

# Market Feasibility Analysis

**Piedmont Village  
4386 Gray Highway  
Gray, Jones County, Georgia 31032**

*Prepared For*

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*Effective Date*

**June 11, 2012**

*Job Reference Number*

**12-289 (Ben Braley)**



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## SECTION A – EXECUTIVE SUMMARY

Based on the findings summarized below, it is our opinion that a market exists for the 72 units proposed at the Piedmont Village rental development.

### 1. Project Description:

The proposed Piedmont Village project involves the new construction of 72 affordable rental units that will be located near the intersection of Gray Highway and Bill Conn Parkway in Gray, Georgia. The proposed rental community will offer one-, two- and three-bedroom units in garden-style walk-up buildings. The property will be developed using Low-Income Housing Tax Credit financing and will target households earning up to 50% and 60% of the Area Median Household Income (AMHI). The unit mix will include 16 one-bedroom/1.0 bath units, 32 two-bedroom/2.0 bath units and 24 three-bedroom/2.0 bath units. The collected rents will range from \$354 to \$604, and will include the cost of trash collection. The project is expected to have the first units available for lease in 2014. The following is a summary table of the proposed project:

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent of AMHI	Proposed Rents		
						Collected	Utility Allowance	Gross
3	One-Br.	1.0	Garden	800	50%	\$354	\$152	\$506
13	One-Br.	1.0	Garden	800	60%	\$455	\$152	\$607
4	Two-Br.	2.0	Garden	1,000	50%	\$412	\$195	\$607
28	Two-Br.	2.0	Garden	1,000	60%	\$534	\$195	\$729
4	Three-Br.	2.0	Garden	1,200	50%	\$463	\$239	\$702
20	Three-Br.	2.0	Garden	1,200	60%	\$604	\$239	\$843
72								

Source: Bridgeland Development, LLC

AMHI – Area Median Household Income (Macon, Georgia MSA)

The proposed project will offer an amenities package which includes a refrigerator, stove, dishwasher, garbage disposal, washer/dryer hookups, and central air conditioning. Community amenities will include an on-site management office, clubhouse, central laundry facility, picnic area and playground.

Based on our supply analysis (Section H) of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of comparable low-income properties, it is our opinion that the proposed subject development will be competitive.

A more detailed project description can be found in Section B of this report, while a comparison to existing rental product can be found in Section H.

## **2. Overall Conclusion:**

Based on the findings reported in our market study, it is our opinion that a market exists for the 72 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings. No recommendations are proposed at this time.

The affordable units (Tax Credit and government-subsidized) within the market are 97.7% occupied and maintain waiting lists. Notably, there is only one (1) non-elderly Tax Credit project located within the Site PMA and it has an occupancy rate of 96.1%. Further, this project only offers three-bedroom units. Therefore, there are effectively no Tax Credit rental housing options existing within the market area for low-income families with smaller household sizes (one- to two-persons). Between 2010 and 2014, demographic growth is anticipated, but the target population (low-income family households) is expected to remain stable. Regardless, the subject development only requires an overall capture rate of 10.8%, which indicates a substantial base of demographic support will exist. Based on our supply and achievable market rent analyses, the proposed project will be competitive with affordable housing alternatives and its rents will be viewed as a value. If developed as proposed, we expect the project to reach a 93.0% occupancy rate within 11 months of opening.

## **3. Site Description/Evaluation:**

The proposed site will fit in well with the surrounding land uses and is within proximity of numerous community services, many of which are within walking distance. In addition, all emergency response and educational services are located within 1.7 miles of the site. The site is located within 0.2 miles of U.S. Highway 129 and State Routes 11, 18 and 22, which provide access to surrounding cities and counties in central Georgia. Although access is considered good, visibility is limited due to the surrounding structures and wooded land. However, promotional signage and marketing will be able to mitigate the lack of "drive-by" visibility. Overall, we anticipate the proposed site's location and proximity to community services will have a positive impact on its marketability.

## **4. Market Area Definition:**

The Gray Site PMA includes the City of Gray, portions of northeast Macon and outlying unincorporated areas within Jones and Bibb Counties. Boundaries were partially selected based on distance from the site, socio-economic differences between neighborhoods, interviews with area leasing managers and the observations of our analysts.

The boundaries of the Site PMA generally include the Jones County border to the north; the Jones County border to the east; the Jones/Wilkinson County border, Jones/Twiggs County border and the Bibb/Twiggs County border west to Interstate 16, to the south; and U.S. Highway 23 and Interstate 16 to the west.

A more detailed analysis and map of the market area can be found in Section D of this report.

## 5. Community Demographic Data:

Between 2000 and 2011, the population increased by 3,987, or 8.0%. It is projected that the population will increase by 226, or 0.4%, between 2011 and 2014. This is considered to be a low, but stable rate of growth.

Between 2000 and 2011, households increased by 1,644 or 8.6%. By 2014, there will be 20,767 households, an increase of 98 households, or 0.5% over 2011 levels. This is an increase of approximately 33 households annually over the next three years. According to our data, households are generally growing older. However, over 70% of households are expected to be between 25 and 64 years old in 2014. This is the prime age group that will be targeted by the subject project and likely represents a good base of potential support.

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

Household Income	2000 (Census)		2011 (Estimated)		2014 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,374	12.5%	2,469	11.9%	2,451	11.8%
\$10,000 to \$19,999	2,874	15.1%	2,943	14.2%	2,919	14.1%
\$20,000 to \$29,999	2,468	13.0%	2,460	11.9%	2,455	11.8%
\$30,000 to \$39,999	2,299	12.1%	2,340	11.3%	2,336	11.2%
\$40,000 to \$49,999	2,266	11.9%	2,313	11.2%	2,297	11.1%
\$50,000 to \$59,999	1,876	9.9%	1,902	9.2%	1,920	9.2%
\$60,000 to \$74,999	1,664	8.7%	2,054	9.9%	2,085	10.0%
\$75,000 to \$99,999	1,699	8.9%	1,932	9.3%	1,969	9.5%
\$100,000 to \$124,999	683	3.6%	1,059	5.1%	1,092	5.3%
\$125,000 to \$149,999	364	1.9%	509	2.5%	528	2.5%
\$150,000 to \$199,999	223	1.2%	364	1.8%	379	1.8%
\$200,000 & Over	236	1.2%	323	1.6%	335	1.6%
Total	19,025	100.0%	20,669	100.0%	20,767	100.0%
Median Income	\$37,816		\$40,528		\$40,968	

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

In 2000, the median household income was \$37,816. This increased by 7.2% to \$40,528 in 2011. By 2014, it is projected that the median household income will be \$40,968, an increase of 1.1% over 2011.

A more detailed analysis of the overall demographic trends within the Site PMA is located in Section E.

## **6. Economic Data:**

According to Census statistics and interviews with local economic development representatives, the Jones County economy is stable and steadily improving. The employment base declined by 4.8% in 2009 as a result of the national recession, but unemployment rates have remained below statewide averages since that time. Further, the employment base has slowly increased since 2010 and is projected to continue to increase in 2012. No Warn Notices have been issued in Jones County in 2011 or 2012 (to date). Notably, the monthly unemployment rate has generally declined during the past 18 month period and the average annual rate in 2012 (8.9% through April) is below the peak unemployment rate of 9.2% in 2010. We anticipate the local economy to remain in line with statewide and national trends, given the absence of any major employment announcements in the county.

As illustrated in Section H of this report, the local rental housing market is nearly 93.0% occupied. More importantly, the affordable housing units (Tax Credit and government-subsidized) are 97.7% occupied. These occupancy rates are considered stable to high and illustrate the local economic conditions have not had an overly adverse impact on occupancy. Given the anticipated slow growth, we expect the demand for rental housing to remain consistent through the project period of the subject project.

Detailed tables illustrating trends within the employment base, unemployment rates and major job expansions/contractions are located in Section F.

## **7. Project-Specific Affordability and Demand Analysis:**

Given the proposed rents at the subject site and maximum allowable incomes, it was calculated that the required income to live at the site will range between \$17,349 and \$35,040 for the proposed Tax Credit units. There will be an estimated 668 renter households that are income-qualified to reside at the proposed project which requires an overall capture rate of 10.8%. Specifically, the 11 units targeting household up to 50% of AMHI require a capture rate of 2.1%, while the 61 units targeting households up to 60% of AMHI require a 14.9% capture rate. These capture rates are well below Georgia DCA threshold requirements and are considered achievable, especially considering the current housing void among affordable rentals within the Site PMA.

A detailed demand analysis is located in Section G of this report.

## 8. Competitive Rental Analysis

We identified and personally surveyed 15 conventional housing projects containing a total of 1,748 units within the Site PMA. Of the 15, two (2) are Tax Credit, but only one (1) is available to non-elderly households under the age of 55. As such, there is only one comparable Tax Credit property within the PMA. Given the limited number of comparable properties in the market area, we identified and surveyed four additional Tax Credit properties within the nearby region. All five of these properties target households with income of up to 30%, 50% and/or 60% of Area Median Household Income (AMHI). Further, these developments offer bedroom types that are similar to the proposed project; therefore, they are considered comparable properties.

Note the four LIHTC properties located outside of the market area have been chosen for comparison purposes only. Considering these properties derive demographic support from difference geographic areas, they will not effectively compete with the proposed subject development.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
<b>Site</b>	<b>Piedmont Village</b>	<b>\$506/50% (3/-)</b>	<b>\$607/50% (4/-)</b>	<b>\$702/50% (4/-)</b>		
		<b>\$607/60% (13/-)</b>	<b>\$729/60% (28/-)</b>	<b>\$843/60% (20/-)</b>	-	-
1	River Walk Apts.	-	-	\$848/60% (152/6)	-	None
905	Edgewood Park Apts.	\$308/30% (3/0)	\$608/50% (36/2) \$608/60% (4/2)	\$707/50% (12/1) \$707/60% (6/1)	-	None
906	Pinewood Park	\$391/30% (3/0) \$579/50% (28/0) \$652/60% (4/0)	\$480/30% (7/0) \$706/50% (53/0) \$742/60% (16/0)	\$546/30% (6/0) \$809/50% (23/0) \$900/60% (8/0)	-	None
907	West Club	\$344/30% (7/0) \$671/60% (1/0)	\$683/50% (51/4) \$814/60% (25/3)	\$949/60% (48/1)	\$1,082/60% (8/0)	None
908	Waterford Place	\$544/50% (10/0) \$544/60% (3/0)	\$659/50% (24/0) \$690/60% (8/0)	\$757/50% (15/0) \$757/60% (4/0)	-	None

900 Series Map IDs are located outside of the Site PMA

The proposed subject gross rents are generally within the range of the gross rents being charged at the comparable Tax Credit properties. As such, the proposed rents will likely be considered a value within the market area and the region.

Based on an in-depth analysis of the proposed project and the comparable developments included in Section H, it is believed that the proposed development will be competitive with these properties.

Market-Rate Units

We identified three market-rate properties within the Gray Site PMA that we consider most comparable to the proposed subject development. Additionally, we identified and surveyed two more properties outside of the PMA, but within the nearby region, that are also considered comparable to the proposed subject development. These five properties offer 918 unrestricted units with an overall occupancy rate of 96.5%. This is considered a strong occupancy rate and indicates these projects are well received within their respective market areas. As such, these projects will serve as accurate benchmarks with which to compare the proposed subject development.

A comparison of the weighted average collected rents and those proposed at the subject project is included below.

Weighted Average Collected Rent of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$626	\$766	\$835

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent)/proposed rent.

Bedrooms	Weighted Avg. Rent	Less Proposed Rent	Equals Difference	Divided by Proposed Rent	Rent Advantage
One-Br.	\$626	- \$354 (50%)	\$272	/ \$354	76.8%
		- \$455 (60%)	\$171	/ \$455	37.6%
Two-Br.	\$766	- \$412 (50%)	\$354	/ \$412	85.9%
		- \$534 (60%)	\$232	/ \$534	43.4%
Three-Br.	\$835	- \$463 (50%)	\$372	/ \$463	80.3%
		- \$604 (60%)	\$231	/ \$604	38.2%

The proposed market-rate rents at the site represent rent advantages of 37.6% to 85.9%, depending on bedroom type and targeted AMHI level. These advantages are considered significant; however, these are weighted averages of *collected* rents that do not reflect differences in the utility structure that gross rents include. Further, these rent advantages do not consider differences in unit size, amenities or location. Therefore, we have provided HUD Rent Comparability grids to provide a more accurate rent advantage analysis. This analysis and the achievable market rents derived from HUD Rent Comparability Grids are included in Addendum E.

**9. Absorption/Stabilization Estimates**

Based on our analysis contained in this report, it is our opinion that the 72 proposed units will reach a stabilized occupancy of 93% within 10 to 12 months. This is an average absorption rate of between five and seven units per month. Absorption of the units by targeted income level is included in Section I.

This absorption rate has been based primarily on the low vacancy rate among affordable housing developments, the demographic base of income-qualified renters, the desirability of the proposed project within the market area and the value that the proposed rents will likely represent.

A summary table of the proposed project and market findings is included on the following page.

<b>SUMMARY TABLE</b> (must be completed by the analyst and included in the executive summary)	
Development Name:	Piedmont Village <span style="float: right;">Total # Units: 72</span>
Location:	4386 Gray Highway Gray, Georgia 31032 (Jones County) <span style="float: right;"># LIHTC Units: 72</span>
PMA Boundary:	Jones County border to the north; the Jones County border to the east; the Jones/Wilkinson County border, Jones/Twiggs County border and the Bibb/Twiggs County border west to Interstate 16, to the south; and U.S. Highway 23 and Interstate 16 to the west.
	Farthest Boundary Distance to Subject: 16.5 miles

<b>RENTAL HOUSING STOCK</b> (found on page H-5, Addendum A page 4-5 and Addendum E-2)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	15	1,748	126	92.8%
Market-Rate Housing	11	1,448	119	91.8%
Assisted/Subsidized Housing not to include LIHTC	2	80	1	98.8%
<b>LIHTC</b>	2	220	6	97.3%
Stabilized Comps (in PMA only)	4	616	17	97.2%
Properties in Construction & Lease Up	n/a	n/a	n/a	n/a

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
3	One-Br.	1.0	800	\$354	<b>\$626</b>	<b>\$0.78</b>	<b>76.8%</b>	<b>\$750</b>	<b>\$0.88</b>
13	One-Br.	1.0	800	\$455	<b>\$626</b>	<b>\$0.78</b>	<b>37.6%</b>	<b>\$750</b>	<b>\$0.88</b>
4	Two-Br.	2.0	1,000	\$412	<b>\$766</b>	<b>\$0.77</b>	<b>85.9%</b>	<b>\$840</b>	<b>\$0.69</b>
28	Two-Br.	2.0	1,000	\$534	<b>\$766</b>	<b>\$0.77</b>	<b>43.4%</b>	<b>\$840</b>	<b>\$0.69</b>
4	Three-Br.	2.0	1,200	\$463	<b>\$835</b>	<b>\$0.70</b>	<b>80.3%</b>	<b>\$1,045</b>	<b>\$0.73</b>
20	Three-Br.	2.0	1,200	\$604	<b>\$835</b>	<b>\$0.70</b>	<b>38.2%</b>	<b>\$1,045</b>	<b>\$0.73</b>

<b>DEMOGRAPHIC DATA</b> (found on page E-2, E-4, E-5 and G-5)						
	2010		2012*		2014	
Renter Households	6,958	33.7%	6,952	33.6%	6,935	33.4%
Income-Qualified Renter HHs (LIHTC)	1,877	9.1%	1,870	9.0%	1,863	9.0%
Income-Qualified Renter HHs (MR)	n/a	n/a	n/a	n/a	n/a	n/a

<b>TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND</b> (found on page G-5)						
Type of Demand	30%	50%	60%	Market-rate	Other:___	Overall
Renter Household Growth	n/a	-8	-4	n/a	n/a	-14
Existing Households (Overburd + Substand)	n/a	467	360	n/a	n/a	595
Homeowner conversion (Seniors)	n/a	n/a	n/a	n/a	n/a	n/a
Secondary Market Demand	n/a	69	53	n/a	n/a	87
Less Comparable/Competitive Supply	n/a	0	0	n/a	n/a	0
<b>Net Income-Qualified Renter HHs</b>	<b>n/a</b>	<b>528</b>	<b>409</b>	<b>n/a</b>	<b>n/a</b>	<b>668</b>

<b>CAPTURE RATES</b> (found on page G-5)						
Targeted Population	30%	50%	60%	Market-rate	Other:___	Overall
Capture Rate	n/a	2.1%	14.9%	n/a	n/a	10.8%

## SECTION B - PROJECT DESCRIPTION

The proposed Piedmont Village project involves the new construction of 72 affordable rental units that will be located near the intersection of Gray Highway and Bill Conn Parkway in Gray, Georgia. The proposed rental community will offer one-, two- and three-bedroom units in garden-style walk-up buildings. The property will be developed using Low-Income Housing Tax Credit financing and will target households earning up to 50% and 60% of the Area Median Household Income (AMHI). The unit mix will include 16 one-bedroom/1.0 bath units, 32 two-bedroom/2.0 bath units and 24 three-bedroom/2.0 bath units. The collected rents will range from \$354 to \$604, and will include the cost of trash collection. The project is expected to have the first units available for lease in 2014. Additional project details are as follows:

### A. PROJECT DESCRIPTION

1. **Project Name:** Piedmont Village
2. **Property Location:** 4386 Gray Highway  
Gray, Jones County, Georgia 31032
3. **Project Type:** New construction of Low-Income Housing Tax Credit project.
4. **Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent of AMHI	Proposed Rents		
						Collected	Utility Allowance	Gross
3	One-Br.	1.0	Garden	800	50%	\$354	\$152	\$506
13	One-Br.	1.0	Garden	800	60%	\$455	\$152	\$607
4	Two-Br.	2.0	Garden	1,000	50%	\$412	\$195	\$607
28	Two-Br.	2.0	Garden	1,000	60%	\$534	\$195	\$729
4	Three-Br.	2.0	Garden	1,200	50%	\$463	\$239	\$702
20	Three-Br.	2.0	Garden	1,200	60%	\$604	\$239	\$843
72								

Source: Bridgeland Development, LLC

AMHI – Area Median Household Income (Macon, Georgia MSA)

5. **Target Market:** Family
6. **Project Design:** Four three-story, walk-up residential buildings and one 2,000 square foot community building.

**7. Original Year Built:** N/A; New Construction

**8. Projected Opening Date:** 2014

**9. Unit Amenities:**

- Range
- Refrigerator
- Dishwasher
- Disposal
- Carpet
- Window Blinds
- Central Air Conditioning
- Washer/Dryer Hookups

**10. Community Amenities:**

- On-Site Management
- Club House
- Playground
- Laundry Facility
- Community Space
- Picnic Area

**11. Resident Services:** Not applicable

**12. Utility Responsibility:**

The cost of trash collection will be included in the monthly rent. Tenants will be responsible for the cost of all other utilities, including:

- General Unit Electricity
- Electric Heat
- Electric Hot Water
- Electric Cooking
- Water
- Sewer

**13. Rental Assistance:** Not applicable

**14. Parking:**

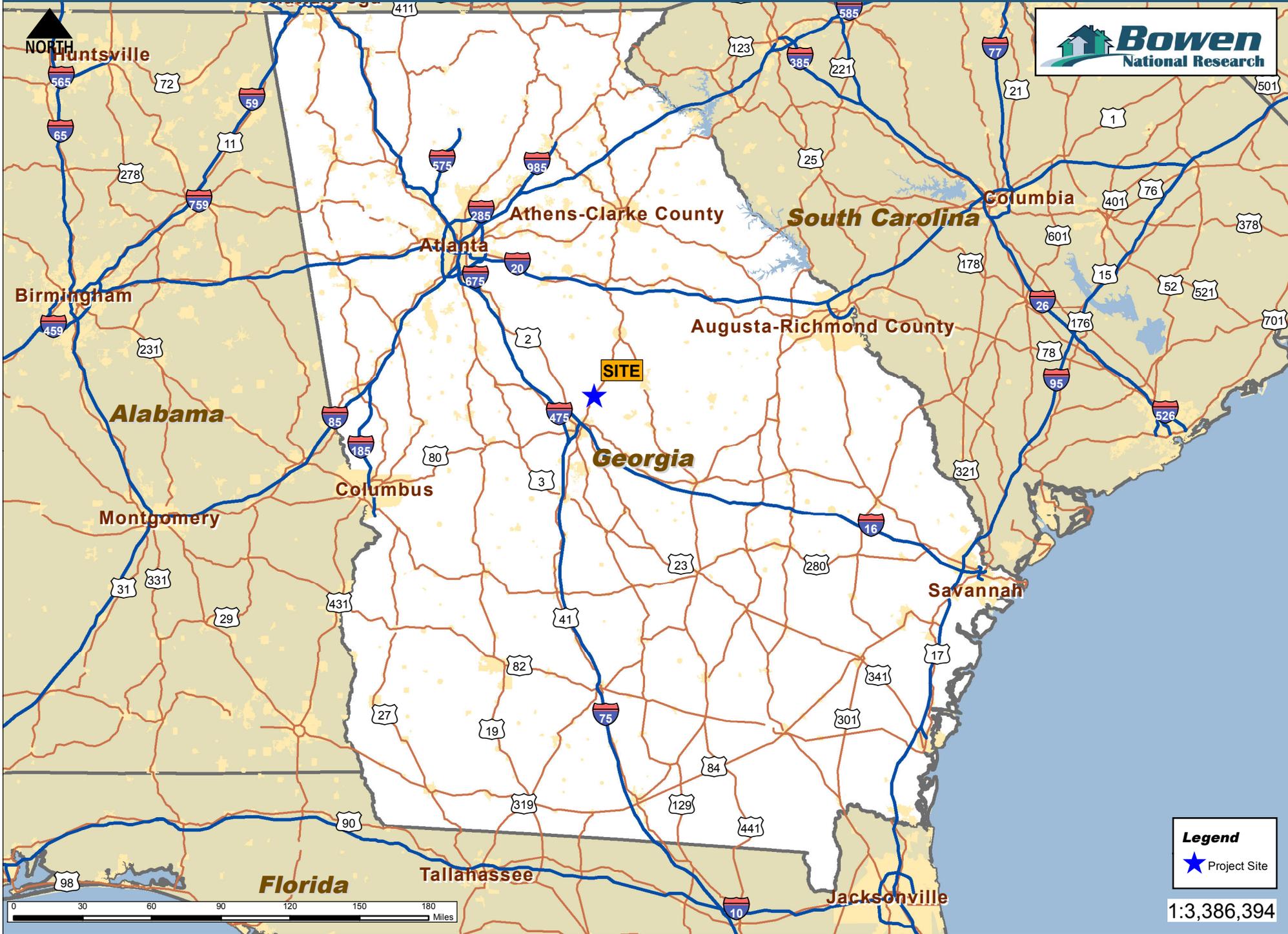
The subject site will offer 144 open lot parking spaces, for a total of 2.0 spaces per unit.

**15. Current Project Status:** Planned

**16. Statistical Area:** Macon, Georgia MSA (2012)

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

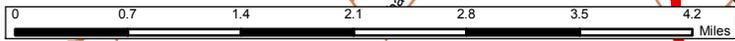
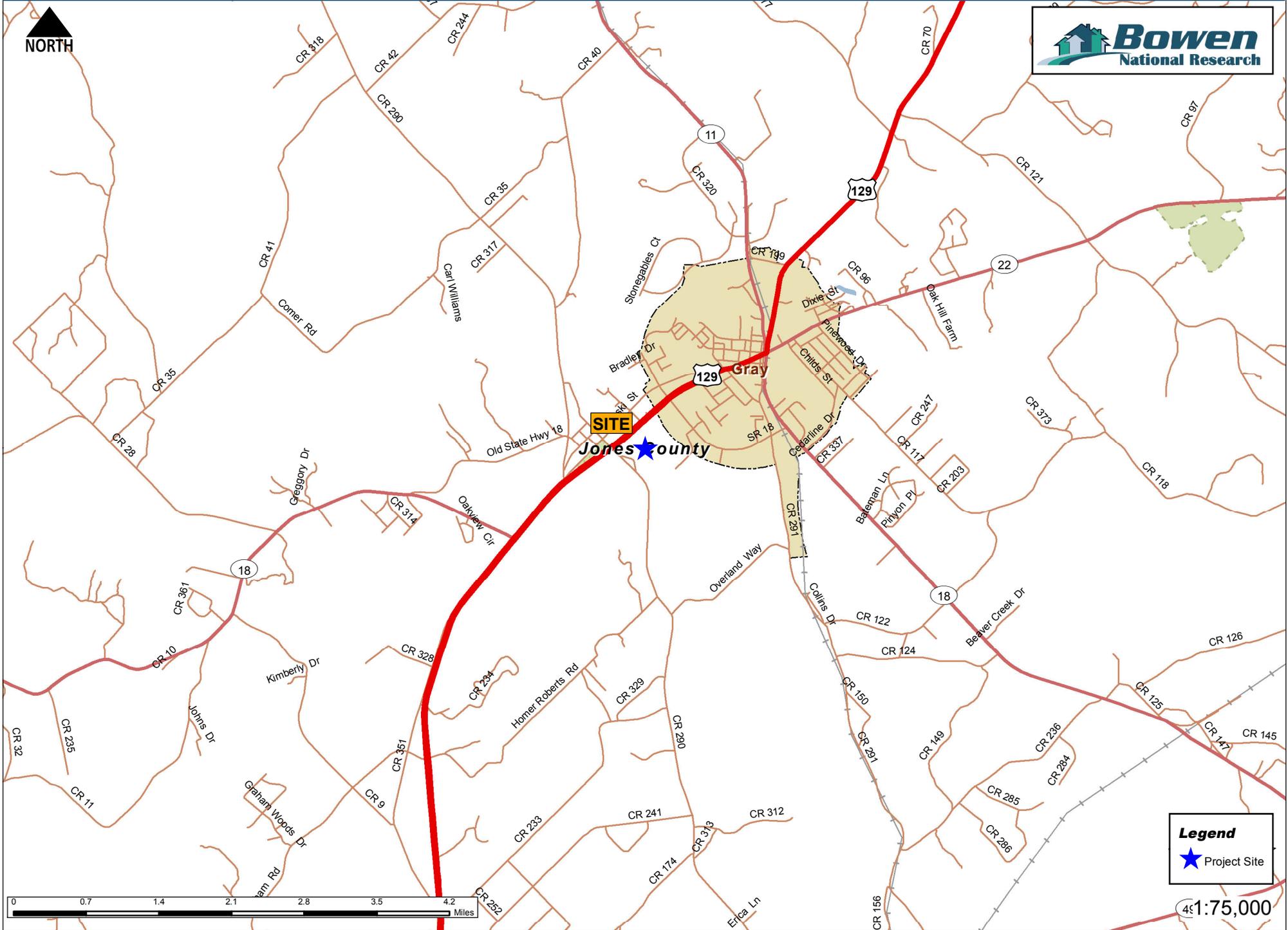
# State of Georgia



**Legend**  
★ Project Site

1:3,386,394

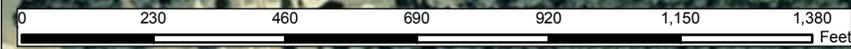
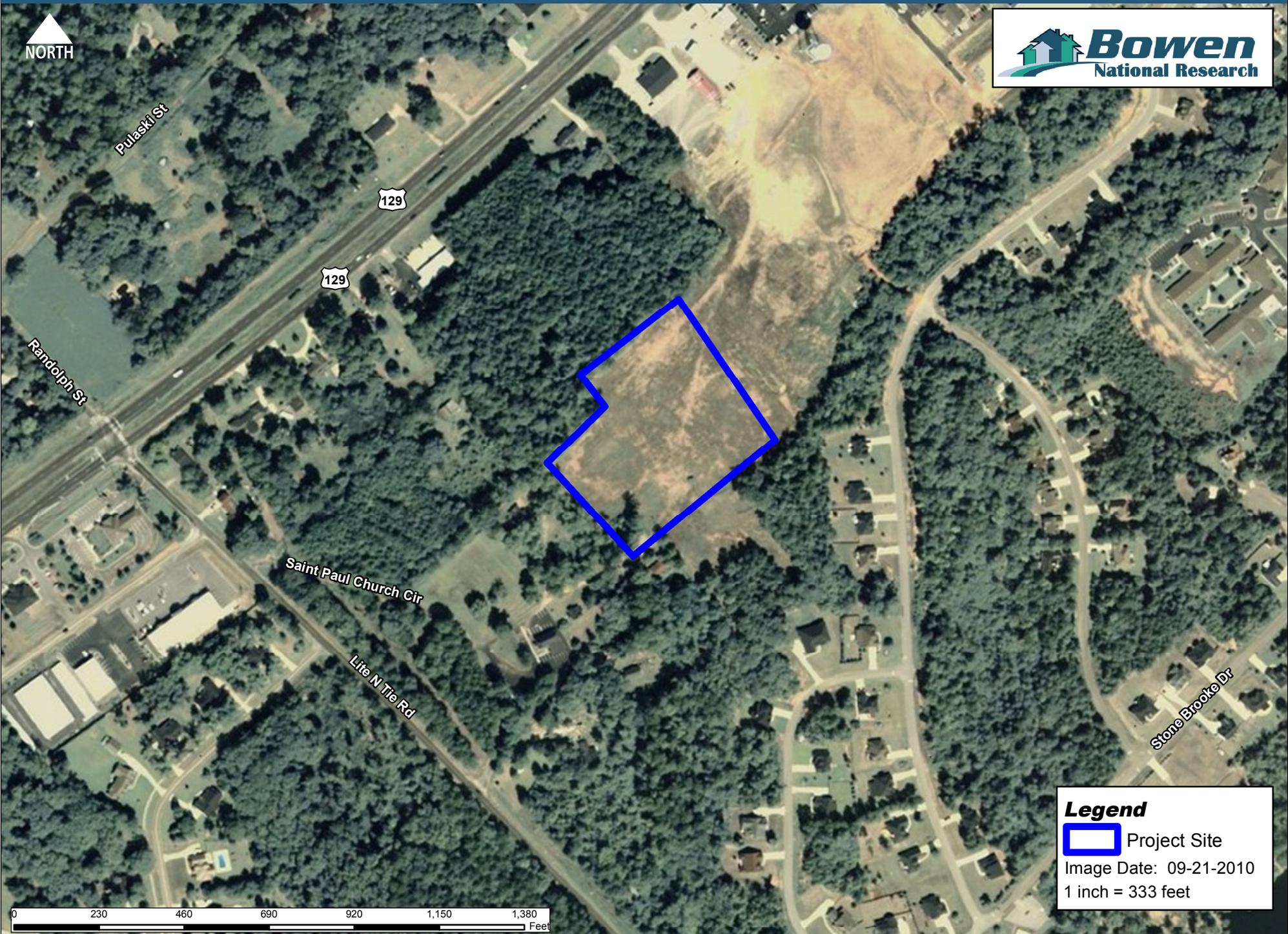
# Gray, GA: Surrounding Area



**Legend**  
★ Project Site

4:175,000

# Gray, GA: Site Neighborhood



**Legend**

-  Project Site

Image Date: 09-21-2010  
1 inch = 333 feet

## SECTION C – SITE DESCRIPTION AND EVALUATION

### 1. LOCATION

The site for the proposed project is an undeveloped, 4.3-acre, parcel of land located in the western portion of Gray, Georgia. Centrally located within Jones County, Gray is approximately 12.0 miles northeast of Macon, Georgia and approximately 87.0 miles southeast of Atlanta, Georgia. An employee of Bowen National Research inspected the site and area apartments during the week of May 28, 2012.

### 2. SURROUNDING LAND USES

The subject site is in a developing, mixed-use neighborhood. Surrounding land uses include commercial buildings, residential homes and undeveloped wooded land. Adjacent land uses are detailed as follows:

North -	Directly northwest of the proposed site is undeveloped wooded land. The U.S. Highway 129 commercial corridor is located beyond. Notable land uses located along this corridor include a Marathon gas station, McDonald's and Sonic fast food restaurants, Robins Federal Credit Union and Piedmont Community Bank. The Jones County Senior Center will be located directly northeast of the site upon completion of construction. Fred's discount retailer and medical offices are located farther northeast. The buildings located to the northwest and northeast are considered to be in good condition on average.
East -	Directly east of the proposed site is heavily wooded land. The Stone Brooke residential neighborhood is located beyond and is primarily comprised of relatively new single-family homes considered to be in good condition.
South -	Scattered single-family homes, wooded land and additional portions of the Stone Brooke neighborhood are located south of the site. These structures are considered to be in satisfactory to good condition.
West -	Directly west of the proposed site is heavily wooded land and scattered single-family homes considered to be in satisfactory condition. U.S. Highway 129 is located beyond.

The surrounding land uses are primarily residential or supportive of residential housing. The surrounding structures are considered to be in good condition and no known nuisances were observed within the immediate vicinity. The wooded land surrounding the proposed site is aesthetically pleasing, while the proximity of community services (discount retailers, restaurants and banks) is considered beneficial. Overall, the subject property will fit well with the surrounding land uses, as they should contribute to the marketability of the site.

### **3. VISIBILITY AND ACCESS**

The two-lane access road to the site is currently under construction and will also provide primary access to the new senior center located directly to the north. This access road is reached via Boulder Drive, which is a lightly travelled residential roadway. Ingress and egress to and from this access road is considered easy, due to the light vehicular traffic and clear lines of sight provided in both directions of travel on Boulder Drive. In turn, Boulder Drive provides access to State Route 18 (Bill Conn Parkway), a two-lane collector roadway extends throughout the western portion of Gray. Vehicular traffic along State Route 18 (Bill Conn Parkway) is considered moderate. Finally, residents at the subject project will have convenient access to Gray Highway/U.S. Highway 129, a four-lane divided highway that is considered the main arterial roadway and commercial corridor throughout Gray. Access to this roadway is within 0.2 miles of the access road to the site. A traffic signal located at the intersection of U.S. Highway 129 and State Route 18 mitigates the moderate to heavy traffic within the area and increases the accessibility of the site. Overall, access to the proposed site is considered good.

Visibility of the proposed site from U.S. Highway 129 and other surrounding roadways is obstructed by existing structures and wooded land. Although views of the subject building will be clear from the access road that is currently under construction, vehicular traffic will be limited. As such, overall visibility is considered poor and additional promotional signage should be considered at the intersections of the access road and Boulder Drive, as well as Boulder Drive and State Route 18. With proper signage and substantial marketing, the poor visibility can be overcome. Further, the proposed project will include one- and two-bedroom units that will likely appeal to senior households. Considering the proximity of the new senior center, the proposed project will have enhanced exposure to this demographic.

#### **4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE**

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

<b>Community Services</b>	<b>Name</b>	<b>Driving Distance From Site (Miles)</b>
Major Highway(s)	State Routes 11, 18, & 22 U.S. Highway 129	0.1 Northwest 0.2 Northwest
Major Employers/Employment Centers	Jones County Schools	1.0 Northeast
Convenience Store	City Limits Food Mart BP Food Mart	0.02 Northwest 0.1 Northeast
Grocery	Ingles Market Harveys Supermarket	0.7 Northeast 0.8 Northeast
Discount Department Store	Fred's Family Dollar Store Dollar General	0.2 Northeast 0.8 Northeast 0.9 Northeast
Shopping Center/Mall	Village At Gray Gateway Center Gray Station	0.2 Northwest 0.5 Northeast 0.8 Northeast
Schools: Elementary Middle/Junior High Senior High	Gray Elementary School Gray Station Middle School Jones County High School	1.3 East 1.7 East 1.4 East
Police	Gray Police Department	1.4 Northeast
Fire	Gray Fire Department	1.5 East
Post Office	U.S. Post Office	0.5 Northeast
Bank	Robins Federal Credit Union Piedmont Community Bank	0.1 Northeast 0.2 Northeast
Recreational Facilities	Jones Recreation - Central Complex	2.7 Southeast
Gas Station	Marathon BP	0.1 Northwest 0.1 Northeast
Pharmacy	Walgreen's Rite Aid	0.3 Northeast 0.7 East
Restaurant	Dairy Queen Shooters Sonic Drive-In McDonald's	0.1 Northeast 0.1 Northeast 0.1 Northeast 0.1 Northeast
Day Care	Children's Friend	0.3 Northeast
Library	Jones County Library	1.2 East
Medical Center	Gray Family Health LLC	0.5 East
Fitness Center	Elite Fitness & Nutrition	0.5 Northeast
Hospital	Medical Center of Central Georgia	13.8 Southwest

The proposed site is within proximity of numerous shopping and dining opportunities as well as other basic community services. There are multiple shopping centers throughout the Gray, three of which are located within 0.8 miles of the site. Restaurants, convenience stores, banks, child care centers, medical offices and shopping centers are located within walking distance. Jones County Schools serve the subject site and all applicable schools are within 1.5 miles. The Jones County Recreation Department operates the Central Recreation Complex,

which is 2.7 miles from the site. This complex includes covered picnic pavilions, outdoor basketball, tennis courts and opens green space. Future plans include baseball diamonds, soccer fields and walking trails. Emergency responders are located within 1.5 miles of the site, but the nearest acute-care medical facility is located within Macon, Georgia. However, the Medical Center of Central Georgia is only 13.8 miles from the site. Additionally, primary care physicians are located throughout Gray. Overall, the sites proximity to community and safety services will have a positive impact on the marketability of the site.

**5. 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 (136) for the Site PMA is above the national average with an overall personal crime index of 101 and a property crime index of 153. Total crime risk (97) for Jones County is below the national average with indexes for personal and property crime of 72 and 110, respectively.

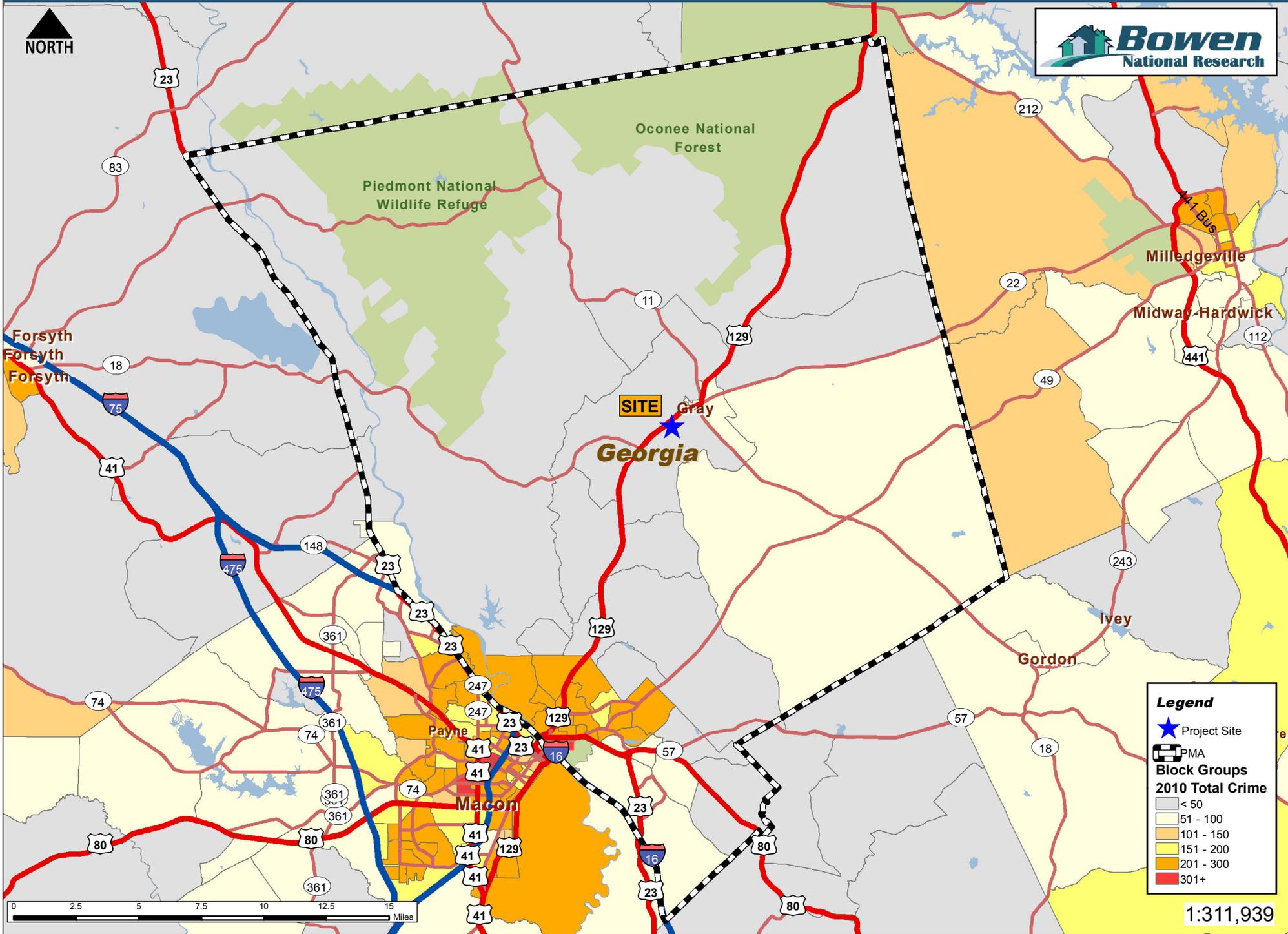
	Crime Risk Index	
	Site PMA	Jones County
<b>Total Crime</b>	<b>136</b>	<b>97</b>
<b>Personal Crime</b>	<b>101</b>	<b>72</b>
Murder	171	111
Rape	81	63
Robbery	100	63
Assault	74	63
<b>Property Crime</b>	<b>153</b>	<b>110</b>
Burglary	161	128
Larceny	180	127
Motor Vehicle Theft	121	77

Source: Applied Geographic Solutions

The crime risk indexes within the Site PMA and Jones County as a whole are comparable to the national average (100). Further, as illustrated by the crime risk map located on the following page, the actual crime risk index in the immediate site neighborhood is considerably less than the national average. This indicates the perception of crime within the site neighborhood and the city of Gray is likely lower than in other areas of the PMA, such as in the city of Macon. This will likely improve the marketability of the site compared to other areas of the PMA.

A map illustrating crime risk is on the following page.

# Gray, GA: 2010 Crime Risk



**Legend**

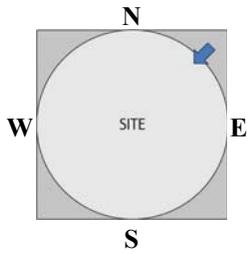
- ★ Project Site
- ▬ PMA
- Block Groups**
- 2010 Total Crime**
- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+

1:311,939

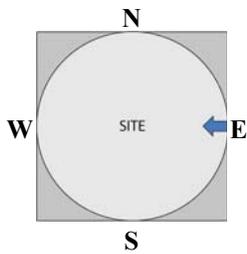
## 6. SITE PHOTOGRAPHS

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

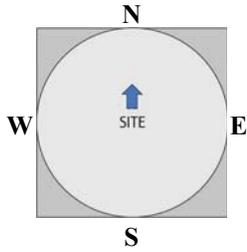
# "SITE PHOTOGRAPHS



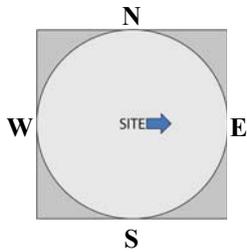
View of site from the northeast



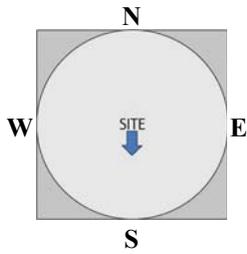
View of site from the east



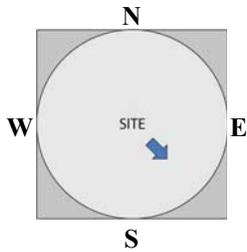
North view from site



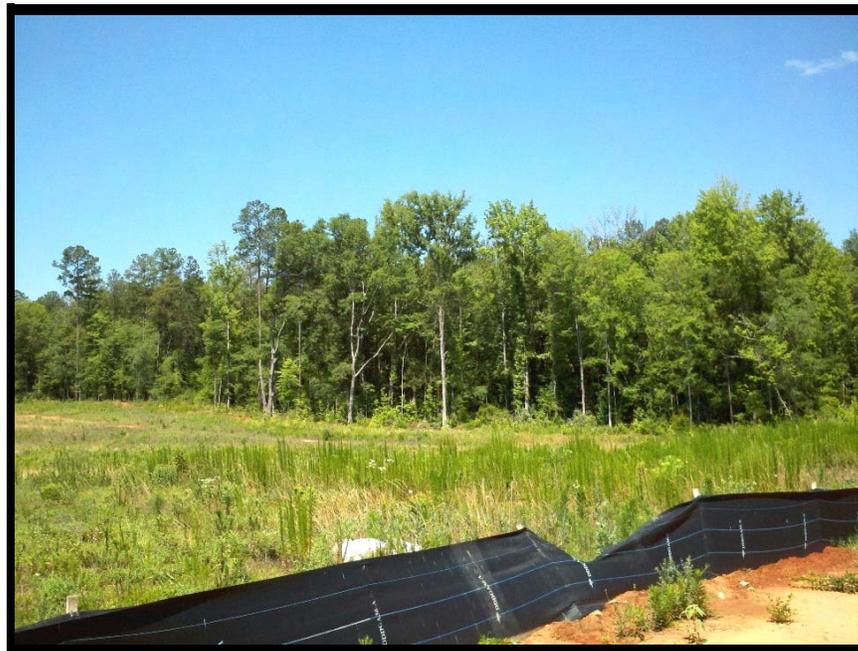
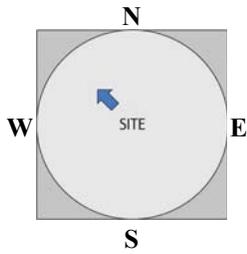
East view from site



South view from site



Southeast view from site



Northwest view from site

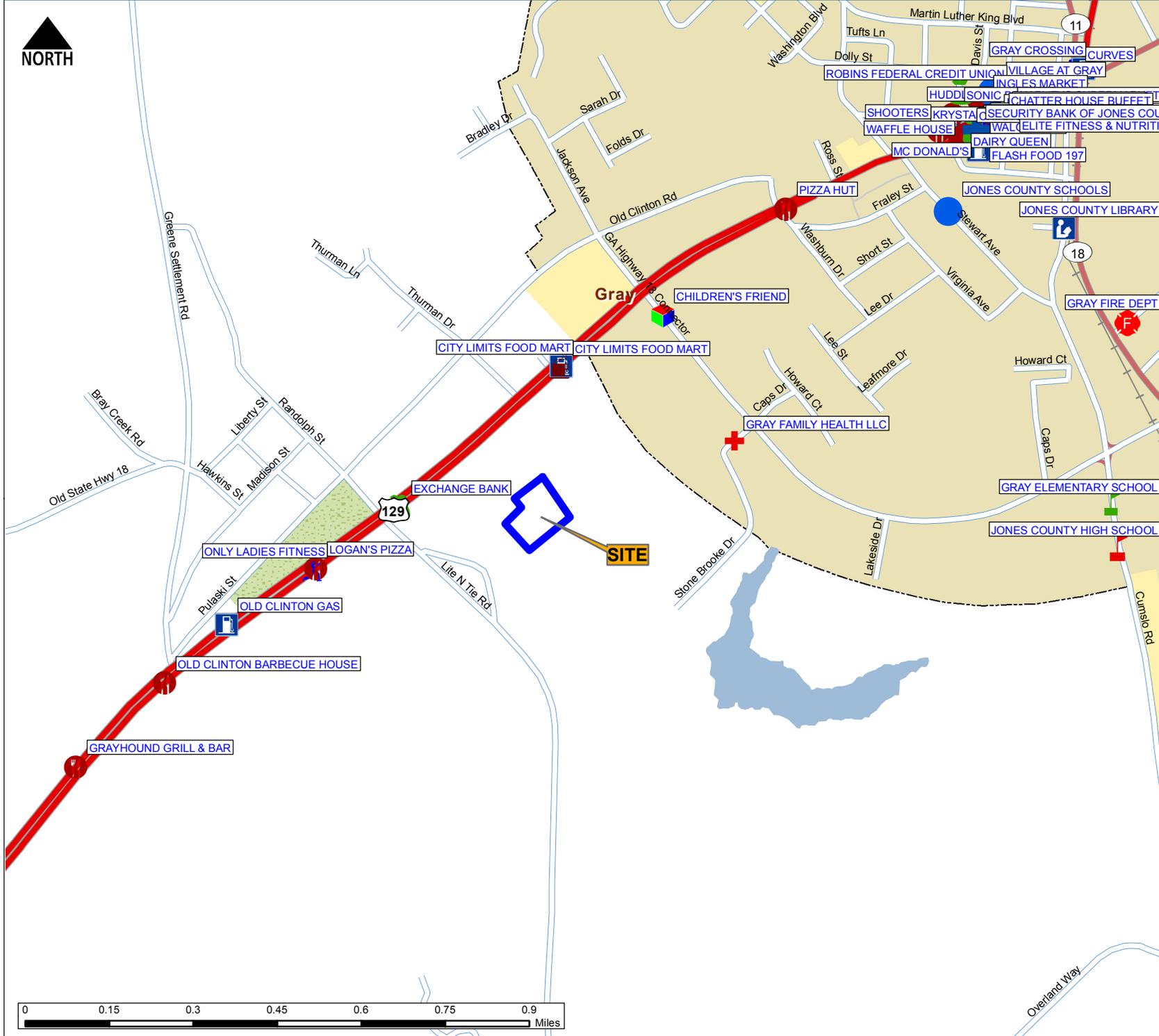


Businesses located northeast of the site

## **7. COMMUNITY SERVICES MAP**

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

# Gray, GA: Neighborhood Community Services



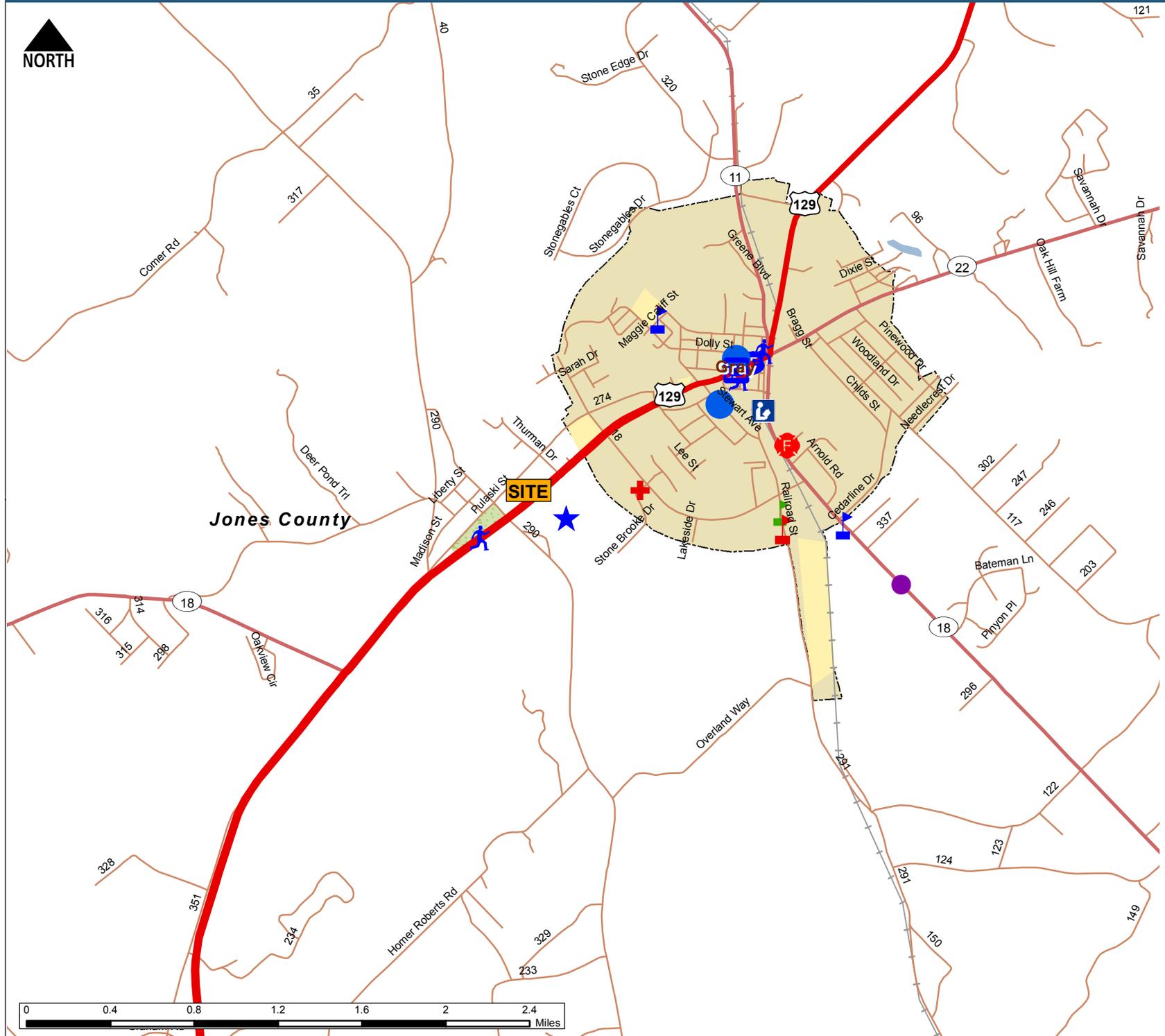
- ### Legend
- Project Site
  - bank
  - child care
  - convenience store
  - elementary school
  - fire
  - fitness center
  - gas
  - grocery
  - high school
  - library
  - medical center
  - pharmacy
  - police
  - post office
  - restaurant
  - shopping
  - emplmt. ctr. (<5,000)

# Gray, GA: Regional Community Services



## Legend

-  Project Site
-  elementary school
-  fire
-  fitness center
-  high school
-  library
-  medical center
-  middle school
-  police
-  post office
-  rec./community center
-  shopping
-  emplymt. ctr. (<5,000)



1:40,000

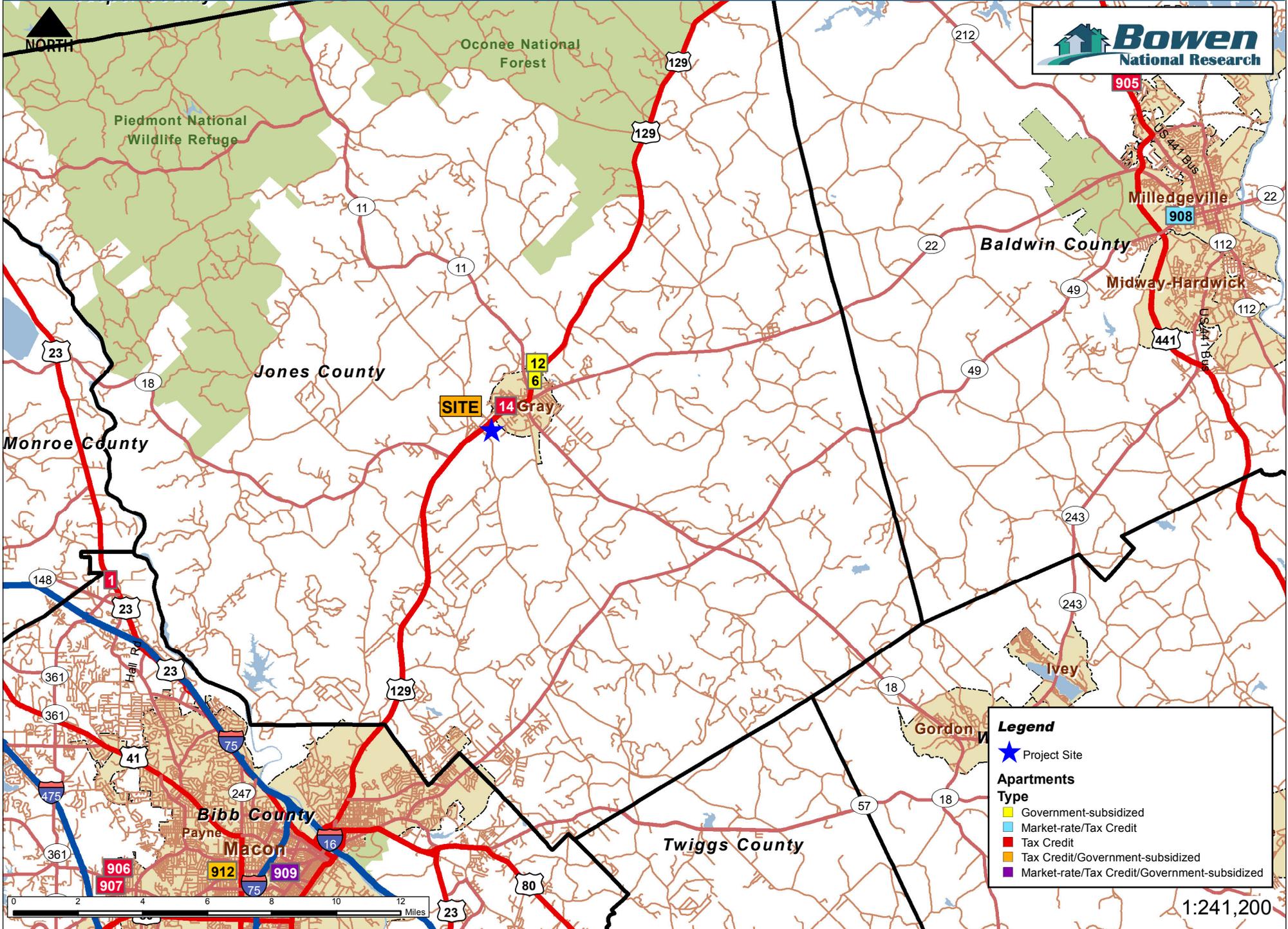
**8. NEIGHBORHOOD DEVELOPMENTS/ZONING**

The proposed project involves the new construction of four apartment buildings in a mixed-use neighborhood within Gray. Recent development activity in the immediate neighborhood includes the construction of a new senior center and the remaining land being developed is zoned for commercial retail, fast food and/or big box uses. This zoning is consistent with the other surrounding land uses and will increase the marketability of the site. Other nearby land uses include single-family homes, professional offices and undeveloped wooded land. The site is currently zoned multifamily, and this zoning is not expected to change.

**9. MAP OF LOW-INCOME RENTAL HOUSING**

A map illustrating the location of low-income rental housing projects (Tax Credit, Rural Development, HUD Section 8 and Public Housing) identified in the Site PMA is included on the following page.

# Gray, GA: Low-Income Property Locations



**Legend**

- ★ Project Site
- Apartments Type**
- Government-subsidized
- Market-rate/Tax Credit
- Tax Credit
- Tax Credit/Government-subsidized
- Market-rate/Tax Credit/Government-subsidized

1:241,200

## **10. PLANNED ROAD OR INFRASTRUCTURE IMPROVEMENTS**

According to area planning and zoning officials, no notable roads or other infrastructure projects (other than the sites' access road) are underway or planned for the immediate site area. The subject site has convenient access to U.S. Highway 129 and State Routes 11, 18 and 22. The area is established and electric service is provided by Georgia Power, gas service is provided by Eatonton Gas, water service is provided by the City of Gray and sewer service is also provided by the city of Gray.

## **11. VISIBLE ENVIRONMENTAL OR OTHER CONCERNS**

There were no visible environmental concerns regarding the site.

## **12. OVERALL SITE EVALUATION**

The proposed site will fit in well with the surrounding land uses and is within proximity of numerous community services, many of which are within walking distance. In addition, all emergency response and educational services are located within 1.7 miles of the site. The site is located within 0.2 miles of U.S. Highway 129 and State Routes 11, 18 and 22, which provide access to surrounding cities and counties in central Georgia. Although access is considered good, visibility is limited due to the surrounding structures and wooded land. However, promotional signage and strong marketing will be able to mitigate the lack of exposure from passing motorists. Overall, we anticipate the proposed site's location and proximity to community services will have a positive impact on its marketability.

## SECTION D – PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which the majority of the support for the proposed subject development is expected to originate. The Gray, Georgia Site PMA was determined through interviews with area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Gray Site PMA includes the City of Gray, portions of northeast Macon and outlying unincorporated areas within Jones and Bibb Counties. The boundaries of the Site PMA generally include the Jones County border to the north; the Jones County border to the east; the Jones/Wilkinson County border, Jones/Twigg County border and the Bibb/Twigg County border west to Interstate 16, to the south; and U.S. Highway 23 and Interstate 16 to the west. The Site PMA includes the following Census Tracts:

132890602.00	132070503.00	130210117.01	130210119.00
132890601.00	132070501.00	130210111.00	130210120.00
130099705.00	130210133.01	131690302.00	131690303.01*
133199603.00	130210113.00	130210117.02	131690301.02
132379603.00	130210108.00	130210110.00	131690301.01
131690303.02	130210133.02	131599904.00	130210134.02
130099708.00	130210112.00		

\*Site's Census Tract

Tracie Lancaster, Property Manager of the Dulles Park Tax Credit apartments, stated that while most of their tenants have been there since before she started as manager, she gets inquiries from prospective tenants from the northern portions of Macon. Tracie said that due to the location of Gray between Macon and Milledgeville and the positive reputation of the Jones County Schools, prospective tenants from the northern Macon area would move to Gray. Tracie went on to say that the convenient access to and from Macon via U.S. Highway 129/State Route 11/22 enables tenants that live in Gray to work in Macon.

Mr. Sanford Ethridge, Property Manager at the Colonnade Apartments in Gray, reports that the majority of his current tenants are from within the city limits of Gray, or just outside Gray but within Jones County. However, Mr. Ethridge also has a number of current tenants that relocated to Gray from Macon, Milledgeville or Gordon. Mr. Ethridge reports that tenants relocating from those areas outside of Jones County generally have one member of the household working in Macon and one member of the family working in Milledgeville. Gray is a natural halfway point between the two larger cities and the local school districts in Jones County are considered desirable.

Given the reputation of the Jones County school district as well as Gray's central location to other towns and cities such as Macon, Milledgeville and Gordon, we believe renters will continue to be attracted to the city of Gray.

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

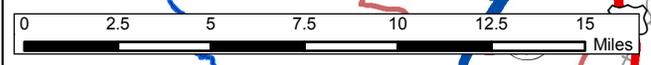
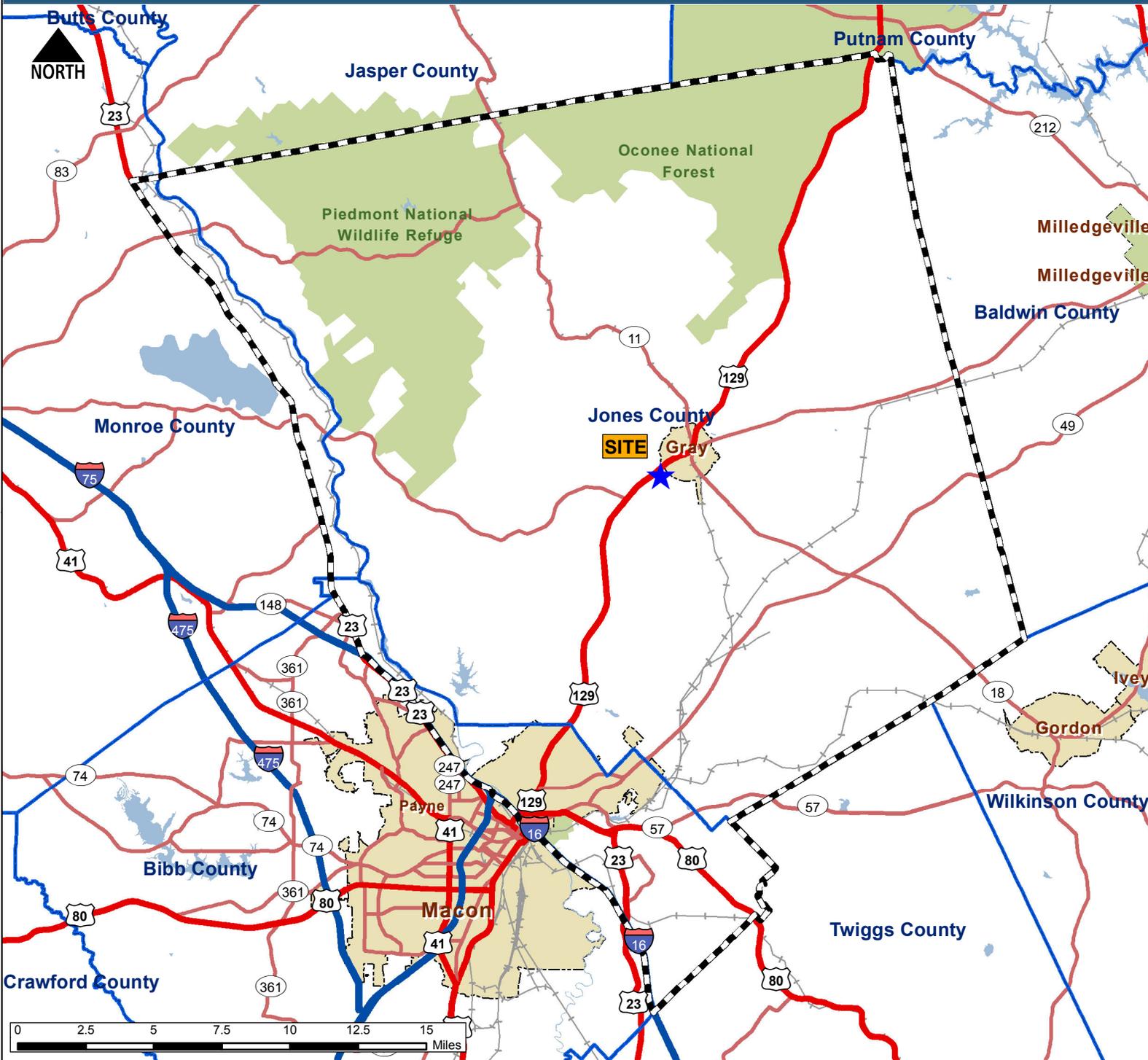
# Gray, GA: Primary Market Area



**Primary Market Area Information**  
 Area: 447.06 Sq. Miles  
 County in PMA: Gray and Bibb  
 2011 Estimated Population: 53,933  
 2011 Total Households: 20,669  
 2011 Median Household Inc.: \$39,426

**Legend**

- ★ Project Site
- ▭ PMA



1:323,680

## SECTION E - COMMUNITY DEMOGRAPHIC DATA

### 1. POPULATION TRENDS

The Gray Site PMA population base increased by 1,084 between 1990 and 2000. This represents a 2.2% increase over the 1990 population, or an annual rate of 0.2%. The Site PMA population bases for 1990, 2000, 2011 (estimated) and 2014 (projected) are summarized as follows:

	Year			
	1990 (Census)	2000 (Census)	2011 (Estimated)	2014 (Projected)
Population	48,862	49,946	53,933	54,159
Population Change	-	1,084	3,987	226
Percent Change	-	2.2%	8.0%	0.4%

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

Between 2000 and 2011, the population increased by 3,987, or 8.0%. It is projected that the population will increase by 226, or 0.4%, between 2011 and 2014. This is considered to be a low, but stable rate of growth.

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

Population by Age	2000 (Census)		2011 (Estimated)		2014 (Projected)		Change 2011-2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	14,841	29.7%	15,463	28.7%	15,183	28.0%	-280	-1.8%
20 to 24	2,927	5.9%	3,145	5.8%	3,232	6.0%	87	2.8%
25 to 34	6,648	13.3%	6,618	12.3%	6,704	12.4%	86	1.3%
35 to 44	7,883	15.8%	6,948	12.9%	6,778	12.5%	-170	-2.5%
45 to 54	6,869	13.8%	7,835	14.5%	7,432	13.7%	-403	-5.1%
55 to 64	4,610	9.2%	6,808	12.6%	7,103	13.1%	295	4.3%
65 to 74	3,294	6.6%	4,158	7.7%	4,694	8.7%	536	12.9%
75 & Over	2,874	5.8%	2,958	5.5%	3,032	5.6%	74	2.5%
Total	49,946	100.0%	53,933	100.0%	54,159	100.0%	226	0.4%

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

A range of age cohorts are expected to increase between 2011 and 2014. However, the population is gradually growing older. Notably, the population age 65 to 74 is projected to increase by 12.9%. Regardless, over 52% of the population is expected to be between 25 and 64 years old in 2011. This age group is the prime group of potential renters for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

Within the Gray Site PMA, households increased by 1,198 (6.7%) between 1990 and 2000. Household trends within the Gray Site PMA are summarized as follows:

	Year			
	1990 (Census)	2000 (Census)	2011 (Estimated)	2014 (Projected)
Households	17,827	19,025	20,669	20,767
Household Change	-	1,198	1,644	98
Percent Change	-	6.7%	8.6%	0.5%
Household Size	2.69	2.58	2.57	2.57

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

Between 2000 and 2011, households increased by 1,644 or 8.6%. By 2014, there will be 20,767 households, an increase of 98 households, or 0.5% over 2011 levels. This is an increase of approximately 33 households annually over the next three years.

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

Households by Age	2000 (Census)		2011 (Estimated)		2014 (Projected)		Change 2011-2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	852	4.5%	928	4.5%	888	4.3%	-40	-4.3%
25 to 34	3,032	15.9%	3,031	14.7%	3,054	14.7%	23	0.8%
35 to 44	4,347	22.8%	3,708	17.9%	3,550	17.1%	-158	-4.3%
45 to 54	3,938	20.7%	4,333	21.0%	4,074	19.6%	-259	-6.0%
55 to 64	2,704	14.2%	3,973	19.2%	4,129	19.9%	156	3.9%
65 to 74	2,345	12.3%	2,565	12.4%	2,933	14.1%	368	14.3%
75 to 84	1,407	7.4%	1,541	7.5%	1,548	7.5%	7	0.4%
85 & Over	400	2.1%	590	2.9%	591	2.8%	1	0.2%
Total	19,025	100.0%	20,669	100.0%	20,767	100.0%	98	0.5%

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

Similar to the population growth, the households are generally growing older. However, over 70% of the households are expected to be between 25 and 64 years old in 2014. This is the prime age group that will be targeted by the subject project and likely represents a good base of potential support.

Households by tenure are distributed as follows:

Tenure	2000 (Census)		2011 (Estimated)		2014 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	13,319	70.0%	13,717	66.4%	13,832	66.6%
Renter-Occupied	5,706	30.0%	6,952	33.6%	6,935	33.4%
Total	19,025	100.0%	20,669	100.0%	20,767	100.0%

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

In 2011, homeowners occupied 66.4% of all occupied housing units, while the remaining 33.6% were occupied by renters. The share of renters is typical for a market such as the Gray Site PMA and represents a good base of potential renters in the market for the subject development.

Households by tenure are distributed as follows:

Distribution of Households	2000 (Census)		2011 (Estimated)		2014 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 62)	9,358	49.2%	9,082	43.9%	8,855	42.6%
Owner-Occupied (Age 62+)	3,961	20.8%	4,635	22.4%	4,977	24.0%
Renter-Occupied (<Age 62)	4,704	24.7%	5,784	28.0%	5,680	27.4%
Renter-Occupied (Age 62+)	1,002	5.3%	1,168	5.6%	1,255	6.0%
Total	19,025	100.0%	20,669	100.0%	20,767	100.0%

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

Currently, 28.0% of all occupied housing units within the Site PMA are occupied by renters less than 62 years of age.

The household sizes by tenure within the Site PMA, based on the 2000 Census and 2011 estimates, were distributed as follows:

Persons Per Renter Household	2000 (Census)		2011 (Estimated)		Change 2000-2011	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,900	33.3%	2,566	36.9%	666	35.0%
2 Persons	1,424	25.0%	1,564	22.5%	140	9.8%
3 Persons	1,079	18.9%	1,296	18.6%	216	20.0%
4 Persons	668	11.7%	805	11.6%	137	20.6%
5 Persons+	635	11.1%	721	10.4%	87	13.7%
Total	5,706	100.0%	6,952	100.0%	1,246	21.8%

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

Persons Per Owner Household	2000 (Census)		2011 (Estimated)		Change 2000-2011	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,747	20.6%	3,030	22.1%	283	10.3%
2 Persons	4,641	34.8%	4,721	34.4%	80	1.7%
3 Persons	2,570	19.3%	2,676	19.5%	106	4.1%
4 Persons	2,094	15.7%	2,051	15.0%	-43	-2.0%
5 Persons+	1,267	9.5%	1,239	9.0%	-28	-2.2%
Total	13,319	100.0%	13,717	100.0%	398	3.0%

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

The one-, two- and three-bedroom units proposed at the subject site will target most household sizes once complete. This will increase the number of potential households that would consider residing at the subject project.

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

Household Income	2000 (Census)		2011 (Estimated)		2014 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,374	12.5%	2,469	11.9%	2,451	11.8%
\$10,000 to \$19,999	2,874	15.1%	2,943	14.2%	2,919	14.1%
\$20,000 to \$29,999	2,468	13.0%	2,460	11.9%	2,455	11.8%
\$30,000 to \$39,999	2,299	12.1%	2,340	11.3%	2,336	11.2%
\$40,000 to \$49,999	2,266	11.9%	2,313	11.2%	2,297	11.1%
\$50,000 to \$59,999	1,876	9.9%	1,902	9.2%	1,920	9.2%
\$60,000 to \$74,999	1,664	8.7%	2,054	9.9%	2,085	10.0%
\$75,000 to \$99,999	1,699	8.9%	1,932	9.3%	1,969	9.5%
\$100,000 to \$124,999	683	3.6%	1,059	5.1%	1,092	5.3%
\$125,000 to \$149,999	364	1.9%	509	2.5%	528	2.5%
\$150,000 to \$199,999	223	1.2%	364	1.8%	379	1.8%
\$200,000 & Over	236	1.2%	323	1.6%	335	1.6%
<b>Total</b>	<b>19,025</b>	<b>100.0%</b>	<b>20,669</b>	<b>100.0%</b>	<b>20,767</b>	<b>100.0%</b>
<b>Median Income</b>	<b>\$37,816</b>		<b>\$40,528</b>		<b>\$40,968</b>	

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

In 2000, the median household income was \$37,816. This increased by 7.2% to \$40,528 in 2011. By 2014, it is projected that the median household income will be \$40,968, an increase of 1.1% over 2011.

The following tables illustrate renter household income by household size for 2000, 2010, 2011 and 2014 for the Gray Site PMA:

Renter Households	2000 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	730	236	187	102	111	1,366
\$10,000 to \$19,999	546	308	275	123	84	1,336
\$20,000 to \$29,999	218	296	141	95	141	890
\$30,000 to \$39,999	235	170	130	62	142	739
\$40,000 to \$49,999	58	156	135	102	58	510
\$50,000 to \$59,999	52	114	55	101	32	355
\$60,000 to \$74,999	18	51	51	36	27	184
\$75,000 to \$99,999	22	51	53	26	28	179
\$100,000 to \$124,999	11	21	20	8	7	68
\$125,000 to \$149,999	3	9	13	5	1	30
\$150,000 to \$199,999	4	7	6	2	2	21
\$200,000 & Over	6	4	13	5	1	28
<b>Total</b>	<b>1,900</b>	<b>1,424</b>	<b>1,079</b>	<b>668</b>	<b>635</b>	<b>5,706</b>

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2010 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	942	230	192	95	119	1,579
\$10,000 to \$19,999	713	323	285	134	83	1,538
\$20,000 to \$29,999	321	289	163	104	148	1,024
\$30,000 to \$39,999	313	165	159	72	176	885
\$40,000 to \$49,999	79	175	169	128	60	610
\$50,000 to \$59,999	80	142	69	122	37	450
\$60,000 to \$74,999	35	92	89	60	37	313
\$75,000 to \$99,999	38	76	74	45	37	270
\$100,000 to \$124,999	22	40	40	19	14	135
\$125,000 to \$149,999	6	20	20	12	5	63
\$150,000 to \$199,999	6	12	16	7	1	43
\$200,000 & Over	9	12	18	5	4	48
Total	2,564	1,575	1,294	804	721	6,958

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2011 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	943	228	191	95	117	1,574
\$10,000 to \$19,999	713	319	282	131	83	1,528
\$20,000 to \$29,999	323	287	163	105	147	1,025
\$30,000 to \$39,999	312	163	159	72	176	881
\$40,000 to \$49,999	79	172	169	128	59	606
\$50,000 to \$59,999	80	141	70	123	37	451
\$60,000 to \$74,999	35	91	90	62	39	317
\$75,000 to \$99,999	38	78	75	46	38	275
\$100,000 to \$124,999	22	41	41	20	14	139
\$125,000 to \$149,999	6	20	21	12	6	64
\$150,000 to \$199,999	7	12	16	7	1	44
\$200,000 & Over	9	12	18	6	4	49
Total	2,566	1,564	1,296	805	721	6,952

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2014 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	946	219	188	94	113	1,560
\$10,000 to \$19,999	711	308	274	123	81	1,497
\$20,000 to \$29,999	329	281	163	108	146	1,027
\$30,000 to \$39,999	309	155	160	70	177	871
\$40,000 to \$49,999	78	163	168	127	57	594
\$50,000 to \$59,999	81	138	72	125	37	454
\$60,000 to \$74,999	35	91	94	66	42	327
\$75,000 to \$99,999	38	82	80	48	40	289
\$100,000 to \$124,999	23	45	45	22	15	150
\$125,000 to \$149,999	7	20	22	12	7	67
\$150,000 to \$199,999	8	13	17	7	2	47
\$200,000 & Over	9	13	18	6	5	51
Total	2,574	1,530	1,301	808	722	6,935

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables has been used in Section G – Project Specific Demand.

## SECTION F - ECONOMIC TRENDS

### 1. LABOR FORCE PROFILE

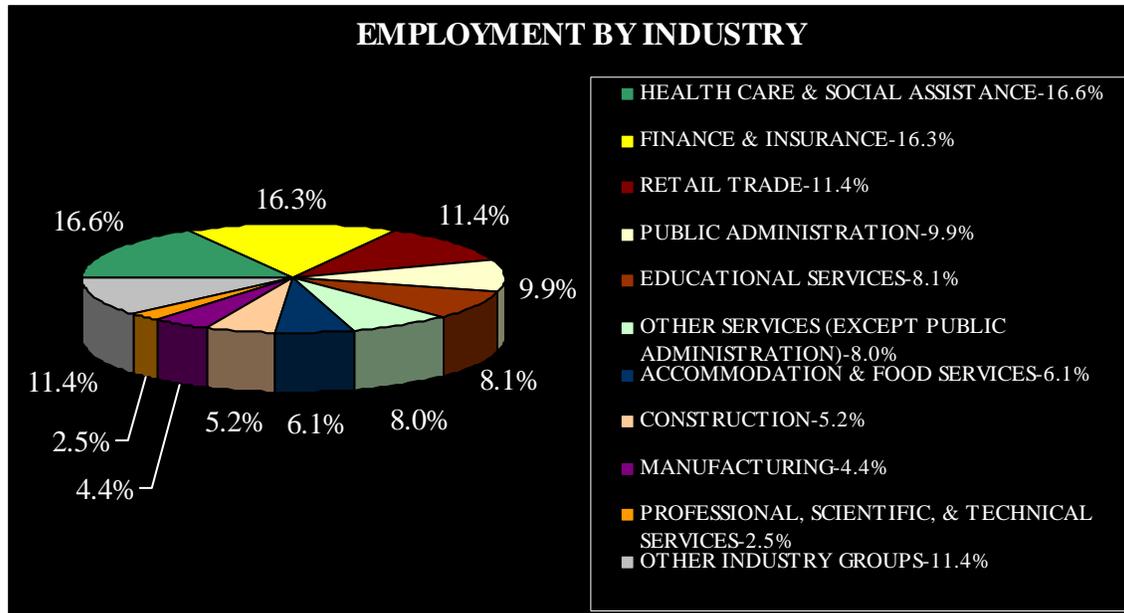
The labor force within the Gray Site PMA is based primarily in three sectors. Health Care & Social Assistance (which comprises 16.6%), Finance & Insurance and Retail Trade comprise over 44% of the Site PMA labor force. Employment in the Gray Site PMA, as of 2011, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	9	0.5%	90	0.5%	10.0
Mining	2	0.1%	14	0.1%	7.0
Utilities	3	0.2%	101	0.6%	33.7
Construction	166	10.0%	937	5.2%	5.6
Manufacturing	35	2.1%	797	4.4%	22.8
Wholesale Trade	67	4.1%	441	2.4%	6.6
Retail Trade	224	13.5%	2,050	11.4%	9.2
Transportation & Warehousing	35	2.1%	341	1.9%	9.7
Information	31	1.9%	213	1.2%	6.9
Finance & Insurance	86	5.2%	2,947	16.3%	34.3
Real Estate & Rental & Leasing	91	5.5%	351	1.9%	3.9
Professional, Scientific & Technical Services	75	4.5%	452	2.5%	6.0
Management of Companies & Enterprises	1	0.1%	28	0.2%	28.0
Administrative, Support, Waste Management & Remediation Services	69	4.2%	364	2.0%	5.3
Educational Services	49	3.0%	1,462	8.1%	29.8
Health Care & Social Assistance	133	8.0%	3,003	16.6%	22.6
Arts, Entertainment & Recreation	24	1.5%	110	0.6%	4.6
Accommodation & Food Services	96	5.8%	1,101	6.1%	11.5
Other Services (Except Public Administration)	292	17.7%	1,442	8.0%	4.9
Public Administration	126	7.6%	1,790	9.9%	14.2
Nonclassifiable	40	2.4%	9	0.0%	0.2
Total	1,654	100.0%	18,043	100.0%	10.9

\*Source: 2000 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 Macon Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Macon MSA	Georgia
Management Occupations	\$93,820	\$105,680
Business and Financial Occupations	\$57,160	\$70,200
Computer and Mathematical Occupations	\$61,700	\$73,810
Architecture and Engineering Occupations	\$70,970	\$72,350
Community and Social Service Occupations	\$36,440	\$41,040
Art, Design, Entertainment and Sports Medicine Occupations	\$35,860	\$50,190
Healthcare Practitioners and Technical Occupations	\$64,260	\$68,360
Healthcare Support Occupations	\$25,170	\$25,800
Protective Service Occupations	\$31,650	\$34,180
Food Preparation and Serving Related Occupations	\$18,640	\$20,130
Building and Grounds Cleaning and Maintenance Occupations	\$20,850	\$23,490
Personal Care and Service Occupations	\$19,600	\$22,370
Sales and Related Occupations	\$29,420	\$34,670
Office and Administrative Support Occupations	\$30,060	\$32,690
Construction and Extraction Occupations	\$32,860	\$37,280
Installation, Maintenance and Repair Occupations	\$39,500	\$41,480
Production Occupations	\$35,290	\$30,930
Transportation and Moving Occupations	\$27,870	\$32,420

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

Most annual blue-collar salaries range from \$18,640 to \$39,500 within the Macon MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$69,582. It is important to note that most occupational types within the Macon MSA have slightly lower typical wages than the State of Georgia's typical wages. The proposed project will target households with incomes generally between \$20,000 and \$35,000. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

**2. MAJOR EMPLOYERS**

The five largest employers within the city of Gray and Jones County comprise a total of 1,620 employees. These employers are summarized as follows:

Business	Business Type	Total Employed
Jones County Government	County Government	450
Jones County School District	Education	400
Ethica Health & Retirement Communities	Healthcare	350
Martin Marietta Aggregates	Mining	350
Tri-County Electric Membership Cooperative (EMC)	Utility	70
<b>Total</b>		<b>1,620</b>

Source: Jones County Chamber of Commerce

According to a representative with the Jones County Chamber of Commerce the local economy is stable. No major employers have announced expansions or contractions within the past year. In fact, no WARN notices of any kind have been issued in 2011 or 2012 (to date). Notably, the county is currently constructing the Griswoldville Industrial Park (about 12.0 miles south of Gray), which will be the first in Jones County. The park will encompass 972 acres off of Highway 57 once complete and there is currently a ballot referendum to approve financing for a railway spur. To date, one company has moved into the completed portion of the industrial park. NFI Installation, Inc. is a full service provider to energy and mining sectors. The company relocated its headquarters from Oregon to Jones County at the end of 2011 and has approximately 25 employees. NFI anticipates expanding and hiring additional employees in the future.

**3. EMPLOYMENT TRENDS**

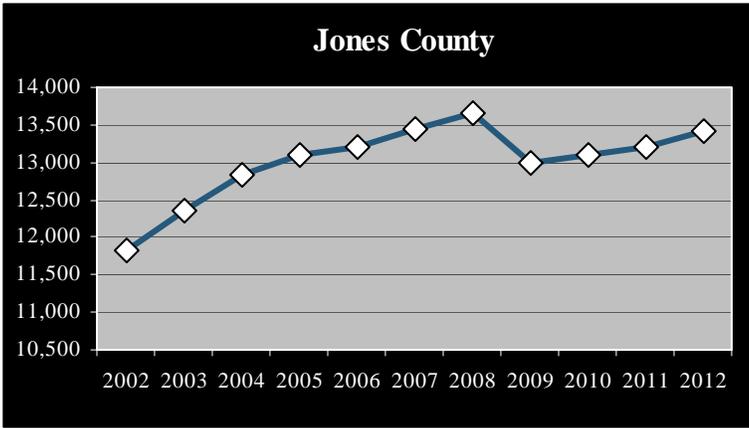
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2012, the employment base has declined by 1.7% over the past five years in Jones County, less than the Georgia state decline of 7.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Jones County, Georgia and the United States.

Year	Total Employment					
	Jones County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2002	11,813	-	4,135,381	-	137,936,674	-
2003	12,346	4.5%	4,173,787	0.9%	138,386,944	0.3%
2004	12,829	3.9%	4,249,007	1.8%	139,988,842	1.2%
2005	13,103	2.1%	4,375,178	3.0%	142,328,023	1.7%
2006	13,207	0.8%	4,500,150	2.9%	144,990,053	1.9%
2007	13,431	1.7%	4,587,739	1.9%	146,397,529	1.0%
2008	13,654	1.7%	4,548,366	-0.9%	146,068,824	-0.2%
2009	12,993	-4.8%	4,278,522	-5.9%	140,721,369	-3.7%
2010	13,111	0.9%	4,213,875	-1.5%	140,483,185	-0.2%
2011	13,209	0.7%	4,262,175	1.1%	141,748,955	0.9%
2012*	13,423	1.6%	4,310,064	1.1%	141,772,241	0.0%

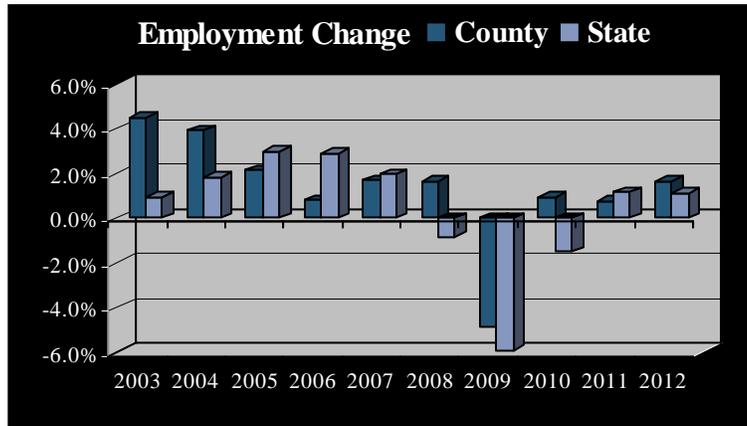
Source: Department of Labor; Bureau of Labor Statistics  
\*Through April



As the preceding illustrates, the Jones County employment base has rebounded slowly since the national recession in 2009. However, the employment base has added jobs each year since 2010, including 2012 to date.



The following table illustrates the percent change in employment for Jones County and Georgia.

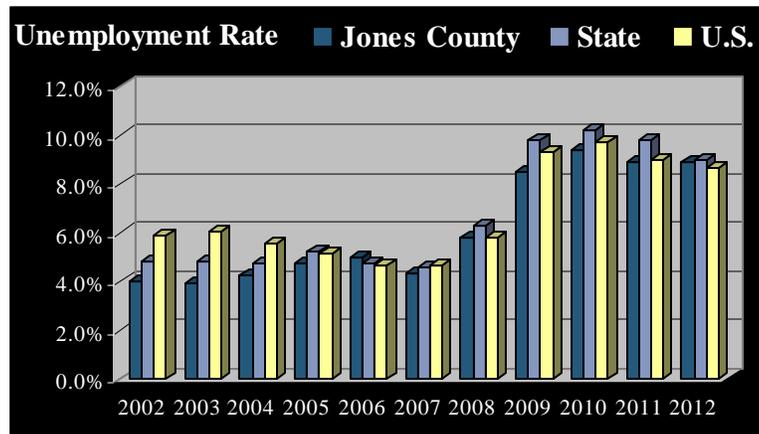


Unemployment rates for Jones County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Jones County	Georgia	United States
2002	4.0%	4.8%	5.8%
2003	3.9%	4.8%	6.0%
2004	4.2%	4.7%	5.6%
2005	4.7%	5.2%	5.2%
2006	5.0%	4.7%	4.7%
2007	4.3%	4.6%	4.7%
2008	5.8%	6.3%	5.8%
2009	8.5%	9.8%	9.3%
2010	9.4%	10.2%	9.7%
2011	8.9%	9.8%	9.0%
2012*	8.9%	9.0%	8.7%

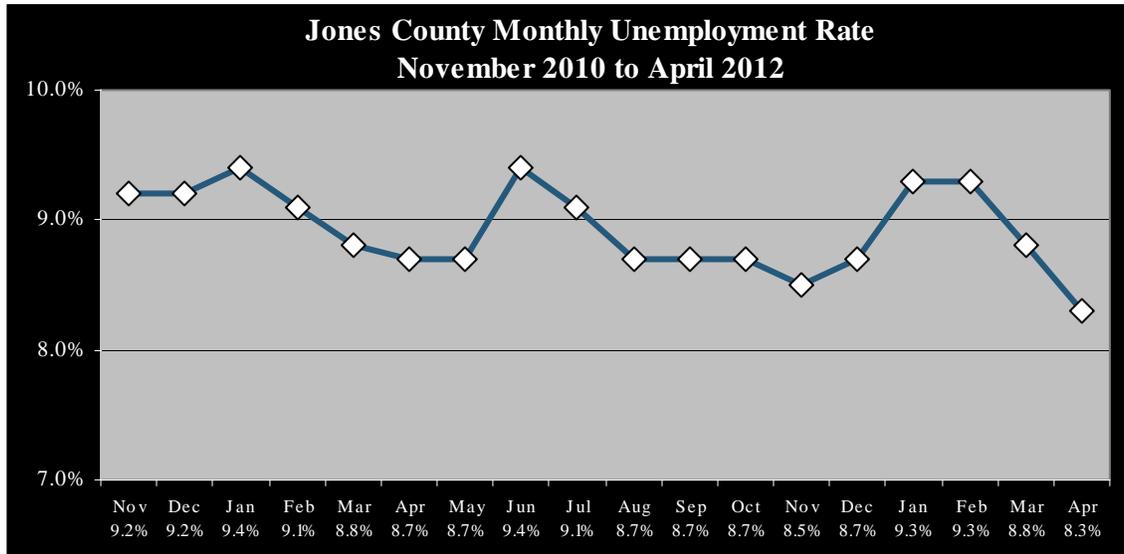
Source: Department of Labor, Bureau of Labor Statistics

\*Through April



The unemployment rate in Jones County has ranged between 3.9% and 9.4% since 2002. Notably, the unemployment rate has been below statewide unemployment rates since 2007.

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



Despite several spikes, the monthly unemployment rate has generally declined during the past 18 month period. This trend is consistent with the continued increase in the employment base and is illustrative of a slow economic recovery.

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 Jones County.

In-Place Employment Jones County			
Year	Employment	Change	Percent Change
2001	3,076	-	-
2002	3,211	135	4.4%
2003	3,266	55	1.7%
2004	3,351	85	2.6%
2005	3,274	-77	-2.3%
2006	3,388	114	3.5%
2007	3,567	179	5.3%
2008	3,654	87	2.4%
2009	3,418	-236	-6.5%
2010	3,441	23	0.7%
2011*	3,387	-54	-1.6%

Source: Department of Labor, Bureau of Labor Statistics

\*Through September

Data for 2010, the most recent year that year-end figures are available, indicates in-place employment in Jones County to be 26.2% of the total Jones County employment. This means that Jones County has more employed persons leaving the county for daytime employment than those who work in the county. Typically, a high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs. However, considering the accessibility of the Macon labor market via U.S. Highway 129 and the unique benefit derived from the geographic location of Gray between Milledgeville and Macon, the low in-place employment percentage is not considered to have a negative impact on marketability.

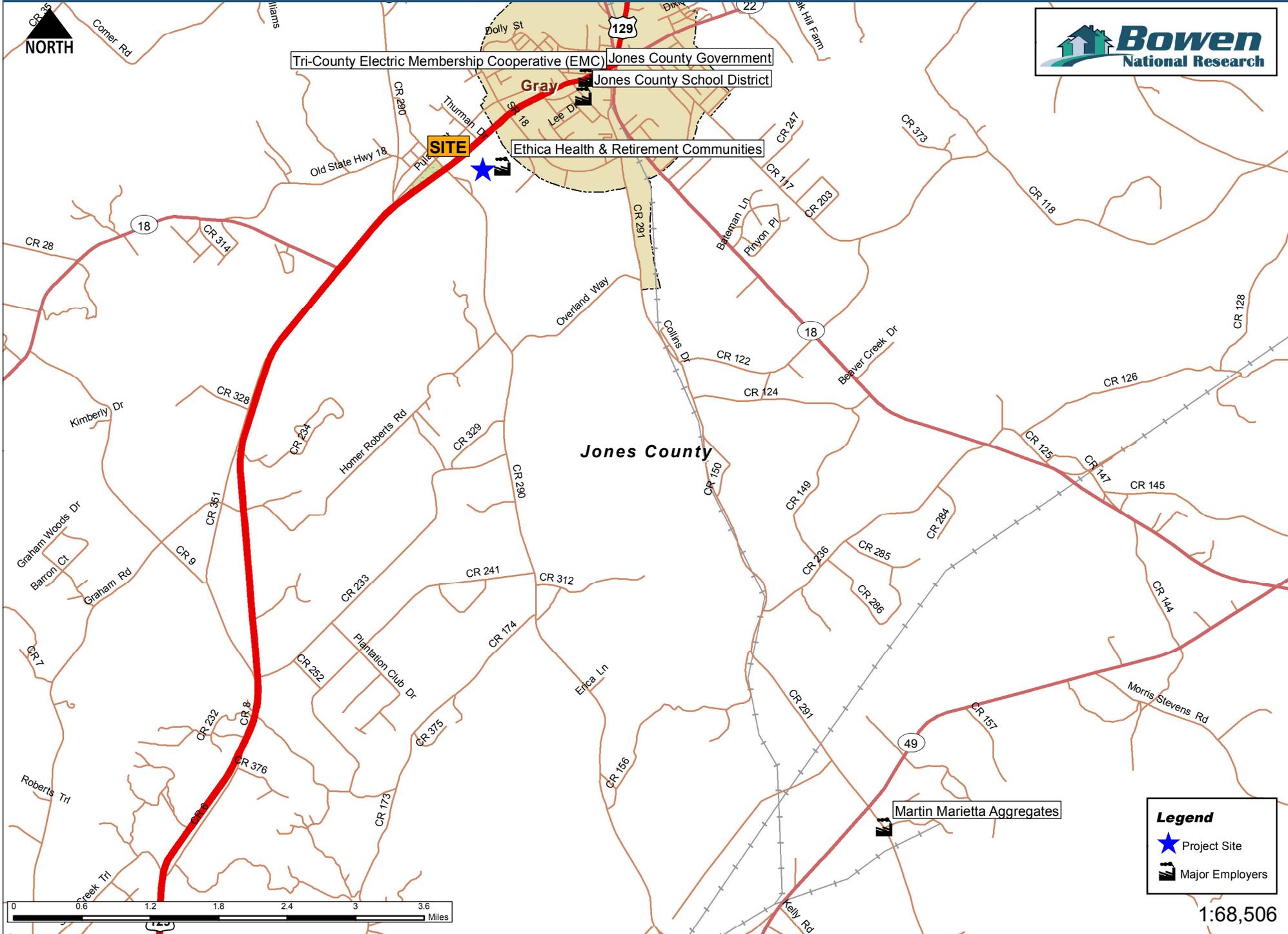
#### **4. ECONOMIC FORECAST**

According to Census statistics and interviews with local economic development representatives, the Jones County economy is stable and steadily improving. The employment base declined by 4.8% in 2009 as a result of the national recession, but unemployment rates have remained below statewide averages since that time. Further, the employment base has slowly increased since 2010 and is projected to continue to increase in 2012. No Warn Notices have been issued in Jones County in 2011 or 2012 (to date). Notably, the monthly unemployment rate has generally declined during the past 18 month period and the average annual rate in 2012 (8.9% through April) is below the peak unemployment rate of 9.2% in 2010. We anticipate the local economy to remain in line with statewide and national trends, given the absence of any major employment announcements in the county.

As illustrated in Section H of this report, the local rental housing market is nearly 93.0% occupied. More importantly, the affordable housing units (Tax Credit and government-subsidized) are 97.7% occupied. These occupancy rates are considered stable to high and illustrate the local economic conditions have not had an overly adverse impact on occupancy. Given the anticipated slow growth, we expect the demand for rental housing to remain consistent through the project period of the subject project.

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

# Gray, GA: Major Employers



**Legend**

- ★ Project Site
- 🏢 Major Employers

1:68,506

## 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 Jones County, which is part of the Macon, Georgia MSA. In 2012, this MSA has a reported median four-person household income of \$54,700. However, per Georgia DCA direction, we have based our maximum allowable incomes off of 2011 levels. In 2011, the median four-person household income within the Macon, Georgia MSA was \$54,000. 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 level.

Household Size	2011 Maximum Allowable Income	
	50%	60%
One-Person	\$18,900	\$22,680
Two-Person	\$21,600	\$25,920
Three-Person	\$24,300	\$29,160
Four-Person	\$27,000	\$32,400
Five-Person	\$29,200	\$35,040

#### 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 **\$35,040**.

#### b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA 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 Low-Income Housing Tax Credit units will have a lowest gross rent of \$506 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,072.

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 \$17,349.

**c. Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate range required for living at the proposed project with units built to serve households at 50% and 60% of AMHI is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% of AMHI)	\$17,349	\$29,200
Tax Credit (Limited To 60% of AMHI)	\$20,811	\$35,040

**2. METHODOLOGY**

**Demand**

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- 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 2010 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/subject\*\** 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) 2006-2010 5-year estimates, approximately 21.8% to 30.4% of the renter households income-qualified to reside at the subject project are considered rent overburdened, depending on targeted income level. 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) 2006-2010 5-year estimates, 4.2% of all households in Jones County 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 15% 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 above 5% must be based on actual market conditions, as documented in the study.*

- c. **Secondary Market:** *DCA recommends that the analyst be conservative when developing the Primary Market Area so as to not overstate market demand overall. Demand from the Secondary Market will be limited to 15% of the demand from the Primary Market. The analyst must provide sufficient documentation to justify the extent of this market and define how it relates to the Primary Market to provide an accurate analysis of the projected tenant population for the proposed development.*
  
- d. **Other:** DCA 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 developments awarded and/or constructed from 2010 to the present is subtracted to calculate Net Demand. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, 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 identified **NO** LIHTC properties that were funded and/or built during the projection period (2010 to current). In fact, no multifamily properties were identified within the development pipeline besides the subject project. The newest apartments surveyed were built in 2005.

The following is a summary of our demand calculations:

Demand Component	Percent of Median Household Income		
	50% AMHI (\$17,349 to \$29,200)	60% AMHI (\$20,811 to \$35,040)	Overall (\$17,349 to \$35,040)
Demand From New Households (Age- And Income-Appropriate)	1,342 – 1,350 = -8	1,383 – 1,387 = -4	1,863 – 1,877 = -14
+			
Demand From Existing Households (Renters In Substandard Housing)	1,350 X 4.2% = 57	1,387 X 4.2% = 58	1,877 X 4.2% = 79
+			
Demand From Existing Households (Rent Overburdened)	1,350 X 30.4% = 410	1,387 X 21.8% = 302	1,877 X 27.5% = 516
+			
Demand From Secondary Market Area (115% Of Demand From Existing Qualified Households In Site PMA)	69	53	87
=			
Demand Subtotal	528	409	668
+			
Demand From Existing Homeowners (Elderly Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	528	409	668
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2010)	0	0	0
=			
Net Demand	528	409	668
Proposed Units	11	61	72
Capture Rate	2.1%	14.9%	10.8%

All of the capture rates are considered low utilizing this methodology. According to GDCA/GHFA guidelines, capture rates lower than 30.0% to 35.0% are acceptable and below threshold. Further, considering the affordable housing projects within the market area are operating at an overall 97.7% occupancy rate, the low capture rates illustrate substantial demographic support for the proposed development.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	25.0%
Two-Bedroom	50.0%
Three-Bedroom	25.0%
Total	100.0%

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

Bedroom Size (Share Of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Subject Rents
One-Bedroom (25%)	50%	3	132	0	132	2.3%	2-3 Months	\$626	\$354
	60%	13	102	0	102	12.7%	4-6 Months		\$455
<b>One-Bedroom</b>	<b>Total</b>	<b>16</b>	<b>234</b>	<b>0</b>	<b>234</b>	<b>6.8%</b>	<b>6-9 Months</b>		-
Two-Bedroom (50%)	50%	4	264	0	264	1.5%	2-3 Months	\$766	\$412
	60%	28	205	0	205	13.7%	9-11 Months		\$534
<b>Two-Bedroom</b>	<b>Total</b>	<b>32</b>	<b>469</b>	<b>0</b>	<b>469</b>	<b>6.8%</b>	<b>10-12 Months</b>		-
Three-Bedroom (25%)	50%	4	132	0	132	3.0%	2-3 Months	\$835	\$463
	60%	20	102	0	102	19.6%	9-11 Months		\$604
<b>Three-Bedroom</b>	<b>Total</b>	<b>24</b>	<b>234</b>	<b>0</b>	<b>234</b>	<b>10.3%</b>	<b>10-12 Months</b>		-
<b>All Units</b>	<b>Total</b>	<b>72</b>	<b>937</b>	<b>0</b>	<b>954</b>	<b>7.7%</b>	<b>10-12 Months</b>	-	-

\*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.

The penetration rates by bedroom type are low to modest, ranging from 1.5% to 19.6%. These penetration rates are indicators that sufficient support exists for the proposed subject units.

## SECTION H - RENTAL HOUSING ANALYSIS (SUPPLY)

### 1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Gray Site PMA in 2000 and 2011 (estimated) are summarized in the following table:

Housing Status	2000 (Census)		2011 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	19,025	90.0%	20,669	83.3%
Owner-Occupied	13,319	70.0%	13,717	66.4%
Renter-Occupied	5,706	30.0%	6,952	33.6%
Vacant	2,117	10.0%	4,130	16.7%
Total	21,141	100.0%	24,799	100.0%

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

According to a 2011 update of the 2000 Census, both the number and share of renter-occupied housing units increased during that time period identified above. Notably, the number of vacant housing units also increased from 10.0% to 16.7% during the same time frame. Due to overlapping increases in the number of rental housing units and vacant housing units, it is necessary to determine if the long-term rental housing market was negatively impacted. As such, we conducted a field survey of area apartment properties to identify any potential systemic issues that may negatively impact a new rental housing project.

We identified and personally surveyed 15 conventional housing projects containing a total of 1,748 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 92.8%, a moderate but stable rate for rental housing. The following table illustrates the projects surveyed by type (market-rate, Tax Credit or government-subsidized) and occupancy.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	11	1,448	119	91.8%
Tax Credit	2	220	6	97.3%
Government-Subsidized	2	80	1	98.8%
Total	15	1,748	126	92.8%

Each of the project types is operating at a stable occupancy rate. The market-rate rentals have the lowest overall occupancy rate, but this is typical of most balanced markets. Notably, the affordable housing projects are reporting combined occupancy rates between 97.3% and 98.8%, indicating pent-up demand for additional affordable housing.

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
One-Bedroom	1.0	412	28.5%	27	6.6%	\$652
Two-Bedroom	1.0	284	19.6%	12	4.2%	\$678
Two-Bedroom	1.5	24	1.7%	2	8.3%	\$663
Two-Bedroom	2.0	440	30.4%	41	9.3%	\$852
Two-Bedroom	2.5	74	5.1%	22	29.7%	\$662
Three-Bedroom	1.0	2	0.1%	0	0.0%	\$673
Three-Bedroom	1.5	5	0.3%	0	0.0%	\$797
Three-Bedroom	2.0	184	12.7%	8	4.3%	\$974
Three-Bedroom	2.5	23	1.6%	7	30.4%	\$796
<b>Total Market-rate</b>		<b>1,448</b>	<b>100.0%</b>	<b>119</b>	<b>8.2%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	16	7.3%	0	0.0%	\$622
Two-Bedroom	2.0	45	20.5%	0	0.0%	\$727
Three-Bedroom	2.0	159	72.3%	6	3.8%	\$848
<b>Total Tax Credit</b>		<b>220</b>	<b>100.0%</b>	<b>6</b>	<b>2.7%</b>	-

Aside from the occupancy rate, there are two main differences between the Tax Credit and market-rate rental units illustrated in the preceding table. Mainly, the median gross Tax Credit rents are significantly lower than the corresponding market-rate rents. This indicates the Tax Credit rents likely represent a value within the Gray market compared to most conventional rental housing projects. Secondly, the distribution of Tax Credit units is unbalanced as over 70% are concentrated within three-bedroom units.

Based on these observations, the proposed project will likely provide both balance and value to the Gray rental market in terms of bedroom distribution and gross rent. Of the 72 proposed units at the subject project, 48 (66.7%) will be one-bedroom or two-bedroom units. Further, the proposed Tax Credit gross rents (ranging between \$506 and \$843) are substantially lower than the comparable median gross market-rate rents. As such, the newly developed subject project is expected to be highly marketable within the PMA. The appropriateness of the proposed rents is evaluated later in this section and also in the Addendum E – Achievable Market Rent.

Another important factor to consider when determining the marketability of a proposed development is how it will compare to the greater apartment market in terms of quality. We rated each property surveyed on a scale of "A" through "F". All market-rate and Tax Credit properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	2	368	2.4%
B+	2	424	18.4%
B	3	386	6.0%
B-	2	198	0.5%
C	1	2	0.0%
C-	1	70	11.4%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	68	0.0%
C	1	152	3.9%

Generally, higher quality apartment projects have lower vacancy rates as they are perceived as more desirable within a given market. The newly developed Tax Credit project is anticipated to have a high overall quality rating and aesthetic appeal once complete. This should improve its market position among the surveyed apartment properties.

## 2. SUMMARY OF ASSISTED PROJECTS

There are a total of four federally subsidized and/or Tax Credit apartment developments in the Gray Site PMA. These projects were surveyed in May 2012. They 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.
1	River Walk Apts.	TAX	1993	152	96.1%	-	-	\$848 (152)
6	Gray Garden Apts.	SEC 8	1980	56	100.0%	SUB (8)	SUB (24)	SUB (24)
12	Northside Villas of Gray	RD 515	1985 / 2011	24	95.8%	\$537 - \$706 (6)	\$613 - \$799 (18)	-
14	Dulles Park	TAX	2005	68	100.0%	\$351 - \$622 (16)	\$427 - \$727 (45)	\$491 - \$830 (7)
<b>Total</b>				<b>300</b>	<b>97.7%</b>			

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

SEC - Section

RD - Rural Development

The overall occupancy is 97.7% for these affordable housing projects, indicating strong support for additional low-income housing. Notably, Dulles Park is an age-restricted housing development. Therefore, River Walk Apartments is the only Tax Credit development that can accommodate family households (non-elderly). Further, River Walk only provides three-bedroom units. Therefore, there are relatively few rental housing options existing within the market area for low-income families with small household sizes.

## HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs (DCA), Eastman Office, there are approximately 45 Housing Choice Voucher holders within the housing authority's jurisdiction. The waiting list is currently closed and she did not know when it would open again.

Housing Choice Voucher holders are eligible to reside at Tax Credit developments so long as the gross Tax Credit rents do not exceed Fair Market rents. The following table outlines the HUD 2012 Fair Market Rents for the Macon, GA MSA and the proposed gross rents at the subject project.

Bedroom Type	Fair Market Rents	Proposed Gross Rents
One	\$581	\$506 (50%) \$607 (60%)
Two	\$646	\$607 (50%) \$729 (60%)
Three	\$797	\$702 (50%) \$843 (60%)

All of the proposed gross rents targeting households up to 50% of AMHI are set below the Fair Market Rents. As such, these subject units will be able to rely on support from Housing Choice Voucher holders. This has been considered in our absorption estimates.

### **3. PLANNED MULTIFAMILY DEVELOPMENT**

Based on our interviews with local building and planning representatives, it was determined that no multifamily projects are planned for the area.

#### BUILDING PERMIT DATA

The following table illustrates single-family and multifamily building permits issued within the city of Gray and Jones County for the past ten years.

Housing Unit Building Permits for Jones County:										
Permits	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Multifamily Permits	16	16	88	0	2	0	12	2	0	0
Single-Family Permits	238	249	264	246	237	226	92	55	25	17
Total Units	254	265	352	246	239	226	104	57	25	17

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

Housing Building Permits for Gray:										
Permits	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	0	0	0	0	0	0	0	0	0	0
Total Units	0	0	0	0	0	0	0	0	0	0

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

**4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES**

Tax Credit Units

We identified two Low-Income Housing Tax Credit (LIHTC) properties within the Gray Site PMA. However, one of these developments is age-restricted and is not considered comparable with the proposed subject development. As such, there is only one comparable property within the PMA. Given the limited number of comparable Tax Credit properties in the Site PMA, we identified and surveyed four additional Tax Credit properties within the nearby region. All five of these properties target households with income of up to 30%, 50% and/or 60% of Area Median Household Income (AMHI). Further, these developments offer bedroom types that are similar to the proposed project; therefore, they are considered comparable properties.

Note the four LIHTC properties located outside of the market area have been chosen for comparison purposes only. Considering these properties derive demographic support from difference geographic areas, they will not effectively compete with the proposed subject development.

These five comparable LIHTC properties and the proposed subject development are summarized as follows.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Piedmont Village</b>	<b>2014</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 50% &amp; 60% AMHI</b>
1	River Walk Apts.	1993	152	96.1%	15.8 Miles	None	Families; 60% AMHI
905	Edgewood Park Apts.	1995	61	90.2%	21.7 Miles	1-Br: 3-4 Years	Families; 30%, 50%, & 60% AMHI
906	Pinewood Park	2006	148	100.0%	18.7 Miles	None	Families; 30%, 50%, & 60% AMHI
907	West Club	1997	140	94.3%	18.5 Miles	None	Families; 30%, 50%, & 60% AMHI
908	Waterford Place	2003	64*	100.0%	20.8 Miles	20 H.H.	Families; 50% & 60% AMHI

900 Series Map IDs are located outside of the Site PMA

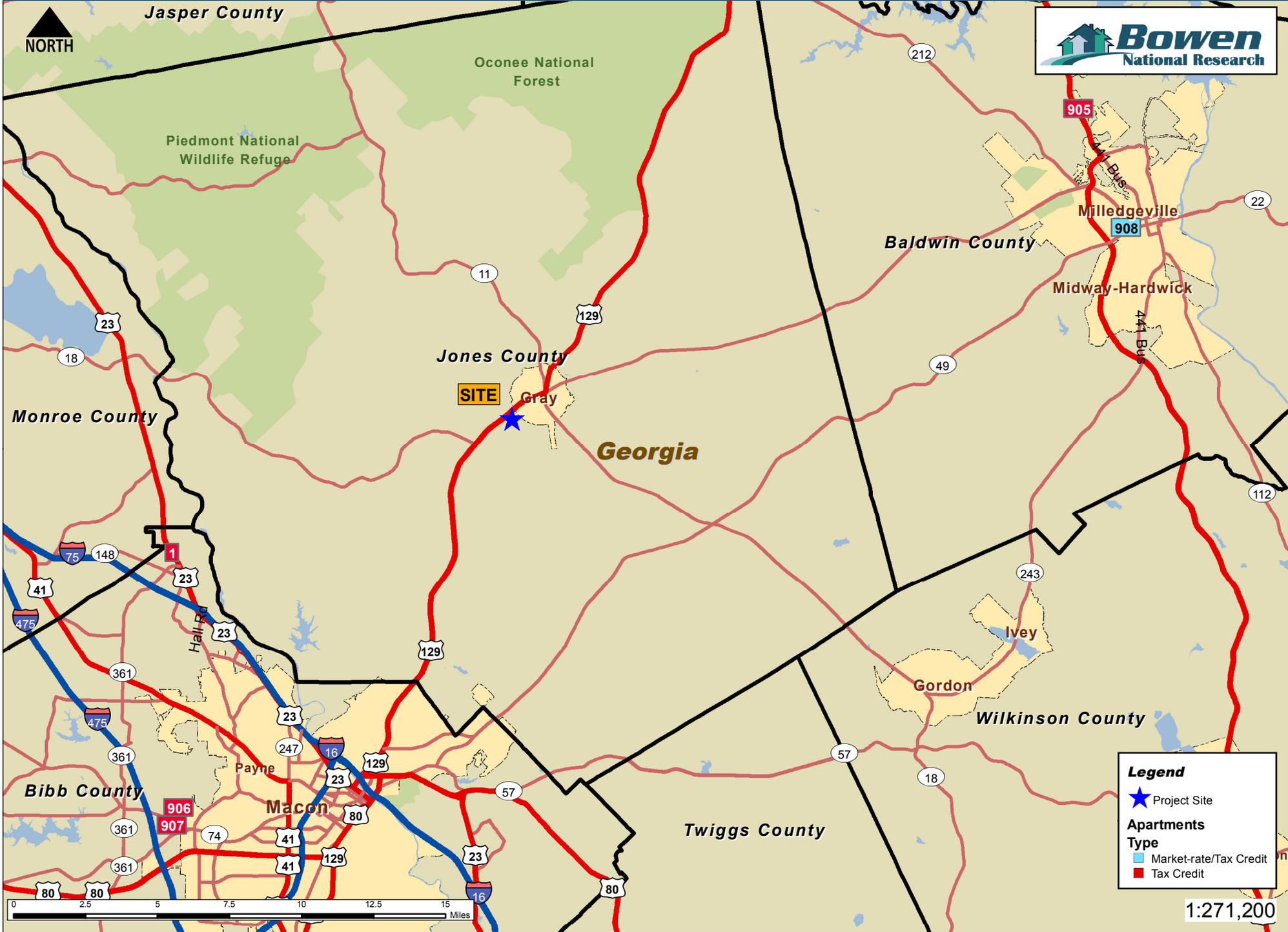
OCC. - Occupancy

\*Tax Credit units only

The five comparable LIHTC projects have a combined occupancy rate of 96.5%, indicating that these developments are well received within their respective markets and will serve as accurate benchmarks with which to compare to the proposed subject development.

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

# Gray, GA: Comparable LIHTC Property Locations



**Legend**

- ★ Project Site
- Apartment Type**
- Market-rate/Tax Credit
- Tax Credit

1:271,200

A comparison of the weighted average collected rents and those proposed at the subject project is included below.

Weighted Average Collected Rent of Comparable LIHTC Units		
One-Br.	Two-Br.	Three-Br.
\$361	\$499	\$646

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	LIHTC Rent Advantage
One-Br.	\$393 (50%)	- \$354	\$39	/ \$354	11.0%
	\$445 (60%)	- \$455	-\$10	/ \$455	-2.2%
Two-Br.	\$484 (50%)	- \$412	\$72	/ \$412	17.5%
	\$577 (60%)	- \$534	\$43	/ \$534	8.1%
Three-Br.	\$512 (50%)	- \$463	\$49	/ \$463	10.6%
	\$687 (60%)	- \$604	\$83	/ \$604	13.7%

Most of the proposed LIHTC rents represent an advantage versus the weighted average LIHTC rents at the comparable properties. However, these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantages of the proposed gross rents are available in Addendum E of this report.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.	Four-Br.	Rent Special
<b>Site</b>	<b>Piedmont Village</b>	<b>\$506/50% (3/-)</b>	<b>\$607/50% (4/-)</b>	<b>\$702/50% (4/-)</b>		
		<b>\$607/60% (13/-)</b>	<b>\$729/60% (28/-)</b>	<b>\$843/60% (20/-)</b>	-	-
1	River Walk Apts.	-	-	\$848/60% (152/6)	-	None
905	Edgewood Park Apts.	\$308/30% (3/0)	\$608/50% (36/2)	\$707/50% (12/1)	-	None
		\$579/50% (28/0)	\$608/60% (4/2)	\$707/60% (6/1)		
906	Pinewood Park	\$391/30% (3/0)	\$480/30% (7/0)	\$546/30% (6/0)	-	None
		\$652/60% (4/0)	\$706/50% (53/0)	\$809/50% (23/0)		
907	West Club	\$344/30% (7/0)	\$683/50% (51/4)	\$949/60% (48/1)	\$1,082/60% (8/0)	None
		\$671/60% (1/0)	\$814/60% (25/3)	\$757/50% (15/0)		
908	Waterford Place	\$544/50% (10/0)	\$659/50% (24/0)	\$757/50% (15/0)	-	None
		\$544/60% (3/0)	\$690/60% (8/0)	\$757/60% (4/0)		

900 Series Map IDs are located outside of the Site PMA

The proposed subject gross rents are generally within the range of the gross rents being charged at the comparable Tax Credit properties. As such, the proposed rents will likely be considered a value within the market area and the region.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered at the comparable properties and the subject development are illustrated in the following table:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Piedmont Village</b>	<b>800</b>	<b>1,000</b>	<b>1,200</b>	<b>-</b>
1	River Walk Apts.	-	-	1,371	-
905	Edgewood Park Apts.	650	987	1,153	-
906	Pinewood Park	846	1,186	1,373	-
907	West Club	778	1,021	1,212	1,348
908	Waterford Place	830	1,010	1,220	-

900 Series Map IDs are located outside of the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Piedmont Village</b>	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>
1	River Walk Apts.	-	-	2.0	-
905	Edgewood Park Apts.	1.0	2.0	2.0	-
906	Pinewood Park	1.0	2.0	2.0	-
907	West Club	1.0	2.0	2.0	2.0
908	Waterford Place	1.0	2.0	2.0	-

900 Series Map IDs are located outside of the Site PMA

The proposed subject units will be similar in size (square footage) compared to the selected properties. Additionally, each of the bedroom styles has a standard number of bathrooms for Tax Credit properties in the region.

The following table compares the amenities of the subject development with the other LIHTC projects in the market.

# COMPARABLE PROPERTIES AMENITIES - GRAY, 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
<b>SITE</b>	X	X		X	X		X		C							B		S	
<b>908</b>	X	X	X	X	X		X		C		X	X				B		S	Patio Storage
<b>1</b>	X	X		X			X		C		X	X				B		S	Outdoor Storage
<b>905</b>	X	X	X	X	X		X		C		X		X			B		S	
<b>906</b>	X	X		X	X		X		C		X	X				B		S	
<b>907</b>	X	X	X	X	X		X		C	O	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
<b>SITE</b>		X	X	X	X			X								X			
<b>908</b>	X	X	X	X	X			X								X			
<b>1</b>	X	X	X	X		X		X		V						X			Nature Trails
<b>905</b>		X	X	X	X	X		X		V	X					X			
<b>906</b>	X	X	X	X		X		X				X	X			X			
<b>907</b>	X	X	X			X		X		V		X				X			Wi-Fi

◆ 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

<b>Window Treatments</b>
B - Blinds
C - Curtains
D - Drapes

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

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

<b>Floor Covering</b>
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

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



The amenity packages included at the proposed subject development will be competitive, but at a slight disadvantage when compared to the selected low-income projects. Many of the comparable units include an icemaker, patio/balcony or ceiling fans. These amenities are considered relatively minor and will not have a substantial impact on the marketability of the proposed project. Similarly, the subject project also lacks a swimming pool, fitness center and/or a sports court. Many of the selected developments include some or all of these features. However, it is the lack of a swimming pool which will create the only substantial market disadvantage for the proposed project. Overall, we consider the amenity package to be competitive. Further, the subject development does not appear to lack any amenities that would hinder its ability to operate as a Low-Income Housing Tax Credit project.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the proposed subject development will be competitive with these properties.

Potential Impact of the Subject Development

The anticipated occupancy rate of the existing comparable Tax Credit development following completion of the subject site is illustrated as follows:

Map I.D.	Project Name	Current Occupancy Rate	Anticipated Occupancy Rate Through 2014
1	River Walk Apts.	96.1%	95.0% +

Development of the subject site is expected to have little, if any, impact on the future occupancy of the lone competing Tax Credit property in the market. River Walk is solely comprised of three-bedroom units which only effectively compete with the 24 three-bedroom units proposed at the subject project. Considering the high occupancy rates and demographic stability projected in the market, the occupancy at River Walk is expected to remain 95.0% or higher.

Note the comparable Tax Credit properties located outside of the Site PMA will continue to draw support from a different geographic area. As such, these developments will have limited competitive overlap with the subject project and will not be impacted by its addition to the Gray market area.

**5. SINGLE-FAMILY HOME IMPACT**

According to ESRI, the median home value within the Site PMA was \$84,833. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for an \$84,833 home is \$604, including estimated taxes and insurance.

<b>Buy Versus Rent Analysis</b>	
Median Home Price - ESRI	\$84,833
Mortgaged Value = 95% of Median Home Price	\$80,591
Interest Rate - Bankrate.com	6.0%
Term	30
Monthly Principal & Interest	\$483
Estimated Taxes and Insurance*	\$121
Estimated Monthly Mortgage Payment	\$604

\*Estimated at 25% of principal and interest

In comparison, the collected rents for the subject property range from \$354 to \$604 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately comparable to or greater than the cost of renting, depending on unit size. While it is possible that some of the tenants in the larger 60% AMHI units would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

**"Shadow Supply" and the local Rental Housing Market**

The Georgia DCA is concerned about the impact of "Shadow Supply" on the local rental housing market. Shadow Supply refers to excess inventory of for-sale housing that is not selling and could potentially saturate the rental housing market. This type of rental alternative is difficult to quantify, but can result in vacancies among conventional rental properties and increased concessions being offered. Typically, an increase in the number of single-family rental homes is associated with an increase in foreclosures within a market.

We obtained the following foreclosure data from the three primary zip codes that comprises the market area, from Realty Trac.com

<b>Zip Code</b>	<b>Number of Foreclosures</b>	<b>Average Sales Price*</b>	<b>Foreclosure Rate</b>	<b>Jones County Foreclosure Rate</b>	<b>Georgia Foreclosure Rate</b>
31032	91	\$142,350	0.56%	0.47%	0.25%
31033	Not available	Not available	Not available	Not available	Not available
31211	111	\$105,400	0.33%	0.47%	0.25%

\*Average Original Sales Price of Foreclosed Home

The foreclosure rates within the two reporting zip codes and the county are higher than the statewide rate. However, as illustrated by the Buy Versus Rent Analysis, the average sales price in both reporting zip codes is higher than what the low-income tenants targeted by the subject project could likely afford. As such, single-family home rentals within and near the Gray Site PMA will not likely have a significant impact on the proposed subject development.

In addition to the foreclosure data, we have also obtained single-family and mobile-home rental data for the corresponding zip codes.

Address	Zip	Beds	Baths	Year Built	Sq. Ft.	Rent	Amenities
Mobile Home/ Holloman Rd.	31032	2	1.0	1974	800	\$475	free water
Mobile Home/ Holloman Rd.	31032	2	1.0	1974	800	\$600	free water
Mobile Home/ Holloman Rd.	31032	3	2.0	1976	980	\$700	free water
Big Creek Preserve subdivision	31032	3	2.5	2000+	1,530	\$1,100	“full-package”
-	31032	2	2.0	2006	1,120	\$750	Basement; fireplace; covered porch
506 Gardenia Ln.	31032	4	2.5	2007	1,820	\$1,385	Gated community w/ pool & clubhouse
Laurel Ave. at North Ave.	31211	2	1.0	1910	1,188	\$750	front porch; back yard
1057 Clay Ave.	31211	3	2.0	1944	1,311	\$700	Hardwood floors; basement; storage unit
1675 Waverland Dr.	31211	4	2.5	1959	2,600	\$1,500	Basement w/ Rec Room; hardwood floors; fireplace
1027 Boulevard Ave.	31211	3	2.0	1909	1,820	\$1,175	-
1171 Sparkle Ave.	31217	3	1.0	1956	936	\$515	Carport
320 Hydrolia St.	31217	3	2.0	1900	2,063	\$500	Wrap-around porch
831 Glenridge Drive S	31211	3	2.0	2004	1,300	\$900	Wash/Dry included; all electric; fireplace

The proposed subject rents are \$354 to \$604 and are comparable to many of the non-conventional rentals identified. However, the non-conventional rentals that are similarly priced to the larger units proposed at the subject project are primarily older single-family or mobile homes. The newer homes that are most comparable to the proposed subject project are considerably more expensive. The proposed units will be among the newest rentals in the market and will be substantially lower than the comparable (newer) non-conventional rentals located within the Site PMA. Therefore, we do not anticipate a competitive impact from the non-conventional rentals.

## **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 2014 opening date for the site, we also assume that initial units at the site will be available for rent in 2014.

Based on our analysis contained in this report, it is our opinion that the 72 proposed units will reach a stabilized occupancy of 93% within 10 to 12 months. This is an average absorption rate of between five to seven units per month.

The 11 proposed units that will target households earning up to 50% of AMHI will likely lease at the fastest rate. These are the least expensive and only require a capture rate of 2.3%. Further, it is expected these units will likely have the highest share of Housing Choice Voucher support. Therefore, we anticipate these units to be completely leased within two to three months.

The 60% AMHI units represent the largest share of units proposed at the subject development. These 61 units will likely reach a stabilized occupancy level within 9 to 11 months.

This absorption rate has been based primarily on the low vacancy rate among affordable housing developments, the large base of existing demographic support, the desirability of the proposed project within the market area and the perceived value that the proposed rents will likely represent.

## SECTION J – INTERVIEWS

Within the Site PMA, we identified and were able to survey four federally subsidized and/or Tax Credit apartment properties. These affordable housing developments were 97.7% occupied, which is a strong occupancy rate. Notably, there was only one Tax Credit development that offers non-subsidized units to non-elderly households. Further, this development only provides three-bedroom units. Therefore, there are relatively few rental housing options existing within the Gray market area for low-income families with small household sizes.

Determination of the Primary Market Area for the proposed project is partly based on interviews with area apartment managers and city officials to establish the boundaries of the geographical area from which most of the support for the proposed development is expected to originate.

Interviews were also conducted with the Jones County Chamber of Commerce in order to gather economic data, such as major employer data and information, concerning job growth in the city of Gray and Jones County.

Area building and planning department officials were interviewed regarding area apartments and other housing developments, as well as infrastructure changes that could affect the Gray market area.

## SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 72 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings. No recommendations are proposed at this time.

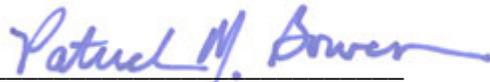
The affordable units (Tax Credit and government-subsidized) within the market are 97.7% occupied and maintain waiting lists. Notably, there is only one non-elderly Tax Credit project located within the Site PMA and it has an occupancy rate of 96.1%. Further, this project only offers three-bedroom units. Therefore, there are effectively no Tax Credit rental housing options existing within the market area for low-income families with smaller household sizes (one- to two-persons). Between 2010 and 2014, demographic growth is anticipated, but the target population (low-income family households) is expected to remain stable. Regardless, the subject development only requires an overall capture rate of 10.8%, which indicates a substantial base of demographic support will exist. Based on our supply and achievable market rent analyses, the proposed project will be competitive with affordable housing alternatives and its rents will be viewed as a value. If developed as proposed, we expect the project to reach a 93.0% occupancy rate within 11 months of opening.

We do not have any recommendations for modifications to the proposed subject project.

## SECTION L - SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area 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 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

Certified:



Patrick Bowen  
President/Market Analyst  
Bowen National Research  
155 E. Columbus St., Suite 220  
Pickerington, OH 43147  
(614) 833-9300  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: June 11, 2012



Greg Gray  
Market Analyst  
[gregg@bowennational.com](mailto:gregg@bowennational.com)  
Date: June 11, 2012



Ben Braley  
Market Analyst  
[benb@bowennational.com](mailto:benb@bowennational.com)  
Date: June 11, 2012

## **SECTION M – MARKET STUDY REPRESENTATION**

The Georgia Department of Community Affairs (DCA) 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 DCA 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.

### THE STAFF

**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, for 14 years. 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. 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.

**Benjamin J. Braley**, Market Analyst, has conducted on-site market evaluations for over four years in more than 200 markets. He has completed work in 37 states and tribal reservations throughout the U.S. Mr. Braley has analyzed apartments (subsidized, Tax Credit and upscale market-rate), senior housing (i.e. nursing homes, assisted living, etc.), student housing, condominiums, single-family homes and marina developments. In addition, he has studied retail, office and hotel markets. Mr. Braley has a bachelor's degree in Economics from Otterbein College.

**Amy Tyrrell** is a Market Analyst for Bowen National Research and is based out of Washington, DC. She has 15 years experience in the real estate and construction industries, with 10 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

**Becky Musso** is a Market Analyst at Bowen National Research. She has been involved in the research process for many jobs, but has specifically been skilled in the research of homeless, special needs and farmlabor data. Ms. Musso conducts a variety of interviews with local planning, economic development and stakeholder officials that are used in the analysis of each market.

**Stephanie Viren** is the Research Director 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 College.

**Jack Wiseman**, a Market Analyst with Bowen National Research, has conducted extensive market research in over 200 markets throughout the United States. 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, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts in Economics from Miami University.

**June Davis**, Office Manager of Bowen National Research, has 22 years experience in market feasibility research. Ms. Davis has overseen production on over 13,000 market studies for projects throughout the United States.

# ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

## GRAY, 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.

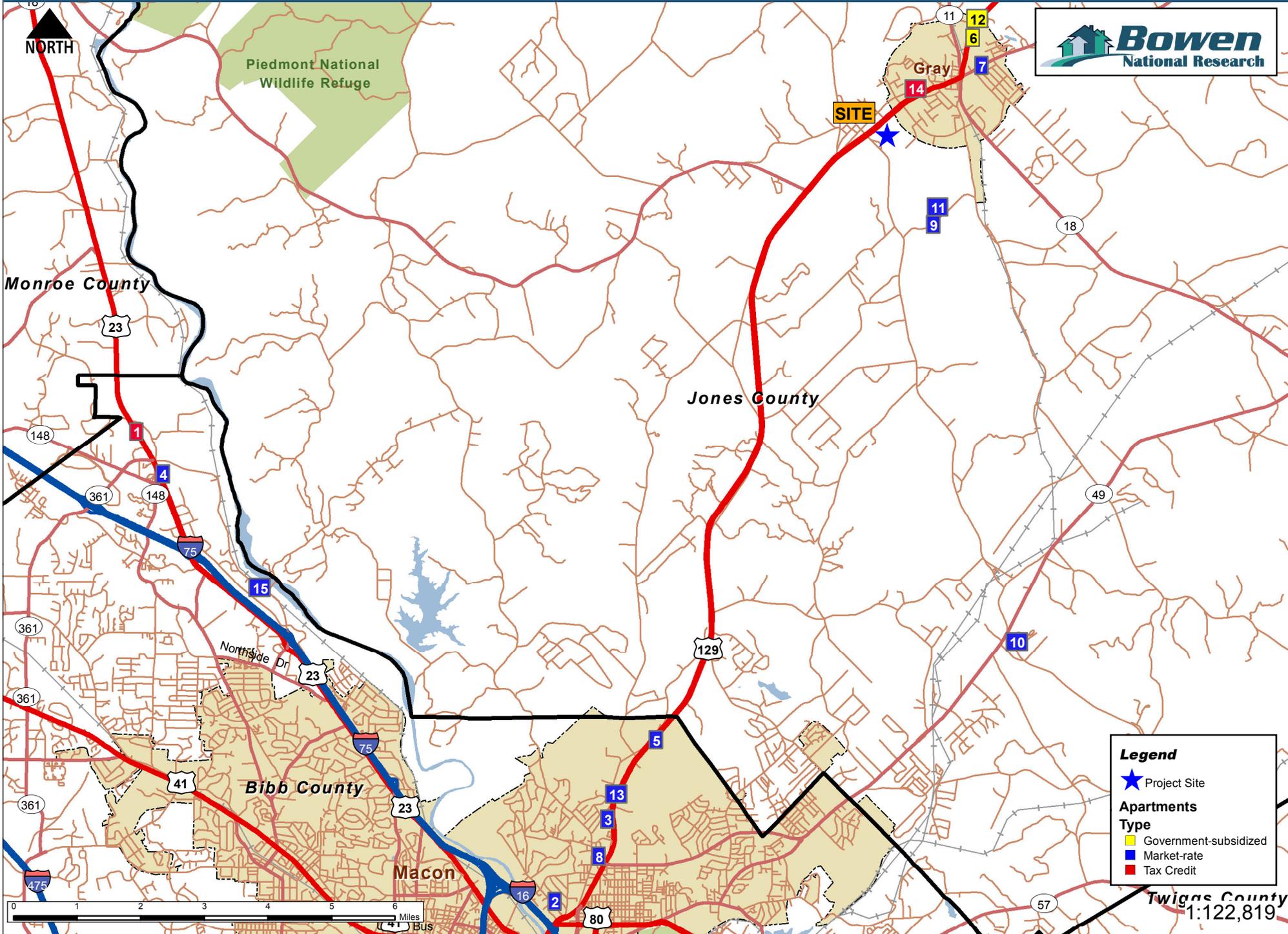
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- 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.

# Gray, GA: Apartment Locations



**Legend**

- ★ Project Site
- Apartments Type**
- Government-subsidized
- Market-rate
- Tax Credit

Twigas County  
1:122,819

# MAP IDENTIFICATION LIST - GRAY, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	River Walk Apts.	TAX	C	1993	152	6	96.1%	15.8
2	Baconsfield Park Apts.	MRR	B	1978	232	16	93.1%	12.2
3	Cliffs at Macon	MRR	B-	1974	142	0	100.0%	10.4
4	Adrian on Riverside	MRR	A-	2003	224	4	98.2%	15.1
5	Highland Hills	MRR	B+	1971	240	72	70.0%	9.5
6	Gray Garden Apts.	GSS	D+	1980	56	0	100.0%	2.2
7	Colonnade Apts.	MRR	C-	1972	70	8	88.6%	2.0
8	Overlook Gardens	MRR	B+	1987	184	6	96.7%	11.1
9	250 Overland Way	MRR	B	1997	2	0	100.0%	1.8
10	135 Henderson Rd.	MRR	C	1985	2	0	100.0%	7.2
11	Grayson Glen	MRR	B-	1996	56	1	98.2%	2.0
12	Northside Villas of Gray	GSS	C	1985	24	1	95.8%	2.5
13	Cherry Tree Hill Apts.	MRR	B	1992	152	7	95.4%	10.3
14	Dulles Park	TAX	B+	2005	68	0	100.0%	1.2
15	Vistas	MRR	A-	1986	144	5	96.5%	12.9

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	11	1,448	119	91.8%	0
TAX	2	220	6	97.3%	0
GSS	2	80	1	98.8%	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: May 2012

# DISTRIBUTION OF UNITS - GRAY, GEORGIA

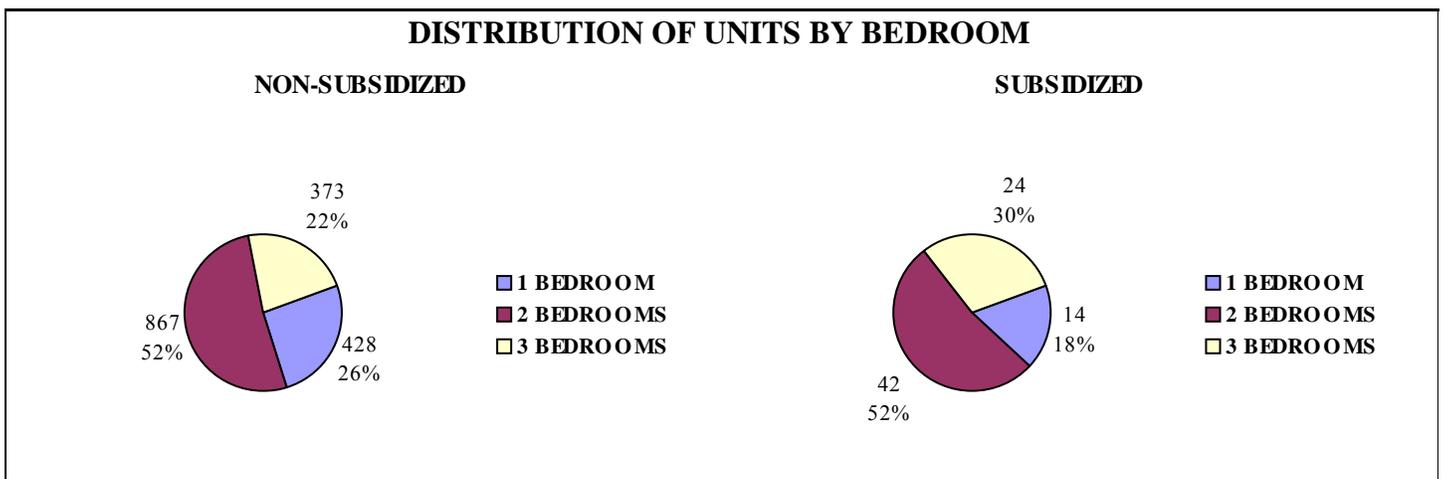
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	412	28.5%	27	6.6%	\$652
2	1	284	19.6%	12	4.2%	\$678
2	1.5	24	1.7%	2	8.3%	\$663
2	2	440	30.4%	41	9.3%	\$852
2	2.5	74	5.1%	22	29.7%	\$662
3	1	2	0.1%	0	0.0%	\$673
3	1.5	5	0.3%	0	0.0%	\$797
3	2	184	12.7%	8	4.3%	\$974
3	2.5	23	1.6%	7	30.4%	\$796
<b>TOTAL</b>		<b>1,448</b>	<b>100.0%</b>	<b>119</b>	<b>8.2%</b>	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	7.3%	0	0.0%	\$622
2	2	45	20.5%	0	0.0%	\$727
3	2	159	72.3%	6	3.8%	\$848
<b>TOTAL</b>		<b>220</b>	<b>100.0%</b>	<b>6</b>	<b>2.7%</b>	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	14	17.5%	1	7.1%	N.A.
2	1	24	30.0%	0	0.0%	N.A.
2	1.5	18	22.5%	0	0.0%	N.A.
3	1.5	24	30.0%	0	0.0%	N.A.
<b>TOTAL</b>		<b>80</b>	<b>100.0%</b>	<b>1</b>	<b>1.3%</b>	
<b>GRAND TOTAL</b>		<b>1,748</b>	<b>-</b>	<b>126</b>	<b>7.2%</b>	



# SURVEY OF PROPERTIES - GRAY, GEORGIA

1 River Walk Apts.			
	<b>Address</b> 5578 Riverside Dr. Macon, GA 31210	<b>Phone</b> (478) 474-4714 (Contact in person)	<b>Total Units</b> 152
	<b>Year Built</b> 1993 <b>Comments</b> fka Oak Ridge Apts., 60% AMHI; HCV (90 units); Typical rent: 3-br \$729	<b>Contact</b> Sonya	<b>Vacancies</b> 6 <b>Occupied</b> 96.1% <b>Floors</b> 2 <b>Quality Rating</b> C
<b>Rent Special</b> Reported rent discounted			<b>Waiting List</b> None
2 Baconsfield Park Apts.			
	<b>Address</b> 24 Tidewater Circle Macon, GA 31211	<b>Phone</b> (478) 743-6440 (Contact in person)	<b>Total Units</b> 232
	<b>Year Built</b> 1978 <b>Comments</b> Does not accept HCV; Typical rents: 1-br \$480, 2-br \$520, 2-br/2 ba \$600-640 & 3-br \$665; 2 & 3-br units have washer/dryer units; Vacancies attributed to economy	<b>Contact</b> Sabrina	<b>Vacancies</b> 16 <b>Occupied</b> 93.1% <b>Floors</b> 2 <b>Quality Rating</b> B
<b>Rent Special</b> Reported rents discounted			<b>Waiting List</b> None
3 Cliffs at Macon			
	<b>Address</b> 1895 Clinton Rd. Macon, GA 31211	<b>Phone</b> (478) 746-7434 (Contact in person)	<b>Total Units</b> 142
	<b>Year Built</b> 1974 <b>Renovated</b> 2006 <b>Comments</b> fka Chateau Club; Does not accept HCV	<b>Contact</b> Sierra	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> B-
			<b>Waiting List</b> 10 households
4 Adrian on Riverside			
	<b>Address</b> 5243 Riverside Dr. Macon, GA 31210	<b>Phone</b> (478) 476-4764 (Contact in person)	<b>Total Units</b> 224
	<b>Year Built</b> 2003 <b>Comments</b> Does not accept HCV; Additional 40 units added in 2010	<b>Contact</b> Lynn	<b>Vacancies</b> 4 <b>Occupied</b> 98.2% <b>Floors</b> 2 <b>Quality Rating</b> A-
			<b>Waiting List</b> None
5 Highland Hills			
	<b>Address</b> 2275 Gray Hwy. Macon, GA 31211	<b>Phone</b> (478) 742-3668 (Contact in person)	<b>Total Units</b> 240
	<b>Year Built</b> 1971 <b>Comments</b> HCV (approx. 48 units); Garden units have fireplaces; Vacancies due to economy; One 4-br manager unit not included in total	<b>Contact</b> Ben	<b>Vacancies</b> 72 <b>Occupied</b> 70.0% <b>Floors</b> 2,3 <b>Quality Rating</b> B+
<b>Rent Special</b> Move-in: \$99 & 1st month's water charge with 13 month lease			<b>Waiting List</b> None

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: May 2012

# SURVEY OF PROPERTIES - GRAY, GEORGIA

6 Gray Garden Apts.			
	<b>Address</b> 200 Eatonton Hwy. Gray, GA 31032	<b>Phone</b> (478) 986-9494 (Contact in person)	<b>Total Units</b> 56
	<b>Year Built</b> 1980 <b>Comments</b> HUD Section 8; Square footage estimated	<b>Contact</b> Chris	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1, 2 <b>Quality Rating</b> D+  <b>Waiting List</b> 6 months
7 Colonnade Apts.			
	<b>Address</b> 153 E. Clinton St. Gray, GA 31032	<b>Phone</b> (478) 986-3270 (Contact in person)	<b>Total Units</b> 70
	<b>Year Built</b> 1972 <b>Renovated</b> 1998 <b>Comments</b> HCV (6 units)	<b>Contact</b> David	<b>Vacancies</b> 8 <b>Occupied</b> 88.6% <b>Floors</b> 1, 2 <b>Quality Rating</b> C-  <b>Waiting List</b> None
8 Overlook Gardens			
	<b>Address</b> 1605 Clinton Rd. Macon, GA 31208	<b>Phone</b> (478) 743-0577 (Contact in person)	<b>Total Units</b> 184
	<b>Year Built</b> 1987 <b>Comments</b> Accepts HCV; Rent range based on floor level	<b>Contact</b> Diedre	<b>Vacancies</b> 6 <b>Occupied</b> 96.7% <b>Floors</b> 2 <b>Quality Rating</b> B+  <b>Waiting List</b> None
<b>Rent Special</b> Reduced Deposit			
9 250 Overland Way			
	<b>Address</b> 250 Overland Way Jones County, GA 31032	<b>Phone</b> (478) 986-7033 (Contact in person)	<b>Total Units</b> 2
	<b>Year Built</b> 1997 <b>Comments</b> Year built estimated	<b>Contact</b> Lynne	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> B  <b>Waiting List</b> None
10 135 Henderson Rd.			
	<b>Address</b> 135 Henderson Rd. Jones County, GA 31217	<b>Phone</b> (478) 743-4829 (Contact in person)	<b>Total Units</b> 2
	<b>Year Built</b> 1985 <b>Comments</b> Year built estimated	<b>Contact</b> Ricky	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> C  <b>Waiting List</b> None

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: May 2012

# SURVEY OF PROPERTIES - GRAY, GEORGIA

11 Grayson Glen			
	<b>Address</b> 151 India Woods Dr. Gray, GA 31032	<b>Phone</b> (478) 746-1421 (Contact in person)	<b>Total Units</b> 56
	<b>Year Built</b> 1996 <b>Comments</b>	<b>Contact</b> Susan	<b>Vacancies</b> 1 <b>Occupied</b> 98.2% <b>Floors</b> 1 <b>Quality Rating</b> B-
			<b>Waiting List</b> None
12 Northside Villas of Gray			
	<b>Address</b> 256 Eatonton Highway Gray, GA 31032	<b>Phone</b> (478) 986-9564 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1985 <b>Renovated</b> 2011 <b>Comments</b> RD 515, no RA; HCV (4 units); Vacancies due to economy; Square footage estimated	<b>Contact</b> Susan	<b>Vacancies</b> 1 <b>Occupied</b> 95.8% <b>Floors</b> 1, 2 <b>Quality Rating</b> C
			<b>Waiting List</b> None
13 Cherry Tree Hill Apts.			
	<b>Address</b> 2050 Old Clinton Rd. Macon, GA 31211	<b>Phone</b> (478) 745-9138 (Contact in person)	<b>Total Units</b> 152
	<b>Year Built</b> 1992 <b>Comments</b> Rent range based on floor level; Year built & unit mix estimated	<b>Contact</b> Keesa	<b>Vacancies</b> 7 <b>Occupied</b> 95.4% <b>Floors</b> 2 <b>Quality Rating</b> B
<b>Rent Special</b> Reduced deposit & 50% off 1st month's rent			<b>Waiting List</b> None
14 Dulles Park			
	<b>Address</b> 220 Old Clinton Rd. Gray, GA 31032	<b>Phone</b> (478) 986-1020 (Contact in person)	<b>Total Units</b> 68
	<b>Year Built</b> 2005 <b>Comments</b> 30%, 50% & 60% AMHI; HCV (19 units); Buildings are on a hill, 2nd floor units may enter from back which is at ground level	<b>Contact</b> Tracie	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1,2 <b>Quality Rating</b> B+ <b>Senior Restricted (55+)</b>
			<b>Waiting List</b> 12 households
15 Vistas			
	<b>Address</b> 4150 Arkwright Rd. Macon, GA 31210	<b>Phone</b> (478) 477-3878 (Contact in person)	<b>Total Units</b> 144
	<b>Year Built</b> 1986 <b>Comments</b> Rents change daily; Rent range based on floor level; Year built & unit mix estimated	<b>Contact</b> Joanie	<b>Vacancies</b> 5 <b>Occupied</b> 96.5% <b>Floors</b> 2 <b>Quality Rating</b> A-
			<b>Waiting List</b> 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: May 2012

# COLLECTED RENTS - GRAY, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1				\$675					
2		\$410	\$510 to \$535	\$620					
3		\$499 to \$525	\$599 to \$640				\$750	\$850	
4		\$750 to \$780	\$815 to \$950	\$1045					
5		\$399 to \$533	\$499 to \$611	\$599 to \$791			\$499 to \$651	\$599 to \$871	
7		\$400	\$450				\$500	\$600	
8		\$509 to \$529	\$559 to \$629	\$699 to \$729					
9				\$750					
10				\$500					
11			\$625	\$750					
13		\$410	\$475 to \$515						
14		\$174 to \$445	\$200 to \$500	\$216 to \$555					
15		\$605 to \$670	\$690 to \$745						

◆	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: May 2012

# PRICE PER SQUARE FOOT - GRAY, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Baconsfield Park Apts.	1	760	\$521	\$0.69
3	Cliffs at Macon	1	660 to 775	\$626 to \$652	\$0.84 to \$0.95
4	Adrian on Riverside	1	850 to 970	\$947 to \$977	\$1.01 to \$1.11
5	Highland Hills	1	840 to 922	\$526 to \$660	\$0.63 to \$0.72
7	Colonnade Apts.	1	600	\$527	\$0.88
8	Overlook Gardens	1	733	\$686 to \$706	\$0.94 to \$0.96
13	Cherry Tree Hill Apts.	1	588	\$537	\$0.91
15	Vistas	1	885 to 1329	\$802 to \$867	\$0.65 to \$0.91
14	Dulles Park	1	890	\$351 to \$622	\$0.39 to \$0.70
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Baconsfield Park Apts.	1	1081	\$650	\$0.60
		2	1083	\$675	\$0.62
3	Cliffs at Macon	1	1035	\$762	\$0.74
		1.5	1325	\$913	\$0.69
		2	1135	\$803	\$0.71
4	Adrian on Riverside	1 to 2	1178 to 1386	\$1062 to \$1197	\$0.86 to \$0.90
5	Highland Hills	2	1175 to 1187	\$662 to \$774	\$0.56 to \$0.65
		2.5	1142 to 1298	\$662 to \$814	\$0.58 to \$0.63
7	Colonnade Apts.	1.5 to 2	700 to 1000	\$613 to \$663	\$0.66 to \$0.88
8	Overlook Gardens	1	971	\$786 to \$806	\$0.81 to \$0.83
		2	1094	\$836 to \$856	\$0.76 to \$0.78
11	Grayson Glen	2	1100 to 1200	\$852	\$0.71 to \$0.77
13	Cherry Tree Hill Apts.	1	840	\$638 to \$678	\$0.76 to \$0.81
15	Vistas	2	1065 to 1196	\$937 to \$992	\$0.83 to \$0.88
14	Dulles Park	2	1140	\$427 to \$727	\$0.37 to \$0.64
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Baconsfield Park Apts.	2	1235	\$793	\$0.64
3	Cliffs at Macon	2	1400	\$1047	\$0.75
4	Adrian on Riverside	2	1438	\$1340	\$0.93
5	Highland Hills	2	1257	\$796 to \$988	\$0.63 to \$0.79
		2.5	1493 to 1798	\$796 to \$1068	\$0.53 to \$0.59
7	Colonnade Apts.	1.5 to 2	1000	\$797	\$0.80
8	Overlook Gardens	2	1255	\$974 to \$1004	\$0.78 to \$0.80

◆	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: May 2012

# PRICE PER SQUARE FOOT - GRAY, GEORGIA

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
9	250 Overland Way	2	1200	\$1045	\$0.87
10	135 Henderson Rd.	1	1300	\$673	\$0.52
11	Grayson Glen	2	1300	\$1025	\$0.79
1	River Walk Apts.	2	1371	\$848	\$0.62
◆ 14	Dulles Park	2	1335	\$491 to \$830	\$0.37 to \$0.62

◆	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: May 2012

# AVERAGE GROSS RENT PER SQUARE FOOT - GRAY, GEORGIA

<b>MARKET-RATE</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.85	\$0.76	\$0.74
TOWNHOUSE	\$0.00	\$0.68	\$0.66

<b>TAX CREDIT (NON-SUBSIDIZED)</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.66	\$0.61	\$0.62
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>COMBINED</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.85	\$0.75	\$0.68
TOWNHOUSE	\$0.00	\$0.68	\$0.66

# TAX CREDIT UNITS - GRAY, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 14	Dulles Park	2	890	1	30%	\$174
◆ 14	Dulles Park	1	890	1	50%	\$380
◆ 14	Dulles Park	13	890	1	60%	\$445
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 14	Dulles Park	3	1140	2	30%	\$200
◆ 14	Dulles Park	10	1140	2	50%	\$447
◆ 14	Dulles Park	32	1140	2	60%	\$500
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 14	Dulles Park	1	1335	2	30%	\$216
◆ 14	Dulles Park	1	1335	2	50%	\$503
◆ 14	Dulles Park	5	1335	2	60%	\$555
1	River Walk Apts.	152	1371	2	60%	\$675

◆ - Senior Restricted

# QUALITY RATING - GRAY, GEORGIA

## MARKET-RATE PROJECTS AND UNITS

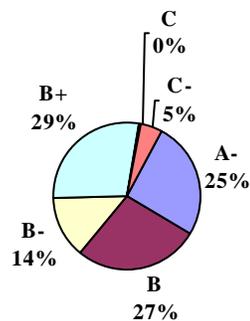
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A-	2	368	2.4%		\$867	\$1,062	\$1,340	
B+	2	424	18.4%		\$686	\$774	\$974	
B	3	386	6.0%		\$521	\$650	\$793	
B-	2	198	0.5%		\$652	\$803	\$1,025	
C	1	2	0.0%				\$673	
C-	1	70	11.4%		\$527	\$613	\$797	

## TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

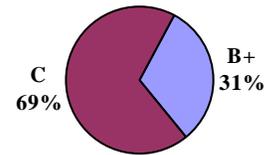
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	68	0.0%		\$622	\$727	\$830	
C	1	152	3.9%				\$848	

## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



## YEAR BUILT - GRAY, GEORGIA \*

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	4	684	96	14.0%	684	41.0%
1980 to 1989	3	330	11	3.3%	1014	19.8%
1990 to 1999	4	362	14	3.9%	1376	21.7%
2000 to 2004	1	224	4	1.8%	1600	13.4%
2005	1	68	0	0.0%	1668	4.1%
2006	0	0	0	0.0%	1668	0.0%
2007	0	0	0	0.0%	1668	0.0%
2008	0	0	0	0.0%	1668	0.0%
2009	0	0	0	0.0%	1668	0.0%
2010	0	0	0	0.0%	1668	0.0%
2011	0	0	0	0.0%	1668	0.0%
2012**	0	0	0	0.0%	1668	0.0%
<b>TOTAL</b>	<b>13</b>	<b>1668</b>	<b>125</b>	<b>7.5%</b>	<b>1668</b>	<b>100.0 %</b>

## YEAR RENOVATED - GRAY, 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	0	0	0	0.0%	0	0.0%
1990 to 1999	1	70	8	11.4%	70	33.0%
2000 to 2004	0	0	0	0.0%	70	0.0%
2005	0	0	0	0.0%	70	0.0%
2006	1	142	0	0.0%	212	67.0%
2007	0	0	0	0.0%	212	0.0%
2008	0	0	0	0.0%	212	0.0%
2009	0	0	0	0.0%	212	0.0%
2010	0	0	0	0.0%	212	0.0%
2011	0	0	0	0.0%	212	0.0%
2012**	0	0	0	0.0%	212	0.0%
<b>TOTAL</b>	<b>2</b>	<b>212</b>	<b>8</b>	<b>3.8%</b>	<b>212</b>	<b>100.0 %</b>

Note: The upper table (Year Built) includes all of the units included in the lower table.

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

\*\* As of May 2012

## APPLIANCES AND UNIT AMENITIES - GRAY, GEORGIA

<b>APPLIANCES</b>			
<b>APPLIANCE</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
RANGE	13	100.0%	1,668
REFRIGERATOR	13	100.0%	1,668
ICEMAKER	3	23.1%	446
DISHWASHER	12	92.3%	1,666
DISPOSAL	8	61.5%	1,304
MICROWAVE	3	23.1%	434
<b>UNIT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
AC - CENTRAL	13	100.0%	1,668
AC - WINDOW	0	0.0%	
FLOOR COVERING	13	100.0%	1,668
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	13	100.0%	1,668
PATIO/DECK/BALCONY	7	53.8%	1,242
CEILING FAN	5	38.5%	780
FIREPLACE	2	15.4%	384
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	1	7.7%	224
WINDOW TREATMENTS	10	76.9%	1,594
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	1	7.7%	68

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

## PROJECT AMENITIES - GRAY, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	8	61.5%	1,398
ON-SITE MANAGEMENT	9	69.2%	1,456
LAUNDRY	9	69.2%	1,538
CLUB HOUSE	6	46.2%	914
MEETING ROOM	2	15.4%	366
FITNESS CENTER	5	38.5%	730
JACUZZI/SAUNA	1	7.7%	224
PLAYGROUND	5	38.5%	846
COMPUTER LAB	2	15.4%	292
SPORTS COURT	3	23.1%	1,316
STORAGE	1	7.7%	144
LAKE	1	7.7%	224
ELEVATOR	0	0.0%	
SECURITY GATE	4	30.8%	618
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	2	15.4%	456
PICNIC AREA	7	53.8%	1,154
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	7.7%	68

# DISTRIBUTION OF UTILITIES - GRAY, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
TENANT			
ELECTRIC	12	1,362	77.9%
GAS	3	386	22.1%
			100.0%
<b>COOKING FUEL</b>			
TENANT			
ELECTRIC	12	1,362	77.9%
GAS	3	386	22.1%
			100.0%
<b>HOT WATER</b>			
TENANT			
ELECTRIC	12	1,362	77.9%
GAS	3	386	22.1%
			100.0%
<b>ELECTRIC</b>			
TENANT	15	1,748	100.0%
			100.0%
<b>WATER</b>			
LANDLORD	9	1,070	61.2%
TENANT	6	678	38.8%
			100.0%
<b>SEWER</b>			
LANDLORD	9	1,070	61.2%
TENANT	6	678	38.8%
<b>TRASH PICK-UP</b>			
LANDLORD	12	1,378	78.8%
TENANT	3	370	21.2%
			100.0%

# UTILITY ALLOWANCE - GRAY, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$19	\$23		\$35	\$15	\$20	\$5	\$6	\$41	\$16	\$23	\$20	\$20
1	GARDEN	\$25	\$32		\$48	\$20	\$28	\$8	\$9	\$58	\$20	\$30	\$20	\$20
1	TOWNHOUSE	\$25	\$32		\$48	\$20	\$28	\$8	\$9	\$58	\$20	\$30	\$20	\$20
2	GARDEN	\$32	\$41		\$62	\$25	\$36	\$9	\$12	\$74	\$26	\$38	\$20	\$20
2	TOWNHOUSE	\$32	\$41		\$62	\$25	\$36	\$9	\$12	\$74	\$26	\$38	\$20	\$20
3	GARDEN	\$40	\$49		\$76	\$31	\$44	\$12	\$14	\$90	\$31	\$47	\$20	\$20
3	TOWNHOUSE	\$40	\$49		\$76	\$31	\$44	\$12	\$14	\$90	\$31	\$47	\$20	\$20
4	GARDEN	\$51	\$63		\$97	\$39	\$56	\$15	\$18	\$114	\$39	\$58	\$20	\$20
4	TOWNHOUSE	\$51	\$63		\$97	\$39	\$56	\$15	\$18	\$114	\$39	\$58	\$20	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

**4 Adrian on Riverside**

15.1 miles to site



<b>Address</b>	5243 Riverside Dr. Macon, GA 31210		
<b>Phone</b>	(478) 476-4764	<b>Contact</b>	Lynn
<b>Total Units</b>	224	<b>Vacancies</b>	4
		<b>Percent Occupied</b>	98.2%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2003	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Detached Garages, Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	A-	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV; Additional 40 units added in 2010		

**Features and Utilities**

<b>Utilities</b>	No landlord paid utilities
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Security System, Blinds, Storage/Sunrooms
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Meeting Room, Fitness Center, Jacuzzi, Playground, Lake, Security Gate, Computer Lab, Car Wash Area, Picnic Area, Putting Green, Theat

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	48	1	850 to 970	\$0.80 - \$0.88	\$750 to \$780
2	1 to 2	G	160	3	1178 to 1386	\$0.69 - \$0.69	\$815 to \$950
3	2	G	16	0	1438	\$0.73	\$1045

**8 Overlook Gardens**

11.1 miles to site



<b>Address</b>	1605 Clinton Rd. Macon, GA 31208		
<b>Phone</b>	(478) 743-0577	<b>Contact</b>	Diedre
<b>Total Units</b>	184	<b>Vacancies</b>	6
		<b>Percent Occupied</b>	96.7%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1987	<b>Floors</b>	2
<b>Concessions</b>	Reduced Deposit		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B+	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Accepts HCV; Rent range based on floor level		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Sports Court, Security Gate, Picnic Area

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	48	0	733	\$0.69 - \$0.72	\$509 to \$529
2	1	G	28	0	971	\$0.58 - \$0.60	\$559 to \$579
2	2	G	48	4	1094	\$0.56 - \$0.58	\$609 to \$629
3	2	G	60	2	1255	\$0.56 - \$0.58	\$699 to \$729

**11 Grayson Glen**

2.0 miles to site



<b>Address</b>	151 India Woods Dr. Gray, GA 31032		
<b>Phone</b>	(478) 746-1421	<b>Contact</b>	Susan
<b>Total Units</b>	56	<b>Vacancies</b>	1
		<b>Percent Occupied</b>	98.2%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1996	<b>Floors</b>	1
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B-	<b>Neighborhood Rating</b>	B
<b>Remarks</b>			

**Features and Utilities**

**Utilities** Landlord pays Trash  
**Unit Amenities** Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Blinds  
**Project Amenities**

**Unit Configuration**

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
2	2	G	40	1	1100 to 1200	\$0.52 - \$0.57	\$625	
3	2	G	16	0	1300	\$0.58	\$750	

**902 Bristol Park**

16.7 miles to site



<b>Address</b>	105 Bass Plantation Dr. Macon, GA 31210		
<b>Phone</b>	(478) 477-1477	<b>Contact</b>	Melissa
<b>Total Units</b>	160	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2002	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Detached Garages, Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Sunroom
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Storage, Security Gate, Computer Lab, Car Wash Area, Picnic Area, Theater Room

**Unit Configuration**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	32	0	800	\$0.86 - \$0.91	\$690 to \$730
2	1	G	32	0	1157	\$0.67	\$780
2	2	G	80	0	1212	\$0.69	\$840
3	2	G	16	0	1332	\$0.72	\$960

**904 Ansley Village**

27.2 miles to site



<b>Address</b>	6435 Zebulon Rd. Macon, GA 31220		
<b>Phone</b>	(478) 405-2286	<b>Contact</b>	Shanda
<b>Total Units</b>	294	<b>Vacancies</b>	21
		<b>Percent Occupied</b>	92.9%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2007	<b>Floors</b>	3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Detached Garages, Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Accepts HCV (0 currently); Rents change daily; Third floor units have sunrooms; Rent range based on floor level & plan; Unit mix estimated		

**Features and Utilities**

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

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	98	7	727	\$0.85	\$620
2	2	G	130	9	1127	\$0.63	\$705
3	2	G	66	5	1360	\$0.65	\$880

**908 Waterford Place**

20.8 miles to site



<b>Address</b>	131 N. Pickens St. Milledgeville, GA 31061		
<b>Phone</b>	(800) 548-2546	<b>Contact</b>	Sheila
<b>Total Units</b>	80	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2003	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	20 households		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Market-rate (17 units); 50% & 60% AMH (63 units); HCV (3 units); Unit mix estimated		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Patio Storage
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Meeting Room, Playground, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	830	\$0.44	\$367	60%
1	1	G	10	0	830	\$0.44	\$367	50%
1	1	G	3	0	830	\$0.55	\$455	
2	2	G	8	0	1010	\$0.46	\$463	60%
2	2	G	24	0	1010	\$0.43	\$432	50%
2	2	G	8	0	1010	\$0.52	\$530	
3	2	G	4	0	1220	\$0.40	\$482	60%
3	2	G	15	0	1220	\$0.40	\$482	50%
3	2	G	5	0	1220	\$0.48	\$580	

**1 River Walk Apts.**

15.8 miles to site



<b>Address</b>	5578 Riverside Dr. Macon, GA 31210		
<b>Phone</b>	(478) 474-4714	<b>Contact</b>	Sonya
<b>Total Units</b>	152	<b>Vacancies</b>	6
		<b>Percent Occupied</b>	96.1%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	1993	<b>Floors</b>	2
<b>Concessions</b>	Reported rent discounted		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	C	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	fka Oak Ridge Apts., 60% AMHI; HCV (90 units); Typical rent: 3-br \$729		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Outdoor Storage
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Picnic Area, Nature Trails

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
3	2	G	152	6	1371	\$0.49	\$675	60%

**905 Edgewood Park Apts.**

21.7 miles to site



**Address** 2671 N. Columbia St.  
Milledgeville, GA 31061

**Phone** (478) 452-1806 **Contact** Rina

**Total Units** 61 **Vacancies** 6 **Percent Occupied** 90.2%

**Project Type** Tax Credit

**Year Open** 1995 **Floors** 1-3

**Concessions** Move-in: \$199

**Parking** Surface Parking

**Waiting List** 1-br: 3-4 years

**Quality Rating** B- **Neighborhood Rating** B

**Remarks** 30%, 50% & 60% AMHI; HCV (5 units); Vacancies attributed to unemployment



**Features and Utilities**

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

**Unit Configuration**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	650	\$0.28	\$181	30%
2	2	G	4	2	987	\$0.45	\$445	60%
2	2	G	36	2	987	\$0.45	\$445	50%
3	2	G	6	1	1153	\$0.44	\$510	60%
3	2	G	12	1	1153	\$0.44	\$510	50%

**906 Pinewood Park**

18.7 miles to site



**Address** 4755 Mercer University Dr.  
Macon, GA 31210

**Phone** (478) 314-1900 **Contact** Shannon

**Total Units** 148 **Vacancies** 0 **Percent Occupied** 100.0%

**Project Type** Tax Credit

**Year Open** 2006 **Floors** 2,3

**Concessions** No Rent Specials

**Parking** Surface Parking

**Waiting List** NONE

**Quality Rating** B+ **Neighborhood Rating** B+

**Remarks** 30%, 50% & 60% AMHI; HCV (56 units)



**Features and Utilities**

**Utilities** Landlord pays Trash  
**Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds  
**Project Amenities** Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Security Gate, Computer Lab, Picnic Area

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	846	\$0.56	\$475	60%
1	1	G	28	0	846	\$0.48	\$402	50%
1	1	G	3	0	846	\$0.25	\$214	30%
2	2	G	16	0	1186	\$0.43	\$515	60%
2	2	G	53	0	1186	\$0.40	\$479	50%
2	2	G	7	0	1186	\$0.21	\$253	30%
3	2	G	8	0	1373	\$0.46	\$625	60%
3	2	G	23	0	1373	\$0.39	\$534	50%
3	2	G	6	0	1373	\$0.20	\$271	30%

**907 West Club**

18.5 miles to site



<b>Address</b>	159 Stevens Dr. Macon, GA 31210		
<b>Phone</b>	(478) 476-3500	<b>Contact</b>	Dee Dee
<b>Total Units</b>	140	<b>Vacancies</b>	8
		<b>Percent Occupied</b>	94.3%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	1997	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	30%, 50% & 60% AMHI; HCV (133 units)		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Sports Court, Security Gate, Picnic Area, Wi-Fi

**Unit Configuration**

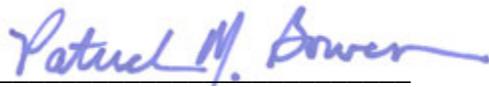
BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	1	0	778	\$0.72	\$560	60%
1	1	G	7	0	778	\$0.30	\$233	30%
2	2	G	25	3	1021	\$0.66	\$674	60%
2	2	G	51	4	1021	\$0.53	\$543	50%
3	2	G	48	1	1212	\$0.64	\$776	60%
4	2	G	8	0	1348	\$0.64	\$863	60%

## ADDENDUM C – MEMBER CERTIFICATION & CHECKLIST

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

Bowen National Research is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Affordable Housing Market Analysts (NCAHMA) 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.

Certified:



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Date: June 11, 2012

Note: Information on the National Council of Affordable Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

## ADDENDUM-MARKET STUDY INDEX

### **A. INTRODUCTION**

Members of the National Council of Affordable 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)
<b>Executive Summary</b>		
1.	Executive Summary (Exhibit S-2)	A
<b>Project Description</b>		
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	B
<b>Location and Market Area</b>		
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)
<b>EMPLOYMENT AND ECONOMY</b>		
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
<b>DEMOGRAPHIC CHARACTERISTICS</b>		
24.	Population and household estimates and projections	E
25.	Area building permits	H
26.	Distribution of income	H
27.	Households by tenure	H
<b>COMPETITIVE ENVIRONMENT</b>		
28.	Comparable property profiles	H
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 & Addendum A
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
<b>ANALYSIS/CONCLUSIONS</b>		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum E
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	K
48.	Market strengths and weaknesses impacting project	K
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	H
53.	Interviews with area housing stakeholders	J

**CHECKLIST (Continued)**

<b>OTHER REQUIREMENTS</b>		<b>Section (s)</b>
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	Addendum B
57.	Statement of qualifications	N
58.	Sources of data not otherwise identified	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 Gray, Georgia by Bridgeland Development, LLC.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Affordable Housing Market Analysts (NCAHMA). 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 and projections that determine what the characteristics of the market will be when the subject project opens and 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
- 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
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

## ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

### A. INTRODUCTION

We identified three market-rate properties within the Gray Site PMA that we consider most comparable to the proposed subject development. Additionally, we identified and surveyed two more properties outside of the PMA, but within the nearby region, that are also considered comparable 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. 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, mid-rise, 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, 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.

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Piedmont Village</b>	<b>2014</b>	<b>72</b>	<b>-</b>	<b>16 (-)</b>	<b>32 (-)</b>	<b>24 (-)</b>
4	Adrian on Riverside	2003	224	98.2%	48 (97.9%)	160 (98.1%)	16 (100.0%)
8	Overlook Gardens	1987	184	96.7%	48 (100.0%)	76 (94.7%)	60 (96.7%)
11	Grayson Glen	1996	56	98.2%	-	40 (97.5%)	16 (100.0%)
902	Bristol Park	2002	160	100.0%	32 (100.0%)	112 (100.0%)	16 (100.0%)
904	Ansley Village	2007	294	92.9%	98 (92.9%)	130 (93.1%)	66 (92.4%)

Occ. – Occupancy

900 Series Map IDs located outside of the Site PMA

The five selected market-rate projects have a combined total of 918 units with an overall occupancy rate of 96.5%. None of the comparable properties has an occupancy rate below 92.9%. These occupancy rates are considered stable to high and illustrate that the selected properties are well received within their respective markets. As such, they will serve as accurate benchmarks with which to compare to the proposed subject project.

A comparison of the weighted average collected rents and those proposed at the subject project is included below.

Weighted Average Collected Rent of Comparable Market-Rate Units		
One-Br.	Two-Br.	Three-Br.
\$626	\$766	\$835

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent)/proposed rent.

Bedrooms	Weighted Avg. Rent	Less Proposed Rent	Equals Difference	Divided by Proposed Rent	Rent Advantage
One-Br.	\$626	- \$354 (50%) - \$455 (60%)	\$272 \$171	/ \$354 / \$455	76.8% 37.6%
Two-Br.	\$766	- \$412 (50%) - \$534 (60%)	\$354 \$232	/ \$412 / \$534	85.9% 43.4%
Three-Br.	\$835	- \$463 (50%) - \$604 (60%)	\$372 \$231	/ \$463 / \$604	80.3% 38.2%

The proposed market-rate rents at the site represent rent advantages of 37.6% to 85.9%, depending on bedroom type. These advantages are considered significant, but these are weighted averages of *collected* rents that do not reflect differences in the utility structure that gross rents include. Further, these rent advantages do not consider differences in unit size, amenities or location. Therefore, we have provided HUD Rent Comparability grids to provide a more accurate rent advantage analysis.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between 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	
Piedmont Village		Adrian on Riverside		Overlook Gardens		Grayson Glen		Bristol Park		Ansley Village	
4386 Gray Highway		5243 Riverside Dr.		1605 Clinton Rd.		151 India Woods Dr.		105 Bass Plantation Dr.		6435 Zebulon Rd.	
Gray, GA		Macon, GA		Macon, GA		Gray, GA		Macon, GA		Macon, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$750		\$519		\$625		\$710		\$620	
2	Date Surveyed	May-12		May-12		May-12		May-12		May-12	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	98%		100%		98%		100%		93%	
5	Effective Rent & Rent/ sq. ft	\$750	0.88	\$519	0.71	\$625	0.54	\$710	0.89	\$620	0.85
<b>B. Design, Location, Condition</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2		R/1		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2014	\$11	1987	\$27	1996	\$18	2002	\$12	2007	\$7
8	Condition /Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G		G		G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		Yes		Yes		No		No	
<b>C. Unit Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		2	(\$50)	1		1	
12	# Baths	1		1		2	(\$30)	1		1	
13	Unit Interior Sq. Ft.	800	(\$9)	733	\$13	1150	(\$66)	800		727	\$14
14	Balcony/ Patio	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	(\$5)	N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU/L		HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N	(\$3)	N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y		Y		N	\$5	N	\$5	Y	
23	Ceiling Fans	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
<b>D. Site Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Gate	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27	Clubhouse/ Meeting Rooms	Y/Y		Y/Y	\$5	N/N	\$10	Y/N	\$5	N/N	\$10
28	Pool/ Recreation Areas	N	(\$21)	P/F/L/J	(\$13)	N		P/F/S	(\$18)	P/F	(\$15)
29	Computer Center	N	(\$3)	Y		N		Y	(\$3)	Y	(\$3)
30	Picnic Area	Y		Y		N	\$3	Y		N	\$3
31	Playground	Y		Y		N	\$3	Y		Y	
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>		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	
34	Cooling (in rent?/ type)	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	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		Y/Y	(\$50)	N/N	
39	Trash /Recycling	Y/N	\$20	Y/N		Y/N		Y/N		N/N	\$20
<b>F. Adjustments Recap</b>		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	1	8	4	4	8	3	4	6	4	6
41	Sum Adjustments B to D	\$11	(\$56)	\$60	(\$28)	\$64	(\$146)	\$37	(\$46)	\$34	(\$43)
42	Sum Utility Adjustments	\$20							(\$50)	\$20	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$25)	\$87	\$32	\$88	(\$82)	\$210	(\$59)	\$133	\$11	\$97
<b>G. Adjusted &amp; Market Rents</b>		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$725		\$551		\$543		\$651		\$631	
45	Adj Rent/Last rent		97%		106%		87%		92%		102%
46	Estimated Market Rent	\$605		\$0.76							

← Estimated Market Rent/ Sq. Ft

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Piedmont Village		Adrian on Riverside		Overlook Gardens		Grayson Glen		Bristol Park		Ansley Village	
4386 Gray Highway		5243 Riverside Dr.		1605 Clinton Rd.		151 India Woods Dr.		105 Bass Plantation Dr.		6435 Zebulon Rd.	
Gray, GA		Macon, GA		Macon, GA		Gray, GA		Macon, GA		Macon, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
<b>A. Rents Charged</b>											
1 \$ Last Rent / Restricted?		\$815		\$619		\$625		\$840		\$705	
2 Date Surveyed		May-12		May-12		May-12		May-12		May-12	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		98%		100%		98%		100%		93%	
5 Effective Rent & Rent/ sq. ft	▼	\$815	0.69	\$619	0.57	\$625	0.54	\$840	0.69	\$705	0.63
<b>B. Design, Location, Condition</b>											
6 Structure / Stories	WU/3	WU/2		WU/2		R/1		WU/2		WU/3	
7 Yr. Built/Yr. Renovated	2014	2003	\$11	1987	\$27	1996	\$18	2002	\$12	2007	\$7
8 Condition /Street Appeal	E	E		G	\$15	G	\$15	G	\$15	E	
9 Neighborhood	G	G		G		G		E	(\$10)	E	(\$10)
10 Same Market?		Yes		Yes		Yes		No		No	
<b>C. Unit Equipment/ Amenities</b>											
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	2	1	\$30	2		2		2		2	
13 Unit Interior Sq. Ft.	1000	1178	(\$28)	1094	(\$15)	1150	(\$23)	1212	(\$33)	1127	(\$20)
14 Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	N		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	N/Y	Y/Y	(\$5)	N/Y		N/Y		N/Y		N/Y	
18 Washer/Dryer	HU/L	HU/L		HU/L		HU	\$5	HU/L		HU/L	
19 Floor Coverings	C	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Intercom/Security System	N/N	N/Y	(\$3)	N/N		N/N		N/N		N/N	
22 Garbage Disposal	Y	Y		Y		N	\$5	N	\$5	Y	
23 Ceiling Fans	N	Y	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
<b>D Site Equipment/ Amenities</b>											
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		N	\$5	Y		Y	
26 Security Gate	N	Y	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27 Clubhouse/ Meeting Rooms	Y/Y	Y/Y		Y/N	\$5	N/N	\$10	Y/N	\$5	N/N	\$10
28 Pool/ Recreation Areas	N	P/F/L/J	(\$21)	P/S	(\$13)	N		P/F/S	(\$18)	P/F	(\$15)
29 Computer Center	N	Y	(\$3)	N		N		Y	(\$3)	Y	(\$3)
30 Picnic Area	Y	Y		Y		N	\$3	Y		N	\$3
31 Playground	Y	Y		Y		N	\$3	Y		Y	
32 Social Services	N	N		N		N		N		N	
<b>E. Utilities</b>											
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		Y/Y	(\$64)	N/N	
39 Trash /Recycling	Y/N	N/N	\$20	Y/N		Y/N		Y/N		N/N	\$20
<b>F. Adjustments Recap</b>											
40 # Adjustments B to D		2	8	3	5	8	1	4	7	3	7
41 Sum Adjustments B to D		\$41	(\$75)	\$47	(\$43)	\$64	(\$23)	\$37	(\$79)	\$20	(\$63)
42 Sum Utility Adjustments		\$20							(\$64)	\$20	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$14)	\$136	\$4	\$90	\$41	\$87	(\$106)	\$180	(\$23)	\$103
<b>G. Adjusted &amp; Market Rents</b>											
44 Adjusted Rent (5+ 43)		\$801		\$623		\$666		\$734		\$682	
45 Adj Rent/Last rent			98%		101%		106%		87%		97%
46 Estimated Market Rent	\$675	\$0.68	←	Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type → **THREE BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Piedmont Village		Adrian on Riverside		Overlook Gardens		Grayson Glen		Bristol Park		Ansley Village	
4386 Gray Highway		5243 Riverside Dr.		1605 Clinton Rd.		151 India Woods Dr.		105 Bass Plantation Dr.		6435 Zebulon Rd.	
Gray, GA		Macon, GA		Macon, GA		Gray, GA		Macon, GA		Macon, GA	
<b>Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$1,045		\$719		\$750		\$960		\$880	
2	Date Surveyed	May-12		May-12		May-12		May-12		May-12	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		97%		100%		100%		92%	
5	Effective Rent & Rent/ sq. ft	\$1,045	0.73	\$719	0.57	\$750	0.58	\$960	0.72	\$880	0.65
<b>B. Design, Location, Condition</b>											
6	Structure / Stories	WU/3		WU/2		R/1		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2014	\$11	1987	\$27	1996	\$18	2002	\$12	2007	\$7
8	Condition /Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G		G		G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		Yes		Yes		No		No	
<b>C. Unit Equipment/ Amenities</b>											
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1200	(\$39)	1255	(\$9)	1300	(\$16)	1332	(\$21)	1360	(\$26)
14	Balcony/ Patio	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	(\$5)	N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU/L		HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N	(\$3)	N/N		N/N		N/N		N/N	
22	Garbage Disposal	Y		Y		N	\$5	N	\$5	Y	
23	Ceiling Fans	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
<b>D Site Equipment/ Amenities</b>											
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Gate	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27	Clubhouse/ Meeting Rooms	Y/Y		Y/Y	\$5	N/N	\$10	Y/N	\$5	N/N	\$10
28	Pool/ Recreation Areas	N	(\$21)	P/F/L/J	(\$13)	N		P/F/S	(\$18)	P/F	(\$15)
29	Computer Center	N	(\$3)	Y		N		Y	(\$3)	Y	(\$3)
30	Picnic Area	Y		Y		N	\$3	Y		N	\$3
31	Playground	Y		Y		N	\$3	Y		Y	
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>											
33	Heat (in rent?/ type)	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	
35	Cooking (in rent?/ type)	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	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		Y/Y	(\$78)	N/N	
39	Trash /Recycling	Y/N	\$20	Y/N		Y/N		Y/N		N/N	\$20
<b>F. Adjustments Recap</b>											
40	# Adjustments B to D	1	8	3	5	8	1	4	7	3	7
41	Sum Adjustments B to D	\$11	(\$86)	\$47	(\$37)	\$64	(\$16)	\$37	(\$67)	\$20	(\$69)
42	Sum Utility Adjustments	\$20							(\$78)	\$20	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	(\$55)	\$117	\$10	\$84	\$48	\$80	(\$108)	\$182	(\$29)	\$109
<b>G. Adjusted &amp; Market Rents</b>											
44	Adjusted Rent (5+ 43)	\$990		\$729		\$798		\$852		\$851	
45	Adj Rent/Last rent		95%		101%		106%		89%		97%
46	Estimated Market Rent	\$825	\$0.69	← Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered 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 achievable market rents for units similar to the subject development are \$605 for a one-bedroom unit, \$675 for a two-bedroom unit and \$825 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

Bedroom Type	Proposed Collected Rent (% AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$354 (50%)	\$605	41.5%
	\$455 (60%)		24.8%
Two-Bedroom	\$412 (50%)	\$675	39.0%
	\$534 (60%)		20.9%
Three-Bedroom	\$463 (50%)	\$825	43.9%
	\$604 (60%)		26.8%

The proposed collected rents represent market rent advantages between 20.9% and 43.9% of achievable market rent and are appropriate for the subject market. Therefore, these rents will likely represent a significant value to low-income renters within the Gray Site PMA. Typically, Tax Credit collected rents must represent at least a 10.0% market rent advantage in order to be viewed as a value that will ensure a sustainable flow of tenants.

**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. When multiple rent levels were offered, we included an average rent.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1987 and 2007. As such, we have adjusted the rents at the selected properties by \$7 to \$27 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. The subject project is considered to be in a desirable neighborhood. However, the two selected properties located outside of the market area are located within a more desirable neighborhood. As such, these properties have been adjusted negatively to reflect their superior surroundings.
11. All of the selected properties have two- and three-bedroom units. One of the selected projects, however, does not provide one-bedroom units. For this project, we have used the two-bedroom units and made adjustments to reflect the difference in the number of bedrooms.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site compared with the competitive 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 25.0% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenities package similar to the selected properties. We have, however, made some 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 somewhat limited project amenities package when compared to market-rate developments. Many of the selected properties offer swimming pools, basketball courts and/or fitness centers. As such, we have made monetary adjustments to reflect the difference between the proposed subject project's and the selected properties' project amenities.
- 33-39. We have adjusted the rent at each of the selected properties to reflect the utility structure proposed at the subject development. These adjustments have been made based on the 2011 Utility Allowance for the "Middle Region" of Georgia provided by DCA.