



REAL PROPERTY RESEARCH GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

Flats at Sam Lane Apartments

Ringgold, Catoosa County, Georgia

Prepared for:

Sam Lane Housing LLC

Effective Date: May 7, 2019

Site Inspection: May 1, 2019



1905 Woodstock Road ■ Building 900, Suite 9100 ■ Roswell, Georgia 30075 ■ 770.517.2666 ■ Fax 866.243.5057

10400 Little Patuxent Parkway ■ Suite 450 ■ Columbia, Maryland 21044 ■ 410.772.1004 ■ Fax 866.243.5057



TABLE OF CONTENTS

EXECUTIVE SUMMARY V

1. INTRODUCTION 1

A. Overview of Subject 1

B. Purpose of Report 1

C. Format of Report 1

D. Client, Intended User, and Intended Use 1

E. Applicable Requirements 1

F. Scope of Work 1

G. Report Limitations 2

2. PROJECT DESCRIPTION 3

A. Project Overview 3

B. Project Type and Target Market 3

C. Building Types and Placement 3

D. Detailed Project Description 3

 1. Project Description 3

 2. Other Proposed Uses 4

 3. Proposed Timing of Development 4

3. SITE AND NEIGHBORHOOD ANALYSIS 5

A. Site Analysis 5

 1. Site Location 5

 2. Existing Uses 6

 3. Size, Shape, and Topography 6

 4. General Description of Land Uses Surrounding the Subject Site 7

 5. Specific Identification of Land Uses Surrounding the Subject Site 8

B. Neighborhood Analysis 9

 1. General Description of Neighborhood 9

 2. Neighborhood Planning Activities 9

 3. Public Safety 9

C. Site Visibility and Accessibility 10

 1. Visibility 10

 2. Vehicular Access 10

 3. Availability of Public Transit and Inter-Regional Transit 10

 4. Accessibility Improvements under Construction and Planned 11

 5. Environmental Concerns 11

D. Residential Support Network 11

 1. Key Facilities and Services near the Subject Site 11

 2. Essential Services 12

 3. Commercial Goods and Services 13

 4. Location of Low-Income Housing 13

E. Site Conclusion 13

4. MARKET AREA DEFINITION 14

A. Introduction 14

B. Delineation of Market Area 14

5. ECONOMIC CONTENT 16

A. Introduction 16

B. Labor Force, Resident Employment, and Unemployment 16

 1. Trends in County Labor Force and Resident Employment 16

 2. Trends in County Unemployment Rate 16

C. Commutation Patterns 17

D. At-Place Employment 17



1.	Trends in Total At-Place Employment.....	17
2.	At-Place Employment by Industry Sector.....	18
3.	Major Employers.....	20
4.	Recent Economic Expansions, Contractions, and Projections.....	21
5.	Conclusions on Local Economics.....	21
6.	DEMOGRAPHIC ANALYSIS.....	22
A.	Introduction and Methodology.....	22
B.	Trends in Population and Households.....	22
1.	Recent Past Trends.....	22
2.	Projected Trends.....	23
3.	Building Permit Trends.....	23
C.	Demographic Characteristics.....	24
1.	Age Distribution and Household Type.....	24
2.	Household Trends by Tenure.....	25
3.	Renter Household Characteristics.....	27
4.	Income Characteristics.....	28
7.	COMPETITIVE HOUSING ANALYSIS.....	30
A.	Introduction and Sources of Information.....	30
B.	Overview of Market Area Housing Stock.....	30
C.	Survey of General Occupancy Rental Communities.....	31
1.	Introduction to the Rental Housing Survey.....	31
2.	Location.....	31
3.	Size of Communities.....	32
4.	Age of Communities.....	32
5.	Structure Type.....	32
6.	Vacancy Rates.....	33
7.	Rent Concessions.....	33
8.	Absorption History.....	33
D.	Analysis of Product Offerings.....	33
1.	Payment of Utility Costs.....	33
2.	Unit Features.....	34
3.	Parking.....	34
4.	Community Amenities.....	34
5.	Unit Distribution.....	35
6.	Effective Rents.....	35
7.	DCA Average Market Rent.....	36
E.	Scattered Site Rentals.....	37
F.	Interviews.....	38
G.	Multi-Family Pipeline.....	38
H.	Housing Authority Data.....	39
I.	Existing Low-Income Rental Housing.....	39
J.	Impact of Abandoned, Vacant, or Foreclosed Homes.....	40
8.	FINDINGS AND CONCLUSIONS.....	41
A.	Key Findings.....	41
1.	Site and Neighborhood Analysis.....	41
2.	Economic Context.....	41
3.	Population and Household Trends.....	41
4.	Demographic Trends.....	42
5.	Competitive Housing Analysis.....	42
B.	Affordability Analysis.....	43
1.	Methodology.....	43
2.	Affordability Analysis.....	45
3.	Conclusions of Affordability.....	46



C.	Demand Estimates and Capture Rates	48
1.	Methodology.....	48
2.	Demand Analysis.....	48
D.	Product Evaluation	50
E.	Price Position	50
F.	Absorption Estimate	52
G.	Impact on Existing Market.....	52
H.	Final Conclusions and Recommendations	53
9.	APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS.....	54
10.	APPENDIX 2 ANALYST CERTIFICATIONS.....	56
11.	APPENDIX 3 NCHMA CERTIFICATION	57
12.	APPENDIX 4 ANALYST RESUMES	58
13.	APPENDIX 5 DCA CHECKLIST	61
14.	APPENDIX 6 NCHMA CHECKLIST	66
15.	APPENDIX 7 RENTAL COMMUNITY PROFILES	69



TABLES, FIGURES AND MAPS

Table 1 Flats at Sam Lane Detailed Project Summary 4

Table 2 Key Facilities and Services 12

Table 3 Labor Force and Unemployment Rates..... 16

Table 4 2013-2017 Commuting Patterns, Flats at Sam Lane Market Area 17

Table 5 Major Employers 20

Table 6 Population and Household Projections 22

Table 7 Persons per Household, Flats at Sam Lane Market Area 23

Table 8 Building Permits by Structure Type, Catoosa County 24

Table 9 2019 Age Distribution 25

Table 10 2010 Households by Household Type 25

Table 11 Households by Tenure, 2000-2019 26

Table 12 Households by Tenure, 2019-2021 27

Table 13 Renter Households by Age of Householder 27

Table 14 2010 Renter Households by Household Size 28

Table 15 2019 Household Income 28

Table 16 2019 Household Income by Tenure 29

Table 17 Renter Occupied Unit by Structure Type 30

Table 18 Dwelling Units by Year Built and Tenure..... 31

Table 19 Value of Owner-Occupied Housing Stock 31

Table 20 Rental Summary, Surveyed Communities..... 33

Table 21 Utility Arrangement and Unit Features 34

Table 22 Community Amenities 35

Table 23 Unit Distribution, Size, and Pricing..... 36

Table 24 Average Market Rent 36

Table 25 Average Market Rent and Rent Advantage Summary 37

Table 26 Scattered Site Rentals 38

Table 27 Subsidized Communities, Flats at Sam Lane Market Area 39

Table 28 Foreclosure Rate and Recent Foreclosure Activity, ZIP Code 30736 40

Table 29 2021 Total and Renter Income Distribution..... 44

Table 30 2018 LIHTC Income and Rent Limits, Chattanooga, TN-GA MSA 45

Table 31 Affordability Analysis, Flats at Sam Lane..... 47

Table 32 Substandard and Cost Burdened Calculations 48

Table 33 DCA Demand by Income Level 49

Table 34 DCA Demand by Floor Plan 49

Figure 1 Views of Subject Site..... 6

Figure 2 Satellite Image of Subject Site 7

Figure 3 Views of Surrounding Land Uses 8

Figure 4 At-Place Employment 18

Figure 5 Total Employment by Sector, 2018(Q3)..... 19

Figure 6 Change in Employment by Sector 2011-2018(Q3)..... 19

Figure 7 Flats at Sam Lane Market Area Households by Tenure 2000 to 2019 26

Figure 8 Price Position – Flats at Sam Lane 51

Map 1 Site Location 5

Map 2 2018 CrimeRisk, Subject Site and Surrounding Areas..... 10

Map 3 Location of Key Facilities and Services 12

Map 4 Flats at Sam Lane Market Area 15

Map 5 Major Employers 20

Map 6 Surveyed Rental Communities 32

Map 7 Subsidized Rental Communities 39



EXECUTIVE SUMMARY

Sam Lane Housing LLC has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis of Flats at Sam Lane, a proposed new construction affordable rental community in Ringgold, Catoosa County, Georgia. As proposed, Flats at Sam Lane will be financed in part with nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA) and will contain 72 units.

1. Project Description

- Flats at Sam Lane will be located on the west side of US Highway 41 just north of its intersection with Battlefield Parkway in northeast Ringgold. The newly constructed community will comprise 72 general occupancy units, all of which will be income and rent restricted through the Low-Income Housing Tax Credit (LIHTC) program.
- Flats at Sam Lane’s proposed 72 LIHTC units will target very low to moderate income renter households earning up to 50 and 60 and 70 percent of the Area Median Income (AMI). The proposed unit mix includes one, two, and three-bedroom units, which will attract a range of households including singles, roommates, couples, and families.
- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below.

Unit Type	Building Type	AMI Level	Units	Bed	Bath	Square Feet	Net Rent	Rent/Sq Ft
LIHTC	Garden	50%	5	1	1	789	\$425	\$0.54
LIHTC	Garden	50%	12	2	2	1,022	\$525	\$0.51
LIHTC	Garden	50%	12	3	2	1,359	\$600	\$0.44
LIHTC	Garden	60%	5	1	1	789	\$475	\$0.60
LIHTC	Garden	60%	12	2	2	1,022	\$575	\$0.56
LIHTC	Garden	60%	12	3	2	1,359	\$650	\$0.48
LIHTC	Garden	70%	2	1	1	789	\$500	\$0.63
LIHTC	Garden	70%	6	2	2	1,022	\$650	\$0.64
LIHTC	Garden	70%	6	3	2	1,359	\$725	\$0.53
Total/Avg.			72			1,124	\$583	\$0.52

Rents include: trash removal

Source: Sam Lane Housing LLC

- In-unit features offered at the subject property will include a range, refrigerator, dishwasher, garbage disposal, microwave, ceiling fans, and in-unit washer/dryer. These unit features are superior to existing communities in the market area including LIHTC communities.
- Flats at Sam Lane’s community amenity package will include a clubhouse/community room, a fitness center, business center, and a playground. This amenity package is appropriate based on the community size and price point.

2. Site Description / Evaluation

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



- The site for Flats at Sam Lane is in an established residential neighborhood in northwest Ringgold. Residential uses are common in the immediate area including multi-family apartments and single-family detached homes. Lone Mountain Village Phase I and II, a LIHTC senior community, is due east of the subject. Additional land uses within one mile of the site include the Catoosa County Sheriff's Office and Detention Facility and an American Legion Post due north of the site, and commercial uses along U.S. Highway 41 (aka Nashville Street), which is a primary retail corridor. Battlefield Parkway, which provides an interchange with Interstate 75, is one mile south of the site.
- Neighborhood amenities and services are within one mile of the subject site including shopping, public school, and municipal services. Regional amenities are generally found in nearby Chattanooga, approximately 10 miles northwest.
- The subject site is suitable for the proposed development. RPRG did not identify any negative land uses that would affect the proposed development's viability in the marketplace.

3. Market Area Definition

- The site for Flats at Sam Lane is in an established residential neighborhood in northwest Ringgold. Residential uses are common in the immediate area including multi-family apartments and single-family detached homes. Lone Mountain Village Phase I and II, a LIHTC senior community, is due east of the subject. Additional land uses within one mile of the site include the Catoosa County Sheriff's Office and Detention Facility and an American Legion Post due north of the site, and commercial uses along U.S. Highway 41 (aka Nashville Street), which is a primary retail corridor. Battlefield Parkway, which provides an interchange with Interstate 75, is one mile south of the site.
- The boundaries of the Flats at Sam Lane Market Area and their approximate distance from the subject site are the Tennessee state line to the north (4.6 miles), Mt. Pisgah Road to the east (7 miles), State Road 234 to the south (2.5 miles), and Walker County to the west (7.8 miles).

4. Community Demographic Data

- The Flats at Sam Lane Market Area added 5,678 people and 2,130 households from 2000 to 2010 for net growth of 19.5 percent and 19.8 percent, respectively. Annual average growth in the market area over the decade was 568 people (1.8 percent) and 213 households (1.8 percent). Catoosa County's population and households increased at almost identical rates over the past decade with net growth 19.9 percent for population and 19.8 percent for households. Annual growth in the county averaged 1,061 people at 1.8 percent and 404 households at 1.8 percent.
- Based on Esri estimates, the Flats at Sam Lane Market Area's population and household base experienced strong growth over the past nine years with net growth of 2,318 people and 823 households. Esri projections suggest the market area will gain 588 people and 212 households over the next two years, an 0.8 percent increase annually.
- The county is projected to grow by 1,052 people (1.5 percent) and 395 households (1.5 percent) over the next two years. Similar to the market area, Esri's projections suggest annual net population and household gains in the county at 0.8 percent annually.
- The Flats at Sam Lane Market Area and Catoosa County have a similar age distribution, with a median age of 39. Adults age 35 to 61 are the largest component of both areas at roughly



36 percent. Children/Youth under the age of 20 comprise approximately one-quarter of the population in the market area and Young Adults age 20-34 comprise 18.3 percent; the county has a slightly lower percentage of citizens under 20 and slightly more Young Adults. Seniors account for roughly 20 percent of the population in both the market area and county but are slightly more common in the county.

- Multi-person households without children were the most common household type in the Flats at Sam Lane Market Area at 41.6 percent, followed by households with children at 39.2 percent. Catoosa County had a distribution of multi-person households without children at 40.5 percent and with children at 36.3 percent. Single-person households were the least common household type in both areas at 19.1 percent in the market area and 23.1 percent in the county.
- The Flats at Sam Lane Market Area's annual average household change by tenure over the past 19 years was 69 renter households (2.7 percent) and -87 owner households (0.9 percent). Renter households accounted for 44.2 percent net household growth in the market area and 51.4 percent in county over the past 19 years. Esri's data suggests the market area will lose 35 renter households and gain 248 owner households per year over the next two years with an annual net gain of 212 households, which is a departure from past trends.
- Working age households (age 25 to 54 years) form the core of market area renter households totaling 59.7 percent. Less than ten percent of the market area's renters are under the age of 25 and 31.8 percent are 55 or older. The county generally has slightly higher percentages of older renter households for cohorts age 45+.
- Over half (53.1 percent) of renter households in the Flats at Sam Lane Market Area had one or two people, slightly lower than the 58.0 percent in the county. Two-person households were the most common renter household size in the market area at 26.9 percent whereas single households were most prevalent in the county (31.4 percent). Roughly 34.9 percent of the market area's households had three or four people and 12 percent had 5+ people. Catoosa County had a lower percentage of large renter households including 10.5 percent with 5+ people.
- The Flats at Sam Lane Market Area's 2019 median income of \$61,948 is \$8,021 or 14.9 percent higher than Catoosa County's median income of \$53,927. RPRG estimates that the median income of market area households by tenure is \$40,776 for renters and \$69,330 for owner households. More than one-third (35.3 percent) of renter households earn less than \$25,000 and roughly 26 percent earn \$25,000 to \$49,999.

5. Economic Data

Catoosa County's economy is stable with limited net change over the past seven years, but a significant decrease in the unemployment rate.

- Catoosa County's unemployment rate has decreased annually over the past eight years and reached 3.4 percent in 2018, which was its lowest annual average in at least 10 years. This most recent annual average unemployment rate is less than half of the recession-era peak of 8.6 percent in 2010. The state and national unemployment rates were higher in 2018 at 3.9 percent.
- Catoosa County's At-Place Employment has generally increased slowly but steadily over the past ten years. The county added 1,943 jobs from 2012 to 2015 recouping roughly 82 percent of the 2,356 jobs lost from 2007 to 2011. In 2016 the county lost 996 jobs but regained 1,139 jobs in 2017 and 2018 (through Q3).



- Almost one-third of market area workers residing in the market area commuted 30+ minutes. The economy is more regional in nature with a relatively rural setting in the Flats at Sam Lane Market Area, with 66.2 percent of local working residents commuting 15-34 minutes.

6. Project Specific Affordability and Demand Analysis:

- Flats at Sam Lane will comprise 72 general occupancy LIHTC rental units. LIHTC income targeting includes 29 units at 50 percent AMI; 29 units at 60 percent AMI; and 14 units at 70 percent AMI. The unit mix includes 12 one-bedroom units, 30 two bedroom units, and 30 three bedroom units.
- The LIHTC units will target renter householders earning \$19,166 to \$53,360. The 72 proposed LIHTC units would need to capture 6.1 percent of the 1,176 income qualified renter households to lease-up.
- Based on DCA methodology, total net demand for all 72 proposed units in the Flats at Sam Lane Market Area results in an overall capture rate of 15.8 percent. Capture rates by income level are 10.6 percent for 50 percent units; 9.3 percent for 60 percent units; and 3.4 percent for 70 percent units. Flats at Sam Lane's capture rates by floor plan for all AMI levels range from 0.7 percent to 24.1 percent, which have been adjusted include only large households for three-bedroom units.
- The capture rates for Flats at Sam Lane are within DCA's range of acceptability and indicate sufficient demand to support the proposed development.

7. Competitive Rental Analysis

RPRG surveyed six general occupancy communities in the Flats at Sam Lane Market Area including three market rate communities, two LIHTC communities, and one deeply subsidized community (with tax credits). At the time of our survey, the rental market was performing well with low vacancy rates.

- The surveyed communities range from eight to 88 units and average 44 units. The market rate communities range from eight to 69 units and average 29 units. The LIHTC communities range from 72 to 88 units and are the two largest communities in the survey.
- The five surveyed communities combine to offer 247 units of which two units or 0.8 percent were reported vacant. All communities surveyed are stabilized; market rate property Guylar reported an elevated vacancy rate of 12.5 percent, although this is due to only one vacancy (eight units total). No vacancy was reported by the LIHTC communities and one market rate community. The LIHTC properties reported waiting lists of three months (Bedford).
- The newest community in the market area was placed in service in 2016; absorption data is not available.
- Among all surveyed rental communities, net rents, unit sizes, and rents per square foot were as follows:
 - One-bedroom effective rents range from \$255 to \$570 and average \$472 per month. The average one-bedroom unit size is 768 square feet, resulting in a net rent per square foot of \$0.61



- Two-bedroom effective rents range from \$305 to \$730 and average \$605 per month. The average two-bedroom unit size is 1,008 square feet, resulting in a net rent per square foot of \$0.60.
- Three-bedroom effective rents range from \$575 to \$735 and average \$653 per month. . The average three-bedroom unit size is 1,195 square feet, resulting in a net rent per square foot of \$0.55.
- Summer Breeze offers LIHTC units at both 50 percent and 60 percent AMI; however, all units are priced at the 50 percent level. LIHTC community Bedford Place offers an array of unit pricing, including 30 percent, 50 percent, and 60 percent AMI as well as market rate units. Market rate rents at Bedford Place are well above its 60 percent rents.
- The “average market rent” is \$555 for one-bedroom units, \$732 for two-bedroom units, and \$1,053 for three-bedroom units. All proposed LIHTC rents are below the average market rate with a minimum rent advantage of 11 percent; the weighted average market advantage for LIHTC units is 41.6 percent. The subject’s proposed rents for 50 percent AMI units are 30.6 percent to 75.4 percent lower than the average market rent; the subject’s proposed 60 percent AMI units offer advantages of 16.8 percent to 61.9 percent; and proposed 70 percent AMI units offer advantages of 11 percent to 45.2 percent.
- RPRG identified 19 market rate units under construction in the market area. No recent LIHTC allocations have occurred in the county.

8. **Absorption/Stabilization Estimate**

- Based on the product to be constructed and the factors discussed through the report, we expect Flats at Sam Lane to lease-up at a rate of 14 units per month. At this rate, **the subject property will reach a stabilized occupancy of at least 93 percent within approximately five months.**
- Overall, the Flats at Sam Lane Market Area’s rental market is performing well with a stabilized aggregate vacancy rate of 1.3 percent; the surveyed LIHTC units are 100 percent occupied. We do not believe that the construction of the 72 units at Flats at Sam Lane will have a negative impact on existing communities (market rate or LIHTC) in the market area.

9. **Overall Conclusion / Recommendation**

Based on household growth, low affordability and demand capture rates, and strong rental market conditions, sufficient demand exists to support the proposed mixed-income units at Flats at Sam Lane. As such, RPRG believes that the proposed Flats at Sam Lane will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with the existing market rate and LIHTC communities in the Flats at Sam Lane Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

We do not believe that the proposed development of Flats at Sam Lane will have a negative impact on the existing LIHTC or market rate communities in the market area.



Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large HH Size	Large HH Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
50% AMI	\$19,166 - \$33,350												
One Bedroom Units	\$18,960-\$27,150	5	7.1%	93			0	93	5.4%	7 mos	\$555	\$540-\$570	\$425
Two bedroom Units	\$22,389-\$30,550	12	6.8%	89			0	89	13.4%	7 mos	\$732	\$675-\$836	\$525
Three Bedroom Units	\$25,234-\$36,650	12	11.1%	145	46.9%	68	0	68	17.6%	7 mos	\$1,053	\$735-\$1,370	\$600
60% AMI	\$20,674 - \$43,980												
One Bedroom Units	\$20,674-\$32,580	5	12.8%	167			0	167	3.0%	8 mos	\$555	\$540-\$570	\$475
Two bedroom Units	\$24,960-\$36,660	12	13.6%	178			0	178	6.7%	8 mos	\$732	\$675-\$836	\$575
Three Bedroom Units	\$27,806-\$43,980	12	13.5%	176	46.9%	83	0	83	14.5%	8 mos	\$1,053	\$735-\$1,370	\$650
70% AMI	\$21,737 - \$53,360												
One Bedroom Units	\$22,389-\$39,520	2	22.6%	295			0	295	0.7%	7 mos	\$555	\$540-\$570	\$500
Two bedroom Units	\$28,389-\$44,480	6	16.7%	219			0	219	2.7%	7 mos	\$732	\$675-\$836	\$650
Three Bedroom Units	\$31,234-\$53,360	6	18.1%	236	46.9%	111	0	236	2.5%	7 mos	\$1,053	\$735-\$1,370	\$725
Total Units	\$18,960-\$53,360												
One Bedroom Units	\$18,960-\$32,580	12	15.0%	196			0	196	6.1%				
Two bedroom Units	\$22,389-\$36,660	30	15.8%	207			0	207	14.5%				
Three Bedroom Units	\$25,234-\$43,980	30	16.2%	212	46.9%	100	0	100	30.1%				
Project Total	\$18,960-\$53,360												
50% AMI	\$19,166 - \$33,350	29	21.0%	274			0	274	10.6%				
60% AMI	\$20,674-\$43,980	29	23.9%	312			0	312	9.3%				
70% AMI	\$21,737 - \$53,360	14	31.6%	412			0	412	3.4%				
Total Units	\$19,817-\$43,980	72	34.9%	456			0	456	15.8%				



10. DCA Summary Table:

SUMMARY TABLE:	
Development Name:	Flats at Sam Lane Total # Units: 72
Location:	92 Sam Lane, Ringgold, Catoosa County, GA # LIHTC Units: 72
PMA Boundary:	North: Tennessee state line, East: Mt. Pisgah South: State Road 234 West: Walker County
	Farthest Boundary Distance to Subject: 7.8 miles

RENTAL HOUSING STOCK – (found on pages 4, 33, 36-37)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	287	6	2.1%
Market-Rate Housing	3	87	2	2.3%
Assisted/Subsidized Housing not to include LIHTC	1	40	4	10.0%
LIHTC	2	160	0	0.0%
Stabilized Comps	6	287	6	2.1%
Properties in construction & lease up	0	0	0	

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	1	1	789	\$425	\$555	\$0.69	30.6%	\$570	\$0.71
12	2	2	1,022	\$525	\$732	\$0.73	39.5%	\$836	\$0.84
12	3	2	1,359	\$600	\$1,053	\$0.57	75.4%	\$1,370	\$1.14
5	1	1	789	\$475	\$555	\$0.69	16.8%	\$570	\$0.71
12	2	2	1,022	\$575	\$732	\$0.73	27.3%	\$836	\$0.84
12	3	2	1,359	\$650	\$1,053	\$0.57	61.9%	\$1,370	\$1.14
2	1	1	789	\$500	\$555	\$0.69	11.0%	\$570	\$0.71
6	2	2	1,022	\$650	\$732	\$0.73	12.6%	\$836	\$0.84
6	3	2	1,359	\$725	\$1,053	\$0.57	45.2%	\$1,370	\$1.14

CAPTURE RATES (found on page 48-49)				
Targeted Population	50%	60%	70%	Overall
Capture Rate	10.6%	9.3%	3.4%	15.8%



1. INTRODUCTION

A. Overview of Subject

The subject of this report is Flats at Sam Lane, a proposed affordable multi-family rental community in Ringgold, Catoosa County, Georgia. Flats at Sam Lane will be newly constructed and financed in part with Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA). Flats at Sam Lane will comprise 72 LIHTC rental units with 29 units reserved for households earning up to 50 percent of the Area Median Income (AMI); 29 units will be reserved for households earning up to 60 percent of the AMI, and 14 units reserved for households earning up to 70 percent of the AMI, adjusted for household size.

B. Purpose of Report

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

C. Format of Report

The report format is comprehensive and conforms to DCA's 2019 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is Sam Lane Housing LLC (developer). Along with the Client, the Intended Users are DCA, potential lenders, and investors.

E. Applicable Requirements

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

- DCA's 2019 Market Study Manual.
- The National Council of Housing Market Analysts' (NCHMA) Model Content Standards and Market Study Index.

F. Scope of Work

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

- Please refer to Appendix 5 and 6 for a detailed list of DCA and NCHMA requirements as well as the corresponding pages of requirements within the report.
- Leslie Burke (Senior Market Analyst) conducted field research including a site visit on May 1, 2019.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and the city of Fort Oglethorpe (Rick Quarles, Building Official); Catoosa County



(Fay Wood); City of Ringgold (Gregg Boss, Planning & Zoning); and the Ringgold Housing Authority. All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

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



2. PROJECT DESCRIPTION

A. Project Overview

Flats at Sam Lane will be located at 92 Sam Lane, a private road on the west side of U.S. Highway 41, just north of the intersection with Battlefield Parkway in northeast Ringgold, Catoosa County, Georgia. Battlefield Parkway is an interchange with Interstate 75, which is approximately 1.5 miles west of the site. The newly constructed community will comprise 72 rent restricted units through the Low-Income Housing Tax Credit (LIHTC) program.

B. Project Type and Target Market

Flats at Sam Lane's proposed LIHTC units will target very low to moderate income renter households. All units will be income restricted, with 29 units targeting households earning up to 50 percent of the Area Median Income (AMI); 29 units targeting households earning up to 60 percent AMI; and 14 units targeting households earning up to 70 percent AMI. The proposed unit mix includes one, two, and three-bedroom units, which will attract a range of households including singles, roommates, couples, and families.

C. Building Types and Placement

Flats at Sam Lane's residential units will be contained within three garden buildings with two stories and brick and HardiPlank siding exteriors. The buildings will be positioned throughout the site with adjacent parking. A clubhouse building will be approximately 2,400 square feet in addition to a 970 square foot early learning center.

D. Detailed Project Description

1. Project Description

- Flats at Sam Lane will offer 12 one-bedroom units (16.6 percent), 30 two-bedroom units (41.7 percent), and 30 three-bedroom units (41.7 percent).
- Proposed unit sizes are 789 square feet for one-bedroom units, 1,022 square feet for two-bedroom units, and 1,359 square feet for three-bedroom units (Table 1).
- One-bedroom units will have one bathroom; two and three-bedroom units will have two bathrooms.
- All rents will include the cost of trash removal. Tenants will bear the cost of all other utilities. All appliances and the heating/cooling for each unit will be electric.



Table 1 Flats at Sam Lane Detailed Project Summary

Unit Type	Building Type	AMI Level	Units	Bed	Bath	Square Feet	Net Rent	Rent/Sq Ft
LIHTC	Garden	50%	5	1	1	789	\$425	\$0.54
LIHTC	Garden	50%	12	2	2	1,022	\$525	\$0.51
LIHTC	Garden	50%	12	3	2	1,359	\$600	\$0.44
LIHTC	Garden	60%	5	1	1	789	\$475	\$0.60
LIHTC	Garden	60%	12	2	2	1,022	\$575	\$0.56
LIHTC	Garden	60%	12	3	2	1,359	\$650	\$0.48
LIHTC	Garden	70%	2	1	1	789	\$500	\$0.63
LIHTC	Garden	70%	6	2	2	1,022	\$650	\$0.64
LIHTC	Garden	70%	6	3	2	1,359	\$725	\$0.53
Total/Avg.			72			1,124	\$583	\$0.52

Rents include: trash removal

Source: Sam Lane Housing LLC

The following **unit features** and **community amenities** are planned:

Unit Features	Community Amenities
<ul style="list-style-type: none"> • Kitchens with a range, refrigerator, dishwasher, stove, garbage disposal, and microwave • In-unit washer/dryer. • Ceiling fans. • Patio/balcony. • Carpet in living areas and LVT in kitchens, baths. • Window blinds. • Four handicap units. 	<ul style="list-style-type: none"> • Clubhouse. • Fitness center. • Computer Room/Library. • Community Learning Center. • Playground. • Community Gardens. • BBQ Area.

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Flats at Sam Lane is expected to begin construction in May 2020 and will have first move-ins completed in October 2021. For the purposes of this report, the placed in service date is 2021.

3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is on the north side of Sam Lane, a private residential street in northwest Ringgold off U.S. Highway 41, which is the area’s primary thoroughfare. Both U.S. Highway 41 and Interstate 75 are accessible within two miles of the subject property, providing access through the region (Map 1). Surrounding land uses include a balance of residential and commercial uses.

Map 1 Site Location



2. Existing Uses

The subject site is an undeveloped parcel with vegetation, a private road/driveway (Sam Lane) and one remaining vacant home (Figure 1).

3. Size, Shape, and Topography

The site comprises 10.05 acres, is flat, and generally rectangular.

Figure 1 Views of Subject Site



From site looking south on US Highway 41.



Site property signage on US Highway 41.



Interior shot of site.



Vacant home on site to be razed.



View of site from northern border.

4. General Description of Land Uses Surrounding the Subject Site

The site for Flats at Sam Lane is in an established residential neighborhood in northwest Ringgold. Residential uses are common in the immediate area including multi-family apartments and single-family detached homes. Lone Mountain Village Phase I and II, a LIHTC senior community, is due east of the subject. Additional land uses within one mile of the site include the Catoosa County Sheriff's Office and Detention Facility and an American Legion Post due north of the site, and commercial uses along U.S. Highway 41 (aka Nashville Street), which is a primary retail corridor. Battlefield Parkway, which provides an interchange with Interstate 75, is one mile south of the site.

Figure 2 Satellite Image of Subject Site



5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses near the subject include Figure 3):

- **North:** Catoosa County Detention Center, American Legion Post
- **South:** Single-family detached homes on U.S. Highway 41.
- **East:** Single-family detached homes and apartments.
- **West:** Undeveloped land with Briarwood Baptist Church, single-family detached homes beyond



American Legion Post 40 north of site.



Single family home on east side of U.S. Highway 41



Single-family home adjacent to site to the south.



Vacant land looking west



Catoosa County Jail on site's northern border



B. Neighborhood Analysis

1. General Description of Neighborhood

Ringgold is the primary city and county seat of Catoosa County, located in northwestern Georgia near the state line shared with Tennessee. The site is in the northwest portion of the city in a suburban/rural setting, approximately 16 miles southeast of the Chattanooga CBD. Residential uses are the most common land use in the neighborhood with a combination of both owner-occupied single-family detached homes, mobile homes, and multi-family apartments. Several shopping venues with a collection of retailers including a full-service grocery store are within a mile of the site.

The site is just north of Battlefield Parkway, which is Ringgold's northern interchange with Interstate 75 and provides direct access to the larger city of Fort Oglethorpe to the northwest. The entrance to the site is on Sam Lane, a private residential street off U.S. Highway 41. U.S. Highway 41 is one of the primary thoroughfares in the region along with State Highway 151 (aka Old Alabama Road); the intersection of these two highways is roughly one mile south of the site. Ringgold's recent residential development has generally been north and west of the city center, although the outskirts of Ringgold remain undeveloped or rural.

2. Neighborhood Planning Activities

Project Jump is a public-private partnership between Armour Commercial Real Estate, Catoosa County Economic Development Authority (EDA), Catoosa County, and the City of Ringgold. The Project involves acquisition of real estate and site development incentives by making improvements to the land and roadway. These incentives are provided to prepare the site to attract retail, medical and other commercial development which will generate additional sales tax, property tax, create jobs, and "Jump Start" the development of surrounding property hence the code name "Project Jump".

The EDA purchased approximately 20 acres of land on Battlefield Parkway for the development. The land was acquired with a no interest loan from Armour Commercial Real Estate to be re-paid from sales of the property. The EDA will conduct the site development improvements (including roadway & intersection improvements, grading, utility and storm water installation) which will be funded equally between the County, the EDA and the City of Ringgold. The total estimated budget for this project is \$1.9 million.

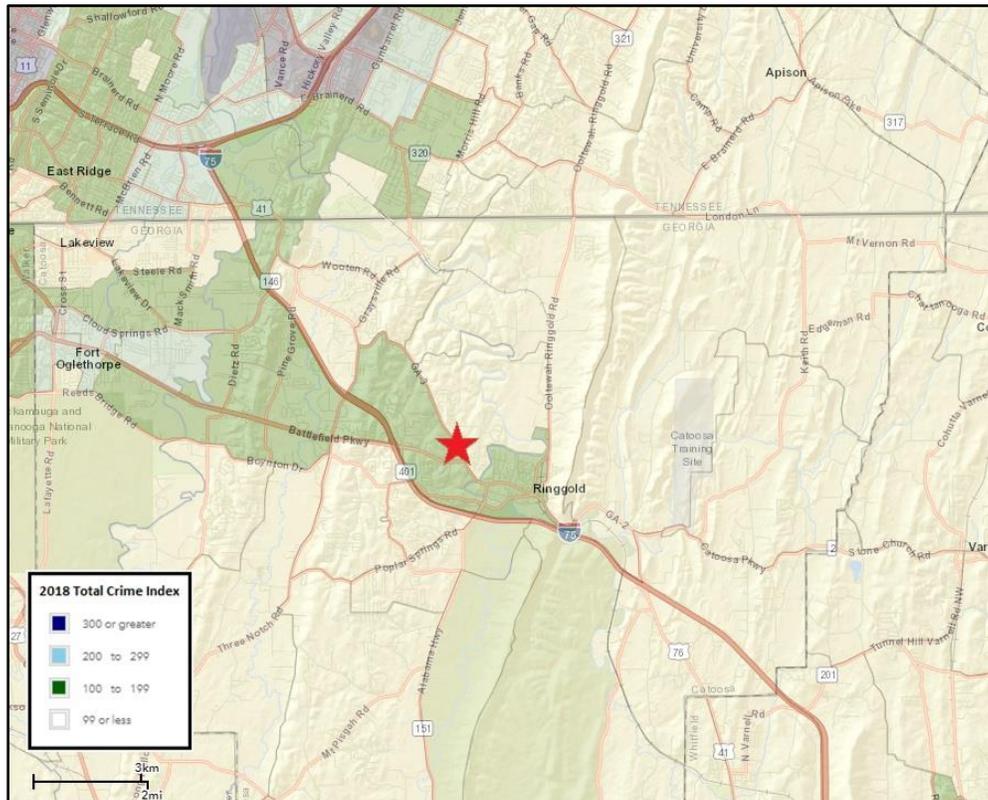
A Ground Breaking Ceremony was held August 1, 2017 for Project Jump's first tenant, the Center for Sports Medicine & Orthopedics. This is their first location in Georgia, approximately 3.5 miles west of the subject site.

3. Public Safety

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

The 2018 CrimeRisk is displayed in gradations from yellow (least risk) to dark blue (most risk) (Map 2). The primary market area includes areas of average and below average crime risk with the subject site near both areas. The crime risk is generally consistent throughout the market area and region; existing multi-family communities operate in similar settings as the subject site. Based on the crime risk for the surrounding area and observations made during our site visit, we do not expect crime or the perception of crime to negatively impact the subject property’s marketability.

Map 2 2018 CrimeRisk, Subject Site and Surrounding Areas



C. Site Visibility and Accessibility

1. Visibility

Flats at Sam Lane will have strong visibility due its frontage along U.S. Highway 41, which has steady traffic near the site.

2. Vehicular Access

Flats at Sam Lane will be accessible via an entrance on U.S. Highway 41. Traffic is steady near the subject site, but sufficient traffic breaks allow for access to/from the site. U.S. Highway 41 connects to Battlefield Parkway just south of the site, providing access to Interstate 75. RPRG does not anticipate any concerns with site accessibility.

3. Availability of Public Transit and Inter-Regional Transit

Public transportation in Catoosa County is provided by Trans-Aid, provided at no charge to county residents for non-emergency transportation needs during the week. Service is on-demand with advance reservations required.



The site is convenient to Interstate 75, the area's major interstate providing access to Chattanooga traveling north and metro Atlanta traveling south. The Chattanooga Airport offers limited flights and is approximately 13 miles from the subject site. Atlanta's Hartsfield Jackson Airport offers an abundance of daily flights and is 113 miles south on Interstate 75.

4. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process.

Improvements currently underway on State Highway 151 are part of the Chattanooga Urban Area Transportation Study and involve adding lanes to this primary north-south corridor near the city of Ringgold. The project also provides for future expansion of Interstate 75 with a longer bridge and relocated ramps.

The Georgia Department of Transportation is widening State Highway 151 (Alabama Highway) and the road's two bridges are currently the point of focus as construction gets underway. The focus is raising those bridges, building new bridges, and both are supposed to go up five to six feet in elevation. They also plan to clear and improve the right-of-way widening at Hazel Drive, the road just past Rollins Industrial Boulevard.

Overall, the \$35 million project includes the widening and reconstruction of State Highway 151 (Alabama Highway) from approximately 3,200 feet south of Rollins Industrial Boulevard at Holcomb Road through the Interstate 75 Interchange to U.S. Highway 41 in Ringgold for a distance of approximately 2.03 miles.

The widening will transform the existing two-lane roadway to a four-lane divided highway with a 20-foot raised median to Boynton Road/Lafayette Street and flush the median to U.S. Highway 41. The project also includes the replacement of the existing bridges over Interstate 75 and South Chickamauga Creek, and the reconstruction of the existing Interstate 75/State Highway 151 interchange. Upon completion, this project will provide local and through traffic along State Highway 151 with a roadway that will adequately serve current and future travel demands and provide the public with a safer driving environment.

Transit and Other Improvements under Construction and/or Planned

None identified.

5. Environmental Concerns

RPRG did not identify any visible environmental or other site concerns.

D. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part on its proximity to those facilities and services required daily. Key facilities and services and their distances from the subject site are listed in Table 2 and their location is plotted on Map 3.

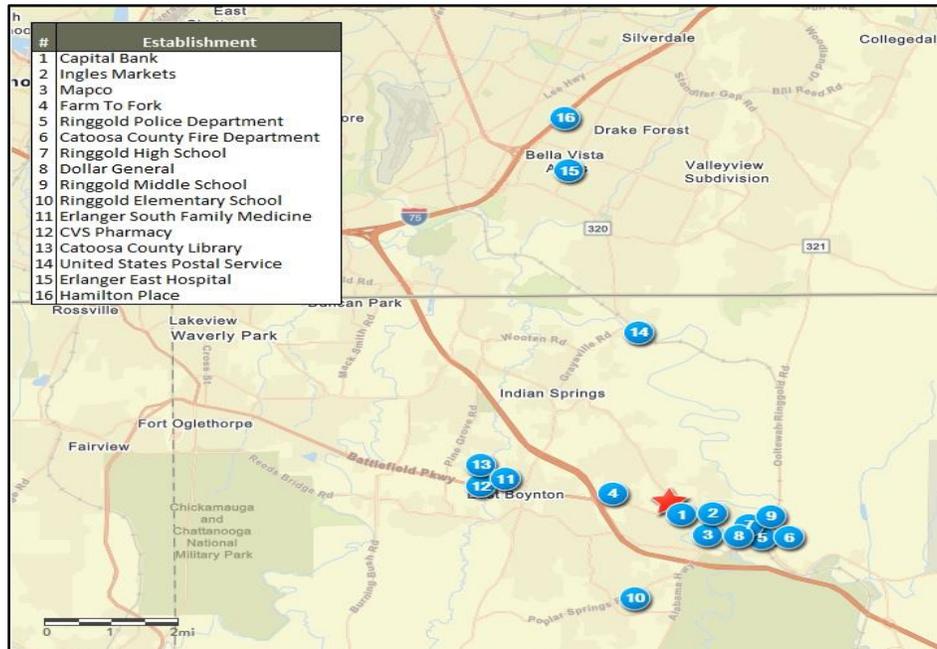


Table 2 Key Facilities and Services

Establishment	Type	Address	City	Driving Distance
Capital Bank	Bank	6345 US-41	Ringgold	0.4 mile
Ingles Markets	Grocery	5044 Alabama Hwy	Ringgold	0.8 mile
Mapco	Convenience Store	6966 Nashville St	Ringgold	1 mile
Farm To Fork	Restaurant	120 General Lee Dr	Ringgold	1.4 miles
Ringgold Police Department	Police	150 Tennessee St	Ringgold	1.9 miles
Catoosa County Fire Department	Fire	5282 Evitt St	Ringgold	2 miles
Ringgold High School	Public School	29 Tiger Trl	Ringgold	2 miles
Dollar General	General Retail	7449 Nashville St	Ringgold	2 miles
Ringgold Middle School	Public School	217 Tiger Trl	Ringgold	2.4 miles
Ringgold Elementary School	Public School	322 Evitt Ln	Ringgold	2.7 miles
Erlanger South Family Medicine	Doctor/Medical	60 Erlanger S Dr A	Ringgold	3.3 miles
CVS Pharmacy	Pharmacy	4825 Battlefield Pkwy	Ringgold	3.5 miles
Catoosa County Library	Library	108 Catoosa Cir	Ringgold	3.8 miles
United States Postal Service	Post Office	17 Vaughn St	Graysville	4.6 miles
Erlanger East Hospital	Hospital	1751 Gunbarrel Rd	Chattanooga	8.3 miles
Hamilton Place	Mall	2100 Hamilton Pl Blvd	Chattanooga	10.2 miles

Source: Field and Internet Research, RPRG, Inc.

Map 3 Location of Key Facilities and Services



2. Essential Services

Health Care

Erlanger East Hospital in Chattanooga is the closest full-service medical center to the subject site and is approximately 8.3 miles northwest on Interstate 75. Erlanger Health System is an academic medical center affiliated with the University of Tennessee College of Medicine Chattanooga, with six Tennessee-based hospitals. Erlanger East is a 28-bed full-service community hospital that offers a range of services including 24-hour emergency care, cardiology, stroke care, cancer care, pediatric



services, pulmonary care, and critical care. Erlanger South Family Medicine is just over three miles from the subject site.

Education

The Catoosa County School District comprises 16 schools and six preschools and has an enrollment of roughly 9,800 students. School-aged children residing at the subject property would attend Ringgold Elementary (2.7 miles), Ringgold Middle School (2.4 mile), and Ringgold High School (2 miles).

Nearby options for higher education include the University of Tennessee at Chattanooga, Northwestern Technical College, Dalton State Collage, Bethel University College of Professional Studies, Tennessee Temple University, and Southern Adventist University.

3. Commercial Goods and Services

Convenience Goods

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

Flats at Sam Lane is within one mile of commercial uses on Battlefield Parkway near Interstate 75. A convenience store (Mapco) is within one mile and additional retailers including Dollar General are within two miles of the site. Ingles Markets is the closest traditional grocery store to the subject site at roughly 0.8 miles to the southeast.

Shoppers Goods

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called “comparison goods.” Examples of shoppers’ goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

Hamilton Place is a regional shopping destination in Chattanooga, approximately ten miles from the subject site. Hamilton Place includes a variety of restaurants, and entertainment options, with anchors Dillard’s, Belk, JC Penney, and Barnes & Noble as well as numerous local and national in-line tenants.

4. Location of Low-Income Housing

The Existing Low-Income Rental Housing section of this report, starting on page 39 includes a list and map of existing low-income housing in the Flats at Sam Lane Market Area.

E. Site Conclusion

The subject site is in residential setting fronting along a major local thoroughfare. The site is convenient to neighborhood amenities and transportation arteries. Surrounding land uses are predominately well-maintained residential developments including owner occupied single-family homes and multi-family apartments.



4. MARKET AREA DEFINITION

A. Introduction

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

B. Delineation of Market Area

The site for Flats at Sam Lane is in an established residential neighborhood in northwest Ringgold. Residential uses are common in the immediate area including multi-family apartments and single-family detached homes. Lone Mountain Village Phase I and II, a LIHTC senior community, is due east of the subject. Additional land uses within one mile of the site include the Catoosa County Sheriff’s Office and Detention Facility and an American Legion Post due north of the site, and commercial uses along U.S. Highway 41 (aka Nashville Street), which is a primary retail corridor. Battlefield Parkway, which provides an interchange with Interstate 75, is one mile south of the site.

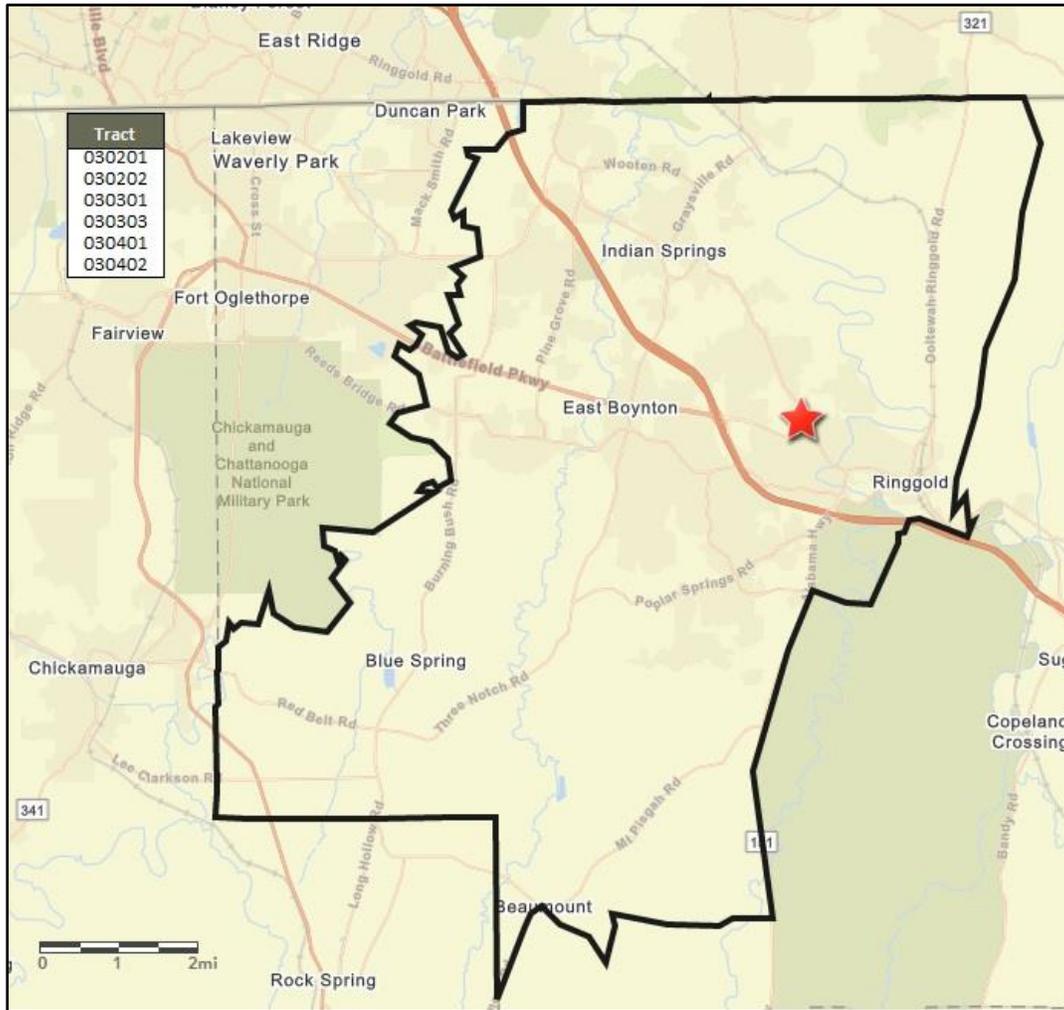
The boundaries of the Flats at Sam Lane Market Area and their approximate distance from the subject site are:

- North:** Tennessee state line (4.6 miles)
- East:** Mt. Pisgah Road..... (7.0 miles)
- South:** State Road 234..... (2.5 miles)
- West:** Walker County (7.8 miles)

As appropriate for this analysis, the Flats at Sam Lane Market Area is compared to Catoosa County, which is considered the secondary market area for demographic comparison purposes, although demand will be computed based only on the Flats at Sam Lane Market Area.



Map 4 Flats at Sam Lane Market Area





5. ECONOMIC CONTENT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Catoosa County, the jurisdiction in which Flats at Sam Lane will be located. For purposes of comparison, economic trends in Georgia and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

Catoosa County’s labor force has fluctuated since 2007 with a net loss of 2,297 workers or 6.9 percent from 2007 to 2018. Since 2015, the county’s labor force has shown signs of stabilization with a net gain of 1,868 total workers and 2,368 employed workers (Table 3). The number of workers classified as unemployed in the county has been more than halved from the recession era-high in 2010 including a decrease of 500 unemployed workers since 2015.

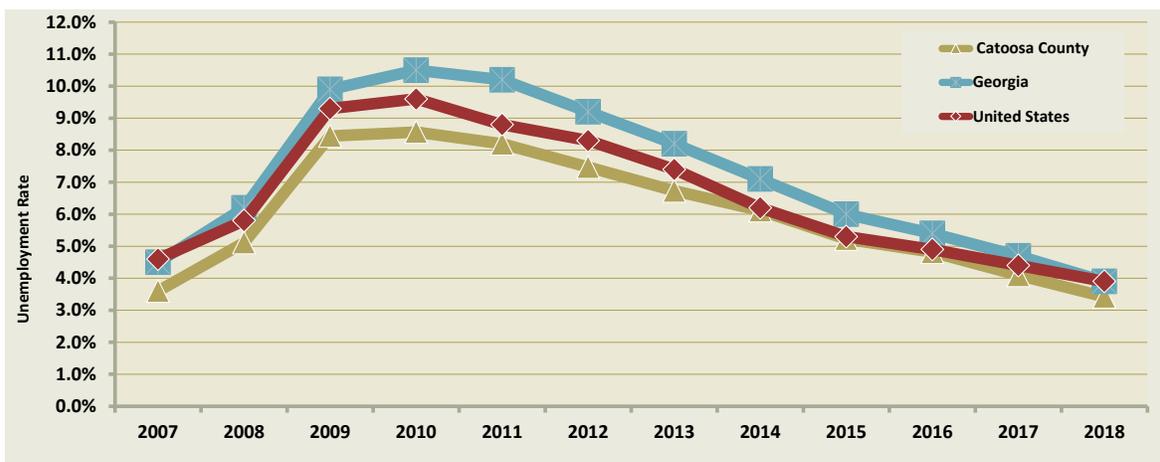
2. Trends in County Unemployment Rate

Catoosa County’s unemployment rate has decreased annually over the past eight years and reached 3.4 percent in 2018, which was its lowest annual average in at least 10 years. This most recent annual average unemployment rate is less than half of the recession-era peak of 8.6 percent in 2010. The state and national unemployment rates were higher in 2018 at 3.9 percent.

Table 3 Labor Force and Unemployment Rates

Annual Unemployment	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Labor Force	35,453	35,778	34,611	31,351	32,062	32,250	31,646	30,947	31,288	32,173	32,857	33,156
Employment	34,177	33,948	31,689	28,665	29,433	29,840	29,516	29,054	29,654	30,624	31,512	32,022
Unemployment	1,276	1,830	2,922	2,686	2,629	2,410	2,130	1,893	1,634	1,549	1,345	1,134
Unemployment Rate												
Catoosa County	3.6%	5.1%	8.4%	8.6%	8.2%	7.5%	6.7%	6.1%	5.2%	4.8%	4.1%	3.4%
Georgia	4.5%	6.2%	9.9%	10.5%	10.2%	9.2%	8.2%	7.1%	6.0%	5.4%	4.7%	3.9%
United States	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%

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





C. Commutation Patterns

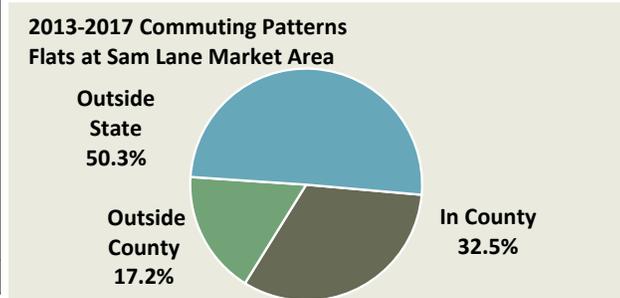
According to 2013-2017 American Community Survey (ACS) data, 17 percent of workers residing in the market area commuted less than 15 minutes to work and 48 percent of workers commuted 15 to 29 minutes (Table 4). Almost one-third of market area workers residing in the market area commuted 30+ minutes. The economy is more regional in nature with a relatively rural setting in the Flats at Sam Lane Market Area, with 66.2 percent of local working residents commuting 15-34 minutes.

Only 32.5 percent of workers residing in the Flats at Sam Lane Market Area worked in Catoosa County. Roughly 17 percent of workers worked in another Georgia county and 50.2 percent of workers were employed outside the state of Georgia (likely in Tennessee due to its proximity to Ringgold).

Table 4 2013-2017 Commuting Patterns, Flats at Sam Lane Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	16,887	96.1%	Worked in state of residence:	8,729	49.7%
Less than 5 minutes	136	0.8%	Worked in county of residence	5,704	32.5%
5 to 9 minutes	1,165	6.6%	Worked outside county of residence	3,025	17.2%
10 to 14 minutes	1,680	9.6%	Worked outside state of residence	8,845	50.3%
15 to 19 minutes	2,800	15.9%	Total	17,574	100%
20 to 24 minutes	3,739	21.3%			
25 to 29 minutes	1,898	10.8%			
30 to 34 minutes	3,207	18.2%			
35 to 39 minutes	457	2.6%			
40 to 44 minutes	365	2.1%			
45 to 59 minutes	918	5.2%			
60 to 89 minutes	280	1.6%			
90 or more minutes	242	1.4%			
Worked at home	687	3.9%			
Total	17,574				

Source: American Community Survey 2013-2017



Source: American Community Survey 2013-2017

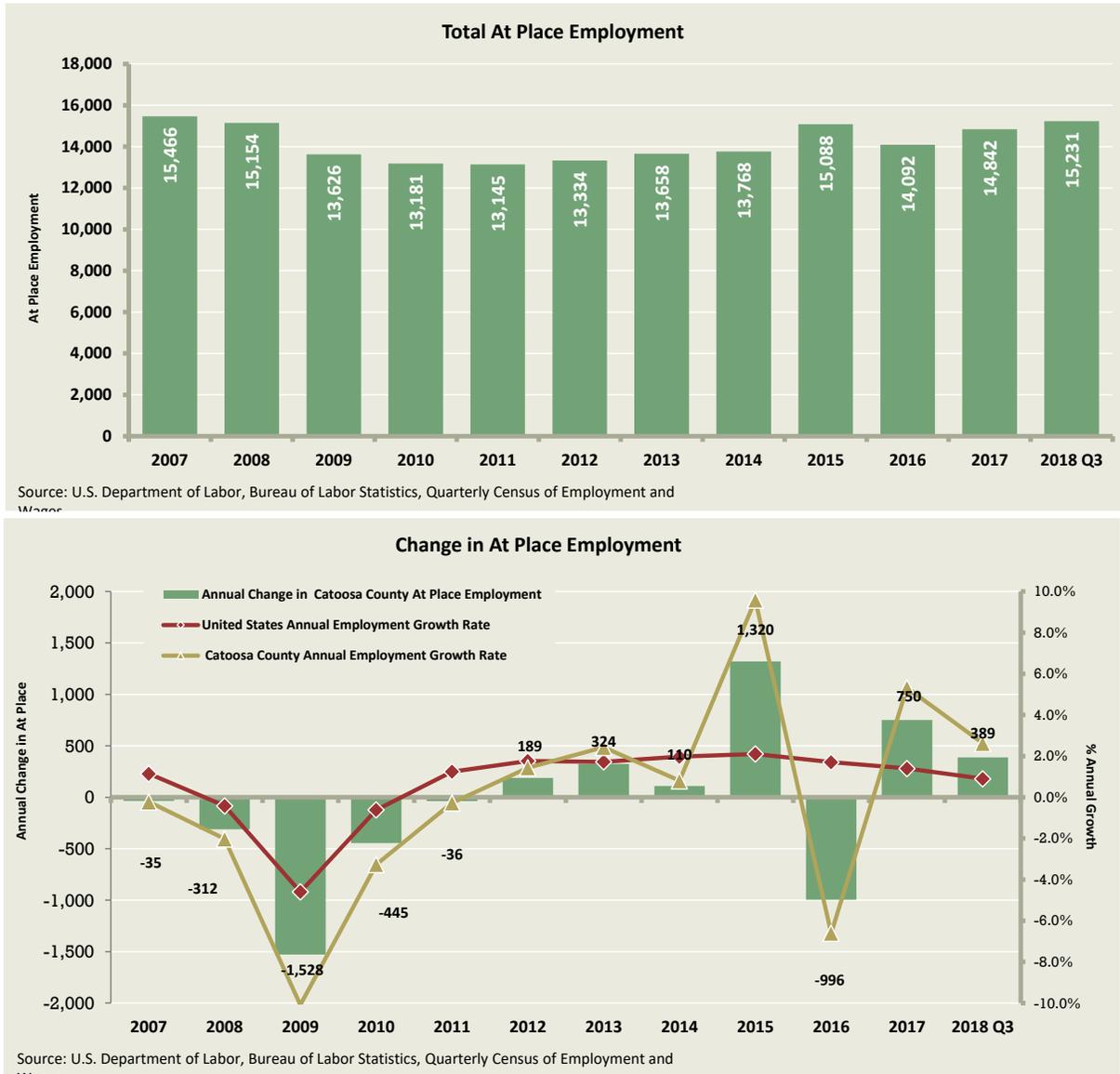
D. At-Place Employment

1. Trends in Total At-Place Employment

Catoosa County’s At-Place Employment has generally increased slowly but steadily over the past ten years. The county added 1,943 jobs from 2012 to 2015 recouping roughly 82 percent of the 2,356 jobs lost from 2007 to 2011. In 2016 the county lost 996 jobs but regained 1,139 jobs in 2017 and 2018 (through Q3). Despite these fluctuations, since 2015 almost 1,500 net jobs have been added in the county (Figure 4). As detailed by the line chart in the lower half of Figure 4, Catoosa County’s rate of job growth has generally lagged or equaled the nation, with exceptions in 2015, 2017, and through 2018 Q3 when the county outperformed the nation.



Figure 4 At-Place Employment



2. At-Place Employment by Industry Sector

Government, Trade-Transportation-Utilities, and Leisure-Hospitality are Catoosa County’s largest economic sectors comprising over half of all jobs in the county; these three economic sectors comprise a much higher distribution of jobs in the county (63.3 percent) than in the nation (44.8 percent) and likely reflect the impact of local amusement park/resort Lake Winnie and the development and opening of the Appalachian Inland Port in 2018 in nearby Murray County. Two other sectors, Education-Health and Manufacturing, accounted for 10.1 to 10.5 percent of Catoosa County’s jobs (Figure 5). Compared to national figures, the county has a smaller percentage of jobs in the Education-Health, Professional-Business, Financial Activities, Information, Construction, and Natural Resources sectors but a larger percentage in the Leisure-Hospitality, Trade-Transportation-Utilities, Government, and Other sectors.

Nine of 11 economic sectors added jobs in Catoosa County from 2011 and 2018 (Q3) and two sectors lost jobs (Figure 6). The most significant growth was 112.6 percent growth in Information,



75.7 percent growth in Natural Resources, and 66.3 percent growth in Construction. Among sectors losing jobs, the Education-Health and Professional Business sectors had job losses that ranged from 8.3 percent to 17.2 percent. Among Catoosa County’s largest industry sectors, Government saw flat growth, Trade-Transportation had growth of 9.5 percent, and Leisure-Hospitality saw an employment increase of 57.5 percent.

Figure 5 Total Employment by Sector, 2018(Q3)

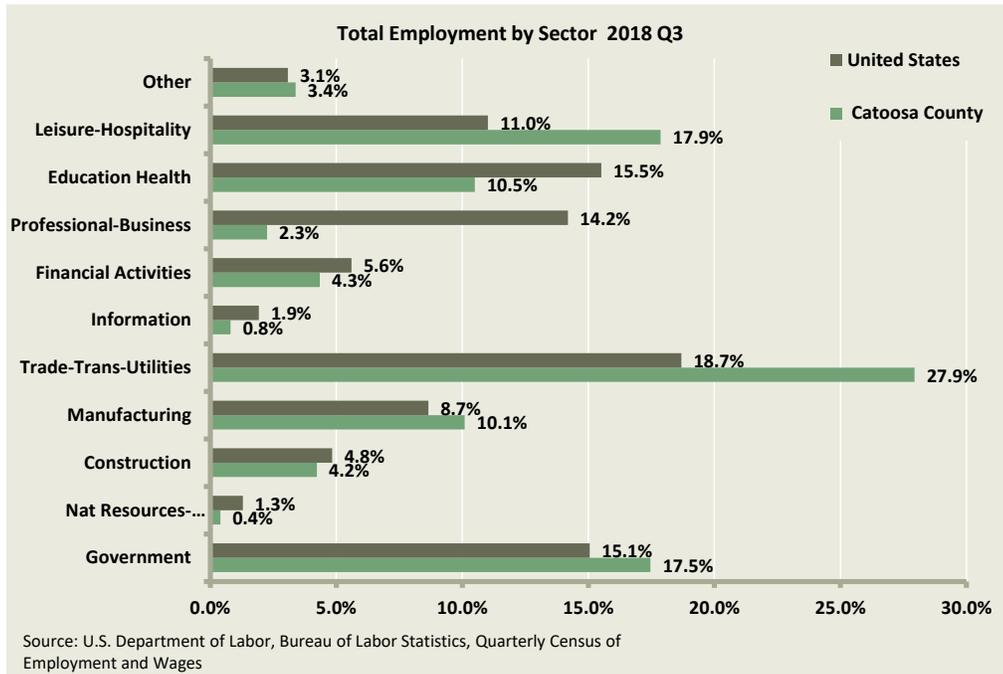
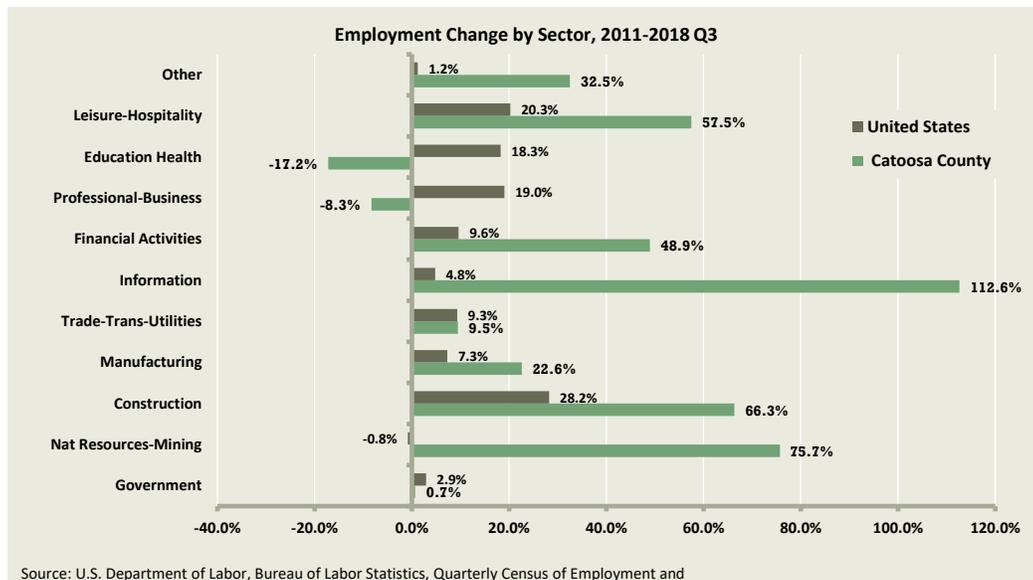


Figure 6 Change in Employment by Sector 2011-2018(Q3)





3. Major Employers

Shaw Industries is the largest employer in the county with approximately 650 employees, followed by Walmart with 450 employees. Other than Shaw, a carpet manufacturer, the five largest employers are retailers or a local lake resort/amusement park (Table 5). Several of the larger employers are northwest of Ringgold towards Fort Oglethorpe, a city of over 9,000 residents located ten miles northwest of Ringgold and ten miles southeast of Chattanooga. Fort Oglethorpe’s larger population and proximity to Chattanooga position it as a primary employment base in the region.

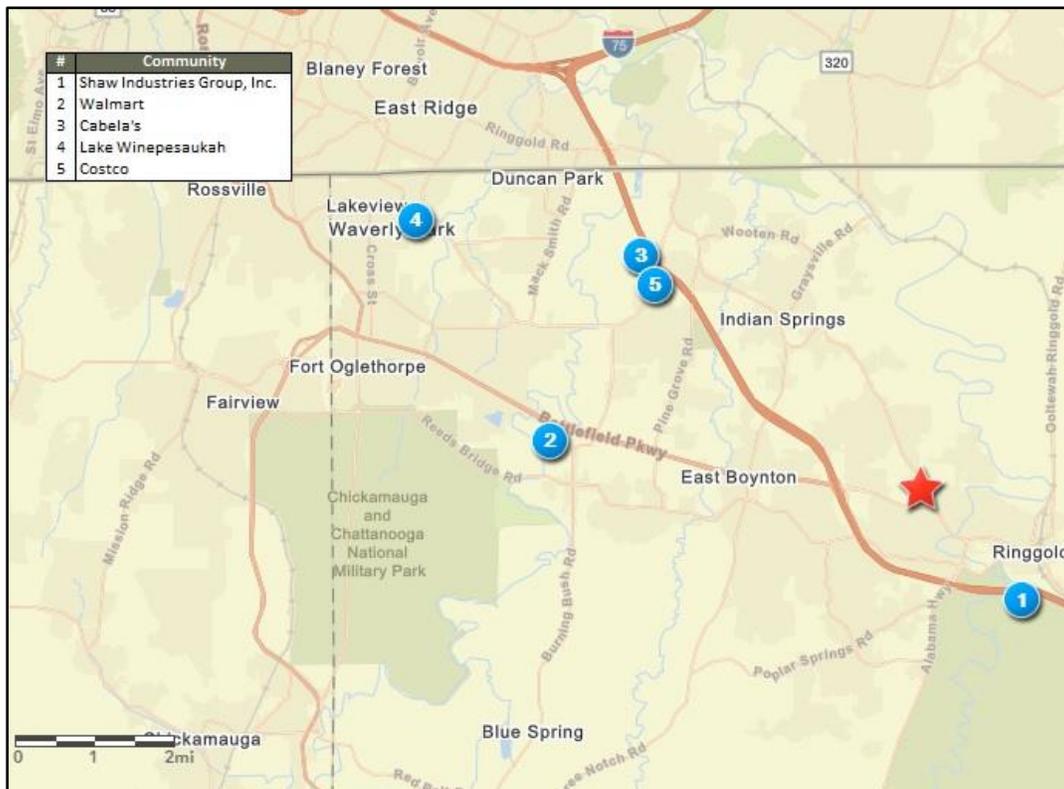
The closest major employer to the subject site is Shaw Industries, the county’s largest employer (Map 5). In addition to the private employers shown, local governments and public schools likely employ a large number of people.

Table 5 Major Employers

Rank	Name	Sector	Employment
1	Shaw Industries Group, Inc.	Manufacturing	650
2	Walmart	Retail	450
3	Cabela’s	Retail	250
4	Lake Winepesaukah	Leisure	250
5	Costco	Retail	200

Source: Catoosa County Economic Development

Map 5 Major Employers





4. Recent Economic Expansions, Contractions, and Projections

RPRG did not identify any recent economic expansions or contractions in the Catoosa County. The county's At-Place Employment has been steadily increasing since 2016 but remains below the high in 2007.

5. Conclusions on Local Economics

Catoosa County's economy has been stable since the national recession with modest net job growth in most of the past eight years. The county's most recent annual average unemployment rate of 3.4% has declined more than 60 percent from its recession-era high of 8.6 percent and is the lowest unemployment level in more than 10 years.



6. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Flats at Sam Lane Market Area and Catoosa County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. We have included population and household data for 2010, 2019, and 2021 per DCA’s 2019 Market Study Guide. Demographic data focuses on the current year of 2019.

B. Trends in Population and Households

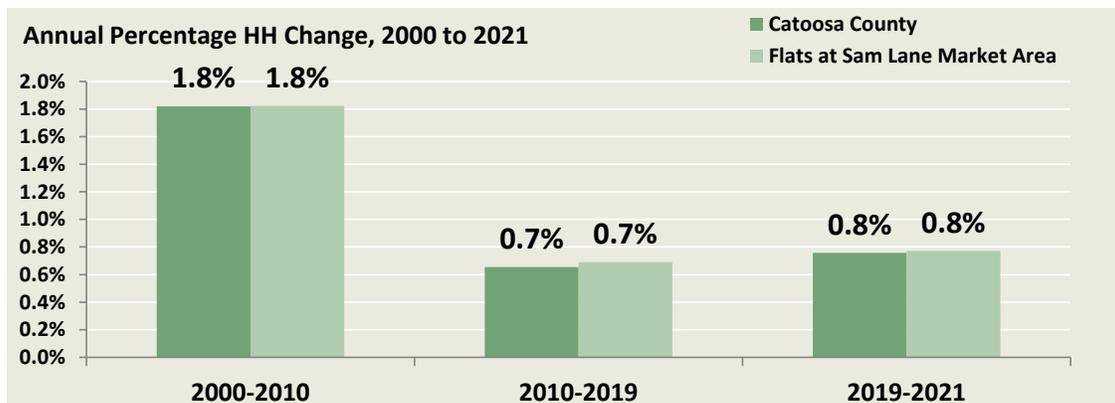
1. Recent Past Trends

The Flats at Sam Lane Market Area added 5,678 people and 2,130 households from 2000 to 2010 for net growth of 19.5 percent and 19.8 percent, respectively (Table 6). Annual average growth in the market area over the decade was 568 people (1.8 percent) and 213 households (1.8 percent). Catoosa County’s population and households increased at almost identical rates over the past decade with net growth 19.9 percent for population and 19.8 percent for households. Annual growth in the county averaged 1,061 people at 1.8 percent and 404 households at 1.8 percent.

Table 6 Population and Household Projections

		Catoosa County				Flats at Sam Lane Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	53,330					29,160				
2010	63,942	10,612	19.9%	1,061	1.8%	34,838	5,678	19.5%	568	1.8%
2019	67,997	4,055	6.3%	451	0.7%	37,156	2,318	6.7%	258	0.7%
2021	69,049	1,052	1.5%	526	0.8%	37,743	588	1.6%	294	0.8%
Households		Total Change		Annual Change		Total Change		Annual Change		
Households	Count	#	%	#	%	Count	#	%	#	%
2000	20,436					10,755				
2010	24,475	4,039	19.8%	404	1.8%	12,885	2,130	19.8%	213	1.8%
2019	25,955	1,480	6.0%	164	0.7%	13,708	823	6.4%	91	0.7%
2021	26,350	395	1.5%	197	0.8%	13,921	212	1.5%	106	0.8%

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





2. Projected Trends

Based on Esri estimates, the Flats at Sam Lane Market Area’s population and household base experienced strong growth over the past nine years with net growth of 2,318 people and 823 households. Esri projections suggest the market area will gain 588 people and 212 households over the next two years, an 0.8 percent increase annually.

The county is projected to grow by 1,052 people (1.5 percent) and 395 households (1.5 percent) over the next two years. Similar to the market area, Esri’s projections suggest annual net population and household gains in the county at 0.8 percent annually.

The average household size in the market area of 2.69 persons per household in 2019 is expected to increase slightly to 2.70 through 2021 (Table 7).

Table 7 Persons per Household, Flats at Sam Lane Market Area

Average Household Size			
Year	2010	2019	2021
Population	34,838	37,156	37,743
Group Quarters	209	273	172
Households	12,885	13,708	13,921
Avg. HH Size	2.69	2.69	2.70

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

3. Building Permit Trends

RPRG examines building permit trends as one way of determining if the housing supply is meeting demand, as measured by new households. Permit activity in Catoosa County decreased significantly from 380 units permitted in 2007 to 84 units permitted in 2011. Permit activity fluctuated from 2011 to 2015, averaging 166 units permitted in that timeframe. Permit activity has increased annually since 2016 (Table 8).

Single-family detached homes comprised 84 percent of all units permitted in the county since 2007. Multi-family structures with five or more units contain eight percent of units permitted with the remaining eight percent in multi-family structures with 2-4 units.



Table 8 Building Permits by Structure Type, Catoosa County

Catoosa County														
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2007-2018	Annual Average
Single Family	299	234	113	94	81	116	123	116	145	158	192	203	1,874	156
Two Family	12	4	20	6	0	0	4	2	0	6	0	0	54	5
3 - 4 Family	49	0	4	23	3	0	0	6	7	8	4	24	128	11
5+ Family	20	20	0	0	0	0	22	20	102	0	0	0	184	15
Total	380	258	137	123	84	116	149	144	254	172	196	227	2,240	187

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



C. Demographic Characteristics

1. Age Distribution and Household Type

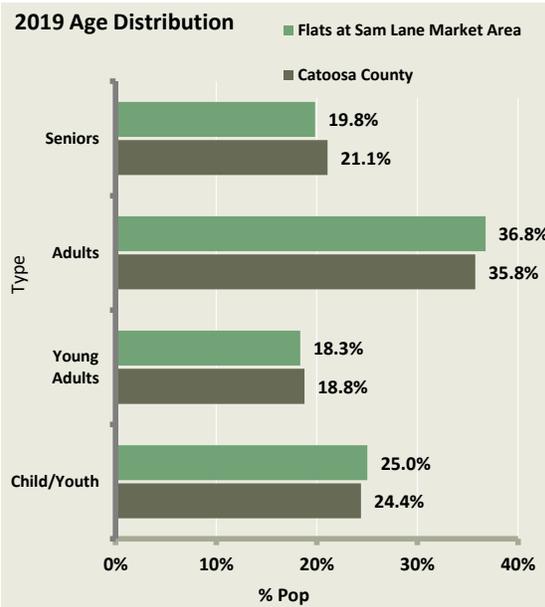
The Flats at Sam Lane Market Area and Catoosa County have a similar age distribution, with a median age of 39 (Table 9). Adults age 35 to 61 are the largest component of both areas at roughly 36 percent. Children/Youth under the age of 20 comprise approximately one-quarter of the population in the market area and Young Adults age 20-34 comprise 18.3 percent; the county has a slightly lower percentage of citizens under 20 and slightly more Young Adults. Seniors account for roughly 20 percent of the population in both the market area and county but are slightly more common in the county.



Table 9 2019 Age Distribution

2019 Age Distribution	Catoosa County		Flats at Sam Lane Market Area	
	#	%	#	%
Children/Youth	16,585	24.4%	9,301	25.0%
Under 5 years	3,958	5.8%	2,178	5.9%
5-9 years	4,170	6.1%	2,351	6.3%
10-14 years	4,366	6.4%	2,481	6.7%
15-19 years	4,092	6.0%	2,292	6.2%
Young Adults	12,772	18.8%	6,815	18.3%
20-24 years	3,860	5.7%	2,037	5.5%
25-34 years	8,912	13.1%	4,778	12.9%
Adults	24,314	35.8%	13,668	36.8%
35-44 years	8,719	12.8%	4,868	13.1%
45-54 years	9,304	13.7%	5,335	14.4%
55-61 years	6,291	9.3%	3,465	9.3%
Seniors	14,326	21.1%	7,371	19.8%
62-64 years	2,696	4.0%	1,485	4.0%
65-74 years	6,961	10.2%	3,658	9.8%
75-84 years	3,523	5.2%	1,749	4.7%
85 and older	1,146	1.7%	478	1.3%
TOTAL	67,997	100%	37,156	100%
Median Age	39		39	

Source: Esri; RPRG, Inc.

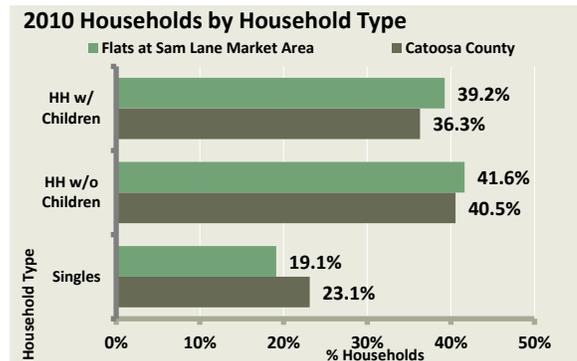


Multi-person households without children were the most common household type in the Flats at Sam Lane Market Area at 41.6 percent, followed by households with children at 39.2 percent. Catoosa County had a distribution of multi-person households without children at 40.5 percent and with children at 36.3 percent (Table 10). Single-person households were the least common household type in both areas at 19.1 percent in the market area and 23.1 percent in the county.

Table 10 2010 Households by Household Type

2010 Households by Household Type	Catoosa County		Flats at Sam Lane Market Area	
	#	%	#	%
Married w/Children	6,152	25.1%	3,627	28.1%
Other w/ Children	2,736	11.2%	1,430	11.1%
Households w/ Children	8,888	36.3%	5,057	39.2%
Married w/o Children	7,483	30.6%	4,234	32.9%
Other Family w/o Children	1,507	6.2%	693	5.4%
Non-Family w/o Children	934	3.8%	436	3.4%
Households w/o Children	9,924	40.5%	5,363	41.6%
Singles	5,663	23.1%	2,465	19.1%
Total	24,475	100%	12,885	100%

Source: 2010 Census; RPRG, Inc.



2. Household Trends by Tenure

a. Recent Past Trends

The number of renter households in the Flats at Sam Lane Market Area increased from 1,976 in 2000 to 3,280 in 2019 for a net increase of 1,304 renter households or 66 percent¹ (Figure 7); the market area added 69 renter households per year over the past 19 years. By comparison, the

¹ Based on change from 2000 to 2010 Census counts and Esri's 2018 Estimate



number of owner households in the market area increased by 18.8 percent or 1,649 households during the same period, from 8,779 to 10,428 owner households.

Figure 7 Flats at Sam Lane Market Area Households by Tenure 2000 to 2019

The Flats at Sam Lane Market Area’s renter percentage of 23.9 percent in 2019 is lower than the 22.4 percent in 2000 and is lower than the county’s current renter percentage of 29 percent (

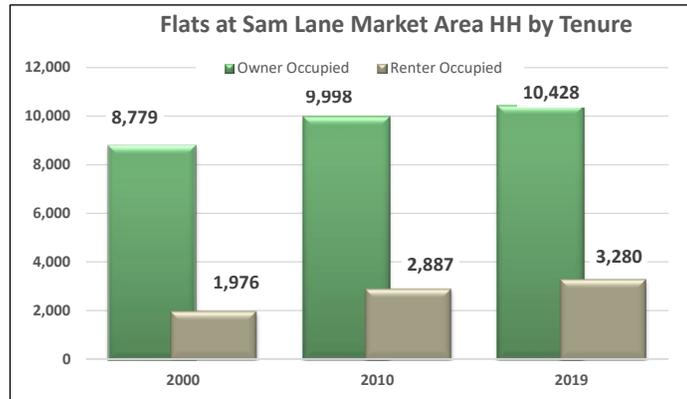


Table 11). The Flats at Sam Lane Market Area’s annual average household change by tenure over the past 19 years was 69 renter households (2.7 percent) and -87 owner households (0.9 percent). As noted in the blue shaded columns in

Table 11, renter households accounted for 44.2 percent net household growth in the market area and 51.4 percent in county over the past 19 years.

Table 11 Households by Tenure, 2000-2019

Catoosa County	2000		2010		2019		Change 2000-2019				% of Change 2000 - 2019
	#	%	#	%	#	%	Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	15,752	77.1%	17,871	73.0%	18,437	71.0%	2,685	17.0%	141	0.8%	48.6%
Renter Occupied	4,684	22.9%	6,604	27.0%	7,519	29.0%	2,835	60.5%	149	2.5%	51.4%
Total Occupied	20,436	100%	24,475	100%	25,955	100%	5,519	27.0%	290	1.3%	100%
Total Vacant	1,368		2,131		2,221						
TOTAL UNITS	21,804		26,606		28,176						

Flats at Sam Lane Market Area	2000		2010		2019		Change 2000-2019				% of Change 2000 - 2019
	#	%	#	%	#	%	Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	8,779	81.6%	9,998	77.6%	10,428	76.1%	1,649	18.8%	87	0.9%	55.8%
Renter Occupied	1,976	18.4%	2,887	22.4%	3,280	23.9%	1,304	66.0%	69	2.7%	44.2%
Total Occupied	10,755	100%	12,885	100%	13,708	100%	2,953	27.5%	155	1.3%	100%
Total Vacant	623		1,050		1,082						
TOTAL UNITS	11,378		13,935		14,791						

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

b. Projected Household Tenure Trends

Esri’s data suggests the market area will lose 35 renter households and gain 248 owner households per year over the next two years with an annual net gain of 212 households (Table 12). Esri changed



its methodology for determining household tenure in its most recent² data release to include national multi-family property data from Axiometrics in addition to other changes³.

Esri’s new methodology is producing significant deviations from recent past trends that are inconsistent with verified construction and lease-up activity in many markets across the United States. Esri’s projection of renter household loss is a reversal of recent trends and unlikely, but the net result in minor as the market area’s overall household count is projected to remain relatively flat.

Table 12 Households by Tenure, 2019-2021

Flats at Sam Lane Market Area	2019		2021 Esri HH by Tenure		Esri Change by Tenure	
	#	%	#	%	#	%
Housing Units						
Owner Occupied	10,428	76.1%	10,675	76.7%	248	100.0%
Renter Occupied	3,280	23.9%	3,245	23.3%	-35	0.0%
Total Occupied	13,708	100%	13,921	100%	212	100%
Total Vacant	1,082		1,131			
TOTAL UNITS	14,791		15,051			

Source: Esri, RPRG, Inc.

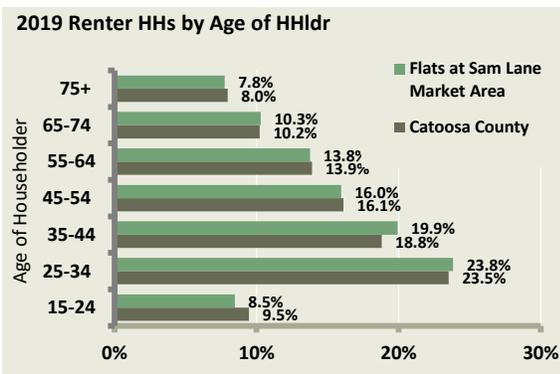
3. Renter Household Characteristics

Working age households (age 25 to 54 years) form the core of market area renter households totaling 59.7 percent. Less than ten percent of the market area’s renters are under the age of 25 and 31.8 percent are 55 or older (Table 13). The county generally has slightly higher percentages of older renter households for cohorts age 45+.

Table 13 Renter Households by Age of Householder

Renter Households	Catoosa County		Flats at Sam Lane Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	712	9.5%	278	8.5%
25-34 years	1,768	23.5%	782	23.8%
35-44 years	1,414	18.8%	654	19.9%
45-54 years	1,212	16.1%	523	16.0%
55-64 years	1,045	13.9%	452	13.8%
65-74 years	769	10.2%	338	10.3%
75+ years	599	8.0%	254	7.8%
Total	7,519	100%	3,280	100%

Source: Esri, Real Property Research Group, Inc.



Over half (53.1 percent) of renter households in the Flats at Sam Lane Market Area had one or two people, slightly lower than the 58.0 percent in the county (Table 14). Two-person households were the most common renter household size in the market area at 26.9 percent whereas single households were most prevalent in the county (31.4 percent). Roughly 34.9 percent of the market

² July 2018 Release

³ Correspondence with Douglas Skuta or Esri on 7/27/18

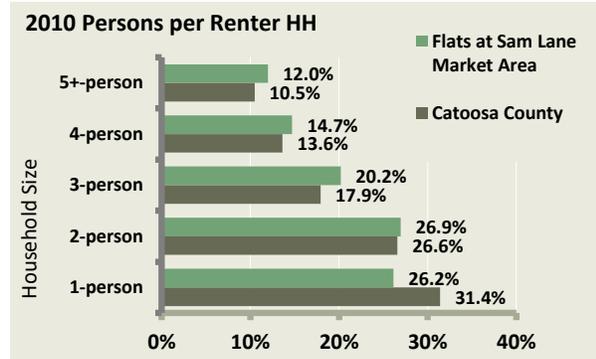


area’s households had three or four people and 12 percent had 5+ people. Catoosa County had a lower percentage of large renter households including 10.5 percent with 5+ people.

Table 14 2010 Renter Households by Household Size

Renter Occupied	Catoosa County		Flats at Sam Lane Market Area	
	#	%	#	%
1-person hhld	2,074	31.4%	755	26.2%
2-person hhld	1,756	26.6%	778	26.9%
3-person hhld	1,183	17.9%	583	20.2%
4-person hhld	899	13.6%	425	14.7%
5+-person hhld	692	10.5%	346	12.0%
TOTAL	6,604	100%	2,887	100%

Source: 2010 Census



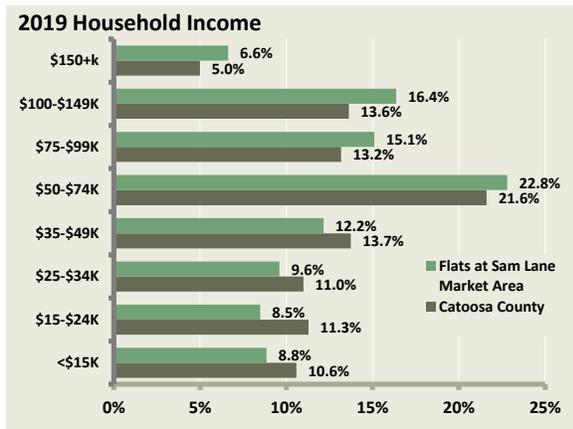
4. Income Characteristics

The Flats at Sam Lane Market Area’s 2019 median income of \$61,948 is \$8,021 or 14.9 percent higher than Catoosa County’s median income of \$53,927 (Table 15). Only 17.3 percent of market area households earn less than \$25,000 compared to 21.9 percent of Catoosa County’s households. Approximately 21.8 percent of households in the market area earn \$25,000 to \$49,999 compared to 24.7 percent in the county. The Flats at Sam Lane Market Area has a much higher percentage of households earning \$50,000+ (60.9 percent) compared to 53.4 percent in the county.

Table 15 2019 Household Income

Estimated 2019 Household Income		Catoosa County		Flats at Sam Lane Market Area	
		#	%	#	%
less than	\$15,000	2,748	10.6%	1,213	8.8%
	\$15,000	2,929	11.3%	1,164	8.5%
	\$25,000	2,854	11.0%	1,316	9.6%
	\$35,000	3,567	13.7%	1,667	12.2%
	\$50,000	5,608	21.6%	3,126	22.8%
	\$75,000	3,419	13.2%	2,071	15.1%
	\$100,000	3,536	13.6%	2,243	16.4%
	\$150,000	1,296	5.0%	908	6.6%
	Over				
Total		25,955	100%	13,708	100%
Median Income		\$53,927		\$61,948	

Source: Esri; Real Property Research Group, Inc.



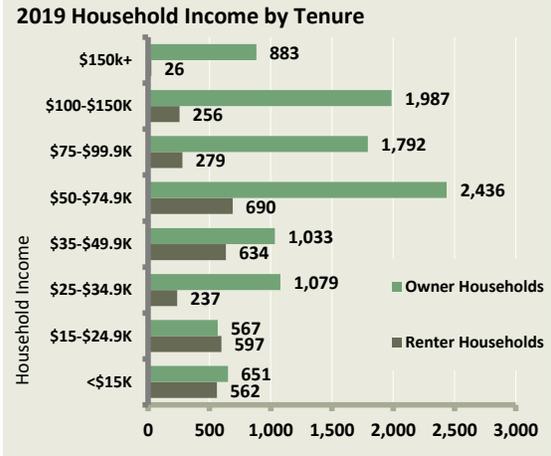
Based on the ACS data income projections, the breakdown of tenure, and household estimates, RPRG estimates that the median income of market area households by tenure is \$40,776 for renters and \$69,330 for owner households (Table 16). More than one-third (35.3 percent) of renter households earn less than \$25,000 and roughly 26 percent earn \$25,000 to \$49,999.



Table 16 2019 Household Income by Tenure

Estimated 2019 HH Income		Renter Households		Owner Households	
Flats at Sam Lane Market Area		#	%	#	%
less than \$15,000		562	17.1%	651	6.2%
\$15,000 - \$24,999		597	18.2%	567	5.4%
\$25,000 - \$34,999		237	7.2%	1,079	10.3%
\$35,000 - \$49,999		634	19.3%	1,033	9.9%
\$50,000 - \$74,999		690	21.0%	2,436	23.4%
\$75,000 - \$99,999		279	8.5%	1,792	17.2%
\$100,000 - \$149,999		256	7.8%	1,987	19.1%
\$150,000 over		26	0.8%	883	8.5%
Total		3,280	100%	10,428	100%
Median Income		\$40,776		\$69,330	

Source: American Community Survey 2013-2017 Estimates, RPRG, Inc.





7. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Flats at Sam Lane Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the Flats at Sam Lane Market Area. We spoke to the city of Fort Oglethorpe (Rick Quarles, Building Official); Catoosa County (Fay Wood); City of Ringgold (Gregg Boss, Planning & Zoning); and the Ringgold Housing Authority. Additionally, we reviewed the list of recent LIHTC awards from DCA. The rental survey was conducted in April and May 2019.

B. Overview of Market Area Housing Stock

The renter occupied housing stock in both the Flats at Sam Lane Market Area and Catoosa County includes a range of structure types. Almost one-third (32.2 percent) of renter occupied units in the market area are in structures with 5+ units and 18.9 percent are in buildings with 2-4 units (Table 17). Almost half (48.8 percent) of market area renters reside in single-family homes and 14.7 percent are in mobile homes. Catoosa County has a higher percentage of renters residing in higher density structures including 34.5 percent in in structures with five or more units.

The renter occupied housing stock in the Flats at Sam Lane Market Area is newer than the county with median years built of 1986 in the market area and 1984 in the county (Table 18). More than 40 percent of the market area’s renter occupied stock was built from 1990 to 2009 compared to only 38.3 percent in the county; roughly 32 percent of the renter occupied stock in the market area has been built since 2000 as compared to 22.3 percent in the county. Nearly 45 percent of the renter occupied units in the county were built before 1980, roughly equal to the 43.8 percent in the market area. Additions to the rental stock between 1980 and 2000 was higher in the county (33.4 percent) than the market area (27.1 percent). The median year built of owner-occupied units is 1990 in the market area and county.

According to ACS data, the median value among owner-occupied housing units in the Flats at Sam Lane Market Area from 2013 to 2017 was \$150,758, \$11,943 or 8.6 percent higher than the Catoosa County median of \$138,815 (Table 19). ACS estimates home values based upon values from homeowners’ assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight of relative housing values among two or more areas.

Table 17 Renter Occupied Unit by Structure Type

Renter Occupied Housing Units	Catoosa County		Flats at Sam Lane Market Area	
	#	%	#	%
Single-Family Detached	2,864	43.5%	1,211	46.3%
Single-Family Attached	204	3.1%	65	2.5%
2-4 Unit Bldgs	1,240	18.8%	495	18.9%
5+ Unit Bldgs	1,353	20.6%	460	17.6%
Mobile Homes	918	14.0%	383	14.7%
Total	6,579	100%	2,614	100%

Source: American Community Survey 2013-2017

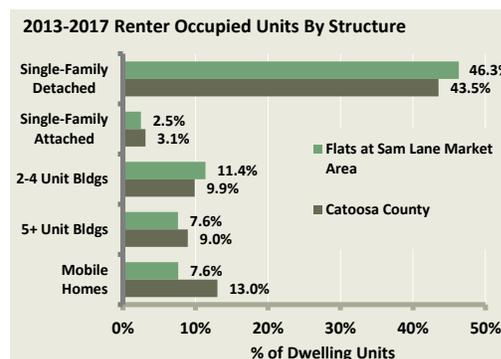




Table 18 Dwelling Units by Year Built and Tenure

Year Built	Owner Occupied				Renter Occupied			
	Catoosa County		Flats at Sam Lane Market Area		Catoosa County		Flats at Sam Lane Market Area	
	#	%	#	%	#	%	#	%
2014 or later	134	0.7%	64	0.6%	26	0.4%	26	1.0%
2010 to 2013	421	2.3%	188	1.8%	222	3.4%	111	4.2%
2000 to 2009	4,219	23.3%	2,200	20.5%	1,219	18.5%	698	26.7%
1990 to 1999	4,325	23.8%	3,008	28.1%	1,304	19.8%	399	15.3%
1980 to 1989	2,678	14.8%	2,051	19.1%	895	13.6%	234	9.0%
1970 to 1979	2,508	13.8%	1,497	14.0%	1,085	16.5%	473	18.1%
1960 to 1969	1,923	10.6%	870	8.1%	712	10.8%	380	14.5%
1950 to 1959	1,076	5.9%	379	3.5%	534	8.1%	60	2.3%
1940 to 1949	393	2.2%	166	1.5%	388	5.9%	154	5.9%
1939 or earlier	463	2.6%	289	2.7%	194	2.9%	79	3.0%
TOTAL	18,140	100%	10,712	100%	6,579	100%	2,614	100%
MEDIAN YEAR BUILT	1990		1990		1984		1986	

Source: American Community Survey 2013-2017

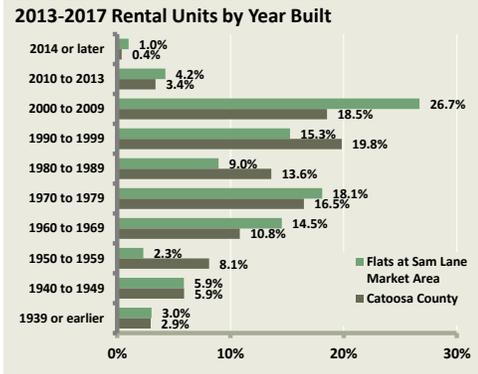
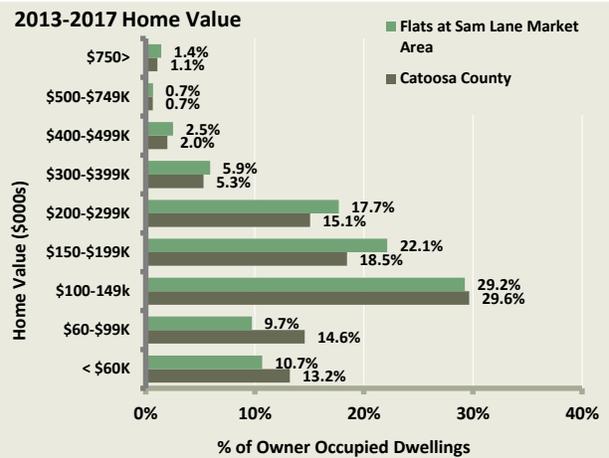


Table 19 Value of Owner-Occupied Housing Stock

2013-2017 Home Value		Catoosa County		Flats at Sam Lane Market Area	
		#	%	#	%
less than \$60,000	\$60,000	2,399	13.2%	1,145	10.7%
\$60,000	\$99,999	2,644	14.6%	1,042	9.7%
\$100,000	\$149,999	5,378	29.6%	3,133	29.2%
\$150,000	\$199,999	3,347	18.5%	2,372	22.1%
\$200,000	\$299,999	2,734	15.1%	1,895	17.7%
\$300,000	\$399,999	962	5.3%	632	5.9%
\$400,000	\$499,999	362	2.0%	268	2.5%
\$500,000	\$749,999	118	0.7%	72	0.7%
\$750,000	over	196	1.1%	153	1.4%
Total		18,140	100%	10,712	100%
Median Value		\$138,815		\$150,758	

Source: American Community Survey 2013-2017



C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

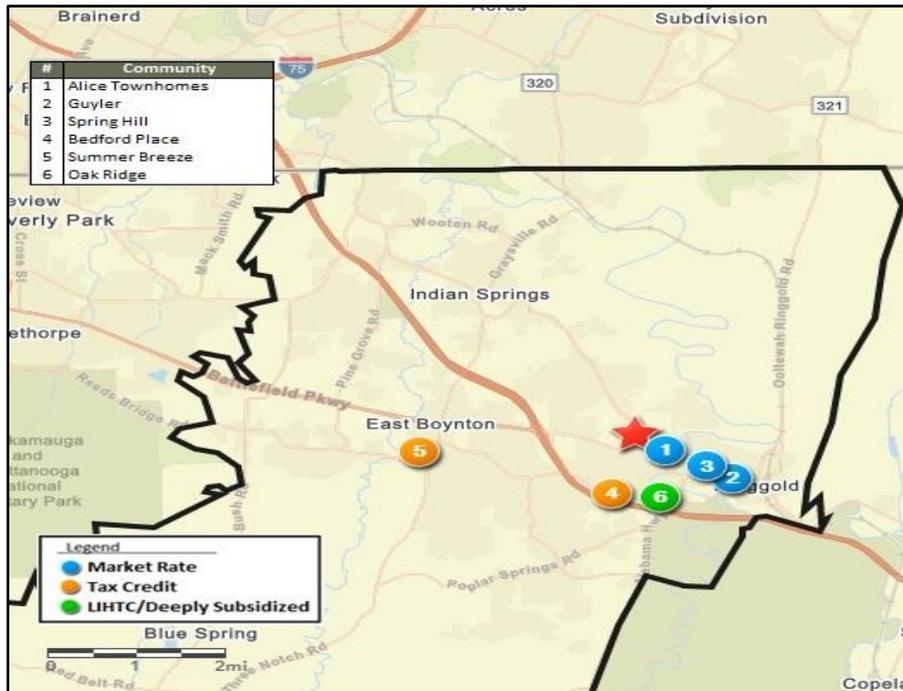
As part of this analysis, RPRG surveyed six general occupancy communities in the Flats at Sam Lane Market Area including three market rate communities, two LIHTC communities, and one deeply subsidized community (with tax credits). Our analysis, however, excludes units with deep rental subsidies not subject to minimum income limits as these are not comparable to LIHTC units without additional subsidies.

Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 7.

2. Location

Several surveyed communities are within two miles of the subject site, including many of the higher priced market rate communities (Map 6). The surveyed LIHTC and deeply subsidized communities are positioned south or west of the subject property. The subject property is competitive and comparable with existing multi-family communities in the market area.

Map 6 Surveyed Rental Communities



3. Size of Communities

The surveyed communities range from eight to 88 units and average 44 units (Table 20). The market rate communities range from eight to 69 units and average 29 units. The LIHTC communities range from 72 to 88 units and are the two largest communities in the survey.

4. Age of Communities

The Flats at Sam Lane Market Area’s rental housing stock includes a range of ages from 1990 to 2016. Two market rate communities were built in 2000 and one was built in 1990; the LIHTC communities are the newest properties surveyed, Bedford Place was built in 2004 and Summer Breeze was delivered in 2016.

5. Structure Type

Garden apartments and townhomes are common structure types in the market area. Three communities offer garden units exclusively. The other two communities offer only townhomes.



Table 20 Rental Summary, Surveyed Communities

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	Subject Property - 50% AMI		Gar	29			\$425	\$525	
	Subject Property - 60% AMI		Gar	29			\$475	\$575	
	Subject Property - 70% AMI		Gar	14			\$500	\$650	
				72					
1	Alice Townhomes	2000	TH	10	0	0.0%		\$750	None
2	Guyler	2000	TH	8	1	12.5%		\$750	None
3	Spring Hill	1990	Gar	69	1	1.4%	\$540	\$690	None
4	Bedford Place*	2004	Gar	88	0	0.0%	\$443	\$521	None
5	Summer Breeze*	2016	Gar	72	0	0.0%	\$450	\$515	None
	Total Average	1999		247	2	0.8%	\$478	\$645	

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

Source: Phone Survey, RPRG, Inc. April/May 2019

(*) Tax Credit Community

Map #	Community	Subsidy	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Avg 3BR Rent (1)	Incentive
6	Oak Ridge	USDA	1972		Gar	40	4	10.0%	\$387	\$417	\$442	None
	Total Average		1972			40	4	10.0%	\$387	\$417	\$442	

Source: Phone Survey, RPRG, Inc. April/May 2019

(*) Deeply Subsidized Community

6. Vacancy Rates

The five surveyed communities combine to offer 247 units of which two units or 0.8 percent were reported vacant. All communities surveyed are stabilized; market rate property Guyler reported an elevated vacancy rate of 12.5 percent, although this is due to only one vacancy (eight units total). No vacancy was reported by the LIHTC communities and one market rate community. The LIHTC properties reported waiting lists of three months (Bedford).

7. Rent Concessions

None of the surveyed communities reported rental incentives.

8. Absorption History

The newest community surveyed in the market area (Summer Breeze) was placed in service in 2016 however we were not able to obtain absorption history.

D. Analysis of Product Offerings

1. Payment of Utility Costs

Two surveyed communities include the cost of trash removal and two communities include trash and water/sewer. LIHTC community Summer Breeze does not include any utilities in the rent (Table 21). Flats at Sam Lane will include the cost of trash removal in the price of rent, with tenants responsible for all other utilities.



2. Unit Features

All surveyed communities include a dishwasher in all units, although only LIHTC community Summer Breeze offers a microwave in each unit (Table 21). All surveyed communities include washer and dryer connections in all apartments. Flats at Sam Lane will offer a microwave and washer and dryer in each unit, which sets it apart from other surveyed communities.

Surveyed communities include a standard interior finish and features – laminate countertops, standard carpet, laminate flooring in the kitchen and bathroom, and white or black appliances.

Flats at Sam Lane will be comparable or superior to all surveyed rental communities. Features at the subject property will include a dishwasher, a garbage disposal, microwave, ceiling fans, washer and dryer in unit, and a patio/balcony. Additionally, four units will be set aside and designed as handicap units. The newly constructed units with modern designs and finishes will be particularly competitive with existing LIHTC communities.

Table 21 Utility Arrangement and Unit Features

Community	Heat Type	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
Subject Property	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	In-Unit W/D
Alice Townhomes	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Guyler	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Spring Hill	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Bedford Place	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Summer Breeze	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	Hook Ups

Source: Phone Survey, RPRG, Inc. April/May 2019

3. Parking

All communities include free surface parking. No optional garages or carports are offered.

4. Community Amenities

All surveyed market rate communities offer limited to no amenities (Table 22). LIHTC communities Summer Breeze and Bedford Place offer a playground and business center. Additionally, Summer Breeze offers a clubhouse and Bedford Place offers a fitness room.

Flats at Sam Lane will include a community room, fitness center, business center, and a playground. Amenities at the subject property will be superior to surveyed communities.



Table 22 Community Amenities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Playground	Tennis Court	Business Center	Gated Entry
Subject Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alice Townhomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Guyler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spring Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford Place	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Summer Breeze	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, RPRG, Inc. April/May 2019

5. Unit Distribution

All surveyed communities offer two bedroom units; three offer one bedroom units; and two offer three bedroom floorplans. Excluding Bedford Place, which did not report a distribution, two bedroom units are the most common at 52.2 percent of surveyed units. One bedroom units account for a higher proportion of the inventory than three bedroom units at 32.7 percent and 15.1 percent of surveyed units, respectively (Table 23). All surveyed LIHTC communities offer one, two, and three bedroom units.

6. Effective Rents

Unit rents presented in Table 23 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents to control for current rental incentives and to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where trash removal costs are included in monthly rents at all communities, with tenants responsible for other utility costs.

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

- **One-bedroom** effective rents range from \$255 to \$570 and average \$472 per month. The average one-bedroom unit size is 768 square feet, resulting in a net rent per square foot of \$0.61
- **Two-bedroom** effective rents range from \$305 to \$730 and average \$605 per month. The average two-bedroom unit size is 1,008 square feet, resulting in a net rent per square foot of \$0.60.
- **Three-bedroom** effective rents range from \$575 to \$735 and average \$653 per month. . The average three-bedroom unit size is 1,195 square feet, resulting in a net rent per square foot of \$0.55.

Summer Breeze offers LIHTC units at both 50 percent and 60 percent AMI; however, all units are priced at the 50 percent level. LIHTC community Bedford Place offers an array of unit pricing, including 30 percent, 50 percent, and 60 percent AMI as well as market rate units. Market rate rents at Bedford Place are well above its 60 percent rents.



Table 23 Unit Distribution, Size, and Pricing

Community	Total Units	One Bedroom Units			Two Bedroom Units			Three Bedroom Units					
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Property - 50% AMI	29	5	\$425	789	\$0.54	12	\$525	1,022	\$0.51	12	\$600	1,359	\$0.44
Subject Property - 60% AMI	29	5	\$475	789	\$0.60	12	\$575	1,022	\$0.56	12	\$650	1,359	\$0.48
Subject Property - 70% AMI	14	2	\$500	789	\$0.63	6	\$650	1,022	\$0.64	6	\$725	1,359	\$0.53
Guyler	8					8	\$730	1,024	\$0.71				
Alice Townhomes	10					10	\$730	1,024	\$0.71				
Spring Hill	69	34	\$540	600	\$0.90	35	\$690	850	\$0.81				
Bedford Place			\$570	785	\$0.73		\$675	1,025	\$0.66		\$735	1,180	\$0.62
Bedford Place 60% AMI*	88		\$520	785	\$0.66		\$600	1,025	\$0.59		\$670	1,180	\$0.57
Bedford Place 50% AMI*			\$485	785	\$0.62		\$585	1,025	\$0.57		\$630	1,180	\$0.53
Summer Breeze 50% & 60% AMI*	72	18	\$460	866	\$0.53	30	\$525	1,069	\$0.49	24	\$575	1,239	\$0.46
Bedford Place 30% AMI*			\$255	785	\$0.32		\$305	1,025	\$0.30				
Total/Average	247		\$472	768	\$0.61		\$605	1,008	\$0.60		\$653	1,195	\$0.55
Unit Distribution	159	52				83				24			
% of Total	64.4%	32.7%				52.2%				15.1%			

(1) Rent is adjusted to include only trash and incentives

Source: Phone Survey, RPRG, Inc. April/May 2019

(*) Tax Credit Community

7. DCA Average Market Rent

To determine average “market rents” as outlined in DCA’s 2019 Market Study Manual, market rate rents were averaged at existing market rate communities in the Flats at Sam Lane Market Area to determine the average market rent; the market rate rents at Bedford Place (LIHTC) are also included in this analysis. We also included the average among identified scattered site rentals. It is important to note, “average market rents” are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property.

All surveyed market rate communities offer two bedroom units, three communities offer a one bedroom floorplan and two offer three bedrooms units. Given the limited data available, we expanded our survey for the calculation of DCA Average Market Rent to include scattered site rentals in the market area to capture market rents being achieved in the market area. The resulting “average market rent” is \$555 for one-bedroom units, \$732 for two-bedroom units, and \$1,053 for three-bedroom units (Table 24). All proposed LIHTC rents are below the average market rate with a minimum rent advantage of 11 percent; the weighted average market advantage for LIHTC units is 41.6 percent (Table 25). The subject’s proposed rents for 50 percent AMI units are 30.6 percent to 75.4 percent lower than the average market rent; the subject’s proposed 60 percent AMI units offer advantages of 16.8 percent to 61.9 percent; and the subject’s proposed 70 percent AMI units offer advantages of 11 percent to 45.2 percent.

Table 24 Average Market Rent

Community	One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
	Rent(1)	SF	Rent/SF	Rent(1)	SF	Rent/SF	Rent(1)	SF	Rent/SF
Subject Property - 50% AMI	\$425	789	\$0.54	\$525	1,022	\$0.51	\$600	1,359	\$0.44
Subject Property - 60% AMI	\$475	789	\$0.60	\$575	1,022	\$0.56	\$650	1,359	\$0.48
Subject Property - 70% AMI	\$500	789	\$0.63	\$650	1,022	\$0.64	\$725	1,359	\$0.53
Scatter Site Rentals				\$836	997	\$0.84	\$1,370	1,624	\$0.84
Guyler				\$730	1,024	\$0.71			
Spring Hill	\$540	600	\$0.90	\$690	850	\$0.81			
Bedford Place	\$570	785	\$0.73	\$675	1,025	\$0.66	\$735	1,180	\$0.62
Alice Townhomes				\$730	1,024	\$0.71			
Total/Average	\$555	693	\$0.76	\$732	984	\$0.70	\$1,053	1,402	\$0.75

(1) Rent is adjusted to include only trash and incentives

Source: Phone Survey, RPRG, Inc. April/May 2019



Table 25 Average Market Rent and Rent Advantage Summary

	1 BR	2 BR	3 BR	
Average Market Rent	\$555	\$732	\$1,053	
Proposed 50% AMI Rent	\$425	\$525	\$600	
Advantage (\$)	\$130	\$207	\$453	
Advantage (%)	30.6%	39.5%	75.4%	
Total Units	5	15	12	
Proposed 60% AMI Rent	\$475	\$575	\$650	
Advantage (\$)	\$80	\$157	\$403	
Advantage (%)	16.8%	27.3%	61.9%	
Total Units	5	14	12	
Proposed 70% AMI Rent	\$500	\$650	\$725	
Advantage (\$)	\$55	\$82	\$328	
Advantage (%)	11.0%	12.6%	45.2%	
Total Units	2	7	6	
Overall LIHTC Advantage	11.0%	12.6%	45.2%	41.6% All

Source: Phone Survey, RPRG, Inc. April/May 2019

E. Scattered Site Rentals

While all the surveyed market rate communities offer two-bedroom units, none offer a three-bedroom option. To ascertain a market rate for the larger units we researched scattered site rentals in the Flats at Sam Lane Market Area to determine current pricing among lower density units (Table 26). The scattered site rentals are single family homes or townhomes. We identified six two-bedroom options with an average rent of \$836 and 16 three-bedroom options with an average rent of \$1,370. These scattered site rentals are only indirectly competitive with the subject given the subject’s affordable rents, and also many renters prefer to rent in an established rental community that can provide on-site management. While the scattered site market is generally directed to larger households who need three or more bedrooms, the disadvantage with this type of rental setting is that scattered site rental properties can vary in their condition and management responsiveness to tenant concerns. Importantly, even with the private rental options, most of the established professionally managed rental communities are operating with low vacancy rates.

Table 26 Scattered Site Rentals

Scattered Site Rentals					
#	Address	Type	Rent	SF	Rent/SF
1	1960 Oxford Court	SFH	\$1,225	1,150	\$1.07
2	814 Schmitt Road	SFH	\$895	1,024	\$0.87
3	21 Brown Estates Road	TH	\$800	900	\$0.89
4	1403 Mack Street	TH	\$750	-	-
5	425 Shope Ridge Road	TH	\$695	1,024	\$0.68
6	1482 Baggett Road	SFH	\$650	885	\$0.73
Two Bedroom Average			\$836	997	\$0.85
7	465 Wisley Way	SFH	\$2,200	2,570	\$0.86
8	138 Detha Lane	SFH	\$1,700	1,924	\$0.88
9	142 Stillwater Drive	SFH	\$1,650	1,802	\$0.92
10	413 S Mission Ridge Drive	SFH	\$1,600	2,084	\$0.77
11	216 Hidden Oaks Drive	SFH	\$1,500	2,020	\$0.74
12	451 Plainview Drive NW	SFH	\$1,500	1,333	\$1.13
13	115 Joe Tike Drive	SFH	\$1,400	1,200	\$1.17
14	212 Cleo Circle	SFH	\$1,350	1,700	\$0.79
15	129 White Oak Drive	SFH	\$1,275	1,809	\$0.70
16	1038 Laura Drive	SFH	\$1,250	2,062	\$0.61
17	30 Stovall Street	SFH	\$1,250	1,323	\$0.94
18	1421 Stone Drive	SFH	\$1,100	1,073	\$1.03
19	1542 Burning Bush Road	SFH	\$1,095	1,296	\$0.84
20	199 Stokley Drive	SFH	\$1,025	1,196	\$0.86
21	25 Fine Street	SFH	\$1,025	1,245	\$0.82
22	253 Post Oak Road	SFH	\$1,000	1,352	\$0.74
Three Bedroom Average			\$1,370	1,624	\$0.86

Source: zillow.com, rent.com, apartments.com

F. Interviews

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, the City of Fort Oglethorpe (Rick Quarles, Building Official); Catoosa County (Fay Wood); City of Ringgold (Gregg Boss, Planning & Zoning); and the Ringgold Housing Authority.

G. Multi-Family Pipeline

Based on information provided by planning and zoning officials and DCA's list of LIHTC allocations, a local developer (Down South Homes) is constructing 19 multi-family units within the Flats at Sam Lane Market Area. These market rate units include 11 one-bedroom units and eight two-bedroom units, all with 1,084 square feet. No LIHTC allocations have been made in the market area or county over the past three years. The last allocation was Summer Breeze, which is built and fully occupied.

H. Housing Authority Data

The Housing Authority of Ringgold owns and manages one public housing community (Marvin Parton Homes) that offers 30 units for families and senior/disabled individuals. Ringgold’s public housing waitlist is always open and currently has 10 individuals on it. The housing authority does not participate in the HCV program. The subject property will not have additional subsidies and therefore will not compete with deeply subsidized communities.

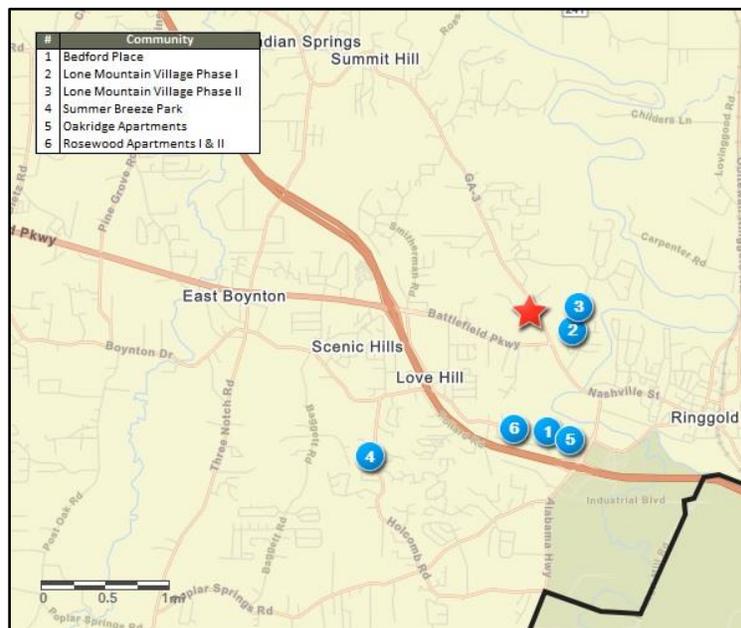
I. Existing Low-Income Rental Housing

RPRG identified six existing subsidized communities in the Flats at Sam Lane Market Area. Lone Mountain, an age-restricted LIHTC community in the market area was not included in our analysis given a difference in target market (general occupancy versus age-restricted). We also identified Oakridge, a deeply subsidized USDA general occupancy rental community in the market area and Rosemont, a LIHTC/USDA general occupancy community. However, units with deep rental subsidies are not subject to minimum income limits and are not comparable with LIHTC units without additional subsidies, which the subject does not have (Table 27). The location of subsidized communities relative to the subject site is shown on Map 7.

Table 27 Subsidized Communities, Flats at Sam Lane Market Area

Community	Subsidy	Type	Address	Distance
Bedford Place	LIHTC	Gen. Occ	325 Boynton Dr	2.7 miles
Lone Mountain Village Phase I	LIHTC	HFOP	140 Hailey Dr	1.1 miles
Lone Mountain Village Phase II	LIHTC	HFOP	85 Darlene Ln	1.1 miles
Summer Breeze Park	LIHTC	Gen. Occ	14 Summer Breeze Lane	3.3 miles
Oakridge Apartments	USDA	Gen. Occ	25 Hummingbird Lane	1.5 miles
Rosewood Apartments I & II	LIHTC/USDA	Gen. Occ	31 Rosewood Ln	1.9 miles

Map 7 Subsidized Rental Communities





J. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations, abandoned or vacant single and multi-family homes exist in the Flats at Sam Lane Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned; 2) auction property – a property that lien holders decide to sell at public auctions, once the homeowner’s grace period has expired, in order to dispose of the property as quickly as possible; and 3) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 30736 in which the subject property will be located and the broader areas of Ringgold, Catoosa County, Georgia, and the United States for comparison purposes.

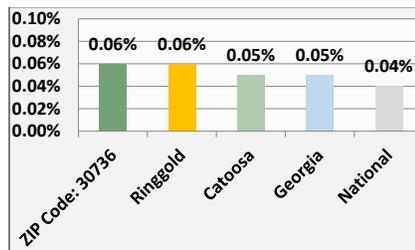
Our RealtyTrac search revealed March 2019 foreclosure rates of 0.06 percent in the subject property’s ZIP Code (30736), 0.06 percent in Ringgold, 0.05 percent in Catoosa County, 0.05 percent in Georgia, and 0.04 percent in the nation (Table 28). The monthly number of foreclosures in the subject site’s ZIP Code ranged from three to 13 units over the past year from April 2018 to March 2019.

While the conversion of foreclosure properties can affect the demand for new multi-family rental housing in some markets, the impact on a primarily affordable housing community with few market rate units is typically limited due to their tenant rent and income restrictions. Furthermore, current foreclosure activity in the subject site’s ZIP Code was not significant over the past year. As such, we do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property’s ability to lease its units.

Table 28 Foreclosure Rate and Recent Foreclosure Activity, ZIP Code 30736

Geography	March 2019 Foreclosure Rate
ZIP Code: 30736	0.06%
Ringgold	0.06%
Catoosa	0.05%
Georgia	0.05%
National	0.04%

Source: Realtytrac.com



ZIP Code: 30736	
Month	# of Foreclosures
April2018	6
May2018	10
June2018	8
July2018	5
August2018	6
September2018	6
October2018	13
November2018	6
December2018	3
January2019	10
February 2019	4
March2019	10

Source: Realtytrac.com



8. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Flats at Sam Lane Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

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

- The site for Flats at Sam Lane is in a predominantly residential area in northwest Ringgold. Residential uses common in the immediate area include multi-family apartments and single-family detached homes. Additional land uses within one mile of the site include commercial uses along U.S. Highway 41 including the Catoosa County jail and sheriff's office due north of the site.
- Neighborhood amenities and services are within one mile of the subject site including shopping, public school, and municipal services. Regional amenities such as hospitals and shopping malls are in nearby Chattanooga, approximately ten miles west of the subject site.
- The subject site is suitable for the proposed development. RPRG did not identify any negative land uses that would affect the proposed development's viability in the marketplace.

2. Economic Context

Catoosa County's economy is stable with limited net change over the past seven years, but a significant decrease in the unemployment rate.

- The most recent annual average unemployment rate of 3.4 percent in Catoosa County is more than half of its recession-era high and is a half percentage point below the state and national unemployment rate.

Catoosa County's At-Place Employment has increased in six of the past seven years with a net gain of 2,086 jobs since 2011; this growth follows significant losses during the recession-era of 2008-2010.

- Most workers residing in the market area work outside the state (most likely in Tennessee), with 32.5 percent employed in Catoosa County. Almost one-third of market area workers residing in the market area commuted 30+ minutes. The economy is more regional in nature with a relatively rural setting in the Flats at Sam Lane Market Area, with 66.2 percent of local working residents commuting 15-34 minutes.

3. Population and Household Trends

Population and households in the market area increased significantly between the 2000 and 2010, with more moderate but still strong growth since 2010.

- The Flats at Sam Lane Market Area added 5,678 people and 2,130 households from 2000 to 2010 for net growth of 19.5 percent and 19.8 percent, respectively. Annual average growth in the market area over the decade was 568 people (1.8 percent) and 213 households (1.8 percent). Catoosa County's population and households increased at similar rates over the past decade with net growth 1.8 percent for population and households.

- Based on Esri estimates, the Flats at Sam Lane Market Area’s population and household base continued to grow over the past nine years with net annual growth of 258 people (0.7 percent) and 91 households (0.7 percent). The county grew at a similar pace, with an annual change of 0.7 percent for both population and households.
- Esri projections suggest the market area will continue to grow, with a gain 588 people and 212 households over the next two years, representing an annual increase of 0.8 percent for population and households. Esri projections suggest the county will make similar gains, with a projected annual increase of 0.8 percent for population and households over the next two years.

4. Demographic Trends

The market area’s population is the same age with a higher median income and lower propensity to rent when compared to Catoosa County.

- Adults age 35-61 comprised 36.8 percent of the population in the Flats at Sam Lane Market Area. Children/Youth under the age of account for roughly one-quarter of the market area’s population. Young Adults and Seniors comprise 18.3 percent and 19.8 percent, respectively.
- Multi-person households without children were the most common household type in the Flats at Sam Lane Market Area at 41.6 percent, followed by households with children at 39.2 percent. Catoosa County had a similar distribution of multi-person households without children (40.5 percent), with a lower percentage of households with children and a higher percentage of single households as compared to the market area.
- The Flats at Sam Lane Market Area’s renter household base has increased significantly since 2000 with net growth of 1,304 renter households or 69 renter households per year. The market area gained approximately 1,600 owner households over the same period. Esri projects renter households to decrease over the next years, which is a departure from past trends. The renter percentage in the market area has increased from 18.4 percent in 2000 to 23.9 percent in 2019 and over that time renter households contributed 66 percent of net household growth. We believe renter households will continue to contribute at least 23.9 percent of net household growth over the next two years, which is conservative given the historical 66 percent contribution by renter households.
- Working age households (age 25 to 54 years) form the core of market area renter households totaling 59.7 percent. Approximately 8.5 percent of the market area’s renters are under the age of 25 and 31.8 percent are 55 or older.
- Over half (53.1 percent) of renter households in the Flats at Sam Lane Market Area had one or two people, slightly lower than the 58 percent in the county. Single-person households were the most common renter household size in the county at 31.4 percent while in the market area two-person households were most common at 26.9 percent. Roughly 34.9 percent of the market area’s households had three or four people and 12 percent had 5+ people.
- The Flats at Sam Lane Market Area’s 2019 median income of \$61,948 is \$8,021 or 14.9 percent higher than Catoosa County’s median income of \$61,948. RPRG estimates that the median income of market area households by tenure is \$40,776 for renters and \$69,330 for owner households. Over one-third (35.3 percent) of renter households earn less than \$25,000 and roughly 27 percent earn \$25,000 to \$49,999.

5. Competitive Housing Analysis

RPRG surveyed five multi-family rental communities in the Flats at Sam Lane Market Area including two LIHTC communities. At the time of our survey, the relatively limited multi-family rental market was performing well with low vacancy rates.



- The surveyed communities range from eight to 88 units and average 44 units. The surveyed market rate communities range from eight units to 69 units. The surveyed LIHTC communities offers 72 and 88 units, making them the largest communities in the survey and most comparable to the subject’s proposed 72 units.
- The five surveyed communities combine to offer 247 units of which two units or 0.8 percent were reported vacant. Three communities reported no vacancy, including both LIHTC properties. One stabilized market rate community reported an elevated vacancy rate of 12.5 percent, but this rate is misleading as it is a result of only one vacant unit in an eight-unit complex.
- Among the five surveyed communities, net rents, unit sizes, and rents per square foot were as follows:
 - **One-bedroom** effective rents range from \$255 to \$570 and average \$472 per month. The average one-bedroom unit size is 768 square feet, resulting in a net rent per square foot of \$0.61.
 - **Two-bedroom** effective rents range from \$305 to \$730 and average \$605 per month. The average two-bedroom unit size is 1,008 square feet, resulting in a net rent per square foot of \$0.60.
 - **Three-bedroom** effective rents range from \$575 to \$735 and average \$653 per month. The average three-bedroom unit size is 1,195 square feet, resulting in a net rent per square foot of \$0.55.
- Of the surveyed LIHTC units in the market area, Summer Breeze offers 50 and 60 percent units that are priced the same, and Bedford Place offers 30, 50, and 60 percent AMI units; these LIHTC units are priced at the bottom of multi-family market. The highest effective LIHTC rents are \$20 below the lowest priced market rate community for one bedroom units and \$65 below the lowest market rate community for two bedroom units.
- The “average market rent” is \$555 for one-bedroom units, \$732 for two-bedroom units, and \$1,053 for three-bedroom units. All proposed LIHTC rents are below the average market rate with a minimum rent advantage of 11 percent and a maximum of 45.2 percent; the weighted average market advantage for all LIHTC units is 41.6 percent.
- RPRG did not identify any multi-family rental communities in the market area. The most recent LIHTC allocation in the general region was a 120 unit family complex in Dalton (Whitfield County) in 2018.

B. Affordability Analysis

1. Methodology

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

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among Flats at Sam Lane Market Area households for the target year of 2021. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2013-2017 American Community Survey along with estimates and projected income growth by Esri (Table 29).

A housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent, and



utility bills is referred to as a household’s ‘gross rent burden’. For the Affordability Analysis, RPRG employs a 35 percent gross rent burden per DCA’s requirements.

The proposed LIHTC units at Flats at Sam Lane will target renter households earning up to 50 percent and 60 percent and 70 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2018 HUD income limits for the Chattanooga, TN-GA MSA and are based on an average of 1.5 persons per bedroom rounded up to the nearest whole number per DCA requirements. Rent and income limits are detailed in Table 30.

Table 29 2021 Total and Renter Income Distribution

Flats at Sam Lane Market Area		2021 Total Households		2021 Renter Households	
2021 Income		#	%	#	%
less than	\$15,000	1,169	8.4%	446	13.2%
	\$15,000 \$24,999	1,135	8.2%	433	12.8%
	\$25,000 \$34,999	1,292	9.3%	546	16.2%
	\$35,000 \$49,999	1,649	11.8%	245	7.3%
	\$50,000 \$74,999	3,142	22.6%	985	29.2%
	\$75,000 \$99,999	2,150	15.4%	391	11.6%
	\$100,000 \$149,999	2,362	17.0%	262	7.8%
	\$150,000 Over	1,021	7.3%	66	1.9%
Total		13,921	100%	3,374	100%
Median Income		\$63,651		\$50,418	

Source: American Community Survey 2013-2017 Projections, RPRG, Inc.



Table 30 2018 LIHTC Income and Rent Limits, Chattanooga, TN-GA MSA

HUD 2018 Median Household Income											
Chattanooga, TN-GA MSA									\$61,700		
Very Low Income for 4 Person Household									\$30,850		
2018 Computed Area Median Gross Income									\$61,700		
Utility Allowance:											
1 Bedroom									\$103		
2 Bedroom									\$128		
3 Bedroom									\$161		
Household Income Limits by Household Size:											
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%		
1 Person	\$12,960	\$17,280	\$21,600	\$25,920	\$34,560	\$43,200	\$51,840	\$64,800	\$86,400		
2 Persons	\$14,820	\$19,760	\$24,700	\$29,640	\$39,520	\$49,400	\$59,280	\$74,100	\$98,800		
3 Persons	\$16,680	\$22,240	\$27,800	\$33,360	\$44,480	\$55,600	\$66,720	\$83,400	\$111,200		
4 Persons	\$18,510	\$24,680	\$30,850	\$37,020	\$49,360	\$61,700	\$74,040	\$92,550	\$123,400		
5 Persons	\$20,010	\$26,680	\$33,350	\$40,020	\$53,360	\$66,700	\$80,040	\$100,050	\$133,400		
6 Persons	\$21,480	\$28,640	\$35,800	\$42,960	\$57,280	\$71,600	\$85,920	\$107,400	\$143,200		
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):											
Persons	# Bed-rooms	30%	40%	50%	60%	70%	100%	120%	150%	200%	
1.5	1	\$14,820	\$19,760	\$24,700	\$29,640	\$39,520	\$49,400	\$59,280	\$74,100	\$98,800	
3	2	\$16,680	\$22,240	\$27,800	\$33,360	\$44,480	\$55,600	\$66,720	\$83,400	\$111,200	
4.5	3	\$20,010	\$26,680	\$33,350	\$40,020	\$53,360	\$66,700	\$80,040	\$100,050	\$133,400	
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):											
# Persons		30%		40%		50%		60%		70%	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom		\$347	\$244	\$463	\$360	\$578	\$475	\$694	\$591	\$926	\$823
2 Bedroom		\$417	\$289	\$556	\$428	\$695	\$567	\$834	\$706	\$1,112	\$984
3 Bedroom		\$481	\$320	\$642	\$481	\$802	\$641	\$963	\$802	\$1,284	\$1,123

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

2. Affordability Analysis

The steps in the affordability analysis (Table 31) are as follows:

- Looking at the one-bedroom units at 50 percent AMI (upper left panel), the overall shelter cost at the proposed rent would be \$559 (\$425 net rent plus a \$134 allowance to cover all utilities except trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a 50 percent one-bedroom unit would be affordable to households earning at least \$19,166 per year. A projected 2,748 renter households in the market area will earn at least this amount in 2021.
- Based on a household size of two people (per DCA), the maximum income limit for a one-bedroom unit at 50 percent of the AMI is \$24,700. According to the interpolated income distribution for 2021, 2,508 renter households in the Flats at Sam Lane Market Area will have incomes exceeding this income limit.
- Subtracting the 2,508 renter households with incomes above the maximum income limit from the 2,748 renter households that could afford to rent this unit, RPRG computes that an estimated 240 renter households in the Flats at Sam Lane Market Area fall within the band of affordability for the subject’s one-bedroom units at 50 percent AMI. The subject property would need to capture 2.1 percent of these income-qualified households to absorb the five proposed one-bedroom units at 50 percent AMI.
- Using the same methodology, we determined the band of qualified renter households for the remaining floor plan types. Renter capture rates per floorplan range from 0.3 percent to 5.2 percent.



- Capture rates by income level are 4.1 percent for 50 percent units, 3.6 percent for 60 percent units, and 1.3 percent for 70 percent units
- The project-wide capture rate is 6.1 percent.

3. Conclusions of Affordability

The overall affordability capture rates indicate a sufficient number of income-qualified renter households will exist within the Flats at Sam Lane Market Area for the units proposed at Flats at Sam Lane. A total of 1,176 renter households are income-qualified for the proposed 50 and 60 and 70 percent AMI units.



Table 31 Affordability Analysis, Flats at Sam Lane

50% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		5		12		12	
Net Rent		\$425		\$525		\$600	
Gross Rent		\$559		\$677		\$772	
Income Range (Min, Max)		\$19,166	\$24,700	\$23,211	\$27,800	\$26,469	\$33,350
Renter Households							
Range of Qualified Hhlds		2,748	2,508	2,572	2,342	2,415	2,039
# Qualified Hhlds		240		230		376	
Renter HH Capture Rate		2.1%		5.2%		3.2%	

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		5		12		12	
Net Rent		\$475		\$575		\$650	
Gross Rent		\$609		\$727		\$822	
Income Range (Min, Max)		\$20,880	\$29,640	\$24,926	\$33,360	\$28,183	\$40,020
Renter Households							
Range of Qualified Hhlds		2,673	2,241	2,498	2,038	2,321	1,867
# Qualified Hhlds		432		460		454	
Renter HH Capture Rate		1.2%		2.6%		2.6%	

70% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		2		6		6	
Net Rent		\$500		\$650		\$725	
Gross Rent		\$634		\$802		\$897	
Income Range (Min, Max)		\$21,737	\$39,520	\$27,497	\$44,480	\$30,754	\$53,360
Renter Households							
Range of Qualified Hhlds		2,636	1,875	2,358	1,794	2,181	1,571
# Qualified Households		761		565		609	
Renter HH Capture Rate		0.3%		1.1%		1.0%	

Income Target	# Units	Renter Households = 3,374				
		Income Households	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
50% AMI	29		\$19,166	\$33,350	709	4.1%
60% AMI	29		\$20,880	\$40,020	807	3.6%
70% AMI	14		\$21,737	\$53,360	1,065	1.3%
Total Units	72		\$19,166	\$53,360	1,176	6.1%

Source: Income Projections, RPRG, Inc.



C. Demand Estimates and Capture Rates

1. Methodology

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

- The first component of demand is household growth. This number is the number of age and income qualified renter households projected to move into the Flats at Sam Lane Market Area between the base year of 2019 and 2021 based on DCA’s 2019 market study guidelines.
- The next component of demand is income qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to ACS data, 7.8 percent of renter households live in “substandard” conditions (Table 32). This substandard percentage is applied to current household numbers.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 29.7 percent of the Flats at Sam Lane Market Area’s renter households are categorized as cost burdened (Table 32).

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 33. Income qualification percentages are derived by using the Affordability Analysis detailed in Table 31.

Table 32 Substandard and Cost Burdened Calculations

Rent Cost Burden			Substandardness	
Total Households	#	%	Total Households	
Less than 10.0 percent	138	5.3%	Owner occupied:	
10.0 to 14.9 percent	339	13.0%	Complete plumbing facilities:	10,669
15.0 to 19.9 percent	361	13.8%	1.00 or less occupants per room	10,611
20.0 to 24.9 percent	403	15.4%	1.01 or more occupants per room	58
25.0 to 29.9 percent	279	10.7%	Lacking complete plumbing facilities:	43
30.0 to 34.9 percent	111	4.2%	Overcrowded or lacking plumbing	101
35.0 to 39.9 percent	67	2.6%	Renter occupied:	
40.0 to 49.9 percent	305	11.7%	Complete plumbing facilities:	2,558
50.0 percent or more	414	15.8%	1.00 or less occupants per room	2,411
Not computed	197	7.5%	1.01 or more occupants per room	147
Total	2,614	100.0%	Lacking complete plumbing facilities:	56
			Overcrowded or lacking plumbing	203
> 40% income on rent	719	29.7%	Substandard Housing	304
			% Total Stock Substandard	2.3%
			% Rental Stock Substandard	7.8%

Source: American Community Survey 2013-2017

2. Demand Analysis

According to DCA’s demand methodology, all comparable units built or approved since 2017 are to be subtracted from the demand estimates to arrive at net demand. RPRG did not identify any such comparable communities in the Flats at Sam Lane Market Area.



The demand capture rates by income target are 10.6 percent for 50 percent AMI units, 9.3 percent for 60 percent AMI units, and 3.4 percent for 70 percent AMI units. The project’s overall capture rate is 15.8 percent for LIHTC units (Table 33).

Table 33 DCA Demand by Income Level

Income Target	50% AMI	60% AMI	70% AMI	LIHTC Units
Minimum Income Limit	\$19,166	\$20,880	\$21,737	\$19,166
Maximum Income Limit	\$33,350	\$40,020	\$53,360	\$53,360
(A) Renter Income Qualification Percentage	21.0%	23.9%	31.6%	34.9%
Demand from New Renter Households <i>Calculation (C-B) * F * A</i>	16	18	24	27
PLUS				
Demand from Existing Renter HHHs (Substandard) <i>Calculation B * D * F * A</i>	54	61	80	89
PLUS				
Demand from Existing Renter HHHs (Overburdened) - <i>Calculation B * E * F * A</i>	205	233	308	340
Total Demand	274	312	412	456
LESS				
Comparable Units Built or Planned Since 2017	0	0	0	0
Net Demand	274	312	412	456
Proposed Units	29	29	14	72
Capture Rate	10.6%	9.3%	3.4%	15.8%

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2019 Householders	13,708
C). 2022 Householders	14,027
D). Substandard Housing (% of Rental Stock)	7.8%
E). Rent Overburdened (% of Renter HHHs at >35%)	29.7%
F). Renter Percentage (% of all 2019 HHHs)	23.9%

Capture rates by floorplan range from 0.7 percent to 24.1 percent. All capture rates are below DCA’s mandated threshold of 30 percent and indicate sufficient demand to support the proposed Flats at Sam Lane (Table 34).

Table 34 DCA Demand by Floor Plan

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large HH Size	Large HH Demand	Supply	Net Demand	Capture Rate
50% AMI	\$19,166 - \$33,350								
One Bedroom Units	\$18,960-\$27,150	5	7.1%	93			0	93	5.4%
Two bedroom Units	\$22,389-\$30,550	12	6.8%	89			0	89	13.4%
Three Bedroom Units	\$25,234-\$36,650	12	11.1%	145	46.9%	68	0	68	17.6%
60% AMI	\$20,674-\$43,980								
One Bedroom Units	\$20,674-\$32,580	5	12.8%	167			0	167	3.0%
Two bedroom Units	\$24,960-\$36,660	12	13.6%	178			0	178	6.7%
Three Bedroom Units	\$27,806-\$43,980	12	13.5%	176	46.9%	83	0	83	14.5%
70% AMI	\$21,737 - \$53,360								
One Bedroom Units	\$22,389-\$39,520	2	22.6%	295			0	295	0.7%
Two bedroom Units	\$28,389-\$44,480	6	16.7%	219			0	219	2.7%
Three Bedroom Units	\$31,234-\$53,360	6	18.1%	236	46.9%	111	0	236	2.5%
Total Units	\$18,960-\$53,360								
One Bedroom Units	\$18,960-\$32,580	12	15.0%	196			0	196	6.1%
Two bedroom Units	\$22,389-\$36,660	30	15.8%	207			0	207	14.5%
Three Bedroom Units	\$25,234-\$43,980	30	16.2%	212	46.9%	100	0	100	30.1%
Project Total	\$18,960-\$53,360								
50% AMI	\$19,166 - \$33,350	29	21.0%	274			0	274	10.6%
60% AMI	\$20,674-\$43,980	29	23.9%	312			0	312	9.3%
70% AMI	\$21,737 - \$53,360	14	31.6%	412			0	412	3.4%
Total Units	\$19,817-\$43,980	72	34.9%	456			0	456	15.8%

D. Product Evaluation

Considered in the context of the competitive environment, the relative position of Flats at Sam Lane is as follows:

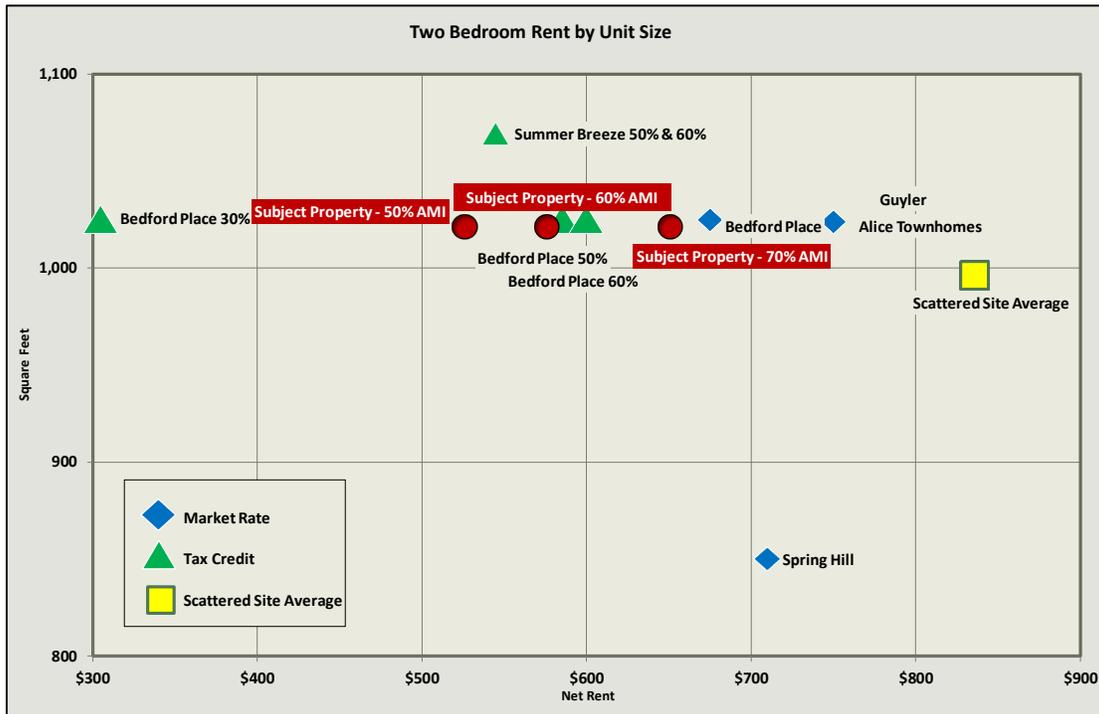
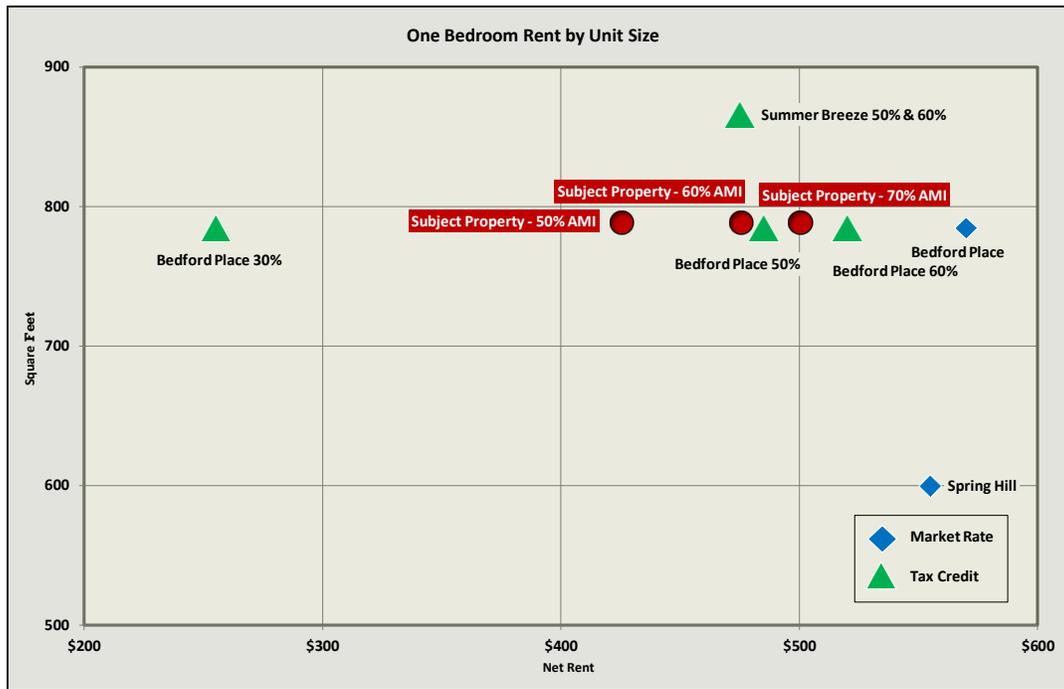
- **Site:** The subject site is acceptable for mixed-income rental housing. The site is surrounded by well-maintained residential uses and is near community amenities. The site is proximate to primary transportation arteries including Interstate 75.
- **Unit Distribution:** The proposed unit mix for Flats at Sam Lane includes 12 one-bedroom units (16.6 percent), 30 two bedroom units (41.7 percent), and 30 three bedroom units (41.7 percent). This proposed unit distribution reflects a significant number of three bedroom units at the subject, a floorplan not seen at surveyed market rate communities in the market area. Accordingly, the subject has a higher ratio of three bedroom units and a lower ratio of one and two bedrooms, which is consistent with the unit distribution at the surveyed LIHTC community. Furthermore, the demographics of the market are reflect a large percentage of large renter households.
- **Unit Size:** The proposed unit sizes at Flats at Sam Lane are 789 square feet for one-bedroom units, 1,022 square feet for two-bedroom units, and 1,359 square feet for three-bedroom units. The proposed unit sizes are within 21 square feet (one-bedroom); 14 square feet (two-bedroom) and 164 square feet (three-bedroom) of overall averages in the market area. The subject's proposed sizes are larger than overall averages in the market area across all floorplans. The proposed unit sizes are appropriate and acceptable.
- **Unit Features:** In-unit features offered at the subject property will include a range, refrigerator, dishwasher, garbage disposal, microwave, ceiling fans, in-unit washer/dryer, and a patio/balcony. These unit features are superior to surveyed communities in the market area and are appropriate based on the proposed rents.
- **Community Amenities:** Flats at Sam Lane's community amenity package will include a clubhouse/community room, a fitness center, business center, and a playground. This amenity package will be superior to surveyed communities in the Flats at Sam Lane Market Area and are appropriate based on the community size and proposed price point.
- **Marketability:** The subject property will offer an attractive product that is suitable for the target market and will fill the void for quality affordable rental housing.

E. Price Position

LIHTC community Summer Breeze offers 50 and 60 percent units, but all are priced at the 50 percent level. LIHTC community Bedford Place offers 30, 50, and 60 percent units. The subject's proposed 50 percent rents for one-bedroom units are positioned below existing 50 percent LIHTC rents in the market. The subject's proposed 50 percent rents for two-bedroom units are positioned at or below existing 50 percent LIHTC rents in the market. The subject's proposed 50 percent rents for three-bedroom units is below Bedford Place 50 percent LIHTC and above Summer Breeze 50 percent LIHTC. The subject's proposed 60 percent rents are below the 60 percent LIHTC rents at Bedford Place and above Summer Breeze's 50 and 60 percent AMI rent levels. The proposed 70 percent AMI rents at Flats at Sam Lane are priced below all market rate rents, and the proposed 70 percent AMI rent for one-bedroom is below Bedford Place's 60 percent AMI rent (Figure 8). The proposed rents are reasonable and appropriate based on the location and product to be constructed.



Figure 8 Price Position – Flats at Sam Lane





F. Absorption Estimate

The absorption rate for the subject property is based on projected household growth, the number of income-qualified renter households projected in the market area, demand estimates, rental market conditions, and the marketability of the proposed site and product.

- Roughly 1,176 renter households will be income qualified for units at the subject. The overall affordability capture rate is 6.1 percent.
- The overall demand capture rate is 15.8 percent, which is well below DCA’s threshold of 30 percent.
- The rental market in the Flats at Sam Lane Market Area is performing very well with a stabilized vacancy rate of 0.8 percent. Surveyed LIHTC communities in the market area are 100 percent occupied.
- Flats at Sam Lane will offer an attractive and new product that will be competitive with existing market rate and LIHTC communities in the market area; the proposed product will be well received at the proposed price points.

Based on the product to be constructed and the factors discussed above, we expect Flats at Sam Lane to lease-up at a rate of 10 units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within approximately 7-8 months.

G. Impact on Existing Market

Overall, the Flats at Sam Lane Market Area’s rental market is performing well with a stabilized aggregate vacancy rate of 0.8 percent; the surveyed LIHTC communities in the market area are 100 percent occupied with a three month waiting list at Bedford Place. We do not believe the construction of the 72 units at Flats at Sam Lane will have a negative impact on existing communities (market rate or LIHTC) in the market area. The proposed 72 units represent an approximate 32 percent expansion of the surveyed multi-family rental stock and will fill a void for new and modern affordable rental housing. Flats at Sam Lane’s rents are reasonable for LIHTC units.



H. Final Conclusions and Recommendations

Based on household growth, low affordability and demand capture rates, and positive rental market conditions, sufficient demand exists to support the proposed mixed income units at Flats at Sam Lane. As such, RPRG believes that the proposed Flats at Sam Lane will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with the existing market rate and LIHTC communities in the Flats at Sam Lane Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

We do not believe that the proposed development of Flats at Sam Lane will have a negative impact on the existing LIHTC or market rate communities in the market area.

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Large HH Size	Large HH Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
50% AMI	\$19,166 - \$33,350												
One Bedroom Units	\$18,960-\$27,150	5	7.1%	93			0	93	5.4%	7 mos	\$555	\$540-\$570	\$425
Two bedroom Units	\$22,389-\$30,550	12	6.8%	89			0	89	13.4%	7 mos	\$732	\$675-\$836	\$525
Three Bedroom Units	\$25,234-\$36,650	12	11.1%	145	46.9%	68	0	68	17.6%	7 mos	\$1,053	\$735-\$1,370	\$600
60% AMI	\$20,674-\$43,980												
One Bedroom Units	\$20,674-\$32,580	5	12.8%	167			0	167	3.0%	8 mos	\$555	\$540-\$570	\$475
Two bedroom Units	\$24,960-\$36,660	12	13.6%	178			0	178	6.7%	8 mos	\$732	\$675-\$836	\$575
Three Bedroom Units	\$27,806-\$43,980	12	13.5%	176	46.9%	83	0	83	14.5%	8 mos	\$1,053	\$735-\$1,370	\$650
70% AMI	\$21,737 - \$53,360												
One Bedroom Units	\$22,389-\$39,520	2	22.6%	295			0	295	0.7%	7 mos	\$555	\$540-\$570	\$500
Two bedroom Units	\$28,389-\$44,480	6	16.7%	219			0	219	2.7%	7 mos	\$732	\$675-\$836	\$650
Three Bedroom Units	\$31,234-\$53,360	6	18.1%	236	46.9%	111	0	236	2.5%	7 mos	\$1,053	\$735-\$1,370	\$725
Total Units	\$18,960-\$53,360												
One Bedroom Units	\$18,960-\$32,580	12	15.0%	196			0	196	6.1%				
Two bedroom Units	\$22,389-\$36,660	30	15.8%	207			0	207	14.5%				
Three Bedroom Units	\$25,234-\$43,980	30	16.2%	212	46.9%	100	0	100	30.1%				
Project Total	\$18,960-\$53,360												
50% AMI	\$19,166 - \$33,350	29	21.0%	274			0	274	10.6%				
60% AMI	\$20,674-\$43,980	29	23.9%	312			0	312	9.3%				
70% AMI	\$21,737 - \$53,360	14	31.6%	412			0	412	3.4%				
Total Units	\$19,817-\$43,980	72	34.9%	456			0	456	15.8%				

Tad Scepaniak
Managing Principal

Leslie Burke
Senior Market Analyst



9. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



10. APPENDIX 2 ANALYST CERTIFICATIONS

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

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

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

A handwritten signature in cursive script, appearing to read 'Leslie Burke', is positioned above a horizontal line.

Leslie Burke
Senior Market Analyst
Real Property Research Group, Inc.

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



11. APPENDIX 3 NCHMA CERTIFICATION

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

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

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



Real Property Research Group, Inc.

Tad Scepaniak
Name

Managing Principal
Title

____ _ May 7, 2019 ____
Date



12. APPENDIX 4 ANALYST RESUMES

TAD SCEPANIAK **Managing Principal**

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

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

Areas of Concentration:

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

Education:

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



ROBERT M. LEFENFELD
Founding Principal

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentration:

- **Strategic Assessments:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- **Feasibility Analysis:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- **Information Products:** Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



LESLIE BURKE
Senior Market Analyst

Ms. Burke has 30 years of institutional real estate experience in a wide variety of management roles and is well versed in accounting/reporting, asset and portfolio management, acquisitions, dispositions, underwriting, and finance. Ms. Burke's primary area of expertise is the development and execution of strategic plans for both asset-specific and portfolio level holdings for commercial real estate debt and equity. She is experienced in all property types, asset classes, and major U.S. markets. Areas of expertise include analyzing, evaluating, and underwriting investment strategies for both institutional owners and entrepreneurial ventures.

Ms. Burke spent over 13 years with MetLife in a variety of roles, including five years as a member of MetLife's Real Estate Investment Committee where she reviewed and approved debt and equity transactions. She also managed numerous enterprise-level special projects during her tenure at MetLife. Ms. Burke worked for Archon Group/Goldman Sachs as a Portfolio Manager where she was responsible for debt placement and leveraged returns for seventeen of Goldman's Whitehall Fund portfolios. As a Director at Prudential Mortgage Capital she was involved with underwriting both securitized conduit loans and balance sheet loans for Prudential Insurance Company. She has also been a consultant providing advisory services to institutional and private clients, using a national bench of commercial real estate professionals to provide tailored client solutions on an outsourced basis.

Ms. Burke is a non-practicing CPA and graduated with honors from SMU. She was the Graduate Assistant to Dr. Bill Bruggeman, renowned author and holder of the Clara and Leo F. Corrigan Chair in Real Estate at SMU since 1978.

Ms. Burke was a charter member of NAIOP's Asset Management Forum and is also active in CREW (Commercial Real Estate Women) at the Atlanta Chapter and National Network levels, holding numerous leadership positions over the past decade.

Education:

Master of Business Administration; Southern Methodist University
Bachelor of Business Administration; Southern Methodist University



13. APPENDIX 5 DCA CHECKLIST

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed: 

Date: May 7, 2019

Leslie Burke

A. Executive Summary

1. Project Description:		
i. Brief description of the project location including address and/or position relative to the closest cross-street.....	Page(s)	v
ii. Construction and Occupancy Types	Page(s)	v
iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowance	Page(s)	v
iv. Any additional subsidies available, including project based rental assistance (PBRA)	Page(s)	v
v. Brief description of proposed amenities and how they compare with existing properties	Page(s)	v
2. Site Description/Evaluation:		
i. A brief description of physical features of the site and adjacent parcels.....	Page(s)	v
ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).....	Page(s)	v
iii. A discussion of site access and visibility	Page(s)	v
iv. Any significant positive or negative aspects of the subject site.....	Page(s)	v
v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc.	Page(s)	v
vi. An overall conclusion of the site's appropriateness for the proposed development.....	Page(s)	v
3. Market Area Definition:		
i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site	Page(s)	vi
4. Community Demographic Data:		
i. Current and projected household and population counts for the PMA.....	Page(s)	vi
ii. Household tenure including any trends in rental rates.....	Page(s)	vi
iii. Household income level.....	Page(s)	vi



iv.	Discuss Impact of foreclosed, abandoned / vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development.	Page(s)	vi
5.	Economic Data:		
i.	Trends in employment for the county and/or region.	Page(s)	viii
ii.	Employment by sector for the primary market area.	Page(s)	viii
iii.	Unemployment trends for the county and/or region for the past five years.	Page(s)	viii
iv.	Brief discussion of recent or planned employment contractions or expansions.	Page(s)	viii
v.	Overall conclusion regarding the stability of the county's economic environment.	Page(s)	viii
6.	Project Specific Affordability and Demand Analysis:		
i.	Number of renter households income qualified for the proposed development. For senior projects, this should be age and income qualified renter households.	Page(s)	viii
ii.	Overall estimate of demand based on DCA's demand methodology.	Page(s)	viii
iii.	Capture rates for the proposed development including the overall project, all LIHTC units (excluding any PBRA or market rate units), and a conclusion regarding the achievability of these capture rates.	Page(s)	viii
7.	Competitive Rental Analysis		
i.	An analysis of the competitive properties in the PMA.	Page(s)	viii
ii.	Number of properties.	Page(s)	viii
iii.	Rent bands for each bedroom type proposed.	Page(s)	viii
iv.	Average market rents.	Page(s)	viii
8.	Absorption/Stabilization Estimate:		
i.	Expected absorption rate of the subject property (units per month).	Page(s)	viii
ii.	Expected absorption rate by AMI targeting.	Page(s)	viii
iii.	Months required for the project to reach a stabilized occupancy of 93 percent.	Page(s)	viii
9.	Overall Conclusion:		
i.	A narrative detailing key conclusions of the report including the analyst's opinion regarding the proposed development's potential for success.	Page(s)	viii
10.	Summary Table.	Page(s)	xi

B. Project Description

1.	Project address and location.	Page(s)	3
2.	Construction type.	Page(s)	3
3.	Occupancy Type.	Page(s)	3, 4
4.	Special population target (if applicable).	Page(s)	3
5.	Number of units by bedroom type and income targeting (AMI).	Page(s)	3, 4
6.	Unit size, number of bedrooms, and structure type.	Page(s)	3, 4
7.	Rents and Utility Allowances.	Page(s)	3
8.	Existing or proposed project based rental assistance.	Page(s)	4
9.	Proposed development amenities.	Page(s)	3, 4
10.	For rehab proposals, current occupancy levels, rents, tenant incomes (if applicable), and scope of work including an estimate of the total and per unit construction cost.	Page(s)	N/A
11.	Projected placed-in-service date.	Page(s)	4

C. Site Evaluation

1.	Date of site / comparables visit and name of site inspector.	Page(s)	1
2.	Site description		
i.	Physical features of the site.	Page(s)	6
ii.	Positive and negative attributes of the site.	Page(s)	5



iii. Detailed description of surrounding land uses including their condition.....	Page(s)	8
3. Description of the site’s physical proximity to surrounding roads, transportation, amenities, employment, and community services.....	Page(s)	10-13
4. Color photographs of the subject property, surrounding neighborhood, and street scenes with a description of each vantage point.....	Page(s)	6-8
5. Neighborhood Characteristics		
i. Map identifying the location of the project.....	Page(s)	12
ii. List of area amenities including their distance (in miles) to the subject site.....	Page(s)	12
iii. Map of the subject site in proximity to neighborhood amenities.....	Page(s)	12
6. Map identifying existing low-income housing projects located within the PMA and their distance from the subject site.....	Page(s)	39
7. Road or infrastructure improvements planned or under construction in the PMA.....	Page(s)	10
8. Discussion of accessibility, ingress/egress, and visibility of the subject site.....	Page(s)	10
9. Visible environmental or miscellaneous site concerns.....	Page(s)	11
10. Overall conclusions about the subject site, as it relates to the marketability of the proposed development.....	Page(s)	13

D. Market Area

1. Definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site.....	Page(s)	14
2. Map Identifying subject property’s location within market area.....	Page(s)	15

E. Community Demographic Data

1. Population Trends		
i. Total Population.....	Page(s)	22
ii. Population by age group.....	Page(s)	25
iii. Number of elderly and non-elderly.....	Page(s)	25
iv. Special needs population (if applicable).....	Page(s)	22
2. Household Trends		
i. Total number of households and average household size.....	Page(s)	22
ii. Household by tenure.....	Page(s)	26
iii. Households by income.....	Page(s)	28
iv. Renter households by number of persons in the household.....	Page(s)	28

F. Employment Trends

1. Total jobs in the county or region.....	Page(s)	18
2. Total jobs by industry – numbers and percentages.....	Page(s)	19
3. Major current employers, product or service, total employees, anticipated expansions/contractions, as well as newly planned employers and their impact on employment in the market area.....	Page(s)	20
4. Unemployment trends, total workforce figures, and number and percentage unemployed for the county over the past five years.....	Page(s)	16
5. Map of the site and location of major employment concentrations.....	Page(s)	20
6. Analysis of data and overall conclusions relating to the impact on housing demand.....	Page(s)	21

G. Project-specific Affordability and Demand Analysis

1. Income Restrictions / Limits.....	Page(s)	45
--------------------------------------	---------	----



2. Affordability estimates.....	Page(s)	47
3. Components of Demand		
i. Demand from new households.....	Page(s)	49
ii. Demand from existing households.....	Page(s)	49
iii. Elderly Homeowners likely to convert to rentership.....	Page(s)	49
iv. Other sources of demand (if applicable).....	Page(s)	49
4. Net Demand, Capture Rate, and Stabilization Calculations		
i. Net demand		
1. By AMI Level.....	Page(s)	49
2. By floor plan.....	Page(s)	49
ii. Capture rates		
1. By AMI level.....	Page(s)	49
2. By floor plan.....	Page(s)	49
3. Capture rate analysis chart.....	Page(s)	viii

H. Competitive Rental Analysis

1. Detailed project information for each competitive rental community surveyed		
i. Charts summarizing competitive data including a comparison of the proposed project's rents, square footage, amenities, to comparable rental communities in the market area.....	Page(s)	36
2. Additional rental market information		
i. An analysis of voucher and certificates available in the market area.....	Page(s)	39
ii. Lease-up history of competitive developments in the market area.....	Page(s)	N/A
iii. Tenant profile and waiting list of existing phase (if applicable).....	Page(s)	N/A
iv. Competitive data for single-family rentals, mobile homes, etc. in rural areas if lacking sufficient comparables (if applicable).....	Page(s)	N/A
3. Map showing competitive projects in relation to the subject property.....	Page(s)	32
4. Description of proposed amenities for the subject property and assessment of quality and compatibility with competitive rental communities.....	Page(s)	34
5. For senior communities, an overview / evaluation of family properties in the PMA.....	Page(s)	N/A
6. Subject property's long-term impact on competitive rental communities in the PMA.....	Page(s)	52
7. Competitive units planned or under construction the market area		
i. Name, address/location, owner, number of units, configuration, rent structure, estimated date of market entry, and any other relevant information.....	Page(s)	38
8. Narrative or chart discussing how competitive properties compare with the proposed development with respect to total units, rents, occupancy, location, etc.....	Page(s)	50
i. Average market rent and rent advantage.....	Page(s)	36
9. Discussion of demand as it relates to the subject property and all comparable DCA funded projects in the market area.....	Page(s)	39
10. Rental trends in the PMA for the last five years including average occupancy trends and projection for the next two years.....	Page(s)	
11. Impact of foreclosed, abandoned, and vacant single and multi-family homes as well commercial properties in the market area.....	Page(s)	40
12. Discussion of primary housing voids in the PMA as they relate to the subject property.....	Page(s)	N/A

I. Absorption and Stabilization Rates

1. Anticipated absorption rate of the subject property.....	Page(s)	52
2. Stabilization period.....	Page(s)	52



J. Interviews	Page(s)	38
K. Conclusions and Recommendations		
1. Conclusion as to the impact of the subject property on PMA.....	Page(s)	52
2. Recommendation as the subject property's viability in PMA.....	Page(s)	53
L. Signed Statement Requirements	Page(s)	App.

14. APPENDIX 6 NCHMA CHECKLIST

Introduction: Members of the National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

Component (*First occurring page is noted)		*Page(s)
Executive Summary		
1.	Executive Summary	
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	3, 4
3.	Utilities (and utility sources) included in rent	3, 4
4.	Project design description	3, 4
5.	Unit and project amenities; parking	3, 4
6.	Public programs included	3
7.	Target population description	3
8.	Date of construction/preliminary completion	4
9.	If rehabilitation, existing unit breakdown and rents	N/A
10.	Reference to review/status of project plans	3
Location and Market Area		
11.	Market area/secondary market area description	14
12.	Concise description of the site and adjacent parcels	5
13.	Description of site characteristics	5
14.	Site photos/maps	5-6
15.	Map of community services	12
16.	Visibility and accessibility evaluation	10
17.	Crime information	9
Employment and Economy		
18.	Employment by industry	18
19.	Historical unemployment rate	16
20.	Area major employers	20
21.	Five-year employment growth	18



22.	Typical wages by occupation	N/A
23.	Discussion of commuting patterns of area workers	17
Demographic Characteristics		
24.	Population and household estimates and projections	22
25.	Area building permits	23
26.	Distribution of income	28
27.	Households by tenure	26
Competitive Environment		
28.	Comparable property profiles	68
29.	Map of comparable properties	32
30.	Comparable property photos	68
31.	Existing rental housing evaluation	30
32.	Comparable property discussion	30
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	33
34.	Comparison of subject property to comparable properties	50
35.	Availability of Housing Choice Vouchers	39
36.	Identification of waiting lists	33
37.	Description of overall rental market including share of market-rate and affordable properties	31
38.	List of existing LIHTC properties	68
39.	Discussion of future changes in housing stock	38
40.	Discussion of availability and cost of other affordable housing options, including homeownership	30
41.	Tax credit and other planned or under construction rental communities in market area	38
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	48
43.	Calculation and analysis of Penetration Rate	30
44.	Evaluation of proposed rent levels	50
45.	Derivation of Achievable Market Rent and Market Advantage	36
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	41
48.	Market strengths and weaknesses impacting project	50
49.	Recommendation and/or modification to project description	50, if applicable
50.	Discussion of subject property's impact on existing housing	50
51.	Absorption projection with issues impacting performance	52
52.	Discussion of risks or other mitigating circumstances impacting	41, if



	project	applicable
53.	Interviews with area housing stakeholders	38
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	1
56.	Certifications	App.
57.	Statement of qualifications	57
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



15. APPENDIX 7 RENTAL COMMUNITY PROFILES

Community	Address	Date Surveyed	Phone Number	Contact
Alice Townhomes	Alice Ln.	5/7/2019	706-866-1114	Property Manager
Bedford Place	60 Bedford Pl	5/9/2019	(706) 937-6268	Property Manager
Guyler	11 Guyler	4/25/2019	706-866-1114	Property Manager
Oak Ridge	25 Hummingbird Ln	4/25/2019	706-965-2310	Property Manager
Spring Hill	19 Heppner Ln	4/25/2019	423-316-7661	Property Manager
Summer Breeze	3359 Boynton Road	5/7/2019	(706) 229-7440	Property Manager

Alice Townhomes

Multifamily Community Profile

Alice Ln.
Ringgold, GA

CommunityType: Market Rate - General

Structure Type: Townhouse

10 Units 0.0% Vacant (0 units vacant) as of 5/7/2019

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$750	1,024	\$0.73	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	North West Mountain
Owner:	--

Comments

Floorplans (Published Rents as of 5/7/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	10	\$750	1,024	\$.73	Market	5/7/19	0.0%	--	--	--
									5/16/13	0.0%	--	--	--

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Electric
Heat:	<input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

© 2019 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent (2) Published Rent is rent as quoted by management.

Bedford Place

Multifamily Community Profile

60 Bedford Pl
Ringgold, GA 30736

CommunityType: LIHTC - General
Structure Type: 2-Story Garden

88 Units 0.0% Vacant (0 units vacant) as of 5/9/2019

Opened in 2004

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$458	785	\$0.58	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	--	\$541	1,025	\$0.53	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash:
Three	--	\$678	1,180	\$0.57	Hot Tub:	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna:	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

20 1br, 48 2br & 20 3br
Waitlist: 3 months long

Floorplans (Published Rents as of 5/9/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
	--	--	--	--	--	--	--	--	5/9/19	0.0%	\$458	\$541	\$678	
Garden	--	1	1	--	\$470	785	\$.60	LIHTC/ 50%						
Garden	--	1	1	--	\$555	785	\$.71	Market						
Garden	--	1	1	--	\$240	785	\$.31	LIHTC/ 30%						
Garden	--	1	1	--	\$505	785	\$.64	LIHTC/ 60%						
Garden	--	2	2	--	\$580	1,025	\$.57	LIHTC/ 60%						
Garden	--	2	2	--	\$655	1,025	\$.64	Market						
Garden	--	2	2	--	\$285	1,025	\$.28	LIHTC/ 30%						
Garden	--	2	2	--	\$565	1,025	\$.55	LIHTC/ 50%						
Garden	--	3	2	--	\$710	1,180	\$.60	Market						
Garden	--	3	2	--	\$605	1,180	\$.51	LIHTC/ 50%						
Garden	--	3	2	--	\$645	1,180	\$.55	LIHTC/ 60%						
Adjustments to Rent										Incentives:				
										None				
										Utilities in Rent: Heat Fuel: Electric				
										Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
										Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Bedford Place

GA047-030769

Guyler

Multifamily Community Profile

11 Guyler St.
Ringgold, GA

CommunityType: Market Rate - General

Structure Type: 1-Story Townhouse

8 Units 12.5% Vacant (1 units vacant) as of 4/25/2019

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$750	1,024	\$0.73	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: North West Mountain	
Owner: --	

Comments

Floorplans (Published Rents as of 4/25/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	8	\$750	1,024	\$0.73	Market	4/25/19	12.5%	--	\$750	--
									5/16/13	0.0%	--	--	--

Adjustments to Rent	
Incentives:	
None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Guyler

GA047-018943

Oak Ridge

Multifamily Community Profile

25 Hummingbird Ln
Ringgold, GA 30736

CommunityType: Deep Subsidy-General

Structure Type: 2-Story Garden

40 Units 10.0% Vacant (4 units vacant) as of 4/25/2019

Opened in 1972

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$412	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$447	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$477	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: Sunbelt Mnanageme						
Owner: --						

Comments

--

Floorplans (Published Rents as of 4/25/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$387	--	--	iral Developme	4/25/19	10.0%	\$412	\$447	\$477
Garden	--	2	1	--	\$417	--	--	iral Developme					
Garden	--	3	2	--	\$442	--	--	iral Developme					
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>													

Spring Hill

Multifamily Community Profile

19 Heppner Ln
Ringgold, GA 30736

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

69 Units 1.4% Vacant (1 units vacant) as of 4/25/2019

Opened in 1990

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	49.3%	\$555	600	\$0.93	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	50.7%	\$710	850	\$0.84	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>
Features						
Standard: Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Hardwood / Ceramic						
Select Units: Patio/Balcony						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

No community amenities

Water also included in rent for only 2br units

Floorplans (Published Rents as of 4/25/2019) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	34	\$540	600	\$.90	Market	4/25/19	1.4%	\$555	\$710	--
Garden	--	2	1	35	\$690	850	\$.81	Market					

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Centralized
Heat:	<input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>
Hot Water:	<input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Spring Hill

GA047-030768

Summer Breeze

Multifamily Community Profile

3359 Boynton Road
 ,GA

CommunityType: LIHTC - General
 Structure Type: 3-Story Garden

72 Units 0.0% Vacant (0 units vacant) as of 5/7/2019

Opened in 2016

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	25.0%	\$475	866	\$0.55	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	41.7%	\$545	1,069	\$0.51	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	33.3%	\$600	1,239	\$0.48	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

Comments

18 1BRs, 30 2BRs, 24 3BRs. 57 60% units, 15 50% units.

Floorplans (Published Rents as of 5/7/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	18	\$450	866	\$.52	Market	5/7/19	0.0%	\$475	\$545	\$600	
Garden	--	2	2	30	\$515	1,069	\$.48	Market						
Garden	--	3	2	24	\$565	1,239	\$.46	Market						
Adjustments to Rent														
Incentives: None														
Utilities in Rent: Heat Fuel: Electric														
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>														
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>														

Summer Breeze

GA047-030772