

# **Market Feasibility Analysis Huntington Court Senior Residences**

**Buford, Gwinnett County, Georgia**

**To be developed by:  
Huntington Court Senior Residences, L.P.**

**Prepared for  
The Georgia Department of Community Affairs**

**June 2002**

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## I. Executive Summary

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### **Proposed Site Location**

- The proposed site is an undeveloped 10.9 acre parcel in the 4100 block of South Lee Street south of downtown Buford. The site is located in ZIP Code 30518 and census tract 0501.02. The subject site has frontage on both South Lee Street and Maddox Road.
- The proposed site is primarily wooded in nature with a topography generally sloping away from South Lee Street. The site is angularly shaped.
- The proposed site is bordered by a small single family home to the east, a two-story office building to its west and undeveloped land to the north and south. The majority of the development along South Lee Street near the proposed site is single family in nature. Many of these single family homes have been converted to house small businesses. There is an up-scale senior rental community located approximately three quarters of one mile north of the site. The proposed site is located just north of Highway 20, which is one of the major thoroughfares in Buford. There are several commercial, retail, and restaurant establishments located along Highway 20 within one mile of the proposed site.

### **Proposed Amenities**

- Common area amenities of Huntington Court Senior Residences will include a lobby area, receptionist area, a multi-purpose area with modified kitchen, private gathering areas, library, card room, computer center, beautician space, fitness center, wellness center, common patios/balconies, a two-story covered patio with rocking chairs, fenced resident gardens, outdoor walking paths, a gazebo, and picnic area with grill. The interior community amenities will be located in the main apartment building, however will be made available to all residents
- Security features will include controlled building entry, an emergency call system, lighting above each entry door, and perimeter fencing.

- Unit specific amenities will include a fully equipped kitchen with a stove, refrigerator, dishwasher, and garbage disposal, washer dryer connections, and individually controlled heating and cooling system.

### **Demographic Analysis**

- According to 2000 Census data, the proposed development is compatible with the demographic composition of the primary market area, which has a proportional high percent of senior person.
- The senior household growth rate and senior income distribution indicate the need for additional senior oriented rental units.

### **Affordability Analysis**

- Based on household income distributions produced by Claritas, 35.2 percent of the senior (62+) households in the primary market area earn less than the maximum income limit for the two bedroom units at 60 percent of the AMI.
- When a minimum income limit is introduced, 13.8 percent earn below the maximum income limit and above the minimum income limit. This minimum income limit will apply to those householders without Section 8 voucher rental assistance.
- Based on the 2004 senior household estimate of 13,312 for the primary market area, there are 4,645 senior households with incomes below the maximum income limit and 1,832 of these household also earn more than the minimum income limit.

### **Proposed Unit Mix and Rent Schedule**

- The proposed unit mix consists of one and two bedroom units reserved for tenants age 62 and older. There will be tax credit units priced at 30 percent, 50 percent and 60 percent of the Area Median Income and market rates units that will target those renters earning no more than 80 percent of the AMI.
- The proposed one and two bedroom units at Huntington Court Senior Residences will be appealing to senior renter households. These are the

two floorplans are typical of new senior communities. . Furthermore, the senior oriented community will be more appealing to the target market than the existing, older general occupancy communities.

- The units sizes proposed are generous for a general rental apartments in this market and large for a senior community.
- The proposed tax credit units are lower than the average rents among existing communities in the primary market area. The market rate rents are competitive with the same communities. The proposed rents are reasonable and appropriate give the new construction, location and extensive amenities to be included.

### **Demand and Capture Rates**

- Using the methodology stipulated by DCA, we find that there will be 4,102 senior (62+) renter households as a result of substandard households, rent over burdened households, renter household growth, and elderly homeowners converting to rental housing in 2004.
- By applying the income qualification percentages discussed earlier to this demand number, we calculate that there is demand for 669 additional units in the primary market area.
- This demand estimate results in a capture rate of 17.9 percent with a minimum income limit and 12.4 percent without a minimum income limit. Based on the product to be constructed and the proposed location, these capture rates are considered achievable.

### **Final Conclusion**

Based the data presented in this report, we find that Huntington Court Senior Residences passes the market study test as proposed.

## II. Project Description

The proposed development, Huntington Court Senior Residences, will be a newly constructed 152 unit rental community reserved for elderly tenants age 62 and older. Two of the units will be not be rented and will be occupied by on-site staff. The community will consist of 37 one bedroom units with 650 square feet of living space and 115 two bedroom units with either 860 or 938 square feet of living space.

The proposed development will include tax credit units reserved for tenants earning no more than 30 percent, 50 percent and 60 percent of the Area Median Income (AMI) and market rate units, which are noted as 80% of the AMI in the table below. None of the unties at Huntington Court Senior Residences will have project based rental assistance.

**Table 1 - Proposed Unit Mix, Huntington Court Senior Residences**

<b>Unit Type</b>	<b>AMI Level</b>	<b>Bedrooms</b>	<b>Units</b>	<b>Avg. Size</b>	<b>Net Rent</b>	<b>Rent/Sq Ft</b>
LIHTC	30%	1	5	650	\$310	\$0.48
LIHTC	30%	2	7	860	\$320	\$0.37
LIHTC	30%	2	4	938	\$375	\$0.40
LIHTC	50%	1	2	650	\$570	\$0.88
LIHTC	50%	2	4	860	\$610	\$0.71
LIHTC	50%	2	2	938	\$650	\$0.69
LIHTC	60%	1	23	650	\$595	\$0.92
LIHTC	60%	2	53	860	\$620	\$0.72
LIHTC	60%	2	8	938	\$700	\$0.75
LIHTC	60%	2	12	938	\$725	\$0.77
MKT RATE	80%	1	7	650	\$655	\$1.01
MKT RATE	80%	2	13	860	\$680	\$0.79
MKT RATE	80%	2	2	938	\$760	\$0.81
MKT RATE	80%	2	8	938	\$785	\$0.84
<b>Total/Avg.</b>			<b>150</b>	<b>827</b>	<b>\$615</b>	<b>\$0.74</b>

Huntington Court Senior Residences will consist of a 132 unit apartment building and 20 cottages. The apartment building will have three-stories with elevator service and will feature brick and stucco exteriors with varied roof lines. All 20 cottages will be one-story and will have two bedrooms and two full bathrooms.

Common area amenities of Huntington Court Senior Residences will include a lobby area, receptionist area, a multi-purpose area with modified kitchen, private gathering areas, library, card room, computer center, beautician space, fitness center,

wellness center, common patios/balconies, a two-story covered patio with rocking chairs, fenced resident gardens, outdoor walking paths, a gazebo, and picnic area with grill. The interior community amenities will be located in the main apartment building, however will be made available to all residents.

Security features will include controlled building entry, an emergency call system, lighting above each entry door, and perimeter fencing.

Unit specific amenities will include a fully equipped kitchen with a stove, refrigerator, dishwasher, and garbage disposal, washer dryer connections, and individually controlled heating and cooling system.

Community services to be provided by Huntington Court Senior Residences will include a working relationship with Gwinnett Health System, van transportation to shopping and medical facilities, group meals at an additional charge, exercise classed, educational programs and lectures, wellness checks, community information and referral services, housekeep and linen services for an additional charge, home health care for an additional fee, holiday parties, and gardening seminars.

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### III. Site Evaluation

#### **A. Site Description**

The proposed site is an undeveloped 10.9 acre parcel in the 4100 block of South Lee Street south of downtown Buford. The site is located in ZIP Code 30518 and census tract 0501.02. The subject site has frontage on both South Lee Street and Maddox Road.

The proposed site is primarily wooded in nature with a topography generally sloping away from South Lee Street. The site is angularly shaped.

#### **B. Surrounding Land Uses**

South Lee Street is a four lane, divided thoroughfare that has relatively high traffic volume in front of the site. The proposed development will benefit from drive-by traffic. However the traffic is not of a high enough volume to create problems for resident ingress and egress.

The proposed site is bordered by a small single family home to the east, a two-story office building to its west and undeveloped land to the north and south. The majority of the development along South Lee Street near the proposed site is single family in nature. Many of these single family homes have been converted to house small businesses. There is an up-scale senior rental community located approximately three quarters of one mile north of the site. The proposed site is located just north of Highway 20, which is one of the major thoroughfares in Buford. There are several commercial, retail, and restaurant establishments located along Highway 20 within one mile of the proposed site.

The proposed site will be compatible with surrounding land uses. There are several rental communities within one mile of the proposed site.

## C. Site Photos

*Figure 1 - Site Location Photos*



*View of site*



*View of site*



*View of single family street near site.*



*View from South Lee Street facing south. .*



*View of South Lee Street facing North.*



Map 2 - Neighborhood Amenities, Huntington Court Senior Residences



**Table 2 - Neighborhood Amenities, Huntington Court Senior Residences**

<b>Establishment</b>	<b>Type</b>	<b>Address</b>	<b>Distance</b>
Various Restaurants	Restaurants	Hwy 20/Buford Hwy.	0.2-0.5 Mile
CVS Pharmacy	Pharmacy	412 Buford Drive	0.2 Mile
Longstreet Clinic	Medical	4445 S Lee Street	0.6 Mile
Kroger	Grocery/Pharmacy	1605 Buford Hwy	0.7 Mile
Los Paisanos Mexican Supermarket	Specialty Foods	1859 Buford Hwy	0.7 Mile
K-Mart	General Merchandise	1605 Buford Highway	0.7 Mile
Starvin Marvin	Convenience Store	3830 Highway 20	0.8 Mile
Wal-Mart SuperCenter	Grocery/General Merch.	3795 Buford Highway	0.9 Mile
Mall of Georgia	Reg. Shopping Mall	3333 Buford Dr	2.0 Miles
Buford Senior Center	Senior Center	2755 Sawnee Ave	2.4 Miles
Buford Health Center	Medical	2755 Sawnee Ave	2.4 Miles
Gwinnett Health System	Hospital	1000 Medical Center Dr	9.1 Miles

## E. Neighborhood Amenities

### Retail/Restaurants

The majority of the retail establishments located near the site area located along Highway 20 to the south/west of the site and Buford Highway (HWY 13) to the north. The closest shopping center is located at the intersection of South Lee Street and Highway 20 within less than one half of one mile from the proposed site. The Lee's Crossing shopping center is home to CVS Pharmacy, laundry/dry cleaners, Cornerstone Billiards, American General, Marcello's Italian Restaurant, Luck Garden Chinese Restaurant, Radio Shack, barber shop, Chiropractor, Price Cutter, and Hobby Lobby. There is a Kroger grocery store located within three quarters of one mile northwest of the site on Buford Highway. The recently constructed Mall of Georgia and surrounding strip center are located within two miles of the subject site near Highway 20 and I-985.



*CVS Pharmacy*

## Medical

The closest major medical centers to the proposed site are Gwinnett Medical Center in Lawrenceville and Joan Glancy Memorial Hospital in Duluth. These facilities are located approximately nine and twelve miles from the subject site respectively. These large medical facilities offer many services including 24-hour emergency medicine, family practice, surgery, radiology, and physical therapy.

Buford is home to many smaller medical centers and independent physicians. They include the Longstreet Clinic on South Lee Street and the Buford Health Center located near downtown.

## Transportation

The proposed site is located within one mile of two major highways servicing northern Gwinnett County. Highway 20 connects the Buford area of Lawrenceville to the southwest and Cumming and north Fulton County to the west. Highway 23 also served the area. The site is located within two miles of Interstates 85 and 985. These Interstates connect the area to Atlanta and northeast Georgia and South Carolina.

The proposed site is not served by public transportation. One of the amenities to be provided by Huntington Court Senior Residences will be transportation service for both medical and shopping needs.

## **F. Overall Site Conclusion**

The subject site is appealing for the proposed use. South Lee Street is located in close proximity to majority traffic arteries and neighborhood amenities, yet does not suffer from heavy traffic congestion or noise often associated with such convenient locations.

An upscale senior community is located just north of the site on South Lee Street. This community is generally 100 percent occupied and is a testament to the appeal of the immediate area for senior oriented rental housing.

## IV. Market Area

### A. Market Area Definition

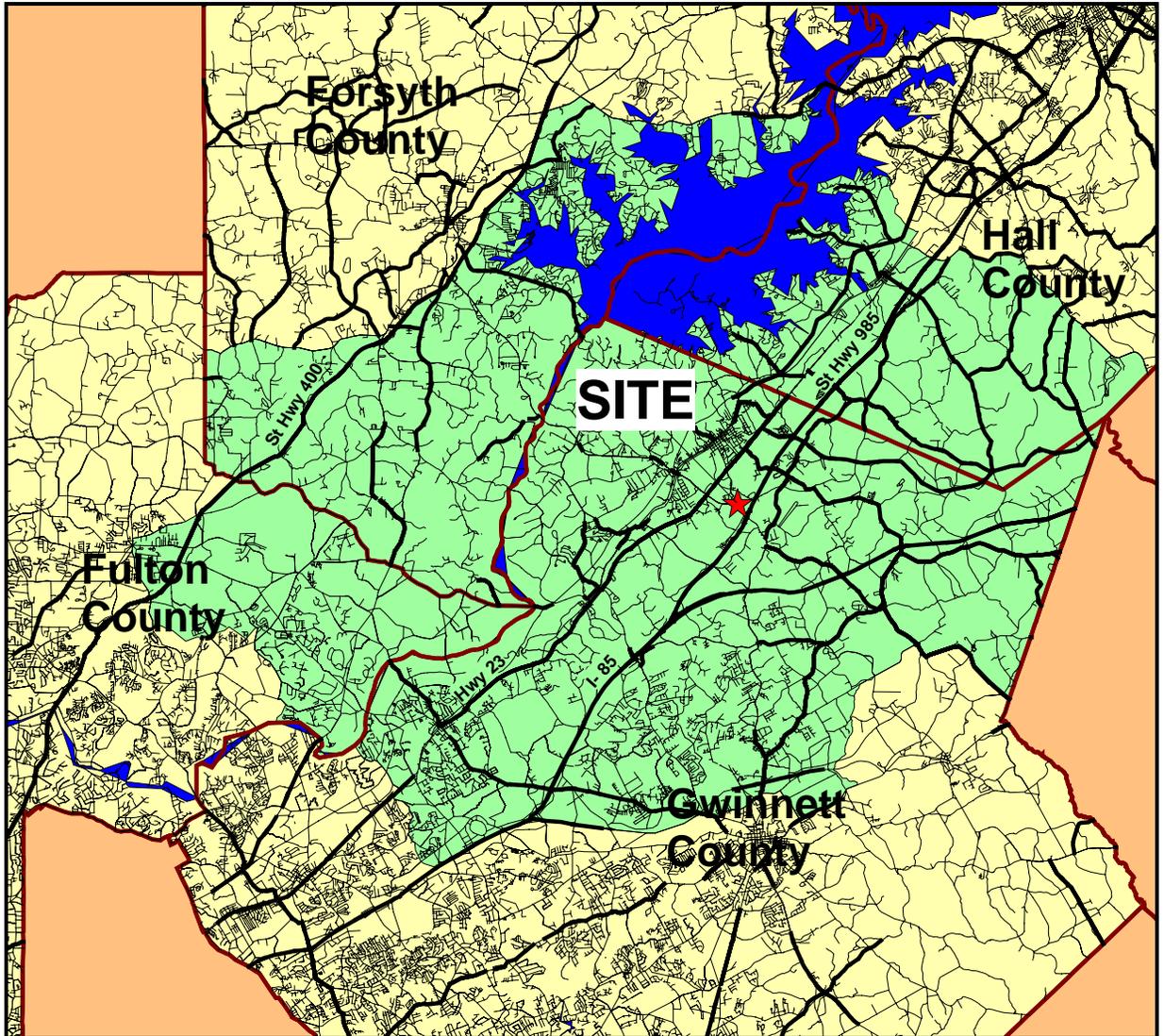
The primary market area for Huntington Court Senior Residences consists of the census tracts located northeast of downtown Atlanta between Interstate 85 and Georgia 400 south of Lake Lanier. Buford is located in the northwest corner of Gwinnett County within approximately five miles of three additional counties. The majority of the primary market area is located within Gwinnett County, however portions of Hall, Forsyth and Fulton Counties are included as well. The approximate borders of this market area are Winder Highway to the north, the intersection of I-85 and Highway 211 to the east, Highway 316 and Browns Bridge Road to the south, and Georgia 400 to the west.

This market area was determined based on conversations with local property managers, local housing officials, and on-site analysis. The composition and housing stock is fairly consistent throughout the primary market area. There are no natural or social boundaries that would hinder the movement of renters throughout this market.

The approximate distance to the borders of this primary market area are 9.48 miles to the north, 9.37 miles to the east, 9.84 miles to the south, and 12.24 miles to the west. The primary market area includes year 2000 census tracts 1305.01, 0015, 1305.02, 0016.01, 0016.03, 0016.02, 0501.04, 0136, 0501.03, 0501.05, 0506.03, 0506.04, 0501.06, 0116.06, 0502.02, 0116.07, 0116.08, 0116.09, 0505.13, 0505.14, 0502.04, 0505.10, 0502.05, 0505.12, 0502.06, 0505.11, and 0502.07.

## B. Map of Market Area

Map 3 - Primary Market Area

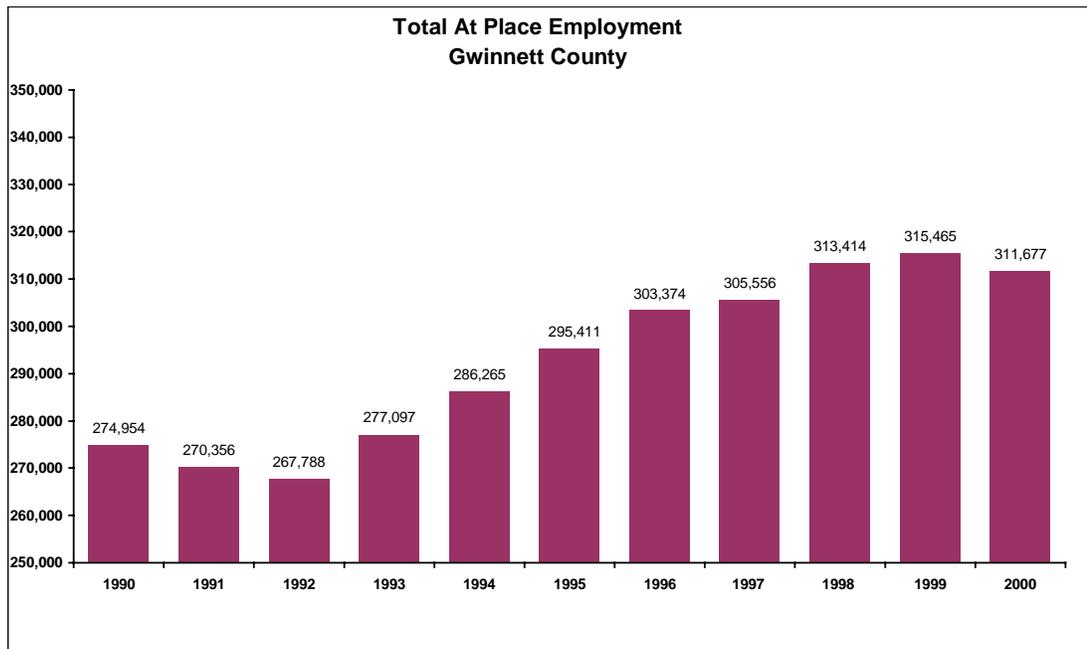


## V. Market Area Economy

### A. At Place Employment and Employment by Sector

Total at place employment has increased steadily over the past decade (Figure 2). In 2000, employment in Gwinnett County had reached 311,677, as job growth averaged nearly 3,700 jobs annually during the decade. Overall, the county experienced a net increase of over 36,723 jobs since 1990. Total at-place employment decreased between 1990 and 1992, but experienced consecutive growth the next 7 years. A slight decline was experienced in 2000. The majority of the decade's growth was experienced between 1993 and 1996 and between 1997 and 1998. On a percentage basis, job growth in Gwinnett County has been lower than national employment growth over the last five years of the previous decade (Figure 3). Gwinnett County is a bedroom community for the Metro Atlanta Area as the majority of residents work in surrounding counties including Fulton and DeKalb Counties. As a result, at-place employment has not kept pace with population, household, or labor force growth.

**Figure 2 - At Place Employment, Gwinnett County, Georgia**

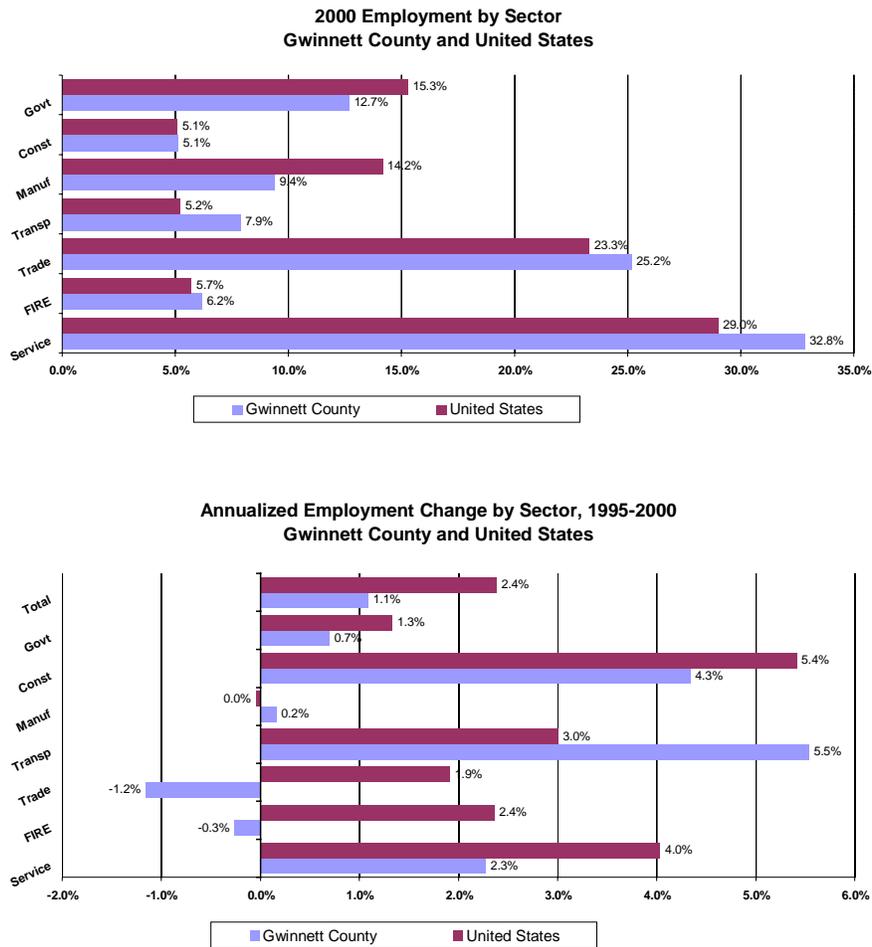


Source: Georgia Department of Labor,  
of Labor Statistics, Covered Employment and Wages (ES 202)

Bureau

At place employment figures indicate that the service sector of employment growth is fueling Gwinnett County's economy. The service sector had the third fastest rate of growth of any sector since 1995 (2.3 percent annualized growth) and the largest share of any employment sector at 32.8 percent (Figure 3). The transportation (5.5 percent) and construction (4.3 percent) sectors also experienced above average growth, however accounted for only 7.9 percent and 5.1 percent of total employment respectively. Major employers in Atlanta and Gwinnett County represent a wide range of products and/or services including education, electronics, telecommunications, government, and healthcare (Table 3).

**Figure 3 - Total Employment and Employment Change by Sector, Gwinnett County**



Source: Georgia Department of Labor,  
Bureau of Labor Statistics, Covered Employment and Wages (ES 202)

## B. Major Employers

The majority of the major employers in Gwinnett County are located along Interstate 85 south of Buford and north of Interstate 285. Major employers in the Buford area are concentrated either in the downtown area or near the Mall of Georgia. Both of these employment concentrations are located within two to three miles of the subject site.

**Table 3 - Largest Employers in Gwinnett County**

Employer	Employees
Gwinnett County Public Schools	11,239
Lucent Technologies	3,500
Scientific Atlanta	3,500
Gwinnett County Government	3,091
Gwinnett Health System	3,000
Ciba Vision Corporation	2,000
Primerica Financial Service	1,700
Motorola	1,400
Ikon Office Solutions	1,300
NCR Corporation	1,100
Solectron Georgia	1,100
Atlanta Journal Constitution	1,000
EMS Technologies	1,000

Source: Atlanta Homes Real Estate and Relocation Services

## **C. Labor Force and Unemployment**

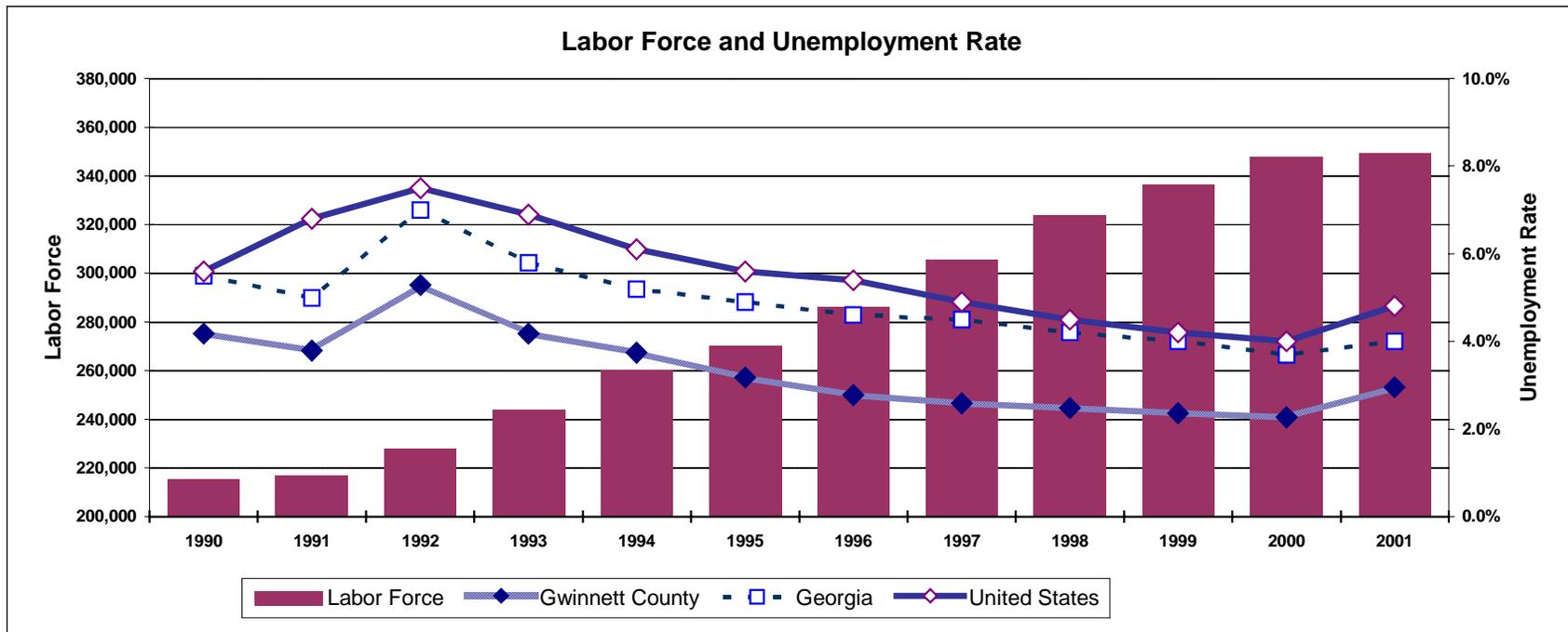
Gwinnett County's labor force has increased by 134,052 or 62.2 percent over the past 11 years. Each year since 1990 has experienced an increase in the labor force. The growth has been fairly consistent and even with lower than average growth between 1990 and 1991 and between 2000 and 2001. The 2001 labor force is 0.4 percent higher than the 2000 year end total (Table 4).

The unemployment rate in Gwinnett County has consistently declined over the past decade with only one year experiencing an increase. The high point of the decade in terms of unemployment rate occurred in 1992, with 5.3 percent of the workforce unemployed. Ten consecutive years of job growth resulted in the decade's lowest level of unemployment at 2.3 percent in 2000. Unemployment data for 2001 shows that Gwinnett County's unemployment rate increased 0.7 percentage points over the past year. This is higher than the increase experience by the state of Georgia (0.3 percentage points), but lower than and The United States (0.8 percentage points). It appears that Gwinnett County's unemployment has been impacted commensurate with the state's economy and to a lesser degree than the nation's. Gwinnett County's unemployment has been consistently lower than both the state of Georgia and the United States.

**Table 4 - Labor Force and Unemployment Rates, Gwinnett County, Georgia**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Labor Force	215,421	217,075	227,764	244,024	260,286	270,052	286,141	305,550	323,973	336,176	347,985	349,473
Employment	206,412	208,837	215,713	233,831	250,549	261,489	278,207	297,650	315,937	328,225	340,115	339,138
Unemployment	9,009	8,238	12,051	10,193	9,737	8,563	7,934	7,900	8,036	7,951	7,870	10,335
Unemployment Rate												
Gwinnett County	4.2%	3.8%	5.3%	4.2%	3.7%	3.2%	2.8%	2.6%	2.5%	2.4%	2.3%	3.0%
Georgia	5.5%	5.0%	7.0%	5.8%	5.2%	4.9%	4.6%	4.5%	4.2%	4.0%	3.7%	4.0%
United States	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.8%

Source: Georgia Department of Labor, Licencing and Regulation



## VI. Community Demographic Data

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### A. Population and Household Trends

Historic growth rates for the primary market area and Gwinnett County are based on 1990 and 2000 Census counts. Projections are based on Claritas Data Services, Inc. growth rates for both geographies applied to the base 2000 Census data and compared to countywide population estimates developed by the Georgia State Data and Research Center. This approach is more conservative than using the more aggressive estimates made by Claritas before the release of the 2000 Census data.

Gwinnett County has experienced rapid growth over the past decade. Gwinnett County's 2000 population represents an increase of 235,538 persons or 66.7 percent from 1990. The population growth rate in the primary market area has been much higher than the county's rate at 166.9 percent during the same time period (Table 5). Based on the estimates made, the county and PMA populations are expected to grow by an additional 11.0 and 17.7 percent respectively from 2000 to 2004.

Based on 1990 and 2000 Census data, the PMA gained 68,319 households, while the entire county increased by a total of 75,346 households. The PMA's growth equates to an average annual increase of 6,832 households or 9.8 percent, slower than the county's annual rate of 4.8 percent.

Projections show that the PMA's household count is expected to increase by an additional 5,248 or 4.4 percent between 2000 and 2004. The county's rate of household growth is projected at 4.3 percent or 9,346 households during the same four year time period.

The primary market area includes portions of northern Gwinnett County, southern Hall County, Northern Fulton County, and southern Forsyth County. These are among the fastest growing areas in the entire state of Georgia. Forsyth County has been one of the ten fastest growing counties in terms of percentage in the nation over the past ten years.

## **B. Senior Population and Household Trends**

Based on 1990 and 2000 census data, the primary market area's population age 62 and older increased by 11,075 people or 124.6 percent. The growth in Gwinnett County was 18,057 people or 83.91 percent. Estimates show that the PMA's population age of 62 and older is expected to increase by 6,778 or 34 percent from 2000 to 2004, while the county's population age 62 and older is projected to increase by 11,984 or 30.28 percent during the same four year time period (Table 6).

From 1990 to 2000, the primary market area's number of senior householders (62+) increased from 5,361 to 11,429 which is an increase of 6,068 or 113.1 percent. Gwinnett County increased by 10,003 households from 12,558 to 22,561, which is an increase of 79.6 percent. From 2000 to 2004, it is projected that the elderly (62+) household count will increase by an additional 3,854 and 6,787 in the primary market area and Gwinnett County respectively (Table 7).

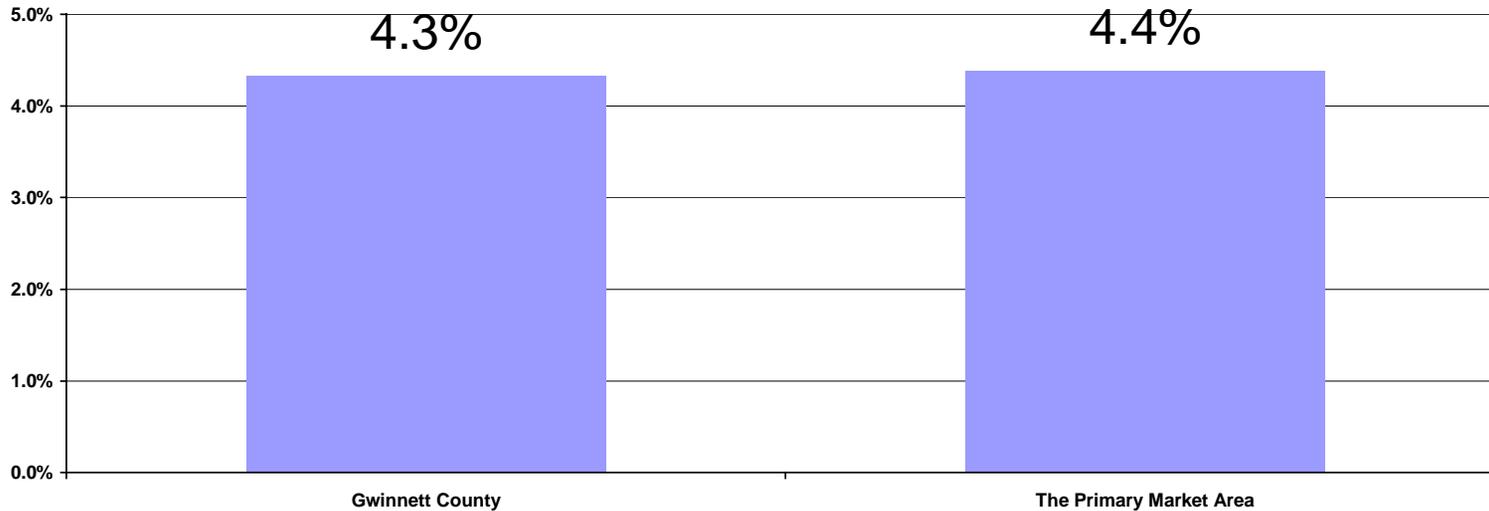
**Table 5 - Trends in Population and Households, PMA and Gwinnett County**

Gwinnett County					Change 1990 to 2000				Change 2000 to 2002				Change 2000 to 2004			
	1990	2000	2002	2004	Total		Annual		Total		Annual		Total		Annual	
					#	%	#	%	#	%	#	%	#	%	#	%
Population	352,910	588,448	621,766	656,971	235,538	66.7%	23,554	5.2%	33,318	5.7%	16,659	2.8%	68,523	11.0%	17,131	2.8%
Households	126,971	202,317	225,459	239,701	75,346	59.3%	7,535	4.8%	23,142	11.4%	11,571	5.6%	37,384	18.5%	9,346	4.3%

The Primary Market Area					Change 1990 to 2000				Change 2000 to 2002				Change 2000 to 2004			
	1990	2000	2002	2004	Total		Annual		Total		Annual		Total		Annual	
					#	%	#	%	#	%	#	%	#	%	#	%
Population	121,814	325,116	352,786	382,811	203,302	166.9%	20,330	10.3%	27,670	8.5%	13,835	4.2%	57,695	17.7%	14,424	4.2%
Households	43,948	112,267	122,313	133,258	68,319	155.5%	6,832	9.8%	10,046	8.9%	5,023	4.4%	20,991	18.7%	5,248	4.4%

Source: Projections, Real Property Research Group, Inc.  
 note: annual change is compounded rate

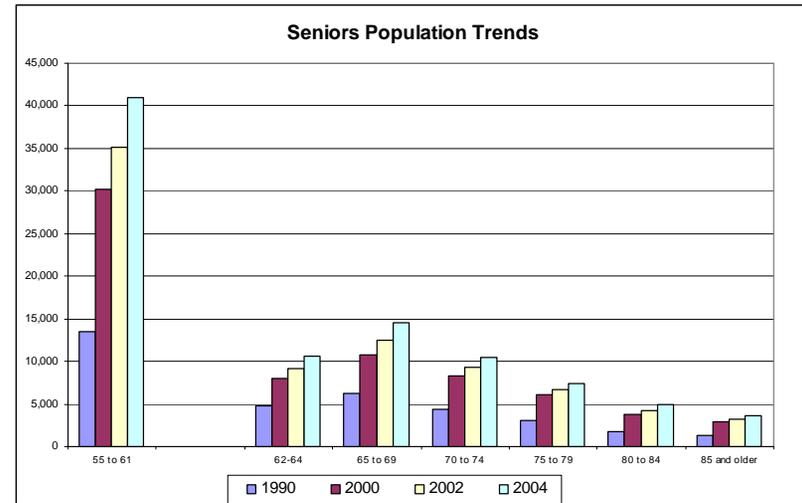
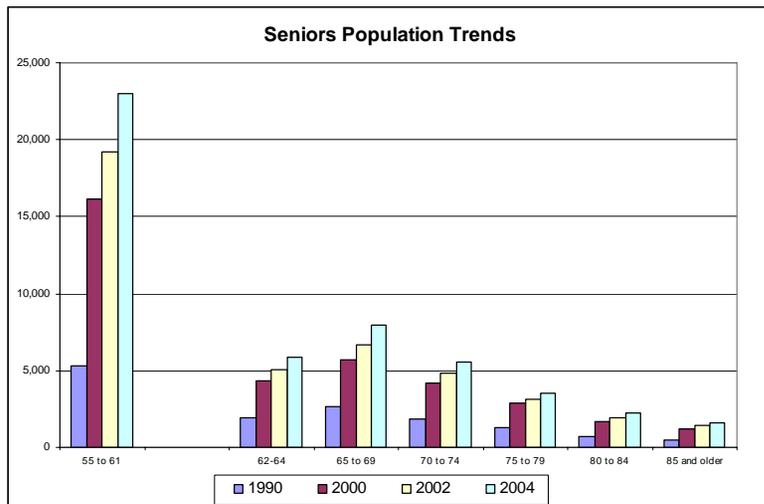
**Annual Household Growth Rate 2000-2004**



**Table 6 - Senior Population Trends, PMA and Gwinnett County**

The Primary Market Area								
Age of Population	1990		2000		2002		2004	
55 to 61	5,292		16,143		19,252		22,960	
62-64	1,915	21.6%	4,374	21.9%	5,064	21.9%	5,864	21.9%
65 to 69	2,644	29.8%	5,676	28.4%	6,707	29.0%	7,925	29.6%
70 to 74	1,821	20.5%	4,170	20.9%	4,799	20.8%	5,524	20.7%
75 to 79	1,283	14.4%	2,856	14.3%	3,174	13.7%	3,528	13.2%
80 to 84	724	8.1%	1,654	8.3%	1,937	8.4%	2,269	8.5%
85 and older	498	5.6%	1,230	6.2%	1,415	6.1%	1,628	6.1%
<b>Population 62+</b>	<b>8,885</b>	<b>100.0%</b>	<b>19,960</b>	<b>100.0%</b>	<b>23,097</b>	<b>100.0%</b>	<b>26,738</b>	<b>100.0%</b>

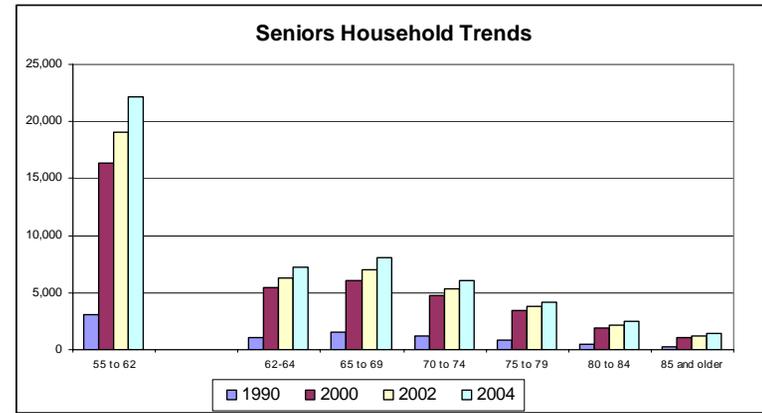
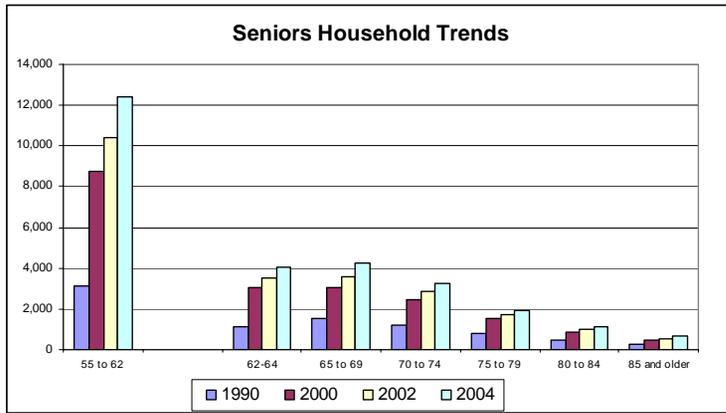
Gwinnett County								
Age of Population	1990		2000		2002		2004	
55 to 61	13,497		30,232		35,153		40,874	
62-64	4,776	22.2%	7,976	20.2%	9,173	20.3%	10,551	20.5%
65 to 69	6,285	29.2%	10,732	27.1%	12,492	27.7%	14,541	28.2%
70 to 74	4,318	20.1%	8,215	20.8%	9,287	20.6%	10,499	20.4%
75 to 79	3,056	14.2%	6,055	15.3%	6,724	14.9%	7,467	14.5%
80 to 84	1,764	8.2%	3,749	9.5%	4,271	9.5%	4,867	9.4%
85 and older	1,319	6.1%	2,848	7.2%	3,218	7.1%	3,635	7.1%
<b>Population 62+</b>	<b>21,518</b>	<b>100.0%</b>	<b>39,575</b>	<b>100.0%</b>	<b>45,166</b>	<b>100.0%</b>	<b>51,559</b>	<b>100.0%</b>



**Table 7 - Senior Household Trends, PMA and Gwinnett County**

The Primary Market Area								
Age of Householder	1990	2000	2002	2004				
55 to 62	1,125	8,762	10,441	12,440				
62-64	1,125	21.0%	3,032	26.5%	3,507	26.5%	4,057	26.5%
65 to 69	1,547	28.9%	3,052	26.7%	3,607	27.3%	4,262	27.9%
70 to 74	1,187	22.1%	2,462	21.5%	2,837	21.5%	3,269	21.4%
75 to 79	773	14.4%	1,549	13.6%	1,717	13.0%	1,904	12.5%
80 to 84	457	8.5%	846	7.4%	987	7.5%	1,152	7.5%
85 and older	272	5.1%	488	4.3%	558	4.2%	639	4.2%
<b>Householders 62+</b>	<b>5,361</b>	<b>100.0%</b>	<b>11,429</b>	<b>100.0%</b>	<b>13,213</b>	<b>100.0%</b>	<b>15,283</b>	<b>100.0%</b>

Gwinnett County								
Age of Householder	1990	2000	2002	2004				
55 to 62	2,815	16,408	19,054	22,126				
62-64	2,815	22.4%	5,469	24.2%	6,281	24.4%	7,215	24.6%
65 to 69	3,628	28.9%	5,990	26.5%	6,964	27.1%	8,096	27.6%
70 to 74	2,761	22.0%	4,704	20.9%	5,312	20.6%	5,998	20.4%
75 to 79	1,730	13.8%	3,405	15.1%	3,776	14.7%	4,188	14.3%
80 to 84	1,012	8.1%	1,902	8.4%	2,165	8.4%	2,463	8.4%
85 and older	612	4.9%	1,091	4.8%	1,231	4.8%	1,389	4.7%
<b>Householders 62+</b>	<b>12,558</b>	<b>100.0%</b>	<b>22,561</b>	<b>100.0%</b>	<b>25,728</b>	<b>100.0%</b>	<b>29,348</b>	<b>100.0%</b>



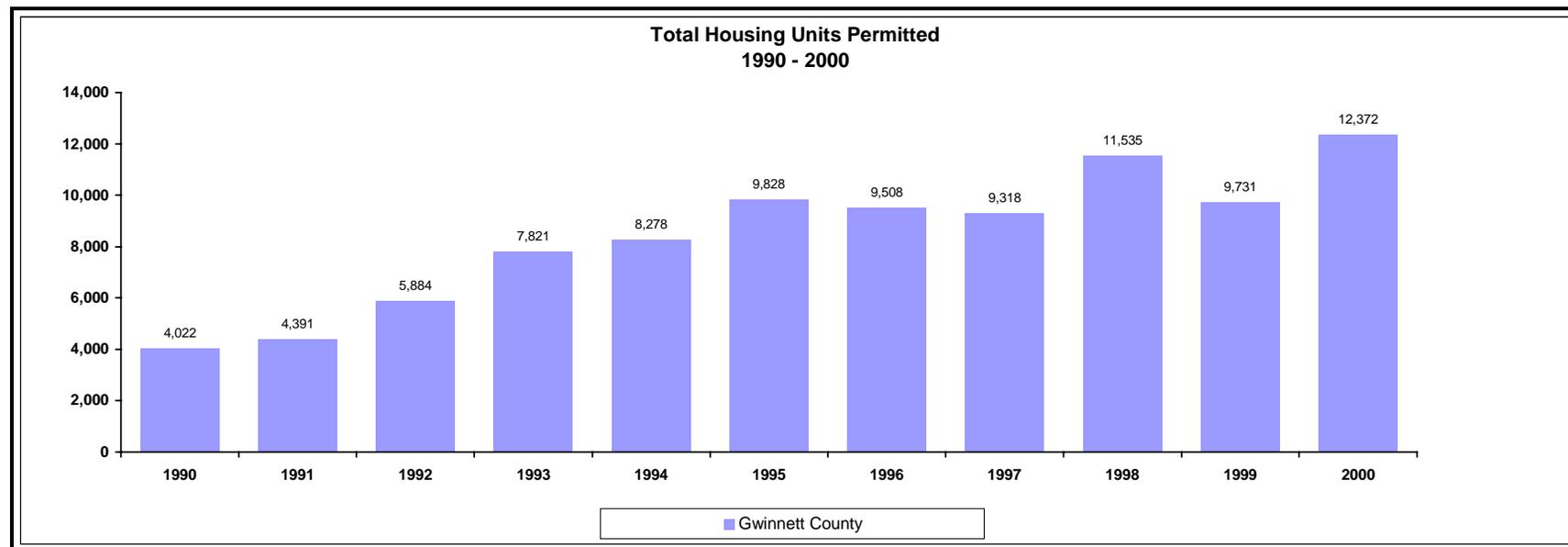
### C. Recent Building Permit Activity

Average annual permit activity in the county over the last decade was 8,426 units, higher than the average household growth of 7,535 (Table 8). According to the annual average of the past decade, 19 percent of the building permits have been multifamily. According to 2000 Census data, 27.6 percent of the householders in the county are renters.

**Table 8 - Gwinnett County Building Permits, 1990 - 2000**

Gwinnett County													
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990-2000	Annual
Single Family	3,488	4,175	5,840	7,099	6,784	7,215	7,629	7,215	8,243	8,469	8,852	71,521	6,819
Two Family	2	0	0	6	0	4	2	0	0	12	0	24	2
3 - 4 Family	0	0	4	4	0	0	0	4	46	0	100	158	14
5 or more Family	532	216	40	712	1,494	2,609	1,877	2,099	3,246	1,250	3,420	16,963	1,590
<b>Total</b>	<b>4,022</b>	<b>4,391</b>	<b>5,884</b>	<b>7,821</b>	<b>8,278</b>	<b>9,828</b>	<b>9,508</b>	<b>9,318</b>	<b>11,535</b>	<b>9,731</b>	<b>12,372</b>	<b>88,666</b>	<b>8,426</b>

Source: US Census Bureau, C-40 Building Permit Reports



## **D. Demographic Characteristics**

With the recent release of 2000 Census data, we can look at demographic characteristics of the census tracts in the primary market area and Gwinnett County.

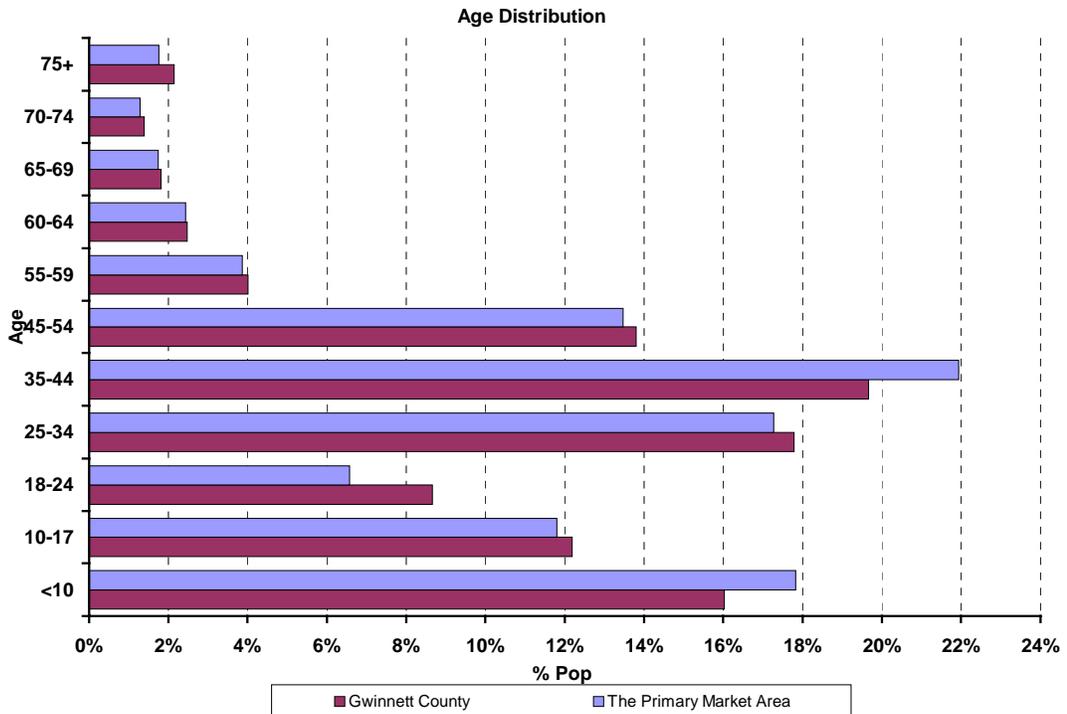
A review of the population by age bracket in the PMA versus Gwinnett County (Table 9) shows that the two areas are fairly similar in terms of age of population. The primary market area has a higher percentage under the age of 10 and between age 35 and 44 with the county maintaining a higher percentage in all other age cohorts. In most cases, the percentage point difference between the two areas is one half point or less.

In terms of household types (Table 10), the PMA has a much higher percentage of married households (67.7 versus 61.1 percent). The primary market area also has a higher percentage of households with children present, 45.3 percent versus 42.3 percent in the county. Gwinnett County has a higher proportion of householders living alone (Table 9). Overall, it appears that the primary market is comprised of middle aged, married householders with children. The primary market area has a similarly aged population, however a lower marriage rate and fewer children.

**Table 9 - 2000 Age Distribution**

	Gwinnett County		The Primary Market Area	
	#	%	#	%
Under 10 years	94,291	16.0%	57,968	17.8%
10-17 years	71,702	12.2%	38,376	11.8%
18-24 years	51,004	8.7%	21,368	6.6%
25-34 years	104,688	17.8%	56,149	17.3%
35-44 years	115,719	19.7%	71,336	21.9%
45-54 years	81,237	13.8%	43,816	13.5%
55-59 years	23,591	4.0%	12,581	3.9%
60-64 years	14,617	2.5%	7,936	2.4%
65-69 years	10,732	1.8%	5,676	1.7%
70-74 years	8,215	1.4%	4,170	1.3%
75 and older	12,652	2.2%	5,740	1.8%
<b>TOTAL</b>	<b>588,448</b>	<b>100.0%</b>	<b>325,116</b>	<b>100.0%</b>

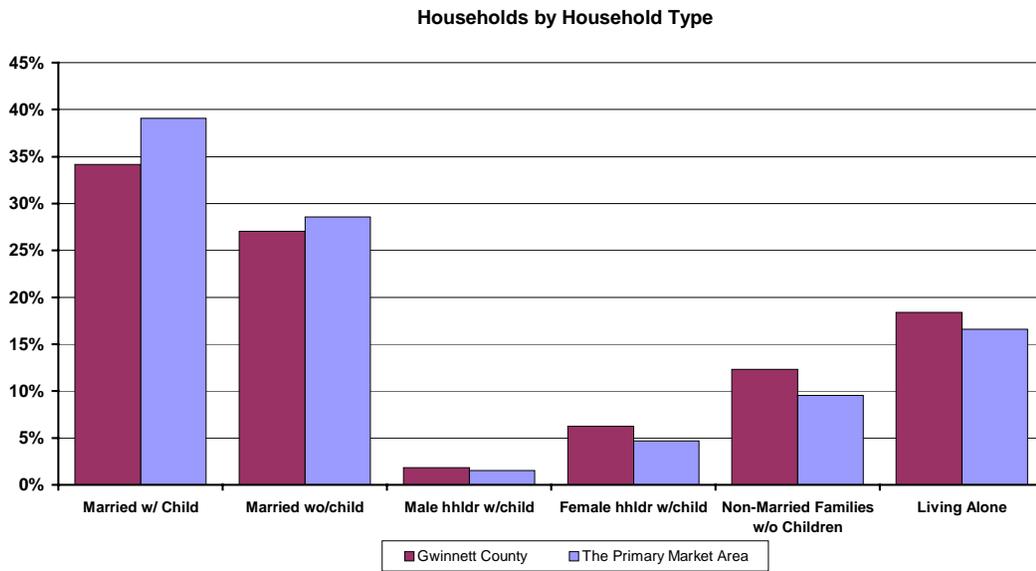
Source: U.S. Census of Population and Housing, 2000



**Table 10 - 2000 Households by Household Type**

	Gwinnett County		The Primary Market Area	
	#	%	#	%
Married w/ Child	69,064	34.1%	43,854	39.1%
Married wo/child	54,665	27.0%	32,059	28.6%
Male hhldr w/child	3,773	1.9%	1,731	1.5%
Female hhldr w/child	12,661	6.3%	5,295	4.7%
Non-Married Families w/o Children	24,924	12.3%	10,677	9.5%
Living Alone	37,230	18.4%	18,651	16.6%
<b>Total</b>	<b>202,317</b>	<b>100.0%</b>	<b>112,267</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing, 2000



The majority of the householders in both the primary market area and Gwinnett County are owners. In 2000, 20 percent of the householders in the PMA were renters (Table 11). In comparison, 27.6 percent of Gwinnett County householders rented. Homeownership increased by 3.4 percent over the past ten years in the market area and by 4.0 percent in the county.

**Table 11 - 1990 & 2000 Dwelling Units by Occupancy Status**

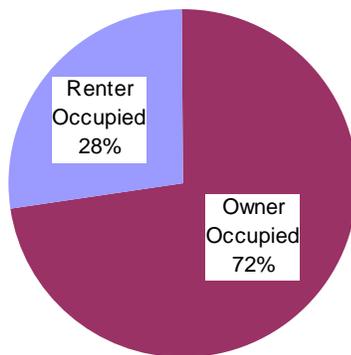
1990	Gwinnett County		The Primary Market Area	
	#	%	#	%
<b>Total Households</b>				
Owner Occupied	86,811	68.4%	31,357	76.6%
Renter Occupied	40,160	31.6%	9,558	23.4%
<b>Total Occupied</b>	126,971	100.0%	40,915	100.0%

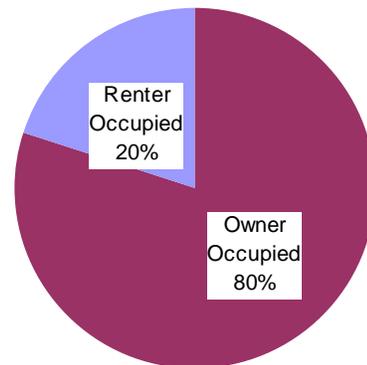
2000	Gwinnett County		The Primary Market Area	
	#	%	#	%
<b>Total Households</b>				
Owner Occupied	146,543	72.4%	89,852	80.0%
Renter Occupied	55,774	27.6%	22,415	20.0%
<b>Total Occupied</b>	202,317	100.0%	112,267	100.0%

Source: U.S. Census of Population and Housing, 1990 & 2000

**Gwinnett County**



**The Primary Market Area**

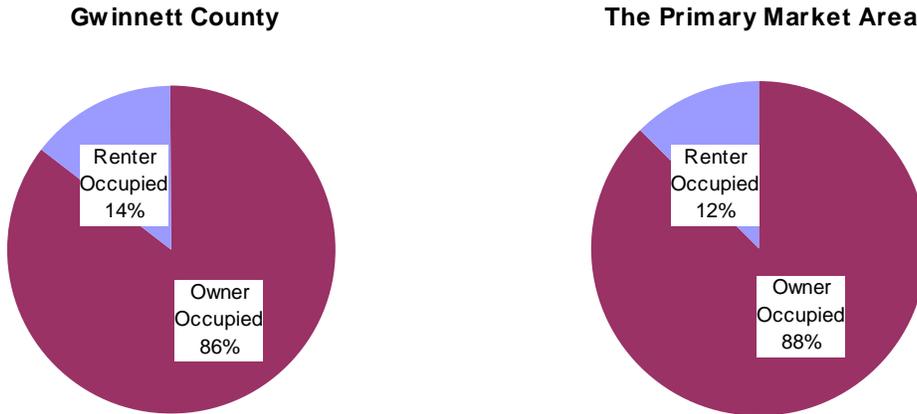


The primary market area has a lower percentage of elderly renter households as 12.5 percent of householder age 62 and older rent according to the 2000 census. In Gwinnett County, the renter percentage among this age group was 14.5 percent (Table 12). The renter percentage among senior households is lower than the universe of all households in both areas.

**Table 12 - 2000 Senior Household Occupancy Status**

Senior Households 62+	Gwinnett County		The Primary Market Area	
	#	%	#	%
Owner Occupied	20,230	85.5%	10,448	87.5%
Renter Occupied	3,426	14.5%	1,487	12.5%
<b>Total Occupied</b>	<b>23,655</b>	<b>100.0%</b>	<b>11,935</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing, 1990

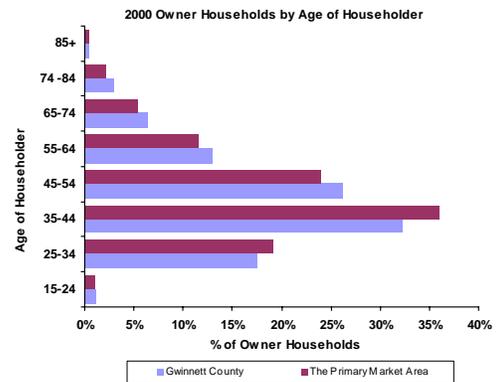
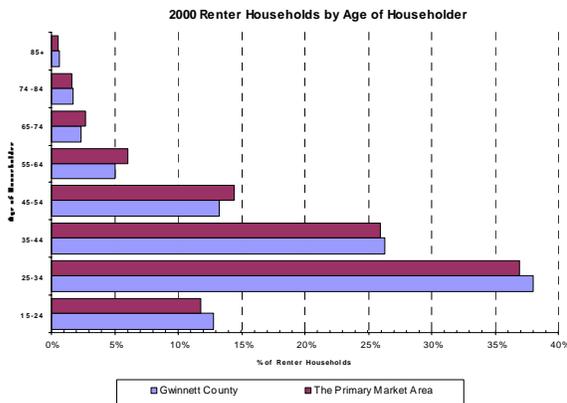


A review of the age of householder by tenure reveals that the primary market area has a higher concentration of household owners in the younger age brackets (Table 13). The primary market area has 56.2 percent of its household owners below the age of 45 versus 50.8 percent in the county. The county has a higher percentage in each age bracket beginning with age 45. The age of householders for renter households does not follow the same trend as the PMA has a higher percentage between age 45 and 74, while the county has a higher proportion of its renter householders under the age of 45 and over the age of 75.

**Table 13 - 2000 Households by Tenure & Age of Householder**

Owner Households Age of HHldr	Gwinnett County		The Primary Market Area	
	#	%	#	%
15-24 years	1,684	1.1%	886	1.0%
25-34 years	25,701	17.5%	17,213	19.2%
35-44 years	47,168	32.2%	32,388	36.0%
45-54 years	38,408	26.2%	21,605	24.0%
55-64 years	19,075	13.0%	10,446	11.6%
65-74 years	9,379	6.4%	4,915	5.5%
75 to 84 years	4,374	3.0%	2,023	2.3%
85+ years	754	0.5%	376	0.4%
<b>Total</b>	<b>146,543</b>	<b>100%</b>	<b>89,852</b>	<b>100%</b>

Renter Households Age of HHldr	Gwinnett County		The Primary Market Area	
	#	%	#	%
15-24 years	7,160	12.8%	2,642	11.8%
25-34 years	21,217	38.0%	8,288	37.0%
35-44 years	14,647	26.3%	5,819	26.0%
45-54 years	7,363	13.2%	3,235	14.4%
55-64 years	2,802	5.0%	1,348	6.0%
65-74 years	1,315	2.4%	599	2.7%
75 to 84 years	933	1.7%	372	1.7%
85+ years	337	0.6%	112	0.5%
<b>Total</b>	<b>55,774</b>	<b>100%</b>	<b>22,415</b>	<b>100%</b>



## **E. Income Characteristics**

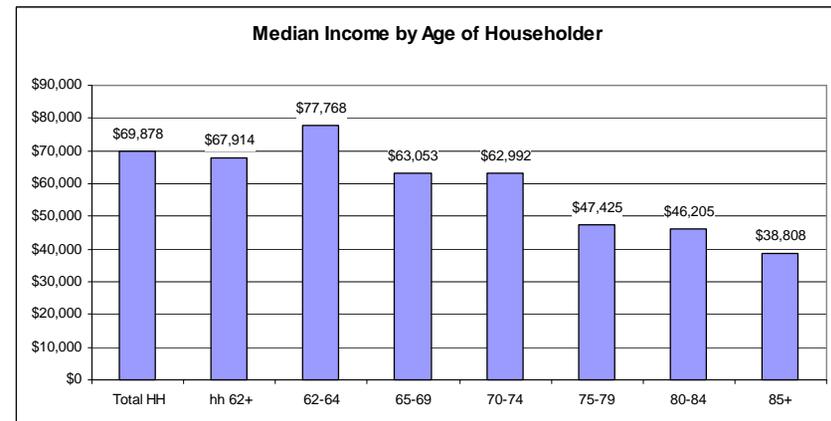
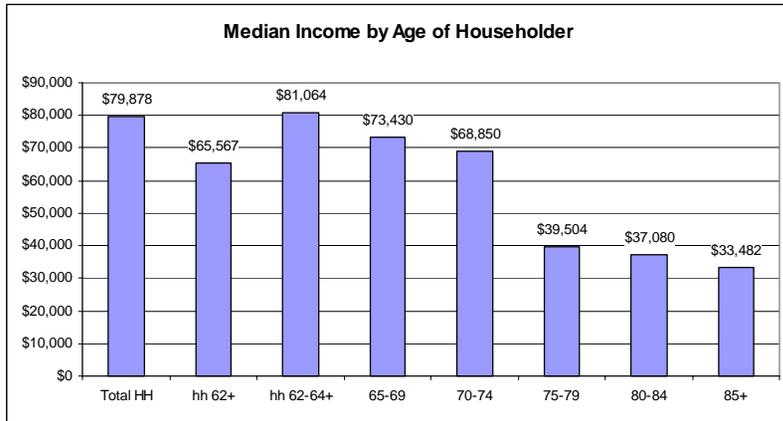
Claritas Data Services, Inc. estimates the 2001 median household income for Gwinnett County to be \$69,878 (Table 14). The median household income in the primary market area is \$79,878, which is approximately 14.3 percent higher than the county median.

The median household income for senior households (62+) is \$65,567 in the primary market area, which is approximately 97 percent of the county's median household income of \$67,914 for the same age classification. In both areas, the income from age 62 to 64 is the highest among elderly households. The median income generally decreases with each age cohort beginning with age 65.

**Table 14 - 2001 Household Income Distribution, PMA and Gwinnett County**

The Primary Market Area								
Income in 2001	Total	62+	62-64	65-69	70-74	75-79	80-84	85+
Total Households.	119,953	12,288	3,261	3,318	2,643	1,631	914	522
Under \$5,000	1,589	596	29	100	86	193	118	70
\$5,000-\$9,999	1,752	1,116	558	129	111	160	99	59
\$10,000-\$14,999	2,148	858	429	121	114	105	54	34
\$15,000-\$24,999	5,565	1,449	725	245	214	135	82	49
\$25,000-\$34,999	7,044	1,388	694	213	169	163	91	58
\$35,000-\$49,999	12,165	1,948	974	338	275	196	98	67
\$50,000-\$74,999	25,287	2,751	1,376	547	467	221	97	43
\$75,000-\$99,999	22,680	2,498	1,249	527	436	181	78	26
\$100,000-\$149,999	22,490	2,300	1,150	477	354	160	97	62
\$150,000-\$249,999	14,094	1,799	900	458	283	79	49	31
\$250,000-\$499,999	3,786	531	265	109	81	30	27	19
\$500,000 or More	1,352	283	141	54	52	7	23	5
Median Income....	\$79,878	\$65,567	\$81,064	\$73,430	\$68,850	\$39,504	\$37,080	\$33,482

Gwinnett County								
Income in 2001	Total	62+	62-64	65-69	70-74	75-79	80-84	85+
Total Households.	214,577	31,348	7,732	8,729	6,373	4,411	2,627	1,475
Under \$5,000	1,830	1,391	58	240	197	444	275	177
\$5,000-\$9,999	2,335	1,586	65	363	287	426	270	176
\$10,000-\$14,999	3,026	1,158	92	373	276	201	136	80
\$15,000-\$24,999	8,725	2,249	270	735	535	369	213	126
\$25,000-\$34,999	11,849	2,360	424	750	521	338	196	131
\$35,000-\$49,999	21,893	3,643	869	1,022	747	516	299	190
\$50,000-\$74,999	42,633	6,505	1,889	1,689	1,200	970	484	273
\$75,000-\$99,999	40,855	5,332	1,787	1,379	1,127	591	332	116
\$100,000-\$149,999	46,183	4,238	1,423	1,222	894	350	268	81
\$150,000-\$249,999	23,544	2,228	703	754	438	115	131	86
\$250,000-\$499,999	9,831	456	111	120	92	80	15	37
\$500,000 or More	1,873	202	40	82	59	11	7	3
Median Income....	\$69,878	\$67,914	\$77,768	\$63,053	\$62,992	\$47,425	\$46,205	\$38,808



## VII. Project Specific Demand Analysis

### A. Proposed Unit Mix and Income Limits

The following table shows the floorplans to be offered at Huntington Court Senior Residences. Tax credit units are all those targeting renters earning no more than 60 percent of the Area Median Income. Any proposed market rate units will be noted as targeting 80 percent of the AMI. The “Minimum Income” column was calculated assuming that tenants will pay no more than 40 percent of their income for total housing cost for family units and no more than 40 percent for elderly units. The “Maximum Income” limit was calculated using the 2002 HUD Income Limit of \$71,200 for the Atlanta MSA, in which the project is located.

According to the 2002 Qualified Allocation Plan, maximum allowable project rents in the Atlanta MSA must be calculated using 54 percent of the Area Median Income, adjusted for household size. However, tenant eligibility for the units priced at 54 percent of the median is based on 60 percent of the AMI. The “maximum income” and “maximum gross rent” columns in the table below are based on 60 percent of the AMI, however the “planned gross rent” is based on 54 percent.

**Table 15 - Project Specific LIHTC Rent Limits, Atlanta MSA**

Floorplans & Type of Units	Maximum % of AMI	Number of Units	Bedrooms	Planned Net Rent	Utility Allowance	Planned Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
LIHTC	30%	5	1	\$310	\$53	\$363	\$401	\$16,020	\$10,890
LIHTC	30%	7	2	\$320	\$70	\$390	\$481	\$17,100	\$11,700
LIHTC	30%	4	2	\$375	\$70	\$445	\$481	\$17,100	\$13,350
LIHTC	50%	2	1	\$570	\$53	\$623	\$668	\$26,700	\$18,690
LIHTC	50%	4	2	\$610	\$70	\$680	\$801	\$28,500	\$20,400
LIHTC	50%	2	2	\$650	\$70	\$720	\$801	\$28,500	\$21,600
LIHTC	60%	23	1	\$595	\$53	\$648	\$801	\$32,040	\$19,440
LIHTC	60%	53	2	\$620	\$70	\$690	\$962	\$34,200	\$20,700
LIHTC	60%	8	2	\$700	\$70	\$770	\$962	\$34,200	\$23,100
LIHTC	60%	12	2	\$725	\$70	\$795	\$962	\$34,200	\$23,850
MKT RATE	80%	7	1	\$655	\$53	\$708	\$1,068	\$42,720	\$21,240
MKT RATE	80%	13	2	\$680	\$70	\$750	\$1,282	\$45,600	\$22,500
MKT RATE	80%	2	2	\$760	\$70	\$830	\$1,282	\$45,600	\$24,900
MKT RATE	80%	8	2	\$785	\$70	\$855	\$1,282	\$45,600	\$25,650

## B. Affordability Analysis

The following affordability analysis shows the penetration rate of income eligible households required to lease up the community (Table 16). This penetration rate should not be confused with the capture rates based on DCA demand components shown in the following section.

- Using a 40 percent underwriting criteria, we determined that the average proposed 30 percent gross one bedroom rent (\$363) would be affordable to households earning a minimum of \$10,890, which includes 10,401 households in the primary market area age 62 and older.
- Based on the 2002 LIHTC income limits for households at 30 percent of median income, the maximum income allowed for a one bedroom unit in this market would be \$16,020. We estimate that 9,959 senior households (62+) within the primary market area have incomes above that maximum.
- Subtracting the 9,959 households with incomes above the maximum income from the 10,401 households that could afford to rent this unit, we compute that 442 households are within the band of being able to afford the proposed rent. The proposed 5 30 percent one bedroom units would require a penetration rate of 1.1 percent of all qualified households to lease up all units. Using the same methodology, we determined the band of qualified households for each of the other bedroom types offered in the community.
- Given the income requirements of each unit type and the overlap of income bands, project wide affordability bands were calculated. Looking at all tax credit units, the project will need to absorb 6.4 percent of 1,832 senior households that earn between \$10,890 and \$34,176 in the primary market area.
- By subtracting the 8,568 senior households with income above \$34,176 from the 2004 senior household estimate (13,213), 4,645 households or 35.2 percent of all households earn below the maximum income limit for the tax credit units.
- The 1,832 households with incomes above the minimum **and** below the maximum income limit represent 13.8 percent of the total senior household count.
- Affordability by floorplan indicates that there is a sufficient number of income qualified households for all floorplans at each income level.

**Table 16 - 2004 Affordability Analysis for Huntington Court Senior Residences.**

**Gross Capture Rate by Income Group**

	Number of Units		Band of Qualified HHs		# Qualified HHs		
30% Units	13	<i>Income</i>	\$10,890	\$17,088	520	<b>2.5%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	10,401	9,880			
50% Units	8	<i>Income</i>	\$18,690	\$28,480	742	<b>1.1%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	9,762	9,021			
60% Units	96	<i>Income</i>	\$19,440	\$34,176	1,139	<b>8.4%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	9,707	8,568			
Total Tax Credit	117	<i>Income</i>	\$10,890	\$34,176	1,832	<b>6.4%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	10,401	8,568			
Market Rate	23	<i>Income</i>	\$21,240	\$45,600	1,832	<b>1.3%</b>	<b>Penetration Rate</b>
		<i>HHs</i>	9,574	7,743			

**Table 17 - 2004 Affordability Analysis for Huntington Court Senior Residences, by floorplan.**

**Capture Rate by Unit Type**

	One Bedroom Units			Two Bedroom Units		
	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
30% Units	Number of Units	5		Number of Units	8	
	Net Rent	\$310		Net Rent	\$348	
	Gross Rent	\$363		Gross Rent	\$418	
	% Income for Shelter	40%		% Income for Shelter	40%	
	Income	\$10,890	\$16,020	Income	\$12,525	\$17,088
	Range of Qualified Hslds	10,401	9,959	Range of Qualified Hslds	10,255	9,880
	# Qualified Households		442	# Qualified Households		375
	<b>Unit Capture Rate</b>			<b>Unit Capture Rate</b>		
			1.1%			2.1%
50% Units	One Bedroom Units			Two Bedroom Units		
	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
	Number of Units	2		Number of Units	6	
	Net Rent	\$570		Net Rent	\$623	
	Gross Rent	\$623		Gross Rent	\$693	
	% Income for Shelter	40%		% Income for Shelter	40%	
	Income	\$18,690	\$26,700	Income	\$20,800	\$28,480
Range of Qualified Hslds	9,762	9,162	Range of Qualified Hslds	9,607	9,021	
# Qualified Households		600	# Qualified Households		586	
	<b>Unit Penetration Rate</b>			<b>Unit Penetration Rate</b>		
			0.3%			1.0%
60% Units	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
	Number of Units	23		Number of Units	73	
	Net Rent	\$595		Net Rent	\$646	
	Gross Rent	\$648		Gross Rent	\$716	
	% Income for Shelter	40%		% Income for Shelter	40%	
	Income	\$19,440	\$32,040	Income	\$21,481	\$34,176
	Range of Qualified Hslds	9,707	8,738	Range of Qualified Hslds	9,557	8,568
# Qualified Households		969	# Qualified Households		988	
	<b>Unit Penetration Rate</b>			<b>Unit Penetration Rate</b>		
			2.4%			7.4%
Market Rate (80%)	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
	Number of Units	7		Number of Units	16	
	Net Rent	\$655		Net Rent	\$697	
	Gross Rent	\$708		Gross Rent	\$767	
	% Income for Shelter	40%		% Income for Shelter	40%	
	Income	\$21,240	\$42,720	Income	\$22,997	\$45,600
	Range of Qualified Hslds	9,574	7,949	Range of Qualified Hslds	9,445	7,743
# Qualified Households		1,625	# Qualified Households		1,702	
	<b>Unit Capture Rate</b>			<b>Unit Capture Rate</b>		
			0.4%			0.9%

## **C. Demand Estimates and Capture Rates**

DCA's demand methodology for senior rental developments consists of four components and is calculated using the developer's designation of elderly persons (62+).

The first component of demand is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 1990 US Census data, the percentage of households in Gwinnett County that are "substandard" is 4.31 percent.

The second component of demand is population growth. This number is the number of age and income qualified renter households anticipated to move into the market area within the next two years.

The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to 1990 Census data, 19.09 percent of the primary market area's renter households are categorized as cost burdened. This segment of demand is often overstated in urban areas because households are also included in other demand segments and they are all not likely to move. Furthermore, as the minimum income limit for senior units is calculated assuming that the tenants can pay up to 40 percent of income for housing, many in this segment would still be technically rent overburdened in the proposed community. For these reasons, only 35 percent of the demand from cost burdened households is considered achievable.

The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 1999, 4.19 percent of elderly households move each year. Of those moving within the past twelve months, 38.79 percent moved from owned to rental housing. Given the lack of local information, this source is considered to be the most current and accurate.

Although none of the units will not offer project based rental subsidies for all units, Section 8 vouchers will be accepted. Given the lack of affordable housing in the area, many of the units at Huntington Court Senior Residences are expected to be leased by holders of Section 8 vouchers. The capture rate for the 120 tax credit units at Huntington Court Senior Residences is 12.4 percent without a minimum income limit and 17.9 percent with a minimum income limit. These capture rates are considered achievable given the state of the existing senior rental housing market.

The demand for the 30 market rate units is 4.1 percent with a minimum income limit. The minimum income requirement will apply to all market rate units.

**Table 18 - Tax Credit Demand Estimates, Huntington Court Senior Residences**

<i>For Tax Credit Units</i>		<i>For Tax Credit Units Demand</i>	
<i>Demand From Renters Earning &lt; \$34200</i>	<i>The Primary Market Area</i>	<i>From Renters Earning &lt; \$34200 and &gt; \$10890</i>	<i>The Primary Market Area</i>
Substandard Households	35	Substandard Households	24
Household Growth	110	Household Growth	76
Cost Burdened	54	Cost Burdened	37
Home to Apt Migration	772	Home to Apt Migration	532
<b>Total Demand</b>	<b>971</b>	<b>Target Segment Demand</b>	<b>669</b>
Units in Subject Property	120	Units in Subject Property	120
Capture Rate	12.4%	Target Segment Capture Rate	17.9%

**Table 19 - Market Rate Demand Estimates, Huntington Court Senior Residences**

*For Tax Credit Units Demand*

*From Renters Earning < \$45600 and > \$21240      The Primary Market Area*

Substandard Households	24
Household Growth	76
Cost Burdened	107
Home to Apt Migration	532
<b>Target Segment Demand</b>	<b>739</b>
Units in Subject Property	30
Target Segment Capture Rate	4.1%

**Table 20 - Detailed Tax Credit Demand Estimates, Huntington Court Senior Residences**

*Demand for Tax Credit Units from Substandard Households*

2004 Households 62+		% Substandard Households		2004 Substandard Households 62+
15,283	times	4.31%	equals	659
2004 Substandard Households 62+		% of Renters Per Census		Substandard Renter Households 62+
659	times	22%	equals	148
Substandard Renter Households 62+		% Earning < \$34,200 & < \$10,890		Substandard Renter Households 62+ Earning < \$34,200 & > \$10,890
148	times	16.32%	equals	24
Substandard Renter Households 62+		% Earning < \$34,200		Substandard Renter Households 62+ Earning < \$34,200
148	times	23.67%	equals	35

*Demand for Tax Credit Units from Household Growth*

2004 Households 62+ 15,283	minus	2002 Households 62+ 13,213	equals	Population Change 2,070
Population Change 2,070	times	% of Renters Per Census 22.40%	equals	Renter Household Change 464
New Renter Households 62+ 464	times	% Earning < \$34,200 & < \$10,890 16.32%	equals	New Renter Households 62+ Earning < \$34,200 & > \$10,890 76
New Renter Households 62+ 464	times	% Earning < \$34,200 23.67%	equals	New Renter Households 62+ Earning < \$34,200 110

*Demand for Tax Credit Units from Cost Burdened Renters*

2004 Households 62+ 15,283	times	% of Renters Per Census 22.40%	equals	2004 Renter Households 62+ 3,423
2004 Renter Households 62+ 3,423	times	% Cost Burdened 19.09%	equals	Cost Burdened Renter Households 62+ 654
2004 Cost Burdened Renter Households 62+ 654	times	% Earning < \$34,200 & < \$10,890 16.32%	equals	Cost Burdened Renter Households 62+ Earning < \$34,200 & > \$10,890 107
2004 Cost Burdened Renter Households 62+ 654	times	% Earning < \$34,200 23.67%		Cost Burdened Renter Households 62+ Earning < \$34,200 155

*Demand for Tax Credit Units from Homeowners Becoming Renters*

<b>2004 Households 62+</b> <hr/> 15,283	times	<b>% Moving within 12 Months</b> <hr/> 55.00%	equals	<b>2004 Households 62+ Likely to Move</b> <hr/> 8,406
<b>2004 Households 62+ Likely to Move</b> <hr/> 8,406	times	<b>% of those moving to from owned to rental housing</b> <hr/> 38.79%	equals	<b>2004 Households 62+ Moving to Rental Housing</b> <hr/> 3,261
<b>2004 Households 62+ Moving to Rental Housing</b> <hr/> 3,261	times	<b>% Earning &lt; \$34,200 &amp; &lt; \$10,890</b> <hr/> 16.32%	equals	<b>Substandard Households 62+ Earning &lt; \$34,200 &amp; &gt; \$10,890</b> <hr/> 532
<b>Substandard Households Earning &lt; \$34,200</b> <hr/> 3,261	times	<b>% Earning &lt; \$34,200</b> <hr/> 23.67%	equals	<b>Demand from Substandard Renter Households</b> <hr/> 772

## D. Tax Credit Demand Estimates and Capture Rates by Floorplan

*Table 21 - Demand Estimates and Capture Rates by Floorplan*

	One Bedroom	Two Bedroom
Demand from Substandard HH	148	148
Demand from New Rental HH	464	464
Demand from Cost Burdened Rental HH (35%)	229	229
Homeowners Becoming Renters	3,261	3,261
PMA Total Demand	4,102	4,102
PMA Income Qualified %	10.88%	11.04%
PMA Qualified Demand	446	453
Units	30	90
Capture Rate	6.7%	19.86%

The “PMA Total Demand” figure shown in the table above shows the demand from the four DCA stipulated components without income affordability applied. The percentages of the total households earning within the various floorplan specific income segments are then applied to this total demand number. The capture rates by floorplan indicate that the unit mix is appropriate. These capture rates are in line with the overall capture rate for the tax credit units at Huntington Court Senior Residences.

## E. Absorption Estimate

There are no new senior oriented rental communities located in or near the primary market area from which and absorption estimates can be estimated. Based on the lack of affordable senior oriented rental units in this region of Atlanta and Gwinnett County, the strong demand estimates, the competitive rents, and the strong product to be constructed, it is assumed that the proposed development will lease a minimum of 15 units per month. At this rate, Huntington Court Senior Residences should be able to attain 95 percent occupancy within 9 to 10 months.

## VIII. Supply Analysis

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### A. Area Housing Stock

The rental housing stock as reported in the 1990 Census included a moderate percentage of single-family homes with 22 percent of the county's rental units located in single-family detached homes. In the primary market area, 34 percent of the rental units were single-family homes. In Gwinnett County, 12 percent of rental units were in either townhouse or duplex units. Eleven percent of the PMA's rental stock falls into either of these categories.

A sizable percentage of the rental units, 41 percent, in the primary market area had between three and nineteen units. In Gwinnett County, 54 percent of units were in properties of this size.

Rental communities with twenty or more units accounted for only 5 percent of the total rental housing stock in the primary market area and 11 percent in the county. Given the lack of new construction in the market area within the past ten years, it is unlikely that this composition has changed significantly.

In the primary market area, 8 percent of the rental units were mobile homes. Gwinnett County had one percent of its rental housing stock in mobile home units.

**Table 22 - 1990 Units in Rental Housing**

<i>Units in Rental Housing</i>	<i>Gwinnett County</i>		<i>The Primary Market Area</i>	
Renter 1 unit detached	8,645	22%	3,275	34%
Renter 1 unit attached	1,357	3%	295	3%
Renter 2 units	3,706	9%	766	8%
Renter 3 or 4 units	4,474	11%	557	6%
Renter 5 to 9 units	7,662	19%	1,428	15%
Renter 10 to 19 units	9,559	24%	1,885	20%
Renter 20 to 49 units	3,435	9%	395	4%
Renter 50+ units	660	2%	126	1%
Renter mobile home	559	1%	787	8%
Renter other	103	0%	44	0%

## **B. Rental Market**

As part of this analysis, Real Property Research Group surveyed a total of 11 rental communities identified within the primary market area. Four of the properties are reserved for senior renters and seven are general occupancy communities. The general occupancy communities are included as an indication of the PMA's rental market as these are some of the few existing housing options for senior renters in the immediate area. A profile sheet of each community is attached as Appendix 4 - Community Photos and Profiles. The location of each community is shown on Map 4 on the following page.

The eleven properties offer a combined 1,817 units with 479 of those contained within the four senior oriented rental communities (Table 23). The majority of the units among the general occupancy developments are located within garden style units, although townhouse units are represented in the mix. Similar to the proposed development, two of the four senior communities offer mid-rise buildings with the other two being high rises.

The multifamily rental stock in the primary market area is fairly old. The average age of the 11 communities is 14 years. The sub-averages of the general occupancy and senior communities are 15 and 14 years respectively. These existing rental communities represent a wide range of condition and upkeep. The average community has been relatively well maintained and shows a minimal amount of deferred maintenance. Several communities show severe signs of neglect and deferred maintenance. In general, the senior communities are better maintained than the general occupancy communities.

Of the 1,817 units in the surveyed properties, 62 units were reported available, a rate of 3.41 percent. When broken out by property type, the senior communities have a 0.6 percent vacancy rate compared to 4.4 percent for the general occupancy developments. Among the 479 units in senior oriented properties, only 3 units are vacant. This is a definite indication of demand for senior units.

Map 4 - Surveyed Rental Communities



**Table 23 - Rental Summary**

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	(1)	(1)	Incentive
						Average 1BR Rent	Average 2BR Rent	
Atria Lanier (*)	1999	Garden	80	2	2.5%	\$2,865	\$3,750	None
Delmar Gardens	1988	Garden	174	1	0.6%	\$1,928	\$2,585	None
Applewood	1984	High-rise	100	0	0.0%	\$635		None
Christian Towers	1981	High-rise	125	0	0.0%	\$702		None
<b>Sub-Total/Average</b>	1988		<b>479</b>	<b>3</b>	<b>0.6%</b>	<b>\$1,533</b>	<b>\$3,168</b>	
<b>/ Communities</b>								
Glenns at Mill Creek	2001	Garden	259	13	5.0%	\$774	\$919	None
Amli at Mill Creek	2001	Garden	400	15	3.8%	\$745	\$895	None
Plantation Ridge	1999	Garden	218	13	6.0%	\$695	\$800	None
Windridge	1983	Garden	48	0	0.0%	\$474	\$689	None
Hartford Run	1987	Garden	259	18	6.9%	\$565	\$642	None
Eagle Creek	1971	Garden	114	0	0.0%	\$600		\$500/ month rent. \$525/ month on 3 month lease
Lanier Townhomes	1970	TH	40	0	0.0%		\$519	None
<b>Sub-Total/Average</b>	1987		<b>1338</b>	<b>59</b>	<b>4.4%</b>	<b>\$642</b>	<b>\$744</b>	
<b>Total/Average</b>	1988		<b>1,817</b>	<b>62</b>	<b>3.41%</b>	<b>\$998</b>	<b>\$1,350</b>	

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

(\*) Atria Lanier is an assisted living facility with an alzheimers facility.

Source: Field Survey, Real Property Research Group, Inc. June, 2002.

Four of the eleven surveyed communities include the cost of water, sewer and trash removal in the price of rent (Table 25). Another four only include the cost of trash removal. Three of the four senior communities include the cost of all utilities. Two of these three communities offer many additional services including meals and are priced well above the rest of the market and the third property is a section 8 community. Huntington Court Senior Residences will include cost of water, sewer and trash removal therefore will offer the same or more utilities than 8 of the 11 communities surveyed. The newly constructed units and new central heating and air systems will be more energy efficient than the existing, older communities, which will result in lower overall utility costs.

Dishwashers are present in four of the surveyed communities and garbage disposal are present in three. Three communities offer both of these kitchen appliances while seven offer neither. One of the communities includes a microwave in each unit. Huntington Court Senior Residences will include both a garbage disposal and dishwasher in each kitchen, thereby offering the same amount or more kitchen amenities than 10 of 11 surveyed communities.

The majority of the properties offer a patio or balcony on most or all units. Nine of the 11 communities offer common laundry areas. Four of the communities

have washer/dryer connections in each unit one includes a full size washer and dryer at no additional cost. Parking is free in surface lots for all communities with two communities offering carports. In terms of security, two of the communities include controlled access gates and one offers individual alarms. Huntington Court Senior Residences will include a common secured entrance on the mid-rise building, perimeter fencing and emergency call systems in each unit.

The majority of the surveyed communities are general occupancy and do not offer amenities geared to senior renters (Table 24). The majority offer few, if any recreation amenities. Among the surveyed communities, three offer no recreation amenities, four offer one amenity, one offers two amenities and three offer three or more amenities. The proposed common area amenities at Huntington Court Senior Residences will include a multi-purpose room with kitchen, a fitness center, movie/media room, library/computer room, gathering areas on each floor, exterior patios/balconies, a gazebo, walking paths with sitting areas, a picnic area with grill, and fenced resident gardens. The proposed amenities will be appealing to the target population of elderly renters.

Among the 11 properties surveyed, 9 offer one bedroom units, 9 offer two bedroom units, and 3 offer three bedroom units. Huntington Court Senior Residences will consist of one and two bedroom units reserved for senior renter households. One bedroom units have historically been the primary unit offered to senior renters. However, two bedrooms are becoming more popular as they allow for the option of a roommate or additional space for a single renter or couple. The proposed unit mix at Huntington Court Senior Residences is comparable to industry standards of unit configurations and appears to be appropriate.

The average rent among general occupancy communities is \$648 for a one bedroom unit and \$708 for a two bedroom units. With an average size of 634 and 1,075 square feet of living space for one and two bedroom units respectively, the average rent per square foot is \$1.02 for a one bedroom unit and \$0.66 for a two bedroom unit. The proposed rents at Huntington Court Senior Residences are lower than these averages for tax credit units and comparable for the market rate units.

The average rent among senior communities is much higher as two of the four offer assisted living services including meals and housekeeping. The two senior

communities that do not offer extensive amenities have an average one bedroom rent of \$630 for 500 square feet or \$1.15 per square foot. The proposed rents at Huntington Court Senior Residences are comparable with these rents and much lower on a per square foot basis.

The proposed rents at Huntington Court Senior Residences will be competitive within the primary market area. These rents are reasonable and appropriate given the new construction, attractive location, and extensive senior oriented amenities to be included.

**Table 24 - Recreational Amenities of Communities**

APARTMENT	Clubhouse	Pool	Tennis	Playground	Fitness Center	Jacuzzi
AMLI at Mill Creek	Yes	Yes	Yes	Yes	Yes	No
Applewood	Yes	No	No	No	No	No
Atria Lanier	Yes	No	No	No	No	No
Christian Towers	Yes	No	No	No	No	No
Delmar Villa	Yes	No	No	No	Yes	No
Eagle Creek	No	No	No	Yes	No	No
Glenns at Mill Creek	Yes	Yes	Yes	Yes	Yes	No
Hartford Run	No	No	No	No	No	No
Lanier Townhomes	No	No	No	No	No	No
Plantation Ridge	Yes	No	No	Yes	Yes	No
Windridge	No	No	No	No	No	No

**Table 25 - Features of Rental Communities in Primary Market Area**

Project	Heat	Who Pays? (Landlord or Tenant)				D/W	Kitchen			Laundry	Parking	Security
	Fuel	Heat	Hot Water	Cooking	Water		Micro	Disposal				
AMLI at Mill Creek	Elec	T	T	T	T	yes		yes	Facility/hookups	Surface/Garage	Gated	
Applewood	Elec	T	T	T	T				Facility	Surface		
Atria Lanier	Elec	L	L	L	L	yes		yes	Facility	Surface		
Christian Towers	Both	L	L	L	L				Facility	Surface		
Delmar Villa	Both	L	L	L	L				Facility	Surface		
Eagle Creek	Elec	T	T	T	T	yes			Facility/hookups	Surface		
Glenns at Mill Creek	Elec	T	T	T	T	yes	yes	yes	In Unit	Surface/Garage	Gated/Alarms	
Hartford Run	Elec	T	T	T	L				Facility/hookups	Surface		
Lanier Townhomes	Gas	T	T	T	L				Facility	Surface		
Plantation Ridge	Elec	T	T	T	L				Facility/hookups	Surface		
Windridge	Elec	T	T	T	L				Hookups	Surface		

**Table 26 - Salient Characteristics, Surveyed Rental Communities**

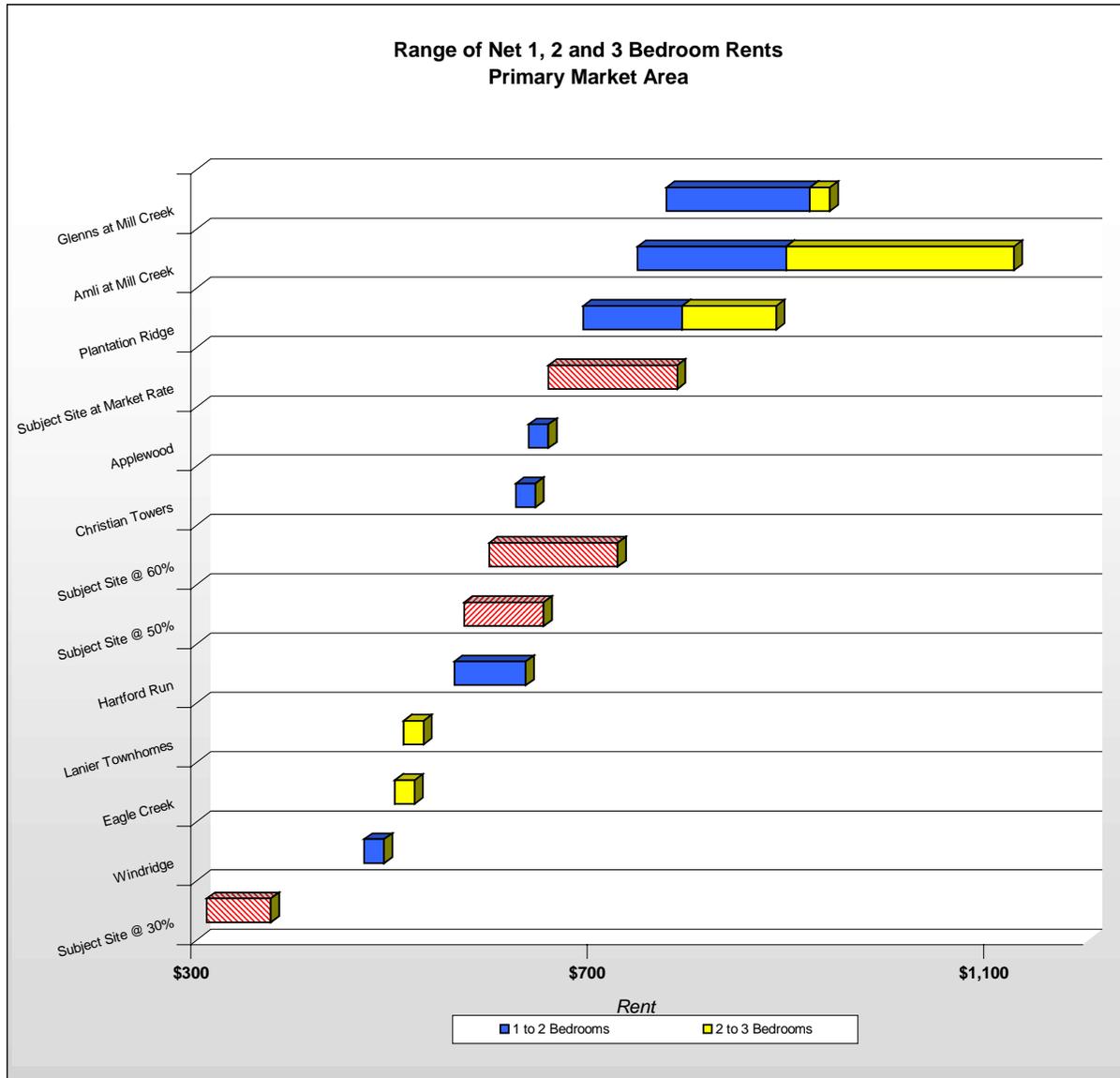
Community	Type	Total Units	(1)				(1)				(1)				
			One Bedroom Units		Two Bedroom Units		Three+ Bedroom Units		Units	Rent	SF	Rent/SF	Units	Rent	SF
<b>apartments</b>															
Atria Lanier (*)	Mid-Rise	80	36	\$2,785			20	\$3,655							
Delmar Gardens	Mid-rRise	174		\$1,848	540	\$3.42		\$2,490	900	\$2.77					
Applewood	High-rise	100		\$635	550	\$1.15									
Christian Towers	High-rise	125	125	\$622	550	\$1.13									
	<b>Average / Total</b>	<b>479</b>		<b>\$1,473</b>	<b>547</b>	<b>\$2.69</b>		<b>\$3,073</b>	<b>900</b>	<b>\$3.41</b>					
	<b>Unit Distribution</b>	<b>181</b>	<b>161</b>				<b>20</b>								
	<b>% of Total</b>	<b>38%</b>	<b>89%</b>				<b>11%</b>								
<b>Multi-Family Communities</b>															
Glenns at Mill Creek	Garden	259		\$774	870	\$0.89		\$919	1339	\$0.69		\$1,029	1465	\$0.70	
Amlis at Mill Creek	Garden	400		\$745	781.5	\$0.95		\$895	1150	\$0.78		\$1,125	1406	\$0.80	
Plantation Ridge	Garden	218	40	\$690	885	\$0.78	100	\$790	1086	\$0.73	78	\$885	1284	\$0.69	
Windridge	Garden	48	16	\$469	32	\$14.66									
Hartford Run	Garden	259	198	\$560	600	\$0.93	19	\$632	900	\$0.70					
Eagle Creek	Garden	114					114	\$500	900	\$0.56					
Lanier Townhomes	TH	40					40	\$509							
	<b>Average / Total</b>	<b>1338</b>		<b>\$648</b>	<b>634</b>	<b>\$1.02</b>		<b>\$708</b>	<b>1075</b>	<b>\$0.66</b>		<b>\$1,013</b>	<b>1385</b>	<b>\$0.73</b>	
	<b>Unit Distribution</b>	<b>605</b>	<b>254</b>				<b>273</b>				<b>78</b>				
	<b>% of Total</b>	<b>45%</b>	<b>42%</b>				<b>45%</b>				<b>13%</b>				
	<b>Average / Total</b>	<b>1,817</b>		<b>\$1,014</b>	<b>601</b>	<b>\$1.69</b>		<b>\$1,299</b>	<b>1,046</b>	<b>\$1.24</b>		<b>\$1,013</b>	<b>1,385</b>	<b>\$0.73</b>	
	<b>Unit Distribution</b>	<b>786</b>	<b>415</b>				<b>293</b>				<b>78</b>				
	<b>% of Total</b>	<b>43%</b>	<b>53%</b>				<b>37%</b>				<b>10%</b>				

(1) Rent is adjusted, net of utilities and incentives

(\*) Atria Lanier is an assisted living facility with an alzheimers facility.

Source: Field Survey, Real Property Research Group, Inc. June, 2002.

**Figure 4 - Product Position**



**Table 27 – Market Rate Comparable Property Analysis**

	1-Bedroom			2-Bedroom		
	Rent	Sq. Foot	Rent/Sq. Foot	Rent	Sq. Foot	Rent/Sq. Foot
AMLI at Mill Creek	\$745	782	\$0.953	\$895	1,150	\$0.778
Glenns at Mill Creek	\$774	870	\$0.890	\$919	1,139	\$0.807
<b>Comparable Average</b>	<b>\$760</b>	<b>\$826</b>	<b>\$0.919</b>	<b>\$907</b>	<b>\$1,145</b>	<b>\$0.792</b>
Max. Proposed Tax Credit Rents	\$595	650	\$0.915	\$725	938	\$0.773
Proposed Mkt. Rate Rents	\$655	650	\$1.008	\$723	893	\$0.810

<b>60% Test</b>	1-Br	2-Br
MAX 60% Rents	\$0.92	\$0.77
MAX 60% Rents + 10 Percent	\$1.01	\$0.85
Comparable Average	\$0.92	\$0.79

<b>Market Test</b>	1-Br	2-Br
MAX 60% Rents	\$0.92	\$0.77
MAX 60% Rents + 5 Percent	\$0.96	\$0.81
Proposed Market Rate Units	\$1.01	\$0.81

According to the market study requirements published by the Georgia Department of Community, comparable market rate properties should have rents that are at least 10 percent higher than the maximum proposed tax credit rent on a per square foot basis. Furthermore, the proposed market rate units should have rents that are 5 percent higher than maximum proposed tax credit rent on a per square foot basis.

In order to meet the 10 percent test for the tax credit rents, comparable market rate properties in the primary market area must have rents per square foot of \$1.01 and 0.85 for one and two respectively. The average among the comparable properties is lower these rents per square foot for each floorplan.

In order for the proposed market rate units to fulfill their respective requirement, the rent per square foot for these market rate units have to be at least \$0.96 for a one bedroom unit and \$0.81 for a two bedroom unit. The proposed rent per square foot for the market rate units is above these levels for each respective floorplan.

The proposed tax credit and market rate rents at Huntington Court Senior Residences are appropriate.

As the figure on the previous page illustrates, there is no break in the range of net rents among the existing communities. The proposed 30% tax credit rents are positioned at the bottom of the market. The 50% and 60% LIHTC units are located in the middle of the range of net rents and the market rate rents are located in the upper third of the market. These rents will be competitive given the product to be constructed.

### **C. Proposed Developments**

According to the local authorities including those in Buford, Flowery Branch, Gwinnett County, Hall County and Forsyth County there are no known upcoming development of senior rental housing within the borders of the primary market area. The closest proposed development is located in Duluth, which is outside of the market area. This community will offer luxury rentals of seniors age 62 and older and will be priced well above the rents proposed at Huntington Court Senior Residences.

## **IX. Interviews**

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Information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included property managers, individuals with the chambers of commerce, Gwinnett County Housing Authority, and local planning officials. All pertinent information obtained was included in the appropriate section of this report.

## X. Conclusions and Recommendations

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### **Proposed Site Location**

- The proposed site is an undeveloped 10.9 acre parcel in the 4100 block of South Lee Street south of downtown Buford. The site is located in ZIP Code 30518 and census tract 0501.02. The subject site has frontage on both South Lee Street and Maddox Road.
- The proposed site is primarily wooded in nature with a topography generally sloping away from South Lee Street. The site is angularly shaped.
- The proposed site is bordered by a small single family home to the east, a two-story office building to its west and undeveloped land to the north and south. The majority of the development along South Lee Street near the proposed site is single family in nature. Many of these single family homes have been converted to house small businesses. There is an up-scale senior rental community located approximately three quarters of one mile north of the site. The proposed site is located just north of Highway 20, which is one of the major thoroughfares in Buford. There are several commercial, retail, and restaurant establishments located along Highway 20 within one mile of the proposed site.

### **Proposed Amenities**

- Common area amenities of Huntington Court Senior Residences will include a lobby area, receptionist area, a multi-purpose area with modified kitchen, private gathering areas, library, card room, computer center, beautician space, fitness center, wellness center, common patios/balconies, a two-story covered patio with rocking chairs, fenced resident gardens, outdoor walking paths, a gazebo, and picnic area with grill. The interior community amenities will be located in the main apartment building, however will be made available to all residents
- Security features will include controlled building entry, an emergency call system, lighting above each entry door, and perimeter fencing.

- Unit specific amenities will include a fully equipped kitchen with a stove, refrigerator, dishwasher, and garbage disposal, washer dryer connections, and individually controlled heating and cooling system.

### **Demographic Analysis**

- According to 2000 Census data, the proposed development is compatible with the demographic composition of the primary market area, which has a proportional high percent of senior person.
- The senior household growth rate and senior income distribution indicate the need for additional senior oriented rental units.

### **Affordability Analysis**

- Based on household income distributions produced by Claritas, 35.2 percent of the senior (62+) households in the primary market area earn less than the maximum income limit for the two bedroom units at 60 percent of the AMI.
- When a minimum income limit is introduced, 13.8 percent earn below the maximum income limit and above the minimum income limit. This minimum income limit will apply to those householders without Section 8 voucher rental assistance.
- Based on the 2004 senior household estimate of 13,312 for the primary market area, there are 4,645 senior households with incomes below the maximum income limit and 1,832 of these households also earn more than the minimum income limit.

### **Proposed Unit Mix and Rent Schedule**

- The proposed unit mix consists of one and two bedroom units reserved for tenants age 62 and older. There will be tax credit units priced at 30 percent, 50 percent and 60 percent of the Area Median Income and market rates units that will target those renters earning no more than 80 percent of the AMI.
- The proposed one and two bedroom units at Huntington Court Senior Residences will be appealing to senior renter households. These are the

two floorplans are typical of new senior communities. . Furthermore, the senior oriented community will be more appealing to the target market than the existing, older general occupancy communities.

- The units sizes proposed are generous for a general rental apartments in this market and large for a senior community.
- The proposed tax credit units are lower than the average rents among existing communities in the primary market area. The market rate rents are competitive with the same communities. The proposed rents are reasonable and appropriate give the new construction, location and extensive amenities to be included.

### **Demand and Capture Rates**

- Using the methodology stipulated by DCA, we find that there will be 4,102 senior (62+) renter households as a result of substandard households, rent over burdened households, renter household growth, and elderly homeowners converting to rental housing in 2004.
- By applying the income qualification percentages discussed earlier to this demand number, we calculate that there is demand for 669 additional units in the primary market area.
- This demand estimate results in a capture rate of 17.9 percent with a minimum income limit and 12.4 percent without a minimum income limit. Based on the product to be constructed and the proposed location, these capture rates are considered achievable.

### **Final Conclusion**

Based the data presented in this report, we find that Huntington Court Senior Residences passes the market study test as proposed.

## Appendix 1 - Underlying Assumptions and Limiting Conditions

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

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.

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

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

## Appendix 2 - Analyst Certification

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full study of 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 DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.



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Tad Scepaniak  
Regional Director  
Real Property Research Group, Inc.

June 21, 2002

Date

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

## Appendix 3 - Resumes

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### TAD SCEPANIAK

Mr. Scepaniak directs our Atlanta office. He has approximately eight years of experience in the field of residential rental market research. Before joining the firm, Tad was president of MarketQuest, where he was involved extensively in the Low Income Tax Credit program throughout the entire United States. Mr. Scepaniak has completed work in approximately 25 states and Puerto Rico over the past eight years. He also has experience conducting studies under the HUD 221d program, market rate rental properties, and student housing developments. Along with work for developer clients, Tad has led our research efforts for both the North Carolina and Georgia Housing Finance agencies. Mr. Scepaniak is also responsible for development and implementation of many of the firm's automated analytic systems.

#### **Areas of Concentration:**

**Low Income Tax Credit Rental Housing:** Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

**Senior Housing:** Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program, however His experience includes assisted living facilities and market rate senior rental communities.

**Market Rate Rental Housing:** Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

**Student Housing:** Tad has conducted market analysis of student housing solutions for small to mid-size universities. The analysis includes current rental market conditions, available on-campus housing options, student attitudes, and financial viability of proposed developments. Recent campus studies include Southern Polytechnic University, North Georgia State College and University, and Abraham Baldwin Agricultural College.

#### **Education:**

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

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ROBERT M. LEFENFELD

Mr. Lefenfeld has over 20 years of experience in the field of residential market research. As an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason, he has closely monitored residential markets throughout the Mid-Atlantic United States. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for-sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles.

Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, where he analyzed markets throughout the Eastern United States and evaluated the company's active building operation on an ongoing basis.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders and the National Council on Seniors Housing. His recent article, "Market Analysis: Basic Elements of a Good Study," was featured in the Summer, 2001 issue of ULI's Multifamily Housing Trends magazine. He also authored an article on active adult housing that will appear in an upcoming issue of Mid-Atlantic Builder, published by the Homebuilders Association of Maryland.

### **Areas of Concentration:**

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects of these analyses have included for-sale single family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations, and continuing care facilities for the elderly. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for-sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

### **Education:**

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

## Appendix 4 - Community Photos and Profiles