

Market Feasibility Analysis

Canaan Crossing
1180 Wheat Street
Madison, Morgan County, Georgia 30650

Prepared For

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Effective Date

April 22, 2019

Job Reference Number

19-215 JW



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Section A – Executive Summary

This report evaluates the market feasibility of the Canaan Crossing rental community to be developed utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Madison, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject development, as long as it is developed and operated as proposed in this report.

1. Project Description:

Canaan Crossing involves the new construction of 60 apartments on an approximate 6.3-acre site at 1180 Wheat Street in Madison. The project will offer eight (8) one-bedroom garden-style units, as well as 32 two- and 20 three-bedroom two-story townhomes within eight (8) residential buildings. A total of 1,500 square feet of community space will be integrated throughout. Canaan Crossing will be developed utilizing funding from the LIHTC program and target lower-income households earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$450 to \$630, depending on unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by June of 2021. Additional details regarding the proposed project are included in Section B of this report.

2. Site Description/Evaluation:

The proposed subject site is situated within a partially developed area in the northern portion of Madison. The surrounding land uses are generally comprised of well-maintained residential structures that are consistent with the intended use of the subject site. Visibility to the subject site is limited due to the lack of frontage on Wheat Street and March Street, both lightly-traveled two-lane roadways, and permanent signage at the proposed entrances is recommended to increase the awareness of the subject site within the immediate neighborhood. In addition, promotional signage is recommended throughout all areas of the market to enhance its awareness during the initial lease-up process. Access to the subject site is considered good, as it is within 2.6 miles of State Route 83, as well as U.S. Highways 278 and 441, all major arterial roadways providing access through Madison and the surrounding areas. The subject site is located within proximity of most basic community services, including grocery and discount shopping, restaurants, pharmacies, banks, gas stations/convenience stores and employment opportunities. Although there is no fixed route public transportation service to the subject site, Morgan County Transit System offers on-demand public transit services Monday through Friday at a nominal cost. Overall, the proposed subject site's location, convenient accessibility and proximity to area community services are considered conducive for affordable housing development within the Madison market.

3. Market Area Definition:

The Madison Site PMA includes all of Morgan County, as well as Greensboro and the surrounding unincorporated areas of Greene County, Georgia. The boundaries of the Site PMA include the Morgan County line and the Oconee National Forest to the north; Cunningham Road, Siloam town limits, State Route 15/77 and White Plains town limits to the east; White Plains-Veazey Road, Leslie Mill Road, Walker Church Road, Wrightsville Church Road, Lake Oconee Parkway, Landing Parkway and the Morgan County line to the south; and the Morgan County line to the west. A map illustrating these boundaries is included on page D-3 of this report.

4. Community Demographic Data:

The population base and households within the Madison Site PMA have experienced positive growth since 2000. These trends are projected to remain positive through 2021, increasing by 512 (2.0%) and 200 (2.0%), respectively, from 2019. While senior households between the ages of 65 and 84 are projected to experience the majority of this growth during this time frame, over 65% of all households within the market will be under the age of 65 in 2021. Further, the subject project will be able to accommodate nearly all renter households based on household size. Overall, the demographic trends contained within this report demonstrate a generally stable base of potential support for the subject project. Additional demographic data is included in Section E of this report.

5. Economic Data:

According to a representative with the Madison-Morgan Chamber and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Morgan County economy has continually experienced growth within the preceding six-year period. Since 2013, the county's employment base increased by over 1,080 jobs, or 14.1%, and is above prerecession levels. In addition, the county's unemployment rate has generally trended downward since 2010 and is averaging 3.9% (through February 2019). In light of the recent announcements of business expansions/relocations within the county, it is expected that the local employment base will continue to experience growth within the foreseeable future. This, in turn, will continue to create a stable environment for the local housing market. Additional economic data is included in Section F of this report.

6. Project-Specific Affordability and Demand Analysis:

Per GDCA guidelines, projects in rural markets with an overall capture rate of 35% or below are considered acceptable. As such, the project's overall capture rate of 19.4% is considered low and achievable, demonstrating that a good base of support will exist for the subject project within the Madison Site PMA. Capture rates by targeted income level and bedroom type are included in Section G of this report.

7. Competitive Rental Analysis

We identified and surveyed two family (general-occupancy) non-subsidized LIHTC developments within the Madison Site PMA. These projects target households with incomes up to 50% and 60% of AMHI and, as such, are considered competitive with the subject project. Additionally, we identified and surveyed three rental community outside of the market, but within the region in Monroe, Eatonton and Covington that offer non-subsidized LIHTC units for this comparability analysis. It should be noted that these three projects located outside of the market are not considered competitive with the subject development, as they derive demographic support from a different geographical area. The five comparable LIHTC projects and the subject project are summarized in the following table:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Canaan Crossing	2021	60	-	-	-	Families; 50% & 60% AMHI
4	Orchard Grove Apts.	2004	60	100.0%	3.0 Miles	50 H.H.	Families; 50% & 60% AMHI
6	Mary-Leila Mill Lofts	2016	71	87.3%	19.7 Miles	None	Families; 50% & 60% AMHI
902	Skyline Trace	2010	59*	100.0%	23.0 Miles	None	Families; 50% & 60% AMHI
903	Sumter Street Station	2017	62	100.0%	23.6 Miles	109 H.H.	Families; 50% & 60% AMHI
907	Magnolia Heights	2000	83*	100.0%	26.6 Miles	13 H.H.	Families; 50% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs are located outside Site PMA

*Tax Credit units only

The five LIHTC projects have a combined occupancy rate of 97.3%, a strong rate for affordable rental housing. In fact, four of these developments are 100.0% occupied, three of which maintain waiting lists, illustrating that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Canaan Crossing	\$551/50% (2) \$611/60% (6)	\$657/50% (6) \$732/60% (26)	\$760/50% (4) \$850/60% (16)	-
4	Orchard Grove Apts.	-	\$566/50% (24/0) \$566/60% (12/0)	\$685/50% (16/0) \$685/60% (8/0)	None
6	Mary-Leila Mill Lofts	\$408/50% (3/0) \$506/60% (11/2)	\$482/50% (8/0) \$526/60% (29/4)	\$545/50% (4/1) \$681/60% (16/2)	None
902	Skyline Trace	\$714/50% (3/0) \$779/60% (3/0)	\$831/50% (10/0) \$891/60% (19/0)	\$930/50% (8/0) \$975/60% (16/0)	None
903	Sumter Street Station	\$353/50% (7/0) \$474/60% (5/0)	\$362/50% (19/0) \$482/60% (13/0)	\$424/50% (11/0) \$539/60% (7/0)	None
907	Magnolia Heights	\$729/50% (13/0)	\$875/50% (60/0)	\$1,011/50% (10/0)	None

900 series Map IDs are located outside Site PMA

The proposed subject gross rents, ranging from \$551 to \$850, are within the range of LIHTC rents offered in the market and region. Conversely, the proposed subject rents will be the highest general-occupancy LIHTC rents within the *market*. However, given that the subject project will be the newest LIHTC community within the market, this will enable it to charge higher rents. It is also important to note that one of the competitive LIHTC projects in the market is charging identical rents among similar unit types regardless of targeted income level, Orchard Grove Apartments (Map ID 4). Given that this project is 100.0% occupied and maintains an extensive waiting list of up to 50 households, it is clear that this project is underachieving its rent potential. Additionally, Mary-Leila Mill Lofts (Map ID 6) is located within Greensboro, while within the Madison Site PMA, it is an area that is considered socioeconomically inferior to Madison in terms of median household income, median gross rent and median home value. As such, it is likely that higher rents are attainable in the city of Madison. In fact, the newest LIHTC property in Madison, Silver Lakes Court (Map ID 5), is 100.0% occupied and is charging gross rents for a one-bedroom unit of \$621 and \$691 and gross rents of \$723 and \$795 for a two-bedroom unit, which are above the proposed subject rents for these specific unit types at the site. While Silver Lakes Court is age-restricted, this provides evidence that newer affordable rental developments within Madison are able to charge rent premiums. For the reasons outlined above, we believe the proposed subject rents are considered appropriate within the Madison Site PMA.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the proposed development will be marketable. While the subject project will lack two full bathrooms within its two-bedroom units and common project amenities found at the majority of the comparable affordable developments, these factors are not anticipated to inhibit the project's ability from stabilizing within a reasonable time frame. This is especially true, given the pent-up demand that exists for additional affordable rental housing within the market and region. This has been considered in our absorption estimates.

An in-depth analysis of the Madison rental housing market is included in Section H of this report.

8. Absorption/Stabilization Estimates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA guidelines that assume a 2021 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2021.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the subject's required capture rate, achievable market rents, the demand for affordable rental housing in the market and region, the proposed competitiveness of the subject site and absorption trends of one of the newest LIHTC rental communities in the market. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout all areas of the Site PMA.

Based on our analysis, it is our opinion that the proposed 60 LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately eight months. This absorption period is based on an average monthly absorption of approximately seven units per month.

These absorption projections assume a June 2021 opening date. An earlier or later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market exists for the 60 LIHTC units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The Madison rental housing market is performing at a good occupancy rate of 96.7%. In fact, the closest general-occupancy LIHTC community to the site, Orchard Grove Apartments (Map ID 4), is 100.0% occupied with a 50-household waiting list, illustrating that pent-up demand exists for additional non-subsidized affordable rental housing within the immediate area. The subject development will be able to accommodate a portion of this unmet demand.

The subject project will be marketable in terms of unit sizes and amenities offered. While the proposed subject rents will be the highest general-occupancy LIHTC rents within the market, its newness will enable it to charge higher rents within the Madison Site PMA. This is further supported by the fact that Orchard Grove Apartments is 100.0% occupied, demonstrating that this project could likely charge higher rents without having an adverse impact on its occupancy rate. It should also be pointed out that one of the newest LIHTC projects within the market, Silver Lakes Court (Map ID 5), is charging rents higher than those offered at the subject site among similar unit types and is 100.0% occupied with a waiting list. While this property is age-restricted, this provides evidence that newer LIHTC product has been successful in charging premium rents within the Madison Site PMA. It should also be noted that Silver Lakes Court opened in September 2016 and became 100% occupied in December 2016. This yields an absorption rate of approximately 11 units per month for the 44-unit project. When considering preleasing efforts, which took place in July 2016, the project's absorption rate decreased to approximately seven units per month. These absorption trends are relatively quick for affordable rental developments in rural markets and illustrates that new affordable rental product has been very well received within the Madison Site PMA.

The overall required capture rate of 19.4% for the subject's LIHTC units is considered low and achievable and is well below GDCA's capture rate threshold of 35% for developments located within rural markets. This demonstrates that a good base of potential income-appropriate renter household support exists for the subject project within the Madison Site PMA.

Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Madison Site PMA, as proposed. We do not have any recommendations or modifications to the subject development at this time.

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

Development Name:	Canaan Crossing	Total # Units:	60
Location:	1180 Wheat St., Madison, GA 30650	# LIHTC Units:	60
PMA Boundary:	Morgan County line and the Oconee National Forest to the north; Cunningham Road, Siloam town limits, State Route 15/77 and White Plains town limits to the east; White Plains-Veazey Road, Leslie Mill Road, Walker Church Road, Wrightsville Church Road, Lake Oconee Parkway, Landing Parkway and the Morgan County line to the south; and the Morgan County line to the west.		
	Farthest Boundary Distance to Subject:		28.0 miles

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

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	426	14	96.7%
Market-Rate Housing	3	104	4	96.2%
Assisted/Subsidized Housing not to include LIHTC	3	147	1	99.3%
LIHTC	3	175	9	94.9%
Stabilized Comps	1	60	0	100.0%
Properties in Construction & Lease Up	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
2	One-Br.	1.0	711	\$450	\$928	\$1.30	106.2%	\$970	\$1.19
6	One-Br.	1.0	711	\$510	\$928	\$1.30	82.0%	\$970	\$1.19
6	Two-Br.	1.5	984	\$505	\$957	\$0.97	89.5%	\$1,175	\$1.00
26	Two-Br.	1.5	984	\$580	\$957	\$0.97	65.0%	\$1,175	\$1.00
4	Three-Br.	2.0	1,132	\$540	\$1,094	\$0.97	102.6%	\$1,310	\$1.01
16	Three-Br.	2.0	1,132	\$630	\$1,094	\$0.97	73.7%	\$1,310	\$1.01

CAPTURE RATES (found on page G-5)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate		4.5%	18.8%			19.4%

Section B - Project Description

The subject project involves the new construction of the 60-unit Canaan Crossing rental community on an approximate 6.3-acre site at 1180 Wheat Street in Madison, Georgia. The project will offer eight (8) one-bedroom garden-style units, as well as 32 two- and 20 three-bedroom two-story townhomes within eight (8) residential buildings. A total of 1,500 square feet of community space will be integrated throughout. Canaan Crossing will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income households earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$450 to \$630, depending on unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by June of 2021. Additional details of the subject project are as follows:

A. PROJECT DESCRIPTION

1. **Project Name:** Canaan Crossing
2. **Property Location:** 1180 Wheat Street
Madison, Georgia 30650
(Morgan County)
3. **Project Type:** New Construction
4. **Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
2	One-Br.	1.0	Garden	711	50%	\$450	\$101	\$551	\$555
6	One-Br.	1.0	Garden	711	60%	\$510	\$101	\$611	\$666
6	Two-Br.	1.5	Townhome	984	50%	\$505	\$152	\$657	\$666
26	Two-Br.	1.5	Townhome	984	60%	\$580	\$152	\$732	\$799
4	Three-Br.	2.0	Townhome	1,132	50%	\$540	\$220	\$760	\$770
16	Three-Br.	2.0	Townhome	1,132	60%	\$630	\$220	\$850	\$924
60	Total								

Source: Woda Cooper Companies, Inc.

AMHI – Area Median Household Income (Morgan County, GA HUD Metro FMR Area; 2018)

5. **Target Market:** Family
6. **Project Design:** Garden-style and townhome units within eight (8) two-story residential buildings with integrated community spaces.

7. Original Year Built: Not applicable; New construction

8. Projected Opening Date: June 2021

9. Unit Amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Microwave
- Carpet & LVT Flooring
- Window Blinds
- Washer/Dryer Hookups
- Central Air Conditioning

10. Community Amenities:

- On-Site Management
- Community Room
- Laundry Center
- Picnic Area w/Gazebo
- Playground
- Gazebo
- Fenced Community Garden
- Wellness Screening Room

11. Resident Services:

Not applicable

12. Utility Responsibility:

The cost of trash collection will be included in the rent, while tenants will be responsible for the following:

- General Electricity
- Electric Heat
- Cold Water
- Electric Water Heat
- Electric Cooking
- Sewer

13. Rental Assistance:

None of the units will operate with rental assistance.

14. Parking:

An unassigned surface parking lot with 120 spaces will be available at no additional cost to the residents.

15. Current Project Status:

Not applicable; New construction

16. Statistical Area:

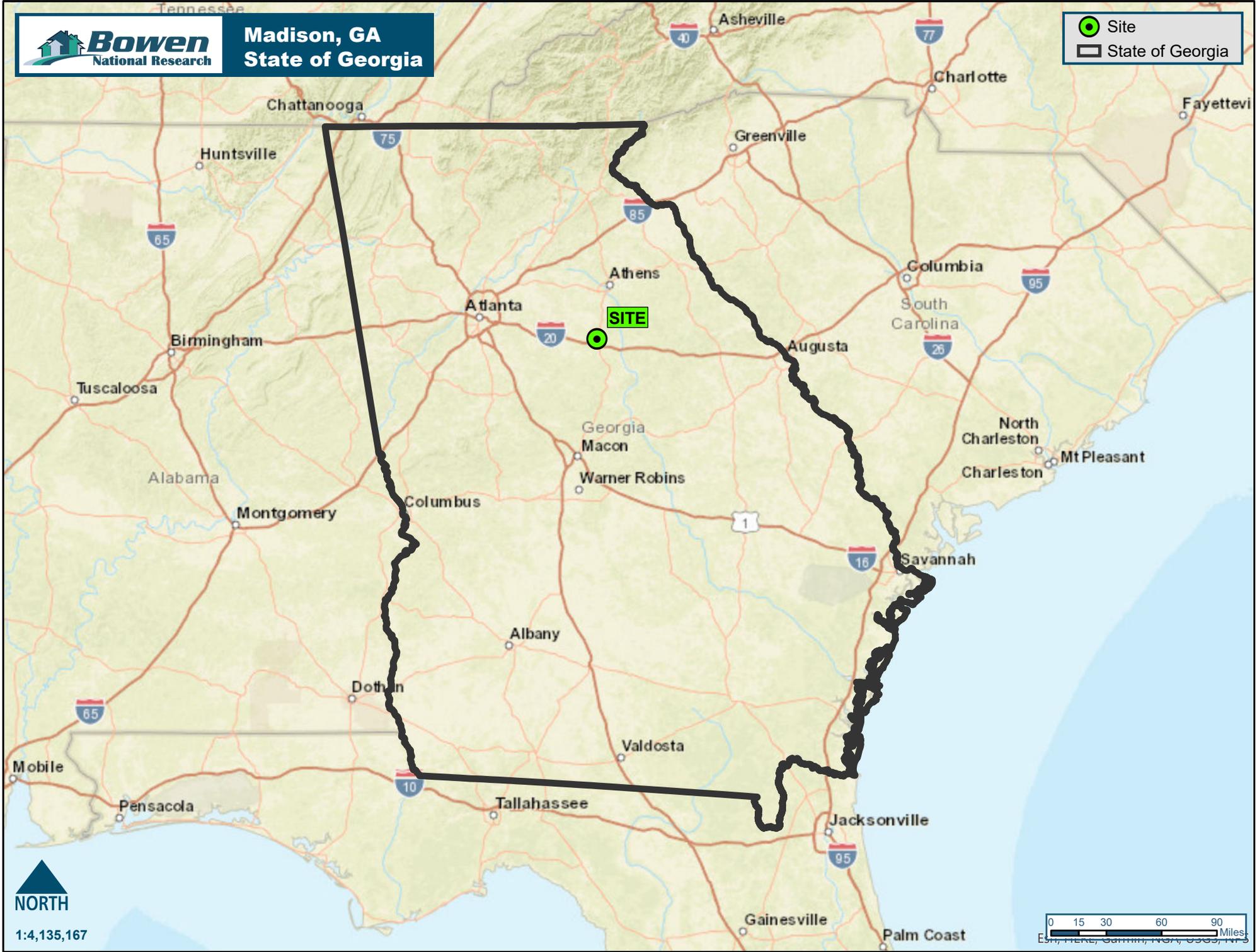
Morgan County, Georgia HUD Metro FMR Area (2018)

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



Madison, GA State of Georgia

● Site
▭ State of Georgia



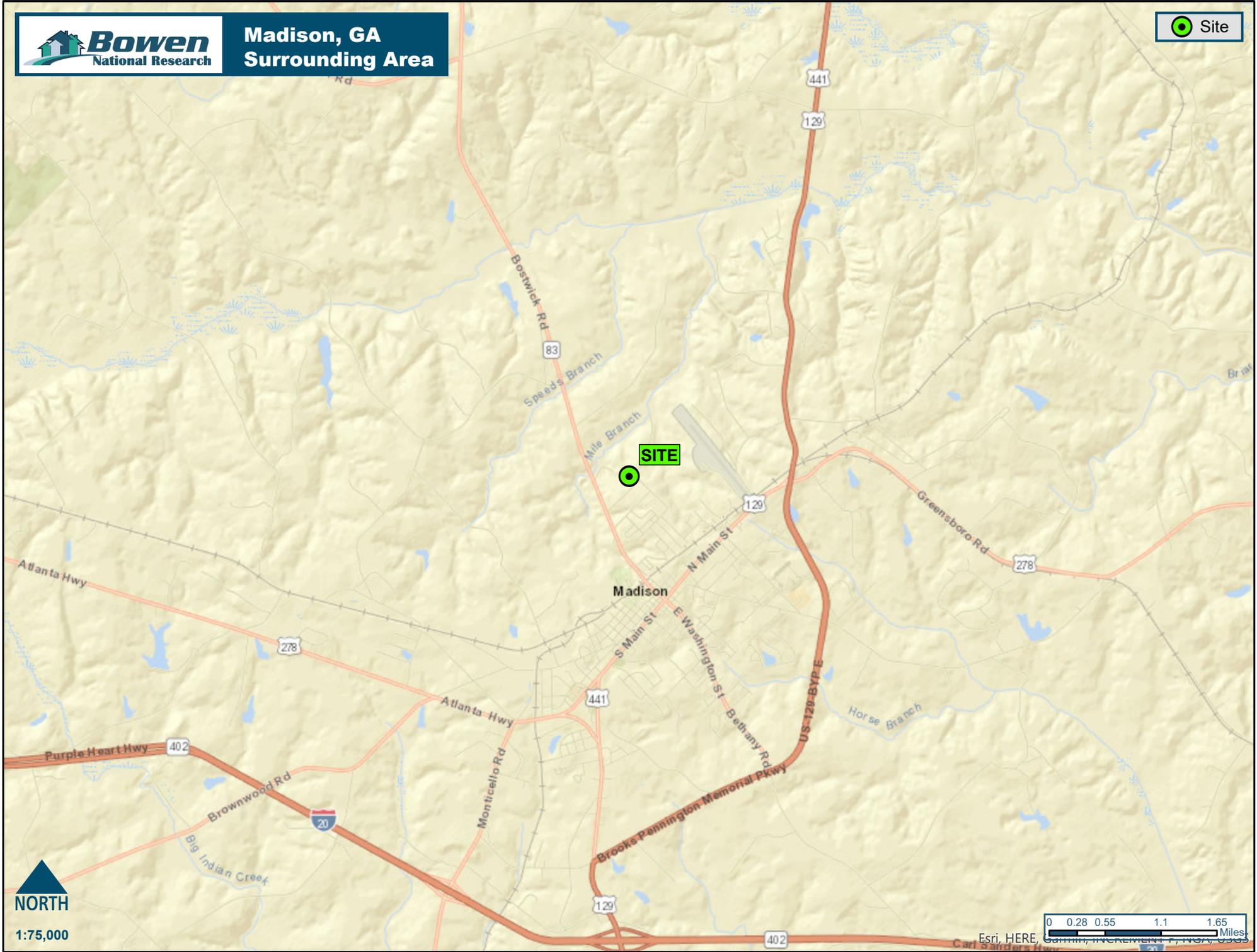
1:4,135,167





Madison, GA Surrounding Area

Site



1:75,000

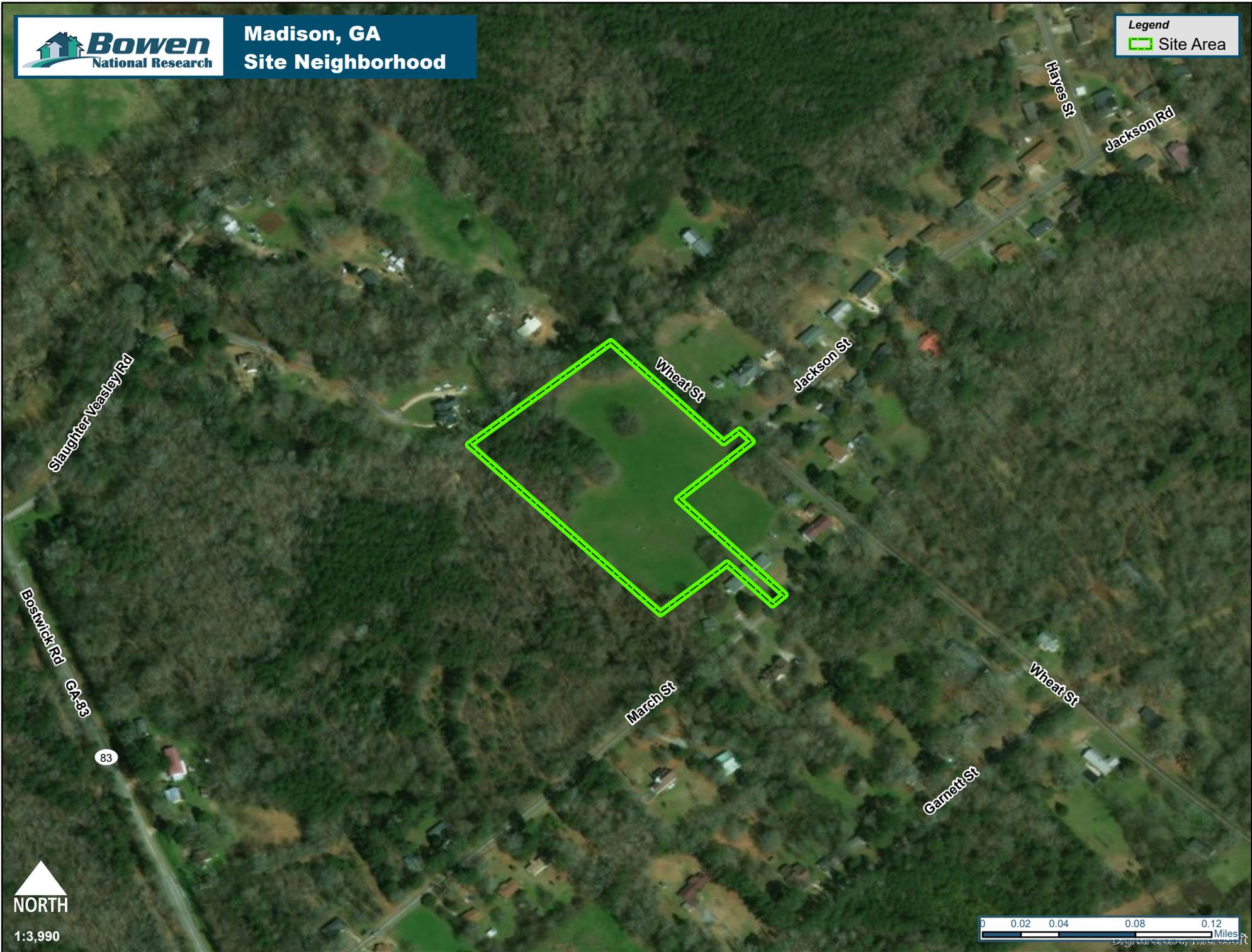


Esri, HERE, Garmin, INCREMENTAL, NAVTEQ, © 2011



Madison, GA
Site Neighborhood

Legend
Site Area



1:3,990



Engineering & Survey, Inc. © 2011

Section C – Site Description And Evaluation

1. LOCATION

The proposed subject site consists of vacant land located at 1180 Wheat Street in the northern portion of Madison, Georgia. Situated in Morgan County, Madison is approximately 59.0 miles east of Atlanta, Georgia. Tammy Whited, an employee of Bowen National Research, inspected the proposed subject site and area apartments during the week of March 18, 2019.

2. SURROUNDING LAND USES

The proposed subject site is located within a partially developed area of Madison. Surrounding land uses include undeveloped land and single-family homes. Adjacent land uses are detailed as follows:

North -	Single-family homes and undeveloped land define the northern boundary of the site. Continuing north are agricultural and undeveloped land, as well as additional single-family homes.
East -	Wheat Street defines the eastern site boundary, followed by single-family homes and undeveloped land. Farther east is the Madison Municipal Airport.
South -	Single-family homes and undeveloped land define the southern site boundary. Continuing south are the Morgan County Middle School and multifamily homes. Farther south are residential development and a mixture of local businesses and area services.
West -	Undeveloped land borders the site to the west. Undeveloped land, along with scattered single-family homes continue west to State Route 83. Farther west are undeveloped and agricultural land.

The residential structures surrounding the proposed subject site were observed to be in satisfactory to good condition. These generally well-maintained structures should contribute to the overall marketability of the proposed subject development. Overall, the subject property fits well with the surrounding land uses.

3. VISIBILITY AND ACCESS

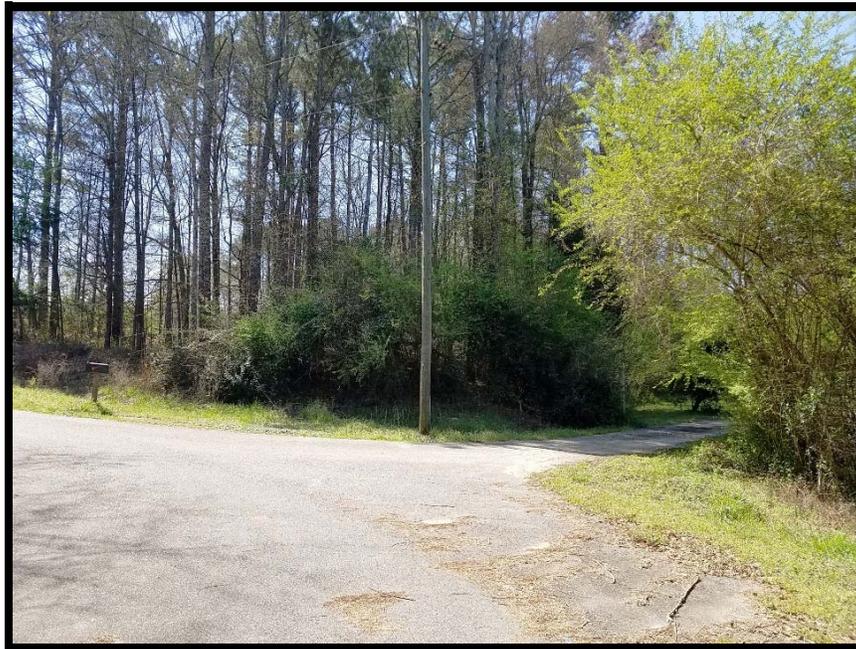
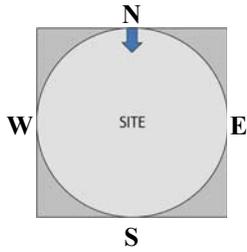
According to site plans provided at the time of this report, the proposed subject site will maintain very limited frontage along Wheat Street and March Street, both lightly traveled, two-lane roadways with limited passerby traffic. Therefore, permanent signage is recommended near the site's entrance on the aforementioned roadways. Additionally, promotional signage is recommended throughout all areas of the market area to increase the site's awareness during the initial lease-up period.

The proposed subject site will derive vehicular access from both Wheat Street and March Street. Ingress and egress will be considered convenient, with clear lines of sight provided in all directions of travel. In addition, the proposed subject site will have easy access to State Route 83, as well as U.S. Highways 278 and 441, the nearest major arterial roadways in the area within 2.6 miles. While there is no fixed-route transportation provided within Madison, the Morgan County Transit System provides on-call, on-site pickup services. Overall, access to the subject site is considered good. According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area

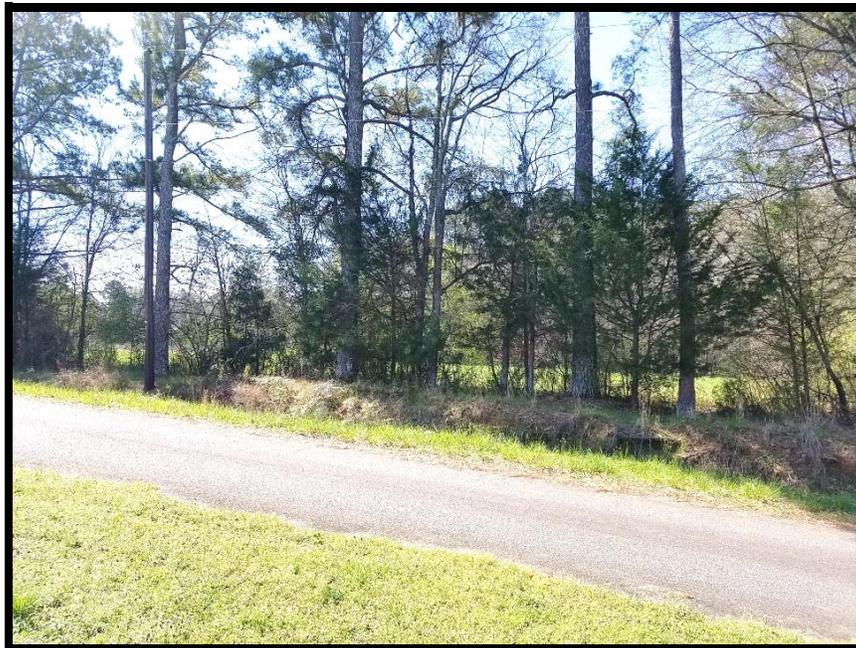
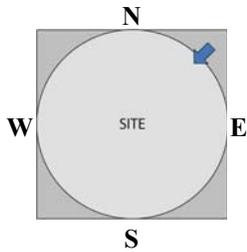
4. SITE PHOTOGRAPHS

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

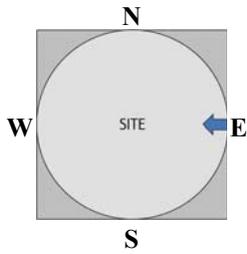
SITE PHOTOGRAPHS



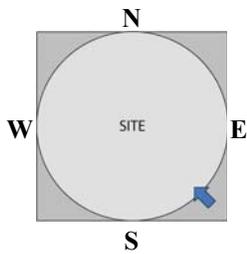
View of site from the north



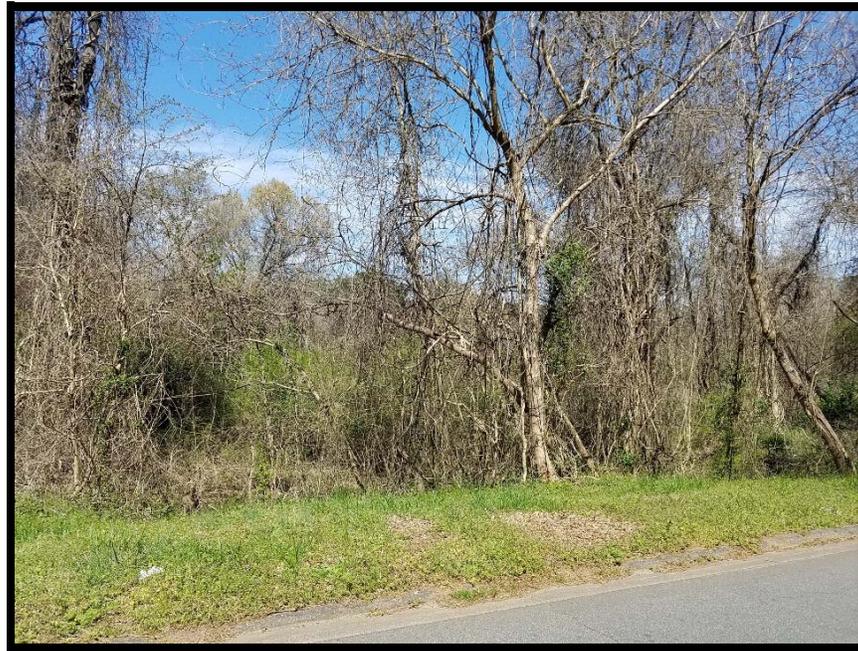
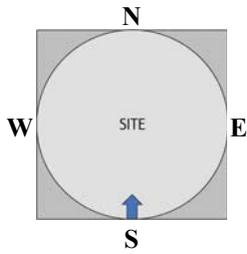
View of site from the northeast



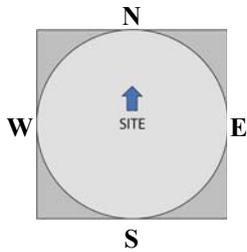
View of site from the east



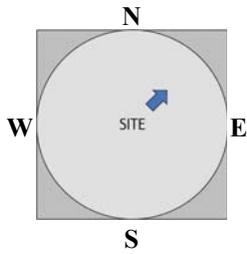
View of site from the southeast



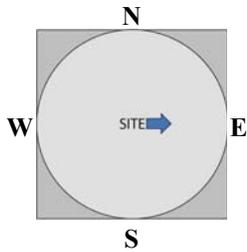
View of site from the south



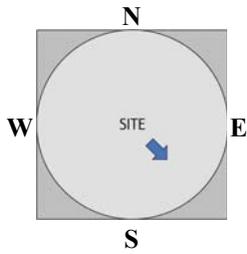
North view from site



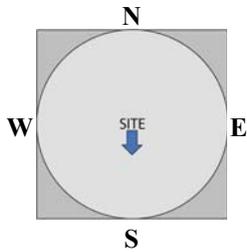
Northeast view from site



East view from site



Southeast view from site



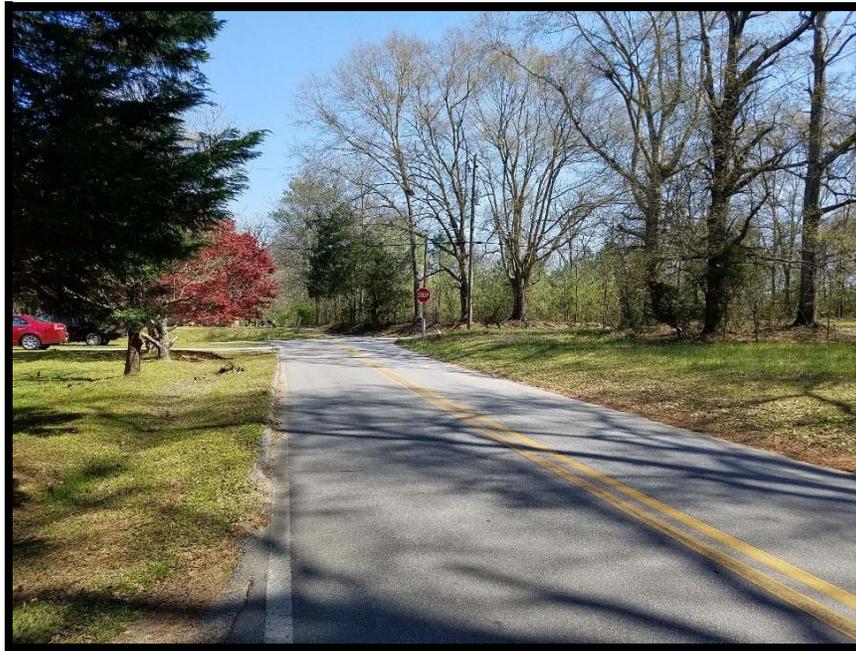
South view from site



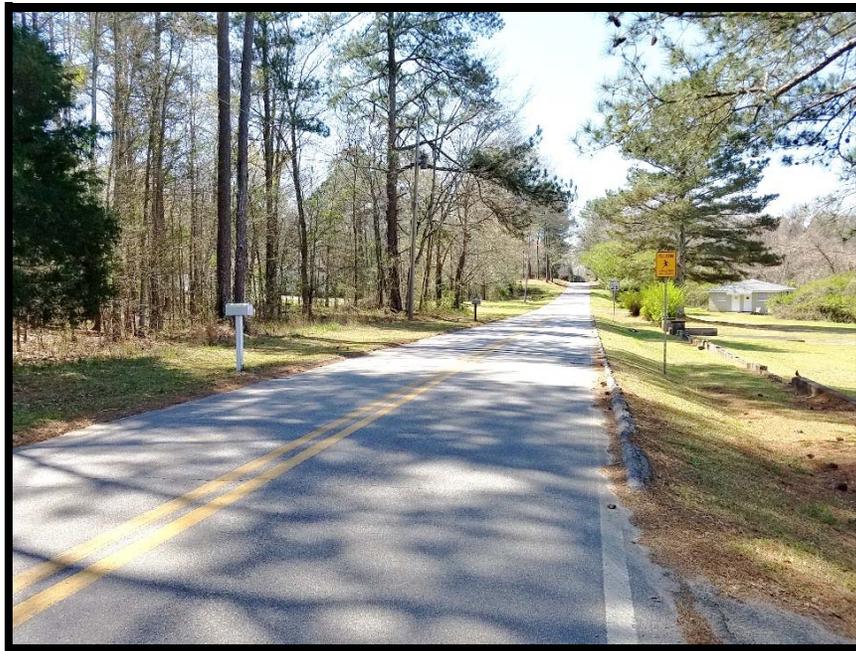
Streetscape - Southeast view of Wheat Street



Streetscape - Northwest view of Wheat Street



Streetscape - Northeast view of March Street



Streetscape - Southwest view of March Street

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

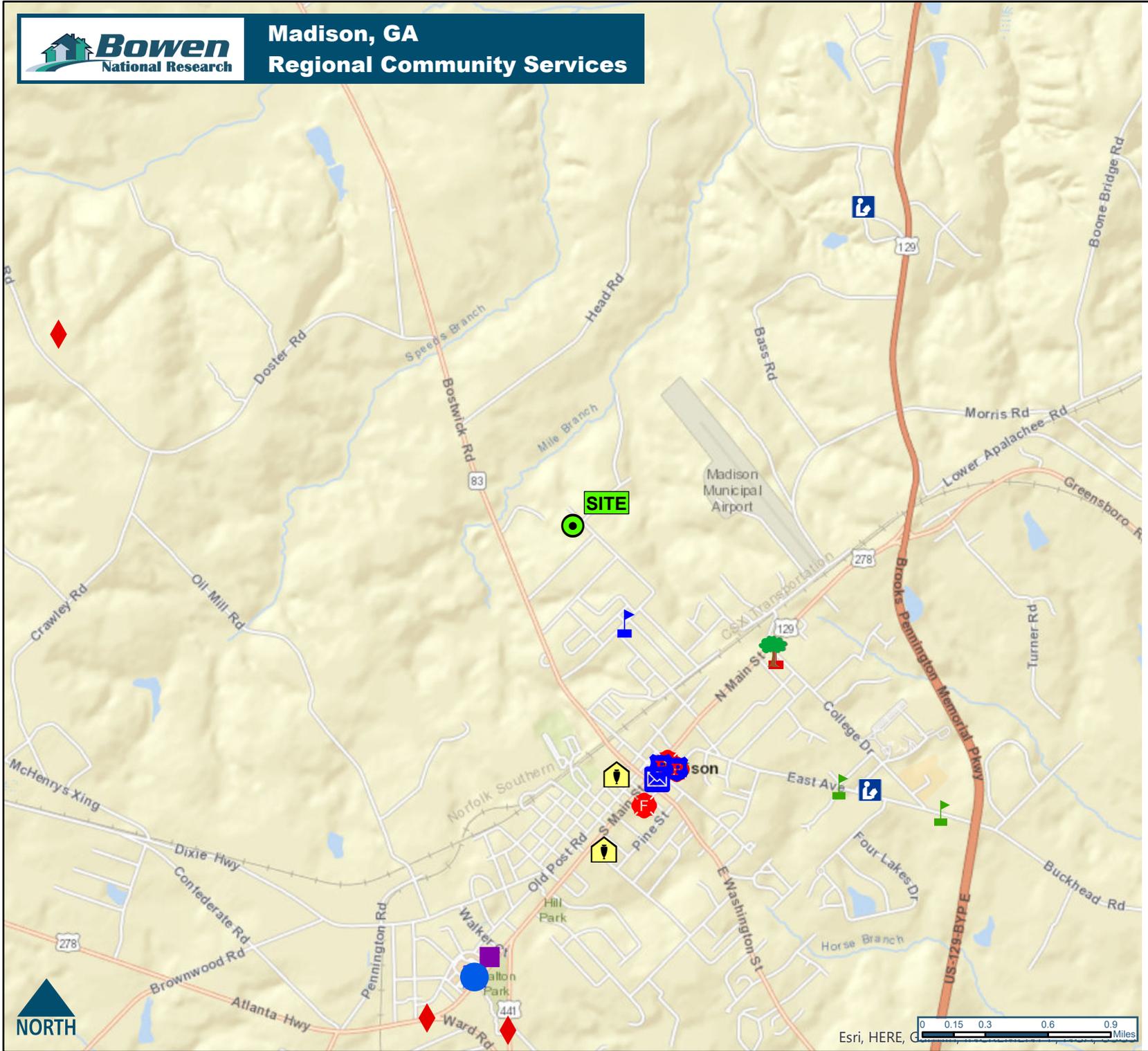
The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 83	0.4 Southwest
	U.S. Highway 441	1.3 South
	U.S. Highway 278	2.6 East
Public Bus Stop	Morgan County Transit System	On Demand
Major Employers/ Employment Centers	Morgan County School District	0.5 South
	REMA Tip Top	1.1 Southeast
	Morgan County Hospital	2.3 South
	Walmart Supercenter	3.7 South
Convenience Store	Shell	1.3 Southeast
	BP	1.4 South
	Citgo	4.1 South
Grocery	Ingles Market	3.0 South
	Walmart Supercenter	3.7 South
Discount Department Store	Family Dollar	3.1 South
	Dollar General	3.1 South
Shopping Center/Mall	Beacon Heights Shopping Center	3.1 South
Schools: Elementary Middle/Junior High High	Morgan County School District	
	Morgan County Primary School	1.7 Southeast
	Morgan County Middle School	0.5 South
	Morgan County High School	1.3 Southeast
Hospital	Morgan Medical Center	2.3 South
Police	Madison Police Department	1.3 South
Fire	Madison Fire Department	1.3 South
Post Office	U.S. Post Office	1.3 South
Bank	United Bank	1.1 Southeast
	Bank of Madison	1.2 South
	Suntrust Bank	1.3 South
Recreational Facilities	Morgan County African-American Museum	1.2 South
	Morgan County Park	1.3 Southeast
	Madison Morgan Cultural Center	1.6 South
Gas Station	Shell	1.3 Southeast
	BP	1.4 South
	CITGO	4.1 South
Pharmacy	Thrifty Mac Pharmacy	1.4 South
	Ingles Market Pharmacy	3.0 South
	Walmart Supercenter	3.7 South
Restaurant	Big Kev's BBQ	1.1 South
	That Pizza Place	1.2 South
	Perk Avenue Café & Coffee House	1.2 South
Day Care	Early Childhood Development	0.4 South
	Daystar Christian Childcare	2.1 Southeast
Library	Morgan County Library	1.3 Southeast
Church	Sister's Helping Sister's Church	0.1 South
	Episcapol Church of the Advent	1.4 South

The proposed subject site is located within close proximity of numerous area community services, most of which are located within 1.5 miles, as illustrated in the preceding table. It is also of note that while most basic community services are located within a short drive of the subject site, many are also accessible via on-demand public transportation through the Morgan County Transit System available Monday through Friday at a nominal cost to residents of Morgan County. This should enhance marketability of the proposed subject development within the Madison market.

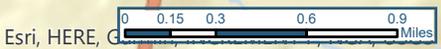
The Morgan County School District serves the subject site, with all applicable attendance schools located within 1.7 miles. The Madison Police Department and the Madison Fire Department serve the subject site and are located within 1.3 miles. The Morgan Medical Center is the county's nearest major hospital and is located within 2.3 miles of the subject site.

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



Legend

-  Site
-  Elementary School
-  Fire
-  High School
-  Hospital
-  Library
-  Middle School
-  Museum
-  Park
-  Police
-  Post Office
-  Senior Services
-  Shopping
-  Employer 1000-5000



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the site's ZIP Code is 109, with an overall personal crime index of 69 and a property crime index of 115. Total crime risk for Morgan County is 96, with indexes for personal and property crime of 63 and 101, respectively.

	Crime Risk Index	
	Site ZIP Code	Morgan County
Total Crime	109	96
Personal Crime	69	63
Murder	144	116
Rape	88	92
Robbery	44	39
Assault	76	68
Property Crime	115	101
Burglary	117	107
Larceny	123	107
Motor Vehicle Theft	45	43

Source: Applied Geographic Solutions

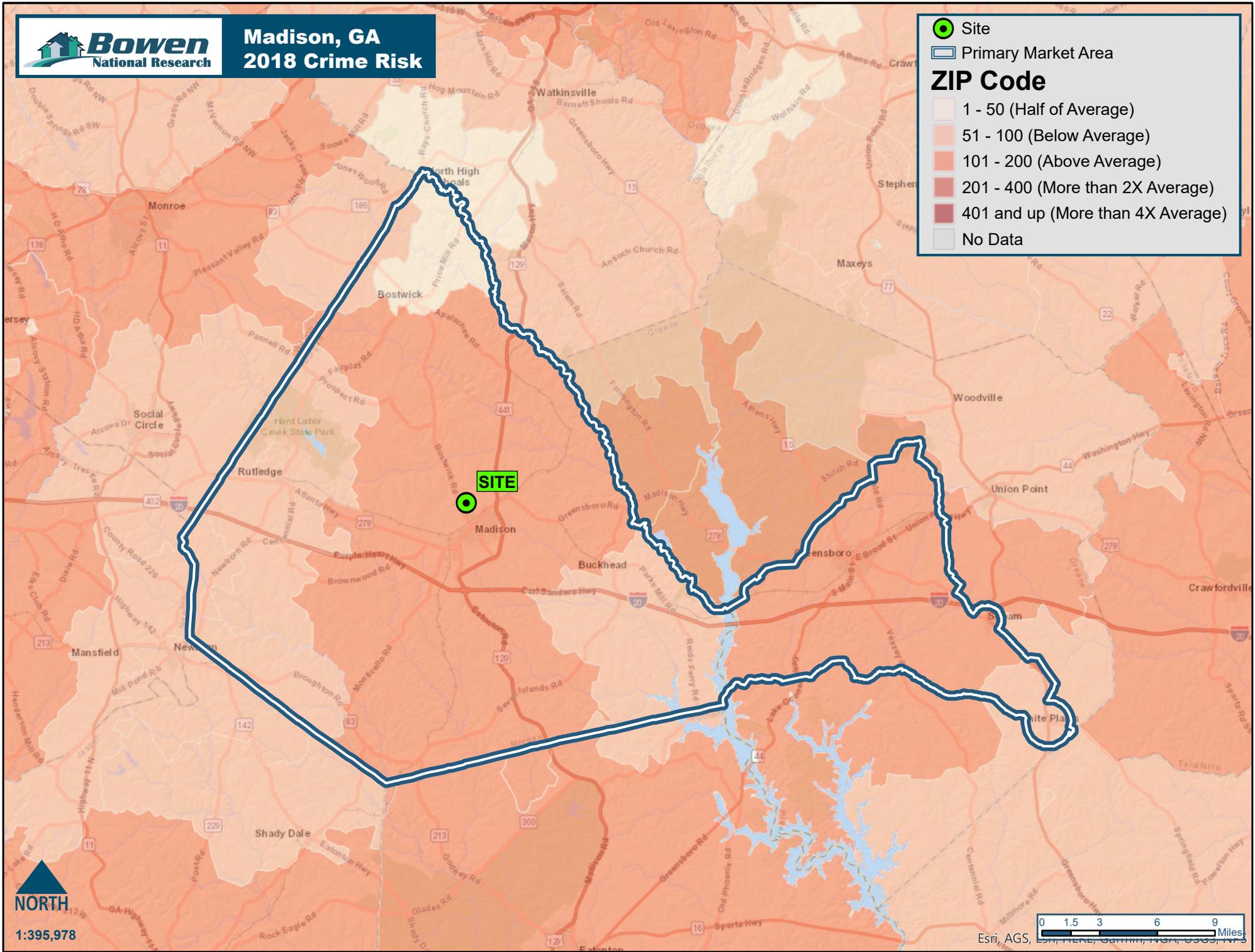
The crime risk indices within both the site's ZIP Code (109) and Morgan County (96) are generally similar with the national average (100). As such, the perception of crime is not likely a factor in the overall marketability of the Madison rental housing market and is not expected to have a negative impact on the subject project. This is further evidenced by the strong occupancy levels maintained at the majority of rental properties surveyed within the market.

A map illustrating crime risk is on the following page.



Madison, GA 2018 Crime Risk

- Site
- Primary Market Area
- ZIP Code**
 - 1 - 50 (Half of Average)
 - 51 - 100 (Below Average)
 - 101 - 200 (Above Average)
 - 201 - 400 (More than 2X Average)
 - 401 and up (More than 4X Average)
 - No Data



NORTH
1:395,978



Esri, AGS, Esri, HERE, Garmin, NAV, OSG, TNS

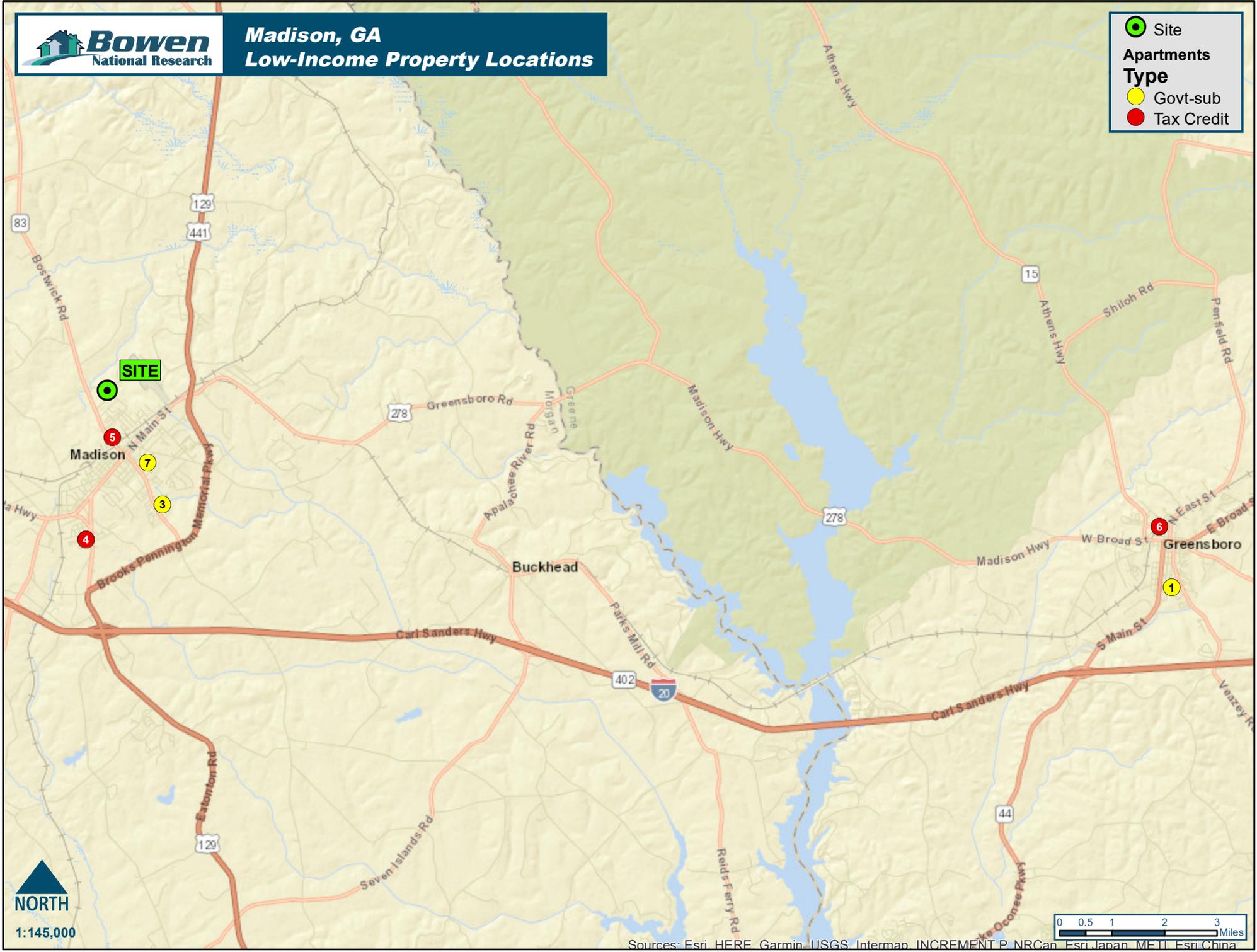
7. OVERALL SITE EVALUATION

The proposed subject site is situated within a partially developed area in the northern portion of Madison. The surrounding land uses are generally comprised of well-maintained residential structures that are consistent with the intended use of the subject site. Visibility to the subject site is limited due to the lack of frontage on Wheat Street and March Street, both lightly-traveled two-lane roadways, and permanent signage at the proposed entrances is recommended to increase the awareness of the subject site within the immediate neighborhood. In addition, promotional signage is recommended throughout all areas of the market to enhance its awareness during the initial lease-up process. Access to the subject site is considered good, as it is within 2.6 miles of State Route 83, as well as U.S. Highways 278 and 441, all major arterial roadways providing access through Madison and the surrounding areas. The subject site is located within proximity of most basic community services, including grocery and discount shopping, restaurants, pharmacies, banks, gas stations/convenience stores and employment opportunities. Although there is no fixed route public transportation service to the subject site, Morgan County Transit System offers on-demand public transit services Monday through Friday at a nominal cost. Overall, the proposed subject site's location, convenient accessibility and proximity to area community services are considered conducive for affordable housing development within the Madison market.

8. MAP OF LOW-INCOME RENTAL HOUSING

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

● Site
Apartments
Type
● Govt-sub
● Tax Credit



NORTH
1:145,000

0 0.5 1 2 3 Miles

Section D – Primary Market Area Delineation

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

The Madison Site PMA includes all of Morgan County, as well as Greensboro and the surrounding unincorporated areas of Greene County, Georgia. The boundaries of the Site PMA include the Morgan County line and the Oconee National Forest to the north; Cunningham Road, Siloam town limits, State Route 15/77 and White Plains town limits to the east; White Plains-Veazey Road, Leslie Mill Road, Walker Church Road, Wrightsville Church Road, Lake Oconee Parkway, Landing Parkway and the Morgan County line to the south; and the Morgan County line to the west.

Thelma Furney, Property Manager of Madison Villas (Map ID 3), a general-occupancy government-subsidized rental community within Madison, confirmed the Site PMA, explaining that most support for her project originates from all over Madison County, as well as the adjacent areas of Greene County, including Greensboro. Ms. Furney believes that a new affordable rental community within Madison will experience similar trends.

Peggy Stidham, Community Manager of Silver Lakes Court (Map ID 5), an age-restricted Tax Credit property within Madison, stated that the majority of her property's residents are moving from within both Morgan and Greene counties. As such, Ms. Stidham was in agreement with the PMA boundaries for the subject site.

It should be emphasized that it is recommended that the developer and/or management market the project throughout Morgan County and the adjacent county of Greene during the initial lease-up period and once the project reaches a stabilized occupancy to ensure the success of the proposed development. The inability of the project to attract sufficient support from the entire PMA may adversely impact its initial lease-up and ability to reach a stabilized occupancy.

The Greensboro area in Green County, which is located to the east of Madison, was included in the Site PMA because of a significant population migration, as well as a strong tenant migration from Greensboro to Madison. Greensboro is connected to Madison through Interstate 20, which makes for a convenient move if households relocated to Madison for housing. Madison also offers some community services that Greensboro does not offer such as job opportunities, big box stores, and a better school system.

The area to the north of the Site PMA was excluded due to its proximity to Athens, a large city with existing affordable housing options and numerous community services. The areas to the east and south of the Site PMA are predominantly rural, consisting of owner households that will typically not support affordable rental housing. Areas to the west of the Site PMA were excluded due to its distance to the site and proximity to Covington, a city with existing affordable housing options and numerous community services. Therefore, we have not considered a secondary market area in this report.

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

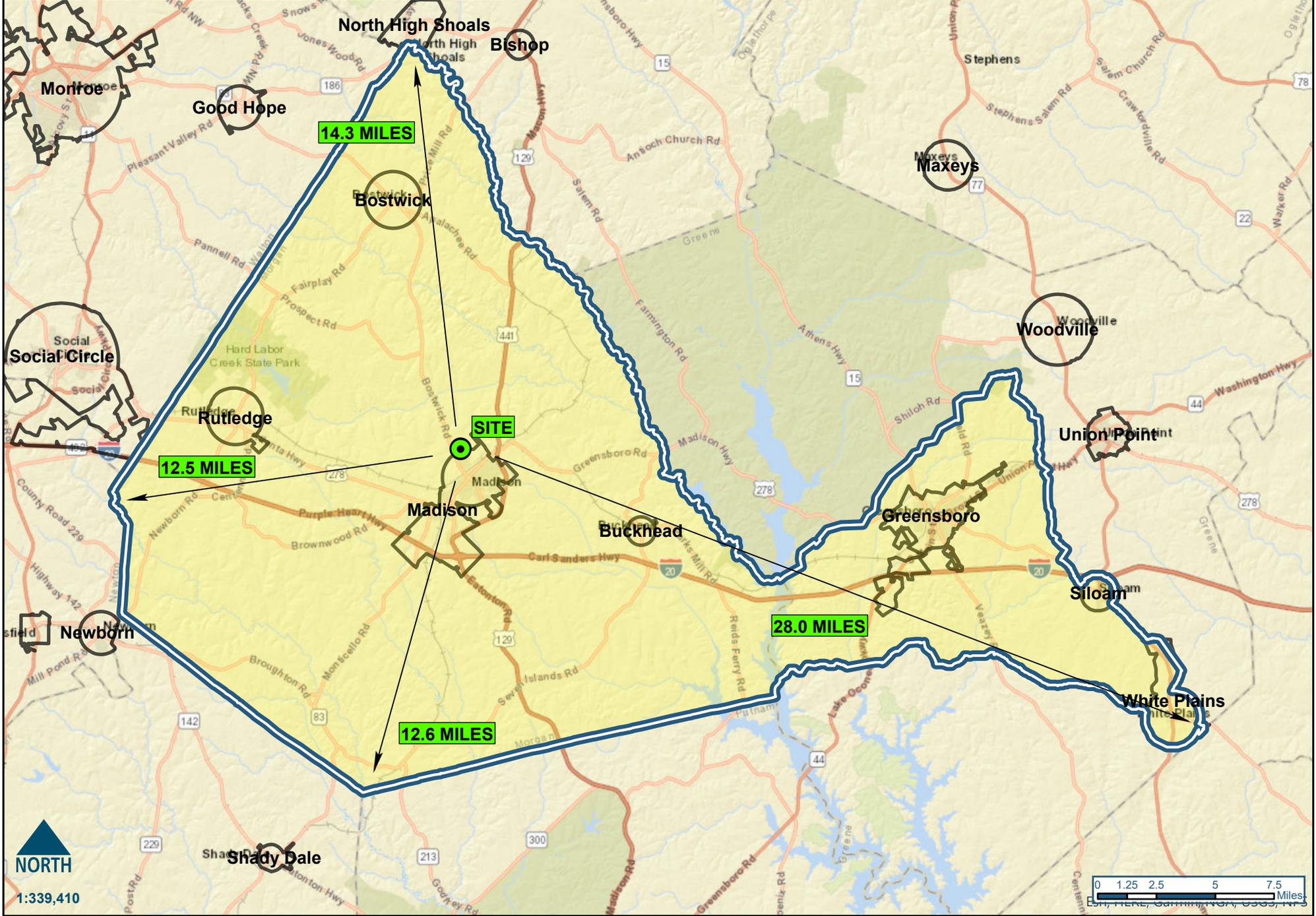


Madison, GA Primary Market Area

Athens-Clarke County unified government (balance)
Watkinsville

Lexington

- Site
- Primary Market Area



1:339,410



Section E – Community Demographic Data

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2021 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2021 (Projected)
Population	21,413	24,143	25,933	26,446
Population Change	-	2,730	1,790	512
Percent Change	-	12.7%	7.4%	2.0%

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

The Madison Site PMA population base increased by 2,730 between 2000 and 2010. This represents a 12.7% increase from the 2000 population, or an annual rate of 1.2%. Between 2010 and 2019, the population increased by 1,790, or 7.4%. It is projected that the population will increase by 512, or 2.0%, between 2019 and 2021.

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

Population by Age	2010 (Census)		2019 (Estimated)		2021 (Projected)		Change 2019-2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,551	27.1%	6,194	23.9%	6,278	23.7%	84	1.4%
20 to 24	1,167	4.8%	1,363	5.3%	1,304	4.9%	-59	-4.3%
25 to 34	2,638	10.9%	3,056	11.8%	3,037	11.5%	-19	-0.6%
35 to 44	3,107	12.9%	3,003	11.6%	3,102	11.7%	99	3.3%
45 to 54	3,599	14.9%	3,421	13.2%	3,382	12.8%	-39	-1.1%
55 to 64	3,306	13.7%	3,877	15.0%	3,924	14.8%	46	1.2%
65 to 74	2,240	9.3%	3,094	11.9%	3,307	12.5%	213	6.9%
75 & Over	1,535	6.4%	1,926	7.4%	2,113	8.0%	186	9.7%
Total	24,143	100.0%	25,933	100.0%	26,446	100.0%	512	2.0%

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

As the preceding table illustrates, nearly 52% of the population is expected to be between 25 and 64 years old in 2019. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Madison Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2021 (Projected)
Households	7,693	9,049	9,770	9,970
Household Change	-	1,356	721	200
Percent Change	-	17.6%	8.0%	2.0%
Household Size	2.78	2.67	2.63	2.63

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

Within the Madison Site PMA, households increased by 1,356 (17.6%) between 2000 and 2010. Between 2010 and 2019, households increased by 721 or 8.0%. By 2021, there will be 9,970 households, an increase of 200 households, or 2.0%, from 2019. This is an increase of approximately 100 households annually over the next two years.

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

Households by Age	2010 (Census)		2019 (Estimated)		2021 (Projected)		Change 2019-2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	230	2.5%	226	2.3%	221	2.2%	-5	-2.3%
25 to 34	1,040	11.5%	1,167	11.9%	1,153	11.6%	-14	-1.2%
35 to 44	1,530	16.9%	1,422	14.6%	1,456	14.6%	34	2.4%
45 to 54	1,940	21.4%	1,771	18.1%	1,736	17.4%	-36	-2.0%
55 to 64	1,840	20.3%	2,062	21.1%	2,067	20.7%	5	0.3%
65 to 74	1,417	15.7%	1,857	19.0%	1,966	19.7%	109	5.9%
75 to 84	764	8.4%	1,087	11.1%	1,178	11.8%	92	8.4%
85 & Over	288	3.2%	178	1.8%	193	1.9%	15	8.6%
Total	9,049	100.0%	9,770	100.0%	9,970	100.0%	200	2.0%

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

Between 2019 and 2021, the greatest growth among household age groups is projected to be among those between the ages of 65 and 84, increasing by 201, or 6.8%. This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market. However, over 66% of all households are projected to be under the age of 65 in 2021. This demonstrates that a larger number of age-appropriate households will be present within the Site PMA to support the subject project.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2021 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,573	72.6%	6,953	71.2%	7,160	71.8%
Renter-Occupied	2,476	27.4%	2,816	28.8%	2,810	28.2%
Total	9,049	100.0%	9,769	100.0%	9,970	100.0%

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

In 2019, homeowners occupied 71.2% of all occupied housing units, while the remaining 28.8% were occupied by renters. The share of renters is considered typical for rural market, such as the Madison Site PMA, and the 2,816 renter households estimated in 2019 represent a good base of potential support for the subject site.

The household sizes by tenure within the Site PMA, based on the 2019 estimates and 2021 projections, were distributed as follows:

Persons Per Renter Household	2019 (Estimated)		2021 (Projected)		Change 2019-2021	
	Households	Percent	Households	Percent	Households	Percent
1 Person	675	24.0%	661	23.5%	-14	-2.0%
2 Persons	745	26.5%	740	26.4%	-5	-0.6%
3 Persons	586	20.8%	593	21.1%	6	1.1%
4 Persons	464	16.5%	472	16.8%	8	1.7%
5 Persons+	345	12.3%	343	12.2%	-2	-0.6%
Total	2,816	100.0%	2,810	100.0%	-6	-0.2%

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

Persons Per Owner Household	2019 (Estimated)		2021 (Projected)		Change 2019-2021	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,235	17.7%	1,276	17.8%	42	3.4%
2 Persons	2,761	39.7%	2,853	39.8%	93	3.4%
3 Persons	1,243	17.9%	1,281	17.9%	38	3.1%
4 Persons	1,091	15.7%	1,119	15.6%	28	2.6%
5 Persons+	627	9.0%	633	8.8%	6	1.0%
Total	6,957	100.0%	7,164	100.0%	207	3.0%

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

The subject site will offer one-, two- and three-bedroom units, which will generally target up to five-person households. Therefore, the subject site will be able to accommodate nearly all renter households within the Site PMA, based on size.

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

Household Income	2010 (Census)		2019 (Estimated)		2021 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	942	10.4%	915	9.4%	908	9.1%
\$10,000 to \$19,999	1,375	15.2%	1,018	10.4%	977	9.8%
\$20,000 to \$29,999	916	10.1%	1,239	12.7%	1,262	12.7%
\$30,000 to \$39,999	886	9.8%	921	9.4%	914	9.2%
\$40,000 to \$49,999	831	9.2%	1,019	10.4%	1,040	10.4%
\$50,000 to \$59,999	726	8.0%	660	6.8%	687	6.9%
\$60,000 to \$74,999	891	9.8%	753	7.7%	773	7.8%
\$75,000 to \$99,999	1,042	11.5%	1,097	11.2%	1,142	11.4%
\$100,000 to \$124,999	569	6.3%	689	7.1%	710	7.1%
\$125,000 to \$149,999	308	3.4%	438	4.5%	468	4.7%
\$150,000 to \$199,999	226	2.5%	434	4.4%	459	4.6%
\$200,000 & Over	337	3.7%	589	6.0%	636	6.4%
Total	9,049	100.0%	9,773	100.0%	9,974	100.0%
Median Income	\$44,880		\$47,784		\$48,912	

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

In 2010, the median household income was \$44,880. This increased by 6.5% to \$47,784 in 2019. By 2021, it is projected that the median household income will be \$48,912, an increase of 2.4% from 2019.

The following tables illustrate renter household income by household size for 2010, 2019 and 2021 for the Madison Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	147	147	95	71	70	529
\$10,000 to \$19,999	233	172	112	83	82	682
\$20,000 to \$29,999	106	91	59	44	43	342
\$30,000 to \$39,999	72	71	46	35	34	258
\$40,000 to \$49,999	62	61	39	29	29	221
\$50,000 to \$59,999	38	40	26	19	19	143
\$60,000 to \$74,999	43	51	33	25	24	175
\$75,000 to \$99,999	20	24	16	12	12	84
\$100,000 to \$124,999	6	7	4	3	3	23
\$125,000 to \$149,999	3	4	2	2	2	12
\$150,000 to \$199,999	1	1	0	0	0	2
\$200,000 & Over	1	1	1	1	1	4
Total	730	670	434	323	318	2,476

Source: ESRI; Urban Decision Group

Renter Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	130	127	100	79	59	496
\$10,000 to \$19,999	132	123	96	76	57	484
\$20,000 to \$29,999	125	122	96	76	57	476
\$30,000 to \$39,999	74	80	63	50	37	303
\$40,000 to \$49,999	64	82	64	51	38	299
\$50,000 to \$59,999	32	42	33	26	19	151
\$60,000 to \$74,999	34	48	38	30	22	173
\$75,000 to \$99,999	38	55	44	34	26	197
\$100,000 to \$124,999	14	21	16	13	10	73
\$125,000 to \$149,999	9	13	10	8	6	47
\$150,000 to \$199,999	9	14	11	9	6	49
\$200,000 & Over	13	19	15	12	9	68
Total	675	745	586	464	345	2,816

Source: ESRI; Urban Decision Group

Renter Households	2021 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	120	119	95	75	55	464
\$10,000 to \$19,999	115	110	88	70	51	434
\$20,000 to \$29,999	118	116	93	74	54	456
\$30,000 to \$39,999	69	74	60	47	35	285
\$40,000 to \$49,999	62	78	62	50	36	288
\$50,000 to \$59,999	32	40	32	26	19	149
\$60,000 to \$74,999	33	46	37	29	21	168
\$75,000 to \$99,999	45	62	50	40	29	225
\$100,000 to \$124,999	16	24	19	15	11	86
\$125,000 to \$149,999	11	16	13	10	7	57
\$150,000 to \$199,999	17	23	19	15	11	83
\$200,000 & Over	23	32	26	21	15	117
Total	661	740	593	472	343	2,810

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

The population base and households within the Madison Site PMA have experienced positive growth since 2000. These trends are projected to remain positive through 2021, increasing by 512 (2.0%) and 200 (2.0%), respectively, from 2019. While senior households between the ages of 65 and 84 are projected to experience the majority of this growth during this time frame, over 65% of all households within the market will be under the age of 65 in 2021. Further, the subject project will be able to accommodate nearly all renter households based on household size. Overall, the demographic trends contained within this report demonstrate a generally stable base of potential support for the subject project.

Section F – Economic Trends

1. LABOR FORCE PROFILE

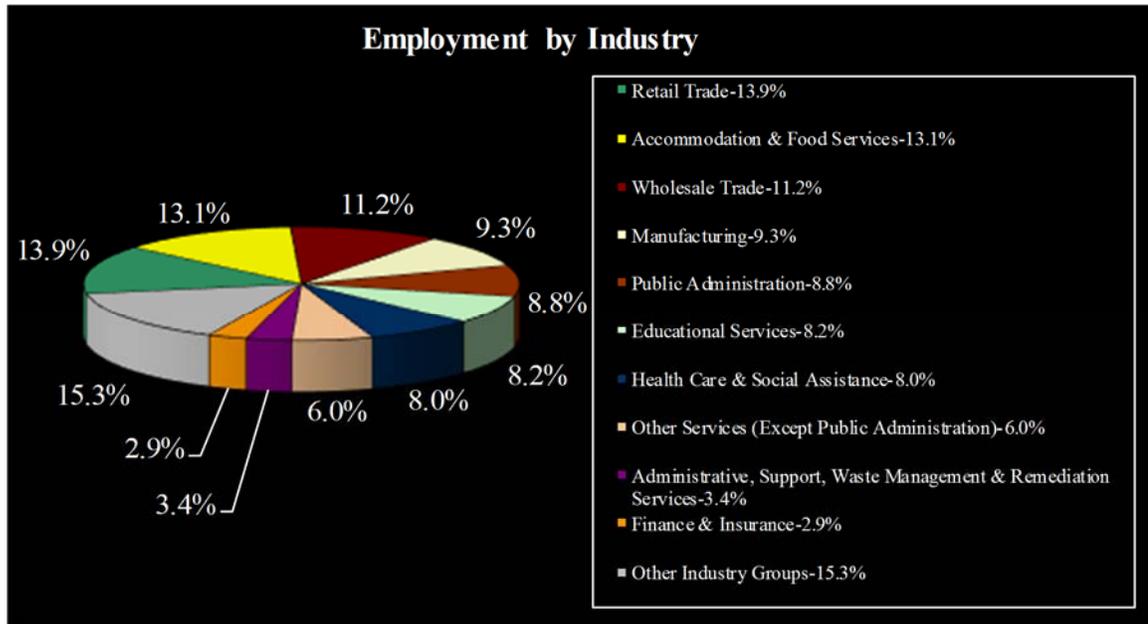
The labor force within the Madison Site PMA is based primarily in three sectors. Retail Trade (which comprises 13.9%), Accommodation & Food Services and Wholesale Trade comprise over 38% of the Site PMA labor force. Employment in the Madison Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	17	1.6%	127	1.3%	7.5
Mining	1	0.1%	4	0.0%	4.0
Utilities	6	0.6%	89	0.9%	14.8
Construction	56	5.2%	264	2.8%	4.7
Manufacturing	34	3.1%	888	9.3%	26.1
Wholesale Trade	38	3.5%	1,066	11.2%	28.1
Retail Trade	159	14.7%	1,321	13.9%	8.3
Transportation & Warehousing	27	2.5%	227	2.4%	8.4
Information	25	2.3%	202	2.1%	8.1
Finance & Insurance	49	4.5%	273	2.9%	5.6
Real Estate & Rental & Leasing	48	4.4%	143	1.5%	3.0
Professional, Scientific & Technical Services	68	6.3%	242	2.5%	3.6
Management of Companies & Enterprises	2	0.2%	2	0.0%	1.0
Administrative, Support, Waste Management & Remediation Services	37	3.4%	320	3.4%	8.6
Educational Services	24	2.2%	776	8.2%	32.3
Health Care & Social Assistance	64	5.9%	765	8.0%	12.0
Arts, Entertainment & Recreation	28	2.6%	147	1.5%	5.3
Accommodation & Food Services	93	8.6%	1,246	13.1%	13.4
Other Services (Except Public Administration)	152	14.0%	569	6.0%	3.7
Public Administration	104	9.6%	841	8.8%	8.1
Nonclassifiable	50	4.6%	8	0.1%	0.2
Total	1,082	100.0%	9,520	100.0%	8.8

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

E.P.E. - Average Employees Per Establishment

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



Typical wages by job category for the Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Atlanta-Sandy Springs-Roswell MSA	Georgia
Management Occupations	\$126,340	\$117,910
Business and Financial Occupations	\$76,170	\$72,920
Computer and Mathematical Occupations	\$91,220	\$88,590
Architecture and Engineering Occupations	\$83,130	\$80,970
Community and Social Service Occupations	\$49,920	\$46,770
Art, Design, Entertainment and Sports Medicine Occupations	\$57,150	\$54,850
Healthcare Practitioners and Technical Occupations	\$79,820	\$75,690
Healthcare Support Occupations	\$31,640	\$29,910
Protective Service Occupations	\$41,210	\$39,510
Food Preparation and Serving Related Occupations	\$21,920	\$21,520
Building and Grounds Cleaning and Maintenance Occupations	\$27,630	\$26,400
Personal Care and Service Occupations	\$27,130	\$26,040
Sales and Related Occupations	\$41,110	\$37,770
Office and Administrative Support Occupations	\$38,760	\$36,670
Construction and Extraction Occupations	\$45,990	\$43,080
Installation, Maintenance and Repair Occupations	\$49,210	\$46,730
Production Occupations	\$36,200	\$35,000
Transportation and Moving Occupations	\$37,550	\$35,830

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

Most annual blue-collar salaries range from \$21,920 to \$57,150 within the Atlanta-Sandy Springs-Roswell MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$91,336. It is important to note that most occupational types within the Atlanta-Sandy Springs-Roswell MSA have higher typical wages than the State of Georgia's typical wages. Nonetheless, the area employment base has a sufficient number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

2. MAJOR EMPLOYERS

The ten largest employers within Morgan County comprise a total of 2,355 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Georgia-Pacific Wood Products, Inc.	Paper Product Manufacturer	450
Morgan County Public Schools	Education	430
Mannington Mills	Manufacturer	320
Morgan Memorial Hospital	Healthcare	260
Pennington Seed, Inc.	Manufacturer	200
Bard Manufacturing Co.	Manufacturer	160
Flambeau, Inc.	Manufacturer	150
Lowe's Home Centers, Inc.	Retail	150
Walmart Supercenter	Retail	150
Rema Tip Top North America	Manufacturer	85
Total		2,355

Source: Madison-Morgan Chamber (April 2019)

According to a representative with the Madison-Morgan Chamber, the Morgan County economy is growing due to multiple recent business expansions and relocations.

Gensteel Doors, a manufacturer of various doors and frames, invested \$3 million into a building on Fairground Road in Madison in early 2018. The company is moving into this building from their previous Clarkston, Georgia location. This was expected to create approximately 30 jobs for the area.

The Morgan Memorial Hospital was replaced in 2018 by the Morgan Medical Center. This new medical center features a new hospital, as well as rooms for out-patient procedures, radiology, labs, and space for rehabilitation. This project was an investment of over \$35 million and created approximately 15 jobs.

The Morgan County Board of Education is currently undergoing a project to add two schools, Morgan County Middle School and Morgan County High School: A College and Career Academy. The high school was completed late 2018. These schools was a combined investment of over \$45.7 million.

Facebook has chosen a site in Newton County, which is directly west of Morgan County for their next large campus and data center. This campus would be an investment of \$42 billion and would be built in four phases, creating approximately 100 full-time positions when it is completed and over 1,000 jobs during construction. The data center is expected to be operational in the first quarter of 2020.

The Georgia Safari Conservation Park project is a multi-phase project that is being designed to work in conjunction with Zoo Atlanta and the Georgia Aquarium. This project covers over 500 acres and when completed, it will have a safari drive-through experience, a traditional zoo, and treetop lodging. The first phase of construction was an investment of over \$15 million, but it is expected that the total for the project will be over \$100 million. Construction on phase I will wrap up before the end of 2019.

Several other companies have expanded in the past 18 months, including Mannington Mills, which expanded their facility in Madison and created an additional 50 jobs, Bard Manufacturing, which created six positions, and REMA Tip Top, which created 15 jobs.

WARN (layoff notices):

WARN Notices were reviewed in April 2019 and according to the Georgia Department of Labor, there have been no WARN notices reported for Morgan County over the past 18 months.

3. EMPLOYMENT TRENDS

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

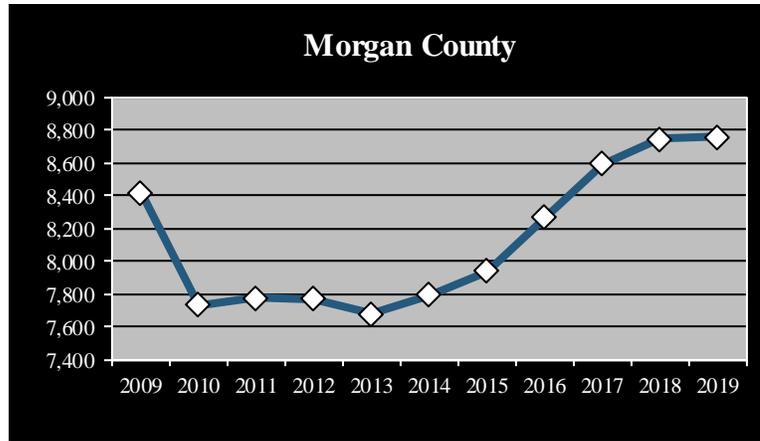
Excluding 2019, the employment base has increased by 12.3% over the past five years in Morgan County, more than the Georgia state increase of 11.4%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Morgan County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	8,415	-	4,311,854	-	140,696,560	-
2010	7,729	-8.1%	4,202,052	-2.5%	140,469,139	-0.2%
2011	7,771	0.5%	4,263,305	1.5%	141,791,255	0.9%
2012	7,770	0.0%	4,348,083	2.0%	143,621,634	1.3%
2013	7,674	-1.2%	4,366,374	0.4%	145,017,562	1.0%
2014	7,790	1.5%	4,403,433	0.8%	147,313,048	1.6%
2015	7,938	1.9%	4,490,414	2.0%	149,564,649	1.5%
2016	8,261	4.1%	4,658,053	3.7%	151,965,225	1.6%
2017	8,589	4.0%	4,822,263	3.5%	154,271,036	1.5%
2018	8,744	1.8%	4,906,411	1.7%	156,328,502	1.3%
2019*	8,756	0.1%	4,902,128	-0.1%	156,543,935	0.1%

Source: Department of Labor; Bureau of Labor Statistics

*Through February



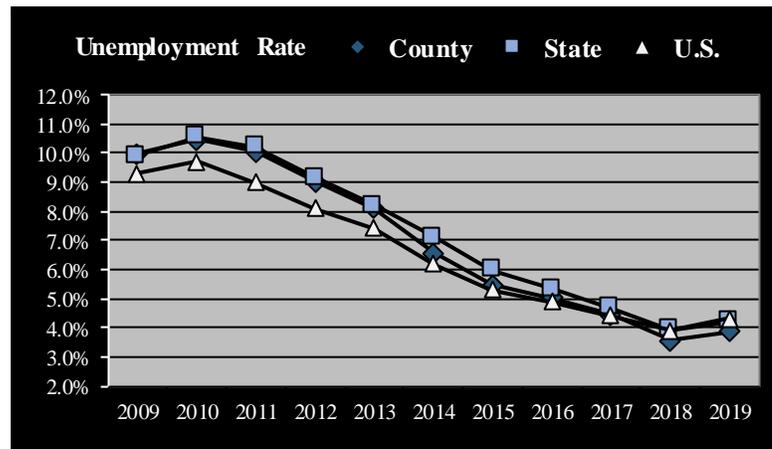
As the preceding illustrates, since the end of the national recession in 2010, the employment base within Morgan County was generally stable through 2013, then experienced consistent growth through the beginning of 2019. During this period of growth, the county experienced an increase of over 1,080 jobs, or 14.1%. Notably, the employment base is at its highest point within the preceding ten-year period.

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

Year	Unemployment Rate		
	Morgan County	Georgia	United States
2009	10.0%	9.9%	9.3%
2010	10.4%	10.6%	9.7%
2011	10.0%	10.2%	9.0%
2012	9.0%	9.2%	8.1%
2013	8.1%	8.2%	7.4%
2014	6.6%	7.1%	6.2%
2015	5.5%	6.0%	5.3%
2016	5.0%	5.3%	4.9%
2017	4.5%	4.7%	4.4%
2018	3.6%	3.9%	3.9%
2019*	3.9%	4.2%	4.3%

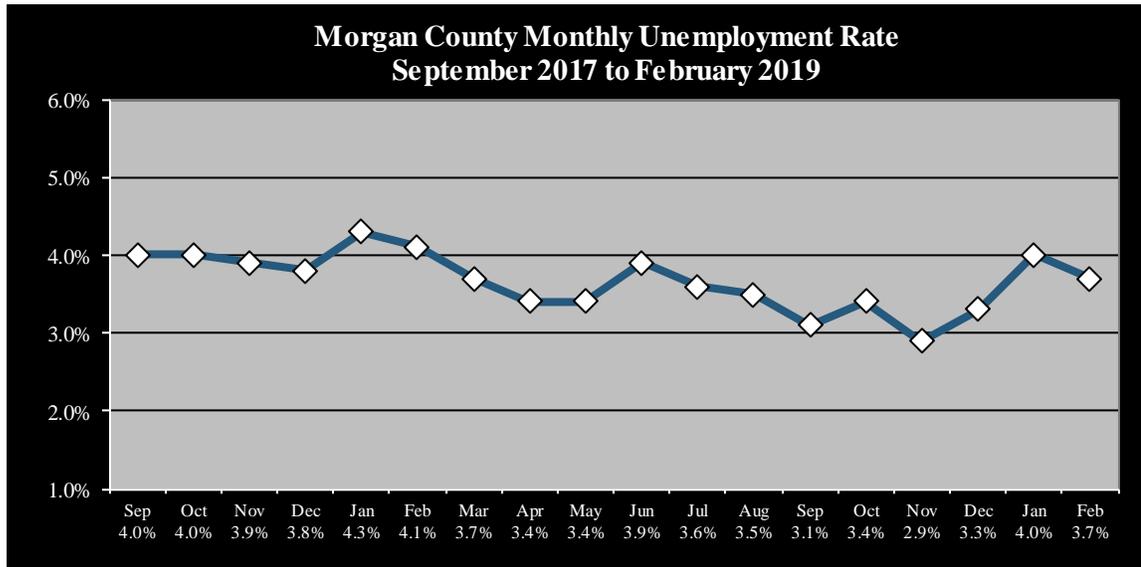
Source: Department of Labor, Bureau of Labor Statistics

*Through February



Since the end of the national recession in 2010, the unemployment rate within the county has decreased from a high of 10.4% to 3.9% in 2019 (through February).

The following table illustrates the monthly unemployment rate in Morgan County for the most recent 18-month period for which data is currently available.



The unemployment rate in Morgan County within the preceding 18-month period has generally fluctuated between 3.0% and 4.0%.

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

In-Place Employment Morgan County			
Year	Employment	Change	Percent Change
2008	6,314	-	-
2009	5,821	-493	-7.8%
2010	5,639	-182	-3.1%
2011	5,868	229	4.1%
2012	5,919	51	0.9%
2013	5,913	-6	-0.1%
2014	6,297	384	6.5%
2015	6,547	250	4.0%
2016	6,720	173	2.6%
2017	7,047	327	4.9%
2018*	7,155	108	1.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2017, the most recent year that year-end figures are available, indicates in-place employment in Morgan County to be 82.0% of the total Morgan County employment. This means that Morgan County has a high share of employed persons staying in the county for daytime employment. This will have a positive impact on the marketability of the subject site, as it is likely that many of its potential residents will have minimal commute times to their place of employment.

4. **ECONOMIC FORECAST**

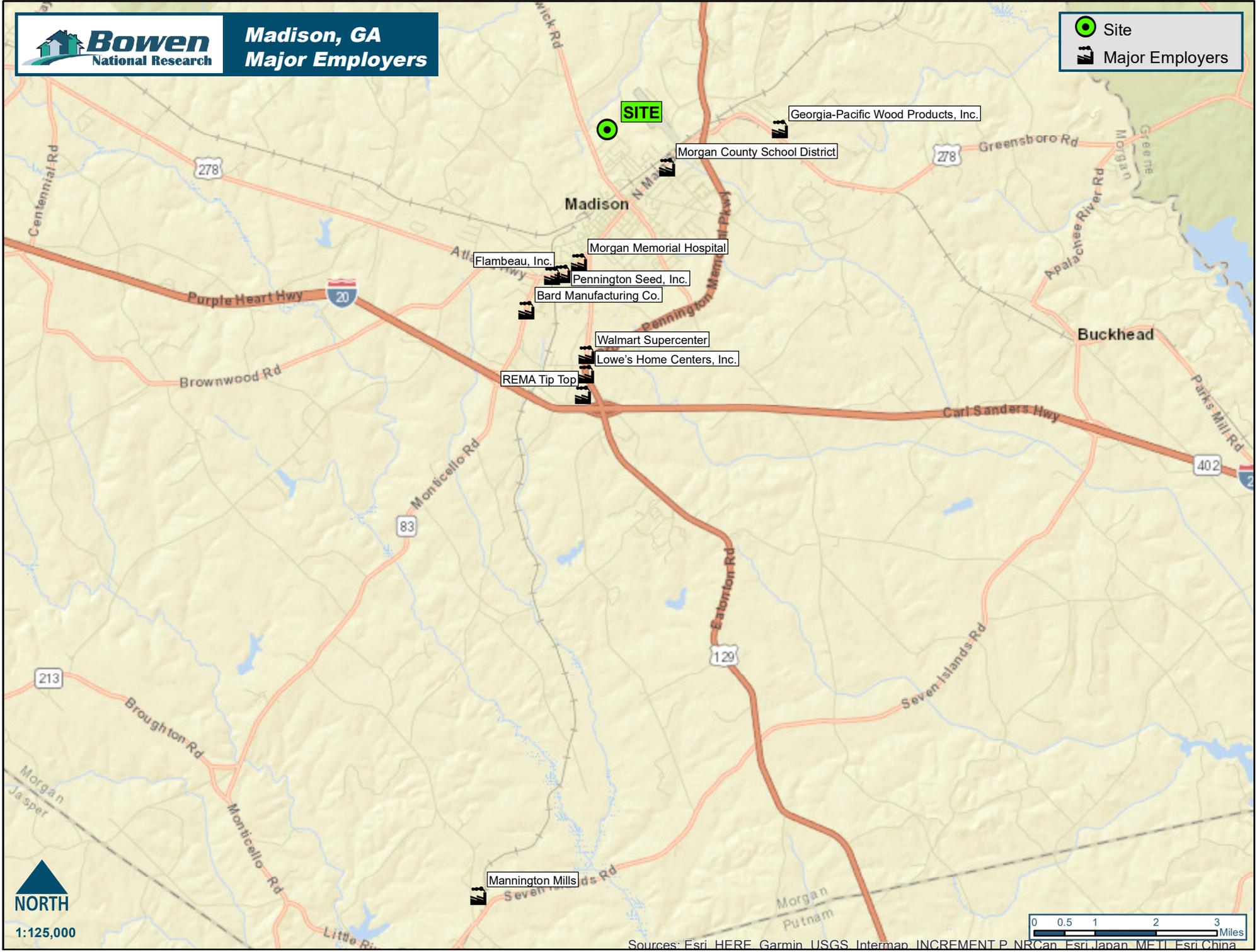
According to a representative with the Madison-Morgan Chamber and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Morgan County economy has continually experienced growth within the preceding six-year period. Since 2013, the county's employment base increased by over 1,080 jobs, or 14.1%, and is above prerecession levels. In addition, the county's unemployment rate has generally trended downward since 2010 and is averaging 3.9% (through February 2019). In light of the recent announcements of business expansions/relocations within the county, it is expected that the local employment base will continue to experience growth within the foreseeable future. This, in turn, will continue to create a stable environment for the local housing market.

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



Madison, GA Major Employers

 Site
 Major Employers




NORTH
1:125,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

Section G – Project-Specific Demand Analysis

1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Morgan County, Georgia HUD Metro FMR Area, which has a median four-person household income of \$59,200 for 2018. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted income levels:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$20,750	\$24,900
Two-Person	\$23,700	\$28,440
Three-Person	\$26,650	\$31,980
Four-Person	\$29,600	\$35,520
Five-Person	\$32,000	\$38,400

a. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$38,400**.

b. Minimum Income Requirements

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

The proposed LIHTC units will have a lowest gross rent of \$551. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,612. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$18,891**.

c. **Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate ranges required to live at the proposed project by AMHI level are as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 50% of AMHI)	\$18,891	\$32,000
Tax Credit (Limited to 60% of AMHI)	\$20,949	\$38,400
Overall LIHTC Demand	\$18,891	\$38,400

2. **METHODOLOGY**

Demand

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

- a. **Demand from New Household:** **New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households*
- b. **Demand from Existing Households:** The second source of demand should be projected from:
- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, approximately 34.0% to 42.0% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.*

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2013-2017 5-year estimates, 5.3% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.*

 - **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure that accounts for more than 2% of total demand must be based on actual market conditions, as documented in the study.*
- c. **Other:** *GDCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2017/2018) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2017 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **GDCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from GDCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

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

Within the Site PMA, we did not identify any rental units within the development pipeline that will directly compete with the subject project. We did, however, identify one general-occupancy LIHTC project within the market that was placed in service prior to 2017 that is operating at a below than stable occupancy rate of 87.3%, Mary-Leila Mill Lofts (Map ID 6). However, according to property management, the community has historically maintained an occupancy rate of around 96%. As such, no units were considered as part of the supply component within our demand calculations in the table on the following page.

Demand Component	Percent of Median Household Income		
	50% AMHI (\$18,891-\$32,000)	60% AMHI (\$20,949-\$38,400)	Overall (\$18,891-\$38,400)
Demand from New Households (Age- And Income-Appropriate)	579 - 591 = -12	672 - 685 = -13	768 - 784 = -16
+			
Demand from Existing Households (Rent Overburdened)	591 X 42.0% = 248	685 X 34.0% = 233	784 X 36.2% = 284
+			
Demand from Existing Households (Renters in Substandard Housing)	591 X 5.3% = 31	685 X 5.3% = 36	784 X 5.3% = 41
=			
Demand Subtotal	267	256	309
+			
Demand from Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A
=			
Total Demand	267	256	309
-			
Supply (Directly Comparable Units Built and/or Funded Since 2017)	0	0	0
=			
Net Demand	267	256	309
Proposed Units / Net Demand	12 / 267	48 / 256	60 / 309
Capture Rate	= 4.5%	= 18.8%	= 19.4%

Per GDCA guidelines, projects in rural markets with an overall capture rate of 35% or below are considered acceptable. As such, the project's overall capture rate of 19.4% is considered low and achievable, demonstrating that a good base of support will exist for the subject project within the Madison Site PMA.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows.

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	30.0%
Two-Bedroom	40.0%
Three-Bedroom	30.0%
Total	100.0%

Applying these shares to the income-qualified renter households, yields demand and capture rates for the proposed units by bedroom type and targeted income level as follows:

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
One-Bedroom (30%)	50%	2	80	0	80	2.5%	< 1 Month	\$928	\$700-\$970	\$450
	60%	6	77	0	77	7.8%	< 1 Month	\$928	\$700-\$970	\$545
One-Bedroom	Total	8	157	0	157	5.1%	1 Month	\$928	\$700-\$970	\$521***
Two-Bedroom (40%)	50%	6	107	0	107	5.6%	< 1 Month	\$957	\$635-\$1,175	\$505
	60%	26	102	0	102	25.5%	3 Months	\$957	\$635-\$1,175	\$620
Two-Bedroom	Total	32	209	0	209	15.3%	4 Months	\$957	\$635-\$1,175	\$598***
Three-Bedroom (30%)	50%	4	80	0	80	5.0%	< 1 Month	\$1,094	\$735-\$1,310	\$540
	60%	16	77	0	77	20.8%	2 Months	\$1,094	\$735-\$1,310	\$655
Three-Bedroom	Total	20	157	0	157	12.7%	3 Months	\$1,094	\$735-\$1,310	\$632***

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

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

***Weighted average

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in Addendum E.

The subject's capture rates by bedroom type and targeted income level range from 2.5% to 25.5%. These capture rates are considered low and achievable, demonstrating that a good base of demographic support will exist for each bedroom type offered at the subject site.

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Madison Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2019 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	9,049	87.9%	9,770	87.8%
Owner-Occupied	6,573	72.6%	6,953	71.2%
Renter-Occupied	2,476	27.4%	2,816	28.8%
Vacant	1,240	12.1%	1,354	12.2%
Total	10,289	100.0%	11,124	100.0%

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

Based on a 2019 update of the 2010 Census, of the 11,124 total housing units in the market, 12.2% were vacant. In 2019, it was estimated that homeowners occupied 71.2% of all occupied housing units, while the remaining 28.8% were occupied by renters. The share of renters is considered typical for a rural market, such as the Madison Site PMA, and the 2,816 renter households estimated in 2019 represent a good base of potential for the subject site.

Conventional Apartments

We identified and personally surveyed nine conventional housing projects containing a total of 426 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.7%, a good rate for rental housing. The following table summarizes the surveyed rental projects, broken out by project type:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	104	4	96.2%
Tax Credit	3	175	9	94.9%
Government-Subsidized	3	147	1	99.3%
Total	9	426	14	96.7%

Each rental housing segment surveyed are operating at good occupancy levels, as none are lower than 94.9%. As such, there appears to be no significant deficiencies that exist within the Madison rental housing market.

In addition to the three Tax Credit projects surveyed, we identified two additional rental properties within the Madison Site PMA that operate under the Tax Credit program that we were unable to survey at the time this report was issued. A summary of these two Tax Credit developments is on the following page.

Fox Chase I and II are located at 11 Fox Chase Circle in Greensboro and also operate under the Rural Development Section 515 (RD 515) program. Fox Chase I offers 24 one-, two- and three-bedroom units and targets family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI), with 12 units that operate with Rental Assistance (RA). Fox Chase II offers 32 one-bedroom units and targets senior households ages 62 and older earning up to 60% of AMHI, with all units operating with RA. Based on historical data obtained by Bowen National Research, both properties were 100.0% occupied with waiting lists in February 2014.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.5	24	23.1%	2	8.3%	\$950
Two-Bedroom	2.0	49	47.1%	0	0.0%	\$786
Two-Bedroom	2.5	22	21.2%	2	9.1%	\$1,000
Three-Bedroom	2.0	9	8.7%	0	0.0%	\$920
Total Market-Rate		104	100.0%	4	3.8%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	42	24.0%	2	4.8%	\$621
Two-Bedroom	1.0	53	30.3%	4	7.5%	\$526
Two-Bedroom	2.0	36	20.6%	0	0.0%	\$566
Three-Bedroom	2.0	44	25.1%	3	6.8%	\$685
Total Tax Credit		175	100.0%	9	5.1%	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents a good value to low-income households within the area. This is further evidenced by the low combined vacancy rate of 5.1% of all non-subsidized Tax Credit units within the Madison Site PMA.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	22	9.1%
C+	2	82	2.4%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	60	0.0%
A-	1	44	0.0%
B	1	71	12.7%

As the preceding table illustrates, vacancies are the highest among the one non-subsidized Tax Credit community with a quality rating of a “B”, Mary-Leila Mill Lofts (Map ID 6). According to management, vacancies are due to recent move outs and the property typically maintains an occupancy rate of around 96%. Given that all other non-subsidized Tax Credit properties within the market are 100.0% occupied, the low occupancy rate at Mary-Leila Mill Lofts is not reflective of the overall performance of the Madison rental housing market.

2. SUMMARY OF ASSISTED PROJECTS

We identified and surveyed a total of six federally subsidized or Tax Credit apartment developments in the Madison Site PMA. These projects were surveyed in March 2019 and are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)			
						One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Greensboro Village Apts.	RD 515	1990	33	97.0%	\$571 - \$756 (10)	\$621 - \$796 (23)	-	-
3	Madison Villas	RD 515	1996	48	100.0%	\$511 - \$632 (16)	\$580 - \$724 (32)	-	-
4	Orchard Grove Apts.	TAX	2004	60	100.0%	-	\$566 (36)	\$685 (24)	-
5	Silver Lakes Court	TAX	2016	44	100.0%	\$621 - \$691 (28)	\$723 - \$795 (16)	-	-
6	Mary-Leila Mill Lofts	TAX	2016	71	87.3%	\$408 - \$506 (14)	\$482 - \$526 (37)	\$545 - \$681 (20)	-
7	Madison Public Housing	P.H.	1959 / 1995	66	100.0%	SUB (12)	SUB (20)	SUB (24)	SUB (10)
Total				322	96.9%				

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

OCCUP. - Occupancy

TAX - Tax Credit

P.H. - Public Housing

RD - Rural Development

*Market-rate units not included

The overall occupancy is 96.9% for these projects, a good rate for affordable rental housing. In fact, four of these properties are 100.0% occupied and maintain waiting lists, illustrating that pent-up demand exists for additional affordable rental housing within the Madison Site PMA.

It should be noted that one of the newest Tax Credit communities in the market, Silver Lakes Court (Map ID 5), opened in September 2016 and became 100% occupied in December 2016. This yields an absorption rate of approximately 11 units per month for the 44-unit project. When considering preleasing efforts, which took place in July 2016, the project’s absorption rate decreased to approximately seven units per month. These absorption trends are relatively quick for affordable rental developments in rural markets and illustrates that new affordable rental product has been very well received within the Madison Site PMA. Note that lease-up information for Mary-Leila Mill Lofts (Map ID 6) was unavailable at the time this report was issued.

HOUSING CHOICE VOUCHER HOLDERS

The following table illustrates the number of units occupied by Voucher holders at the non-subsidized Tax Credit communities within the market:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
4	Orchard Grove Apts.	60	11	18.3%
5	Silver Lakes Court	44	0	0.0%
6	Mary-Leila Mill Lofts	71	N/A	-
Total		104	11	10.6%

N/A – Not Available (units not included in total)

Approximately 11 of the 104 total units offered at the Tax Credit properties in the market which provided such information are occupied by Voucher holders. This comprises 10.6% of these units and indicates that over 89% of the units offered at these projects are occupied by tenants which are not currently receiving rental assistance. This illustrates that Tax Credit developments within the Madison Site PMA are not heavily relying on Voucher support.

If the rents do not exceed the payment standards established by the local/regional housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Georgia Department of Community Affairs (GDCA), the payment standards for Morgan County, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$758	\$551 (50%) \$611 (60%)
Two-Bedroom	\$868	\$657 (50%) \$732 (60%)
Three-Bedroom	\$1,235	\$760 (50%) \$850 (60%)

As the preceding table illustrates, the proposed gross rents are below the payment standards set by the Georgia Department of Community Affairs (GDCA) for Morgan County. As such, those who hold Housing Choice Vouchers will likely respond to the subject development. This will likely increase the base of income-appropriate renter households within the Madison Site PMA for the subject development and has been considered in our absorption estimates in *Section I* of this report.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with planning representatives, it was determined that there is one rental housing project within the development pipeline in the Site PMA, which is summarized on the following page.

- A six-unit townhome market-rate development is currently under construction located at 1551 to 1573 Bostwick Highway in Madison. Developed by the Shannon Construction and Remodeling group, the units are expected to be complete in the summer of 2019.

As the aforementioned development in the pipeline will target a different income demographic than the subject site, it is not considered a competitive property.

Building Permit Data

The following tables illustrate single-family and multifamily building permits issued within the city of Madison and Morgan County for the past ten years:

Housing Unit Building Permits for Madison, GA:										
Permits	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	0	0	0	0	0	0	0	0	0	14
Total Units	0	0	0	0	0	0	0	0	0	14

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

Housing Unit Building Permits for Morgan County:										
Permits	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	68	34	33	34	15	40	52	57	105	125
Total Units	68	34	33	34	15	40	52	57	105	125

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

According to the SOCDs Building Permits Database, there have been no multifamily building permits issued in the city of Madison or Morgan County since 2008. Given that the combined occupancy rate of the rental properties surveyed is 96.7% and the lack of multifamily permits issued, illustrates that there is likely a greater need for rental housing in the area. However, caution must be utilized when drawing any conclusions from the preceding building permit data, as this is not an exhaustive list. This is evidenced by the number of apartments surveyed built within the past five years.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed two family (general-occupancy) non-subsidized Low-Income Housing Tax Credit (LIHTC) developments within the Madison Site PMA. These projects target households with incomes up to 50% and 60% of AMHI and, as such, are considered competitive with the subject project. Additionally, we identified and surveyed three rental community outside of the market, but within the region in Monroe, Eatonton and Covington that offer non-subsidized LIHTC units for this comparability analysis. It should be noted that these three projects located outside of the market are not considered competitive with the subject development, as they derive demographic support from a different geographical area. The five comparable LIHTC projects and the subject project are summarized in the table on the following page.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Canaan Crossing	2021	60	-	-	-	Families; 50% & 60% AMHI
4	Orchard Grove Apts.	2004	60	100.0%	3.0 Miles	50 H.H.	Families; 50% & 60% AMHI
6	Mary-Leila Mill Lofts	2016	71	87.3%	19.7 Miles	None	Families; 50% & 60% AMHI
902	Skyline Trace	2010	59*	100.0%	23.0 Miles	None	Families; 50% & 60% AMHI
903	Sumter Street Station	2017	62	100.0%	23.6 Miles	109 H.H.	Families; 50% & 60% AMHI
907	Magnolia Heights	2000	83*	100.0%	26.6 Miles	13 H.H.	Families; 50% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs are located outside Site PMA

*Tax Credit units only

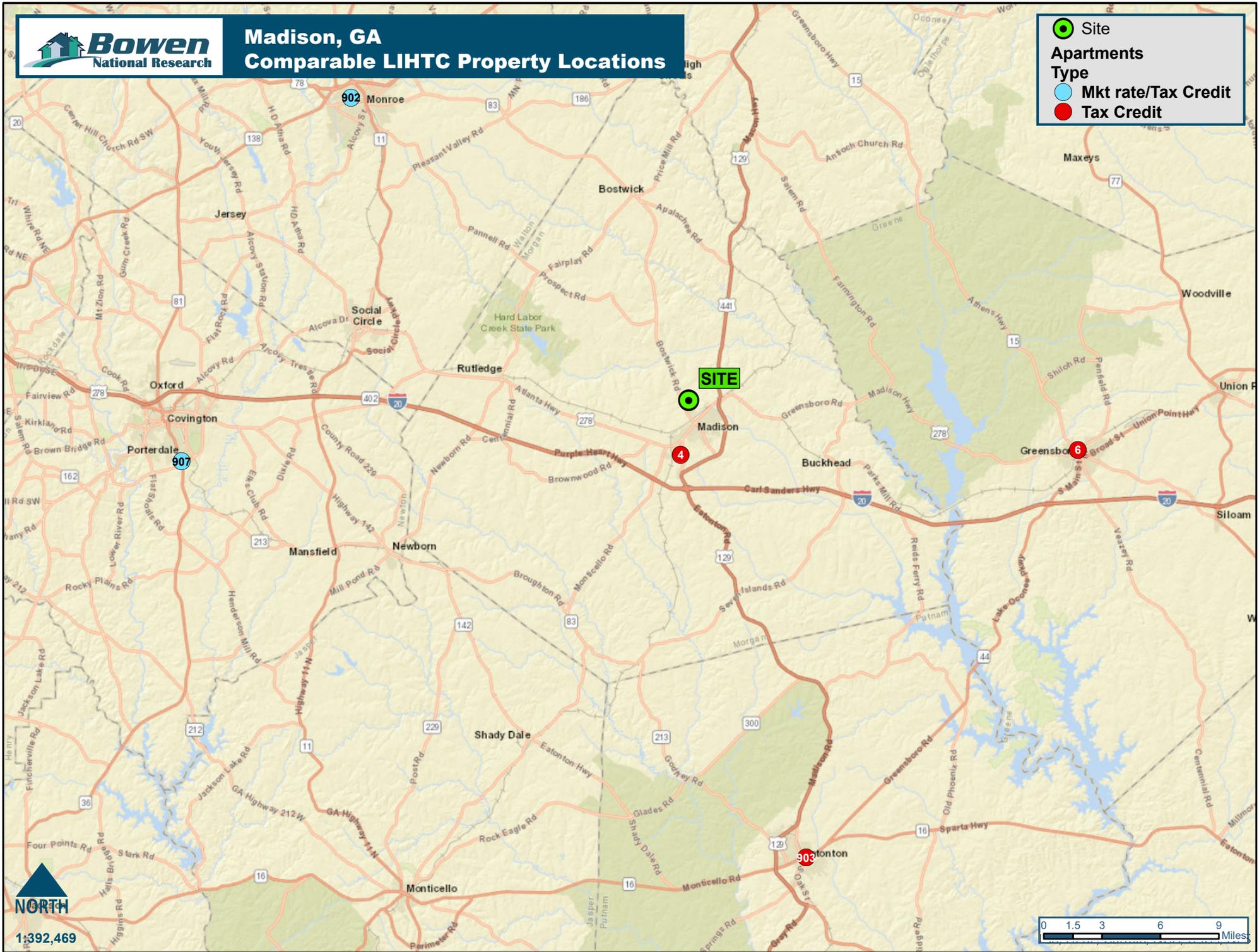
The five LIHTC projects have a combined occupancy rate of 97.3%, a strong rate for affordable rental housing. In fact, four of these developments are 100.0% occupied, three of which maintain waiting lists, illustrating that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will be able to accommodate a portion of this unmet demand.

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



Madison, GA Comparable LIHTC Property Locations

- Site
- Apartments Type**
- Mkt rate/Tax Credit
- Tax Credit



NORTH

1:392,469

0 1.5 3 6 9 Miles

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Canaan Crossing	\$551/50% (2) \$611/60% (6)	\$657/50% (6) \$732/60% (26)	\$760/50% (4) \$850/60% (16)	-
4	Orchard Grove Apts.	-	\$566/50% (24/0) \$566/60% (12/0)	\$685/50% (16/0) \$685/60% (8/0)	None
6	Mary-Leila Mill Lofts	\$408/50% (3/0) \$506/60% (11/2)	\$482/50% (8/0) \$526/60% (29/4)	\$545/50% (4/1) \$681/60% (16/2)	None
902	Skyline Trace	\$714/50% (3/0) \$779/60% (3/0)	\$831/50% (10/0) \$891/60% (19/0)	\$930/50% (8/0) \$975/60% (16/0)	None
903	Sumter Street Station	\$353/50% (7/0) \$474/60% (5/0)	\$362/50% (19/0) \$482/60% (13/0)	\$424/50% (11/0) \$539/60% (7/0)	None
907	Magnolia Heights	\$729/50% (13/0)	\$875/50% (60/0)	\$1,011/50% (10/0)	None

900 series Map IDs are located outside Site PMA

The proposed subject gross rents, ranging from \$551 to \$850, are within the range of LIHTC rents offered in the market and region. Conversely, the proposed subject rents will be the highest general-occupancy LIHTC rents within the *market*. However, given that the subject project will be the newest LIHTC community within the market, this will enable it to charge higher rents. It is also important to note that one of the competitive LIHTC projects in the market is charging identical rents among similar unit types regardless of targeted income level, Orchard Grove Apartments (Map ID 4). Given that this project is 100.0% occupied and maintains an extensive waiting list of up to 50 households, it is clear that this project is underachieving its rent potential. Additionally, Mary-Leila Mill Lofts (Map ID 6) is located within Greensboro, while within the Madison Site PMA, it is an area that is considered socioeconomically inferior to Madison in terms of median household income, median gross rent and median home value. As such, it is likely that higher rents are attainable in the city of Madison. In fact, the newest LIHTC property in Madison, Silver Lakes Court (Map ID 5), is 100.0% occupied and is charging gross rents for a one-bedroom unit of \$621 and \$691 and gross rents of \$723 and \$795 for a two-bedroom unit, which are above the proposed subject rents for these specific unit types at the site. While Silver Lakes Court is age-restricted, this provides evidence that newer affordable rental developments within Madison are able to charge rent premiums. For the reasons outlined above, we believe the proposed subject rents are considered appropriate within the Madison Site PMA.

The following table illustrates the weighted average *collected* rents of the comparable LIHTC units by bedroom type and targeted income level:

Weighted Average Collected Rent of Comparable LIHTC Units (AMHI)		
One-Br.	Two-Br.	Three-Br.
\$517 (50%)	\$614 (50%)	\$685 (50%)
\$469 (60%)	\$520 (60%)	\$630 (60%)

The rent advantage for the proposed Tax Credit units is calculated as follows (average weighted collected LIHTC rent – proposed LIHTC rent) / proposed LIHTC rent).

Bedrooms	Weighted Avg. Rent (AMHI)	Proposed Rent (AMHI)	Difference	Proposed Rent (AMHI)	Rent Advantage
One-Br.	\$517	- \$450 (50%)	\$67	/ \$450 (50%)	14.9%
	\$469	- \$510 (60%)	-\$41	/ \$510 (60%)	-8.0%
Two-Br.	\$614	- \$505 (50%)	\$109	/ \$505 (50%)	21.6%
	\$520	- \$580 (60%)	-\$60	/ \$580 (60%)	-10.3%
Three-Br.	\$685	- \$540 (50%)	\$145	/ \$540 (50%)	26.9%
	\$630	- \$630 (60%)	-\$0	/ \$630 (60%)	-0.0%

As the preceding table illustrates, while the proposed collected subject rents set aside at 50% of AMHI represent large rent advantages, the proposed rents set aside at 60% of AMHI represent no rent advantage. However, it should be noted that this analysis does not account for the subject project’s newness and generally larger unit sizes, which will enable it to charge higher rents. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development’s collected rents are available in Addendum E of this report.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Canaan Crossing	711	984	1,132
4	Orchard Grove Apts.	-	1,000	1,100
6	Mary-Leila Mill Lofts	750	840	1,200
902	Skyline Trace	806	1,056	1,237
903	Sumter Street Station	761	1,051	1,216
907	Magnolia Heights	975	1,150	1,350

900 series Map IDs are located outside Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Canaan Crossing	1.0	1.5	2.0
4	Orchard Grove Apts.	-	2.0	2.0
6	Mary-Leila Mill Lofts	1.0	1.0	2.0
902	Skyline Trace	1.0	2.0	2.0
903	Sumter Street Station	1.0	2.0	2.0
907	Magnolia Heights	1.0	2.0	2.0

900 series Map IDs are located outside Site PMA

The subject site will generally offer unit sizes (square feet) within the range of those offered at the comparable LIHTC projects within the market and region and, therefore, are considered appropriately positioned. However, the subject development will be one of two LIHTC developments to lack two full bathrooms within the two-bedroom units, which will position the subject development at a competitive disadvantage. Given the pent-up demand that exists for affordable rental housing within the market and region, this design deficiency is not expected to have a significant adverse impact on the site's marketability. Nonetheless, this characteristic has been considered in our achievable market rent analysis illustrated later in Addendum E of this report.

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

COMPARABLE PROPERTIES AMENITIES - MADISON, GEORGIA

MAP ID	APPLIANCES							UNIT AMENITIES												
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
SITE	X	X		X		X	X		C		X						B		S	
902	X	X	X	X	X	X	X		C		X	X	X				B		S	Exterior Storage
907	X	X	X	X	X		X		C		X	X					B		S	Exterior Storage
4	X	X	X	X	X		X		C		X						B		S	
6	X	X		X	X	X	X		W	X	X		X				B		S	
903	X	X	X	X		X	X		V	X	X	X	X				B		S	

MAP ID	PROJECT AMENITIES													OTHER					
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE		COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X		X		X									X			Gazebo; Wellness Screening Room Fenced Community Garden
902	X	X	X	X		X		X					X	X		X		X	
907	X	X	X			X		X		B		X	X			X			
4		X	X		X	X		X								X		X	
6		X			X	X		X					X					X	Garden; Pavilion
903	X	X	X										X		X		X		

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

Parking
A - Attached
C - Carport
D - Detached
O - On Street
S - Surface
G - Parking Garage
(o) - Optional
(s) - Some

Sports Courts
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

Community Space
A - Activity Room
L - Lounge/Gathering Room
T - Training Room



As the preceding tables illustrate, the subject’s amenities package will be inferior to those offered at the comparable LIHTC projects within the market and region. While the subject project will offer a unit amenities package very similar to those offered, it will be one of the two LIHTC projects to lack a fitness center and a computer/business center. The lack of these amenities will position the subject project at a market disadvantage; however, not imperative in the success of the subject development. This is especially true, given the high demand that exists for affordable rental housing. Nonetheless, the lack of common amenities has also been considered in our achievable market rent analysis illustrated later in this report.

Competitive/Comparable Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the proposed development will be marketable. While the subject project will lack two full bathrooms within its two-bedroom units and common project amenities found at the majority of the comparable affordable developments, these factors are not anticipated to inhibit the project’s ability from stabilizing within a reasonable time frame. This is especially true, given the pent-up demand that exists for additional affordable rental housing within the market and region. This has been considered in our absorption estimates.

Competitive Housing Impact

The anticipated occupancy rates of the existing comparable Tax Credit developments in the market following the first year of completion at the subject site is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2021
4	Orchard Grove Apts.	100.0%	100.0%
6	Mary-Leila Mill Lofts	87.3%	95.0%+

While Mary-Leila Mill Lofts (Map ID 6) is operating at a low occupancy rate of 87.3%, according to management, the property typically maintains an occupancy rate of 96%. More importantly, the closest competitive development to the subject site, Orchard Grove Apartments (Map ID 4), is 100.0% occupied with a 50-household waiting list. This illustrates that pent-up demand exists within the market for additional affordable rental units. In addition, considering that the subject development will offer higher LIHTC rents than those offered at the competition, it is anticipated that low-income renters would choose to respond to Orchard Grove or Mary-Leila Mill Lofts before considering residency at the subject site. Therefore, we believe that the subject project will have no long-term negative impact on the marketability of the existing LIHTC development in the Madison Site PMA if the proposed subject site is developed.

One-page profiles of the comparable/competitive Tax Credit properties are included in Addendum B of this report.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$199,005. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$199,005 home is \$1,197, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$199,005
Mortgaged Value = 95% of Median Home Price	\$189,055
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$958
Estimated Taxes and Insurance*	\$239
Estimated Monthly Mortgage Payment	\$1,197

*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rents for the subject property range from \$450 to \$630 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is much greater than the cost of renting at the subject project's Tax Credit units. Therefore, it is not likely that any of the tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or be able to afford the down payment on such a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

Section I – Absorption & Stabilization Rates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA guidelines that assume a 2021 completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2021.

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the subject's required capture rate, achievable market rents, the demand for affordable rental housing in the market and region, the proposed competitiveness of the subject site and absorption trends of one of the newest LIHTC rental communities in the market. Our absorption projections also take into consideration that the developer and/or management successfully markets the project throughout all areas of the Site PMA.

Based on our analysis, it is our opinion that the proposed 60 LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately eight months. This absorption period is based on an average monthly absorption of approximately seven units per month.

These absorption projections assume a June 2021 opening date. An earlier or later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

Section J – Interviews

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

- Thelma Furney, Property Manager of Madison Villas (Map ID 3), a government-subsidized community in Madison, believes that high demand exists for additional affordable rental housing in the Madison area. Ms. Furney explained that her property is 100.0% occupied and maintains a 15-household waiting list, further emphasizing the need for affordable rental housing within the area.
- Peggy Stidham, Community Manager of Silver Lakes Court (Map ID 5), an age-restricted Tax Credit property in Madison, feels that there is a need for affordable family housing in the area. Ms. Stidham went on to say that her property is fully occupied with a waiting list and believes that the proposed subject site location will greatly benefit the Madison area.
- Sherry Davis, Property Manager of Magnolia Heights (Map ID 907), a Tax Credit and market-rate community in Covington (approximately 10.0 miles west of the Site PMA), believes there is a huge need for affordable rental housing throughout both Newton and Morgan counties. Her property is 100.0% occupied with a waiting list and she is not aware of any available affordable housing within the Madison area.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 60 LIHTC units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The Madison rental housing market is performing at a good occupancy rate of 96.7%. In fact, the closest general-occupancy LIHTC community to the site, Orchard Grove Apartments (Map ID 4), is 100.0% occupied with a 50-household waiting list, illustrating that pent-up demand exists for additional non-subsidized affordable rental housing within the immediate area. The subject development will be able to accommodate a portion of this unmet demand.

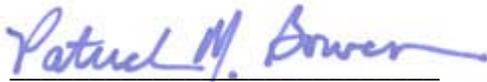
The subject project will be marketable in terms of unit sizes and amenities offered. While the proposed subject rents will be the highest general-occupancy LIHTC rents within the market, its newness will enable it to charge higher rents within the Madison Site PMA. This is further supported by the fact that Orchard Grove Apartments is 100.0% occupied, demonstrating that this project could likely charge higher rents without having an adverse impact on its occupancy rate. It should also be pointed out that one of the newest LIHTC projects within the market, Silver Lakes Court (Map ID 5), is charging rents higher than those offered at the subject site among similar unit types and is 100.0% occupied with a waiting list. While this property is age-restricted, this provides evidence that newer LIHTC product has been successful in charging premium rents within the Madison Site PMA. It should also be noted that Silver Lakes Court opened in September 2016 and became 100% occupied in December 2016. This yields an absorption rate of approximately 11 units per month for the 44-unit project. When considering preleasing efforts, which took place in July 2016, the project's absorption rate decreased to approximately seven units per month. These absorption trends are relatively quick for affordable rental developments in rural markets and illustrates that new affordable rental product has been very well received within the Madison Site PMA.

The overall required capture rate of 19.4% for the subject's LIHTC units is considered low and achievable and is well below GDCA's capture rate threshold of 35% for developments located within rural markets. This demonstrates that a good base of potential income-appropriate renter household support exists for the subject project within the Madison Site PMA.

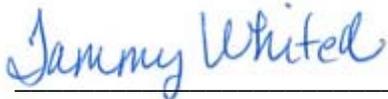
Based on the preceding analysis and facts contained within this report, we believe the proposed subject development is marketable within the Madison Site PMA, as proposed. We do not have any recommendations or modifications to the subject development at this time.

Section L - Signed Statement

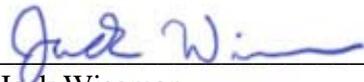
I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs (GDCA) rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GDCA market study manual and GDCA Qualified Action Plan.



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Section M – Market Study Representation

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

Section N - Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

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

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

Faysal Ahmed, Market Analyst, has a background in multifamily property management. This experience has provided him with inside knowledge of the day-to-day operations of rental housing. Mr. Ahmed holds a Bachelor of Public Affairs from The Ohio State University and a Master of Science in Applied Economics from Southern New Hampshire University.

Zachary Seaman, Market Analyst, has experience in the property management industry and has managed a variety of rental housing types. He has the ability to analyze market and economic trends and conditions, as well as to assess a proposed site's ability to perform successfully in the market.

Research Staff

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

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

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

MADISON, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

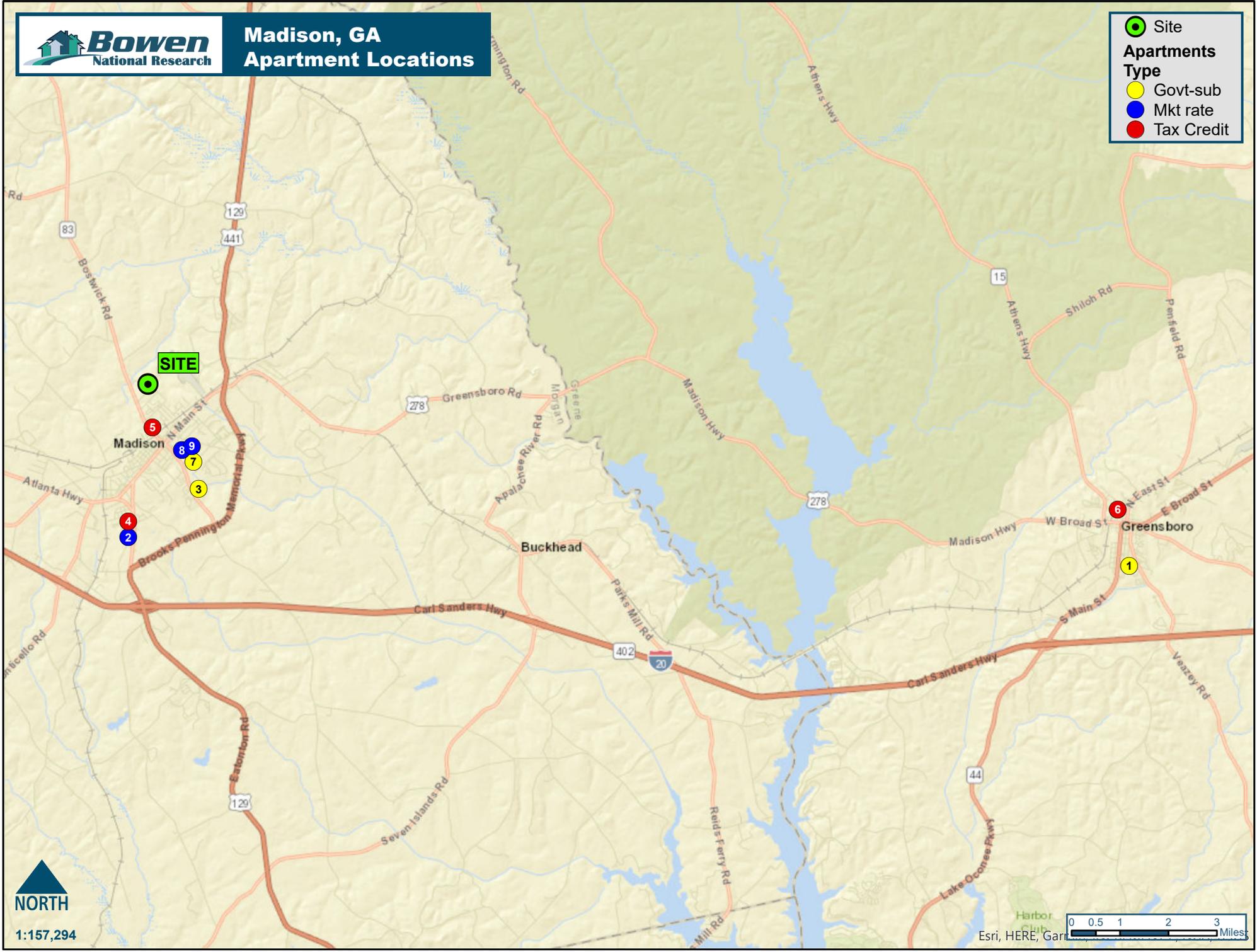
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

-  Site
- Apartments Type**
-  Govt-sub
-  Mkt rate
-  Tax Credit



MAP IDENTIFICATION LIST - MADISON, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Greensboro Village Apts.	GSS	C+	1990	33	1	97.0%	20.5
2	Madison Square Duplexes	MRR	C+	2000	58	0	100.0%	2.9
3	Madison Villas	GSS	C	1996	48	0	100.0%	2.5
4	Orchard Grove Apts.	TAX	A	2004	60	0	100.0%	3.0
5	Silver Lakes Court	TAX	A-	2016	44	0	100.0%	1.0
6	Mary-Leila Mill Lofts	TAX	B	2016	71	9	87.3%	19.7
7	Madison Public Housing	GSS	C+	1959	66	0	100.0%	1.7
8	Jefferson Ridge Townhomes	MRR	B+	2000	22	2	90.9%	1.7
9	Madison Towne Homes	MRR	C+	1985	24	2	91.7%	1.5

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	3	104	4	96.2%	0
TAX	3	175	9	94.9%	0
GSS	3	147	1	99.3%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

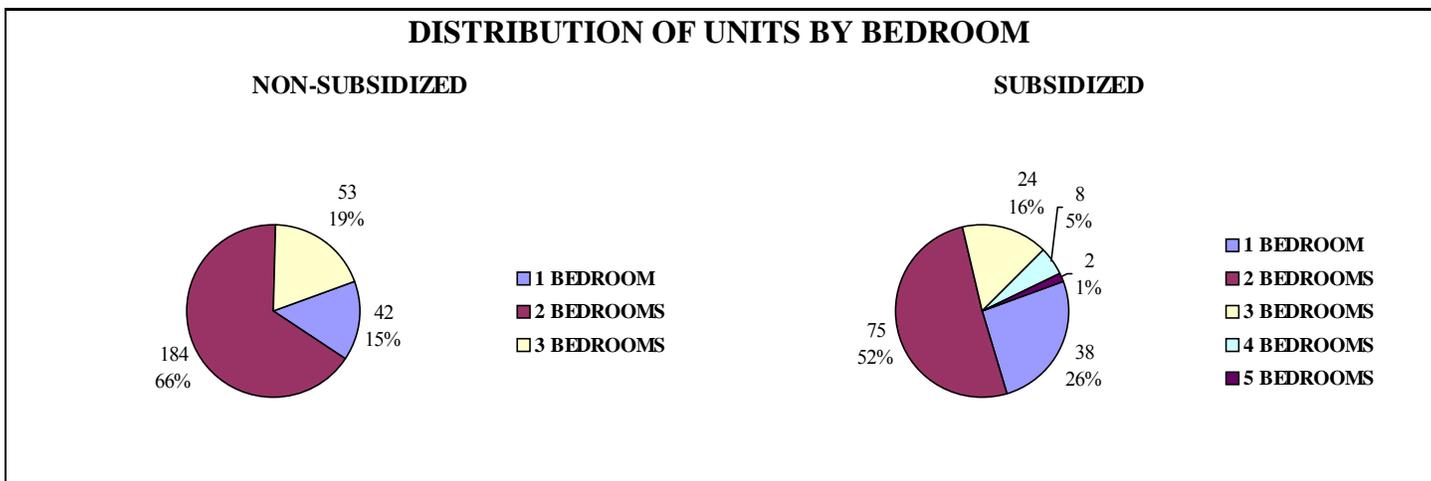
Survey Date: March 2019

DISTRIBUTION OF UNITS - MADISON, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1.5	24	23.1%	2	8.3%	\$950
2	2	49	47.1%	0	0.0%	\$786
2	2.5	22	21.2%	2	9.1%	\$1,000
3	2	9	8.7%	0	0.0%	\$920
TOTAL		104	100.0%	4	3.8%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	42	24.0%	2	4.8%	\$621
2	1	53	30.3%	4	7.5%	\$526
2	2	36	20.6%	0	0.0%	\$566
3	2	44	25.1%	3	6.8%	\$685
TOTAL		175	100.0%	9	5.1%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	38	25.9%	1	2.6%	N.A.
2	1	43	29.3%	0	0.0%	N.A.
2	2	32	21.8%	0	0.0%	N.A.
3	1	24	16.3%	0	0.0%	N.A.
4	1.5	8	5.4%	0	0.0%	N.A.
5	2	2	1.4%	0	0.0%	N.A.
TOTAL		147	100.0%	1	0.7%	
GRAND TOTAL		426	-	14	3.3%	



SURVEY OF PROPERTIES - MADISON, GEORGIA

1 Greensboro Village Apts.			
	Address 108 Rachel St. Greensboro, GA 30642	Phone (706) 453-0808 (Contact in person)	Total Units 33
	Year Built 1990 Comments RD 515, has RA (32 units); Accepts HCV; Year built & square footage estimated	Contact Mike	Vacancies 1 Occupied 97.0% Floors 1 Quality Rating C+
			Waiting List None
2 Madison Square Duplexes			
	Address 1092 Micha Way Madison, GA 30650	Phone (706) 410-5952 (Contact in person)	Total Units 58
	Year Built 2000 Comments Does not accept HCV; One 1-br employee unit not included in total	Contact Bobbi	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+
			Waiting List 10-12 households
3 Madison Villas			
	Address 1061 Bramblewood Dr. Madison, GA 30650	Phone (706) 342-9872 (Contact in person)	Total Units 48
	Year Built 1996 Comments RD 515, has RA (16 units); Accepts HCV (10 units)	Contact Mandy	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C
			Waiting List 15 households
4 Orchard Grove Apts.			
	Address 1070 Micha Way Madison, GA 30650	Phone (706)752-1707 (Contact in person)	Total Units 60
	Year Built 2004 Comments 50% & 60% AMHI; HCV (11 units); Four 2-br employee units not included in total	Contact Laurie	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A
			Waiting List 50 households
5 Silver Lakes Court			
	Address 439 W. Jefferson St. Madison, GA 30650	Phone (706) 717-9593 (Contact in person)	Total Units 44
	Year Built 2016 Comments 50% & 60% AMHI; HOME Funds (44 units); Accepts HCV (0 currently); Opened 9/2016, 100% occupied 12/2016, began preleasing 7/2016	Contact Peggy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A- Senior Restricted (55+) Waiting List
			6 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2019

SURVEY OF PROPERTIES - MADISON, GEORGIA

6 Mary-Leila Mill Lofts			
	Address 315 S. West St. Greensboro, GA 30642	Phone (706) 707-4962 (Contact in person)	Total Units 71
	Year Built 2016 Comments 50% & 60% AMHI; Accepts HCV; Adaptive reuse; Opened 10/2016	Contact Sandra	Vacancies 9 Occupied 87.3% Floors 2 Quality Rating B
			Waiting List None
7 Madison Public Housing			
	Address 509 Madison Ave. Madison, GA 30650	Phone (770) 267-6591 (Contact in person)	Total Units 66
	Year Built 1959 Renovated 1995 Comments Public Housing; Scattered sites	Contact Anna	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+
			Waiting List 6-12 months
8 Jefferson Ridge Townhomes			
	Address 363 E. Jefferson St. Madison, GA 30650	Phone (706) 438-4939 (Contact in person)	Total Units 22
	Year Built 2000 Comments Does not accept HCV; Renovated units include washer/dryer; Rent range based on location; Square footage estimated	Contact Janice	Vacancies 2 Occupied 90.9% Floors 2 Quality Rating B+
			Waiting List None
9 Madison Towne Homes			
	Address 100 Concord Ln. Madison, GA 30650	Phone (706) 438-1450 (Contact in person)	Total Units 24
	Year Built 1985 Comments Does not accept HCV; Renovated units include washer/dryer; Rent range based on location; End units have fireplace; Square footage estimated by manager	Contact Janice	Vacancies 2 Occupied 91.7% Floors 2 Quality Rating C+
			Waiting List None

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: March 2019

COLLECTED RENTS - MADISON, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2			\$635	\$735					
4			\$480	\$577					
5		\$497 to \$567	\$572 to \$644						
6		\$342 to \$440	\$396 to \$440	\$437 to \$573					
8							\$845 to \$945		
9							\$795 to \$865		

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2019

PRICE PER SQUARE FOOT - MADISON, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
◆ 5	Silver Lakes Court	1	711	\$621 to \$691	\$0.87 to \$0.97
6	Mary-Leila Mill Lofts	1	750	\$408 to \$506	\$0.54 to \$0.67
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Madison Square Duplexes	2	1050	\$786	\$0.75
8	Jefferson Ridge Townhomes	2.5	1100	\$1000 to \$1100	\$0.91 to \$1.00
9	Madison Towne Homes	1.5	900	\$950 to \$1020	\$1.06 to \$1.13
4	Orchard Grove Apts.	2	1000	\$566	\$0.57
◆ 5	Silver Lakes Court	1	918	\$723 to \$795	\$0.79 to \$0.87
6	Mary-Leila Mill Lofts	1	840	\$482 to \$526	\$0.57 to \$0.63
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Madison Square Duplexes	2	1100	\$920	\$0.84
4	Orchard Grove Apts.	2	1100	\$685	\$0.62
6	Mary-Leila Mill Lofts	2	1200	\$545 to \$681	\$0.45 to \$0.57

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2019

AVERAGE GROSS RENT PER SQUARE FOOT - MADISON, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.75	\$0.84
TOWNHOUSE	\$0.00	\$1.03	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.84	\$0.64	\$0.59
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.84	\$0.68	\$0.63
TOWNHOUSE	\$0.00	\$1.03	\$0.00

TAX CREDIT UNITS - MADISON, GEORGIA

ONE-BEDROOM UNITS							
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT	
6	Mary-Leila Mill Lofts	3	750	1	50%	\$342	
6	Mary-Leila Mill Lofts	11	750	1	60%	\$440	
◆	5	Silver Lakes Court	12	711	1	50%	\$497
◆	5	Silver Lakes Court	16	711	1	60%	\$567
TWO-BEDROOM UNITS							
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT	
6	Mary-Leila Mill Lofts	8	840	1	50%	\$396	
6	Mary-Leila Mill Lofts	29	840	1	60%	\$440	
4	Orchard Grove Apts.	12	1000	2	60%	\$480	
4	Orchard Grove Apts.	24	1000	2	50%	\$480	
◆	5	Silver Lakes Court	6	918	1	50%	\$572
◆	5	Silver Lakes Court	10	918	1	60%	\$644
THREE-BEDROOM UNITS							
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT	
6	Mary-Leila Mill Lofts	4	1200	2	50%	\$437	
6	Mary-Leila Mill Lofts	16	1200	2	60%	\$573	
4	Orchard Grove Apts.	8	1100	2	60%	\$577	
4	Orchard Grove Apts.	16	1100	2	50%	\$577	

◆ - Senior Restricted

QUALITY RATING - MADISON, GEORGIA

MARKET-RATE PROJECTS AND UNITS

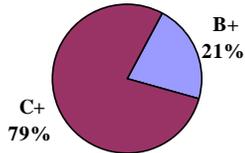
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	22	9.1%			\$1,000		
C+	2	82	2.4%			\$786	\$920	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

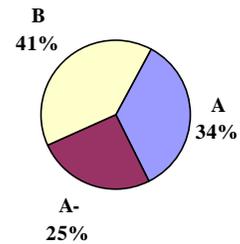
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	60	0.0%			\$566	\$685	
A-	1	44	0.0%		\$691	\$795		
B	1	71	12.7%		\$506	\$526	\$681	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - MADISON, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	1	24	2	8.3%	24	8.6%
1990 to 1999	0	0	0	0.0%	24	0.0%
2000 to 2005	3	140	2	1.4%	164	50.2%
2006 to 2010	0	0	0	0.0%	164	0.0%
2011	0	0	0	0.0%	164	0.0%
2012	0	0	0	0.0%	164	0.0%
2013	0	0	0	0.0%	164	0.0%
2014	1	71	9	12.7%	235	25.4%
2015	0	0	0	0.0%	235	0.0%
2016	1	44	0	0.0%	279	15.8%
2017	0	0	0	0.0%	279	0.0%
2018**	0	0	0	0.0%	279	0.0%
TOTAL	6	279	13	4.7%	279	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of March 2019

Survey Date: March 2019

APPLIANCES AND UNIT AMENITIES - MADISON, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	6	100.0%	279
REFRIGERATOR	6	100.0%	279
ICEMAKER	1	16.7%	60
DISHWASHER	6	100.0%	279
DISPOSAL	2	33.3%	131
MICROWAVE	2	33.3%	115
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	6	100.0%	279
AC - WINDOW	0	0.0%	
FLOOR COVERING	6	100.0%	279
WASHER/DRYER	3	50.0%	117
WASHER/DRYER HOOK-UP	6	100.0%	279
PATIO/DECK/BALCONY	4	66.7%	148
CEILING FAN	5	83.3%	219
FIREPLACE	1	16.7%	24
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	6	100.0%	279
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - MADISON, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	4	66.7%	233
LAUNDRY	2	33.3%	104
CLUB HOUSE	0	0.0%	
MEETING ROOM	3	50.0%	175
FITNESS CENTER	3	50.0%	175
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	2	33.3%	131
COMPUTER LAB	2	33.3%	115
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	3	50.0%	175
CAR WASH AREA	0	0.0%	
PICNIC AREA	2	33.3%	104
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - MADISON, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	9	426	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	9	426	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	9	426	100.0%
			100.0%
ELECTRIC			
TENANT	9	426	100.0%
			100.0%
WATER			
LANDLORD	4	212	49.8%
TENANT	5	214	50.2%
			100.0%
SEWER			
LANDLORD	4	212	49.8%
TENANT	5	214	50.2%
TRASH PICK-UP			
LANDLORD	4	212	49.8%
TENANT	5	214	50.2%
			100.0%

UTILITY ALLOWANCE - MADISON, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$8	\$12		\$8	\$3	\$9	\$2	\$5	\$20	\$18	\$18	\$15	\$20
1	GARDEN	\$12	\$17		\$9	\$5	\$14	\$3	\$7	\$28	\$21	\$22	\$15	\$20
1	TOWNHOUSE	\$13	\$18		\$9	\$5	\$14	\$3	\$7	\$29	\$21	\$22	\$15	\$20
2	GARDEN	\$14	\$20		\$11	\$7	\$19	\$4	\$10	\$37	\$24	\$26	\$15	\$20
2	TOWNHOUSE	\$16	\$23		\$11	\$7	\$19	\$4	\$10	\$38	\$24	\$26	\$15	\$20
3	GARDEN	\$18	\$26		\$16	\$8	\$24	\$5	\$12	\$46	\$30	\$32	\$15	\$20
3	TOWNHOUSE	\$20	\$28		\$16	\$8	\$24	\$5	\$12	\$47	\$30	\$32	\$15	\$20
4	GARDEN	\$24	\$31		\$20	\$10	\$29	\$6	\$15	\$57	\$35	\$39	\$15	\$20
4	TOWNHOUSE	\$26	\$36		\$20	\$10	\$29	\$6	\$15	\$59	\$35	\$39	\$15	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

2 Madison Square Duplexes

2.9 miles to site



Address	1092 Micha Way Madison, GA 30650		
Phone	(706) 410-5952	Contact	Bobbi
Total Units	58	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	2000	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10-12 households		
Quality Rating	C+	Neighborhood Rating	B-
Remarks	Does not accept HCV; One 1-br employee unit not included in total		



Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	2	G	49	0	1050	\$0.60	\$635
3	2	G	9	0	1100	\$0.67	\$735

8 Jefferson Ridge Townhomes

1.7 miles to site



Address	363 E. Jefferson St. Madison, GA 30650		
Phone	(706) 438-4939	Contact	Janice
Total Units	22	Vacancies	2
		Percent Occupied	90.9%
Project Type	Market-Rate		
Year Open	2000	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Does not accept HCV; Renovated units include washer/dryer; Rent range based on location; Square footage estimated		

Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Wood Flooring, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	2.5	T	22	2	1100	\$0.77 - \$0.86	\$845 to \$945

9 Madison Towne Homes

1.5 miles to site



Address	100 Concord Ln. Madison, GA 30650		
Phone	(706) 438-1450	Contact	Janice
Total Units	24	Vacancies	2
		Percent Occupied	91.7%
Project Type	Market-Rate		
Year Open	1985	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	C+	Neighborhood Rating	B
Remarks	Does not accept HCV; Renovated units include washer/dryer; Rent range based on location; End units have fireplace; Square footage estimated by manager		

Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Wood Flooring, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Fireplace, Blinds
Project Amenities

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	1.5	T	24	2	900	\$0.88 - \$0.96	\$795 to \$865

901 Ashton Pointe

23.1 miles to site



Address 400 Plaza Dr.
Monroe, GA 30655

Phone (770) 266-6717 **Contact** Brandie

Total Units 56 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate

Year Open 1996 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 4 households

Quality Rating B+ **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (5 units, no longer accept); Phase II built in 1998



Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities Swimming Pool, On-site Management, Club House, Playground, Picnic Area, Business Center

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	8	0	804	\$0.87	\$700
2	2	G	24	0	1008	\$0.82	\$825
3	2	G	24	0	1200	\$0.75	\$905

904 Leaf Stone

27.6 miles to site



Address	10100 Brown Bridge Rd. Covington, GA 30014		
Phone	(770) 784-8044	Contact	Lindsay
Total Units	232	Vacancies	2
		Percent Occupied	99.1%
Project Type	Market-Rate		
Year Open	2001	Floors	2,3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Computer Lab, Car Wash Area, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	72	0	816	\$1.19	\$970
2	2	G	124	2	1072	\$0.98	\$1050
3	2	G	36	0	1292	\$1.01	\$1310

905 Park at Arlington

32.0 miles to site



Address 30 Grosslake Pkwy.
Covington, GA 30016

Phone (678) 342-7144 **Contact** Chandra

Total Units 188 **Vacancies** 1 **Percent Occupied** 99.5%

Project Type Market-Rate

Year Open 2001 **Renovated** 2018 **Floors** 2,3

Concessions No Rent Specials

Parking Detached Garages, Surface Parking

Waiting List 4 households

Quality Rating A- **Neighborhood Rating** A

Remarks Does not accept HCV; Unit mix estimated



Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Tennis Court(s), Sports Court, Security Gate, Picnic Area, Gazebo; Dog Park

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	18	1	850	\$1.29	\$1100
1	1	G	44	0	794	\$1.13	\$900
2	2	G	34	0	1176	\$0.94	\$1100
2	2	G	68	0	1119	\$0.96	\$1070
3	2	G	8	0	1365	\$0.88	\$1200
3	2	G	16	0	1320	\$0.89	\$1170

902 Skyline Trace

23.0 miles to site



Address	600 Ridge Rd. Monroe, GA 30655		
Phone	(678) 635-8808	Contact	John
Total Units	63	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2010	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Accepts HCV; One 2-br manager unit not included in total		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Computer Lab, Picnic Area, Business Center

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	806	\$0.84	\$675	
1	1	G	3	0	806	\$0.81	\$655	60%
1	1	G	3	0	806	\$0.73	\$590	50%
2	2	G	2	0	1056	\$0.71	\$750	
2	2	G	19	0	1056	\$0.70	\$740	60%
2	2	G	10	0	1056	\$0.64	\$680	50%
3	2	G	16	0	1237	\$0.64	\$790	60%
3	2	G	8	0	1237	\$0.60	\$745	50%

907 Magnolia Heights

26.6 miles to site



Address	10156 Magnolia Heights Cir. Covington, GA 30014		
Phone	(770) 786-0458	Contact	Tammy
Total Units	200	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2000	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	13households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Market-rate (117 units); 50% AMHI (83 units); HCV (20 units); HUD Insured		

Features and Utilities

Utilities	Landlord pays Water, Sewer
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Sports Court, Security Gate, Computer Lab, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	13	0	975	\$0.67	\$657	50%
1	1	G	19	0	975	\$0.87	\$850	
2	2	G	60	0	1150	\$0.68	\$786	50%
2	2	G	84	0	1150	\$0.77	\$890	
3	2	G	10	0	1350	\$0.67	\$904	50%
3	2	G	14	0	1350	\$0.73	\$990	

4

Orchard Grove Apts.

3.0 miles to site



Address	1070 Micha Way Madison, GA 30650		
Phone	(706)752-1707	Contact	Laurie
Total Units	60	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2004	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	50 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (11 units); Four 2-br employee units not included in total		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Picnic Area, Business Center

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	12	0	1000	\$0.48	\$480	60%
2	2	G	24	0	1000	\$0.48	\$480	50%
3	2	G	8	0	1100	\$0.52	\$577	60%
3	2	G	16	0	1100	\$0.52	\$577	50%

6

Mary-Leila Mill Lofts

19.7 miles to site



Address 315 S. West St.
Greensboro, GA 30642

Phone (706) 707-4962 **Contact** Sandra

Total Units 71 **Vacancies** 9 **Percent Occupied** 87.3%

Project Type Tax Credit

Year Open 2016 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating B **Neighborhood Rating** C

Remarks 50% & 60% AMHI; Accepts HCV; Adaptive reuse; Opened 10/2016

Features and Utilities

Utilities Landlord pays Water, Sewer, Trash

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer & Dryer, Washer/Dryer Hook Up, Ceiling Fan, Blinds

Project Amenities On-site Management, Meeting Room, Fitness Center, Playground, Computer Lab, Business Center, Garden; Pavilion

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	11	2	750	\$0.59	\$440	60%
1	1	G	3	0	750	\$0.46	\$342	50%
2	1	G	29	4	840	\$0.52	\$440	60%
2	1	G	8	0	840	\$0.47	\$396	50%
3	2	G	16	2	1200	\$0.48	\$573	60%
3	2	G	4	1	1200	\$0.36	\$437	50%

903 Sumter Street Station

23.6 miles to site



Address	100 Sumter Way Eatonton, GA 31024		
Phone	(706) 623-4311	Contact	India
Total Units	62	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2017	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	109 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Accepts HCV; Opened 5/2017		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Vinyl Flooring, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Computer Lab, Picnic Area, Business Center

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	5	0	761	\$0.55	\$421	60%
1	1	G	7	0	761	\$0.39	\$300	50%
2	2	G	13	0	1051	\$0.39	\$414	60%
2	2	G	19	0	1051	\$0.28	\$294	50%
3	2	G	7	0	1216	\$0.37	\$454	60%
3	2	G	11	0	1216	\$0.28	\$339	50%

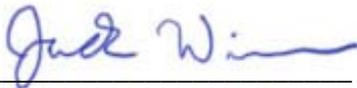
Addendum C – NCHMA Member Certification & Checklist

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

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



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

Market Study Index

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Madison, Georgia by Canaan Crossing Limited Partnership (owner).

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

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

- A detailed demographic and socioeconomic evaluation
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
- A drive-time analysis for the site
- Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

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

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

3. REPORT LIMITATIONS

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

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

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

4. SOURCES

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

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

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Canaan Crossing	2021	60	-	8 (-)	32 (-)	20 (-)
2	Madison Square Duplexes	2000	58	100.0%	-	49 (100.0%)	9 (100.0%)
8	Jefferson Ridge Townhomes	2000	22	90.9%	-	22 (90.9%)	-
9	Madison Towne Homes	1985	24	91.7%	-	24 (91.7%)	-
901	Ashton Pointe	1996	56	100.0%	8 (100.0%)	24 (100.0%)	24 (100.0%)
904	Leaf Stone	2001	232	99.1%	72 (100.0%)	124 (98.4%)	36 (100.0%)
905	Park at Arlington	2001 / 2018	188	99.5%	62 (98.4%)	102 (100.0%)	24 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside Site PMA

The six selected market-rate projects have a combined total of 580 units with an overall occupancy rate of 98.8%, a very strong rate for rental housing. This illustrates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type →

ONE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Canaan Crossing		Madison Square Duplexes		Madison Towne Homes		Ashton Pointe		Leaf Stone		Park at Arlington	
1180 Wheat Street		1092 Micha Way		100 Concord Ln.		400 Plaza Dr.		10100 Brown Bridge Rd.		30 Grosslake Pkwy.	
Madison, GA		Madison, GA		Madison, GA		Monroe, GA		Covington, GA		Covington, GA	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$635		\$795		\$700		\$970		\$900	
2 Date Surveyed		Mar-19		Mar-19		Mar-19		Mar-19		Mar-19	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		92%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$635	0.60	\$795	0.88	\$700	0.87	\$970	1.19	\$900	1.13
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	WU/2	R/1		TH/2		WU/2		WU/2,3		WU/2,3	
7 Yr. Built/Yr. Renovated	2021	2000	\$21	1985	\$36	1996	\$25	2001	\$20	2001/2018	\$11
8 Condition/Street Appeal	E	F	\$30	F	\$30	G	\$15	G	\$15	E	
9 Neighborhood	G	G		G		G		G		E	(\$10)
10 Same Market?		Yes		Yes		No	(\$35)	No	(\$97)	No	(\$90)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	1	2	(\$50)	2	(\$50)	1		1		1	
12 # Baths	1	2	(\$30)	1.5	(\$15)	1		1		1	
13 Unit Interior Sq. Ft.	711	1050	(\$78)	900	(\$43)	804	(\$21)	816	(\$24)	794	(\$19)
14 Balcony/Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15 AC: Central/Wall	C	C		C		C		C		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/Y	N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5
18 Washer/Dryer	HU/L	HU	\$5	HU	\$5	HU	\$5	HU/L		HU/L	
19 Floor Coverings	C/LVT	C		W		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	N	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23 Ceiling Fans/Storage	N/N	Y/N	(\$5)	Y/N	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)	Y/N	(\$5)
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		N	\$5	Y		Y		Y	
26 Security Features	N	N		N		N		N		Y	(\$5)
27 Community Space	Y	N	\$5	N	\$5	Y		N	\$5	Y	
28 Pool/Recreation Areas	G	N	\$3	N	\$3	P	(\$7)	P/F	(\$12)	P/F/S	(\$15)
29 Computer/Business Center	N	N		N		Y	(\$3)	Y	(\$3)	N	
30 Picnic Area	Y	N	\$3	N	\$3	Y		Y		Y	
31 Playground	Y	N	\$3	N	\$3	Y		Y		Y	
32 Social Services	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	N/N	N/N		N/N		N/N		N/N		N/N	
39 Trash/Recycling	Y/N	N/N	\$15	N/N	\$15	N/N	\$15	N/N	\$15	N/N	\$15
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		9	5	10	5	5	7	5	7	3	7
41 Sum Adjustments B to D		\$85	(\$168)	\$105	(\$118)	\$60	(\$86)	\$55	(\$156)	\$26	(\$149)
42 Sum Utility Adjustments		\$15		\$15		\$15		\$15		\$15	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$68)	\$268	\$2	\$238	(\$11)	\$161	(\$86)	\$226	(\$108)	\$190
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$567		\$797		\$689		\$884		\$792	
45 Adj Rent/Last rent			89%		100%		98%		91%		88%
46 Estimated Market Rent	\$690	\$0.97 ← Estimated Market Rent/ Sq. Ft									

Rent Comparability Grid

Unit Type →

TWO-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Canaan Crossing		Madison Square Duplexes		Jefferson Ridge Townhomes		Madison Towne Homes		Leaf Stone		Park at Arlington	
1180 Wheat Street		1092 Micha Way		363 E. Jefferson St.		100 Concord Ln.		10100 Brown Bridge Rd.		30 Grosslake Pkwy.	
Madison, GA		Madison, GA		Madison, GA		Madison, GA		Covington, GA		Covington, GA	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$635		\$845		\$795		\$1,050		\$1,175	
2 Date Surveyed		Mar-19		Mar-19		Mar-19		Mar-19		Mar-19	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		91%		92%		98%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$635	0.60	\$845	0.77	\$795	0.88	\$1,050	0.98	\$1,175	1.00
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	TH/2	R/1		TH/2		TH/2		WU/2,3		WU/2,3	
7 Yr. Built/Yr. Renovated	2021	2000	\$21	2000	\$21	1985	\$36	2001	\$20	2001/2018	\$11
8 Condition/Street Appeal	E	F	\$30	G	\$15	F	\$30	G	\$15	E	
9 Neighborhood	G	G		G		G		G		E	(\$10)
10 Same Market?		Yes		Yes		Yes		No	(\$105)	No	(\$118)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1.5	2	(\$15)	2.5	(\$30)	1.5		2	(\$15)	2	(\$15)
13 Unit Interior Sq. Ft.	984	1050	(\$14)	1100	(\$25)	900	\$18	1072	(\$19)	1176	(\$41)
14 Balcony/Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15 AC: Central/Wall	C	C		C		C		C		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/Y	N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5
18 Washer/Dryer	HU/L	HU	\$5	HU	\$5	HU	\$5	HU/L		HU/L	
19 Floor Coverings	C/LVT	C		W		W		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	N	N		N		N		Y	(\$5)	Y	(\$5)
23 Ceiling Fans/Storage	N/N	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		N	\$5	N	\$5	Y		Y	
26 Security Features	N	N		N		N		N		Y	(\$5)
27 Community Space	Y	N	\$5	N	\$5	N	\$5	N	\$5	Y	
28 Pool/Recreation Areas	G	N	\$3	N	\$3	N	\$3	P/F	(\$12)	P/F/S	(\$15)
29 Computer/Business Center	N	N		N		N		Y	(\$3)	N	
30 Picnic Area	Y	N	\$3	N	\$3	N	\$3	Y		Y	
31 Playground	Y	N	\$3	N	\$3	N	\$3	Y		Y	
32 Social Services	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	N/N	N/N		N/N		N/N		N/N		N/N	
39 Trash/Recycling	Y/N	N/N	\$15	N/N	\$15	N/N	\$15	N/N	\$15	N/N	\$15
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		9	4	10	4	11	2	5	8	3	8
41 Sum Adjustments B to D		\$85	(\$39)	\$75	(\$65)	\$123	(\$10)	\$55	(\$174)	\$26	(\$214)
42 Sum Utility Adjustments		\$15		\$15		\$15		\$15		\$15	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$61	\$139	\$25	\$155	\$128	\$148	(\$104)	\$244	(\$173)	\$255
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$696		\$870		\$923		\$946		\$1,002	
45 Adj Rent/Last rent			110%		103%		116%		90%		85%
46 Estimated Market Rent	\$830	\$0.84 ← Estimated Market Rent/ Sq. Ft									

Rent Comparability Grid

Unit Type →

THREE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Canaan Crossing		Madison Square Duplexes		Jefferson Ridge Townhomes		Madison Towne Homes		Ashton Pointe		Leaf Stone	
1180 Wheat Street		1092 Micha Way		363 E. Jefferson St.		100 Concord Ln.		400 Plaza Dr.		10100 Brown Bridge Rd.	
Madison, GA		Madison, GA		Madison, GA		Madison, GA		Monroe, GA		Covington, GA	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$735		\$845		\$795		\$905		\$1,310	
2 Date Surveyed		Mar-19		Mar-19		Mar-19		Mar-19		Mar-19	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		91%		92%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$735	0.67	\$845	0.77	\$795	0.88	\$905	0.75	\$1,310	1.01
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	TH/2	R/1		TH/2		TH/2		WU/2		WU/2,3	
7 Yr. Built/Yr. Renovated	2021	2000	\$21	2000	\$21	1985	\$36	1996	\$25	2001	\$20
8 Condition/Street Appeal	E	F	\$30	G	\$15	F	\$30	G	\$15	G	\$15
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		Yes		Yes		Yes		No	(\$45)	No	(\$131)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	3	3		2	\$50	2	\$50	3		3	
12 # Baths	2	2		2.5	(\$15)	1.5	\$15	2		2	
13 Unit Interior Sq. Ft.	1,132	1100	\$7	1100	\$7	900	\$48	1200	(\$14)	1292	(\$33)
14 Balcony/Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15 AC: Central/Wall	C	C		C		C		C		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/Y	N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5	N/Y	\$5
18 Washer/Dryer	HU/L	HU	\$5	HU	\$5	HU	\$5	HU	\$5	HU/L	
19 Floor Coverings	C/LVT	C		W		W		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	N	N		N		N		Y	(\$5)	Y	(\$5)
23 Ceiling Fans/Storage	N/N	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		N	\$5	N	\$5	Y		Y	
26 Security Features	N	N		N		N		N		N	
27 Community Space	Y	N	\$5	N	\$5	N	\$5	Y		N	\$5
28 Pool/Recreation Areas	G	N	\$3	N	\$3	N	\$3	P	(\$7)	P/F	(\$12)
29 Computer/Business Center	N	N		N		N		Y	(\$3)	Y	(\$3)
30 Picnic Area	Y	N	\$3	N	\$3	N	\$3	Y		Y	
31 Playground	Y	N	\$3	N	\$3	N	\$3	Y		Y	
32 Social Services	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	N/N	N/N		N/N		N/N		N/N		N/N	
39 Trash/Recycling	Y/N	N/N	\$15	N/N	\$15	N/N	\$15	N/N	\$15	N/N	\$15
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		10	2	12	3	13	2	5	7	5	7
41 Sum Adjustments B to D		\$92	(\$10)	\$132	(\$25)	\$218	(\$10)	\$60	(\$89)	\$55	(\$199)
42 Sum Utility Adjustments		\$15		\$15		\$15		\$15		\$15	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$97	\$117	\$122	\$172	\$223	\$243	(\$14)	\$164	(\$129)	\$269
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$832		\$967		\$1,018		\$891		\$1,181	
45 Adj Rent/Last rent			113%		114%		128%		98%		90%
46 Estimated Market Rent	\$895	\$0.79 ← Estimated Market Rent/ Sq. Ft									

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$690 for a one-bedroom unit, \$830 for a two-bedroom unit and \$895 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$450 (50%)	\$690	34.8%
	\$510 (60%)		26.1%
Two-Bedroom	\$505 (50%)	\$830	39.2%
	\$580 (60%)		30.1%
Three-Bedroom	\$540 (50%)	\$895	39.7%
	\$630 (60%)		29.6%

The proposed collected rents represent market rent advantages ranging from 26.1% to 39.7%, depending on bedroom type and targeted income level. Typically, Tax Credit rents are set near 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. As such, the proposed rents should represent excellent values for the local market.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. The proposed subject project is anticipated to be completed in 2021. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have a quality appearance and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have an inferior quality to the subject development.

9. One of the selected properties is located in more a desirable neighborhood than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.
10. Three of the selected properties are located outside of the Madison Site PMA in Monroe and Covington. The Monroe and Covington markets are significantly larger than Madison in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Monroe and Covington will not directly translate to the Madison market. Therefore, we have adjusted each collected rent at the one comparable project located in Monroe by approximately 5.0% and each collected rent at the two comparable projects located in Covington by approximately 10.0% to account for these market differences.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer one- and/or three-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally similar to those offered at the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a limited project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.