

PROFESSIONAL UPDATED MARKET STUDY
FOR HARMONY AT COVINGTON
A PROPOSED TAX EXEMPT BOND/LIHTC
ELDERLY DEVELOPMENT

LOCATED IN:
COVINGTON, NEWTON COUNTY, GA

PREPARED FOR:
HARMONY AT COVINGTON, LP

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SECTION A
EXECUTIVE SUMMARY

1. Project Description:

- **Brief description of project location including address and/or position relative to the closest cross-street.**
- The site of the proposed Tax Exempt Bond/LIHTC elderly new construction apartment development is located at the corner of the Covington Bypass and GA 36 Highway, approximately 2 miles south of Downtown Covington. The site is located in the southern portion of Covington, within the city limits. Specifically, the site is located in Census Tract 1007, and Zip Code 30014.
- **Construction and occupancy types.**
- The proposed new construction development project design comprises 2 three-story residential buildings with elevator access. The development design provides for 162-parking spaces. The development design includes community space and a manager’s office within the residential building.

The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).
- **Unit mix including bedrooms, bathrooms, square footage, income targeting rents, utility allowance.**

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	20	795	870
2BR/1b	102	960	1,047
Total	122		

Project Rents:

The proposed development will target 100% of the units at 60% or below of area median income (AMI). Net rent includes water, sewer and trash removal.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
1BR/1b	20	\$724	\$60	\$784
2BR/1b	102	\$865	\$77	\$942

*GA-DCA Utility Allowances, Northern Region, Effective Date: 1/1/2018

- ***Any additional subsidies available including project based rental assistance (PBRA).***
- The proposed LIHTC development will not include any PBRA or other subsidies. The proposed LIHTC development will accept deep subsidy Section 8 vouchers.
- ***Brief description of proposed amenities and how they compare to existing properties.***
- Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.

2. Site Description/Evaluation:

- ***A brief description of physical features of the site and adjacent parcels. In addition, a brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).***
- The approximately 8.89-acre, polygon shaped tract is undulating, wooded, and appears to drain well. At present, there are no physical structures on the tract. The site is not located within a 100-year flood plain.
- The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of use including: multi-family residential, commercial, institutional and vacant land.
- Directly north of the site are the Park View Apartments, a small commercial strip center, a childrens day care center, and a dialysis center, followed by the Magnolia Heights Apartments. Park View is a 100-unit market rate development built in 1993. At the time of the survey, it was 100% occupied. Magnolia Heights is a 200-unit LIHTC/TEB development built in 2001. At the time of the survey, it was 99.5% occupied. Directly northeast of the site is gas station. Directly south of the site is vacant land and the athletic fields of the adjacent middle school. Directly west of the site is the Indian Creek Middle School, followed by a school system transportation site. Directly east is a CVS Pharmacy and low density single family along GA 36.

- **A discussion of site access and visibility.**
- Access to the site will be available off the Covington By Pass and GA 36. The Covington By Pass is a major connector in Covington and GA 36 is a major north/south connector in Covington. Both roads have varying density levels during the course of the typical travel day and a speed limit of 45 miles per hour in the immediate vicinity of the site. Also, the location of the site off both the Covington By Pass and GA 36 does not present problems of egress and ingress to the site.
- The site offers very good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities, including: noxious odors, close proximity to cemeteries, high tension power lines (not near the buildable area of the site), rail lines and junk yards.
- **Significant positive or negative aspects of the site.**
- Overall, the field research revealed the following strengths and weaknesses of the subject LIHTC/TEB elderly development in relation to subject marketability.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to area services and trade	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

- **A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc.**
- Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers and area churches. All major facilities located within Covington can be accessed within a 5 to 10 minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.
- **An overall conclusion of the site's appropriateness for the proposed development.**
- The site location is considered to be very marketable. In the opinion of the analyst, the proposed site location offers attributes that will enhance the rent-up process of the proposed LIHTC/TEB development.

3. Primary Market Area (PMA) Definition:

- **A brief definition of the primary market area including boundaries of the market area and their approximate distance from the subject property.**
- The PMA for the proposed multi-family elderly development comprises Newton County as a whole. Specifically the PMA encompassed the following 2010 census tracts:

1001, 1002.01, 1002.02, 1003, 1004, 1005.01, 1005.02

1006, 1007, 1008, 1009.01, 1009.02, and 1009.03
- Covington, the county seat, is centrally located within the PMA and is the largest populated incorporated place within the PMA. The city represents approximately 13% of the total population within the PMA.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	Walton County	7 to 12 miles
East	Jasper & Morgan Counties	10 miles
South	Butts, Henry & Jasper Counties	14 miles
West	Rockdale County	7 to 9 miles

4. Community Demographic Data:

- **Current and projected household and population counts for the primary market area. For senior reports, data should be presented for both overall and senior households and populations/households.**
- Total population and household gains over the next two years, (2019-2021) are forecasted for the PMA at a significant rate of growth, represented by a rate of change approximating +1.18% per year. In the PMA, in 2019, the total population count was 109,176 with a projected increase to 111,808 in 2021.
- Population gains over the next two years, (2019-2021) are forecasted for the PMA for the 55 and over age group continuing at a very significant rate of increase, with a forecasted rate of growth at +3.33% per year. In the PMA, in 2019, for population age 55 and over, the count was 27,978 with a projected increase to 29,875 in 2021. In the PMA, in 2019, for households age 55 and over, the count was 15,717 with a projected increase to 16,616 in 2021.

- ***Households by tenure including any trends in rental rates.***
- The 2019 to 2021 tenure trend exhibited an increase in both owner-occupied and renter-occupied tenure in the PMA for households age 55 and over. The tenure trend (on a percentage basis) currently favors owner households.
- ***Households by income level.***
- It is projected that in 2021, approximately **12%** of the owner-occupied households age 55+ in the PMA will be in the 60% AMI target income group of \$23,520 to \$35,940.
- It is projected that in 2021, approximately **17.5%** of the renter-occupied households age 55+ in the PMA will be in the 60% AMI target income group of \$23,520 to \$35,940.
- ***Impact of foreclosed, abandoned and vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development should be discussed.***
- The foreclosure problem is still very much evident Nationwide and Statewide, but to a much lesser degree in Covington and Newton County. Data from RealtyTrac.com showed 445,472 properties in some stage of foreclosure nationwide as of November 2018. Roughly 34% were in the pre-foreclosure state, 44.4% were at the auction stage, and 21.6% were bank owned. RealtyTrac also notes the number of foreclosures has plummeted over the last few years, including a 17% decline in pre-foreclosure activity over the same time last year. According to www.foreclosurelistings.com, as of 12/21/18, there were 49 foreclosure listings, 11 pre-foreclosure listings, 48 short sales listings and 50 sheriff sale listings in the PMA. Some 17 listings had a value of >\$200,000, including two listed at more than \$625,000. Only 19 had a value of less than \$100,000, and many of these would be unsuitable for occupancy by elderly based on publicly available information.
- In Covington and Newton County as a whole, the relationship between the local area foreclosure market and existing LIHTC supply is not crystal clear. However, at the time of the survey, the existing LIHTC elderly properties located within Covington were 100% occupied and maintained waiting lists.
- Note: Recent anecdotal news information points to the fact that the majority of the foreclosed properties were occupied by first time buyers or move-up buyers, of which the majority were younger households, still in the job market, (at the time) versus elderly homeowners. The recent recession and current slow recovery magnified the foreclosure problem and negatively impacted young to middle age homeowners more so than the elderly.
- With regard to the elderly desiring to sell a home in a

market with many foreclosed properties they have the upper hand in terms of pricing power. Many purchased their homes decades ago at far lower prices than today and many own homes outright. Also, many transfer home ownership rights to heirs versus selling outright.

5. Economic Data:

- ***Trends in employment for the county and/or region. Employment should be based on the number of jobs in the county (i.e., covered employment).***
- Between 2007 and 2009, the average decrease in employment in Newton County was approximately 1,329 workers or approximately -3.1% per year. The rate of employment gain between 2010 and 2016 was significant at +1.96% per year. The 2017 to 2018 rate of gain was very significant when compared to the preceding years at +2.83%, represented by an increase of 1,380 jobs.
- The gains in covered employment in Newton County between 2010 and 2017, as well as in the first 2 quarters of 2018 have been significant and comparable to resident employment trends during the same time period.
- ***Employment by sector for the county and/or region.***
- The top four employment sectors in the County are: manufacturing, trade, government and service. The 2019 forecast is for the manufacturing to stabilize and the service and trade sectors to increase.
- ***Unemployment trends for the county and/or region for the past 5 years.***
- Monthly unemployment rates in 2018 were much improved when compared to the 2009 to 2016 period. Monthly unemployment rates in 2018 were for the most part improving on a month to month basis, ranging between 3.6% and 5.2%.
- The National forecast for 2018 (at present) is for the unemployment rate to approximate 3.5% to 4%. Typically, during the last five years, the overall unemployment rate in Newton County has been above to slightly above the state and above the national average unemployment rates. The overall annual unemployment rate in 2018 in Newton County is forecasted to continue to decline, to the vicinity of 4.5% and improving on a relative year to year basis.

- ***A brief discussion of any recent or planned major employment contractions or expansions.***
- The Newton-Covington Office of Economic Development is responsible for all attraction, retention and workforce development needs for Newton County and its five municipalities.
- The film industry is of particular importance to the local economy and the entire state of Georgia. According to a news release from Gov. Nathan Deal, Georgia-lensed feature film and television productions generated an economic impact of \$9.5 billion during FY 2017. The 320-feature film and television productions shot in Georgia represent \$2.7 billion in direct spending in the state. At the local level, Covington - Newton County Georgia is a certified Premier Camera-Ready Film Production Services Community by the Georgia Film, Music & Digital Entertainment Office. Further, Covington is becoming a tourist destination among people interested in touring the various filming locations.
- Recent announcements of new industries in Newton County include the following:
 - In March 2018 Governor Deal announced that Facebook is expected to invest up to \$42 billion over two decades in the server farm at Stanton Springs, a 1,620-acre master-planned development about 30 miles east of Atlanta. Facebook is expected to initially invest \$750 million and create up to 100 tech jobs at the data center campus, which will be near biotech Shire's \$1.2 billion manufacturing plant.
 - In January 2017 Rahim Charania, the manager of Three Ring Studios, outlined plans for the \$100 million film and television studio planned for Covington will have three different campuses. Mr. Charania said the three campuses will have more than 600,000 square feet of sound stage space, 250,000 square feet of office space and 150,000 square feet of support and work space. The studio will also have Georgia's first post-production and gave development campus, as well as education space to train the next generation of film leaders. The 700,000 square foot facility, to be located off Alcovy Road near the Covington Municipal Airport, is expected to require a \$110 million investment and will generate an estimated \$1.8 million per year in local property and sales tax revenues. Up to 1,700 jobs are expected to be created.

- **An overall conclusion regarding the stability of the county's overall economic environment. This conclusion should include an opinion if the current economic environment will negatively impact the demand for additional or renovated rental housing.**
- Covington and Newton County are part of the Atlanta MSA. The overall metropolitan economy is extremely well diversified, and over the last two decades has extended east from Atlanta, along I-20, into Newton County.
- Recent economic indicators in 2017 and the 1st 10-months in 2018 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a significant pace into the remainder of 2018 and early 2019. The major sectors of local economy comprised of: (1) the Newton Medical Center, (2) a growing localized film industry, (3) a sizable manufacturing sector, (4) local government, including the school systems and (5) a large service and trade sector.
- The Covington - Newton County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the excellent location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly renters from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, and still participating in the local labor market.
- For that portion of the 55 to 65 elderly subject target group that still desires or needs to continue working on a part-time basis, the Covington and Newton County local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.

6. Project-Specific Affordability and Demand Analysis:

- **Total demand estimate within the proposed development target income range. For senior projects, this should be adjusted for age 55+ or 62+.**
- The demand estimate for the proposed LIHTC elderly development (age 55+) is 445.
- **Overall estimate of demand based on DCA's demand methodology.**
- The total demand estimate for the proposed LIHTC elderly development taking into consideration like-kind competitive supply introduced into the market since 2016 is 445.
- Capture Rates:

Proposed Project Capture Rate All Units	27.4%
Proposed Project Capture Rate LIHTC Units	27.4%
Proposed Project Capture Rate LIHTC Units @ 50% AMI	Na
Proposed Project Capture Rate LIHTC Units @ 60% AMI	27.4%
Proposed Project Capture Rate Market Rate Units	Na

- **A conclusion regarding the achievability of the above Capture Rates.**
- The above capture rates are well below the GA-DCA thresholds. They are considered to be a reliable quantitative indicator of market support for the proposed subject development.

7. Competitive Rental Analysis:

- **An analysis of the competitive properties in the PMA.**
- At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC program assisted apartment properties (both elderly and family) was 0.8%.
- At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC-Family properties was 2%. Waiting list are prevalent and excess demand is exhibited by waiting list sizes ranging between 15 and 200.
- At the time of the survey, the vacancy rate of the one surveyed LIHTC-Elderly was 0%. The waiting list had 300 applications. The bedroom mix of the surveyed LIHTC-elderly apartment property is 20% 1BR and 80% 2BR.
- At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was 1.6%. Waiting list are prevalent and excess demand is exhibited by waiting list comments such as: "as needed" and "1st come 1st serve".
- At the time of the survey, none of the surveyed market rate properties were offering a rent concession.
- **Number of properties.**
- Six program assisted properties representing 876 units were surveyed in the subject's competitive environment.
- Five market rate properties representing 976 units were surveyed in the subject's competitive environment.
- **Rent bands for each bedroom type proposed.**

Bedroom type	Rent Band (Subject)	Rent Band (Market Rate)
1BR/1b	\$724	\$686-\$1031
2BR/1b	\$865	\$766-\$1020
2BR/2b	Na	\$786-\$1475
3BR/2b	Na	\$886-\$1525

- **Average Market rents.**

Bedroom type	Average Market Rent
1BR/1b	\$881 (Adjusted = \$925)
2BR/1b	\$943 (Adjusted = \$1035)
2BR/2b	Na
3BR/2b	Na

8. Absorption/Stabilization Estimate:

- **An estimate of the number of units to be leased at the subject property, on average.**
- The forecasted rent-up scenario exhibits an average of 20-units being leased per month.
- **Number of units expected to be leased by AMI Targeting.**

AMI Target Group	Number of units Expected to be Leased*
60% AMI	122

* at the end of the 6-month absorption period

- **Number of months required for the project to reach stabilization of 93% occupancy.**
- A 93% occupancy rate is forecasted to occur within 6-months of the placed in service date. Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to, but no later than a three month period beyond the absorption period.
- **The absorption rate should coincide with other key conclusions. For example, insufficient demand or unachievable rents should be reflected in the absorption rate.**
- A reconciliation of the proposed LIHTC net rents by bedroom type with current average market rate net rents by bedroom type are supportive of the forecasted absorption and stabilization periods.

9. Overall Conclusion:

- ***A narrative detailing the key conclusions of the report including the analyst's opinion regarding the potential for success of the proposed development.***
- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**
- Elderly population and household growth is significant to very significant, with annual growth rates approximating +3.13% to +3.33% per year.
- At the time of the survey, the vacancy rate of the one surveyed LIHTC-Elderly property was 0%. The waiting list had 300 applications.
- At the time of the survey, the market rate apartment properties located in the Covington competitive environment were on average 98+% occupied.
- In the area of unit size, by bedroom type, the subject will offer a competitive unit size, based on the proposed floor plans. The proposed subject 1BR net SF is around 4% larger than the 1BR market average unit size. The proposed subject 2BR/1b net SF is around 7% larger than the 2BR/1b market average unit size.
- The subject will be competitive with the older, traditional, Class B market rate apartment properties in the market regarding proposed net rents by bedroom type.
- The 1BR/1b net rent advantage at 60% AMI is 22%.
- The 2BR/1b net rent advantage at 60% AMI is 16%.
- The overall project rent advantage for the 60% AMI LIHTC segment is estimated at 17%.
- In the opinion of the market analyst, the proposed new construction LIHTC elderly development **will not negatively impact** the existing supply of program assisted LIHTC elderly properties located within the Covington PMA, in the short or long term.
- At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC-Family and LIHTC/Market Rate Family properties was 1%. Waiting lists are prevalent and excess demand is exhibited by waiting list sizes ranging between 15 and 200. The newest LIHTC elderly property in Covington is Harristown Park. Harristown Park opened in 2011. The 60-unit development was 100% occupied within 1-month. At the time of the survey, the vacancy rate at Harristown Park was 0%, and the waiting list had 300 applications.

Summary Table				
Development Name: Harmony at Covington			Total Number of Units: 122	
Location: Covington, GA (Newton Co)			# LIHTC Units: 122	
PMA Boundary: North 7-12 miles; East 10 miles South 14 miles; West 4-9 miles			Farthest Boundary Distance to Subject: 14 miles	
Rental Housing Stock (found on pages 82 - 92)				
Type	# Properties	Total Units	Vacant Units	Avg Occupancy
All Rental Housing	11	1,852	23	98.7%
Market Rate Housing	5	976	16	98.4%
Assisted/Subsidized Housing Ex LIHTC	1	114	0	100%
LIHTC	5	762	7	99.1%
Stabilized Comps	6	1,126	19	98.3%
Properties in Lease Up	Na	Na	Na	Na

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
Number Units	Number Bedrooms	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Adv (%)	Per Unit	Per SF
20	1	1	870	\$724	\$925	\$1.16	22%	\$935	\$0.96
102	2	1	1047	\$865	\$1035	\$1.03	16%	\$1120	\$1.00

Demographic Data (found on pages 42 & 45)						
	2014		2019		2021	
Renter Households	2,367	17.60%	2,752	17.51%	2,906	17.49%
Income-Qualified Renter HHS (LIHTC)	457	19.3%	492	17.86%	506	17.40%
Income-Qualified Renter HHS (MR)	Na	%	Na	%	Na	%

Targeted Income Qualified Renter Household Demand (found on pages 67 & 68)						
Type of Demand	30%	50%	60%	MR	Other	Overall
Renter Household Growth			27			27
Existing Households (Overburdened + Substandard)			409			409
Homeowner Conversion (Seniors)			9			9
Total Primary Market Demand			445			445
Less Comparable Supply			0			0
Adjusted Income-Qualified Renter HHs			445			445
Capture Rates (found on pages 69 & 70)						
Targeted Population	30%	50%	60%	MR	Other	Overall
Capture Rate			27.4%			27.4%

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT
DESCRIPTION

The proposed Low Income Housing Tax Credit (Tax Exempt Bond/LIHTC) multi-family development will target elderly households, age 55 and over in Covington and Newton County, Georgia. The site is located at the corner of the Covington Bypass and GA 36 Highway, approximately 2 miles south of Downtown Covington.

Scope of Work

The market study assignment was to ascertain market demand for a proposed new construction multi-family Tax Exempt Bond/LIHTC HFOP (55+) development to be known as the **Harmony at Covington Apartments**, for the Harmony at Covington, LP, under the following scenario:

Project Description:

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	20	795	870
2BR/1b	102	960	1,047
Total	122		

The proposed new construction development project design comprises 2 three-story residential buildings with elevator access. The development design provides for 162-parking spaces. The development design includes community space and a manager's office within the residential building.

The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).

Project Rents:

The proposed development will target 100% of the units at 60% or below of area median income (AMI). Rent includes water, sewer and trash removal.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	20	\$724	\$60	\$784
2BR/1b	102	\$865	\$77	\$942

*GA-DCA Utility Allowances, Northern Region, Effective Date: 1/1/2018

The proposed Tax Exempt Bond/LIHTC new construction elderly development will not have any project based rental assistance, nor private rental assistance.

Project Amenity Package

The proposed development will include the following amenity package:

Unit Amenities

- range
- microwave
- central air
- smoke alarms
- carpet
- storage
- energy star refrigerator
- energy star dish washer
- cable ready
- washer/dryer units
- window coverings
- patio

Development Amenities

- manager's office
- computer center
- covered drop-off/porch
- community space
- covered pavilion with picnic/barbecue facilities

The projected first year that the **Harmony at Covington** will be placed in service as a new construction property, is mid to late 2020. The first full year of occupancy will be in 2021. Note: The 2018 GA QAP states that "owners of projects receiving credits in the 2018 round must place all buildings in the project in service by December 31, 2020".

The architectural firm for the proposed development is HRG Architects. At the time of the market study, the floor plans and elevations had not been completed. However, the conceptual site plan submitted to the market analyst was reviewed.

Utility estimated are based upon Georgia DCA, Northern Region utility allowances. Effective date: January 1, 2018.

SECTION C
SITE & NEIGHBORHOOD

The site of the proposed Tax Exempt Bond/LIHTC elderly new construction apartment development is located at the corner of the Covington Bypass and GA 36 Highway, approximately 2 miles south of Downtown Covington. The site is located in the southern portion of Covington, within the city limits. Specifically, the site is located in Census Tract 1007, and Zip Code 30014.

Note: The site is located within a Qualified Census Tract (QCT).

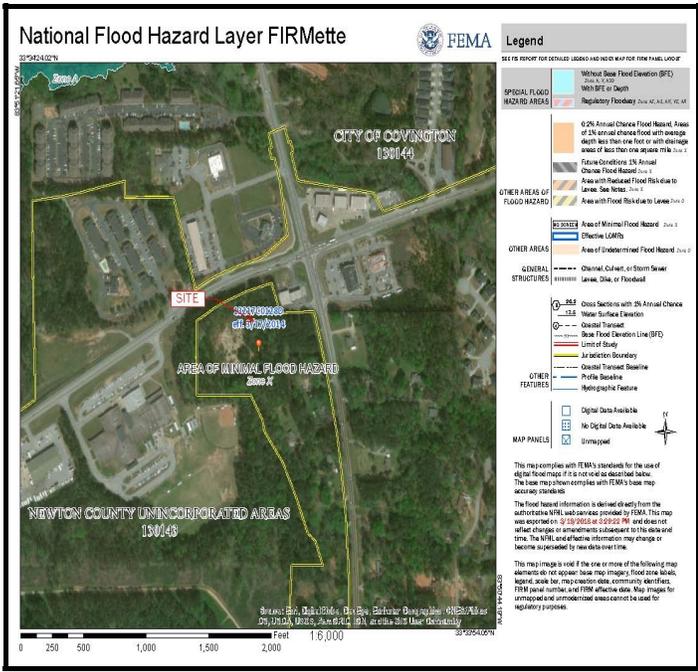
Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers and area churches. All major facilities located within Covington can be accessed within a 5 to 10 minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

Site Characteristics

The approximately 8.89-acre, polygon shaped tract is undulating, wooded, and appears to drain well. At present, there are no physical structures on the tract. The site is considered to be very marketable and buildable. However, this assessment is subject to both environmental and engineering studies. All public utility services are available to the tract and excess capacity exists.

The site is not located within a 100-year flood plain. Source: FEMA (www:msc.fema.gov), Map Number 13217C0128D, Effective Date: March 17, 2014.

The site is zoned CM-Corridor Mixed Use, which allows the proposed multi-family subject development.



Crime & Perceptions of Crime

The overall setting of the site is considered to be one that is very acceptable for residential development and commercial development within the present neighborhood setting. The site and the immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. Recent crime rate trend data for Newton County reported by the Georgia Bureau of Investigations revealed that violent crime and property crime rate for Newton County was 2,746 per 100,000 population, significantly lower than the statewide average of 3,147.

Overall, between 2016 and 2017 violent crime (homicide, rape, robbery and assault) in Newton County decreased by 4%, mainly due to an decrease in reported Assault crimes. Property crimes increased by 9.5% (221 total) in Newton County between 2016 and 2017. The overall rate of increase was negligible at only 7.3%, representing a net increase of only 203 crimes, mostly larceny and motor vehicle theft.

Newton County			
Type of Offence	2016	2017	Change
Homicide	8	10	2
Rape	20	24	4
Robbery	68	78	10
Assault	353	319	-34
Burglary	529	516	-13
Larceny	1,562	1,714	152
Motor Vehicle Theft	231	307	76
Arson	0	6	6
Newton County Total	2,771	2,974	203

Source: Georgia Bureau of Investigation, Uniform Crime Report

Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of use including: multi-family residential, commercial, institutional and vacant land.

Directly north of the site are the Park View Apartments, a small commercial strip center, a childrens day care center, and a dialysis center, followed by the Magnolia Heights Apartments. Park View is a 100-unit market rate development built in 1993. At the time of the survey, it was 100% occupied. Magnolia Heights is a 200-unit LIHTC/TEB development built in 2001. At the time of the survey, it was 99.5% occupied. Directly northeast of the site is gas station.

Directly south of the site is vacant land and the athletic fields of the adjacent middle school.

Directly west of the site is the Indian Creek Middle School, followed by a school system transportation site.

Directly east is a CVS Pharmacy and low density single family along GA 36.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.



(1) Site, off Covington Bypass, north to south.



(2) Site to the left, off Bypass, east to west.



(3) Site to the right, off Bypass, west to east.



(4) Commercial development off Bypass, north of site.



(5) Indian Creek Middle Sch,



(6) CVS off SR 36, east of site.



(7) Gas Station, corner of SR 36 & Bypass, site is behind this property.



(8) Site off SR 36, east to west.



(9) Site to the left, off SR 36, south to north.



(10) Site to the right, off SR 36, north to south.



(11) Site in background, off Bypass, ne to sw.



(12) Newton Federal Bank, off Bypass, across from site.

Covington Site Location



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Data Zoom 12-4



Access to Services

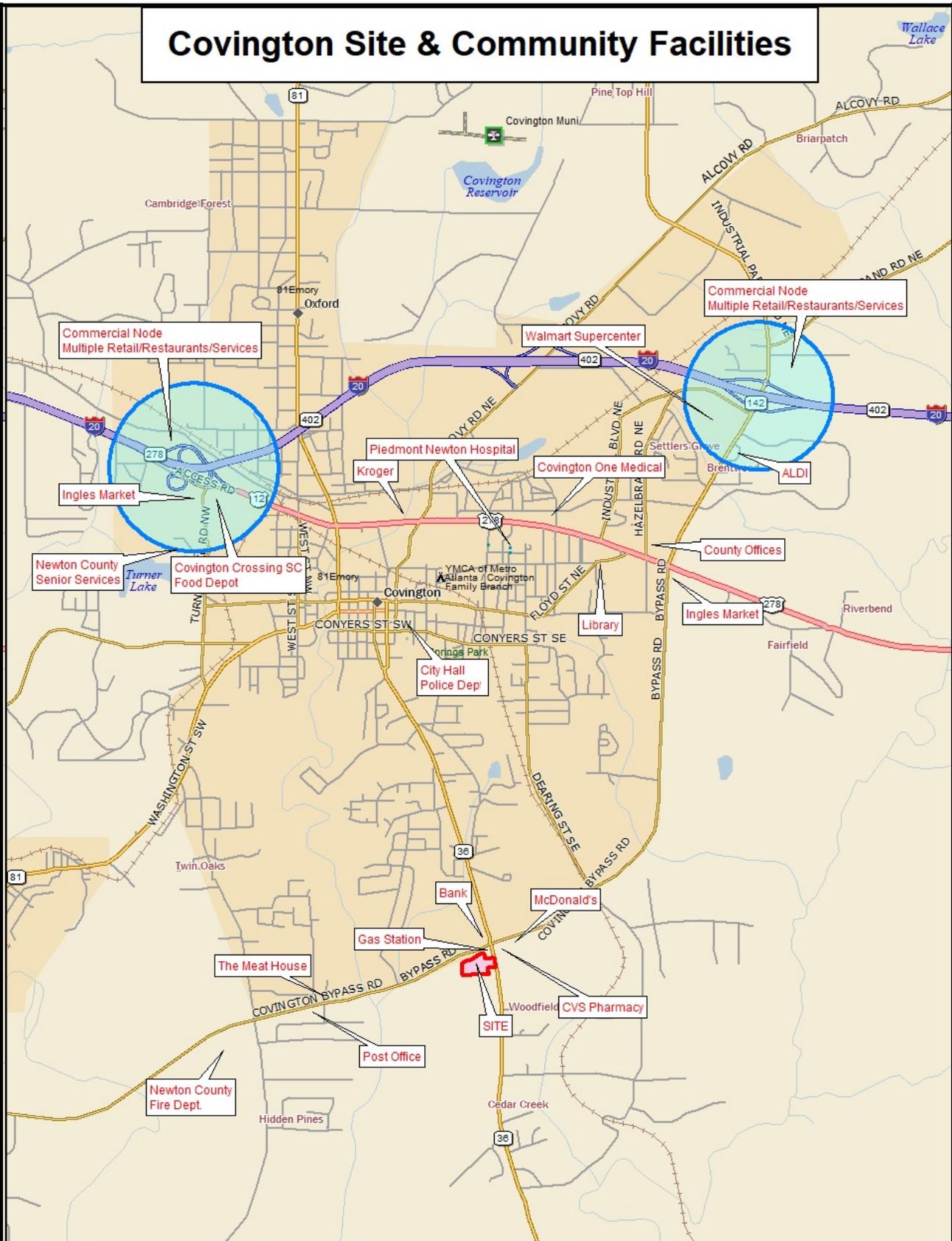
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

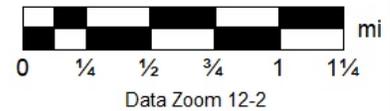
Points of Interest	Distance from Subject
GA 36	Adjacent
Gas Station	Adjacent
Newton Federal Bank	.1
CVS Pharmacy	.2
McDonald's Restaurant	.2
The Meat House (grocery/restaurant)	1.1
Post Office	1.1
Fire Station	1.6
City Hall/Police Department	2.0
Downtown Covington	2.1
Ingles Market (Northeast)	2.5
Kroger Grocery	2.6
US 278	2.7
Library	2.8
Piedmont Newton Hospital	3.1
Interstate 20	3.2
ALDI Grocery	3.3
Covington Crossing SC/Food Depot	3.3
Newton County Senior Services	3.4
Covington One Medical (Urgent Care)	3.4
Ingles Market (North)	3.4
Walmart	3.7

Note: Distance from subject is in tenths of miles and are approximated.

Covington Site & Community Facilities



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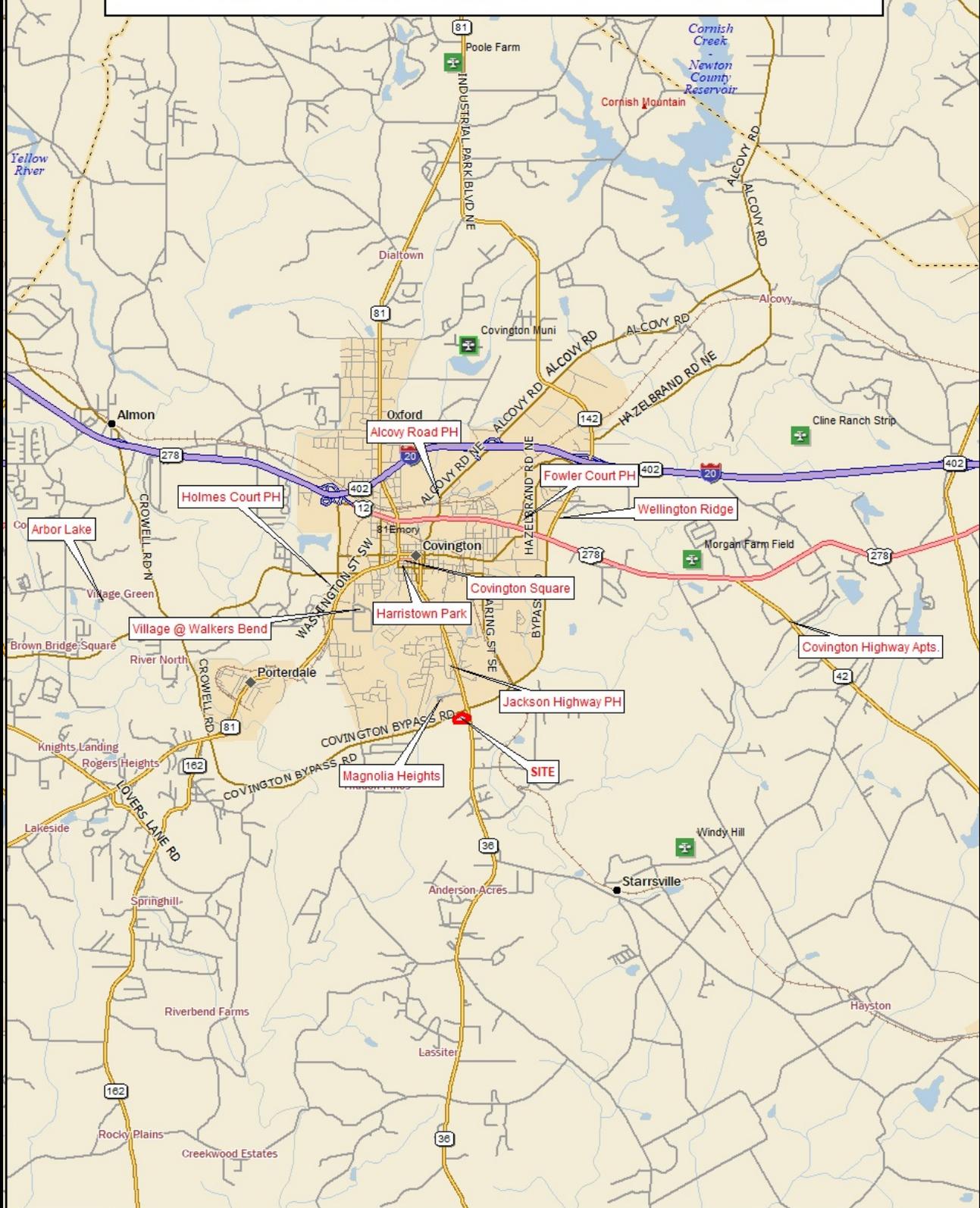
Program Assisted Apartments in Harmony at Covington - PMA

At present, there are eight program assisted apartment properties located within the Harmony at Covington PMA, including the City of Covington Housing Authority. A map (on the next page) exhibits the program assisted properties located within the Harmony at Covington PMA in relation to the site.

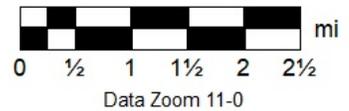
Project Name	Program Type	Number of Units	Distance from Site (in miles)
Magnolia Heights	LIHTC/MKT-FM	200	0.5
Harristown Park	LIHTC-HFOP	60	2.0
Covington Square	HUD 202/8-EL	114	2.1
Wellington Ridge	LIHTC/MKT-FM	220	3.0
The Village @ Walkers Bend	LIHTC-FM	32	3.7
Covington Highway	LIHTC-FM	4	5.7
Arbor Lake	LIHTC/MKT-FM	250	6.3
Covington Housing Authority			
Jackson Highway	PH/FM & EL	24	0.7
5106 Alcovy Road NE	PH/FM & EL	180	2.8
7111 Fowler Ct NE	PH/FM & EL	44	3.1
Holmes Court	PH/FM & EL	32	3.1

Distance in tenths of miles

Covington PMA Program Assisted Projects



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SUMMARY

The field visit for the site and surrounding market area was conducted on April 11, 2018 and again on January 5, 2019. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of use including: multi-family residential, commercial, institutional and vacant land. The site is located in the southern portion of Covington, within the city limits. The site is zoned CM-Corridor Mixed Use, which allows the proposed multi-family subject development.

Access to the site will be available off the Covington By Pass and GA 36. The Covington By Pass is a major connector in Covington and GA 36 is a major north/south connector in Covington. Both roads have varying density levels during the course of the typical travel day and a speed limit of 45 miles per hour in the immediate vicinity of the site. Also, the location of the site off both the Covington By Pass and GA 36 does not present problems of egress and ingress to the site.

The site offers good accessibility and linkages to area services and facilities. The areas surrounding the buildable area of the site appeared to be void of most negative externalities (including noxious odors, close proximity to power lines (adequate set back is provided), junk yards and close proximity to rail lines).

The site in relation to the subject and the surrounding roads is agreeable to signage, in particular to passing traffic along the Covington By Pass and GA 36.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered appropriate as a Tax Exempt Bond/LIHTC elderly multi-family elderly development.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to area services	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

SECTION D
MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the **location** and

proximity and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Covington and Newton County along with an assessment of: the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family elderly development comprises Newton County as a whole. Specifically the PMA encompassed the following 2010 census tracts:

- 1001, 1002.01, 1002.02, 1003, 1004, 1005.01, 1005.02
- 1006, 1007, 1008, 1009.01, 1009.02, and 1009.03

Covington, the county seat, is centrally located within the PMA and is the largest populated incorporated place within the PMA. The city represents approximately 13% of the total population within the PMA. Along with Covington, there are two other incorporated places within the PMA:

- Oxford, with a 2010 population of 2,134, connected to Covington by SR 81, 1.5 miles north, and
- Porterdale, with a 2010 population of 1,429, connected to Covington by SR 81, 2 miles southeast.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject
North	Walton County	7 to 12 miles
East	Jasper & Morgan Counties	10 miles
South	Butts, Henry & Jasper Counties	14 miles
West	Rockdale County	7 to 9 miles

With regard to the location of an independent living elderly apartment complex, without deep subsidy rental assistance, the City of Covington would be the most logical choice as a location for an LIHTC elderly complex in the PMA. In this case, the complex would not only serve the City, but the PMA as a whole, given the lack of alternative choices.

Transportation access to the Covington is excellent. Interstate 20 and US 278 are the major east/west connectors. SR's 11, 36, and 81 are the major north/south connectors.

In addition, comments from managers and/or management companies of the existing LIHTC properties located within the market were surveyed, as to where the majority of their existing tenants previously resided. In general, it was stated that the majority of the tenants came from a countywide area, as well as from out of county.

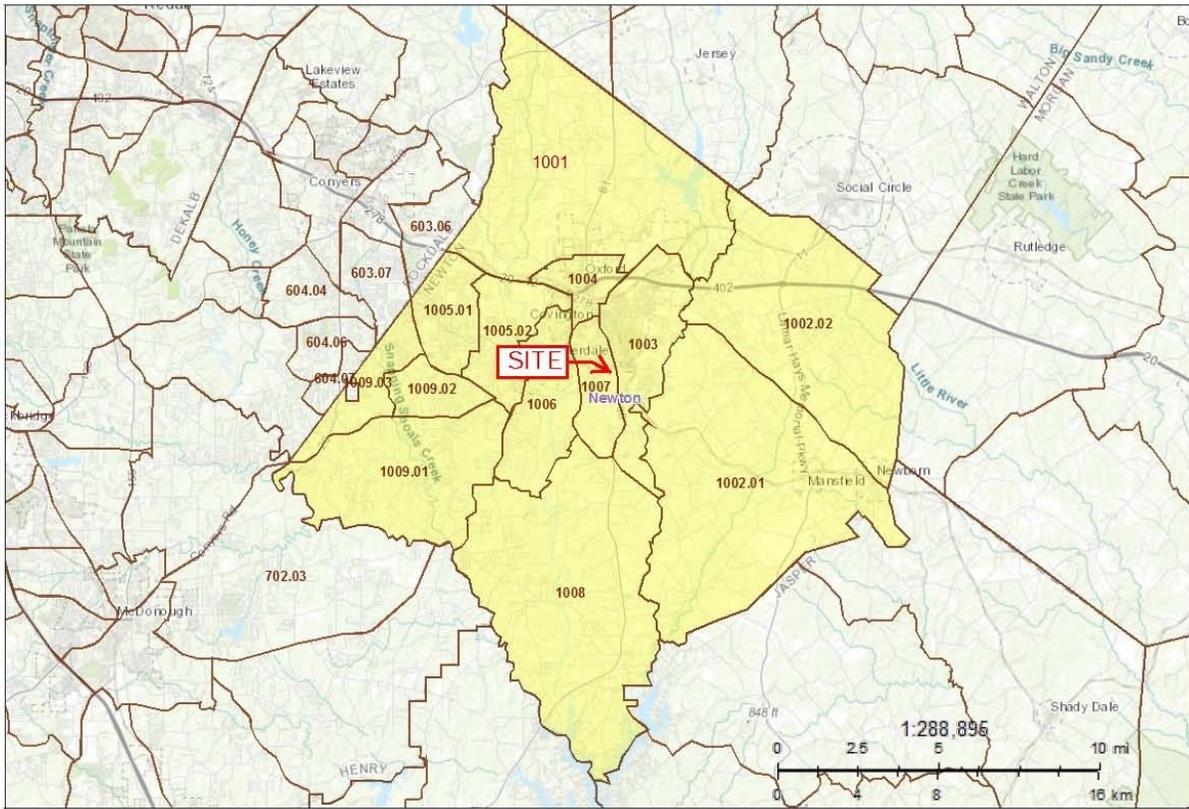
Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the PMA, principally from out of market, as well as from out of state. Note: The demand methodology **excluded** any potential demand from a SMA.

Harmony at Covington PMA - 2010 Census Tracts



AMERICAN
FactFinder



Legend

Your Selections

- 2016 boundaries were used to map 'Your Selections'

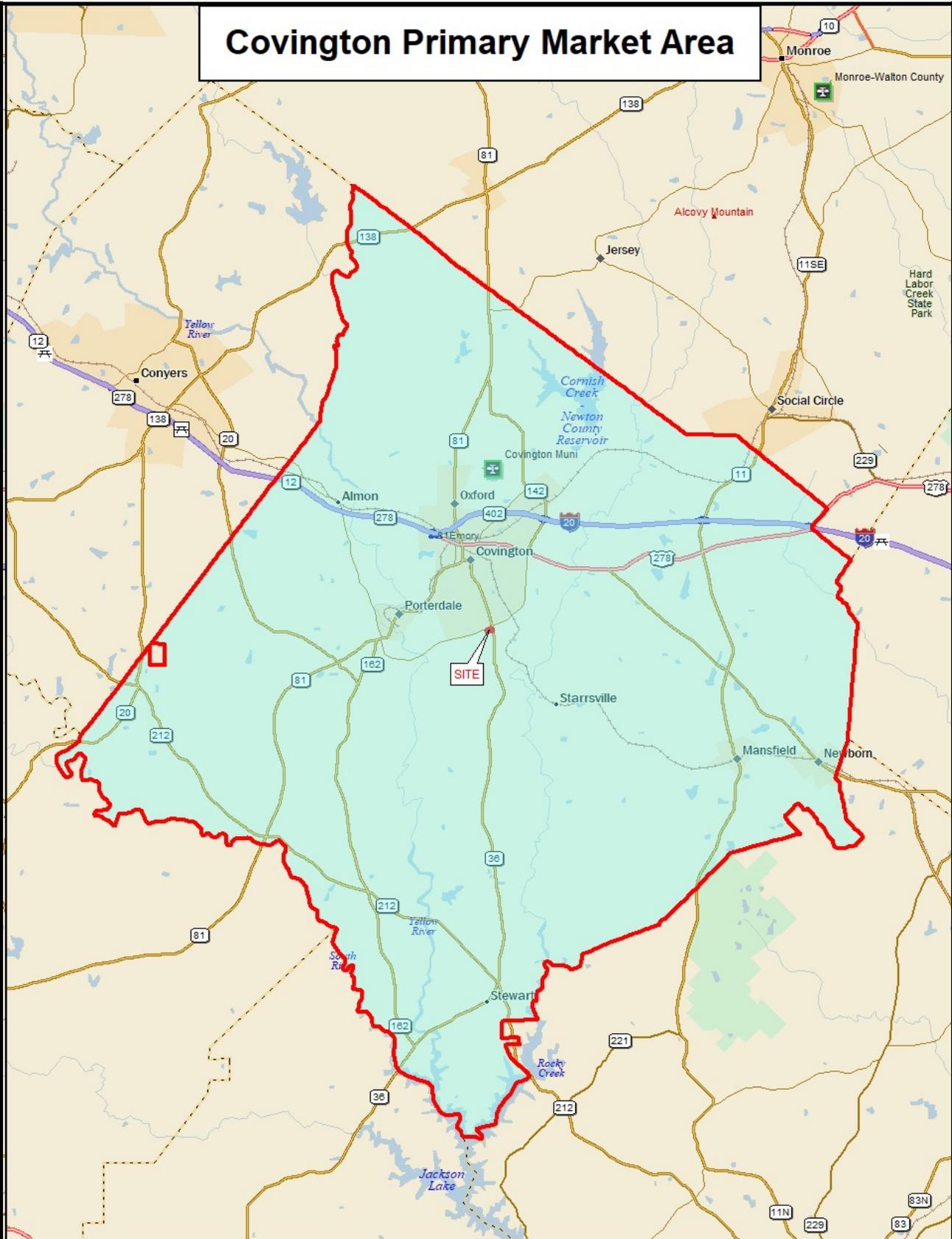
Selection Results

No Legend

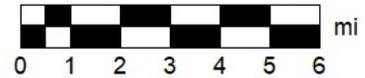
2016 Boundaries

- County
- Census Tract

Covington Primary Market Area



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Data Zoom 9-7

SECTION E
COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 8 exhibit indicators of trends in total population and household growth, as well as for population and households and 55 and older.

Population Trends

Table 1, exhibits the change in **total** population in Covington and Newton County (the PMA) between 2000 and 2023. Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Covington and Newton County (the PMA) between 2000 and 2023. The year 2021 is estimated to be the first year of availability for occupancy of the subject property. The year 2019 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure. Source: GA DCA 2018 Market Study Manual

Total Population

The PMA exhibited extremely significant total population gains between 2000 and 2010, at 4.89% per year. Population gains over the next four years, (2019-2023) are forecasted for the PMA at a reduced rate of growth, yet, still very significant, represented by a rate of increase ranging between 1.12% to 1.16% per year.

The projected change in population for Covington is subject to local annexation policy and in-migration of surrounding county residents and out of state residents into the city. However, recent indicators, including the 2015 and 2016 US Census estimates (at the place level) suggest that the population trend since 2010 in Covington has continued at a similar rate of gain. A significant minority of the population in the PMA is located within the City of Covington. It is estimated that approximately 13% of the PMA population is located within the City of Covington.

Population 55+

The PMA exhibited very significant population gains for population age 55+ between 2000 and 2010, at 5.76% per year. Population gains over the next two years are forecasted for the PMA for the 55 and over age group continuing at a very significant rate of increase, with a forecasted rate of growth at 2.11% to 3.24% per year.

Population gains are forecasted in both the 55 and 65 and over age groups for the year 2021 and beyond. The projected increase is not owing to a significant increase in elderly in-migration into the PMA, but instead owing to significant aging in-place as the "baby boom generation, (1946 to 1963)" enter into the empty nester and retirement population segments in large numbers.

Projection Methodology

The estimates and projections for households, tenure, households by size and households by income group for 2014, 2019 and 2021 are based on the most current HISTA data set; population estimates and projections are based on the most recent Claritas projections at the City, County and PMA level. A straight-line trend analysis was performed to derive data for the required dates (2014, 2019 and 2021). For some areas, the estimate for 2014 may not be consistent with 2000-2010 trends. This is partially due to Claritas' use of an average from the 2011-2015 American Community Survey 5-year sample data to derive a 2015 "base year" estimate for some demographic variables. The Claritas data have been used for all three required years for consistency.

Sources: (1) 2000 and 2010 US Census.
(2) Nielsen Claritas Projections.
(3) HISTA Data, Ribbon Demographics.

<p style="text-align: center;">Table 1</p> <p style="text-align: center;">Total Population Trends and Projections: Covington and Newton County</p>					
Year	Population	Total Change	Percent	Annual Change	Percent
Covington					
2000	11,547	-----	-----	-----	-----
2010	13,118	+ 1,571	+ 13.61	+ 157	+ 1.28
2019	15,373	+ 2,255	+ 17.19	+ 251	+ 1.78
2021	15,759	+ 386	+ 2.51	+ 193	+ 1.25
2023	16,145	+ 386	+ 2.45	+ 193	+ 1.22
Newton County					
2000	62,001	-----	-----	-----	-----
2010	99,958	+37,957	+ 61.22	+3,796	+ 4.89
2019	110,492	+10,534	+ 10.54	+1,170	+ 1.12
2021	113,124	+ 2,632	+ 2.38	+1,316	+ 1.18
2023	115,756	+ 2,632	+ 2.33	+1,316	+ 1.16

* 2021 - Estimated first full year of occupancy.

Calculations - Koontz and Salinger. January, 2019.

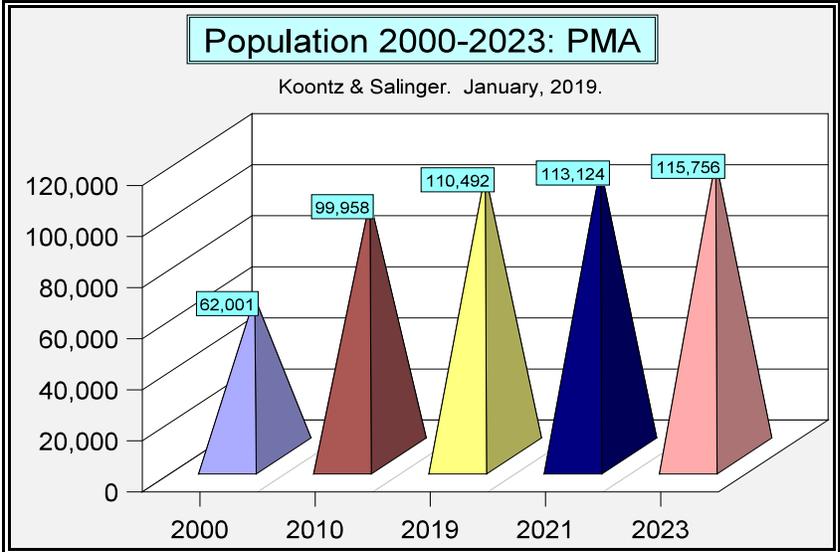
Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Covington and Newton County (the PMA) between 2000 and 2023.

Table 2					
Elderly Population (Age 55+) Trends and Projections: Covington and Newton County					
Year	Population	Total Change	Percent	Annual Change	Percent
Covington					
2000	1,611	-----	-----	-----	-----
2010	3,016	+1,405	+ 87.21	+ 140	+ 6.47
2019	4,019	+1,003	+ 33.26	+ 111	+ 3.24
2021	4,198	+ 179	+ 4.45	+ 90	+ 2.20
2023	4,377	+ 179	+ 4.26	+ 90	+ 2.11
Newton County					
2000	11,567	-----	-----	-----	-----
2010	20,244	+ 8,677	+ 75.01	+ 868	+ 5.76
2019	27,978	+ 7,734	+ 38.20	+ 859	+ 3.66
2021	29,875	+ 1,897	+ 6.78	+ 949	+ 3.33
2023	31,772	+ 1,897	+ 6.35	+ 949	+ 3.13

* 2021 - Estimated first full year of occupancy.

Calculations - Koontz and Salinger. January, 2019.

Between 2000 and 2010, PMA population increased at an annual rate of around 4.9%. The majority of the gains occurred near to or along the major transportation corridors located within the PMA, in particular that area between Covington and I-20 West. Between 2019 and 2021 the PMA population is forecasted to significantly increase at an annual rate of gain of approximately +1.18%. The figure below presents a graphic display of the numeric change in total population in the PMA between 2000 and 2023.



Between 2000 and 2010, population age 55+ increased in the PMA at a very significant rate growth at almost 6.5% per year. Between 2019 and 2021, the population age 55 and over in the PMA is forecasted to continue to increase at a significant rate of gain at +2.2% per year. Much of the increase is owing to in place aging of the of population and in-migration of households 55 and over. The figure below presents a graphic display of the numeric change in population age 55+ in the PMA between 2000 and 2023.

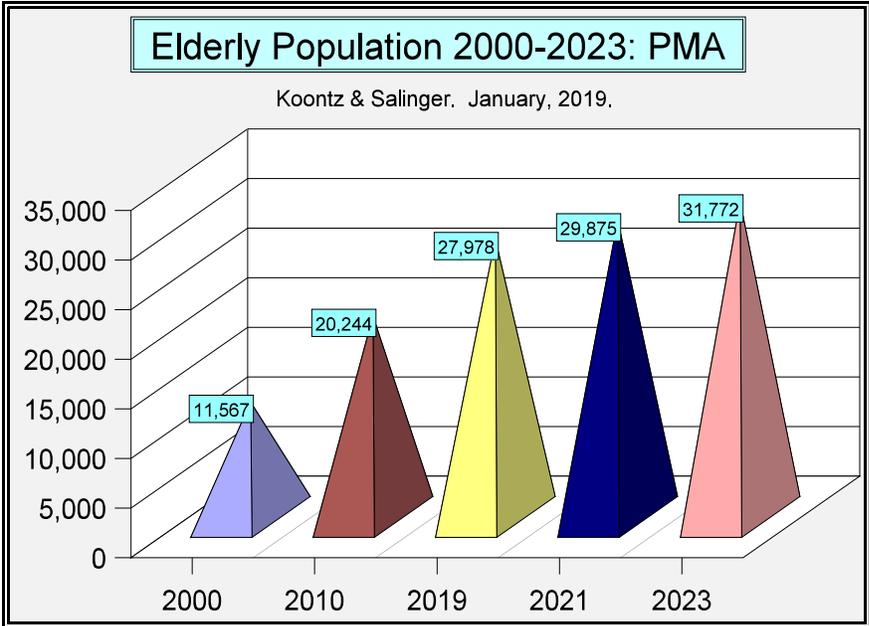


Table 3A exhibits the change in population by age group in Covington between 2010 and 2021. The most significant increase exhibited between 2019 and 2021 within Covington was in the 65-74 age group representing a increase of almost 5% over the two year period. The 75+ age group is forecasted to increase by 70 persons, or by almost 7%.

Table 3A						
Population by Age Groups: Covington, 2010 - 2021						
	2010 Number	2010 Percent	2019 Number	2019 Percent	2021 Number	2021 Percent
Age Group						
0 - 24	4,994	38.07	5,656	36.79	5,810	36.87
25 - 44	3,380	25.77	3,886	25.28	3,930	24.94
45 - 54	1,728	13.17	1,812	11.79	1,820	11.55
55 - 64	1,321	10.07	1,702	11.07	1,749	11.10
65 - 74	887	6.76	1,283	8.35	1,346	8.54
75 +	808	6.16	1,034	6.73	1,104	7.01

Table 3B exhibits the change in population by age group in Newton County (the PMA) between 2010 and 2021. The most significant increase exhibited between 2019 and 2021 within the PMA was in the 65-74 age group representing a increase of over 6% over the two year period. The 75+ age group is forecasted to increase by 639 persons, or by almost 11.5%.

Table 3B						
Population by Age Groups: Newton County (the PMA), 2010 - 2021						
	2010 Number	2010 Percent	2019 Number	2019 Percent	2021 Number	2021 Percent
Age Group						
0 - 24	37,668	37.68	39,571	35.81	39,968	35.33
25 - 44	28,326	28.34	27,528	24.91	27,831	24.60
45 - 54	13,719	13.72	15,415	13.95	15,450	13.66
55 - 64	10,414	10.42	12,974	11.74	13,665	12.08
65 - 74	5,972	5.97	9,353	8.46	9,920	8.77
75 +	3,858	3.86	5,651	5.11	6,290	5.56

Sources: 2010 Census of Population, Georgia
Nielsen Claritas Projections
Koontz and Salinger. January, 2019

HOUSEHOLD TRENDS & CHARACTERISTICS

Table 4 exhibits the change in **elderly** households (age 55 and over) in the PMA between 2000 and 2023. The significant increase in household formations age 55+ in the PMA has continued over a 10 year period and reflects the recent population trends and near term forecasts for population 55 and over.

The ratio of persons per household is projected to stabilize at around 1.80 between 2019 and 2023 within the PMA. The persons per household rate of change is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The projection of household formations age 55 and over in the PMA between 2019 and 2021 exhibited a very significant increase of 182 households age 55 and over per year or by +2.82% per year. The rate and size of the annual increase is considered to be very supportive of additional new construction LIHTC elderly apartment development, that targets the low and moderate income elderly household population.

Table 4					
Household Formations Age 55+: 2000 to 2023					
Harmony at Covington PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
PMA					
2000	11,567	313	11,254	1.6310	6,900
2010	20,244	255	19,989	1.6779	11,913
2014	23,637	255	23,382	1.7359	13,470
2019	27,978	255	27,723	1.7639	15,717
2021	29,875	255	29,620	1.7826	16,616
2023	31,772	255	31,517	1.7994	17,515

Sources: Nielsen Claritas Projections.
2000 and 2010 Census of Population, Georgia.

Calculations: Koontz & Salinger. January, 2019.

Table 5 exhibits households in the Harmony at Covington PMA, age 55 and over, by owner-occupied and renter-occupied tenure. The 2010 to 2023 projected trend supports a change in the tenure ratio favoring renter-occupied households on a percentage basis.

Overall, significant net numerical gains are forecasted for both owner-occupied and renter-occupied households age 55 and over within the Harmony at Covington PMA. Between 2019 and 2021, the increase in renter-occupied households age 55 and over remains extremely positive, at around +2.75% per year.

<p style="text-align: center;">Table 5</p> <p style="text-align: center;">Households by Tenure, Harmony at Covington PMA: Age 55+</p>					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2014	13,470	11,102	82.42	2,367	17.57
2019	15,717	12,965	82.49	2,752	17.51
2021	16,616	13,710	82.51	2,906	17.49
2023	17,515	14,455	82.53	3,060	17.47

Sources: Nielsen Claritas Projections.
Koontz and Salinger. January, 2019.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those elderly households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households age 55+ must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD MTSP income limits for two person households (the maximum household size allowable for the estimation of elderly in the GA-DCA Market Study Guidelines) in Newton County, Georgia at 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 35% of household income.

Tables 6A and 6B exhibit owner-occupied households, by age 55+, and by income group, in the Harmony at Covington PMA in 2014, and forecasted in 2019 and 2021. Tables 7A and 7B exhibit renter-occupied households, by age 55+, and by income group, in the Harmony at Covington PMA in 2014, and forecasted in 2019 and 2021.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2018 and 2023, with a base year data set comprising a 2015 average, based upon the 2011 to 2015 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2011 to 2015 American Community Survey. The 2014 estimate and the 2019 and 2021 forecasts are based upon a straight line trend of 2018 and 2023 data.

Tables 6A and 6B exhibit owner-occupied households age 55+, by income in the Harmony at Covington PMA in 2014 (estimated), and forecasted 2019 and 2021.

Table 6A				
Harmony at Covington PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2014 Number	2014 Percent	2019 Number	2019 Percent
Under \$10,000	721	6.50	727	5.61
10,000 - 20,000	1,126	10.14	1,130	8.72
20,000 - 30,000	1,350	12.16	1,416	10.92
30,000 - 40,000	1,134	10.21	1,143	8.82
40,000 - 50,000	1,221	11.00	1,196	9.22
50,000 - 60,000	939	8.46	1,158	8.93
\$60,000 and over	4,611	41.53	6,195	47.78
Total	11,102	100%	12,965	100%

Table 6B				
Harmony at Covington PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2019 Number	2019 Percent	2021 Number	2021 Percent
Under \$10,000	727	5.61	730	5.32
10,000 - 20,000	1,130	8.72	1,131	8.25
20,000 - 30,000	1,416	10.92	1,444	10.53
30,000 - 40,000	1,143	8.82	1,146	8.36
40,000 - 50,000	1,196	9.22	1,186	8.65
50,000 - 60,000	1,158	8.93	1,245	9.08
\$60,000 and over	6,195	47.78	6,828	49.80
Total	12,965	100%	13,710	100%

Sources: 2011 - 2015 American Community Survey.
Nielsen Claritas, HISTA Data, Ribbon Demographics.
Koontz and Salinger. January, 2019.

Tables 7A and 7B exhibit renter-occupied households age 55+, by income in the Harmony at Covington PMA in 2014 (estimated), and forecasted 2019 and 2021.

Table 7A				
Harmony at Covington PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2014 Number	2014 Percent	2019 Number	2019 Percent
Under \$10,000	422	17.82	456	16.57
10,000 - 20,000	482	20.35	505	18.35
20,000 - 30,000	480	20.30	522	18.97
30,000 - 40,000	245	10.33	258	9.38
40,000 - 50,000	210	8.87	215	7.81
50,000 - 60,000	84	3.56	135	4.91
60,000 +	444	18.77	661	24.01
Total	2,367	100%	2,752	100%

Table 7B				
Harmony at Covington PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2019 Number	2019 Percent	2021 Number	2021 Percent
Under \$10,000	456	16.57	469	16.14
10,000 - 20,000	505	18.35	514	17.69
20,000 - 30,000	522	18.97	539	18.55
30,000 - 40,000	258	9.38	263	9.05
40,000 - 50,000	215	7.81	217	7.47
50,000 - 60,000	135	4.91	157	5.37
60,000 +	661	24.01	748	25.74
Total	2,752	100%	2,906	100%

Sources: 2011 - 2015 American Community Survey.
 Nielsen Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. January, 2019.

Table 8A								
Households by Owner-Occupied Tenure, by Person Per Household, Age 55+ Harmony at Covington PMA, 2014 - 2021								
Households	Owner				Owner			
	2014	2019	Change	% 2019	2019	2021	Change	% 2021
1 Person	2,706	3,164	+ 458	24.40%	3,164	3,347	+ 183	24.41%
2 Person	5,638	6,435	+ 797	49.63%	6,435	6,754	+ 319	49.26%
3 Person	1,483	1,816	+ 333	14.01%	1,816	1,949	+ 133	14.22%
4 Person	544	678	+ 134	5.23%	678	731	+ 53	5.33%
5 + Person	731	872	+ 141	6.73%	872	929	+ 57	6.78%
Total	11,102	12,965	+1,863	100%	12,965	13,710	+ 745	100%

Table 8B								
Households by Renter-Occupied Tenure, by Person Per Household, Age 55+ Harmony at Covington PMA, 2014 - 2021								
Households	Renter				Renter			
	2014	2019	Change	% 2019	2019	2021	Change	% 2021
1 Person	1,165	1,347	+ 182	48.95%	1,347	1,420	+ 73	48.86%
2 Person	663	761	+ 98	27.65%	761	800	+ 39	27.53%
3 Person	162	213	+ 51	7.74%	213	234	+ 21	8.05%
4 Person	237	262	+ 25	9.52%	262	272	+ 10	9.36%
5 + Person	140	169	+ 29	6.14%	169	180	+ 11	6.19%
Total	2,367	2,752	+ 385	100%	2,752	2,906	+ 154	100%

Sources: Nielsen Claritas Projections
Koontz and Salinger. January, 2019

Table 8A indicates that in 2021 approximately 74% of the owner-occupied households age 55+ in the PMA will contain 1 and 2 persons (the target group by household size). A significant increase in households by size is exhibited by 1 and 2 person owner-occupied households.

Table 8B indicates that in 2021 approximately 76.5% of the renter-occupied households age 55+ in the PMA will contain 1 and 2 persons. A significant increase in households by size is exhibited by 1 person renter-occupied households and to a lesser degree by 2 person renter-occupied households age 55+. One person elderly households are typically attracted to both 1 and 2 bedroom rental units and 2 person elderly households are typically attracted to two bedroom units, and to a much lesser degree three bedroom units.

SECTION F
ECONOMIC & EMPLOYMENT
TRENDS

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net in-

migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 9 through 15 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Newton County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 9			
Civilian Labor Force and Employment Trends, Newton County: 2007, 2017 and 2018			
	2007	2017	2018*
Civilian Labor Force	46,421	51,535	52,495
Employment	43,991	48,794	50,174
Unemployment	2,430	2,741	2,321
Rate of Unemployment	5.2%	5.3%	4.4%

*Based on 1st 10-months of 2018

Table 10				
Change in Employment, Newton County				
Years	# Total	# Annual*	% Total	% Annual*
2007 - 2009	- 2,658	-1,329	- 6.04	- 3.07
2010 - 2016	+ 5,164	+ 861	+12.32	+ 1.96
2017 - 2018	+ 1,380	Na	+ 2.83	Na

* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2007 - 2018. Georgia Department of Labor, Workforce Information Analysis. Koontz and Salinger. January, 2019.

Table 11 exhibits the annual change in civilian labor force employment in Newton County between 2007 and 2018. Also, exhibited are unemployment rates for the County, State and Nation.

Table 11							
Change in Labor Force: 2007 - 2018							
	Newton County					GA	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2007	46,421	43,991	-----	2,430	5.2%	4.5%	4.6%
2008	47,716	44,131	140	3,585	7.5%	6.2%	5.8%
2009	47,101	41,333	(2,798)	5,768	12.2%	9.9%	9.3%
2010	47,977	41,899	566	6,078	12.7%	10.5%	9.6%
2011	48,399	42,424	525	5,975	12.3%	10.2%	8.9%
2012	48,311	42,993	569	5,318	11.0%	9.2%	8.1%
2013	48,066	43,403	410	4,663	9.7%	8.2%	7.4%
2014	47,931	44,019	616	3,912	8.2%	7.1%	6.2%
2015	48,436	45,165	1,146	3,271	6.8%	5.9%	5.3%
2016	50,053	47,063	1,898	2,990	6.0%	5.4%	4.9%
2017	51,535	48,794	1,731	2,741	5.3%	4.7%	4.4%
Month							
1/2018	52,035	49,326	-----	2,709	5.2%	4.6%	4.5%
2/2018	52,714	50,062	736	2,652	5.0%	4.4%	4.4%
3/2018	52,694	50,239	177	2,455	4.7%	4.1%	4.1%
4/2018	52,338	50,120	(119)	2,218	4.2%	3.7%	3.7%
5/2018	52,450	50,301	181	2,149	4.1%	3.5%	3.6%
6/2018	52,897	50,397	96	2,500	4.7%	4.2%	4.2%
7/2018	53,080	50,658	261	2,422	4.6%	4.0%	4.1%
8/2018	52,240	50,031	(627)	2,209	4.2%	3.8%	3.9%
9/2018	52,161	50,303	272	1,858	3.6%	3.2%	3.6%
10/2018	52,336	50,300	(3)	2,036	3.9%	3.6%	3.5%

Sources: Georgia Labor Force Estimates, 2007 - 2018.
 Georgia Department of Labor, Workforce Information Analysis.
 Koontz and Salinger. January, 2019.

Table 12 exhibits the annual change in covered employment in Newton County between 2003 and the 2nd Quarter in 2018. Covered employment data differs from civilian labor force data in that it is based on at-place-employment within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers.

Table 12 Change in Covered Employment: 2003 - 2018		
Year	Employed	Change
2003	18,584	-----
2004	18,827	243
2005	20,325	1,498
2006	21,108	783
2007	21,125	17
2008	21,441	316
2009	19,612	(1,829)
2010	19,696	84
2011	19,997	301
2012	20,463	466
2013	20,557	94
2014	21,411	854
2015	22,859	1,448
2016	23,542	683
2017	24,418	876
2018 1 st Q	25,359	-----
2018 2 nd Q	25,901	542

Sources: Georgia Department of Labor, Workforce Information Analysis, 2003 and 2018. Koontz & Salinger. January, 2019.

Commuting

Data from the 2013-2017 American Community Survey (ACS) indicates that some 39.2% of the employed workforce living in the Covington PMA (Newton County) also works in Newton County. Roughly 59.9% of employed PMA residents have jobs in another county in Georgia; the balance (0.9%) commute to other states. The average travel time to work for residents of Newton County is 31.5 minutes.

Newton County provides jobs for a number of residents of surrounding counties. The following table indicates the number of in-commuters based on 2015 data from the Census Bureau. As noted, the majority of jobs are held by residents of Newton County, Rockdale County and Walton County in GA. Note: These data are for 2015 only, and ratios may differ slightly from the 2013-2017 (5-year) ACS data.

Among residents of the PMA who work in other counties, most commute to Fulton County, DeKalb County and Rockdale County, as shown in the table below.

Jobs Counts by Counties Where Workers are Employed - All Jobs

		2015	
		Count	Share
	All Counties	42,821	100.0%
	Newton County, GA	9,411	22.0%
	Fulton County, GA	6,455	15.1%
	DeKalb County, GA	5,419	12.7%
	Rockdale County, GA	5,117	11.9%
	Gwinnett County, GA	3,779	8.8%
	Cobb County, GA	1,935	4.5%
	Henry County, GA	1,390	3.2%
	Clayton County, GA	1,362	3.2%
	Walton County, GA	1,360	3.2%
	Morgan County, GA	328	0.8%
	All Other Locations	6,265	14.6%

Jobs Counts by Counties Where Workers Live - All Jobs

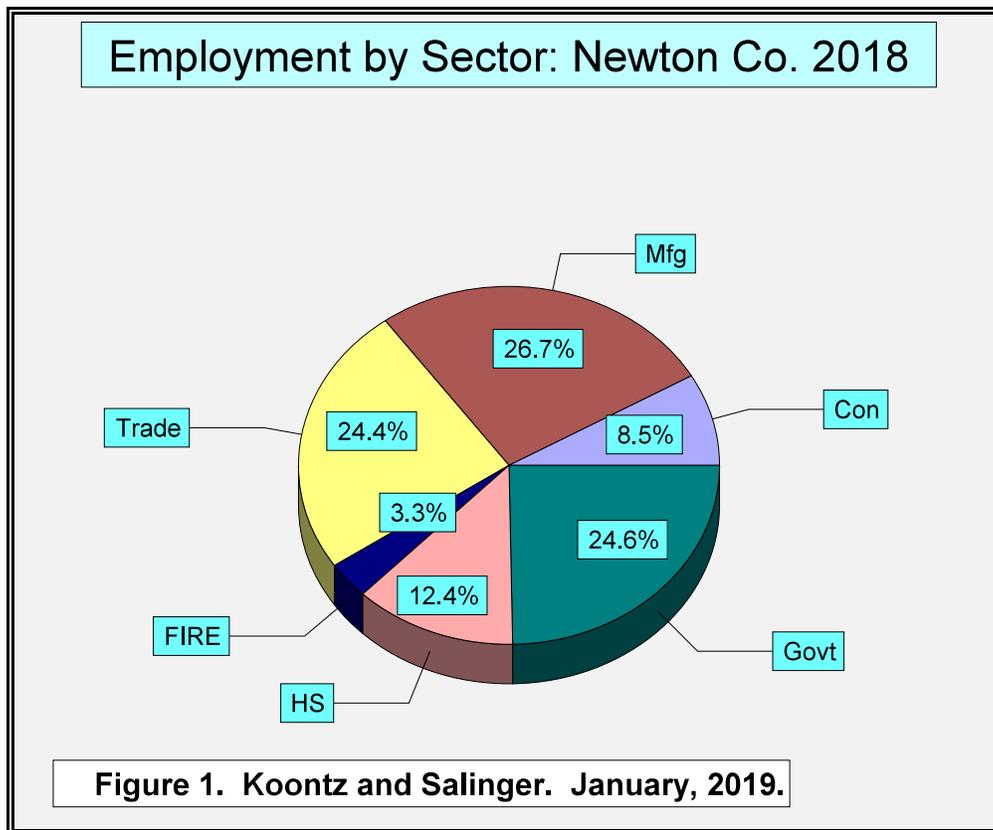
		2015	
		Count	Share
	All Counties	24,739	100.0%
	Newton County, GA	9,411	38.0%
	Rockdale County, GA	2,011	8.1%
	Walton County, GA	1,693	6.8%
	Gwinnett County, GA	1,369	5.5%
	DeKalb County, GA	1,272	5.1%
	Henry County, GA	1,032	4.2%
	Jasper County, GA	798	3.2%
	Fulton County, GA	714	2.9%
	Morgan County, GA	471	1.9%
	Cobb County, GA	451	1.8%
	All Other Locations	5,517	22.3%

Sources: 2013-2017 American Community Survey, US Census
<https://onthemap.ces.census.gov/>

Table 13 Average Monthly Covered Employment by Sector, Newton County, 2 nd Quarter 2017 and 2018							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2017	24,310	1,455	4,966	3,793	575	2,095	4,474
2018	25,901	1,531	4,830	4,417	605	2,245	4,453
17-18 # Ch.	+1,591	+ 76	- 136	+ 624	+ 30	+ 150	- 21
17-18 % Ch.	+ 6.5%	+5.2%	- 2.7	+16.4	+5.2	+ 7.2	- 0.5

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade; FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and Social Services; G - Federal, State & Local Government

Figure 1 exhibits employment by sector in Newton County in the 2nd Quarter of 2018. The top four employment sectors are: manufacturing, trade, government and service. The 2019 forecast, is for the manufacturing sector to stabilize and the trade and healthcare sectors to increase.



Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, 2017 and 2018. Koontz and Salinger. January, 2019.

Table 14, exhibits average annual weekly wages in the 2nd Quarter of 2017 and 2018 in the major employment sectors in Newton County. It is estimated that the majority of workers in the service and trade sectors (excluding accommodation and food service workers) in 2019 will have average weekly wages between \$500 and \$1,250. Workers in the accommodation and food service sectors in 2019 will likely have average weekly wages in the vicinity of \$305.

Table 14				
Average 2nd Quarter Weekly Wages, 2017 and 2018				
Newton County				
Employment Sector	2017	2018	% Numerical Change	Annual Rate of Change
Total	\$ 783	\$ 808	+ 25	+ 3.2
Construction	\$ 954	\$ 975	+ 21	+ 2.2
Manufacturing	\$1087	\$1062	- 25	- 2.3
Wholesale Trade	\$1154	\$1409	+255	+22.1
Retail Trade	\$ 470	\$ 497	+ 27	+ 5.7
Transportation & Warehouse	\$1002	\$1005	+ 3	+ 0.3
Finance & Insurance	\$1046	\$1041	- 5	- 0.5
Real Estate Leasing	\$ 683	\$ 682	- 1	- 0.1
Health Care Services	\$ 858	\$ 936	+ 78	+ 9.1
Educational Services	Na	Na	Na	Na
Hospitality	\$ 283	\$ 295	+ 12	+ 4.2
Federal Government	\$1199	\$1254	+ 55	+ 4.6
State Government	\$ 650	\$ 672	+ 22	+ 3.4
Local Government	\$ 778	\$ 803	+ 25	+ 3.2

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2017 and 2018.

Koontz and Salinger. January, 2019.

Major Employers

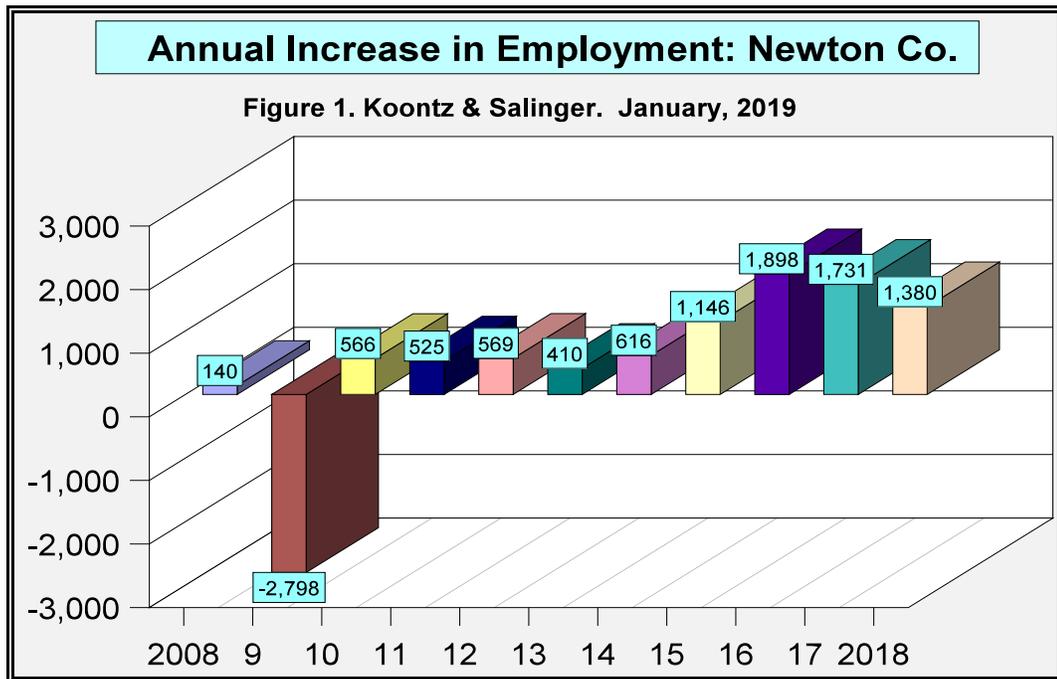
The major employers in Newton County are listed in Table 15.

Table 15		
Major Employers		
Firm	Product/Service	Employees
Newton Medical Center	Health Care	500-999
Bard Medical Division	Manufacturing	500-999
General Mills	Manufacturing	250-499
City of Covington	Government	250-499
Srg Global	Manufacturing	250-499
Walmart	Retail	250-499
Snapping Shoals EMC	Utility	250-499
Greenway Medical Technology	Software	250-499
Tyco Plastics	Manufacturing	250-499
Newton County Public Schools	Apparel	250-499
Clairon Metals Corp	Manufacturing	250-499
Newton County Sheriff's Dept	Government	250-499
Climactic Corp	HVAC Products	100-249
Georgia Piedmont Technical	Education	100-249
Vantage Products Corp	Manufacturing	100-249
Nisshinbo Automotive	Manufacturing	100-249
Specialty Yarn & Converting	Manufacturing	100-249
Bridgestone Sport USA	Manufacturing	100-249
Home Depot	Retail	100-249
Publix Super Market	Retail	100-249
Beaver Manufacturing Co.	Manufacturing	100-249

Source: <https://explorer.gdol.ga.gov/vosnet/lmi/emp/LargestEmployers.aspx>

SUMMARY

The economic situation for Newton County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 9-15, Newton County experienced employment losses between 2008 and 2009. Like much of the state and nation, very significant employment losses were exhibited in 2009, followed by moderate to significant gains each year, between 2010 and the 1st 10-months in 2018.



As represented in Figure 1 (and Table 10), between 2007 and 2009, the average decrease in employment in Newton County was approximately 1,329 workers or approximately -3.1% per year. The rate of employment gain between 2010 and 2016 was very significant at +1.96% per year. The 2017 to 2018 rate of gain was also very significant when compared to the preceding years at +2.83%, represented by an increase of 1,380 jobs.

Monthly unemployment rates in 2018 were much improved when compared to the 2009 to 2016 period. Monthly unemployment rates in 2018, were for the most part improving on a month to month basis, ranging between 3.6% and 5.2%.

The National forecast for 2018 (at present) is for the unemployment rate to approximate 3.5% to 4%. Typically, during the last five years, the overall unemployment rate in Newton County has been above to slightly above the state and above the national average unemployment rates. The overall annual unemployment rate in 2018 in Newton County is forecasted to continue to decline, to the vicinity of 4.5% and improving on a relative year to year basis.

The Newton-Covington Office of Economic Development is responsible for all attraction, retention and workforce development needs for Newton County and its five municipalities.

The Office of Economic Development recruits in four targeted sectors:

- Bio/Life Sciences
- Advanced/Process Manufacturing
- Service Industry
- Film/Tourism

The film industry is of particular importance to the local economy and the entire state of Georgia. According to a news release from Gov. Nathan Deal, Georgia-lensed feature film and television productions generated an economic impact of \$9.5 billion during FY 2017. The 320-feature film and television productions shot in Georgia represent \$2.7 billion in direct spending in the state. At the local level, Covington - Newton County Georgia is a certified Premier Camera-Ready Film Production Services Community by the Georgia Film, Music & Digital Entertainment Office. Further, Covington is becoming a tourist destination among people interested in touring the various filming locations.

Recent announcements of new industries in Newton County include the following:

- In March 2018 Governor Deal announced that Facebook is expected to invest up to \$42 billion over two decades in the server farm at Stanton Springs, a 1,620-acre master-planned development about 30 miles east of Atlanta. Facebook is expected to initially invest \$750 million and create up to 100 tech jobs at the data center campus, which will be near biotech Shire's \$1.2 billion manufacturing plant.
- In January 2017 Rahim Charania, the manager of Three Ring Studios, outlined plans for the \$100 million film and television studio planned for Covington will have three different campuses. Mr. Charania said the three campuses will have more than 600,000 square feet of sound stage space, 250,000 square feet of office space and 150,000 square feet of support and work space. The studio will also have Georgia's first post-production and gave development campus, as well as education space to train the next generation of film leaders. The 700,000 square foot facility, to be located off Alcovy Road near the Covington Municipal Airport, is expected to require a \$110 million investment and will generate an estimated \$1.8 million per year in local property and sales tax revenues. Up to 1,700 jobs are expected to be created.

Local Economy - Relative to Subject & Impact on Housing Demand

Covington and Newton County are part of the Atlanta MSA. The overall metropolitan economy is extremely well diversified, and over the last two decades has extended east from Atlanta, along I-20, into Newton County.

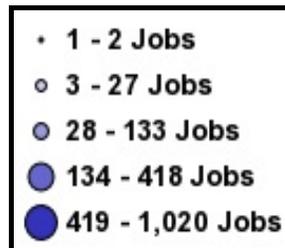
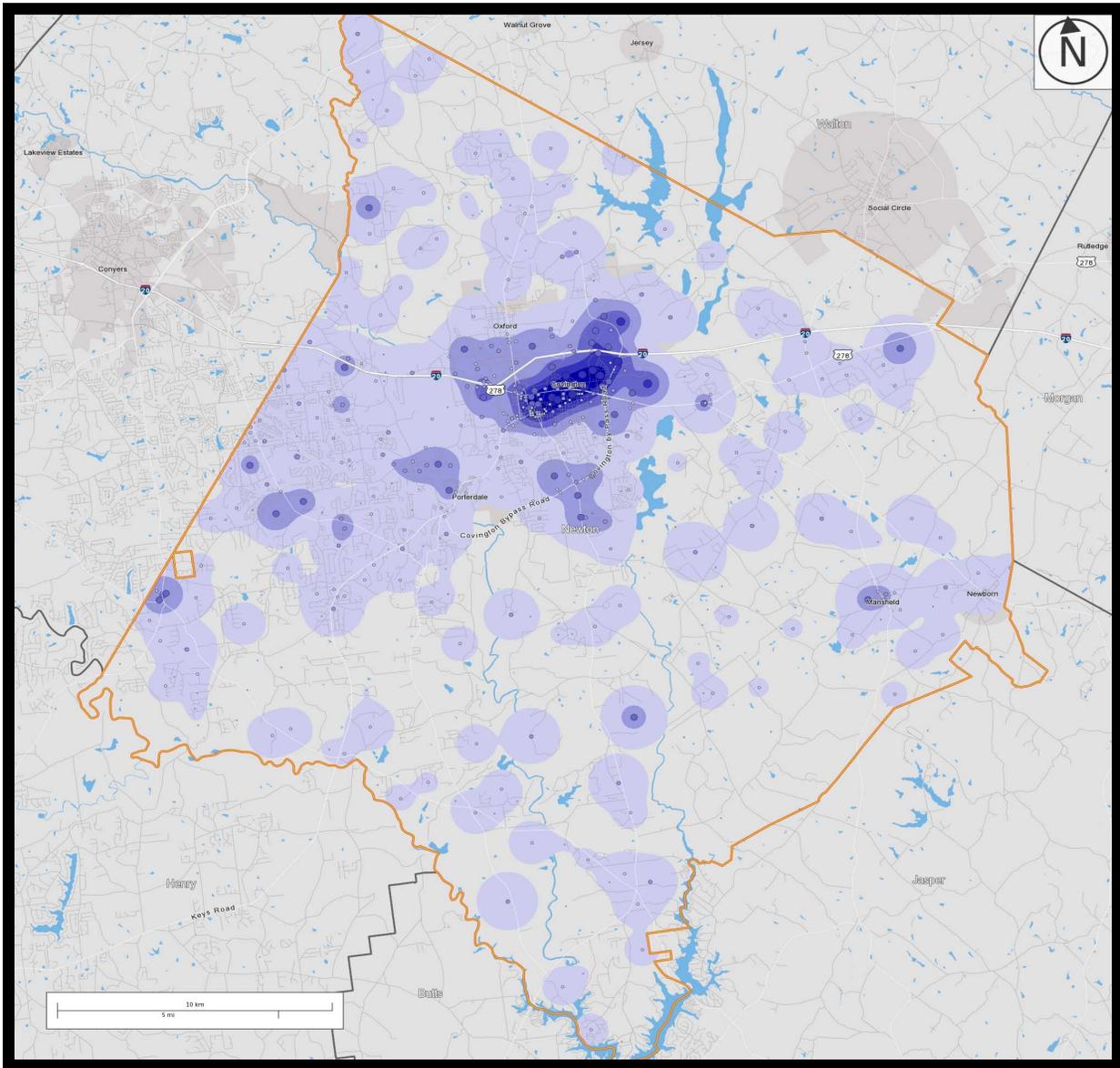
Recent economic indicators in 2017 and the 1st 10-months in 2018 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a significant pace into the remainder of 2018 and early 2019. The major sectors of local economy comprised of: (1) the Newton Medical Center, (2) a growing localized film industry, (3) a sizable manufacturing sector, (4) local government, including the school systems and (5) a large service and trade sector.

The Covington - Newton County area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the excellent location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly renters from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, and still participating in the local labor market.

For that portion of the 55 to 65 elderly subject target group that still desires or needs to continue working on a part-time basis, the Covington and Newton County local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.

A map of the major employment concentrations in Newton County is exhibited on the next page. The majority of jobs are concentrated in the Covington area, with smaller concentrations in other locations along the major transportation corridors.

Major Employment Nodes



SECTION G

PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from existing elderly renter households already in the

Covington PMA market.

Note: All elements of the demand methodology will be segmented by age (elderly 55 and over) and income, owing to the availability of detailed age 55+ income by tenure data.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon the estimated year that the subject will be placed in service in mid to late 2020, with the first full year of occupancy in 2021.

In this section, the effective project size is 122-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 6 and 7 from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered in the context of the current market conditions. This assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like kind competitive supply, in this case discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted elderly apartment projects in the market area.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- (3) - The proposed development will be available to Section 8 voucher holders.
- (4) - The 2018 HUD Income Limits.
- (5) - 0% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 20 one-bedroom and 102 two-bedroom units. The expected minimum to maximum number of people per unit is:

1BR - 1 and 2 persons
2BR - 2 persons

Analyst Note: As long as the unit in demand is income qualified there is no minimum number of people per unit. It is assumed that the target group for the proposed elderly development (by household size) will be one and two persons. Given the intended subject targeting by age, only household sizes of 1 and 2 persons were utilized in the determination of the income ranges by AMI.

The proposed development will target 100% of the units at 60% or below of area median income (AMI).

The lower portion of the target LIHTC income range is set by the proposed subject 1BR and 2BR rents at 60% AMI.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income on rent. GA-DCA has set the estimate for elderly applications at 40%.

The proposed 1BR net rent at 60% AMI is \$724. The estimated utility cost is \$60. The proposed 1BR gross rent is \$784. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$23,520.

The proposed 2BR net rent at 60% AMI is \$865. The estimated utility cost is \$77. The proposed 2BR gross rent is \$942. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$28,260.

The maximum income limit at 60% AMI for 1 and 2 person households located in Newton County follows:

	60% <u>AMI</u>
1 Person -	\$31,440
2 Person -	\$35,940

Source: 2018 HUD MTSP Income Limits.

LIHTC Target Income Range

The overall income range for the targeting of income eligible households at 60% AMI is \$23,520 to \$35,940.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

60% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$23,520 to \$35,940.

It is projected that in 2021, approximately **12%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$23,520 to \$35,940.

It is projected that in 2021, approximately **17.5%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$23,520 to \$35,940.

Effective Demand Pool

In this methodology, there are four basic sources of demand for an apartment project to acquire potential elderly tenants:

- * net renter household formation (normal growth),
- * existing elderly renter households who are living in substandard housing,
- * existing renters who choose to move to another unit, typically based on affordability (rent overburdened), project location, and features, and
- * current homeowners who elect to become renters, typically based on changing physical and financial circumstances and yield to the difficulty in maintaining a home.

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

(1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the forecast period, and

(2) taking into consideration like-kind competition introduced into the market during 2016 and 2017.

Demand from New Elderly Renter Households (Growth)

For the PMA, forecast housing demand through household formation totals 899 households age 55+ over the 2019 to 2021 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2019 to 2021 forecast period it is calculated that 154 or approximately 17% of the new households formations age 55 and over would be renters.

Based on 2021 income forecasts, 27 new elderly renter households fall into the 60% AMI target income segment of the proposed subject property.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2012-2016 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2012-2016 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 66 elderly renter-occupied households were defined as residing in substandard housing within the PMA. Based upon 2012-2016 American Community Survey data, 56 elderly renter-occupied households were defined as residing in substandard housing. The forecast in 2021 was for 50 elderly renter occupied households residing in substandard housing in the PMA.

Based on 2021 income forecasts, 9 substandard elderly renter household falls into the target income segment of the proposed subject property at 60% AMI.

Demand from Existing Renters

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2012-2016 American Community Survey provides the most current estimated update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2021 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to the 2009-2013 national and worldwide recession.

The 2012-2016 ACS indicates that within Newton County 61% of all households age 65 and over (owners & renters) are rent or cost overburdened. In addition, the ACS estimates that approximately 77% of all renters (regardless of age) within the \$20,000 to \$34,999 income range are rent overburdened.

It is estimated that approximately 80% of the elderly renters with incomes in the 60% AMI target income segment are rent overburdened.

***Note:** HUD and the US Census define a rent over burdened household at 30% or greater of income to rent.

In the PMA it is estimated that 436 existing elderly renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property.

Elderly Homeowner Tenure Conversion

An additional source of potential tenants involves elderly householders who currently own a home, but who may switch to a rental unit. This tendency is divergent for non-elderly and elderly households, and is usually the result of changes in circumstances in the households - the financial ability to pay maintenance costs and property taxes, the physical ability to maintain a larger, detached house, or an increased need for security and proximity of neighbors. In most cases, the need is strongest among single-person households, primarily female, but is becoming more common among older couples as well. Frequently, pressure comes from the householders' family to make the decision to move.

Recent surveys of new assisted housing for the elderly have indicated that an average of 15% to 30% of a typical, elderly apartment project's tenants were former homeowners. In order to remain conservative this demand factor was capped at **2.5%**.

Note: This element of the demand methodology does not allow for more than 2% of the overall demand estimate (up to this portion of the demand methodology) to be derived from owner-occupied tenure. (This is to ensure that there is no over weighting of demand from this portion of the demand methodology.)

After income segmentation, this results in 41 elderly households added to the target demand pool at 60% AMI.

After adjusting for the 2% Rule, the 60% AMI segment was reduced by 32.

Total Effective Tenant Pool

The potential demand from these sources (in the methodology) total 445 households/units at 60% AMI. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA.

These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA.

Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

These estimates of demand will still need to be adjusted for the introduction of new like-kind LIHTC supply into the PMA that is either: (1) built in 2016-2017, placed in service in 2016-2017, or currently in the rent-up process, (2) under construction, and/or (3) in the pipeline for development (if any).

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there are neither apartments under construction nor in the pipeline for development within the Harmony at Covington PMA that solely target the elderly population or the general population. Source: Ms. Donna Smith, Building Inspections Office, City of Covington, Planning and Zoning Department, (770) 385-2020. (January 9, 2019)

A review of the 2016, 2017 and 2018 list of awards for both LIHTC & Bond applications made by the Georgia Department of Community Affairs revealed that no awards were made within the Harmony at Covington PMA for LIHTC elderly new construction development.

Potential Upcoming Direct Competition

A 60-unit Housing For Older Persons application was submitted in the 2018 LIHTC competitive application round. The development, Overlook at Walkers Bend, was to comprise 54 LIHTC units and 6 market rate units. This potential development did not receive an award in 2018. However, the potential exists that it might be re-submitted in the 2019 competitive funding round.

The segmented, effective demand pool for the PMA is summarized in Table 16 on the following page.

Table 16

LIHTC Quantitative Demand Estimate: Harmony at Covington PMA

	AMI
● <u>Demand from New Growth - Elderly Renter Households</u>	<u>60%</u>
Total Projected Number of Households (2021)	2,906
Less: Current Number of Households (2019)	<u>2,752</u>
Change in Total Renter Households	+ 154
% of Renter Households in Target Income Range	<u>17.5%</u>
Total Demand from New Growth	27
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2016)	56
Number of Households in Substandard Housing(2021)	50
% of Substandard Households in Target Income Range	<u>17.5%</u>
Number of Income Qualified Renter Households	9
● <u>Demand from Existing Elderly Renter Households</u>	
Number of Renter Households (2021)	2,906
Minus Number of Substandard Renter Household	<u>- 50</u>
Total in Eligible Demand Pool	2,856
% of Households in Target Income Range	<u>17.5%</u>
Number of Income Qualified Renter Households	500
Proportion Income Qualified (that are Rent Overburdened)	<u>80%</u>
Total	400
● <u>Total Demand From Elderly Renters</u>	436
● <u>Demand from Existing Elderly Owner Households</u>	
Number of Owner Households (2021)	13,710
% of Households in Target Income Range	<u>12%</u>
Number of Income Qualified Owner Households	1,645
Proportion Income Qualified (likely to convert tenure)	<u>2.5%</u>
Total	41
2% Rule Adjustment	<u>- 32</u>
Net (after adjustment)	9
● <u>Net Total Demand</u>	445
● <u>Minus New Supply of Competitive Units (2016-2017)</u>	<u>- 0</u>
● <u>Gross Total Demand</u>	445

Table 16 - Converted w/in GA-DCA Required Table

	HH @30% AMI xx,xxx to xx,xxx	HH @50% AMI \$xx,xxx to \$xx,xxx	HH@ 60% AMI \$23,520 to \$35,940	HH @ Market \$xx,xxx to \$xx,xxx	All LIHTC Households
Demand from New Households (age & income appropriate)			27		27
Plus					
Demand from Existing Renter Households - Substandard Housing			9		9
Plus					
Demand from Existing Renter Households - Rent Overburdened households			400		400
Sub Total			436		436
Demand from Existing Households - Elderly Homeowner Turnover (limited to 2%)			9		9
Equals Total Demand			445		445
Less					
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the project market between 2016 and the present			0		0
Equals Net Demand			445		445

Capture Rate Analysis

After adjusting for new like kind supply, the total number of LIHTC Income Qualified Households = 445. For the subject 122 LIHTC units this equates to an overall LIHTC Capture Rate of **27.4%**.

● <u>Capture Rate</u> (122 unit subject, by AMI)	60% <u>AMI</u>
Number of Units in Subject Development	122
Number of Income Qualified Households	445
Required Capture Rate	27.4%

● Total Demand by Bedroom Mix

Approximately 46% of the 55 and over population in the PMA is in the 55 to 64 age group. Also, of the PMA population that comprises 1 and 2 person households (both owners and renters), approximately 39% are 1 person and 61% are 2 person (see Table 8). In addition, the size of the households age 55+ in the 2010 to 2023 forecast period is estimated to have stabilized at around 1.80 between 2010 and 2023, well over a 1.5 ratio. Finally, the Applicant has experience in offering a product at a very affordable net rent, with large size units that make the proposed 2BR units very attractive to the market. All these factors in turn suggests additional demand support for 2BR units.

Based on these data it is assumed that 25% of the target group will demand a 1BR unit and 75% a 2BR unit.

* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 60% AMI)

1BR - 111
2BR - 334
Total - 445

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	111	0	111	20	18.0%
2BR	334	0	334	102	30.5%

Capture Rate Analysis Chart

Income Targeting	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Abspt
30% AMI							
1BR							
2BR							
3BR							
4BR							
50% AMI							
1BR							
2BR							
3BR							
4BR							
60% AMI							
1BR	\$23,520-\$31,440	20	111	0	111	18.0%	1 mo.
2BR	\$28,260-\$35,940	102	334	0	334	30.5%	6 mos.
3BR							
4BR							
Market Rate							
1BR							
2BR							
3BR							
4BR							
Total 30%							
Total 50%							
Total 60%	\$23,520-\$35,940	122	445	0	445	27.4%	6 mos.
Total LIHTC	\$23,520-\$35,940	122	445	0	445	27.4%	6 mos.
Total Market							

- Penetration Rate:

The NCHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

Overall Impact to the Rental Market

In the opinion of the market analyst, the proposed new construction LIHTC elderly development will not negatively impact the existing supply of program assisted LIHTC elderly properties located within the Covington PMA, in the short or long term.

At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC-Family and LIHTC/Market Rate Family properties was 1%. Waiting lists are prevalent and excess demand is exhibited by waiting list sizes ranging between 15 and 200.

The newest LIHTC elderly property in Covington is Harristown Park. Harristown Park opened in 2011. The 60-unit development was 100% occupied within 1-month. At the time of the survey, the vacancy rate at Harristown Park was 0%, and the waiting list had 300 applications.

Some relocation of elderly tenants in the existing LIHTC elderly properties could occur in any of the properties, particularly in those properties absent deep subsidy rental assistance (RA) support. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

SECTION H

**COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS**

This section of the report evaluates the general rental housing market conditions in the PMA, for both LIHTC elderly and family properties and market rate properties. Part I of the survey focused upon the existing LIHTC elderly and family properties within the PMA. Part II consisted of a sample survey of conventional apartment

properties in the PMA. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Covington apartment market is representative of a medium-sized, well-diversified apartment market, centrally located within Newton County. Given its location in the extreme eastern portion of the expanding Atlanta Metropolitan Area, its supply of housing stock has been increasing over the last 25 years as both economic and demographic growth forces have been impacting the city and county. However, the majority of the new housing stock has been single-family owner-occupied versus new construction multi-family.

Part I - Sample Survey of Market Rate Apartments

Five market rate properties, representing 976 units were surveyed in the subject's competitive environment, in detail. Several key factors in the local conventional apartment market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was 1.6%. Waiting list are prevalent and excess demand is exhibited by waiting list comments such as: "as needed" and "1st come 1st serve".
- * At the time of the survey, none of the surveyed market rate apartment properties were offering a rent concession.
- * The bedroom mix of the surveyed market rate apartment properties is 29.5% 1BR, 61.5% 2BR and 9% 3BR.
- * A survey of the conventional apartment market exhibited the following: average, median and range of net rents by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$881	\$900	\$686-\$1031
2BR/1b	\$943	\$900	\$766-\$1020
2BR/2b	\$1016	\$1100	\$786-\$1475
3BR/2b	\$1094	\$1160	\$886-\$1525

Source: Koontz & Salinger. January, 2019

* A survey of the conventional apartment market exhibited the following: average, median and range of size of units, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Unit Size			
BR/Rent	Average	Median	Range
1BR/1b	795	765	636-864
2BR/1b	910	894	880-930
2BR/2b	1073	1075	880-1280
3BR/2b	1248	1295	1152-1694

Source: Koontz & Salinger. January, 2019

* In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, by floor plan, with the existing market rate properties.

Part II - Survey of the Program Assisted Apartment Market

Six program assisted properties, representing 876 units were surveyed in the subject's competitive environment, in detail. Four of the properties are LIHTC family or combination LIHTC/Market Rate, one is LIHTC elderly, and one is HUD 202 elderly.

* At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC program assisted apartment properties (both elderly and family) was 0.8%.

* At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC-Family and LIHTC/Market Rate Family properties was 1%. Waiting lists are prevalent and excess demand is exhibited by waiting list sizes ranging between 25 and 200.

* At the time of the survey, the vacancy rate of the one surveyed LIHTC-Elderly property was 0%. The waiting list had 300 applications.

* The bedroom mix of the surveyed LIHTC-family apartment properties is 19.5% 1BR, 61.5% 2BR, 16.5% 3BR and 2.5% 4BR.

* The bedroom mix of the surveyed LIHTC-elderly apartment property is 20% 1BR and 80% 2BR.

HUD Section 8 Voucher Program

The Section 8 voucher program for Newton County is managed by the Georgia Department of Community Affairs, Atlanta Office. At the time of the survey, DCA stated that 749 vouchers held by households were under contract within Newton County, of which 82 were elderly households and 667 non elderly. In addition, it was reported that presently there are 833 applicants on the waiting list. The waiting list is presently closed. Source: Ms. Mary E. de la Vaux, Special Assistant, GA-DCA, Atlanta Office, Mary.delaVaux@dca.ga.gov, January 16, 2019.

Comparable Properties

* The most comparable surveyed market rate properties (including the market rate units in the Arbor Lake LIHTC-family property) to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Arbor Lake	Arbor Lake	
Fieldcrest	Fieldcrest	
Leaf Stone	Leaf Stone	
Oxford Homes	Oxford Homes	
Park View	Park View	
Porterdale Mill	Porterdale Mill	

Source: Koontz & Salinger. January, 2019

* The overall estimated vacancy rate of the surveyed comparable market rate properties was 1.5%.

Housing Voids

At the time of the market study, no readily discernable critical housing voids were noted within the PMA. In the area of affordable housing, present indicators such as waiting lists and demand forecasts suggest an on-going need for additional affordable housing supply targeting both the elderly and non elderly population.

Fair Market Rents

The 2019 Fair Market Rents for Zip Code 30014 within Newton County, GA are as follows:

Efficiency = \$ 810
1 BR Unit = \$ 830
2 BR Unit = \$ 950
3 BR Unit = \$1230
4 BR Unit = \$1510

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.gov

Note: The proposed 1BR and 2BR gross rents at 60% AMI for the subject LIHTC project are set below the Fair Market Rent for both bedroom sizes. Thus, the subject property LIHTC 1BR and 2BR units at 60% AMI will be readily marketable to Section 8 voucher holders in Newton County.

Table 17 exhibits building permit data between 2000 and October, 2018. The permit data is for Covington and Newton County. Between 2000 and 2018, 17,308 permits were issued, of which 822, or approximately 5% were multi-family units.

Table 17			
New Housing Units Permitted: Covington & Newton County, 2000-2018¹			
Year	Net Total²	Single-Family Units	Multi-Family Units
2000	1,918	1,496	422
2001	1,736	1,628	108
2002	2,347	2,127	220
2003	2,263	2,243	20
2004	1,929	1,927	2
2005	2,115	2,115	0
2006	1,678	1,678	0
2007	856	956	0
2008	189	189	0
2009	54	54	0
2010	58	58	0
2011	54	54	0
2012	66	66	0
2013	110	82	28
2014	181	176	5
2015	251	251	0
2016	333	327	6
2017	582	571	11
2018/10	588	588	0
Total	17,308	16,486	822

¹Source: New Privately Owned Housing Units Authorized In Permit Issuing Places, U.S. Department of Commerce, C-40 Construction Reports. U.S. Census Bureau.

Censtats - US Census web page.

²Net total equals new SF and MF dwellings units.

Table 18 exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed Program Assisted apartment properties in the Covington competitive environment.

Table 18											
SURVEY OF PROGRAM ASSISTED APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3 & 4BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3& 4BR
Subject	122	20	102	--	Na	\$724	\$865	--	870	1047	--
LIHTC-FM											
Arbor Lake	250	36	166	48	3	\$745- \$1031	\$972- \$1114	\$1023- \$1183	975	1150	1350
Magnolia Heights	200	32	144	24	1	\$656- \$815	\$787- \$890	\$915- \$990	975	1150	1350
Village @ Walker Bend	32	--	--	32	1	--	--	\$645- \$765	--	--	1303- 1634
Wellington Ridge	220	70	122	28	2	\$724	\$886	\$991	651- 902	1050- 1316	1353- 1424
Sub Total	702	138	432	132	7						
LIHTC-EL											
Harrington Park	60	12	48	--	0	\$501- \$528	\$595- \$603	--	671	841	--
HUD											
Covington Square	114	114	--	--	0	BOI		--	470- 580	--	--
Total*	876	264	480	132	7						

* - Excludes the subject property

Comparable Properties are highlighted in red.

Source: Koontz and Salinger. January, 2019.

Table 19 exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed market rate apartment properties in the competitive environment.

Table 19											
SURVEY OF CONVENTIONAL APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	122	20	102	--	Na	\$724	\$865	--	870	1047	--
Fieldcrest	250	75	175	--	7	\$830- \$900	\$860- \$1100	--	864	930- 1200	--
Leaf Stone	232	63	136	33	3	\$900	\$920- \$940	\$1135 \$1145	816	1072	1292
Park View	100	10	55	35	0	\$686	\$766- \$786	\$886	735	880	1152
Porterdale Mill Lofts	154	80	72	2	2	\$750- \$950	\$1075 \$1475	\$1525	738- 855	1130- 1280	1694
Oxford Homes	240	60	162	18	4	\$925- \$960	\$1020 \$1080	\$1325	636- 722	894- 1051	1304
Total*	976	288	600	88	16						

* - Excludes the subject property

Comparable Properties are highlighted in red.

Source: Koontz and Salinger. January, 2019.

Table 20 exhibits the key amenities of the subject and the surveyed LIHTC program assisted apartment properties and HUD elderly properties. Overall, the subject is competitive and comparable with all of the existing program assisted apartment properties in the market regarding the unit and development amenity package.

Table 20													
SURVEY OF PROGRAM ASSISTED APARTMENT COMPLEXES : UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Arbor Lake	x	x	x	x	x	x	x	x	x	x	x	x	x
Covington Square	x	x						x	x	x	x	x	
Harrington Park	x				x	x	x	x	x	x	x	x	x
Magnolia Heights	x	x	x		x	x	x	x	x	x	x	x	x
Village @ Walker Bend	x	x			x	x	x	x	x	x	x	x	x
Wellington Ridge	x	x	x		x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. January, 2019.

Key: A - On-Site Mgmt* B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Picnic F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm

M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

* or office

Table 21 exhibits the key amenities of the subject and the surveyed conventional apartment properties. Overall, the subject is competitive and comparable with most of the existing conventional apartment properties in the market regarding the unit amenity package.

Table 21 SURVEY OF MARKET RATE APARTMENT COMPLEXES : UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Fieldcrest	x	x	x	x	x	x	x	x	x	x	x	x	x
Leaf Stone	x	x	x		x	x	x	x	x	x	x	x	x
Park View	x	x	x		x	x	x	x	x	x	x	x	x
Porterdale Mill Lofts	x		x			x		x	x	x	x	x	x
Oxford Homes	x	x	x	x	x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. January, 2019.

Key: A - On-Site Mgmt* B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Picnic F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm

M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

* or office

The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the surveyed Program Assisted properties in the Harmony at Covington PMA is provided on page 93. A map showing the location of the surveyed Market Rate properties located within the competitive environment is provided on page 94. A map showing the location of the surveyed Comparable Market Rate properties and LIHTC elderly properties in the competitive environment is provided on page 95.

Survey of the Competitive Environment: Program Assisted

1. Arbor Lake, 431 Kirkland Rd

(770) 385-6166

Contact: Ms Nikita (1/7/2019)
Date Built: 2001

Type: LIHTC/Market (60% AMI) FM
Condition: Very Good

<u>Unit Type</u>	<u>60% Number</u>	<u>Mkt</u>	<u>60% Rent</u>	<u>Mkt</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	28	8	\$742	\$845-\$1031	\$121	975	1
2BR/2b	133	33	\$972	\$985-\$1114	\$132	1150	2
3BR/2b	40	8	\$1023-\$1056	\$1183	\$145	1350	0
Total	250						3

Typical Occupancy Rate: high 90's
Security Deposit: \$100-\$300
Utilities Included: None

Waiting List: "as needed"
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony/Stor	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Computer Room	Yes	Recreation Area	Yes
Fitness Center	Yes	Tennis Court	Yes

Design: 3 story walk-up

Remarks: 35-units are occupied by a Section 8 voucher holder; expects no negative impact; 100% occupied within 9-months



2. Covington Square, 2101 Washington Ct

(770) 786-3227

Contact: Ms. Sandra (1/7/2019)
Date Built: 1985

Type: HUD 202 EL
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
0BR/1b	29	\$ 986	Na	470	0
1BR/1b	84	\$1040	Na	580	0
Total	113	(1-unit set aside for mgr)			0

Typical Occupancy Rate: 100%
Security Deposit: \$50 to BOI
Utilities Included: All

Waiting List: Yes (30)
Concessions: No
Turnover: "very low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Computer Room	No	Recreation Area	No
Fitness Room	No	Picnic Area	No

Design: 6 story w/elevator

Remarks: 100% PBRA; rent Based On Income (BOI); expects no negative impact; most of the tenants came from Conyers and Covington



3. Harristown Park, 2135 Reynolds St SW

(678) 625-3235

Contact: Ms. Felicia, Fairway Mgmt (1/3/19)
Date Built: 2011

Type: LIHTC (50% & 60%) EL
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>		<u>Rent</u>		<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
	50%	60%	50%	60%			
1BR/1b	2	10	\$501	\$528	\$ 94	671	0
2BR/1b	12	36	\$592	\$603	\$118	841	0
Total	60						0

Typical Occupancy Rate: 100%
Security Deposit: 1 month rent
Utilities Included: trash removal

Waiting List: Yes (300)
Concessions: No
Turnover: "very low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	No	Community Room	Yes
Computer Room	Yes	Recreation Area	No
Fitness Room	Yes	Picnic Area	Yes

Design: 3 story w/elevator

Remarks: 5-units are occupied by a Section 8 voucher holder; expects no negative impact; 100% occupied within 1 month



4. Magnolia Heights, 10156 Magnolia Heights Cir (770) 786-0458

Contact: Ms. Cherie, Ambling Mgmt (1/7/19) **Type:** LIHTC/Market Rate FM
Date Built: 2001 **Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>		<u>Rent</u>		<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
	60%	MR	60%	MR			
1BR/1b	27	5	\$656	\$815	\$ 65	975	0
2BR/2b	103	41	\$787	\$890	\$ 79	1150	1
3BR/2b	18	6	\$915	\$990	\$ 96	1350	0
Total	200						1

Typical Occupancy Rate: 95%-97%
Security Deposit: \$200
Utilities Included: water and sewer

Waiting List: Yes (15)
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: 3 story walk-up

Remarks: 24-units have HUD Section 8 vouchers; negative impact is not expected



5. Village @ Walkers Bend, 5978 Everett St SW (770) 385-5228

Contact: Ms Felicia, Fairway Mgmt (1/7/19) **Type:** LIHTC 50% & 60% AMI FM
Date Built: 2012 **Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
3BR/2b	14	\$645	\$725	\$197	1303	0
4BR/2b	18	\$674	\$765	\$243	1634	1
Total	32					0

Typical Occupancy Rate: 99%-100%
Security Deposit: 1 month rent
Utilities Included: None

Waiting List: Yes (200)
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Picnic Area	Yes

Design: single-family for rent

Remarks: 3-units have HUD Section 8 vouchers; negative impact is not expected; 100% occupied within 2-months



6. Wellington Ridge, 9145 Wellington Dr

(678) 625-2777

Contact: Ms Santana (1/7/2019)
Date Built: 2003

Type: LIHTC FM 60% AMI
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	70	\$724	\$118	651-902	0
2BR/2b	122	\$868	\$143	1050-1316	1
3BR/2b	28	\$991	\$176	1353-1424	1
Total	220				2

Typical Occupancy Rate: high 90's
Security Deposit: \$350-\$600
Utilities Included: None

Waiting List: 1st come 1st serve
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony/Stor	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Picnic Area	Yes

Design: 3 story

Remarks: around 85-units are occupied by a Section 8 voucher holder; no negative impact expected; most of the current tenants came from countywide & surrounding counties



Survey of the Competitive Environment - Market Rate

1. Fieldcrest Apartments, 10238 Fieldcrest Rd (770) 786-0445

Contact: Ms Gina
Date Built: 1987

Date Contacted: 1/3/2019
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	75	\$830-\$900	864	\$0.96-\$1.04	2
2BR/1b	50	\$860-\$940	930	\$0.92-\$1.01	3
2BR/2b	125	\$875-\$1100	980-1200	\$0.89-\$0.92	2
Total	250				7

Typical Occupancy Rate: high 90's
Security Deposit: \$300-\$600
Utilities Included: None

Waiting List: 1st come 1st serve
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Tennis Courts	Yes
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Car Wash Area	Yes

Design: 2 story walk-up

Remarks: bedroom mix was estimated



2. Leaf Stone Apartments, 10100 Brown Bridge Rd (770) 784-8044

Contact: Ms Rachel
Date Built: 2000

Date Contacted: 1/3/2019
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	63	\$900	816	\$1.10	0
2BR/2b	136	\$920-\$940	1072	\$0.86-\$0.88	3
3BR/2b	33	\$1135-\$1145	1292	\$0.88-\$0.89	0
Total	232				3

Typical Occupancy Rate: 98%
Security Deposit: \$150 or 1 month rent
Utilities Included: None

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony/Storg	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Car Wash Area	Yes

Design: 3 story walk-up

Remarks: uses the Entrada rent system (similar to LRO)



3. Park View, 10920 Covington Bypass Road

(770) 786-8500

Contact: Tenisha

Date Contacted: 1/7/2019

Date Built: 1993; Rehab 2011

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	10	\$686	735	\$0.93	0
2BR/1b	9	\$766	880	\$0.87	0
2BR/2b	46	\$786	880	\$0.89	0
3BR/2b	35	\$886	1152	\$0.77	0
Total	100				0

Typical Occupancy Rate: 95%+
 Security Deposit: \$300
 Utilities Included: trash removal

Waiting List: No
 Concessions: No
 Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony/Storg	No

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	No	Tennis Court	No

Design: 2-story walk-up

Remarks: does not keep a waiting list



4. Porterdale Mill Lofts, 1109 Main St

(770) 786-8283

Contact: Ms Beverly

Date Contacted: 1/3/2019

Date Built: 1899; Historic Rehab 2006

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	28	\$750	738	\$1.02	0
1BR/1b	26	\$850	796	\$1.07	0
1BR/1b	26	\$950	855	\$1.11	0
2BR/2b	24	\$1075-\$1170	1130	\$0.95-\$1.04	2
2BR/2b	24	\$1250-\$1350	1205	\$1.04-\$1.12	0
2BR/2b	24	\$1175-\$1475	1280	\$0.92-\$1.15	0
3BR/2b	2	\$1525	1694	\$0.90	0
Total	154				2

Typical Occupancy Rate: 100%

Security Deposit: \$250

Utilities Included: trash removal

Waiting List: Yes

Concessions: No

Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony/Stor	No

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	No	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	No
Storage	No	Garage	Yes

Design: 2-story walk-up

Remarks: rent based on Yieldstar system



5. Oxford Homes, 50 Greenleaf Rd

(770) 788-1165

Contact: Ms Laurie Collins
Date Built: 1999

Date Contacted: 1/3/2019
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent per</u> <u>SF</u>	<u>Vacant</u>
1BR/1b	18	\$925	636	\$1.45	0
1BR/1b	42	\$960	722	\$1.33	1
2BR/1b	48	\$1020	894	\$1.14	1
2BR/2b	114	\$1080	1051	\$1.03	0
3BR/2b	18	\$1325	1304	\$1.02	2
Total	240				4

Typical Occupancy Rate: 97%-98%
Security Deposit: \$250 to 1 month rent
Utilities Included: None

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony/Stor	Yes

Amenities - Project

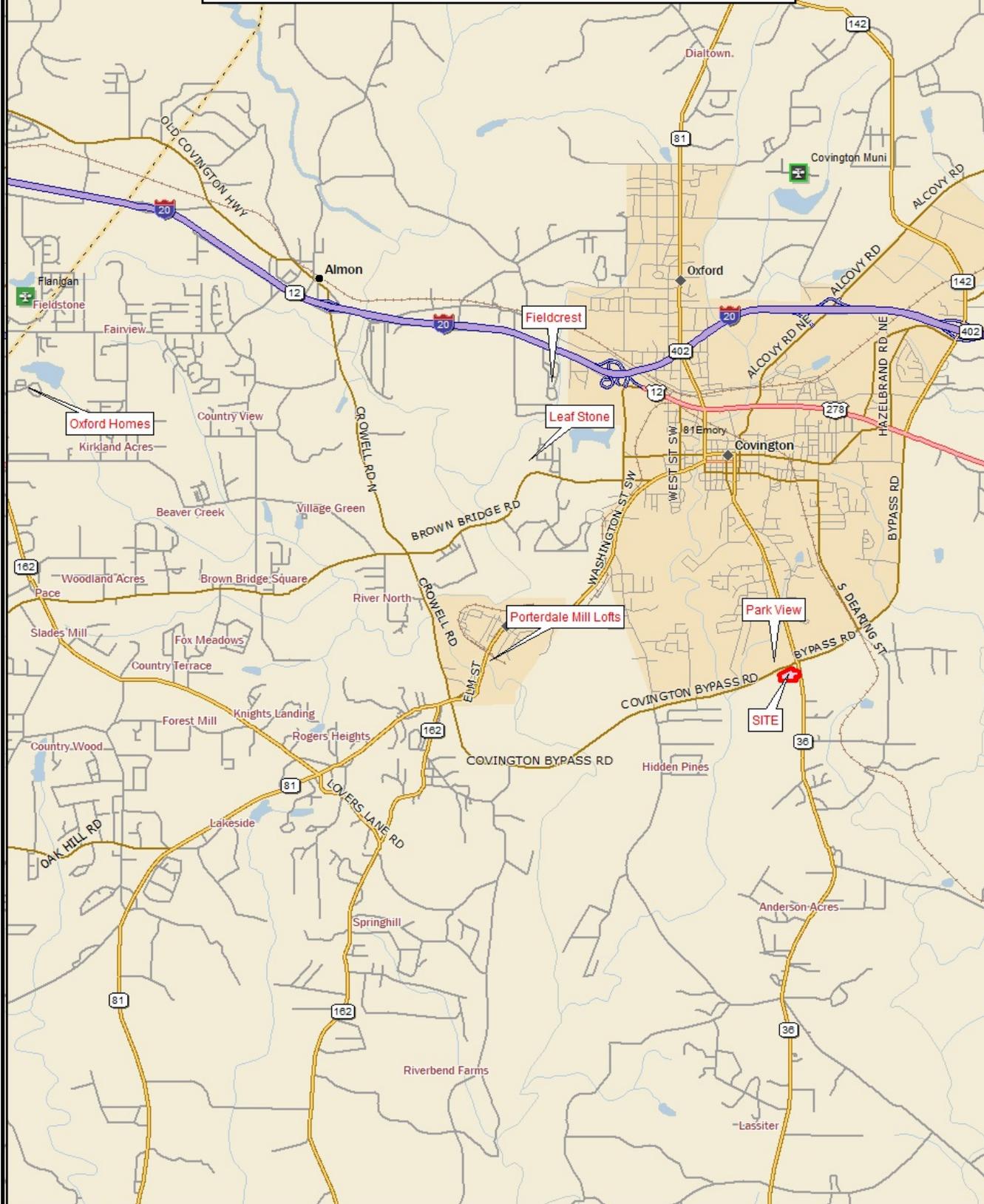
On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Tennis Court	Yes

Design: 3-story walk-up; w/20 detached garages

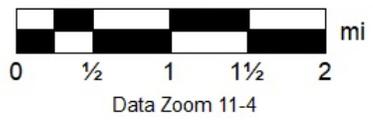
Remarks: garage premium is \$100; formerly known as Summerset Apartments



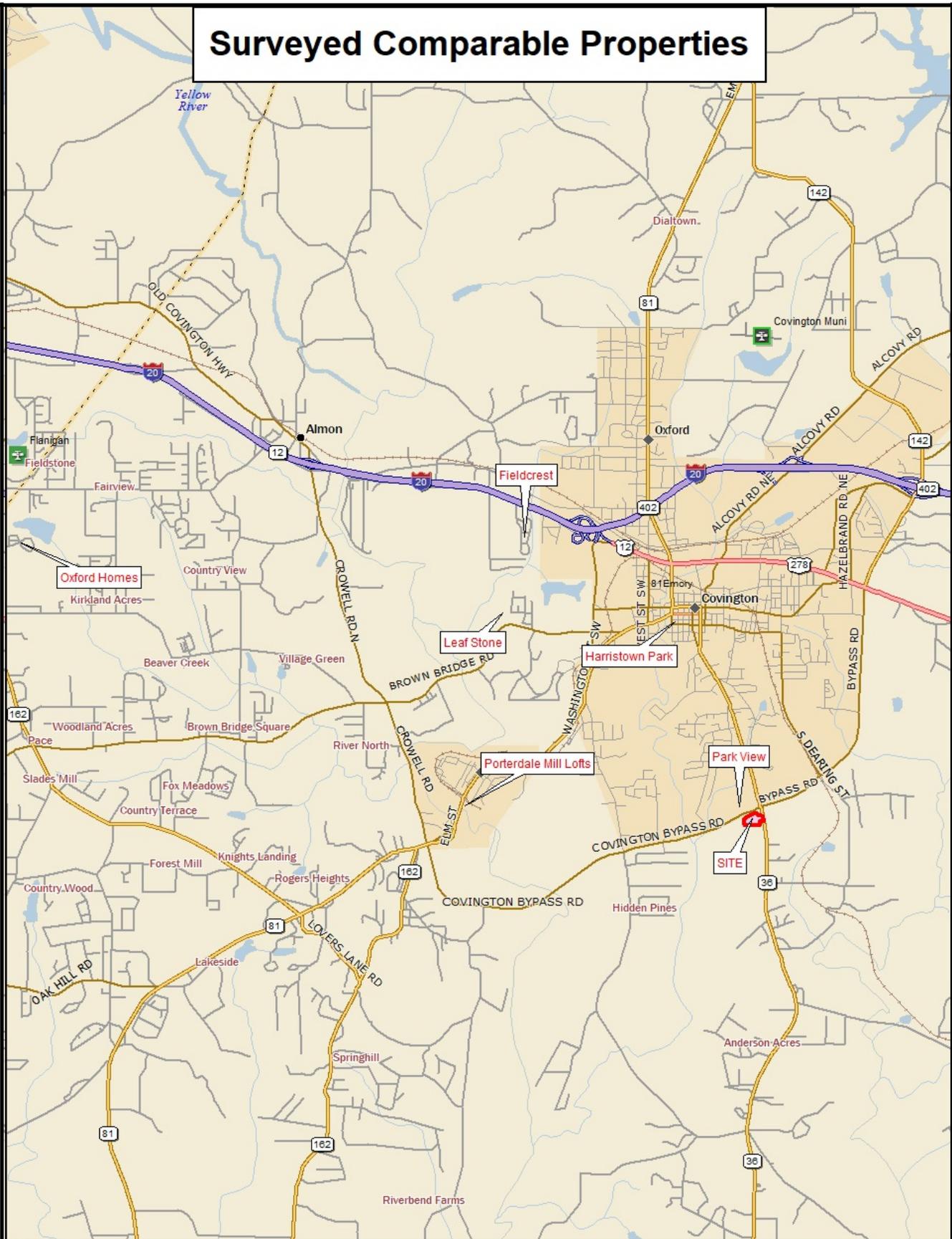
Surveyed Market Rate Properties



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Surveyed Comparable Properties



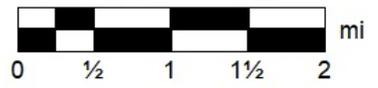
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Data Zoom 11-4

SECTION I
 ABSORPTION &
 STABILIZATION RATES

Given the strength of the demand estimated in Table 16, the most likely/best case scenario for 93% to 100% rent-up is estimated to be within 6 months (at 20-units per month on average).

The rent-up period estimate is based upon the recently built LIHTC elderly and family developments located within Covington, reconciled with the proposed subject net rents by bedroom type:

Harristown Park (LIHTC-EL)	60-units	1-month to attain 100% occupancy
Arbor Lake (LIHTC-FM)	250-units	9-months to attain 100% occupancy
Village @ Walkers Bend (LIHTC-FM)	32-units	2-months to attain 100% occupancy

Note: In addition, the absorption of the project is contingent upon an attractive product, a competitive amenity package, competitive rents and professional management.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period.

NCHMA Definitions

Absorption Period: The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of occupancy. The Absorption Period begins when the first certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. This assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption Rate: The average number of units rented each month during the Absorption Period.

Stabilized Level of Occupancy: The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

SECTION J
INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process.

In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site location, project size, bedroom mix, income targeting and net rents. The following observations/comments were made:

(1) - Ms. Donna Smith, Building Inspections Office, City of Covington, Planning and Zoning Department reported on the status of current and upcoming permitted apartment development activity within Covington. At present, there are neither apartments under construction nor in the pipeline for development within the Covington PMA that solely target the elderly population or the general population. Contact Number: (770) 385-2020, January 9, 2019.

(2) - Ms Mary E. de la Vaux, Special Assistant, GA-DCA, Atlanta Office Section 8 Coordinator, made available the number of Section 8 Housing Choice Vouchers being used within Covington and Newton County. At the time of the survey, the Georgia State Office stated that 749 vouchers held by households were under contract within Elbert County, of which 82 were elderly households and 667 non elderly. In addition, it was reported that presently there are 833 applicants on the waiting list. The waiting list is presently closed. Source: Mary.delaVaux@dca.ga.gov, January 16, 2019.

(3) - The manager of the most recently built LIHTC elderly development in Covington, Harristown Park was interviewed. It was stated that the proposed subject development would not negatively impact Harristown Park. At the time of the survey, Harristown Park was 100% occupied, and maintained a waiting list with 300 names / potential applicants. The 60-unit property was 100% occupied within 1-month. Source: Ms. Felicia, Fairway Management, (678) 625-3235.

(4) - The manager of the Arbor Lake LIHTC family development in Covington was interviewed. It was stated that the proposed subject development would not negatively impact Arbor Lake. At the time of the survey, the property was 99% occupied. The 250-unit property was 100% occupied within 9-months. Source: Ms. Nikita, (770) 385-6166.

(5) - The manager of the Covington Square HUD 202 elderly development in Covington was interviewed. It was stated that the proposed subject development would not negatively impact Covington Square. At the time of the survey, the property was 100% occupied, and maintained a waiting list with 30 applicants. Source: Ms. Sandra, (770) 786-3227.

(6) - The manager of the Magnolia Heights LIHTC/Market Rate family development in Covington was interviewed. It was stated that the proposed subject development would not negatively impact Magnolia Heights. At the time of the survey, the property was 99.5% occupied, and maintained a waiting list with 15 applicants. Source: Ms. Cherie, Ambling Management, (770) 786-0458.

SECTION K

SIGNIFICANT FINDINGS &
RECOMMENDATION

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that the Harmony at Covington Apartments (a proposed Tax Exempt Bond/LIHTC property) targeting the elderly population age 55 and over should proceed forward with the development process.

Detailed Support of Recommendation

1. Project Size - The income qualified target group is large enough to absorb the proposed Tax Exempt Bond/LIHTC HFOP (55+) development of **122-units**. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable**.

2. The current LIHTC program assisted apartment market is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted elderly apartment properties was 0.8%. The current market rate apartment market is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties located within the competitive environment was 1.6%.

3. The proposed complex amenity package is considered to be very competitive within the PMA apartment market for affordable properties. It will be very competitive with older program assisted properties and older Class B market rate properties.

4. Bedroom Mix - The subject will offer 1BR and 2BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. Both typical elderly household sizes will be targeted, i.e., a single person household and a couple. The bedroom mix of the most recent LIHTC elderly property in Covington (Harristown Park) offers a fair number of both 1BR and 2BR units. Both bedroom types were very well received by the local market in terms of demand and absorption.

5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 60% AMI. Market rent advantage is greater than 15% in both bedroom types. The table on page 100, exhibits the rent reconciliation of the proposed LIHTC property, by bedroom type, and income targeting, with comparable properties within the competitive environment.

6. Under the assumption that the proposed development will be: (1) built as described within this market study, (2) will be subject to professional management, and (3) will be subject to an extensive marketing and pre-leasing program, the subject is forecasted to be 93% to 100% absorbed within 6-months.

7. Stabilized occupancy, subsequent to initial lease-up, is forecasted to be 93% or higher.

8. The site location is considered to be very marketable.

9. In the opinion of the market analyst, the proposed new construction LIHTC elderly development will not negatively impact the existing supply of program assisted LIHTC elderly properties located within the Covington PMA, in the short or long term.

At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC-Family and LIHTC/Market Rate Family properties was 1%. Waiting lists are prevalent and excess demand is exhibited by waiting list sizes ranging between 15 and 200.

The newest LIHTC elderly property in Covington is Harristown Park. Harristown Park opened in 2011. The 60-unit development was 100% occupied within 1-month. At the time of the survey, the vacancy rate at Harristown Park was 0%, and the waiting list had 300 applications.

10. No modifications to the proposed project development parameters as currently configured are recommended.

The table below exhibits the findings 90 the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

Market Rent Advantage

The rent reconciliation process exhibits positive rent advantage by bedroom type at 60% of AMI.

Percent Advantage:

60% AMI

1BR/1b: 22%
 2BR/1b: 16%

Overall: 17%

Rent Reconciliation				
60% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$724	\$865	---	---
Estimated Market net rents	\$925	\$1035	-	---
Rent Advantage (\$)	+\$201	+\$170	-	---
Rent Advantage (%)	22%	16%	---	---

Source: Koontz & Salinger. January, 2019

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that the Harmony at Covington Apartments (a proposed Tax Exempt Bond/LIHTC new construction HFOP (55+) development) proceed forward with the development process.

Negative Impact

In the opinion of the market analyst, the proposed new construction LIHTC elderly development will not negatively impact the existing supply of program assisted LIHTC elderly properties located within the Covington PMA, in the short or long term.

At the time of the survey, the overall estimated vacancy rate of the surveyed LIHTC-Family and LIHTC/Market Rate Family properties was 1%. Waiting lists are prevalent and excess demand is exhibited by waiting list sizes ranging between 15 and 200. The newest LIHTC elderly property in Covington is Harristown Park. Harristown Park opened in 2011. The 60-unit development was 100% occupied within 1-month. At the time of the survey, the vacancy rate at Harristown Park was 0%, and the waiting list had 300 applications.

Some relocation of age and income eligible tenants in the area program assisted family properties could occur. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

Achievable Restricted (LIHTC) Rent

The proposed gross rents, by bedroom type at 60% AMI are considered to be competitively positioned within the market. In addition, they are appropriately positioned in order to attract income qualified Section 8 Housing Choice Voucher holders within Covington and Newton County, for the proposed subject 1BR and 2BR units.

Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject net rents could be positioned at a somewhat higher level and still attain a rent advantage position greater than 10%. However, it is recommended that the proposed net rents remain unchanged. In addition, the subject's gross rents are already closely positioned to be under Fair Market Rents for Elbert County, while at the same time operating within a competitive environment.

The proposed project design, amenity package, location and net rents are well positioned to be attractive to the local Section 8 voucher market. Increasing the gross rents to a level beyond the FMR's, even if rent advantage can be achieved, and maintained, is not recommended

Mitigating Risks

The subject development is very well positioned to be successful in the market place, in particular, when taking into consideration the current rent advantage positioning. It will offer a product that will be very competitive regarding project design, amenity package and professional management. The major unknown mitigating risk to the development process will be demand support from income eligible homeowners. Future economic market conditions in the remainder of 2018 and 2019 will have an impact on the home buying and selling market environment in Covington and Newton County.

At present, economic indicators point to a stable to moderately growing local economy. However, the operative word in forecasting the economic outlook in Newton County, the State, the Nation, and the Globe, at present is "guarded uncertainty". At present, the Covington/Newton County local economic conditions are considered to be operating within a more positive and certain state compared to the recent past, with recent continuing signs of optimism.

Also, it is possible that the absorption rate could be extended by a few months if the rent-up process for the proposed subject development begins sometime between the Thanksgiving and Christmas holiday season, including the beginning of January.

Rent Reconciliation Process

Five market rate properties and one combination LIHTC/Market Rate property in the Harmony at Covington competitive environment were selected as comparables to the subject. The methodology attempts to quantify a number of subject variables regarding the features and characteristics of a target property in comparison to the same variables of comparable properties.

The comparables were selected based upon the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,
- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,
- an adjustment was made for the floor/level of the unit in the building; this adjustment is consider to be appropriate for elderly apartment properties in order to take into consideration 1 story structures and/or elevator status, versus walk-up properties,
- no "time adjustment" was made; all of the comparable properties were surveyed in March 2018,
- no "distance or neighborhood adjustment" was made; owing to the fact that all comparisons are being made between properties located within Covington,
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,
- no specific adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout, however, the floor level does incorporate some project design factors,

- an adjustment was made for the age of the property; this adjustment was made on a conservative basis,
- an adjustment was made for Number of Rooms in one comparable property,
- no adjustment is made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),
- an adjustment was made for storage,
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject includes water, sewer and trash removal. None of the comparable properties include cold water and sewer within the net rent. Two properties include trash removal within the net rent.

ADJUSTMENT ANALYSIS

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

Adjustments:

- **Concessions:** None of the six surveyed comparable properties offers a rent concession.
- **Structure/Floors:** A \$10 net adjustment is made for 2 and 3 story walk-up structures versus the subject.
- **Year Built:** Some of the comparable properties were built in the 1980's, 1990's and early 2000's, and will differ considerably from the subject (after new construction) regarding age. The age adjustment factor utilized is a \$1.00 adjustment per year differential between the subject and the comparable property.
- **Square Feet (SF) Area:** An adjustment was made for unit size; the overall estimated for unit size by bedroom type was \$.05. The adjustment factor allows for differences in amenity package and age of property.
- **Number of Baths:** An adjustment was made for the proposed 2BR/1b units owing to the fact that three of the comparable properties offered 2BR/2b units. The adjustment is \$15 for a ½ bath and \$30 for a full bath.

- Balcony/Terrace/Patio: The subject will offer a traditional patio/balcony, with an attached storage closet. The adjustment process resulted in a \$5 value for the balcony/patio, and a \$5 value for the storage closet.
- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$225; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$5.
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$750; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5.
- Washer/Dryer (w/d): The subject will offer washer/dryer units. If the comparable property does not offer washer/dryer units the adjustment factor is \$40. The assumption is that at a minimum a household will need to set aside \$10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also \$40.
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15 , rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds.
- Pool/Recreation Area: The subject offers a picnic area, but not a swimming pool, nor a tennis court. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of \$5 for a playground, \$15 for a tennis court and \$25 for a pool.
- Water: The subject includes cold water and sewer in the net rent. Several of the comparable properties exclude water and sewer in the net rent. Note: The source for the utility estimates by bedroom type is based upon the Georgia Department of Community Affairs Utility Allowances - Northern Region (effective 1/1/2018). See Appendix.
- Storage: The dollar value for storage is estimated to be \$5.
- Computer Room: The dollar value for a computer room (with internet service) is estimated to be \$5.

- **Fitness Room:** The dollar value for an equipped fitness room is estimated to be \$5.
- **Clubhouse:** The dollar value for a clubhouse and/or community room is estimated to be \$5.
- **Location:** Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location, or a location with significant distance to the subject site was assigned a value of \$25. Note: None of the comparable properties are inferior to the subject regarding location.
- **Condition:** Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.
- **Trash:** The subject includes trash in the net rent. All of the comparable properties include trash in the net rent. An adjustment will be made. If required, the adjustment was based upon the Georgia Department of Community Affairs Utility Allowances - Northern Region (effective 1/1/2018). See Appendix.

Adjustment Factor Key:

SF - .05 per sf

Patio/balcony - \$5

Storage - \$5

Computer Rm, Fitness Rm, Clubhouse - \$5 (each)

Disposal - \$5

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

W/D hook-ups or Central Laundry - \$40

Pool - \$25 Tennis Court - \$15

Playground - \$5 (Na for elderly) Craft/Game Room - \$2

Full bath - \$30; ½ bath - \$15

Location - Superior - \$25; Better - \$15; Marginally Better - \$10

Condition - Superior - \$15; Better - \$10; Marginally Better - \$5;
Inferior - minus \$10*

Water & Sewer - 1BR - \$43; 2BR - \$51 (Source: GA-DCA Northern Region,
1/1/18)

Trash Removal - \$15 (Source: GA-DCA Northern Region, 1/1/18)

Age - \$1.00 per year (differential) Note: If difference is around 10 years, a choice is provided for no valuation adjustment.*

*Could be included with the year built (age) adjustment, thus in most cases will not be double counted/adjusted. Also, the value of condition is somewhat included within the Age adjustment. Thus, the value adjustment applied to Condition is conservative.

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Harmony at Covington		Arbor Lake		Fieldcrest		Leaf Stone	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$935		\$865		\$900	
Utilities	w,s,t	N	\$58	N	\$58	N	\$58
Concessions		No		No		No	
Effective Rent		\$993		\$923		\$958	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	3 wu	\$10	2 wu	\$10	3 wu	\$10
Year Built/Rehab	2021	2001	\$20	1987	\$34	2000	\$20
Condition	Excell	V Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	795	975	(\$9)	864	(\$3)	816	(\$1)
Balcony/Patio/Stor	Y/Y	Y/Y		Y/N	\$5	Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
W/D Unit	Y	N	\$40	N	\$40	N	\$40
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis	N/N	Y/Y	(\$40)	Y/Y	(\$40)	Y/N	(\$25)
Rec/Picnic Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	Y/Y	(\$5)	N/N	\$5	Y/Y	(\$5)
F. Adjustments							
Net Adjustment			+\$11		+\$46		+\$34
G. Adjusted & Achievable Rent		\$1004		\$969		\$992	
Estimated Market Rent (Avg of 6 comps, rounded)		next page	Rounded to:	see Table	% Adv		

One Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Harmony at Covington		Park View		Porterdale Mill		Oxford Homes	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$686		\$750		\$925	
Utilities	w,s,t	t	\$43	t	\$43	N	\$58
Concessions		No		No		No	
Effective Rent		\$729		\$793		\$983	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2 wu	\$10	2 wu	\$10	3 wu	\$10
Year Built/Rehab	2021	2011	\$10	2006	\$15	1991	\$22
Condition	Excell	V Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	795	735	\$3	738	\$3	636	\$8
Balcony-Patio/Stor	Y/Y	N/N	\$10	N/N	\$10	Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	(\$5)	Y/N		Y/Y	(\$5)
W/D Unit	Y	N	\$40	Y		N	\$40
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis	N/N	Y/N	(\$25)	Y/N	(\$25)	Y/Y	(\$40)
Rec/Picnic Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	N/Y		N/Y		Y/Y	(\$5)
F. Adjustments							
Net Adjustment			+\$43		+\$13		+\$30
G. Adjusted & Achievable Rent		\$772		\$806		\$1013	
Estimated Market Rent (Avg of 6 comps, rounded)		\$926	Rounded to: \$925		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Harmony at Covington		Arbor Lake		Fieldcrest		Leaf Stone	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$1050		\$900		\$930	
Utilities	w,s,t	N	\$66	N	\$66	N	\$66
Concessions		No		No		No	
Effective Rent		\$1116		\$966		\$996	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	3 wu	\$10	2 wu	\$10	3 wu	\$10
Year Built/Rehab	2021	2001	\$20	1987	\$34	2000	\$20
Condition	Excell	V Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	1	2	(\$30)	1		2	(\$30)
Size/SF	960	1150	(\$10)	930	\$1	1072	(\$6)
Balcony-Patio/Stor	Y/Y	Y/Y		Y/N	\$5	Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
W/D Unit	Y	N	\$40	N	\$40	N	\$40
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis	N/N	Y/Y	(\$40)	Y/Y	(\$40)	Y/N	(\$25)
Rec/Picnic Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	Y/Y	(\$5)	N/N	\$5	Y/Y	(\$5)
F. Adjustments							
Net Adjustment			-\$20		+\$50		-\$1
G. Adjusted & Achievable Rent		\$1096		\$1016		\$995	
Estimated Market Rent (Avg of 6 comps, rounded)		next page	Rounded to:	see Table	% Adv		

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Harmony at Covington		Park View		Porterdale Mill		Oxford Homes	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$766		\$1120		\$1020	
Utilities	w,s,t	t	\$51	t	\$51	N	\$66
Concessions		No		No		No	
Effective Rent		\$817		\$1171		\$1086	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2 wu	\$10	2 wu	\$10	3 wu	\$10
Year Built/Rehab	2021	2011	\$10	2006	\$15	1991	\$22
Condition	Excell	V Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	1	1		2	(\$30)	1	
Size/SF	960	880	\$4	1130	(\$9)	894	\$3
Balcony-Patio/Stor	Y/Y	N/N	\$10	N/N	\$10	Y/Y	
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/N	Y/Y	(\$5)	Y/N		Y/Y	(\$5)
W/D Unit	Y	N	\$40	Y		N	\$40
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis	N/N	Y/N	(\$25)	Y/N	(\$25)	Y/Y	(\$40)
Rec/Picnic Area	Y	Y		Y		Y	
Computer/Fitness	Y/N	N/Y		N/Y		Y/Y	(\$5)
F. Adjustments							
Net Adjustment			+\$45		-\$29		+\$25
G. Adjusted & Achievable Rent		\$862		\$1142		\$1111	
Estimated Market Rent (Avg of 6 comps, rounded)		\$1037	Rounded to: \$1035		see Table	% Adv	

Three Bedroom Units (NA)							
Subject		Comp # 1		Comp # 2		Comp # 3	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent							
Utilities							
Concessions							
Effective Rent							
B. Design, Location, Condition							
Structures/Stories							
Year Built/Rehab							
Condition							
Location							
C. Unit Amenities							
# of BR's							
# of Bathrooms							
Size/SF							
Balcony-Patio/Stor							
AC Type							
Range/Refrigerator							
Dishwasher/Disp.							
W/D Unit							
W/D Hookups or CL							
D. Development Amenities							
Clubhouse/Comm Rm							
Pool/Tennis							
Recreation Area							
Computer/Fitness							
F. Adjustments							
Net Adjustment							
G. Adjusted & Achievable Rent							
Estimated Market Rent (Avg of x comps, rounded)		next page		Rounded to:	see Table	% Adv	

SECTION L & M
IDENTITY OF INTEREST
&
REPRESENTATION STATEMENT

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

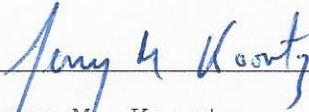
To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with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

The report was written in accordance with my understanding of the 2018 GA-DCA Market Study Manual and 2018 GA-DCA Qualified Allocation Plan.

DCA may rely upon the representation made in the market study provided. In addition, the market study is assignable to other lenders that are parties to the DCA loan transaction.

CERTIFICATION

Koontz and Salinger
P.O. Box 37523
Raleigh, North Carolina 27627

 1-18-2019

Jerry M. Koontz
Real Estate Market Analyst
(919) 362-9085

MARKET ANALYST
QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental

agencies.

JERRY M. KOONTZ

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B.A. Economics 1980 Florida Atlantic Un.
A.A. Urban Studies 1978 Prince George Comm. Coll.

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1983-1985, Market Research Staff Consultant, Stephens Associates, a consulting firm in real estate development and planning. Raleigh, NC.

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF

EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 35+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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Certificate of Membership

Koontz & Salinger
Is a Member Firm in Good Standing of



Formerly known as
National Council of Affordable
Housing Market Analysts

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
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Membership Term
7/1/2018 to 6/30/2019



A handwritten signature in black ink, appearing to read "Thomas Amdur".

Thomas Amdur
Executive Director, NH&RA

NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number.

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APPENDIX
UTILITY ALLOWANCES
SCHEMATIC SITE PLAN
DATA SET

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

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

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Locality		Unit Type					Date
Georgia North		Elevator/High-Rise					
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	6	8	10	12	15	17
	b. Bottle Gas	23	33	39	49	60	70
	c. Electric	9	13	17	20	26	30
	d. Heat Pump	8	9	11	16	20	21
Cooking	a. Natural Gas	2	3	3	4	5	6
	b. Bottle Gas	7	12	14	16	21	26
	c. Electric	5	8	10	12	15	17
		-	-	-	-	-	-
Other Electric		15	22	28	34	43	49
Air Conditioning		5	7	9	12	14	16
Water Heating	a. Natural Gas	3	4	6	7	8	10
	b. Bottle Gas	12	16	23	28	33	42
	c. Electric	9	14	19	24	29	34
	d. Oil	-	-	-	-	-	-
Water		18	21	25	30	36	39
Sewer		18	22	26	33	40	44
Trash Collection		15	15	15	15	15	15
Range/Microwave		11	11	11	11	11	11
Refrigerator		13	13	13	13	13	13
Other -							
Actual Family Allowances To be used by the family to compute allowance.						Utility or Service	per month cost
Complete below for the actual unit rented						Space Heating	
Name of Family						Cooking	
						Other Electric	
						Air Conditioning	
						Water Heating	
						Water	
Unit Address						Sewer	
						Trash Collection	
						Range/Microwave	
						Refrigerator	
Number of Bedrooms						Other	
						Total	

based on form HUD-52667 (04/15)

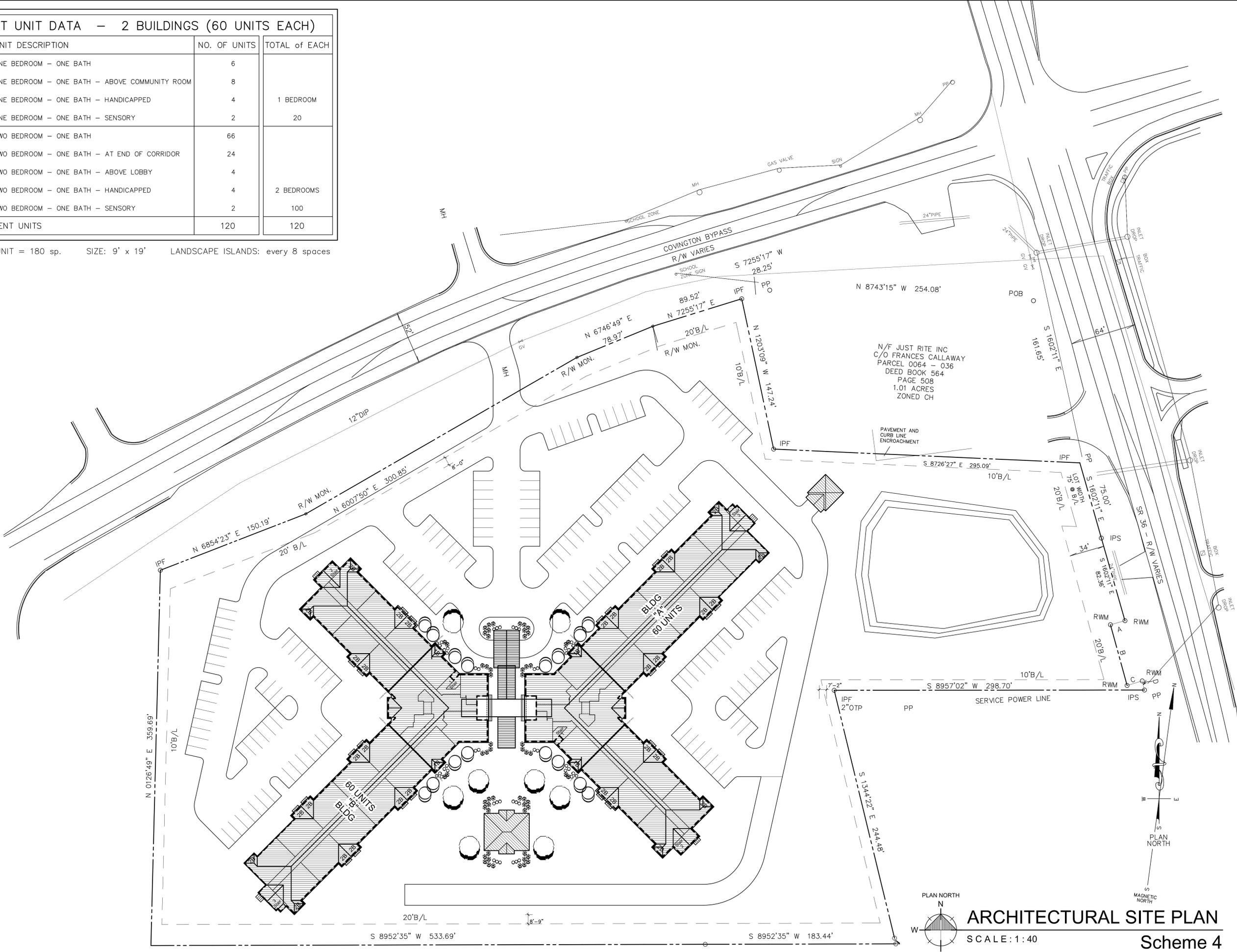
Previous editions are obsolete
EFFECTIVE 1/1/2018

ref. Handbook 7420.8

APARTMENT UNIT DATA – 2 BUILDINGS (60 UNITS EACH)

UNIT TYPES	UNIT DESCRIPTION	NO. OF UNITS	TOTAL of EACH
UNIT 1B	ONE BEDROOM – ONE BATH	6	
UNIT 1B-AC	ONE BEDROOM – ONE BATH – ABOVE COMMUNITY ROOM	8	
UNIT 1B-HC	ONE BEDROOM – ONE BATH – HANDICAPPED	4	1 BEDROOM
UNIT 1B-SS	ONE BEDROOM – ONE BATH – SENSORY	2	20
UNIT 2B	TWO BEDROOM – ONE BATH	66	
UNIT 2B-EC	TWO BEDROOM – ONE BATH – AT END OF CORRIDOR	24	
UNIT 2B-AL	TWO BEDROOM – ONE BATH – ABOVE LOBBY	4	
UNIT 2B-HC	TWO BEDROOM – ONE BATH – HANDICAPPED	4	2 BEDROOMS
UNIT 2B-SS	TWO BEDROOM – ONE BATH – SENSORY	2	100
TOTAL APARTMENT UNITS		120	120

PARKING: 1 per UNIT = 180 sp. SIZE: 9' x 19' LANDSCAPE ISLANDS: every 8 spaces



revision log:

no.	date	remarks

Harmony @ Covington
 Senior Apartments
 Covington Bypass Road at Highway 36
 COVINGTON, GEORGIA

professional seal:



released for:

review	<input checked="" type="checkbox"/>
permitting	<input type="checkbox"/>
construction	<input type="checkbox"/>

Architect



DESIGN
 BUILD
 SOLUTIONS

P.O. BOX 1436
 FAIRHOPE, AL 36533
 251.751.6383

job number:

1804

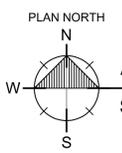
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23 APR 18

sheet title & no.

Architectural Site Plan

Sch 4



ARCHITECTURAL SITE PLAN

SCALE: 1:40

Scheme 4

All contractors, subcontractors, suppliers, manufacturers and installers shall provide products, materials and installations that meet or exceed ANSI 117.1 2009 and FHA Guidelines and Regulations—See A0.09

HISTA 2.2 Summary Data

Covington PMA

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Renter Households						
Age 15 to 54 Years						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	141	110	191	89	28	559
\$10,000-20,000	295	246	250	159	252	1,202
\$20,000-30,000	148	277	165	68	205	863
\$30,000-40,000	199	124	79	95	135	632
\$40,000-50,000	85	290	146	110	128	759
\$50,000-60,000	121	117	59	111	141	549
\$60,000-75,000	6	94	152	65	242	559
\$75,000-100,000	38	88	82	232	161	601
\$100,000-125,000	4	7	36	120	4	171
\$125,000-150,000	3	0	5	6	45	59
\$150,000-200,000	11	6	26	9	72	124
\$200,000+	4	35	14	3	7	63
Total	1,055	1,394	1,205	1,067	1,420	6,141

Renter Households						
Aged 55+ Years						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	377	13	24	6	13	433
\$10,000-20,000	347	145	41	5	65	603
\$20,000-30,000	210	154	17	58	4	443
\$30,000-40,000	76	165	22	16	15	294
\$40,000-50,000	110	78	34	16	3	241
\$50,000-60,000	28	39	26	2	3	98
\$60,000-75,000	62	59	10	79	1	211
\$75,000-100,000	35	36	6	11	1	89
\$100,000-125,000	44	25	8	1	23	101
\$125,000-150,000	19	7	2	1	2	31
\$150,000-200,000	26	7	1	18	2	54
\$200,000+	15	9	0	5	1	30
Total	1,349	737	191	218	133	2,628

Renter Households						
Aged 62+ Years						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	140	5	24	5	4	178
\$10,000-20,000	212	117	4	0	17	350
\$20,000-30,000	127	92	17	58	3	297
\$30,000-40,000	63	67	22	1	1	154
\$40,000-50,000	54	38	27	16	2	137
\$50,000-60,000	19	30	7	0	3	59
\$60,000-75,000	51	26	4	25	1	107
\$75,000-100,000	25	6	5	11	1	48
\$100,000-125,000	43	11	3	1	10	68
\$125,000-150,000	15	4	2	1	0	22
\$150,000-200,000	20	6	1	0	1	28
\$200,000+	12	5	0	5	1	23
Total	781	407	116	123	44	1,471

Renter Households						
All Age Groups						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	518	123	215	95	41	992
\$10,000-20,000	642	391	291	164	317	1,805
\$20,000-30,000	358	431	182	126	209	1,306
\$30,000-40,000	275	289	101	111	150	926
\$40,000-50,000	195	368	180	126	131	1,000
\$50,000-60,000	149	156	85	113	144	647
\$60,000-75,000	68	153	162	144	243	770
\$75,000-100,000	73	124	88	243	162	690
\$100,000-125,000	48	32	44	121	27	272
\$125,000-150,000	22	7	7	7	47	90
\$150,000-200,000	37	13	27	27	74	178
\$200,000+	19	44	14	8	8	93
Total	2,404	2,131	1,396	1,285	1,553	8,769

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Owner Households						
Age 15 to 54 Years						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	121	88	109	40	169	527
\$10,000-20,000	94	188	60	110	268	720
\$20,000-30,000	132	156	363	302	82	1,035
\$30,000-40,000	189	229	349	209	263	1,239
\$40,000-50,000	306	355	319	285	517	1,782
\$50,000-60,000	191	402	524	250	126	1,493
\$60,000-75,000	148	400	513	489	225	1,775
\$75,000-100,000	133	262	576	695	463	2,129
\$100,000-125,000	11	205	400	631	214	1,461
\$125,000-150,000	6	180	185	387	126	884
\$150,000-200,000	90	84	106	207	250	737
\$200,000+	1	103	57	29	37	227
Total	1,422	2,652	3,561	3,634	2,740	14,009

Owner Households						
Aged 55+ Years						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	273	272	64	7	25	641
\$10,000-20,000	849	511	61	77	27	1,525
\$20,000-30,000	475	508	161	10	24	1,178
\$30,000-40,000	414	696	118	28	66	1,322
\$40,000-50,000	331	637	196	88	153	1,405
\$50,000-60,000	181	631	153	76	23	1,064
\$60,000-75,000	138	856	163	100	93	1,350
\$75,000-100,000	142	613	283	161	194	1,393
\$100,000-125,000	116	403	156	78	69	822
\$125,000-150,000	34	310	67	45	18	474
\$150,000-200,000	36	256	74	14	46	426
\$200,000+	24	158	69	1	11	263
Total	3,013	5,851	1,565	685	749	11,863

Owner Households						
Aged 62+ Years						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	225	160	58	5	15	463
\$10,000-20,000	763	390	48	3	27	1,231
\$20,000-30,000	416	357	84	9	24	890
\$30,000-40,000	258	487	87	10	66	908
\$40,000-50,000	273	441	135	25	56	930
\$50,000-60,000	134	364	91	28	21	638
\$60,000-75,000	122	508	112	46	62	850
\$75,000-100,000	86	363	156	70	62	737
\$100,000-125,000	65	209	109	17	30	430
\$125,000-150,000	25	127	38	6	4	200
\$150,000-200,000	34	98	23	7	45	207
\$200,000+	22	113	30	1	2	168
Total	2,423	3,617	971	227	414	7,652

Owner Households						
All Age Groups						
Base Year: 2011 - 2015 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	394	360	173	47	194	1,168
\$10,000-20,000	943	699	121	187	295	2,245
\$20,000-30,000	607	664	524	312	106	2,213
\$30,000-40,000	603	925	467	237	329	2,561
\$40,000-50,000	637	992	515	373	670	3,187
\$50,000-60,000	372	1,033	677	326	149	2,557
\$60,000-75,000	286	1,256	676	589	318	3,125
\$75,000-100,000	275	875	859	856	657	3,522
\$100,000-125,000	127	608	556	709	283	2,283
\$125,000-150,000	40	490	252	432	144	1,358
\$150,000-200,000	126	340	180	221	296	1,163
\$200,000+	25	261	126	30	48	490
Total	4,435	8,503	5,126	4,319	3,489	25,872

Renter Households						
Age 15 to 54 Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	118	114	193	96	28	549
\$10,000-20,000	364	235	232	135	265	1,231
\$20,000-30,000	209	264	199	58	204	934
\$30,000-40,000	251	140	84	105	106	686
\$40,000-50,000	110	267	144	119	155	795
\$50,000-60,000	153	126	67	113	145	604
\$60,000-75,000	6	106	173	65	257	607
\$75,000-100,000	51	105	113	189	201	659
\$100,000-125,000	13	10	52	157	13	245
\$125,000-150,000	7	1	9	2	92	111
\$150,000-200,000	6	2	25	9	100	142
\$200,000+	6	83	27	2	5	123
Total	1,294	1,453	1,318	1,050	1,571	6,686

Renter Households						
Aged 55+ Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	378	14	34	10	13	449
\$10,000-20,000	292	123	38	4	43	500
\$20,000-30,000	237	171	25	74	7	514
\$30,000-40,000	57	158	15	10	15	255
\$40,000-50,000	87	75	27	20	5	214
\$50,000-60,000	35	48	23	4	15	125
\$60,000-75,000	55	54	10	92	7	218
\$75,000-100,000	33	31	9	9	4	86
\$100,000-125,000	47	43	15	0	39	144
\$125,000-150,000	34	6	3	2	7	52
\$150,000-200,000	30	12	3	11	4	60
\$200,000+	26	6	1	21	4	58
Total	1,311	741	203	257	163	2,675

Renter Households						
Aged 62+ Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	164	3	34	10	7	218
\$10,000-20,000	177	93	4	1	14	289
\$20,000-30,000	156	114	25	74	6	375
\$30,000-40,000	45	68	14	1	5	133
\$40,000-50,000	44	36	25	20	5	130
\$50,000-60,000	27	39	12	1	14	93
\$60,000-75,000	45	32	2	50	7	136
\$75,000-100,000	24	5	4	9	3	45
\$100,000-125,000	45	18	3	0	18	84
\$125,000-150,000	18	3	1	1	3	26
\$150,000-200,000	24	8	1	1	1	35
\$200,000+	23	5	1	20	4	53
Total	792	424	126	188	87	1,617

Renter Households						
All Age Groups						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	496	128	227	106	41	998
\$10,000-20,000	656	358	270	139	308	1,731
\$20,000-30,000	446	435	224	132	211	1,448
\$30,000-40,000	308	298	99	115	121	941
\$40,000-50,000	197	342	171	139	160	1,009
\$50,000-60,000	188	174	90	117	160	729
\$60,000-75,000	61	160	183	157	264	825
\$75,000-100,000	84	136	122	198	205	745
\$100,000-125,000	60	53	67	157	52	389
\$125,000-150,000	41	7	12	4	99	163
\$150,000-200,000	36	14	28	20	104	202
\$200,000+	32	89	28	23	9	181
Total	2,605	2,194	1,521	1,307	1,734	9,361

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Owner Households						
Age 15 to 54 Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	131	72	73	40	151	467
\$10,000-20,000	70	118	52	75	222	537
\$20,000-30,000	132	183	328	254	107	1,004
\$30,000-40,000	199	189	364	175	297	1,224
\$40,000-50,000	350	309	272	275	550	1,756
\$50,000-60,000	222	356	504	246	137	1,465
\$60,000-75,000	179	360	475	413	165	1,592
\$75,000-100,000	198	349	740	890	645	2,822
\$100,000-125,000	19	252	576	899	322	2,068
\$125,000-150,000	12	172	221	479	186	1,070
\$150,000-200,000	77	97	95	195	363	827
\$200,000+	3	205	92	30	59	389
Total	1,592	2,662	3,792	3,971	3,204	15,221

Owner Households						
Aged 55+ Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	350	269	79	3	25	726
\$10,000-20,000	648	371	41	51	18	1,129
\$20,000-30,000	575	623	172	10	23	1,403
\$30,000-40,000	382	569	105	20	65	1,141
\$40,000-50,000	254	571	177	70	129	1,201
\$50,000-60,000	206	654	148	75	31	1,114
\$60,000-75,000	183	963	189	107	114	1,556
\$75,000-100,000	155	685	315	163	214	1,532
\$100,000-125,000	163	570	200	77	92	1,102
\$125,000-150,000	36	391	90	57	32	606
\$150,000-200,000	43	305	86	13	81	528
\$200,000+	77	305	147	5	20	554
Total	3,072	6,276	1,749	651	844	12,592

Owner Households						
Aged 62+ Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	305	185	77	3	17	587
\$10,000-20,000	577	299	32	2	17	927
\$20,000-30,000	524	483	91	9	22	1,129
\$30,000-40,000	224	384	77	7	64	756
\$40,000-50,000	197	419	133	21	59	829
\$50,000-60,000	179	475	110	46	28	838
\$60,000-75,000	173	687	145	57	93	1,155
\$75,000-100,000	86	438	166	66	85	841
\$100,000-125,000	100	330	151	29	36	646
\$125,000-150,000	28	173	55	11	8	275
\$150,000-200,000	39	133	29	9	77	287
\$200,000+	75	278	87	4	12	456
Total	2,507	4,284	1,153	264	518	8,726

Owner Households						
All Age Groups						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	481	341	152	43	176	1,193
\$10,000-20,000	718	489	93	126	240	1,666
\$20,000-30,000	707	806	500	264	130	2,407
\$30,000-40,000	581	758	469	195	362	2,365
\$40,000-50,000	604	880	449	345	679	2,957
\$50,000-60,000	428	1,010	652	321	168	2,579
\$60,000-75,000	362	1,323	664	520	279	3,148
\$75,000-100,000	353	1,034	1,055	1,053	859	4,354
\$100,000-125,000	182	822	776	976	414	3,170
\$125,000-150,000	48	563	311	536	218	1,676
\$150,000-200,000	120	402	181	208	444	1,355
\$200,000+	80	510	239	35	79	943
Total	4,664	8,938	5,541	4,622	4,048	27,813

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Renter Households						
Age 15 to 54 Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	107	107	182	86	27	509
\$10,000-20,000	325	196	213	125	249	1,108
\$20,000-30,000	192	224	203	66	216	901
\$30,000-40,000	263	127	93	99	105	687
\$40,000-50,000	104	257	149	108	117	735
\$50,000-60,000	180	122	62	123	171	658
\$60,000-75,000	7	104	209	75	303	698
\$75,000-100,000	66	130	132	208	211	747
\$100,000-125,000	12	15	67	181	9	284
\$125,000-150,000	9	0	12	4	143	168
\$150,000-200,000	13	6	33	15	115	182
\$200,000+	9	119	41	11	14	194
Total	1,287	1,407	1,396	1,101	1,680	6,871

Renter Households						
Aged 55+ Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	411	15	38	9	10	483
\$10,000-20,000	304	136	35	5	43	523
\$20,000-30,000	259	183	37	71	6	556
\$30,000-40,000	70	155	17	12	14	268
\$40,000-50,000	97	72	28	17	5	219
\$50,000-60,000	45	69	39	2	21	176
\$60,000-75,000	62	66	13	100	12	253
\$75,000-100,000	39	31	14	14	8	106
\$100,000-125,000	55	60	17	0	49	181
\$125,000-150,000	46	16	5	3	11	81
\$150,000-200,000	53	22	4	20	8	107
\$200,000+	52	14	7	29	5	107
Total	1,493	839	254	282	192	3,060

Renter Households						
Aged 62+ Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	182	5	38	9	6	240
\$10,000-20,000	179	106	4	1	19	309
\$20,000-30,000	177	128	37	71	5	418
\$30,000-40,000	51	74	16	1	3	145
\$40,000-50,000	47	35	26	17	4	129
\$50,000-60,000	36	60	19	0	20	135
\$60,000-75,000	47	40	4	55	12	158
\$75,000-100,000	26	5	6	14	7	58
\$100,000-125,000	53	24	4	0	28	109
\$125,000-150,000	29	11	3	1	4	48
\$150,000-200,000	46	14	2	2	5	69
\$200,000+	48	11	7	28	5	99
Total	921	513	166	199	118	1,917

Renter Households						
All Age Groups						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	518	122	220	95	37	992
\$10,000-20,000	629	332	248	130	292	1,631
\$20,000-30,000	451	407	240	137	222	1,457
\$30,000-40,000	333	282	110	111	119	955
\$40,000-50,000	201	329	177	125	122	954
\$50,000-60,000	225	191	101	125	192	834
\$60,000-75,000	69	170	222	175	315	951
\$75,000-100,000	105	161	146	222	219	853
\$100,000-125,000	67	75	84	181	58	465
\$125,000-150,000	55	16	17	7	154	249
\$150,000-200,000	66	28	37	35	123	289
\$200,000+	61	133	48	40	19	301
Total	2,780	2,246	1,650	1,383	1,872	9,931

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Owner Households						
Age 15 to 54 Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	97	48	64	42	140	391
\$10,000-20,000	52	73	34	60	180	399
\$20,000-30,000	103	140	273	212	92	820
\$30,000-40,000	166	131	322	160	254	1,033
\$40,000-50,000	259	230	208	222	458	1,377
\$50,000-60,000	244	310	515	239	197	1,505
\$60,000-75,000	132	293	445	404	179	1,453
\$75,000-100,000	190	268	717	882	670	2,727
\$100,000-125,000	16	228	602	962	368	2,176
\$125,000-150,000	11	227	274	626	248	1,386
\$150,000-200,000	88	102	138	206	500	1,034
\$200,000+	1	277	141	39	96	554
Total	1,359	2,327	3,733	4,054	3,382	14,855

Owner Households						
Aged 55+ Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	358	253	90	6	25	732
\$10,000-20,000	678	350	41	47	17	1,133
\$20,000-30,000	618	635	181	8	27	1,469
\$30,000-40,000	398	571	109	12	60	1,150
\$40,000-50,000	262	517	193	69	135	1,176
\$50,000-60,000	257	764	167	106	39	1,333
\$60,000-75,000	244	1,056	223	118	147	1,788
\$75,000-100,000	214	771	334	189	246	1,754
\$100,000-125,000	229	682	231	100	110	1,352
\$125,000-150,000	61	570	150	96	41	918
\$150,000-200,000	72	432	131	17	104	756
\$200,000+	139	472	232	17	34	894
Total	3,530	7,073	2,082	785	985	14,455

Owner Households						
Aged 62+ Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	320	182	89	4	17	612
\$10,000-20,000	614	285	33	2	17	951
\$20,000-30,000	574	504	97	8	25	1,208
\$30,000-40,000	251	385	83	4	59	782
\$40,000-50,000	209	395	141	25	62	832
\$50,000-60,000	223	560	128	71	36	1,018
\$60,000-75,000	229	759	180	61	127	1,356
\$75,000-100,000	119	501	185	81	103	989
\$100,000-125,000	138	414	166	39	48	805
\$125,000-150,000	49	255	88	22	8	422
\$150,000-200,000	67	189	44	15	99	414
\$200,000+	136	430	140	14	21	741
Total	2,929	4,859	1,374	346	622	10,130

Owner Households						
All Age Groups						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+Person Household	Total
\$0-10,000	455	301	154	48	165	1,123
\$10,000-20,000	730	423	75	107	197	1,532
\$20,000-30,000	721	775	454	220	119	2,289
\$30,000-40,000	564	702	431	172	314	2,183
\$40,000-50,000	521	747	401	291	593	2,553
\$50,000-60,000	501	1,074	682	345	236	2,838
\$60,000-75,000	376	1,349	668	522	326	3,241
\$75,000-100,000	404	1,039	1,051	1,071	916	4,481
\$100,000-125,000	245	910	833	1,062	478	3,528
\$125,000-150,000	72	797	424	722	289	2,304
\$150,000-200,000	160	534	269	223	604	1,790
\$200,000+	140	749	373	56	130	1,448
Total	4,889	9,400	5,815	4,839	4,367	29,310

POPULATION DATA

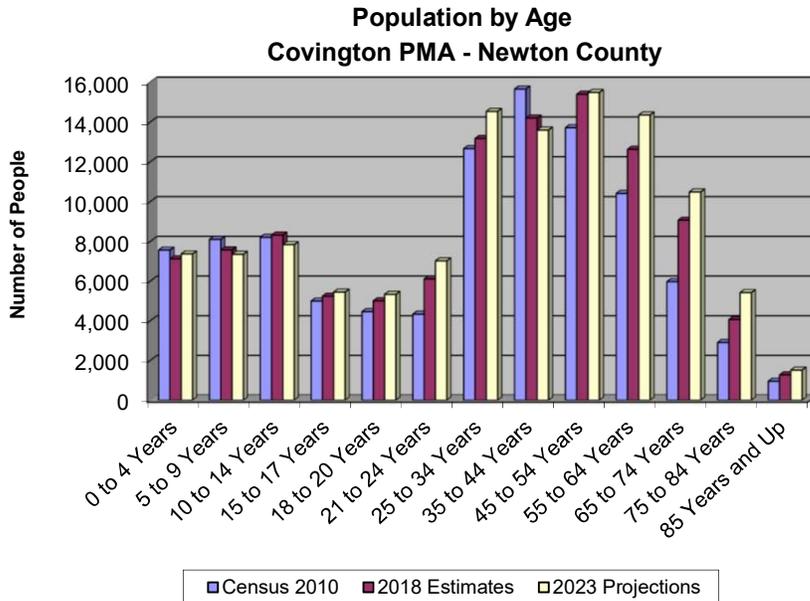
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Population by Age & Sex											
Covington PMA - Newton County											
<i>Census 2010</i>				<i>Current Year Estimates - 2018</i>				<i>Five-Year Projections - 2023</i>			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	3,858	3,705	7,563	0 to 4 Years	3,648	3,476	7,124	0 to 4 Years	3,765	3,605	7,370
5 to 9 Years	4,073	4,032	8,105	5 to 9 Years	3,835	3,740	7,575	5 to 9 Years	3,764	3,589	7,353
10 to 14 Years	4,201	4,009	8,210	10 to 14 Years	4,186	4,134	8,320	10 to 14 Years	3,972	3,868	7,840
15 to 17 Years	2,522	2,473	4,995	15 to 17 Years	2,664	2,575	5,239	15 to 17 Years	2,740	2,706	5,446
18 to 20 Years	2,294	2,166	4,460	18 to 20 Years	2,560	2,447	5,007	18 to 20 Years	2,711	2,623	5,334
21 to 24 Years	2,136	2,199	4,335	21 to 24 Years	3,112	2,996	6,108	21 to 24 Years	3,590	3,432	7,022
25 to 34 Years	5,897	6,768	12,665	25 to 34 Years	6,304	6,868	13,172	25 to 34 Years	7,235	7,302	14,537
35 to 44 Years	7,228	8,434	15,662	35 to 44 Years	6,420	7,785	14,205	35 to 44 Years	6,237	7,359	13,596
45 to 54 Years	6,505	7,214	13,719	45 to 54 Years	7,155	8,242	15,397	45 to 54 Years	6,992	8,494	15,486
55 to 64 Years	4,739	5,675	10,414	55 to 64 Years	5,795	6,834	12,629	55 to 64 Years	6,636	7,718	14,354
65 to 74 Years	2,707	3,265	5,972	65 to 74 Years	4,071	4,998	9,069	65 to 74 Years	4,627	5,861	10,488
75 to 84 Years	1,183	1,723	2,906	75 to 84 Years	1,748	2,314	4,062	75 to 84 Years	2,306	3,114	5,420
85 Years and Up	283	669	952	85 Years and Up	420	849	1,269	85 Years and Up	537	973	1,510
Total	47,626	52,332	99,958	Total	51,918	57,258	109,176	Total	55,112	60,644	115,756
55+ Years	8,912	11,332	20,244	55+ Years	12,034	14,995	27,029	55+ Years	14,106	17,666	31,772
62+ Years	n/a	n/a	12,766	62+ Years	n/a	n/a	17,750	62+ Years	n/a	n/a	21,308
Median Age:		34.7		Median Age:		36.4		Median Age:		37.2	

Source: Claritas; Ribbon Demographics

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