent Comparability Grids.



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, Esri, NASA, NGA, USGS
Additional Source(s): Bowen National Research



Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3				
Cave Spring Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.				
121 Fincher Street & 106 Mill Street		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint PI NE				
Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA				
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
1	\$ Last Rent / Restricted?	\$1,200		\$1,193		\$1,350				
2	Date Surveyed	Mar-23		Mar-23		Mar-23				
3	Rent Concessions	None		None		None				
4	Occupancy for Unit Type	100%		79%		100%				
5	Effective Rent & Rent/ sq. ft	\$1,200	1.49	\$1,193	1.69	\$1,350	1.66			
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
6	Structure / Stories	R/1,TH/2		WU/2		EE/4				
7	Yr. Built/Yr. Renovated	2025		2007	\$18	1998	\$27	2018	\$7	
8	Condition/Street Appeal	G		G		G		G		
9	Neighborhood	G		G		G		G		
10	Same Market?	No	(\$240)	No	(\$239)	No	(\$270)			
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
11	# Bedrooms	1		1		1				
12	# Baths	1		1		1				
13	Unit Interior Sq. Ft.	776	(\$11)	804		708	\$27	811	(\$14)	
14	Patio/Balcony/Sunroom	Y		Y		Y		Y		
15	AC: Central/Wall	C		C		C		C		
16	Range/Refrigerator	R/F		R/F		R/F		R/F		
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	N/Y	\$5	Y/Y		
18	Washer/Dryer	HU/L	\$5	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	(\$3)	Y		N		Y	(\$3)	
22	Garbage Disposal	Y		Y		Y		Y		
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		
25	On-Site Management	Y		Y		Y		Y		
26	Security Features	Y		Y		Y		Y		
27	Community Space	Y		Y		Y		Y		
28	Pool/Recreation Areas	G	(\$12)	P/F		N	\$3	P/F	(\$12)	
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	
30	Grilling Area	Y		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			
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	\$49	N/N	\$49	N/N	\$49	N/N	\$49	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg			
40	# Adjustments B to D	5	5	6	2	5	5			
41	Sum Adjustments B to D	\$34	(\$271)	\$68	(\$249)	\$21	(\$304)			
42	Sum Utility Adjustments	\$49		\$49		\$49				
		Net	Gross	Net	Gross	Net	Gross			
43	Net/ Gross Adjmts B to E	(\$188)	\$354	(\$132)	\$366	(\$234)	\$374			
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent				
44	Adjusted Rent (5+ 43)	\$1,012		\$1,061		\$1,116				
45	Adj Rent/Last rent		84%		89%		83%			
46	Estimated Market Rent	\$1,065	\$1.37 ←	Estimated Market Rent/ Sq. Ft						

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3				
Cave Spring Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.				
121 Fincher Street & 106 Mill Street		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint PI NE				
Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA				
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
1	\$ Last Rent / Restricted?	\$1,400		\$1,293		\$1,550				
2	Date Surveyed	Mar-23		Mar-23		Mar-23				
3	Rent Concessions	None		None		None				
4	Occupancy for Unit Type	100%		78%		100%				
5	Effective Rent & Rent/ sq. ft	\$1,400	1.33	\$1,293	1.39	\$1,550	1.30			
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
6	Structure / Stories	R/1,TH/2		WU/2		EE/4				
7	Yr. Built/Yr. Renovated	2025		2007	\$18	1998	\$27	2018	\$7	
8	Condition/Street Appeal	G		G		G		G		
9	Neighborhood	G		G		G		G		
10	Same Market?	No	(\$280)	No	(\$259)	No	(\$310)			
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
11	# Bedrooms	2		2		2				
12	# Baths	2		2		2				
13	Unit Interior Sq. Ft.	1093	\$12	1056	\$55	927	(\$33)	1191		
14	Patio/Balcony/Sunroom	Y		Y		Y		Y		
15	AC: Central/Wall	C		C		C		C		
16	Range/Refrigerator	R/F		R/F		R/F		R/F		
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	N/Y	\$5	Y/Y		
18	Washer/Dryer	HU/L	\$5	HU	\$5	HU/L	\$5	HU	\$5	
19	Floor Coverings	T		C/V		C/V		C/W		
20	Window Treatments	Y		Y		Y		Y		
21	Secured Entry	N	(\$3)	Y	(\$3)	N		Y	(\$3)	
22	Garbage Disposal	Y		Y		Y		Y		
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		
25	On-Site Management	Y		Y		Y		Y		
26	Security Features	Y		Y		Y		Y		
27	Community Space	Y		Y		Y		Y		
28	Pool/Recreation Areas	G	(\$12)	P/F	(\$12)	N	\$3	P/F	(\$12)	
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	
30	Grilling Area	Y		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			
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	\$58	N/N	\$58	N/N	\$58	N/N	\$58	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg			
40	# Adjustments B to D	6	4	6	2	5	5			
41	Sum Adjustments B to D	\$46	(\$300)	\$96	(\$269)	\$21	(\$363)			
42	Sum Utility Adjustments	\$58		\$58		\$58				
		Net	Gross	Net	Gross	Net	Gross			
43	Net/ Gross Adjmts B to E	(\$196)	\$404	(\$115)	\$423	(\$284)	\$442			
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent				
44	Adjusted Rent (5+ 43)	\$1,204		\$1,178		\$1,266				
45	Adj Rent/Last rent		86%		91%		82%			
46	Estimated Market Rent	\$1,215	\$1.11 ←	Estimated Market Rent/ Sq. Ft						

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3				
Cave Spring Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.				
121 Fincher Street & 106 Mill Street		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint PI NE				
Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA				
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
1	\$ Last Rent / Restricted?	\$1,750		\$1,393		\$1,825				
2	Date Surveyed	Mar-23		Mar-23		Mar-23				
3	Rent Concessions	None		None		None				
4	Occupancy for Unit Type	100%		86%		100%				
5	Effective Rent & Rent/ sq. ft	\$1,750	1.15	\$1,393	1.23	\$1,825	1.10			
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
6	Structure / Stories	TH/2		WU/2		EE/4				
7	Yr. Built/Yr. Renovated	2025	\$18	1998	\$27	2018	\$7			
8	Condition/Street Appeal	G		G		G				
9	Neighborhood	G		G		G				
10	Same Market?	No	(\$350)	No	(\$279)	No	(\$365)			
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
11	# Bedrooms	3		3		3				
12	# Baths	2		2		2				
13	Unit Interior Sq. Ft.	1349	(\$48)	1134	\$62	1660	(\$90)			
14	Patio/Balcony/Sunroom	Y		Y		Y				
15	AC: Central/Wall	C		C		C				
16	Range/Refrigerator	R/F		R/F		R/F				
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y				
18	Washer/Dryer	HU/L	\$5	HU/L		HU	\$5			
19	Floor Coverings	T		C/V		C/W				
20	Window Treatments	Y		Y		Y				
21	Secured Entry	N	(\$3)	N		Y	(\$3)			
22	Garbage Disposal	Y		Y		Y				
23	Ceiling Fan/Storage	N/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)			
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0				
25	On-Site Management	Y		Y		Y				
26	Security Features	Y		Y		Y				
27	Community Space	Y		Y		Y				
28	Pool/Recreation Areas	G	(\$12)	N	\$3	P/F	(\$12)			
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3			
30	Grilling Area	Y		N	\$3	N	\$3			
31	Playground	Y	\$3	Y		N	\$3			
32	Social Services	N		N		N				
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
33	Heat (in rent?/ type)	N/E		N/E		N/E				
34	Cooling (in rent?/ type)	N/E		N/E		N/E				
35	Cooking (in rent?/ type)	N/E		N/E		N/E				
36	Hot Water (in rent?/ type)	N/E		N/E		N/E				
37	Other Electric	N		N		N				
38	Cold Water/Sewer	Y/Y	\$71	N/N	\$71	N/N	\$71			
39	Trash/Recycling	Y/N		Y/N		Y/N				
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg			
40	# Adjustments B to D	5	5	6	2	5	5			
41	Sum Adjustments B to D	\$34	(\$418)	\$103	(\$289)	\$21	(\$475)			
42	Sum Utility Adjustments	\$71		\$71		\$71				
		Net	Gross	Net	Gross	Net	Gross			
43	Net/ Gross Adjmts B to E	(\$313)	\$523	(\$115)	\$463	(\$383)	\$567			
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent				
44	Adjusted Rent (5+ 43)	\$1,437		\$1,278		\$1,442				
45	Adj Rent/Last rent		82%		92%		79%			
46	Estimated Market Rent	\$1,385	\$1.03 ←	Estimated Market Rent/ Sq. Ft						

Rent Comparability Grid

Unit Type →

FOUR-BEDROOM

Subject		Comp #1		Comp #2		Comp #3				
Cave Spring Townhomes		Eastland Court		Peak at Callier Springs Apts.		Riverpoint Apts.				
121 Fincher Street & 106 Mill Street		40 Chateau Dr. SE		2522 Callier Springs Rd.		24 Riverpoint PI NE				
Cave Spring, GA		Rome, GA		Rome, GA		Rome, GA				
Subject		Subject		Subject		Subject				
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
1	\$ Last Rent / Restricted?	\$1,750		\$1,393		\$1,825				
2	Date Surveyed	Mar-23		Mar-23		Mar-23				
3	Rent Concessions	None		None		None				
4	Occupancy for Unit Type	100%		86%		100%				
5	Effective Rent & Rent/ sq. ft	\$1,750	1.15	\$1,393	1.23	\$1,825	1.10			
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
6	Structure / Stories	TH/2		WU/2		EE/4				
7	Yr. Built/Yr. Renovated	2025	\$18	1998	\$27	2018	\$7			
8	Condition/Street Appeal	G		G		G				
9	Neighborhood	G		G		G				
10	Same Market?	No	(\$350)	No	(\$279)	No	(\$365)			
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
11	# Bedrooms	4	\$50	3	\$50	3	\$50			
12	# Baths	2		2		2				
13	Unit Interior Sq. Ft.	1550	\$10	1134	\$120	1660	(\$32)			
14	Patio/Balcony/Sunroom	Y		Y		Y				
15	AC: Central/Wall	C		C		C				
16	Range/Refrigerator	R/F		R/F		R/F				
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y				
18	Washer/Dryer	HU/L	\$5	HU/L		HU	\$5			
19	Floor Coverings	T		C/V		C/W				
20	Window Treatments	Y		Y		Y				
21	Secured Entry	N	(\$3)	N		Y	(\$3)			
22	Garbage Disposal	Y		Y		Y				
23	Ceiling Fan/Storage	N/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)			
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0				
25	On-Site Management	Y		Y		Y				
26	Security Features	Y		Y		Y				
27	Community Space	Y		Y		Y				
28	Pool/Recreation Areas	G	(\$12)	N	\$3	P/F	(\$12)			
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3			
30	Grilling Area	Y		N	\$3	N	\$3			
31	Playground	Y	\$3	Y		N	\$3			
32	Social Services	N		N		N				
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj			
33	Heat (in rent?/ type)	N/E		N/E		N/E				
34	Cooling (in rent?/ type)	N/E		N/E		N/E				
35	Cooking (in rent?/ type)	N/E		N/E		N/E				
36	Hot Water (in rent?/ type)	N/E		N/E		N/E				
37	Other Electric	N		N		N				
38	Cold Water/Sewer	Y/Y	\$85	N/N	\$85	N/N	\$85			
39	Trash/Recycling	Y/N		Y/N		Y/N				
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg			
40	# Adjustments B to D	7	4	7	2	6	5			
41	Sum Adjustments B to D	\$94	(\$370)	\$211	(\$289)	\$71	(\$417)			
42	Sum Utility Adjustments	\$85		\$85		\$85				
		Net	Gross	Net	Gross	Net	Gross			
43	Net/ Gross Adjmts B to E	(\$191)	\$549	\$7	\$585	(\$261)	\$573			
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent				
44	Adjusted Rent (5+ 43)	\$1,559		\$1,400		\$1,564				
45	Adj Rent/Last rent		89%		100%		86%			
46	Estimated Market Rent	\$1,505	\$0.97 ←	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%	\$445	\$1,065	58.2%
One-Bedroom	60%	\$445	\$1,065	58.2%
Two-Bedroom	50%	\$593	\$1,215	51.2%
Two-Bedroom	60%	\$593	\$1,215	51.2%
Three-Bedroom	50%	\$781	\$1,385	43.6%
Three-Bedroom	60%	\$781	\$1,385	43.6%
Four-Bedroom	50%	\$866*	\$1,505	42.5%

*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 represent market rent advantages ranging from 42.5% to 58.2%. Thus, the subject rents are expected to be perceived as excellent values within the Cave Spring market.

In fact, the subject's Tax Credit 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 most 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 none of the properties selected for this analysis are located within the subject market. The three 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 such, we have applied negative adjustments of 20% 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 one-through three-bedroom units. For the subject's four-bedroom units, we have utilized the three-bedroom units offered and applied a positive adjustment of \$50 to account for the inclusion of an additional bedroom within the subject project.
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 in the Site PMA/PSA was \$168,216. At an estimated interest rate of 5.9% and a 30-year term (and 95% LTV), the monthly mortgage for a \$168,216 home is \$1,184, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$168,216
Mortgaged Value = 95% Of Median Home Price	\$159,805
Interest Rate – Bankrate.Com	5.89%
Term	30
Monthly Principal & Interest	\$947
Estimated Taxes and Insurance*	\$237
Estimated Monthly Mortgage Payment:	\$1,184

* Estimated at 25% of principal and interest.

In comparison, the collected Tax Credit rents for the subject property range from \$445 to \$866. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$318 more than the cost of renting at the subject project. Therefore, we do not anticipate any competitive impact on or from the homebuyer market. This is particularly true when considering that most units will operate with a project-based subsidy allowing tenants to pay up to only 30% of their income towards rent. Thus, the majority of tenants 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 2025 completion date for the subject project, we also assume that initial units at the site will be available for rent sometime in 2025.

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 properties 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 56 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 13 units per month.

These absorption projections assume a September 2025 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 to 52 of 56 units. In the unlikely event this subsidy is not 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 six months of opening. This is reflective of an average absorption rate of approximately eight to nine 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.

- Carol Saunders is the Property Manager for Hummingbird Pointe Apartments, a Tax Credit apartment community located in Cedartown, Georgia. Ms. Saunders stated that there is a need for more affordable housing in the Cave Spring and Cedartown areas, especially for seniors. Due to the rising cost of housing, the competition for all housing types has caused the supply of available housing to shrink. Ms. Saunders also stated that the waiting list for Hummingbird Point currently is 18 households in length, and that she received calls daily about availability.
- Carolyn Elliott, Director of Polk County Planning and Zoning, stated that there is a need for more affordable housing in the area. According to Ms. Elliott, working class households can no longer afford to buy a home, let alone rent an apartment for \$1,200 or more per month. Affordable housing is now a necessary component for every community. Ms. Elliott believes the lack of affordable housing in her area in particular can be directly attributed to a lack of sewer capability and the high cost of building,

Section L – Conclusions & Recommendations

Based on the findings of our market study, it is our opinion that a market exists for the 56 units proposed for the subject site, assuming it is developed and operated as detailed in this report. Changes to 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. 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 one such property was surveyed in the market. The one property surveyed in the Cave Spring Site PMA is 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 52 of the 56 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, particularly when considering the availability of a project-based subsidy to most units. In the unlikely event this subsidy is not provided, a more limited, yet still sufficient, 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 most 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 26.3% for the subject property under the subsidized scenario.

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

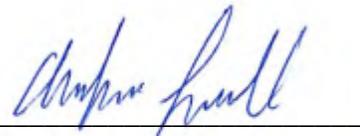
I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for the proposed units. The report was written according to GDCA's market study requirements, the information included is accurate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

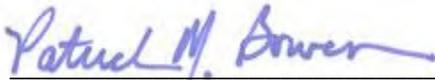
GDCA may rely on the representation made in the market study. The document is assignable to other lenders.



Craig Rupert (Primary Contact)
Market Analyst
craigr@bowennational.com
Date: April 20, 2023



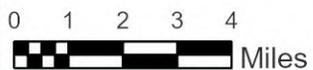
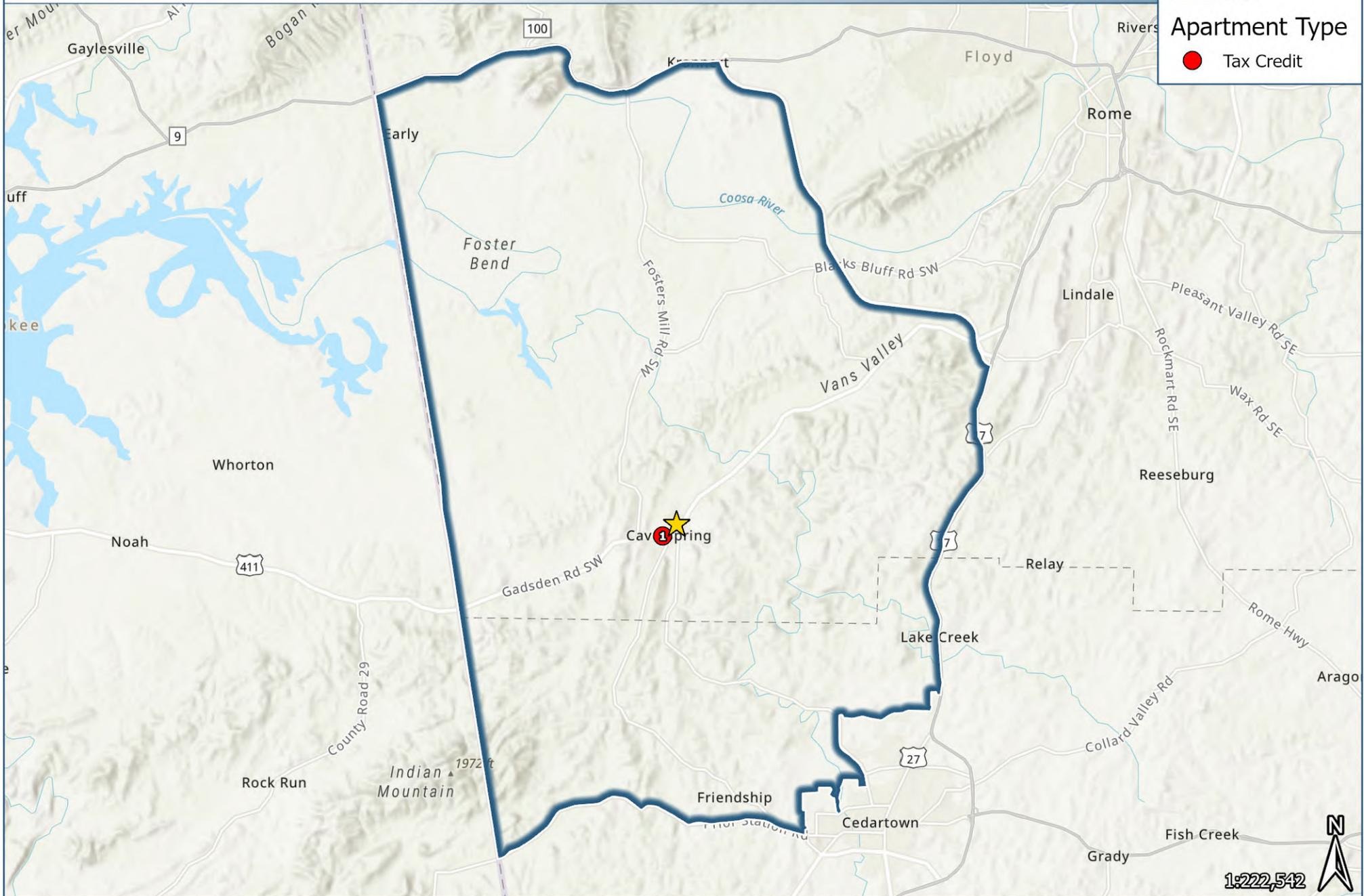
Andrew Lundell
Market Analyst
andrewl@bowennational.com
Date: April 20, 2023



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
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Date: April 20, 2023

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	Spring Haven Apts.	TAX	B-	2002	24	0	100.0%	0.7
✓ 901	Eastland Court	MRR	B+	2007	116	0	100.0%	15.0
✓ 902	Evergreen Village Apts.	TAX	B	2000	56	0	100.0%	9.0
◆ ✓ 903	Hummingbird Pointe Apts.	TAX	B	2011	64	0	100.0%	9.6
◆ ✓ 904	Kirkwood Trails Apts.	MRT	B	2003	52	0	100.0%	12.9
✓ 905	Peak at Callier Springs Apts.	MRR	B	1998	88	16	81.8%	15.4
✓ 906	Riverpoint Apts.	MRR	B+	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	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: 15 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit



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



902	Evergreen Village Apts. 110 Evergreen Ln, Cedartown, GA 30125	Contact: Deborah 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: 52 HH AR Year: Target Population: Family Yr Renovated: 2020 Rent Special: None Notes: Tax Credit



903	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: 18 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (8 units)



904	Kirkwood Trails Apts. 133 Cason Rd, Cedartown, GA 30125	Contact: Brianna Phone: (770) 749-9403
		Total Units: 52 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2003 BR: 1, 2 Vacant Units: 0 Waitlist: 3 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Market-rate (11 units); Tax Credit (41 units)

<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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905	Peak at Callier Springs Apts. 2522 Callier Springs Rd., Rome, GA 30161	Contact: Stephanie Phone: (844) 759-0167
	Total Units: 88 UC: 0 Occupancy: 81.8% Stories: 2 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 16 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	



906	Riverpoint Apts. 24 Riverpoint PI 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: 25 HH AR Year: Target Population: Family Yr Renovated: 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: 01/2023

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	10	15	18	24	31	37	12	17	21	26	34	38
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	36	56	66	86	112	132	43	60	76	96	109	122
	Electric	12	17	21	27	32	39	13	19	24	30	37	42
	Heat Pump	8	9	12	17	20	22	8	9	12	17	20	22
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Cooking	Natural Gas	3	4	5	7	8	10	3	4	5	7	8	10
	Bottled Gas	10	17	20	23	30	36	10	17	20	23	30	36
	Electric	6	8	10	12	16	18	6	8	10	12	16	18
Other Electric	16	22	29	35	45	51	16	22	29	35	45	51	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	5	7	10	13	15	17	6	8	11	13	17	19	
Water Heating	Natural Gas	4	7	9	11	13	16	4	7	9	11	13	16
	Bottled Gas	17	23	33	40	46	60	17	23	33	40	46	60
	Electric	9	14	20	25	30	35	9	14	20	25	30	35
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	21	25	29	35	41	45	21	25	29	35	41	45	
Sewer	20	24	29	36	44	48	20	24	29	36	44	48	
Trash Collection	16	16	16	16	16	16	16	16	16	16	16	16	
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 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: 15 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: Multipurpose Room, 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	\$0.85	\$553	50%
1	1	G	6	0	649	\$1.06	\$688	60%
2	1	G	4	0	819	\$0.81	\$660	50%
2	1	G	4	0	819	\$1.00	\$821	60%

*Adaptive Reuse

*DTS is based on drive time

901 Eastland Court 15.0 miles to site



Address: 40 Chateau Dr. SE, Rome, GA 30161
 Phone: (706) 232-2300 Contact: Brittany (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: 2,4
 Waitlist: None
 Rent Special: None

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

Notes: 1-br rent range due to floorplan



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: Multipurpose Room, 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	34	0	804 - 919	\$1.49 - \$1.36	\$1,200 - \$1,250	Market
2	2	G	62	0	1,056	\$1.33	\$1,400	Market
3	2	G	20	0	1,516	\$1.15	\$1,750	Market

*Adaptive Reuse

*DTS is based on drive time

902 Evergreen Village Apts. 9.0 miles to site



Address: 110 Evergreen Ln, Cedartown, GA 30125
 Phone: (770) 749-9333 Contact: Deborah (By Phone)
 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: 52 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, Clubhouse/Community 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	\$0.79	\$601	50%
1	1	G	8	0	756	\$0.97	\$735	60%
2	1	G	10	0	915	\$0.78	\$715	50%
2	1	G	10	0	915	\$0.96	\$876	60%
3	2	G	10	0	1,136	\$0.72	\$819	50%
3	2	G	10	0	1,136	\$0.88	\$1,005	60%

*Adaptive Reuse

*DTS is based on drive time

903 Hummingbird Pointe Apts. 9.6 miles to site



Address: 51 Cherokee Rd, Cedartown, GA 30125
 Phone: (770) 748-0720 Contact: Carol (By Phone)
 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: 18 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: Multipurpose Room, 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	\$0.54	\$425	50%
1	1	G	5	0	786	\$0.57	\$445	60%
2	2	G	10	0	1,078	\$0.45	\$490	50%
2	2	G	46	0	1,078	\$0.47	\$510	60%

*Adaptive Reuse

*DTS is based on drive time

904 Kirkwood Trails Apts. 12.9 miles to site



Address: 133 Cason Rd, Cedartown, GA 30125
 Phone: (770) 749-9403 Contact: Brianna (By Phone)
 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: 3 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: Multipurpose Room, 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

905 Peak at Callier Springs Apts. 15.4 miles to site



Address: 2522 Callier Springs Rd., Rome, GA 30161
 Phone: (844) 759-0167 Contact: Stephanie (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 88 Year Built: 1998
 Vacant Units: 16 *AR Year:
 Occupancy: 81.8% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

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; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Playground); CCTV; 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	3	708	\$1.69	\$1,193	Market
2	2	G	37	8	927	\$1.39	\$1,293	Market
3	2	G	37	5	1,134	\$1.23	\$1,393	Market

*Adaptive Reuse

*DTS is based on drive time

906 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: 25 HH
 Rent Special: None

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

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; Ceiling Fan; Controlled Access; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Hardwood); Premium Appliances; Premium Countertops; Oversized Windows

Property Amenities: Car Care (Charging Stations); Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Outdoor Swimming Pool); CCTV, Courtesy Officer, Security Gate; Extra Storage

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	\$1.82	\$1,250	Market
1	1	G	32	0	687 - 811	\$1.97 - \$1.66	\$1,350	Market
2	2	G	55	0	1,191	\$1.30	\$1,550	Market
3	2	G	30	0	1,660	\$1.10	\$1,825	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.

Tanja Hairston, Market Analyst, has extensive property management experience in both the Midwest and northeastern United States. She has assisted low-income, veterans and homeless persons in securing affordable and permanent housing, administered HUD recertifications and reviewed Housing Choice Voucher applications. In addition, she has cultivated relationships with realtors, property managers and brokers. Ms. Hairston holds a Bachelor of Arts degree in Sociology from South Carolina State University.

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.

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.

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.

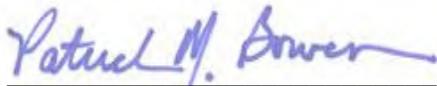
Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary 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.

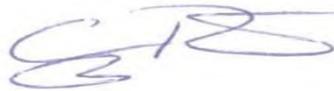
Addendum E – Market Analyst Certification Checklist

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.



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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.

Any reproduction or duplication of this report without the expressed approval of Bowen National Research is strictly prohibited.

4. SOURCES

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

- The 2010 and 2020 Census on Housing
- American Community Survey
- 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