

Market Feasibility Analysis
The Summit at Georgia North Apartments
Adairsville, Bartow County, Georgia
DCA Project Number 2003-062

Prepared for
The Georgia Department of Community Affairs

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I. Executive Summary

Real Property Research Group, Inc. (RPRG) has completed a market study of the newly constructed The Summit at Georgia North Apartments, a proposed 168 unit mixed income apartment community to be located on the north side of Highway 140 less than one quarter mile west of Interstate 75. The newly constructed rental community will be general occupancy in nature with an emphasis on single person and small to moderate sized family renter households.

After completion, rents and unit configuration of the rental community will be as follows:

Unit Type	AMI Level	Bedrooms	Bulding Type	Units	Avg. Size	Net Rent	Rent/Sq Ft
LIHTC	30%	1	Garden	5	662	\$308	\$0.47
LIHTC	30%	2	Garden	8	999	\$366	\$0.37
LIHTC	30%	3	Garden	4	1,277	\$414	\$0.32
LIHTC	50%	1	Garden	10	662	\$575	\$0.87
LIHTC	50%	2	Garden	16	99	\$665	\$6.72
LIHTC	50%	3	Garden	8	1,277	\$775	\$0.61
LIHTC	60%	1	Garden	28	662	\$585	\$0.88
LIHTC	60%	2	Garden	52	999	\$665	\$0.67
LIHTC	60%	3	Garden	20	1,277	\$755	\$0.59
MARKET	80%	1	Garden	5	662	\$585	\$0.88
MARKET	80%	2	Garden	8	999	\$665	\$0.67
MARKET	80%	3	Garden	4	1,277	\$755	\$0.59
Total/Avg.				168	877	\$631	\$0.72

Based on our analysis, including field research conducted in June 2003, we have arrived at the following conclusions:

Site Location

- The site is a 17.2 acre tract on the north side of Highway 140 just west of Interstate 75. The site consists primarily of undeveloped, cleared land with many scattered pine trees. The proposed site is bordered to the north, east, and south by undeveloped land. The site is bordered to the south by Highway 140 and existing commercial establishments.

- Ingress and egress will be the new access road. No problems are expected with ingress or egress. The traffic on Highway 140 is only moderately heavy during peak hours and should not present issues with residents entering or exiting the community.
- The proposed community will be compatible with surrounding land uses. The majority of the development in the immediate area surrounding the site consists of residential and light commercial/industrial uses. The majority of the surrounding land is zoned residential or commercial. The zoning is not expected to change. The proposed site is located within one quarter mile of Princeton Glen, a for-sale townhouse community under construction and priced from \$70,000.
- The site inspection was conducted on Tuesday June 22nd, 2003.

Economy

- In 2001, employment had reached 30,689 as job growth averaged over 950 jobs annually since 1990. Overall, the county has experienced a net increase of over 10,500 jobs since 1990. Data through the third quarter of 2002 shows that Bartow County has experienced an increase of 850 jobs or 2.8 percent over 2001's year-end total.
- Unemployment rates in Bartow County have remained slightly higher than the unemployment rates in the state of Georgia, while following similar trends. The overall unemployment rate has decreased significantly from the decade high of 8.3 percent in 1992, as the year-end unemployment rate in 2002 was 6.1 percent. The unemployment rate in Bartow County increased 1.5 percentage points in 2002, compared to a 0.6 and 0.9 percentage point increases in Georgia and the United States, respectively.
- The stable economic conditions in Bartow County indicate that the calculated demand estimates and capture rates will be achievable independent of market conditions. The current economics of the area will not prevent the proposed development from achieving the calculated capture rates.

Household Growth

- Based on 1990 and 2000 Census data, the PMA experienced an increase of 3,110 households, while the Bi-County Market Area increased by a total of 10,480

households. This change equates to a 30.1 percent increase in the primary market area compared to a 31.9 percent increase in the Bi-County Market Area. The annual compounded rates of household growth were 2.7 percent in the PMA and 2.8 percent in the Bi-County Market Area.

- Projections show that the PMA's household count is expected to increase by 1,471 or 10.9 percent by 2005 compared to an increase of 5,029 households or 11.6 percent in the Bi-County Market Area. Annual increases are projected to be 294 households or 2.1 percent in the primary market area and 1,006 households or 2.2 percent in the Bi-County Market Area.

Household Characteristics

- Renters are most common among householders age 25 to 44 years of age. This age grouping accounts for 32.4 percent of Bi-County Market Area's population and 31.4 percent of the primary market area's population.
- The primary market area has a similar, but slightly lower percentage of renter occupied households than does the Bi-County Market Area. In 2000, 25.9 percent of the householders in the PMA were renters. In comparison, 26 percent of the Bi-County Market Area householders rented.
- Census data indicates that the 1999 median household income for the primary market area was \$40,132, which is 96 percent of the \$41,905 median income in the Bi-County Market Area.
- Over one-half (56.3 percent) of primary market area householders earn between \$20,000 and \$45,000, the income grouping to be targeted by the proposed rental units. The Bi-County Market Area has 54.3 percent earning within this range.

Rental Market

- Among the 851 units in the 15 surveyed communities, 24 were reported vacant for a rate of 2.8 percent. Only four of the surveyed communities maintain vacancy rates of above 5 percent. In contrast, nine of the surveyed communities have no vacant units.
- Based on the unit distribution among these surveyed communities, 36 percent are one bedroom units, 51 percent are two bedroom units, and 12 percent are three bedroom units.

- None of the surveyed rental communities are currently offering rental incentives. The street rents at the existing communities are adjusted to account for the cost of utilities. The average net rent among the surveyed communities is \$344 for a one bedroom unit, \$402 for a two bedroom unit, and \$492 for a three bedroom unit. The average square footages are 711, 901, and 1,100 for the one, two and three bedroom units respectively.

Findings and Conclusions

- Using a 35 percent underwriting criteria, the penetration rate for all 168 units was calculated to be 2.2 percent. This is based on the 7,472 total households that earn more than \$13,714 and less than \$59,238. Affordability by floorplan and income level indicates that there is a sufficient number of income qualified households for all floorplans.
- For renter householders, the penetration rate was calculated to be 6.6 percent.
- Excess demand for rental housing in the primary market area was calculated to be 121. This number represents the number of additional units needed in the market after The Summit at Georgia North Apartments and all other rental communities in the pipeline have achieved stabilized occupancy.
- The capture rate for all LIHTC units is 33.4 percent. This calculation is based on the income band derived from the minimum income limit for the 30% units and the maximum income limit for the 60% units. Based on these capture rates, there does not appear to be sufficient income qualified demand for the proposed LIHTC units in the primary market area. Currently only ten percent of the unit is market rate. The LIHTC capture rates could only be lowered by decreasing the number of total LIHTC units. This modification would not lower the overall capture rate of 29.7 percent.

The project's appeal and strengths are as follows:

Community Design: The proposed development will be the most attractive community in the primary market area. The new modern design characteristics and up-scale community design will be competitive within the primary market area, which has seen little new product development over the past two decades.

Location: The proposed site is located in an established area of northern Bartow County. The proposed site is located conveniently to shopping, education, health care, public transportation, and area traffic arteries.

Amenities: The proposed The Summit at Georgia North will offer more unit and community amenities than all of the existing rental communities in the primary market area. The proposed amenities, including appliance package, is appropriate given the proposed rent levels.

Unit Mix: The unit mix distribution of the 168 units at The Summit at Georgia North Apartments is appropriate and compatible with the existing rental stock. The one and two bedroom units will appeal to single person householders or small to medium sized families while the three bedroom units will appeal to larger families and those desiring additional space. The proposed unit mix is appropriate.

Unit Size: With square footages of 662 for a one bedroom unit, 999 for a two bedroom unit and 1,277 for a three bedroom unit, The Summit at Georgia North will be competitive with the existing rental stock. The two and three bedroom sizes are larger than the average among existing communities. The one bedroom units are under the average size.

Price: The proposed 30 percent units are priced in the middle of the range of net rents in the primary market area. The proposed 50 percent, 60 percent and market rate rents are positioned at the top of range of net rent among surveyed rental communities (Figure 4). In fact, the proposed 60 percent and market rate rents are priced at least \$150 above the highest priced rental units in the market area for each floorplan. While the proposed product design and amenities may warrant these higher rents, it is unlikely at there are a sufficient number of renter households willing or able to pay these high rents. These high rent levels may be achievable in southern Bartow County (Cartersville), however Adairsville is located more than 15 miles north of Cartersville and is much more rural in nature. The Adairsville market is much more similar to Calhoun than it is to Cartersville. It is unrealistic to expect a rental community in Adairsville to command rental rates found at communities in the more suburban Cartersville.

Absorption: Three of the 15 communities surveyed have been built within the past three years. According to management, Deerfield leased an average of 12 units per month during its initial lease up period. Magnolia Place leased is 32 units in approximately two months for an average monthly absorption of 16 units. These two communities are the

most comparable community to the proposed development in the primary market area. The third community built within the few years is Catoosa Senior Village. As the name implies, this community is age restricted, however it is the newest community in the market area and is LIHTC in nature. This community leased its 60 units at an average rate of 20 units per month.

We believe that given the competitive rents, extensive amenities, and tight rental market, the seventeen 30 percent units at The Summit at Georgia North Apartments will lease rapidly and be 100 percent leased within one to two months.

The high rents proposed for the remaining income levels will result in a challenging lease-up for these 151 units. The proposed rents for the 50 percent, 60 percent, and market rate units are priced well above the market. It is our feeling that the number of units at these rents is too high. The demand estimates and capture rate confirm this belief as there is insufficient income qualified demand from DCA's demand components to fill the units.

At a result, the higher priced units will lease at a much slower pace than the 30 percent units. It is anticipated that the 151 units priced well above the existing stock will lease at an average monthly rate of 7 units. At this rate, these units will reach 95 percent occupancy within 22 months. Lease up periods over one year present an additional problem as turnover from the initial leases expire prior to reaching stabilization.

II. Introduction

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs to conduct a market feasibility analysis of The Summit at Georgia North Apartments. The Summit at Georgia North Apartments will be a newly constructed mixed-income rental community consisting of 168 rental units. The proposed community will be located the north side of Highway 140, approximately one quarter mile west of Interstate 75 and approximately one mile northeast of downtown Adairsville. The newly constructed rental community will be general occupancy in nature with an emphasis on single person households and small to moderate sized family renter households.

The majority (90 percent) of the units at The Summit at Georgia North Apartments will benefit from Low Income Housing Tax Credits and will be restricted to households earning no more than 30 percent, 50 percent, and 60 percent of the Area Median Income (AMI). The remaining 10 percent of the units will be market rate with no income restrictions. Although no income restrictions will be imposed on the market rate units, it is assumed for demand purposes that these units will target renter householders earning no more than 80 percent of the AMI. The Summit at Georgia North will consist of 48 one-bedroom units at 662 square feet, 84 two-bedroom units at 999 square feet, and 36 three-bedroom units at 1,200 square feet. HUD has computed a 2003 median household income of \$68,800 for the Atlanta MSA, in which the subject site is located. Based on that median income adjusted for household size, the maximum income limit and minimum income requirement is computed for each floorplan in Table 1. The minimum income limit is calculated assuming 35% of income is spent on total housing cost (rent plus utilities). The maximum allowable income and corresponding rents are calculated assuming 1.5 persons per bedroom.

This analysis takes into account pertinent trends in housing supply and demand in a distinct market area delineated with respect to the subject site. Conclusions are drawn on the appropriateness of the proposed rents and projected length of initial absorption.

Table 1 Project Specific LIHTC Rent Limits, The Summit at Georgia North

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	\$308	\$62	\$370	\$401	\$16,020	\$12,686
LIHTC	30%	8	2	\$366	\$114	\$480	\$481	\$19,230	\$16,457
LIHTC	30%	4	3	\$414	\$141	\$555	\$555	\$22,215	\$19,029
LIHTC	50%	10	1	\$575	\$62	\$637	\$668	\$26,700	\$21,840
LIHTC	50%	16	2	\$665	\$114	\$779	\$801	\$32,050	\$26,709
LIHTC	50%	8	3	\$775	\$141	\$916	\$926	\$37,025	\$31,406
LIHTC	60%	28	1	\$585	\$62	\$647	\$801	\$32,040	\$22,183
LIHTC	60%	52	2	\$665	\$114	\$779	\$962	\$38,460	\$26,709
LIHTC	60%	20	3	\$755	\$141	\$896	\$1,111	\$44,430	\$30,720
MARKET	80%	5	1	\$585	\$62	\$647	\$1,068	\$42,720	\$22,183
MARKET	80%	8	2	\$665	\$114	\$779	\$1,282	\$51,280	\$26,709
MARKET	80%	4	3	\$755	\$141	\$896	\$1,481	\$59,240	\$30,720

The report is divided into six sections. Following the executive summary and this introduction, Section 3 provides a project description and an analysis of local neighborhood characteristics. Section 4 examines the socio-economic and demographic characteristics of the delineated market area. Section 5 presents a discussion of the competitive residential environment. Section 6 discusses conclusions reached from the analysis and estimates the demand for the project using growth projections and income distributions.

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

III. Location and Neighborhood Context

A. Project Description

The Summit at Georgia North will be located in northeast Adairsville, Bartow County. The subject site is located within approximately one mile of Adairsville's two major thoroughfares, Highways 41 and 140 and within one quarter mile of Interstate 75. The site is a 17.2 acre tract on the north side of Highway 140 just west of Interstate 75. The site consists primarily of undeveloped, cleared land with many scattered pine trees. The proposed site is bordered to the north, east, and south by undeveloped land. The site is bordered to the south by Highway 140 and existing commercial establishments.

The proposed site is located behind several businesses that front the northern side of Highway 140. These businesses include Burger King, Hardee's, BP, Taco Bell, Best Western, Ramada, Waffle House and an Exxon gas station that is closed. Access to the site will be via an access road to be constructed. This access road will be located opposite Poplar Springs Road, which extends south of Highway 140. The businesses on either side of this access road are Ramada and Waffle House on the west and the closed Exxon on the east.

Ingress and egress will be the new access road. No problems are expected with ingress or egress. The traffic on Highway 140 is only moderately heavy during peak hours and should not present issues with residents entering or exiting the community.

The proposed community will be compatible with surrounding land uses. The majority of the development in the immediate area surrounding the site consists of residential and light commercial/industrial uses. The majority of the surrounding land is zoned residential or commercial. The zoning is not expected to change. The proposed site is located within one quarter mile of Princeton Glen, a for-sale townhouse community priced from \$70,000 and currently under construction.

Figure 1 Site Location Photos



View of site facing north.



View of site facing east.



View of site facing south.



View of site facing west.



View of access road facing north from Highway 140.

Figure 2 Surrounding Land Uses Photos



View of Highway 140 facing east from access road.



View of Highway 140 facing west from access road.



View of church located across from site on Highway 140.

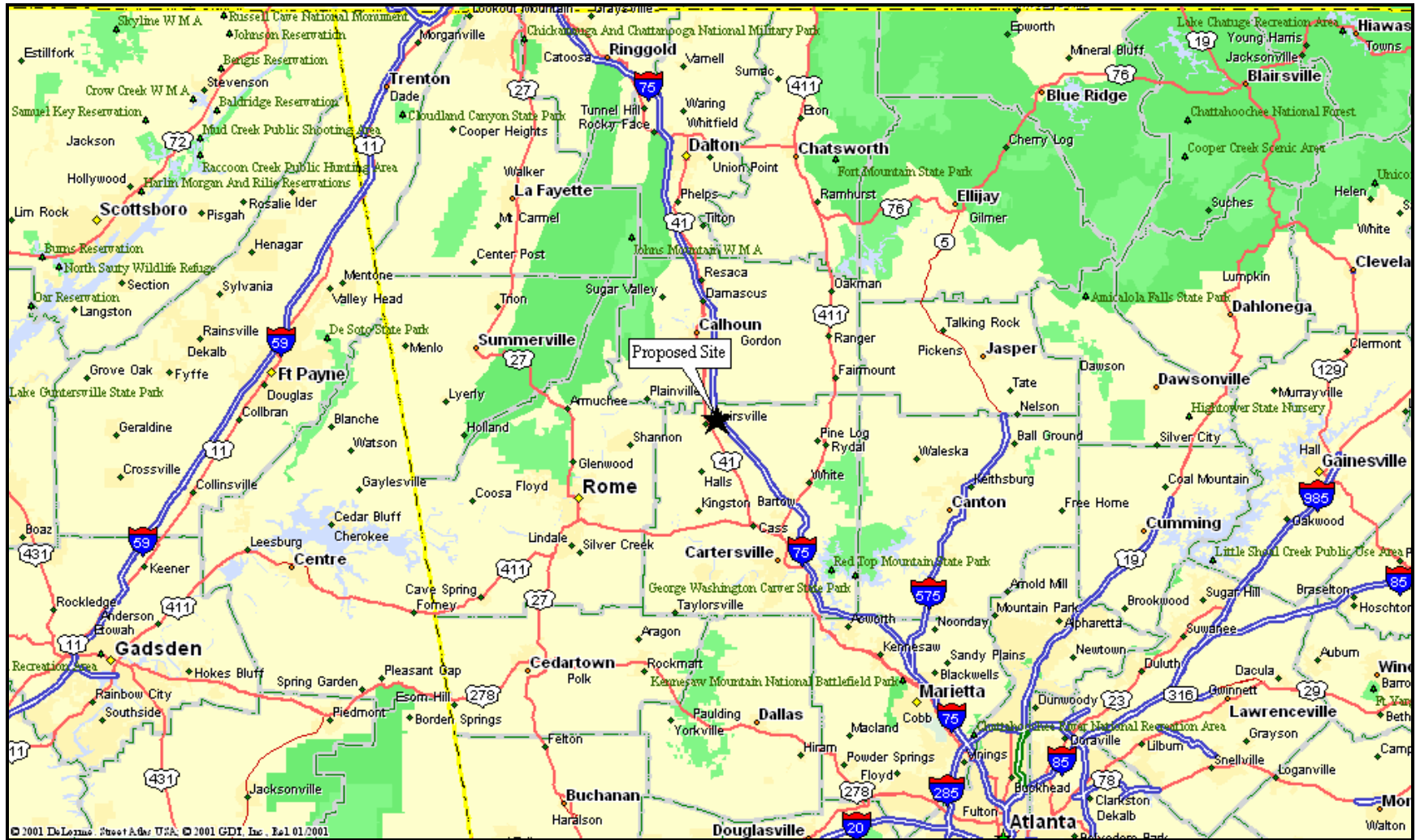


View of vacant Exxon adjacent to site entrance.



Princeton Glen Townhomes, under construction

Map 1 Site Location, The Summit at Georgia North





Map 2 Site Amenities, The Summit at Georgia North

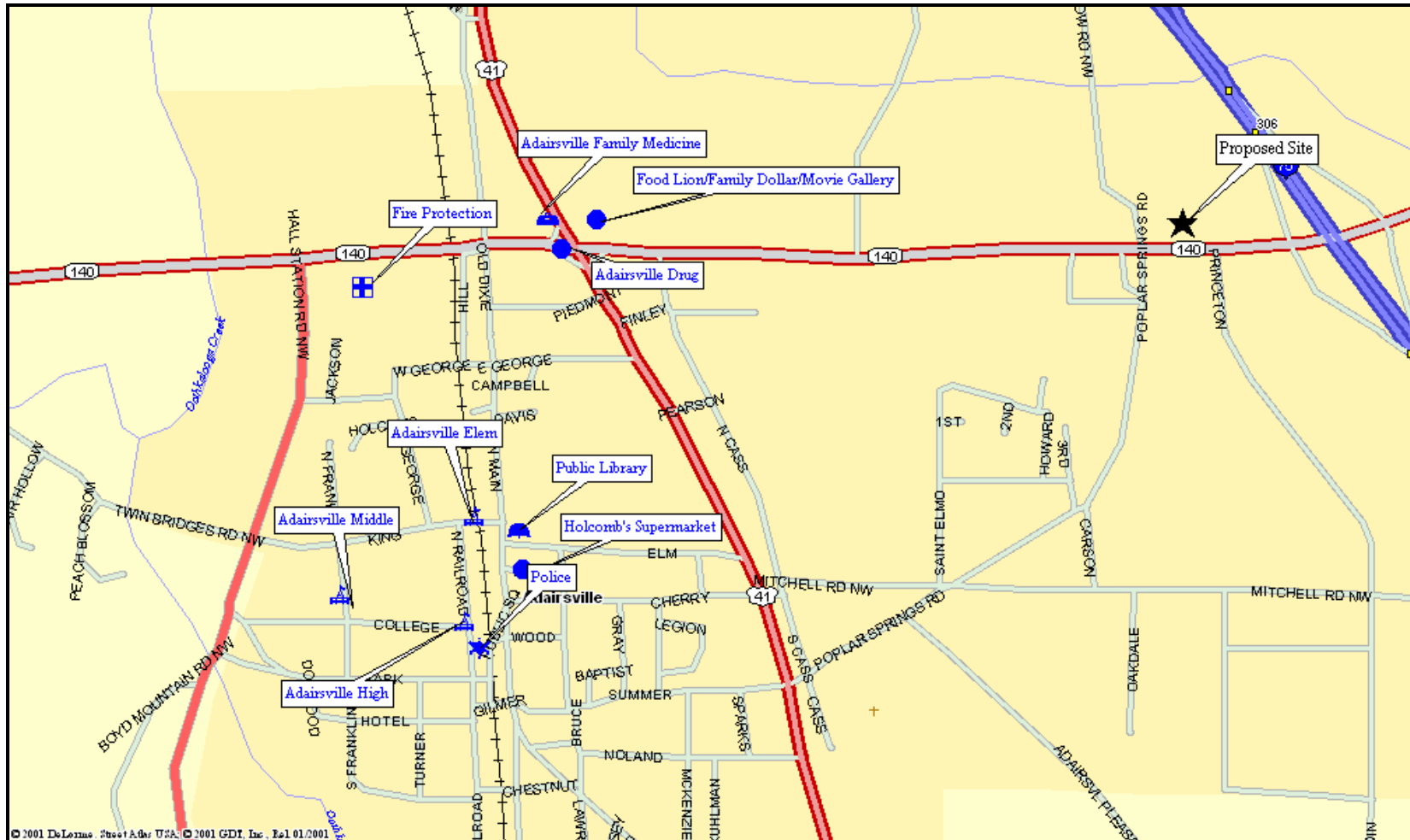


Table 2 Site Amenities, The Summit at Georgia North

Establishment	Type	Address	Distance
Adairsville Drug	Pharmacy	6000 Joe Frank Harris Pkwy	0.75 Mile
Adairsville Family Medicine	Medical Clinic	6000 Joe Frank Harris Pkwy NW	0.75 Mile
Food Lion	Grocery Store	7409 Adairsville Highway	0.75 Mile
Family Dollar	Department Store	7411 Adairsville Highway	0.75 Mile
Movie Gallery	Video Rental	7413 Adairsville Highway	0.75 Mile
Fire Department	Fire Protection	Highway 140 NE	0.8 Mile
Adairsville Elementary	Public School	122 King Street	1.0 Mile
Adairsville Public Library	Public Library	202 N Main Street	1.2 Miles
Adairsville Middle School	Public School	116 N Franklin Street	1.3 Miles
Adairsville High School	Public School	100 College Street	1.4 Mile
Bartow County Police - Adairsville	Police	Main Street	1.5 Miles
Wal-Mart Super Center	Department/Grocery Store	450 W Belmont Dr	6.2 Miles
Gordon Hospital	Hospital	1035 Red Bud Road NE	8.0 Miles

The subject site is located on the north side of Highway 140, approximately one-quarter mile west of Interstate 75. The site will enjoy good visibility from drive-by traffic on Highway 140 and Interstate 75 in both directions, which will be enhanced by the site's elevated topography.

The newly developed rental community will feature 168 one, two and three bedroom units in seven, two-story garden style buildings. The proposed one-bedroom units will have 662 square feet, two bedroom units will have 999 square feet, and three bedroom units will have 1,277 square feet.

Each of the newly constructed units at The Summit at Georgia North will feature:

- Full kitchens including a range, a refrigerator, a dishwasher, a garbage disposal, and a pantry.
- Wall-to-wall carpeting in the bedrooms, living room, dining room and hallways. The kitchen, entry and bathrooms will feature scuff-resistant vinyl flooring.
- Washer and dryer connections.
- Walk-in closet, a linen closet, ceiling fans.
- A covered entry and a patio or balcony with exterior storage.
- An energy efficient electric central heating and air conditioning system.

Common area amenities will include a community building with a kitchen, management offices, a computer lab, fitness center, a library, and a recreation area.

Additional recreational amenities will include a swimming pool, a playground, a picnic area with grills, and a tot-lot. Educational programs will be made available to residents.

Table 3 Proposed Unit Configuration and Rents

Unit Type	AMI Level	Bedrooms	Bulding Type	Units	Avg. Size	Net Rent	Rent/Sq Ft
LIHTC	30%	1	Garden	5	662	\$308	\$0.47
LIHTC	30%	2	Garden	8	999	\$366	\$0.37
LIHTC	30%	3	Garden	4	1,277	\$414	\$0.32
LIHTC	50%	1	Garden	10	662	\$575	\$0.87
LIHTC	50%	2	Garden	16	99	\$665	\$6.72
LIHTC	50%	3	Garden	8	1,277	\$775	\$0.61
LIHTC	60%	1	Garden	28	662	\$585	\$0.88
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MARKET	80%	1	Garden	5	662	\$585	\$0.88
MARKET	80%	2	Garden	8	999	\$665	\$0.67
MARKET	80%	3	Garden	4	1,277	\$755	\$0.59
Total/Avg.				168	877	\$631	\$0.72

B. Neighborhood Characteristics

The Summit at Georgia North rental community will be located approximately one mile northeast of downtown Adairsville, Bartow County. Adairsville is located approximately 55 miles northwest of Atlanta along Interstate 75 in northern Bartow County. Bartow County is included within the Atlanta Metropolitan Statistical Area (MSA).

The city of Adairsville is located in northern Bartow County between two larger cities along Intestate 75. Adairsville is situated approximately 8 miles south of Calhoun (Gordon County) and 15 miles north of Cartersville, the Bartow County seat. Both of these cities are easily accessible via Interstate 75 and Highway 41 and provide auxiliary community services and employment opportunities to residents of northern Bartow County, including the city of Adairsville.

Little development has occurred over the past ten to fifteen years in the city of Adairsville. New construction of limited retail and for-sale housing units is occurring along Highway 140 near Interstate 75. The city of Adairsville is more similar to Calhoun to its north than the more metropolitan nature of Cartersville to its south.

C. Shopping

The largest concentration of retail establishments in Adairsville is in and around the Adairsville Crossing Shopping Center. Located at the intersection of Highway 140 and Highway 41, this relatively new shopping center is anchored by a Food Lion grocery store. Additional stores in this shopping center include Family Dollar, Movie Gallery, Subway and Bamboo Garden. The Adairsville Crossing Shopping Center is located approximately three quarters of a mile from the subject site.

The site is located within walking distance of several restaurants and convenience stores including Waffle House, Hardee's and the BP convenience store.



Food Lion.

D. Medical

The closest major medical center to the proposed site is Gordon Hospital, which offers a variety of medical care including 24-hour emergency medicine and general practice. Gordon Hospital is located within approximately 8 miles of the subject site on Red Bud Road in Calhoun. Additional medical facilities are located in Cartersville within 16 miles of the subject site.

Medical care available in Adairsville is limited. Adairsville Family Practice is located at the intersection of Highway 140 and Highway 41 less than one mile of the subject site. According to signage visible from the road, Adairsville Urgent Care will begin construction soon near the same intersection.



Gordon Hospital.

E. Schools

The Bartow County School System consists of 19 total schools including one Pre-K Center, 11 elementary schools, four middle schools and three high schools. The student enrollment of the entire system is estimated at 13,000 with a professional staff of approximately 900.

The closest public schools to the proposed site include Adairsville Elementary School (1.0 mile from site), Adairsville Middle School (1.3 miles from site), and Adairsville High School (1.4 miles from site).

Northwest Georgia is home to many colleges and universities. Examples of those located within 30 miles of Adairsville include Dalton State University, Kennesaw State University, Berry College, and Shorter College.



Adairsville Elementary School

IV. Socio-Economic and Demographic Content

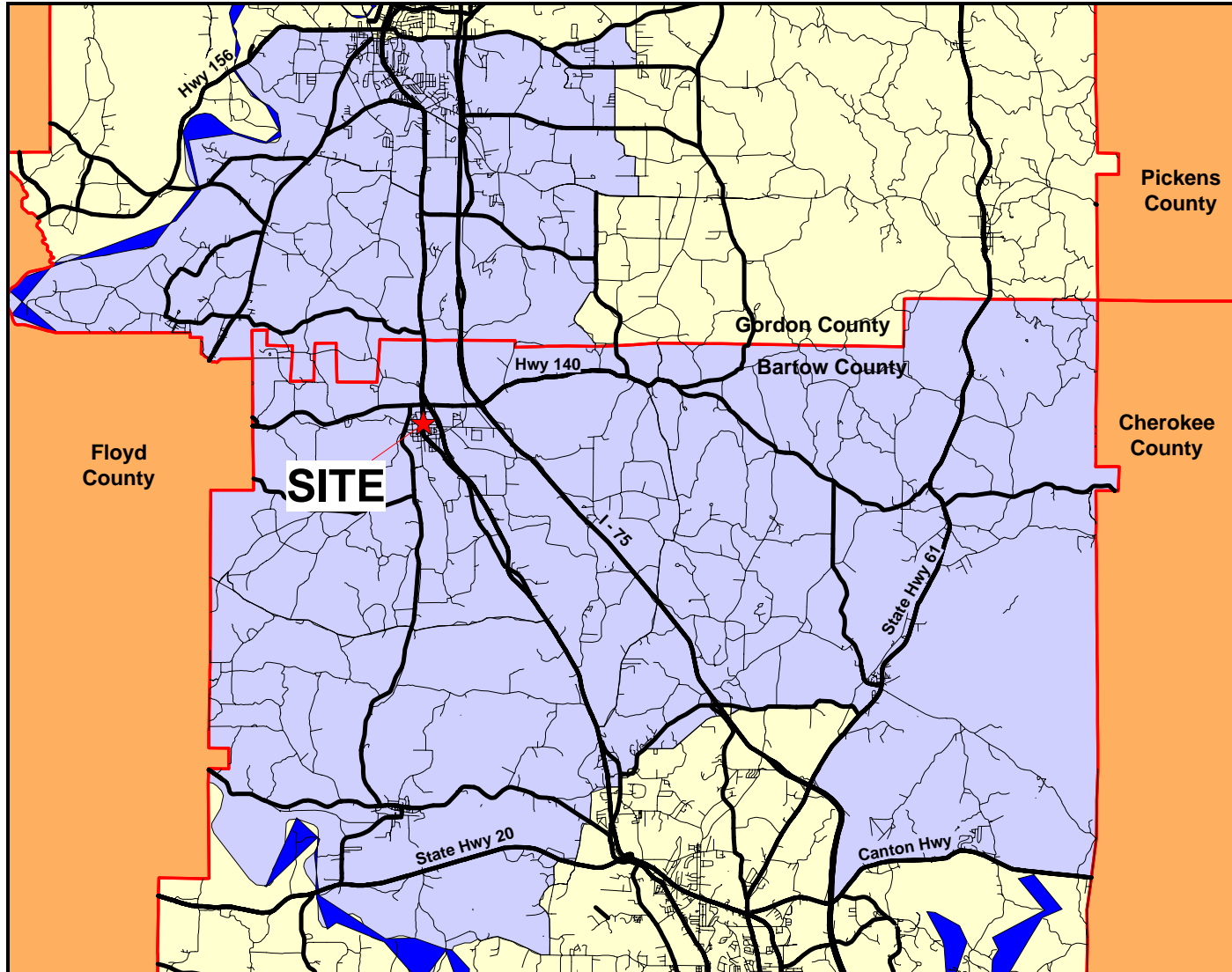
The primary market area for The Summit at Georgia North Apartments comprises the northern portion of Bartow County and the southern portion of Gordon County on both sides of Interstate 75. The approximate boundaries of the primary market area are Highway 156 to the north (7.5 miles), the Oostanaulal River and Floyd County to the west (5.23 mile), the intersection of Highways 441 and 20 to the south (11.5 miles) and Cherokee County to the east (13.2 miles). The size and shape of the market area was impacted by the relatively large size and shape of the census tracts in this area of the state, especially to the east. The inclusion of one census tract increases the market area boundary from 3 miles to 14 miles from the subject site. Given the sparsely populated nature of this region of Bartow County, its inclusion within the PMA does not unduly influence the demand estimates for the proposed development.

Demographic data on the Bi-County Market Area, defined as a combination of Gordon and Bartow Counties, is included for comparison purposes. Demand estimates will be shown only for the primary market area.

The primary market area includes year 2000 census tracts 9708, 9706, 9705, 9707, 9601, 9602, and 9603. A map of this market area is shown on page 18.

According to property managers of existing rental communities, tenants come from all over northwest Georgia, however primarily within ten miles of the subject property primarily from the cities of Adairsville and Calhoun. These property managers indicated that the proposed development will be able to attract tenants from throughout the primary market area.

Map 3 Primary Market Area



A. Economic Context

The labor force in Bartow County has grown steadily over the past 13 years. After an initial decline in the labor force between 1990 and 1991, Bartow County's labor force increased for 9 consecutive years. A minimal labor force decrease in 2001 was recouped by 2002's increase (Table 4). During the first four months of this year, the county's employment has continued to recover as the total labor force has increased by over 500.

During the same period, unemployment rates in Bartow County have remained slightly higher than the unemployment rates in the state of Georgia, while following similar trends. Unemployment in the county has fluctuated over the past 13 years. Between 1990 and 2002, the unemployment rate decreased six years and increased during the other six years. The overall unemployment rate has decreased significantly from the decade high of 8.3 percent in 1992, as the year-end unemployment rate in 2002 was 6.1 percent. The unemployment rate in Bartow County increased 1.5 percentage points in 2002, compared to a 0.6 and 0.9 percentage point increases in Georgia and the United States, respectively. During the first 4 months of 2003, Bartow County's unemployment rate has decreased by a full percentage point and Georgia's has decreased by 0.2 percentage point. The nation's unemployment increased 0.1 percentage point.

Total at place employment has increased steadily within Bartow County since 1990 (Table 5). In 2001, employment had reached 30,689 as job growth averaged over 950 jobs annually since 1990. Overall, the county has experienced a net increase of over 10,500 jobs since 1990. Total at-place employment decreased between 1990 and 1991 then increased the next ten years. This continued growth has been steady with larger than average increases experienced between 1992 and 1993 and between 1998 and 2000. During the economic downturn in 2001, employment in Bartow County continued to grow. The first three quarters of 2002 saw an increase of 850 jobs. On a percentage basis, job growth in Bartow County has been higher than national employment growth over the last five years of the previous decade (Table 6).

Table 4 Labor Force and Unemployment Rates, Bartow County

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	April 2003
Labor Force	29,927	29,621	30,376	31,032	32,005	32,890	34,652	37,073	38,627	39,853	41,201	40,944	41,649	42,110
Employment	27,723	27,652	27,856	28,901	30,205	30,884	32,827	35,043	36,974	38,283	39,510	39,066	39,107	39,950
Unemployment	2,204	1,969	2,520	2,131	1,800	2,006	1,825	2,030	1,653	1,570	1,691	1,878	2,542	2,160
Unemployment Rate														
Bartow County	7.4%	6.6%	8.3%	6.9%	5.6%	6.1%	5.3%	5.5%	4.3%	3.9%	4.1%	4.6%	6.1%	5.1%
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%	4.6%	4.4%
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%	5.7%	5.8%

Source: Georgia Department of Labor Licensing and Regulation

Labor Force and Unemployment Rate

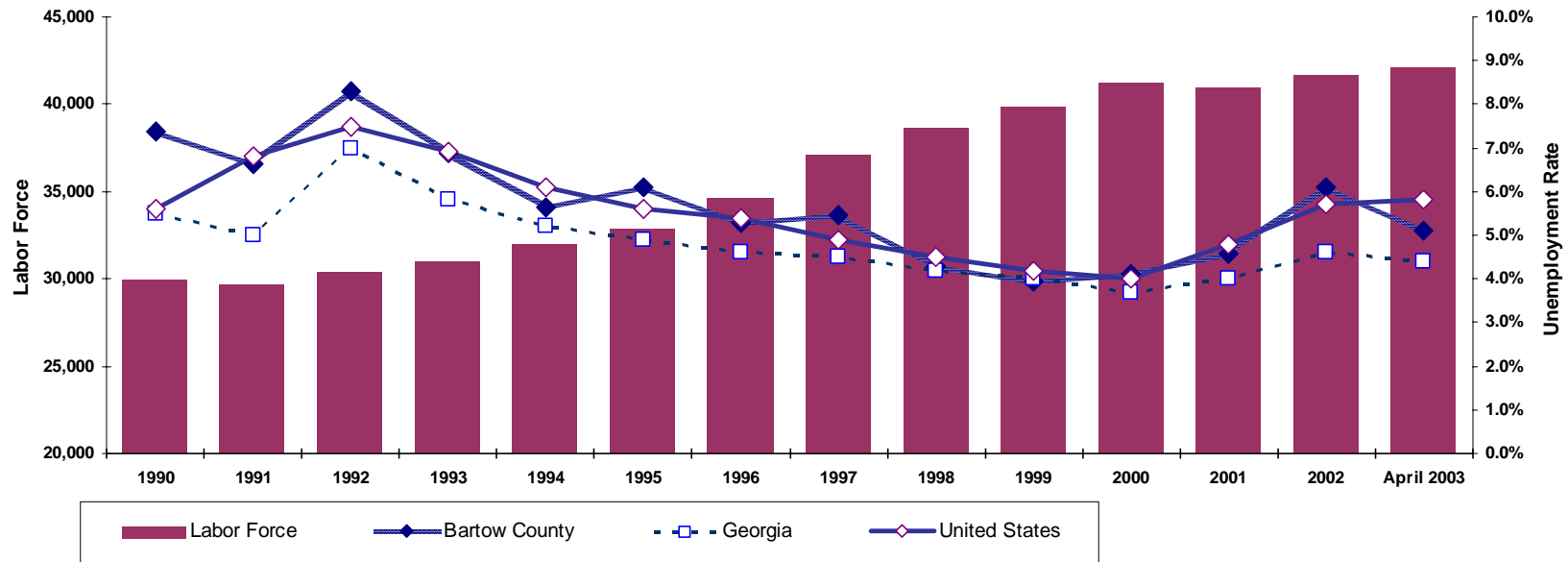
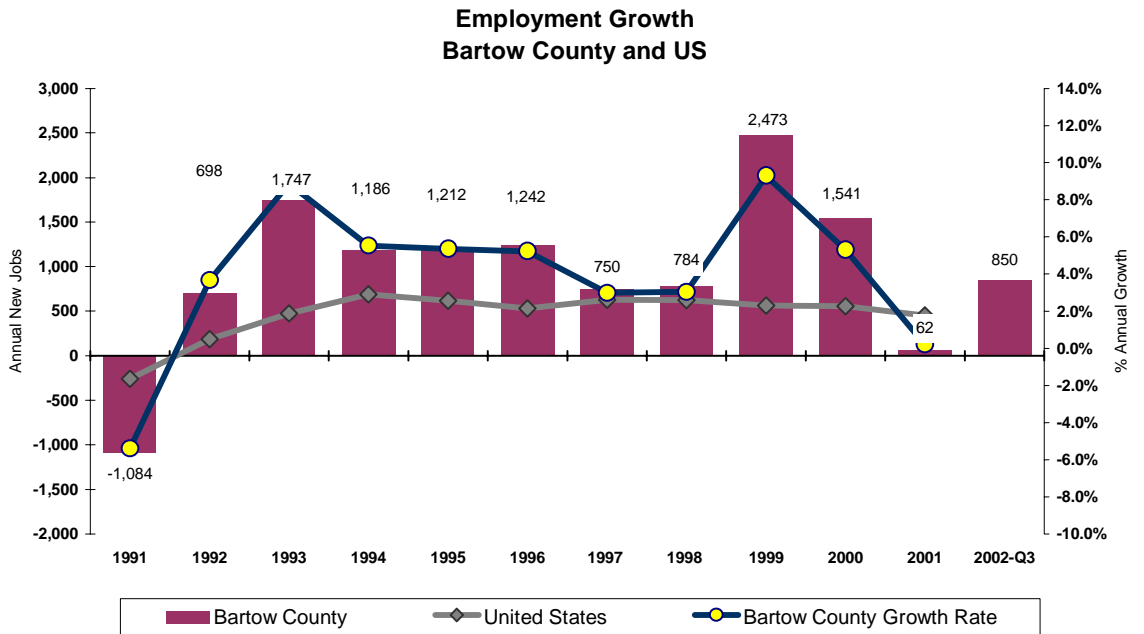


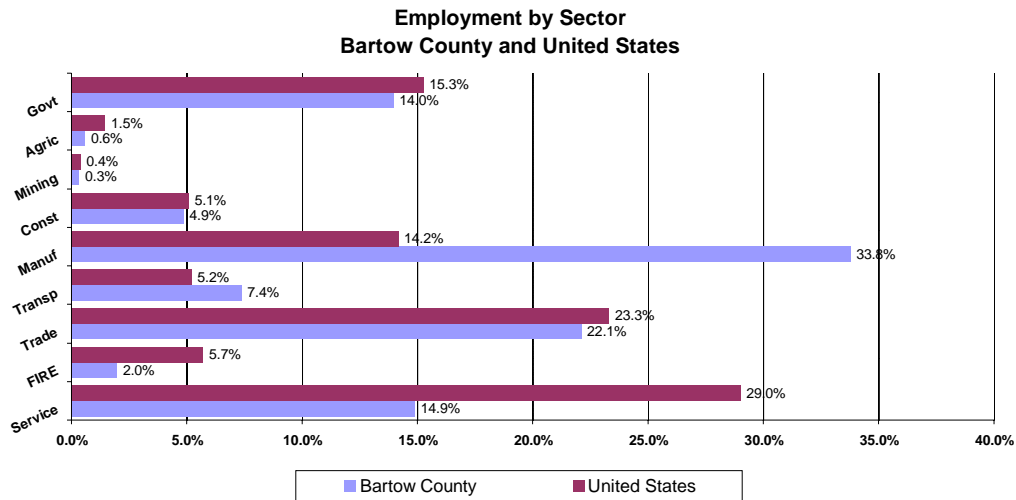
Table 5 At Place Employment, Bartow County 1990-2002



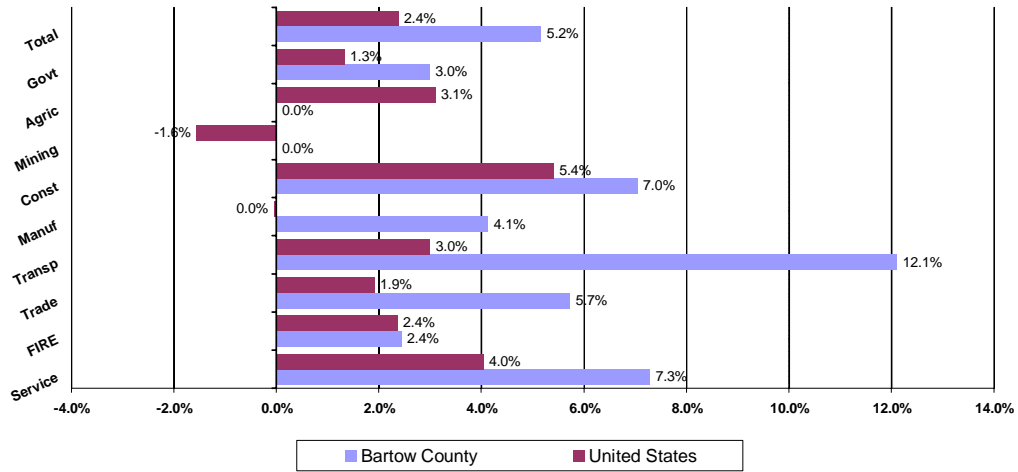
The stable economic conditions in Bartow County indicate that the calculated demand estimates and capture rates will be achievable independent of market conditions. The current economics of the area will not prevent the proposed development from achieving the calculated capture rates.

Compared to the nation, Bartow County has a higher proportion of jobs in the manufacturing sector of the economy and a smaller proportion in all other sectors. At-place employment figures indicate that the manufacturing, service and trade sectors' employment growth is fueling Bartow County's economy. The manufacturing sector is the largest in terms of employment and experienced an annual growth of 4.1 percent. The service sector of the economy accounted for 14.9 percent of total employment and increased at an annual compounded rate of 7.3 percent, the fastest rate among all sectors. The trade sector of employment constituted 22.1 percent and grew at an annual rate of 5.7 percent. Although the transportation sector increased at an annual compounded rate of 12.1 percent, this sector is among the smallest in terms of total employment (Table 6). Large sectors with moderate growth rates have a larger impact on the area's economic growth than small sectors with rapid growth rates.

Table 6 Employment by Sector, Bartow County 1995-2000



**Annualized Employment Change by Sector, 1995-2000
Bartow County and United States**



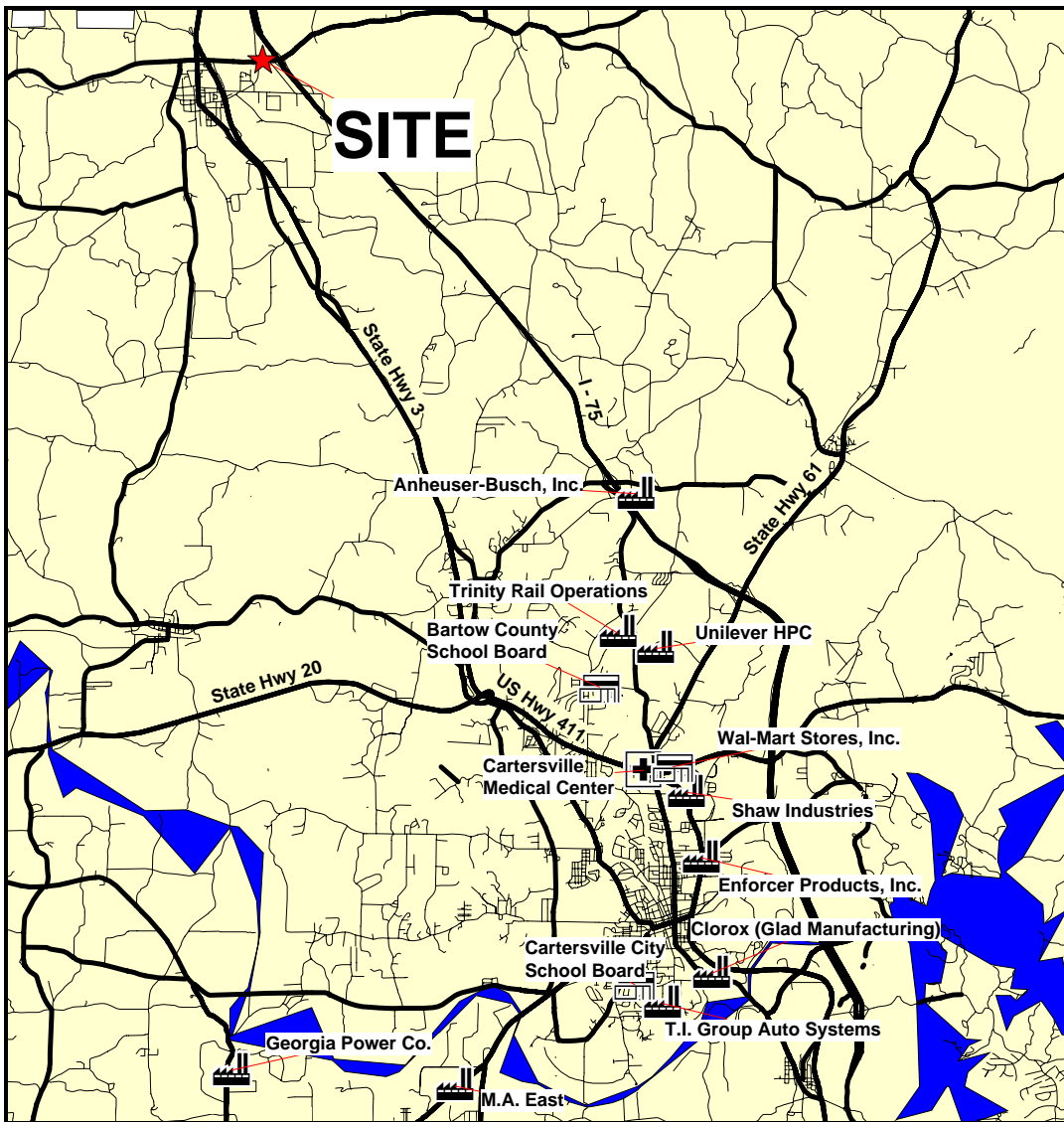
All of the major employers in Bartow County are located in Cartersville. Given its proximity to Interstate 75 and Highway 41, the subject site is located approximately 20 minutes of many of these employment centers. In addition to the county's major employers, the proposed site is located within easy commutation to employment concentrations in Adairsville including retail establishments, public schools and industrial centers, mainly along Highway 140 near I-75. Many of Gordon County's major employers are located within approximately ten miles north of the proposed site. These employers include manufacturers, retailers, and the hospital.

Table 7 Major Employers, Bartow County

Employer	Location	Employees
Shaw Industries	790 Joe Frank Harris Pkwy	1,887
Bartow County Schools	Scattered	1,618
Bartow County Government	Scattered	750
Trinity Rail Operations	190 Old Grassdale Road	700
Cartersville Medical Center	960 Joe Frank Harris Pkwy	580
Anheuser-Busch, Inc.	100 Busch Drive	550
Clorox	101 Old Mill Road	475
M.A. East	101 Friction Drive	450
Wal-Mart	101 Market Place Blvd	450
Georgia Power	317 Covered Bridge Road	400
T.I. Group	2 Swisher Drive	375
City of Cartersville	Scattered	308
Cartersville City Schools	Scattered	308
Enforcer Products, Inc.	Highway 41 North	270
Unilever HPC, U.S.A.	218 Industrial Park Road	224

Source: Bartow County Chamber of Commerce

Map 4 Major Employers



B. Growth Trends

The population and household statistics for the primary market area and the Bi-County Market Area are based on the 1990 and 2000 Census counts, and growth rates derived by Claritas, Inc., a national data vendor. The Claritas growth rates have been applied to the 2000 Census totals for both the primary market area and the Bi-County Market Area.

The primary market area's 2000 population represents an increase of 8,036 persons or 27.9 percent from the 1990 Census count. At 32 percent, the rate of increase of the Bi-County Market Area's population has been higher during the same time period. From 2000 to 2005, the total population in the primary market area is expected to increase by 3,670 or 10.0 percent. The Bi-County Market Area's population is expected to increase at a faster pace for an increase of 11.4 percent or 13,723 people during the same five-year time period.

Based on 1990 and 2000 Census data, the PMA experienced an increase of 3,110 households, while the Bi-County Market Area increased by a total of 10,480 households (Table 8). This change equates to a 30.1 percent increase in the primary market area compared to a 31.9 percent increase in the Bi-County Market Area. The annual compounded rates of household growth were 2.7 percent in the PMA and 2.8 percent in the Bi-County Market Area.

Projections show that the PMA's household count is expected to increase by 1,471 or 10.9 percent by 2005 compared to an increase of 5,029 households or 11.6 percent in the Bi-County Market Area. Annual increases are projected to be 294 households or 2.1 percent in the primary market area and 1,006 households or 2.2 percent in the Bi-County Market Area.

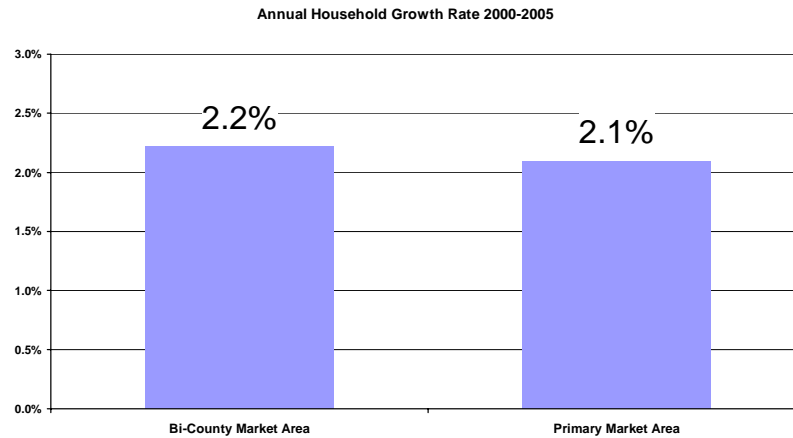
Table 8 Trends in Population and Households, PMA and Bi-County Market Area

Bi-County Market Area	Change 1990 to 2000						Change 2000 to 2005				
				Total		Annual		Total		Annual	
	1990	2000	2005	#	%	#	%	#	%	#	%
Population	90,983	120,123	133,846	29,140	32.0%	2,914	2.8%	13,723	11.4%	2,745	2.2%
Group Quarters	749	1,330	1,330								
Households	32,869	43,349	48,378	10,480	31.9%	1,048	2.8%	5,029	11.6%	1,006	2.2%
Average HH Size	2.75	2.74	2.74								

Primary Market Area	Change 1990 to 2000						Change 2000 to 2005				
				Total		Annual		Total		Annual	
	1990	2000	2005	#	%	#	%	#	%	#	%
Population	28,773	36,809	40,479	8,036	27.9%	804	2.5%	3,670	10.0%	734	1.9%
Group Quarters	21	22	22								
Households	10,343	13,453	14,924	3,110	30.1%	311	2.7%	1,471	10.9%	294	2.1%
Average HH Size	2.78	2.73	2.71								

Note: Annual change is compounded rate.

Source: 1990 and 2000 - 1990 and 2000 Censuses of Population and Housing; Projections, RPRG Estimates

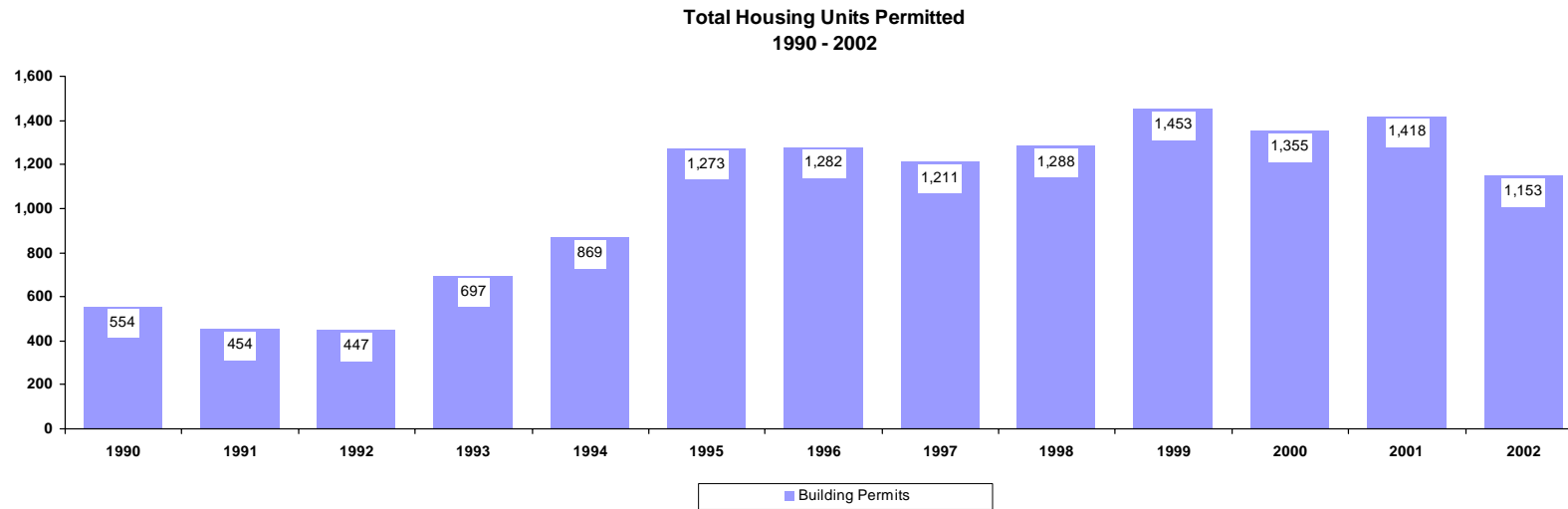


Building permit data reported in the U.S. Census Bureau's C-40 Report indicates that moderate building permit activity occurred during the past decade (Table 9). Building permit data show that an average of 1,035 units was permitted per year from 1990 through 2002. Permit activity has increase significantly throughout the decade with increased activity since 1995. The 1,418 units permitted in 2002 are 2.5 times the 554 units authorized in 1990.

Table 9 Bartow County Building Permits, 1990 - 2002

Bartow County														1990-2002	Annual
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
Single Family	550	452	443	672	791	1073	1081	1126	1181	1055	1222	1,031	981	11,658	897
Two Family	4	2	4	14	12	8	12	6	40	58	30	6	10	206	16
3 - 4 Family	0	0	0	11	32	20	4	20	39	42	18	25	50	261	20
5 or more Family	0	0	0	0	34	172	185	59	28	298	85	356	112	1,329	102
Total	554	454	447	697	869	1,273	1,282	1,211	1,288	1,453	1,355	1,418	1,153	13,454	1,035

Source: US Census Bureau, C-40 Building Permit Reports; Maryland Department of Planning



C. Demographic Characteristics

Census data indicates that the Bi-County Market Area has a slightly heavier concentration of its population in the younger age brackets, while the primary market area has a higher percentage in the middle-age persons and older children, and older adult age brackets. The Bi-County Market Area has a higher or equal percentage of its residents in all age classifications under the age of 45 years, while the PMA has a higher percentage in 5 of 6 age cohorts above this range. Renters are most common among householders age 25 to 44 years of age. This age grouping accounts for 32.4 percent of the Bi-County Market Area's population and 31.4 percent of the primary market area's population (Table 10).

In terms of household types (Table 11), the primary market area has a similar breakdown as the Bi-County Market area. The market area has a slightly higher percentage of married households without children, which are traditionally older households. In the primary market area, 36.5 percent of households have children present compared to 37.3 percent in the Bi-County Market Area.

Table 10 2000 Age Distribution

	Bi-County Market Area		Primary Market Area	
	Number	Percent	Number	Percent
Under 10 years	18,504	15.4%	5,476	14.9%
10-17 years	14,193	11.8%	4,448	12.1%
18-24 years	10,467	8.7%	3,184	8.7%
25-34 years	19,256	16.0%	5,678	15.4%
35-44 years	19,681	16.4%	5,884	16.0%
45-54 years	15,769	13.1%	5,080	13.8%
55-59 years	7,827	6.5%	2,498	6.8%
60-64 years	2,584	2.2%	851	2.3%
65-69 years	3,817	3.2%	1,241	3.4%
70-74 years	3,051	2.5%	1,000	2.7%
75 and older	4,974	4.1%	1,469	4.0%
TOTAL	120,123	100.0%	36,809	100.0%

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

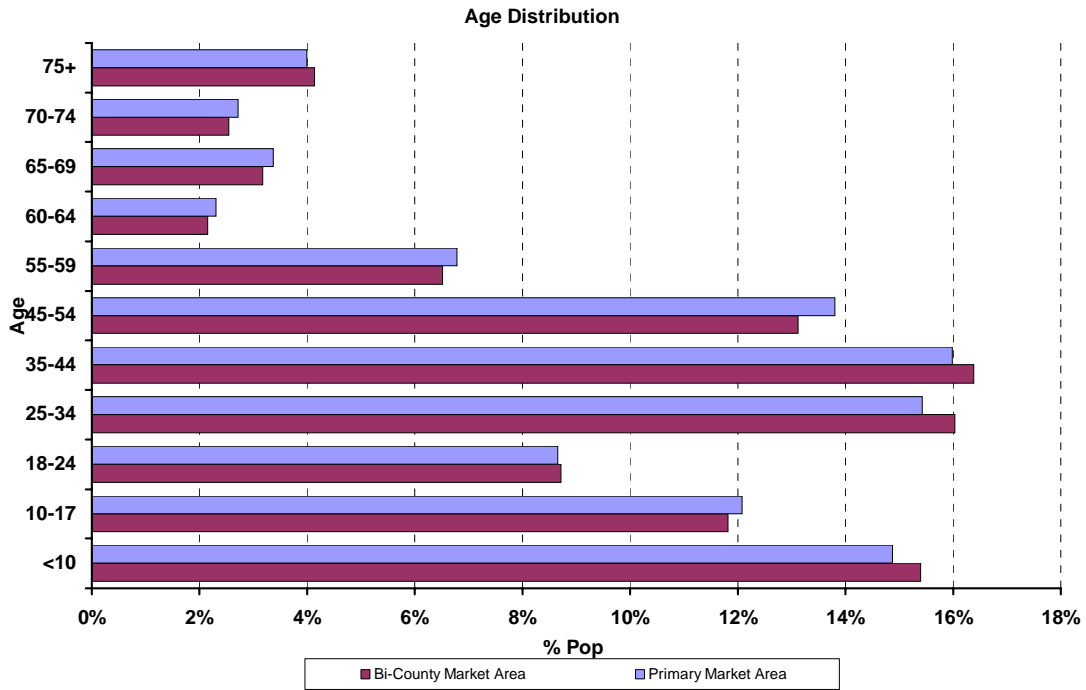
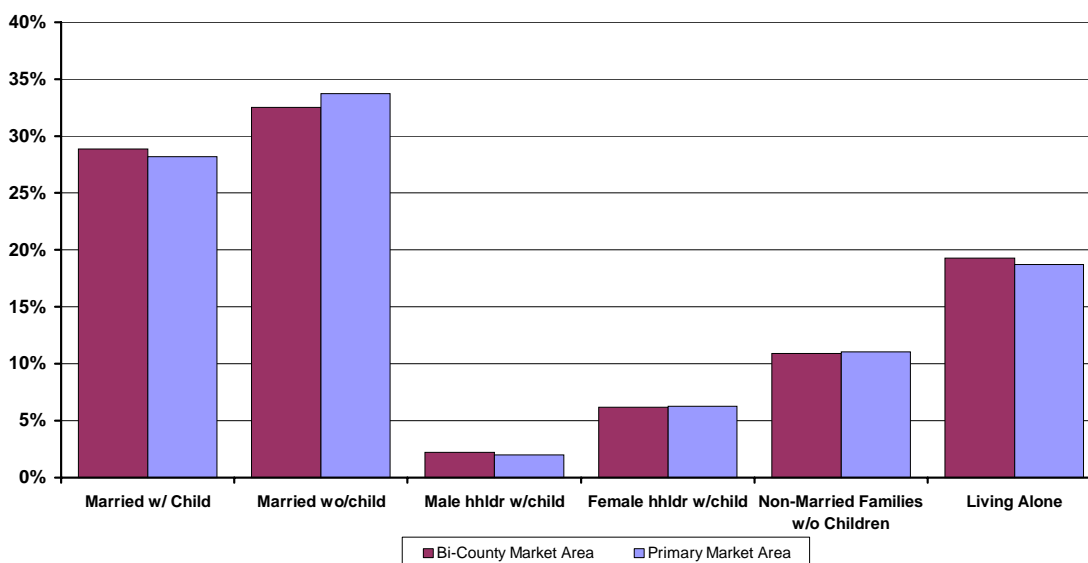


Table 11 2000 Households by Household Type

	Bi-County Market Area		Primary Market Area	
	#	%	#	%
Married w/ Child	12,501	28.8%	3,792	28.2%
Married wo/child	14,095	32.5%	4,537	33.7%
Male hhldr w/child	980	2.3%	272	2.0%
Female hhldr w/child	2,690	6.2%	845	6.3%
Non-Married Families w/o Children	4,724	10.9%	1,488	11.1%
Living Alone	8,359	19.3%	2,519	18.7%
Total	43,349	100.0%	13,453	100.0%

Source: 2000 Census

Households by Household Type



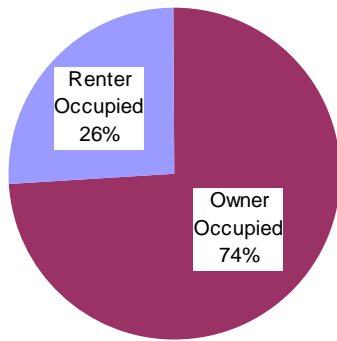
The primary market area and the Bi-County Market Area have a similar percentage of households that rent. In 2000, 25.9 percent of the householders in the PMA were renters (Table 12). In comparison, 26 percent of the Bi-County Market Area householders rented.

Table 12 Dwelling Units by Occupancy Status

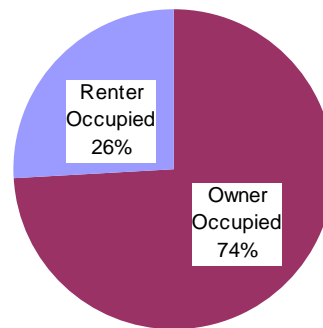
2000 Households	Bi-County Market Area		Primary Market Area	
	Number	Percent	Number	Percent
Owner Occupied	32,062	74.0%	9,973	74.1%
Renter Occupied	11,287	26.0%	3,480	25.9%
Total Occupied	43,349	100.0%	13,453	100.0%

Source: 2000 Census

Bi-County Market Area



Primary Market Area



Comparing the age of householders by tenure reveals the similarities with the overall age distribution of the two geographies as well. The Bi-County Market Area has a higher percentage of its owner occupied householders in the younger age brackets (under 45 years), while the primary market area has a higher percentage in each of the cohorts age 45 and older (Table 13). For renter occupied households, the trend mirrors the overall age and owner-occupied age distributions as the primary market area is more concentrated in the older age brackets (age 45 and older) and the Bi-County Market Area has a higher percentage under the age of 45 years.

Table 13 2000 Households by Tenure & Age of Householder

Owner Households	Bi-County Market Area		Primary Market Area	
Age of HHldr	Number	Percent	Number	Percent
15-24 years	821	2.6%	260	2.6%
25-34 years	5,520	17.2%	1,622	16.3%
35-44 years	7,491	23.4%	2,215	22.2%
45-54 years	6,958	21.7%	2,188	21.9%
55-64 years	5,090	15.9%	1,651	16.6%
65-74 years	3,690	11.5%	1,214	12.2%
75 to 84 years	2,000	6.2%	664	6.7%
85+ years	492	1.5%	159	1.6%
Total	32,062	100%	9,973	100%

Renter Households	Bi-County Market Area		Primary Market Area	
Age of HHldr	Number	Percent	Number	Percent
15-24 years	1,302	11.5%	368	10.6%
25-34 years	3,218	28.5%	959	27.6%
35-44 years	2,706	24.0%	827	23.8%
45-54 years	1,663	14.7%	525	15.1%
55-64 years	1,028	9.1%	333	9.6%
65-74 years	726	6.4%	254	7.3%
75 to 84 years	484	4.3%	160	4.6%
85+ years	160	1.4%	54	1.6%
Total	11,287	100%	3,480	100%

Source: 2000 Census

D. Income Characteristics

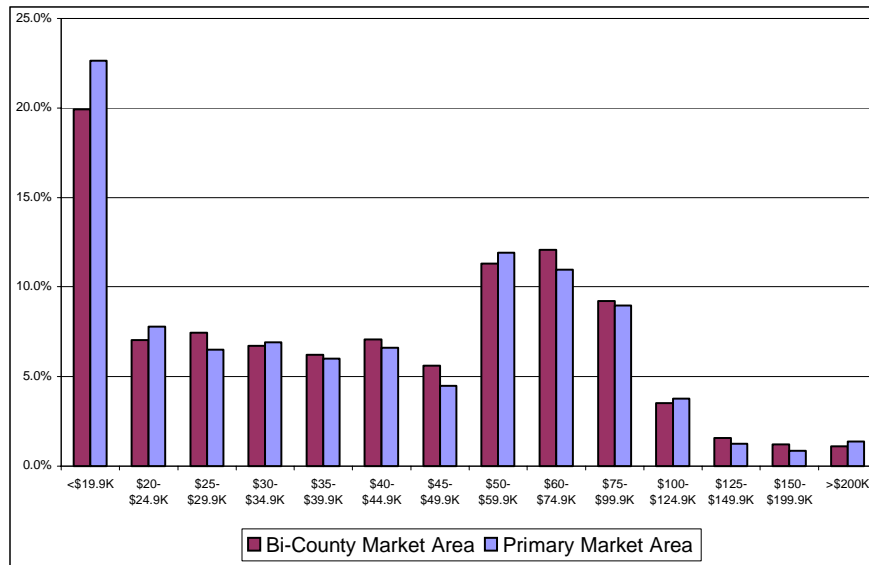
Census data indicates that the 1999 median household income for the primary market area was \$40,132, 96 percent of the \$41,905 median income in the Bi-County Market Area (Table 14). Over one fifth (22.6 percent) of the householders in the primary market area have an income of less than \$20,000. In the Bi-County Market Area, 19.9 percent are similarly classified. The primary market area has a higher percentage of its householders in several income cohorts throughout the range of incomes including under \$25,000, between \$30,000 and \$35,000, between \$50,000 and \$60,000, between

\$100,000 and \$125,000 and over \$200,000. Over one-half (56.3 percent) of primary market area householders earn between \$20,000 and \$45,000, the income grouping to be targeted by the proposed rental units. The Bi-County Market Area has 54.3 percent earning within this range.

Table 14 1999 Household Income Distribution, Primary Market Area

		Bi-County Market Area		Primary Market Area	
		Number	Percent	Number	Percent
less than	\$20,000	8,621	19.9%	3,049	22.6%
	\$20,000	3,052	7.0%	1,047	7.8%
	\$25,000	3,225	7.4%	875	6.5%
	\$30,000	2,907	6.7%	928	6.9%
	\$35,000	2,688	6.2%	809	6.0%
	\$40,000	3,068	7.1%	887	6.6%
	\$45,000	2,435	5.6%	604	4.5%
	\$50,000	4,895	11.3%	1,604	11.9%
	\$60,000	5,235	12.1%	1,478	11.0%
	\$75,000	3,986	9.2%	1,207	9.0%
	\$100,000	1,531	3.5%	508	3.8%
	\$125,000	683	1.6%	166	1.2%
	\$150,000	525	1.2%	116	0.9%
	\$200,000	473	1.1%	185	1.4%
Total		43,324	100.0%	13,463	100.0%
Median Income		\$41,905		\$40,132	

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



The similarity in the overall median income between the two market areas is mirrored in both owner occupied and renter occupied householder income levels. The median income among renter householders is \$26,284 in the primary market area and \$28,730 in the Bi-County Market Area (Table 15). The median income for owner householders is \$49,276 in the primary market area and \$51,200 in the Bi-County Market Area (Table 16).

Table 15 1999 Renter Household Income Distribution

	Bi-County Market Area		Primary Market Area	
	#	%		
Less than \$10,000	1,565	14.2%	617	18.4%
\$10,000 to \$19,999	2,100	19.1%	635	18.9%
\$20,000 to \$34,999	3,146	28.6%	1,024	30.5%
\$35,000 to \$49,999	2,054	18.7%	519	15.4%
\$50,000 to \$74,999	1,538	14.0%	400	11.9%
\$75,000 to \$99,999	376	3.4%	133	4.0%
\$100,000 or more	213	1.9%	34	1.0%
TOTAL	10,992	100.0%	3,362	100.0%
Median Income	\$28,730		\$26,284	

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

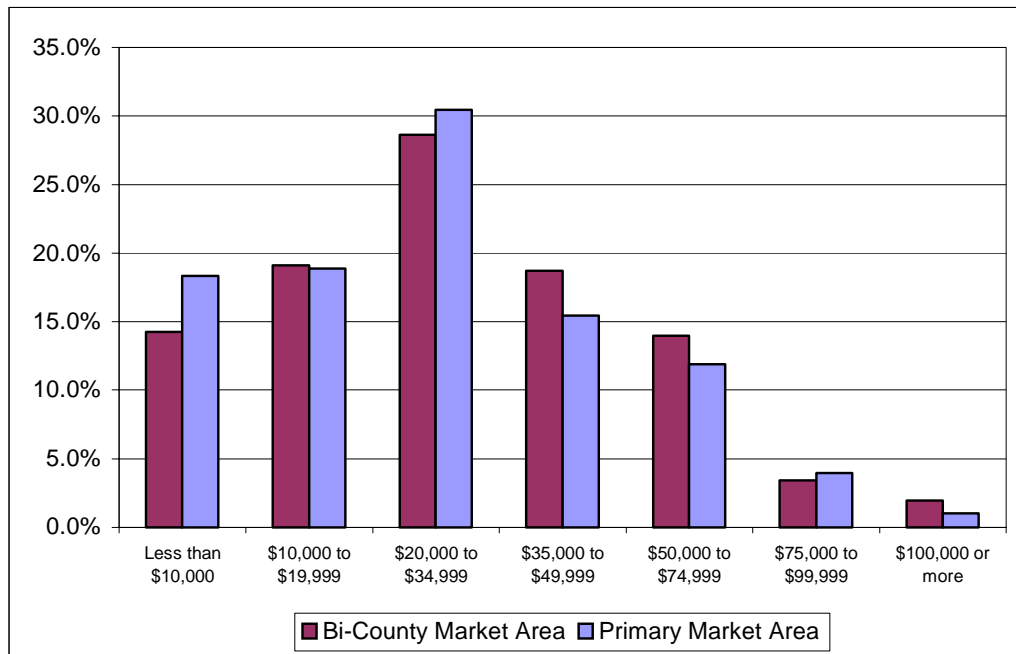
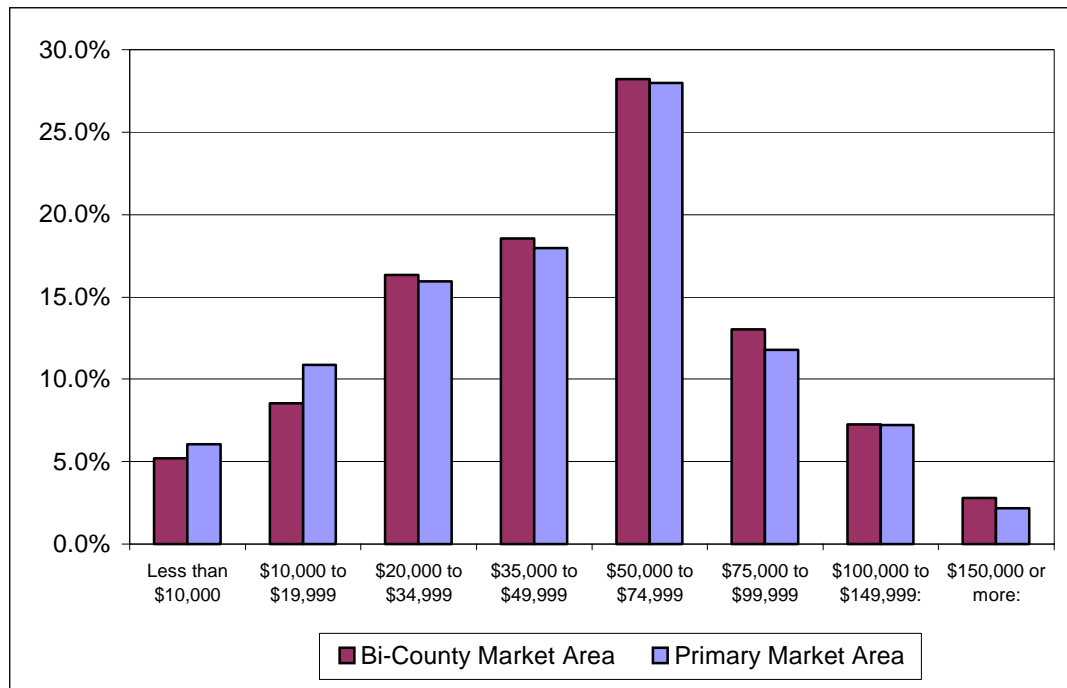


Table 16 1999 Owner Occupied Household Income Distribution

	Bi-County Market Area		Primary Market Area	
	#	%		
Less than \$10,000	1,212	5.2%	427	6.1%
\$10,000 to \$19,999	1,983	8.5%	765	10.9%
\$20,000 to \$34,999	3,794	16.3%	1,122	16.0%
\$35,000 to \$49,999	4,311	18.6%	1,264	18.0%
\$50,000 to \$74,999	6,554	28.2%	1,968	28.0%
\$75,000 to \$99,999	3,033	13.1%	829	11.8%
\$100,000 to \$149,999:	1,690	7.3%	507	7.2%
\$150,000 or more:	652	2.8%	152	2.2%
TOTAL	23,229	100.0%	7,034	100.0%
Median Income	\$51,200		\$49,276	

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



According to the census distribution, 23 percent of renter householders in the primary market area spend more than 35 percent of their income on rent (Table 17). By definition of DCA's market study requirements, these renter households are rent over burdened.

Table 17 Cost Burdened Renter Households, Primary Market Area

Total Households		
Less than 10.0 percent	292	8.7%
10.0 to 14.9 percent	474	14.1%
15.0 to 19.9 percent	514	15.3%
20.0 to 24.9 percent	447	13.3%
25.0 to 29.9 percent	331	9.8%
30.0 to 34.9 percent	277	8.2%
35.0 to 39.9 percent	117	3.5%
40.0 to 49.9 percent	198	5.9%
50.0 percent or more	384	11.4%
Not computed	328	9.8%
Total	3,362	100.0%
> 35% income on rent	699	23.0%

Source: 2000 U.S. Census

V. Supply Analysis

A. Area Housing Stock

Rental development in the primary market area is fairly consistent with the overall development in the Bi-County Market Area in terms of density (Table 18). Half of the rental stock in both areas are in single-family detached, attached or duplex houses. The primary market area has 10.5 percent of its rental units in structures with 10 or more units compared to 9.4 percent in the Bi-County Market Area.

Table 18 2000 Renter Households by Number of Units

Renter Occupied	Bi-County Market Area		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1, detached	4,664	41.3%	1,442	41.3%
1, attached	341	3.0%	43	1.2%
2	791	7.0%	289	8.3%
3-4	1,033	9.1%	419	12.0%
5-9	1,230	10.9%	263	7.5%
10-19	434	3.8%	69	2.0%
20+ units	636	5.6%	298	8.5%
Mobile home	2,174	19.2%	668	19.1%
Boat, RV, Van	1	0.0%	0	0.0%
TOTAL	11,304	100.0%	3,491	100.0%

The rent distribution from the 2000 Census shows that the median rent is \$363 in the primary market area and \$419 in the Bi-County Market Area (Table 19). According to this distribution, only 10 percent of renter householders in the primary market area paid a monthly contract above \$600, above which the majority of the units at The Summit at Georgia North are priced. In comparison, 18 percent of renters in the Bi County market area paid over \$600 in 2000.

The median year built among owner occupied housing units is 1983 in the primary market area and 1984 in the Bi-County Market Area. The median year built among renter occupied households is 1977 for the primary market area and 1978 for Bi-County Market Area. According to the 2000 Census, 37.3 percent of the rental units in the primary market area and 38.8 percent of the Bi-County Market Area's rental units were built between 1990 and 2000.

Table 19 2000 Census Rent Distribution.

	Bi-County Market Area		Primary Market Area	
	Number	Percent	Number	Percent
Less than \$400	4,542	44.9%	1,838	59.6%
\$400 to \$499	2,327	23.0%	665	21.6%
\$500 to \$599	1,460	14.4%	271	8.8%
\$600 to \$699	1,097	10.8%	141	4.6%
\$700 to \$799	370	3.7%	90	2.9%
\$800 to \$899	192	1.9%	15	0.5%
\$900 to \$999	64	0.6%	24	0.8%
\$1,000 to \$1,249	40	0.4%	16	0.5%
\$1,250 and over	22	0.2%	22	0.7%
TOTAL	10,114	100.0%	3,082	100.0%
Median Rent	\$419		\$363	
Renters paying rent	10,114	92.0%	3,082	91.7%
No cash rent	878	8.0%	280	8.3%
Total Renters	10,992	100.0%	3,362	100.0%

Source: U.S. Census of Population and Housing, 2000, STF3 Data.

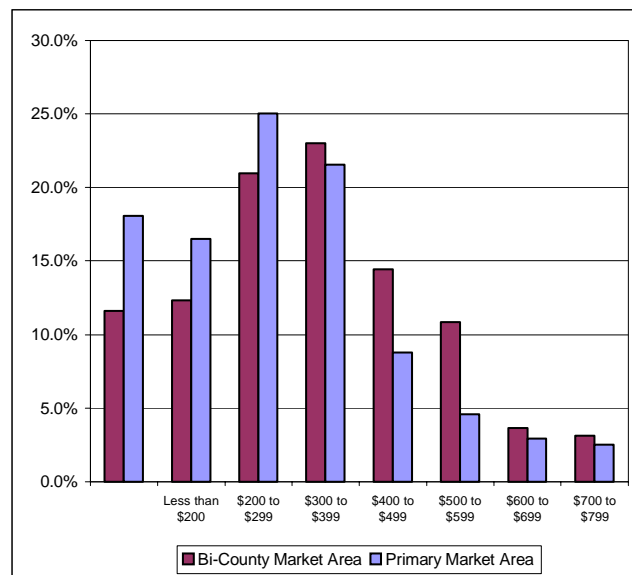


Table 20 Year Property Built

Owner Occupied	Bi-County Market Area		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1999 to 2000	1,444	4.5%	491	4.9%
1995 to 1998	5,985	18.7%	1,702	17.1%
1990 to 1994	4,992	15.6%	1,522	15.3%
1980 to 1989	6,831	21.3%	1,996	20.0%
1970 to 1979	4,586	14.3%	1,538	15.4%
1960 to 1969	3,385	10.6%	1,143	11.5%
1950 to 1959	2,097	6.5%	700	7.0%
1940 to 1949	1,058	3.3%	342	3.4%
1939 or earlier	1,667	5.2%	528	5.3%
TOTAL	32,045	100.0%	9,962	100.0%
MEDIAN YEAR BUILT	1984		1983	

Source: U.S. Census of Population and Housing, 2000, STF3.

Renter Occupied	Bi-County Market Area		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1999 to 2000	276	2.4%	135	3.9%
1995 to 1998	1,416	12.5%	247	7.1%
1990 to 1994	1,073	9.5%	288	8.2%
1980 to 1989	2,703	23.9%	904	25.9%
1970 to 1979	2,201	19.5%	733	21.0%
1960 to 1969	1,198	10.6%	389	11.1%
1950 to 1959	1,080	9.6%	367	10.5%
1940 to 1949	582	5.1%	181	5.2%
1939 or earlier	775	6.9%	247	7.1%
TOTAL	11,304	100.0%	3,491	100.0%
MEDIAN YEAR BUILT	1978		1977	

Source: U.S. Census of Population and Housing, 2000, STF3.

A housing unit is considered to be "substandard" if it meets one of two criteria. This criteria are overcrowded, which is defined as 1.01 or more persons per room, or lacking complete plumbing facilities. In the primary market area, 4.16 percent of the housing units meet one or both of these criteria (Table 21). As shown in the following table, the majority of substandard housing units are a result of overcrowding.

Table 21 Substandard Housing Units

2000 Households	
Owner occupied:	
Complete plumbing facilities:	9,934
1.00 or less occupants per room	9,707
1.01 or more occupants per room	192
Lacking complete plumbing facilities:	35
Overcrowded or lacking plumbing	227
Renter occupied:	
Complete plumbing facilities:	3,441
1.00 or less occupants per room	3,105
1.01 or more occupants per room	219
Lacking complete plumbing facilities:	117
Overcrowded or lacking plumbing	336
Substandard Housing	563
Percent of Housing Stock Substandard	4.16%

Source: 2000 U.S. Census

B. Rental Market

As part of this analysis, Real Property Research Group, Inc. surveyed 15 rental communities in the primary market area. Of these 15 communities, three are located in Adairsville within one mile of the subject site and the remaining twelve communities are located in Calhoun within nine miles of the site. Two of the surveyed communities, Eastgate Properties and Catoosa Senior Village, benefit from LIHTC assistance. A profile sheet of each community is attached as Appendix 5 Community Photos and Profiles. The location of each community is shown on Map 5.

The 15 rental communities surveyed account for 851 dwelling units (Table 22). Twelve of the communities offer all garden style units, one offers duplex units, one offers all townhouse units and one offers both garden and townhouse units. Most buildings are one to two stories in height. There is a wide range in building quality, which is generally proportionate with the age and price point of the community. The newer and larger communities generally feature more attractive exterior features including dormers and gables, varied roof lines, stone and/or brick accents, extensive landscaping, etc.

The multifamily rental stock in the primary market area is relatively young. The average age of the 10 rental communities providing this data is 14 years. Three properties have been constructed within the past three years. Of the remaining seven properties, one was built in the 1990's, five were built in the 1980's, and one was built in the 1970's.

Among the 851 units in the 15 surveyed communities, 24 were reported vacant for a rate of 2.8 percent. Only four of the surveyed communities maintain vacancy rates of above 5 percent. In contrast, nine of the surveyed communities have no vacant units. According to DCA's 2003 Market Study Guide, stabilization is achieved at 90 percent occupancy. In general, a strong market has fewer than 5 percent of its units vacant. The primary market area's vacancy rate of less than three percent is positioned well below these two benchmarks.

Map 5 Competitive Rental Communities

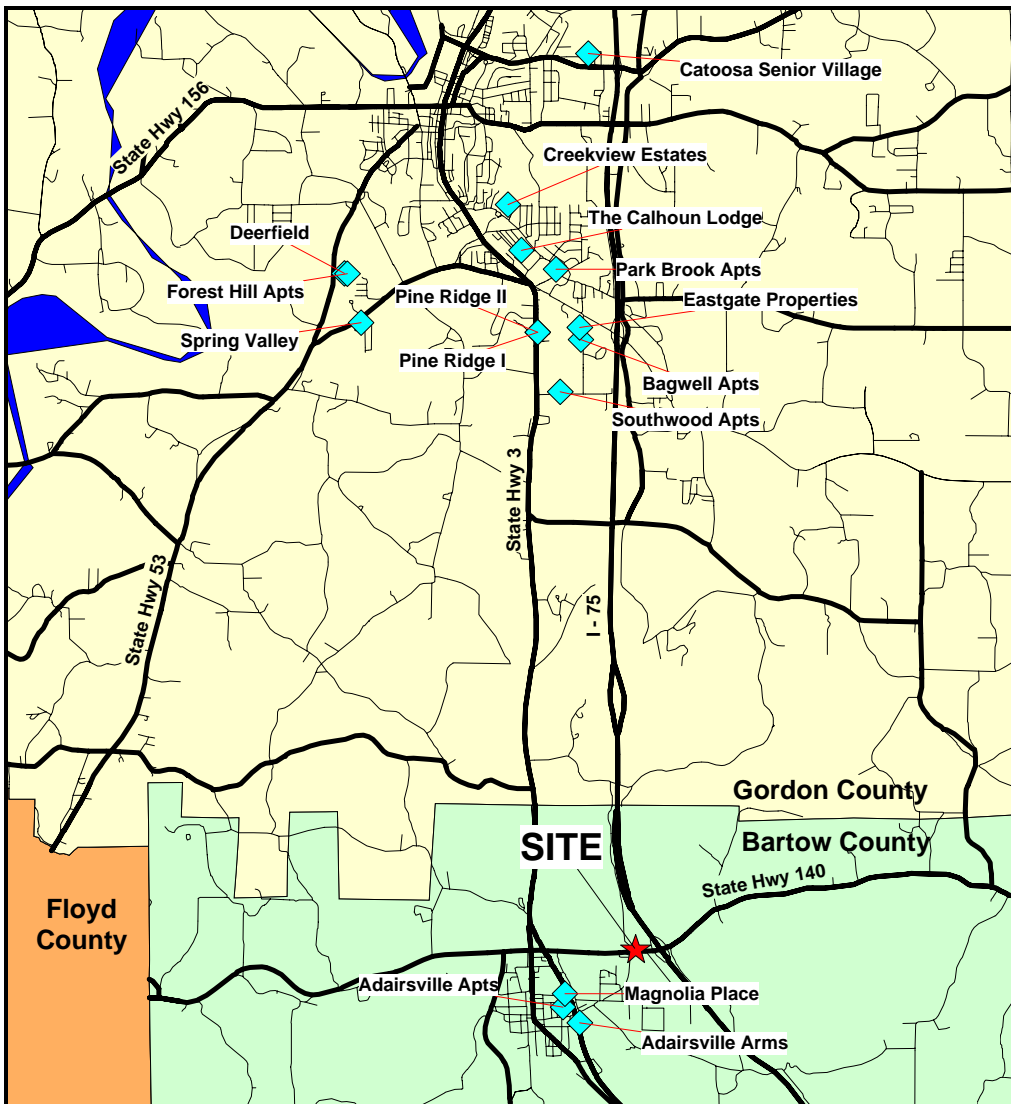


Table 22 Rental Summary

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	(1)	(1)
						Average 1BR Rent	Average 2BR Rent
Subject Site at 30% AMI		Garden/TH	17			\$308	\$366
Subject Site at 50% AMI		Garden/TH	34			\$575	\$665
Subject Site at 60% AMI		Garden/TH	100			\$585	\$665
Subject Site at Market Rate		Garden/TH	17			\$585	\$665
Magnolia Place	2000	Townhouse	32	2	6.3%		\$550
Deerfield	2001	Garden	106	6	5.7%		\$550
Creekview Estates		Duplex	58	2	3.4%	\$450	\$500
Park Brook Apartment	1989	Garden	78	0	0.0%	\$335	\$453
Adairsville Arms	1992	Garden/TH	48	0	0.0%	\$390	\$405
Eastgate Properties		Garden	56	0	0.0%	\$291	\$363
Pine Ridge Apart I	1980	Garden	36	0	0.0%	\$320	\$355
Bagwell Apartments	1978	Garden	60	2	3.3%	\$275	\$350
Pine Ridge Apart II	1982	Garden	24	0	0.0%	\$310	\$345
Catoosa Senior Village	2003	Garden	60	0	0.0%	\$298	\$335
Spring Valley	1984	Garden	40	5	12.5%	\$270	\$300
Forest Hill Apartments	1989	Garden	50	0	0.0%	\$255	\$290
Southwood Apartments		Garden	48	0	0.0%	\$542	
The Calhoun Lodge		Garden	131	7	5.3%	\$440	
Adairsville Apartments	1984	Garden	24	0	0.0%		
Total/Average	1989		851	24	2.8%	\$348	\$400

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

Source: Field Survey, Real Property Research Group, Inc. June, 2003.

The majority of the rental communities in the primary market area offer few common area amenities (Table 23). One property offers a community room, one offers a swimming pool, two offer a fitness center, and five offer a playground. Nine of the 15 properties offer no recreational amenities, four offer one amenity, one offers two amenities, and one offers three amenities. The number of recreational amenities is generally proportionate to the rent level of the community. The proposed amenities at The Summit at Georgia North will surpass any of the existing communities in the market area. The amenities will include a community building with gathering areas, a kitchen, an exercise room, a library, and a computer lab. Additional recreational amenities will include a swimming pool, playground, tot-lot, and picnic areas.

The majority (10) of the 15 surveyed communities includes the cost of water, sewer and trash removal (Table 24). Four of the remaining communities include only the cost of trash removal. One of the communities includes the cost of all utilities. Dishwashers are present at 7 of 15 of the surveyed communities and garbage disposals are included at many. The majority of the properties offer patios or balconies in most or all units and all offer community laundry facilities. All fifteen communities include washer and dryer connections in each unit.

Among the 15 properties surveyed, one and two bedroom units are the most common, as they are each offered at 13 of the communities. Three bedroom units are present at only three of the surveyed communities. Based on the unit distribution among these surveyed communities, 36 percent are one bedroom units, 51 percent are two bedroom units, and 12 percent are three bedroom units.

None of the surveyed rental communities are currently offering rental incentives. The street rents at the existing communities are adjusted to account for the cost of utilities. The average net rent among the surveyed communities is \$344 for a one bedroom unit, \$402 for a two bedroom unit, and \$492 for a three bedroom unit. The average square footages are 711, 901, and 1,100 for the one, two and three bedroom units respectively. The proposed rents at The Summit at Georgia North all income levels except the 30% units are significantly higher than these average rents. The proposed square footages at The Summit at Georgia North are larger than the average for two of

the three floorplans. The proposed rents will be accompanied by new construction, larger units, extensive amenities and an attractive location.

The proposed rents among the 50% and 60% LIHTC units are similar to the proposed market rate rents. These rents are at least \$150 higher than the highest priced comp in the primary market area for all floorplans. The proposed rents are more in line with the Cartersville rental market than with the Adairsville/Calhoun Market. While the primary market area may be able to support a small number of rental units at these price points, 151 of the proposed units are positioned well above the market.

Table 23 Common Area Amenities of Surveyed Communities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Sauna	Playground	Business Center	Gated Entry
Subject Site	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adairsville Apartments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adairsville Arms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bagwell Apartments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Catoosa Senior Village	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Creekview Estates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deerfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Eastgate Properties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forest Hill Apartments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Magnolia Place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Park Brook Apartment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pine Ridge Apart I	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pine Ridge Apart II	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Southwood Apartments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spring Valley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Calhoun Lodge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. June, 2003.

Table 24 Features of Rental Communities in Primary Market Area

Community	Heat Type	Utilities included in Rent						Dishwasher	Parking	In Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash			
Subject Site	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Adairsville Apartments	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Adairsville Arms	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Bagwell Apartments	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Catoosa Senior Village	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Creekview Estates	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Deerfield	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Eastgate Properties	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Forest Hill Apartments	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Magnolia Place	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Park Brook Apartment	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups
Pine Ridge Apart I	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Pine Ridge Apart II	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Southwood Apartments	Electric	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
Spring Valley	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Free Surface Parking	Hook Ups
The Calhoun Lodge	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Free Surface Parking	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. June, 2003.

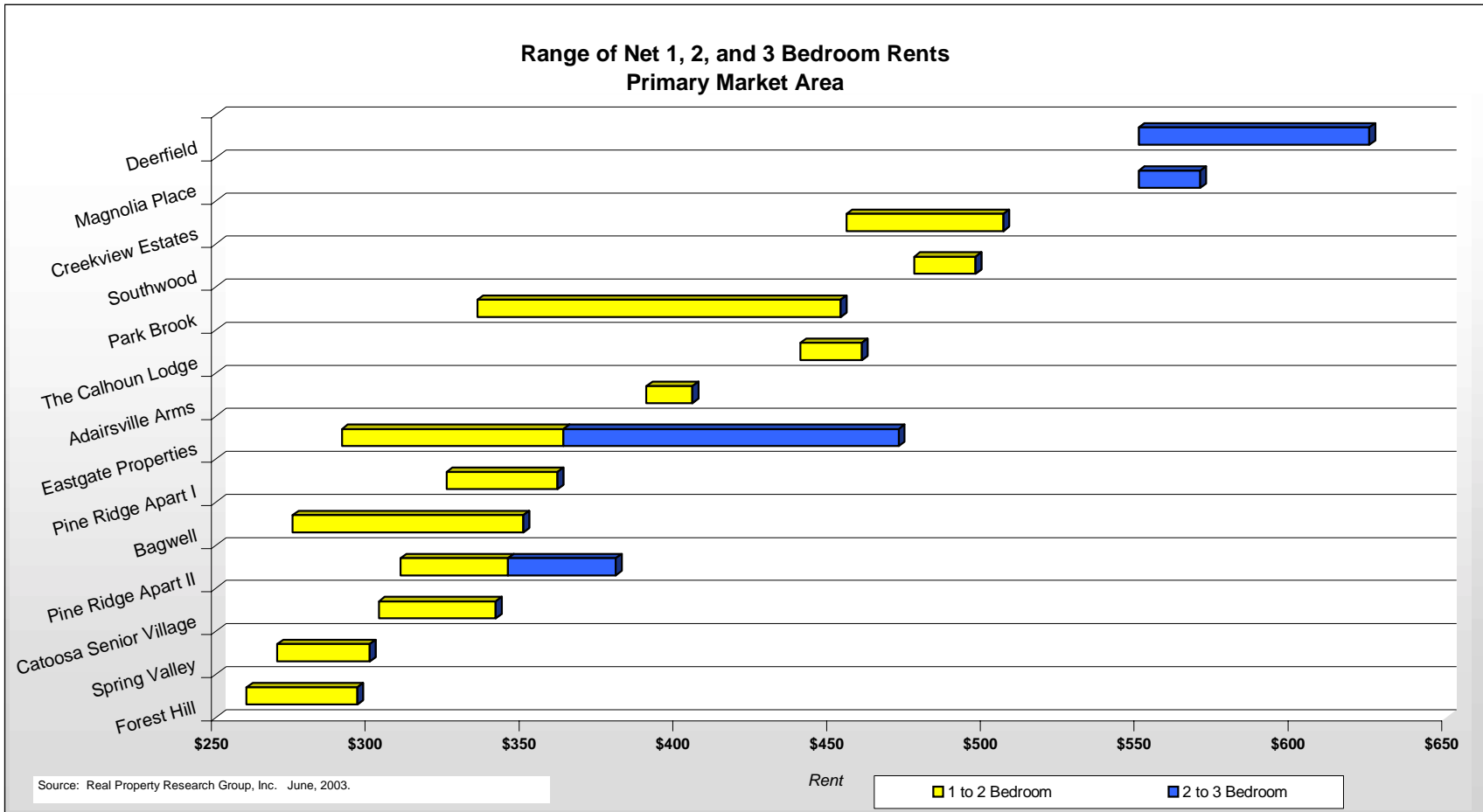
Table 25 Salient Characteristics, PMA Rental Communities

Community	Type	Total Units	(1)				(1)				(1)			
			Units	One Bedroom Units Rent SF Rent/SF	Units	Two Bedroom Units Rent SF Rent/SF	Units	Three Bedroom Units Rent SF Rent/SF						
Subject Site at 30% AMI	Garden/TH	17	5	\$308 662 \$0.47	8	\$366 999 \$0.37	4	\$414 1,277 \$0.32						
Subject Site at 50% AMI	Garden/TH	34	10	\$575 662 \$0.87	16	\$665 999 \$0.67	8	\$755 1,277 \$0.59						
Subject Site at 60% AMI	Garden/TH	100	28	\$585 662 \$0.88	52	\$665 999 \$0.67	20	\$755 1,277 \$0.59						
Subject Site at Market Rate	Garden/TH	17	5	\$585 662 \$0.88	8	\$665 999 \$0.67	4	\$755 1,277 \$0.59						
Deerfield	Garden	106			40	\$550 980 \$0.56	66	\$625 1,100 \$0.57						
Magnolia Place	Townhouse	32			32	\$550 810 \$0.68								
Southwood Apartments	Garden	48	48	\$477										
The Calhoun Lodge	Garden	131		\$440										
Creekview Estates	Duplex	58		\$455 1,000 \$0.46		\$506 1,200 \$0.42								
Park Brook Apartment	Garden	78	32	\$335 680 \$0.49	41	\$453 1,035 \$0.44								
Adairsville Arms	Garden/TH	48	16	\$390 550 \$0.71	32	\$405 750 \$0.54								
Eastgate Properties	Garden	56	12	\$291 684 \$0.43	32	\$363 829 \$0.44	12	\$472 1,100 \$0.43						
Pine Ridge Apart I	Garden	36	8	\$325	28	\$361								
Bagwell Apartments	Garden	60	48	\$275 750 \$0.37	12	\$350 850 \$0.41								
Pine Ridge Apart II	Garden	24	8	\$310	12	\$345	4	\$380						
Catoosa Senior Village	Garden	60	28	\$303 762 \$0.40	32	\$341 1,002 \$0.34								
Spring Valley	Garden	40	16	\$270	24	\$300								
Forest Hill Apartments	Garden	50	14	\$260	36	\$296								
Adairsville Apartments	Garden	24	8		16		650							
Average / Total		851		\$344 711 \$0.48		\$402 901 \$0.45		\$492 1,100 \$0.45						
Unit Distribution		657	238		337		82							
% of Total		77%	36%		51%		12%							

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

Source: Field Survey, Real Property Research Group, Inc. June, 2003.

Figure 3 Range of Net Rents



As the figure on the preceding page illustrates, there is one break in the range of net rents in the primary market area. Deerfield and Magnolia Place represent the upper-end of the rental market and are separated from the remainder of the rental stock. The rental communities from Creekview Estates to Eastgate Properties represent the middle of the rental market. The communities from Pine Ridge for Forest Hill are the lower end of the rental market. The exception to this is Catoosa Senior Village, which is a newly constructed LIHTC community. Although priced near the bottom of the range of net rents, this community is one of the more visually appealing communities in the primary market area.

C. Proposed Developments

According to development officials with Gordon County and Bartow County, there is no upcoming development of comparable rental communities within the boundaries of the PMA.

No DCA allocations have been made in Bartow County since 1998. Two communities have received allocations in Gordon County over the past four years. These two communities, Catoosa Senior Village and Eastgate Properties, have been constructed and are fully leased.

VI. Findings and Conclusions

A. Findings

Based on this review of economic and demographic characteristics of the primary market area and Bi-County Market Area and competitive housing trends, we arrive at the following findings:

The subject property is located on the north side of Highway 140 just west of its intersection Interstate 75 northeast of downtown Adairsville.

- The site is a 17.2 acre tract on the north side of Highway 140 just west of Interstate 75. The site consists primarily of undeveloped, cleared land with many scattered pine trees. The proposed site is bordered to the north, east, and south by undeveloped land. The site is bordered to the south by Highway 140 and existing commercial establishments.
- Ingress and egress will be the new access road. No problems are expected with ingress or egress. The traffic on Highway 140 is only moderately heavy during peak hours and should not present issues with residents entering or exiting the community.
- The proposed community will be compatible with surrounding land uses. The majority of the development in the immediate area surrounding the site consists of residential and light commercial/industrial uses. The majority of the surrounding land is zoned residential or commercial. The zoning is not expected to change. The proposed site is located within one quarter mile of Princeton Glen, a for-sale townhouse community under construction and priced from \$70,000.

Bartow County has an established economy with a stable outlook for future growth.

- In 2001, employment had reached 30,689 as job growth averaged over 950 jobs annually since 1990. Overall, the county has experienced a net increase of over 10,500 jobs since 1990. Data through the third quarter of 2002 shows that Bartow County has experienced an increase of 850 jobs or 2.8 percent over 2001's year-end total.
- Unemployment rates in Bartow County have remained slightly higher than the unemployment rates in the state of Georgia, while following similar trends. The overall unemployment rate has decreased significantly from the decade high of 8.3 percent in 1992, as the year-end unemployment rate in 2002 was 6.1 percent. The unemployment rate in Bartow County increased 1.5 percentage points in 2002, compared to a 0.6 and 0.9 percentage point increases in Georgia and the United States, respectively.

Both the primary market area and the Bi-County Market Area have experienced steady growth over the past ten years. Growth in both areas is expected to continue.

- Based on 1990 and 2000 Census data, the PMA experienced an increase of 3,110 households, while the Bi-County Market Area increased by a total of 10,480 households. This change equates to a 30.1 percent increase in the primary market area compared to a 31.9 percent increase in the Bi-County Market Area. The annual compounded rates of household growth were 2.7 percent in the PMA and 2.8 percent in the Bi-County Market Area.
- Projections show that the PMA's household count is expected to increase by 1,471 or 10.9 percent by 2005 compared to an increase of 5,029 households or 11.6 percent in the Bi-County Market Area. Annual increases are projected to be 294 households or 2.1 percent in the primary market area and 1,006 households or 2.2 percent in the Bi-County Market Area.

The primary market area's households are generally older and less affluent than the Bi-County Market Area.

- Census data indicates that the Bi-County Market Area has a heavier concentration of its population in the younger age brackets, while the primary market area has a higher percentage in the middle-age and older adult age brackets. Renters are most common among householders age 25 to 44 years of age. This age grouping accounts for 32.4 percent of Bi-County Market Area's population and 31.4 percent of the primary market area's population.
- The primary market area has a higher percentage of married households (61.9 percent versus 61.3 percent) when compared to the Bi-County Market Area. In the primary market area, 36.5 percent of households have children present compared to 37.3 percent in Bi-County Market Area. The primary market area has a slightly higher percentage of both families without children and single person households.
- The primary market area has a similar, but slightly lower percentage of renter occupied households than does the Bi-County Market Area. In 2000, 25.9 percent of the householders in the PMA were renters. In comparison, 26 percent of the Bi-County Market Area householders rented.
- Census data indicates that the 1999 median household income for the primary market area was \$40,132, which is 96 percent of the \$41,905 median income in the Bi-County Market Area.
- Over one-half (56.3 percent) of primary market area householders earn between \$20,000 and \$45,000, the income grouping to be targeted by the proposed rental units. The Bi-County Market Area has 54.3 percent earning within this range.

The rental stock has expanded little over that past two decades. A wide variety of property types and amenities are represented in the primary market area.

- Half the rental stock in the primary market area and the Bi-County Market are in either single-family detached homes, attached homes or duplexes. The primary market area only has 9.5 percent of its rental units in structures with 5 to 20 units compared to 14 percent in the Bi-County Market Area.
- The rent distribution from the 2000 Census shows that the median rent is \$363 in the primary market area and \$419 in the Bi-County Market Area. According to this distribution, 58 percent of renter householders in the primary market area paid a monthly contract rent between \$300 and \$600. Only 10 percent of renters paid over \$600, compared to 18 percent of renters in the Bi-County Region.
- The 15 rental communities surveyed account for 851 dwelling units and the average age of the 10 rental communities provided year built data is 14 years. Three properties have been constructed within the past three years. Of the remaining seven properties, one was built in the 1990's, five were built in the 1980's, and one was built in the 1970's.
- Among the 851 units in the 15 surveyed communities, 24 were reported vacant for a rate of 2.8 percent. Only four of the surveyed communities maintain vacancy rates of above 5 percent. In contrast, nine of the surveyed communities have no vacant units.
- Based on the unit distribution among these surveyed communities, 36 percent are one bedroom units, 51 percent are two bedroom units, and 12 percent are three bedroom units.
- None of the surveyed rental communities are currently offering rental incentives. The street rents at the existing communities are adjusted to account for the cost of utilities. The average net rent among the surveyed communities is \$344 for a one bedroom unit, \$402 for a two bedroom unit, and \$492 for a three bedroom unit. The average square footages are 711, 901, and 1,100 for the one, two and three bedroom units respectively.

B. Demand

Based on household projections discussed in Section VI of this report, we estimate that 14,617 households reside in the market area in 2004, which will increase to 15,556 by 2007. Based on these estimates, we have computed an estimate of demand for rental housing in this market (Table 26).

- Based on the projected household growth in the primary market area, there will be demand for 939 household units over the next three years.
- It is assumed that 0.25 percent of the housing stock in the primary market area will be lost due to demolition, natural disaster, or fire on an annual basis. This is conservative rate given the age of the housing stock in the PMA. A total of 107 units will be removed from the market by 2007, which increases the overall housing demand to 1,046.
- Based on 2000 Census data, 25.9 percent of householders were renters. Applying this rate to the projected number of households, we project a potential pool of 271 renters in 2007.
- Typically, it is assumed that a five percent vacancy rate is required to keep a rental market relatively fluid, e.g. giving people a choice of where they wish to live in a rental unit. As a result, 19 units must be added to the market to achieve 5 percent vacancy.
- Thus, total rental demand for rental housing would be 289 in 2007.
- In order to determine the net excess demand for rental housing, upcoming units including the subject property are subtracted from the total rental demand. The proposed 168 units at The Summit at Georgia North are the only units known to be in the pipeline.
- Subtracting the 168 units proposed at the subject property, we derive an excess rental demand for 121 rental units in the market area.

Table 26 Derivation of Demand.

Derivation of Demand

<i>Demand</i>				<i>Units</i>
2004 Households				14,617
2007 Households				15,556
Household Growth 2004 to 2007				939
Add: Units Removed from Market				107
Overall Housing Demand				1,046
Percent Renter Households				25.9%
Demand for Rental Units				271
Competitive Inventory				
	<u>Inventory</u>	<u>Vacant</u>		
Stablized Multifamily Communities Properties in Lease Up New Projects Leased through 01/04	851	24		
	851	24		
Market Vacancy at 5%			43	
Less: current Vacant Units			-24	
Vacant units required to reach 5% Market Vacancy				19
Total Rental Demand				289
<i>Supply</i>				
	Vacant Units	Lease Up in 2003	2004 Supply	
Subect Site	104	0	104	
Total New Rental Supply				168
Excess Demand for Rental Housing				121

C. Affordability Analysis

To understand the depth of the rental market for affordable housing in the primary market area, we have conducted an affordability analysis for the proposed units (Table 27). A penetration rate is determined which reflects the number of income qualified households in the market the subject property must capture in order to gain full occupancy.

- To calculate the income distribution for 2005, we projected incomes based on 2000 Census data on total income distribution, renter household income distribution and trends in per capita income since 1999. Following HUD guidelines, maximum income limits were imposed on potential renters. Assuming 1.5 persons for a one bedroom unit, 3 persons for two bedroom units, 4.5 persons for three bedroom units, the income limits were translated into maximum rent limits.
- Using a 35 percent underwriting criteria, we determined that the gross one bedroom rent (\$400) for the 30 percent one bedroom units would be affordable to households earning a minimum of \$13,714, which includes 13,117 households in the primary market area.
- Based on the 2003 HUD 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 12,750 households within the primary market area have incomes above that maximum.
- Subtracting the 12,750 households with incomes above the maximum income from the 13,117 households that could afford to rent this unit, we compute that 368 households are within the band of being able to afford the proposed rent. The proposed five 30 percent one bedroom units would require a penetration rate of 1.4 percent of all qualified households. Among renter households, the penetration rate for this floorplan is 2.9 percent. 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 168 units, the project will need to absorb 2.2 percent of the 7,472 households that

earn between \$13,714 and \$59,238 in the primary market area. For renter households, the 104 proposed units must capture 6.6 percent of the income qualified renter households.

- Affordability by floorplan indicates that there is a sufficient number of income qualified households for all floorplans.

Table 27 Affordability Analysis for The Summit at Georgia North.

	One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
30% Units	Base Price	Minimum	Maximum	Base Price	Minimum	Maximum	Base Price	Proposed	Maximum
	Number of Units	5		Number of Units	8		Number of Units	4	
	Net Rent	\$308		Net Rent	\$366		Net Rent	\$414	
	Gross Rent	\$400		Gross Rent	\$480		Gross Rent	\$555	
	% Income Spent for Shelter	35%		% Income Spent for Shelter	35%		% Income for Shelter	35%	
	Income Range	\$13,714	\$16,020	Income Range	\$16,457	\$19,224	Income	\$19,029	\$22,214
	Range of Qualified Hslds	13,117	12,750	Range of Qualified Hslds	12,680	12,220	Band of Qualified Hslds	12,253	11,712
	# Qualified Households	368		# Qualified Households	460		# Qualified Households	541	
	Unit Total HH Capture Rate		1.4%	Unit Total HH Capture Rate		1.7%	Unit Total HH Capture Rate		0.7%
	Range of Qualified Renters	3,059	2,888	Range of Qualified Renters	2,855	2,641	Range of Qualified Renters	2,656	2,404
# Qualified RenterHouseholds	171		# Qualified RenterHouseholds	215		# Qualified RenterHouseholds	253		
Unit Renter HH Capture Rate		2.9%	Unit Renter HH Capture Rate		3.7%	Unit Renter HH Capture Rate		1.6%	
50% Units	Base Price	Minimum	Maximum	Base Price	Minimum	Maximum	Base Price	Proposed	Maximum
	Number of Units	10		Number of Units	16		Number of Units	8	
	Net Rent	\$575		Net Rent	\$665		Net Rent	\$755	
	Gross Rent	\$667		Gross Rent	\$779		Gross Rent	\$896	
	% Income Spent for Shelter	35%		% Income Spent for Shelter	35%		% Income for Shelter	35%	
	Income Range	\$22,869	\$26,700	Income Range	\$26,709	\$32,040	Income	\$30,720	\$37,024
	Range of Qualified Hslds	11,600	10,844	Range of Qualified Hslds	10,842	9,875	Band of Qualified Hslds	10,096	9,019
	# Qualified Households	757		# Qualified Households	967		# Qualified Households	1,077	
	Unit Penetration Rate		1.3%	Unit Penetration Rate		1.7%	Unit Penetration Rate		0.7%
	Range of Qualified Renters	2,352	2,062	Range of Qualified Renters	2,061	1,697	Range of Qualified Renters	1,780	1,374
# Qualified RenterHouseholds	290		# Qualified RenterHouseholds	364		# Qualified RenterHouseholds	406		
Unit Renter HH Penetration Rate		3.4%	Unit Renter HH Penetration Rate		4.4%	Unit Renter HH Penetration Rate		2.0%	
60% Units	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
	Number of Units	28		Number of Units	52		Number of Units	20	
	Net Rent	\$585		Net Rent	\$665		Net Rent	\$755	
	Gross Rent	\$677		Gross Rent	\$779		Gross Rent	\$896	
	% Income for Shelter	35%		% Income for Shelter	35%		% Income for Shelter	35%	
	Income	\$23,211	\$32,040	Income	\$26,709	\$38,448	Income	\$30,720	\$44,429
	Range of Qualified Hslds	11,542	9,875	Range of Qualified Hslds	10,842	8,767	Band of Qualified Hslds	10,096	7,793
	# Qualified Households	1,667		# Qualified Households	2,075		# Qualified Households	2,303	
	Unit Penetration Rate		1.7%	Unit Penetration Rate		2.5%	Unit Penetration Rate		0.9%
	Range of Qualified Renters	2,325	1,697	Range of Qualified Renters	2,061	1,279	Range of Qualified Renters	1,780	999
# Qualified RenterHouseholds	628		# Qualified RenterHouseholds	782		# Qualified RenterHouseholds	781		
Unit Renter HH Penetration Rate		4.5%	Unit Renter HH Penetration Rate		6.7%	Unit Renter HH Penetration Rate		2.6%	
Market Rate	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum	Base Price	Proposed	Maximum
	Number of Units	5		Number of Units	8		Number of Units	4	
	Net Rent	\$585		Net Rent	\$665		Net Rent	\$755	
	Gross Rent	\$677		Gross Rent	\$779		Gross Rent	\$896	
	% Income for Shelter	35%		% Income for Shelter	35%		% Income for Shelter	35%	
	Income	\$23,211	\$42,720	Income	\$26,709	\$51,264	Income	\$30,720	\$59,238
	Range of Qualified Hslds	11,542	8,057	Range of Qualified Hslds	10,842	6,664	Band of Qualified Hslds	10,096	5,645
	# Qualified Households	3,485		# Qualified Households	4,179		# Qualified Households	4,450	
	Unit Capture Rate		0.1%	Unit Capture Rate		0.2%	Unit Capture Rate		0.1%
	Range of Qualified Renters	2,325	1,060	Range of Qualified Renters	2,061	740	Range of Qualified Renters	1,780	524
# Qualified RenterHouseholds	1,265		# Qualified RenterHouseholds	1,321		# Qualified RenterHouseholds	1,256		
Unit Renter HH Penetration Rate		0.4%	Unit Renter HH Penetration Rate		0.6%	Unit Renter HH Penetration Rate		0.3%	

Gross Penetration Rate by Income			Total Households				Renter Households					
			Band of Qualified HHs		# Qualified HHs		Band of Qualified HHs		# Qualified HHs			
30% Units	17	<i>Income HHs</i>	\$13,714	\$22,214	1,405	1.2%	Penetration Rate	\$13,714	\$22,214	656	2.6%	Penetration Rate
			13,117	11,712				3,059	2,404			
50% Units	34	<i>Income HHs</i>	\$22,869	\$37,024	2,581	1.3%	Penetration Rate	\$22,869	\$37,024	977	3.5%	Penetration Rate
			11,600	9,019				2,352	1,374			
60% Units	100	<i>Income HHs</i>	\$23,211	\$44,429	3,749	2.7%	Penetration Rate	\$23,211	\$44,429	1,325	7.5%	Penetration Rate
			11,542	7,793				2,325	999			
Market Rate	17	<i>Income HHs</i>	\$23,211	\$59,238	5,896	0.3%	Penetration Rate	\$23,211	\$59,238	1,801	0.9%	Penetration Rate
			11,542	5,645				2,325	524			
Total Units	168	<i>Income HHs</i>	\$13,714	\$59,238	7,472	2.2%	Penetration Rate	\$13,714	\$59,238	2,535	6.6%	Penetration Rate
			13,117	5,645				3,059	524			

Source: 2000 U.S. Census, estimates, Real Property Research Group, Inc.

D. DCA Demand Calculations

We believe that the demand and affordability methodology shown in the preceding sections is an accurate and reliable measure of project feasibility. As the proposed development will be applying for nine percent tax credits from the Georgia Department of Community Affairs, this section illustrates demand per the methodology in DCA's Market Study Requirements.

DCA's demand methodology consists of three components. The first 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 US Census data, the percentage of households in the primary market area that are "substandard" is 4.16 percent (Table 21).

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 between 2000 and 2005.

The final 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 Census data, 23 percent of renter households are categorized as cost burdened (Table 17).

DCA requires that demand be calculated with several variations. Demand and capture rates are to be calculated for all low income units, all market rate units, on a floorplan basis, and pursuant to conversations with DCA underwriting staff, total demand for all units.

DCA considers units that have been constructed within the past three years to have an impact on the future demand for new development. For this reason, the units constructed within the past three years and those planned within the primary market area are subtracted from the estimate of demand. As these communities offer a wide range of unit types at varying levels of the AMI, this subtraction is done prior to applying the subject property's income qualification to the demand estimate. A detailed list of those units subtracted from the demand estimate can be found on the following page in Table 28.

The capture rate for all LIHTC units is 33.4 percent. This calculation is based on the income band derived from the minimum income limit for the 30% units and the maximum income limit for the 60% units. Based on these capture rates, there does not

appear to be sufficient income qualified demand for the proposed LIHTC units in the primary market area. Currently only ten percent of the unit is market rate. The LIHTC capture rates could only be lowered by decreasing the number of total LIHTC units. This modification would not lower the overall capture rate of 29.7 percent.

Table 28 Recently Built and Pipeline Units

Property	Total Units	One Bedroom Units		Two Bedroom Units	
		Market	LIHTC (50%)	Market	LIHTC (50%)
Deerfeild	106	40		66	
Magnolia Place	32			32	
Catoosa Senior	60		28		32
Total	198	40	28	98	32

Table 29 DCA Demand Estimates

<i>Primary Market Area Demand</i>	<i>LIHTC Units</i>	<i>Market Rate Units</i>	<i>Total Units</i>
Substandard Households	145	145	145
Renter Household Growth	381	381	381
Cost Burdened Renter HH's	802	802	802
Total Demand	1,328	1,328	1,328
Recent and Pipeline Units	60	138	198
Net Demand	1,268	1,190	1,130
% Income Qualified	35.68%	39.5%	50.06%
Income Qualified Demand	452	470	566
Units in Subject Property	151	17	168
Capture Rate	33.4%	3.6%	29.7%

Table 30 Detailed Gross Demand Estimates

Demand from Substandard Households

2000 Households 13,453	times	Substandard Percentage 4.16%	equals	2000 Substandard Households 560
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2000 Substandard Households 560	times	% of Renters Per Census 25.87%	equals	2000 Substandard Renter Households 145
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Demand from Household Growth

2005 Households 14,924	minus	2000 Households 13,453	equals	Household Change 1,471
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Household Change 1,471	times	% of Renters Per Census 25.87%	equals	Renter Household Change 381
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Demand from Cost Burdened Renters

2000 Households 13,453	times	% of Renters Per Census 25.87%	equals	2000 Renter Households 3,480
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2000 Renter Households 3,480	times	% Cost Burdened 23.04%	equals	2000 Cost Burdened Renter Households 802
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E. DCA Estimates and Capture Rates by Floorplan

Table 31 Tax Credit Demand Estimates and Capture Rates by Floorplan and Income Level

	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
	30%	50%	60%	Market Rate	30%	50%	60%	Market Rate	30%	50%	60%	Market Rate
Substandard Households	145	145	145	145	145	145	145	145	145	145	145	145
Renter Household Growth	381	381	381	381	381	381	381	381	381	381	381	381
Cost Burdened Households	802	802	802	802	802	802	802	802	802	802	802	802
Total Demand	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328
Pipeline and Recent Units	0	28	0	40	0	32	0	98	0	0	0	0
Net Demand	1,328	1,300	1,328	1,288	1,328	1,296	1,328	1,230	1,328	1,328	1,328	1,328
% Income Qualified	4.44%	7.51%	16.26%	32.76%	5.56%	9.44%	20.25%	34.22%	6.54%	10.51%	20.22%	32.53%
Income Qualified Demand	59	98	216	422	74	122	269	421	87	140	269	432
Proposed Units	5	10	28	5	8	16	52	8	4	8	20	4
Capture Rate	8.5%	10.2%	13.0%	1.2%	10.8%	13.1%	19.3%	1.9%	4.6%	5.7%	7.4%	0.9%

	30%	50%	60%	Market Rate
Substandard Households	145	145	145	145
Renter Household Growth	381	381	381	381
Cost Burdened Households	802	802	802	802
Total Demand	1,328	1,328	1,328	1,328
Pipeline and Recent Units	0	0	60	138
Net Demand	1,328	1,328	1,268	1,190
% Income Qualified	13.93%	19.36%	33.09%	39.60%
Income Qualified Demand	185	257	420	471
Proposed Units	17	34	100	17
Capture Rate	9.19%	13.22%	23.84%	3.61%

The “PMA Total Demand” figure shown in the preceding table shows the demand from the three 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 highest capture rate among the various floorplans and income levels is 23.84 percent for the 60% units.

Although there seems to be a contradiction between the demand by floorplan and the overall demand estimates, there is not. The lower capture rates by floorplan and income level are a result of the overlaps in the income bands. For example, the householders falling within the upper end of the income band of the 50 percent units are also qualified for some of the floorplans at 60 percent. As result, there some double counting in the demand by floorplan calculations. In this case, the capture rate for all LIHTC units (33.4 percent) is more accurate than the demand by floorplan calculations.

F. Project Feasibility

Looking at the proposed The Summit at Georgia North compared to existing rental alternatives in the market, the project’s appeal and strength is as follows:

Community Design: The proposed development will be the most attractive community in the primary market area. The new modern design characteristics and up-scale community design will be competitive within the primary market area, which has seen little new product development over the past two decades.

Location: The proposed site is located in an established area of northern Bartow County. The proposed site is located conveniently to shopping, education, health care, public transportation, and area traffic arteries.

Amenities: The proposed The Summit at Georgia North will offer more unit and community amenities than all of the existing rental communities in the primary market area. The proposed amenities, including appliance package, is appropriate given the proposed rent levels.

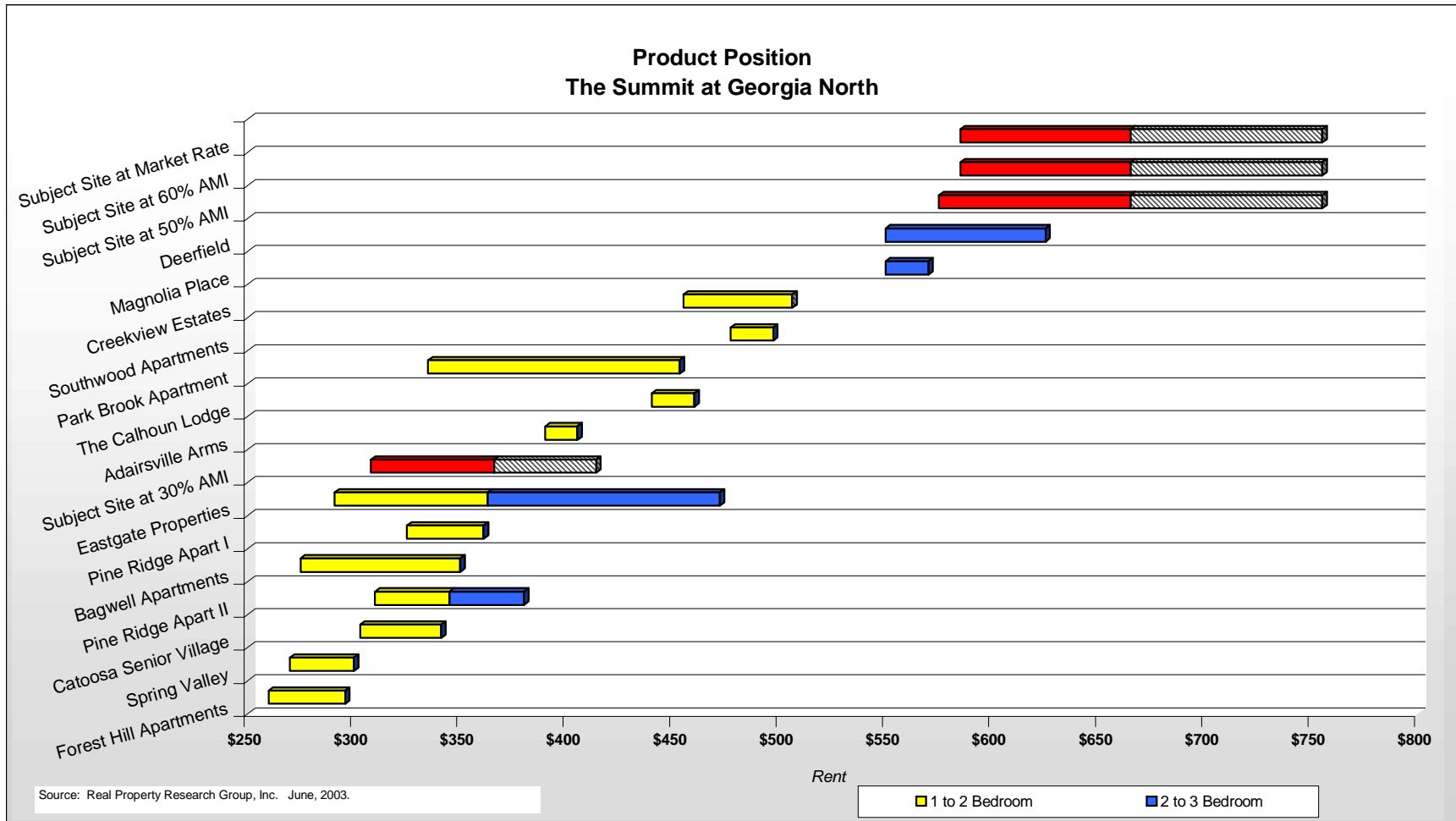
Unit Mix: The unit mix distribution of the 168 units at The Summit at Georgia North Apartments is appropriate and compatible with the existing rental stock. The one and two bedroom units will appeal to single person householders or small to medium sized families while the three bedroom units will appeal to larger families and those desiring additional space. The proposed unit mix is appropriate. The 168 proposed units will make The Summit at Georgia North the largest community in the primary market area.

Unit Size: With square footages of 662 for a one bedroom unit, 999 for a two bedroom unit and 1,277 for a three bedroom unit, The Summit at Georgia North will be competitive with the existing rental stock. The two and three bedroom sizes are larger than the average among existing communities. The one bedroom units are under the average size.

Price: The proposed 30 percent units are priced in the middle of the range of net rents in the primary market area. The proposed 50 percent, 60 percent and market rate rents are positioned at the top of range of net rent among surveyed rental communities (Figure 4). In fact, the proposed 60 percent and market rate rents are priced at least \$150 above the highest priced rental units in the market area for each floorplan. While the proposed product design and amenities may warrant these higher rents, it is unlikely at there are a sufficient number of renter households willing or able to pay these high rents. These high rent levels may be achievable in southern Bartow County (Cartersville), however Adairsville is located more than 15 miles north of Cartersville and is much more rural in nature. The Adairsville market is much more similar to Calhoun than it is to Cartersville. It is unrealistic to expect a rental community in Adairsville to command rental rates found at communities in the more suburban Cartersville.

Demand: While the net demand analysis shows excess demand for additional rental units, the affordability analysis and subsequent capture rates indicate an insufficient number of income qualified renter householders to support the proposed LIHTC units.

Figure 4 Product Position, The Summit at Georgia North



G. Absorption Estimate

Three of the 15 communities surveyed have been built within the past three years. According to management, Deerfield leased an average of 12 units per month during its initial lease up period. Magnolia Place leased is 32 units in approximately two months for an average monthly absorption of 16 units. These two communities are the most comparable community to the proposed development in the primary market area. The third community built within the few years is Catoosa Senior Village. As the name implies, this community is age restricted, however it is the newest community in the market area and is LIHTC in nature. This community leased its 60 units at an average rate of 20 units per month.

We believe that given the competitive rents, extensive amenities, and tight rental market, the seventeen 30 percent units at The Summit at Georgia North Apartments will lease rapidly and be 100 percent leased within one to two months.

The high rents proposed for the remaining income levels will result in a challenging lease-up for these 151 units. The proposed rents for the 50 percent, 60 percent, and market rate units are priced well above the market. It is our feeling that the number of units at these rents is too high. The demand estimates and capture rate confirm this belief as there is insufficient income qualified demand from DCA's demand components to fill the units.

At a result, the higher priced units will lease at a much slower pace than the 30 percent units. It is anticipated that the 151 units priced well above the existing stock will lease at an average monthly rate of 7 units. At this rate, these units will reach 95 percent occupancy within 22 months. Lease up periods over one year present an additional problem as turnover from the initial leases expire prior to reaching stabilization.

We hope you find this analysis helpful in your decision making process.

H. Interviews

Interviews, both in-person and over the phone, were conducted with variety of individuals during the completion of this report. Pertinent information gathered through this interview process is used throughout this report.

Interviewees include the property managers or leasing consultants for all rental communities surveyed. The information included in Section V. Supply Analysis beginning on page 42 was obtained through surveys (interviews) of these existing communities.

Additional interviews were conducted with The Gordon County Chamber of Commerce (Diane Mowry), The Cartersville-Bartow Chamber of Commerce (Libi Hobgood and Becky Dobbs), The Adairsville Housing Authority, and the Housing Authority of Calhoun.

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 certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report.



Tad Scepianiak
Regional Director
Real Property Research Group, Inc.

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

Appendix 3 Resumes

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. Mr. Scepaniak not only works with developers in their efforts to obtain tax credit financing, but also has received large contracts with state housing agencies including North Carolina Housing Finance Agency and Georgia Department of Community Affairs.

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.

Education:

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

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 DCA Market Study Checklist

A. Executive Summary

1	Market demand for subject property given the economic conditions of the area.	Page	IV
2	Projected Stabilized Occupancy Level and Timeframe.	Page	VII, VIII
3	Appropriateness of unit mix, rent and unit sizes.	Page	VII
4	Appropriateness of interior and exterior amenities including Appliances. Location and distance of subject property in relationship to local amenities. <i>A brief description of location is given in the executive summary with conclusion regarding proximity of neighborhood amenities. Proximity to specific amenities is given in more detail in the location analysis section.</i>	Page	VII
5	Discussion of capture rates in relationship to subject.	Page	III, IV
6	Conclusion regarding the strength of the market for subject.	Page	VI
7		Page	VI, VII, VIII

B. Project Description

	Project address, legal description and location. <i>A legal description is not provided as it was not available. Legal descriptions are not considered a concern regarding feasibility or appeal of the site.</i>	Page	3
1	Number of units by unit type.	Page	13
2	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc).	Page	13
3	Rents and Utility Allowance*.	Page	2
4	Existing or proposed project based rental assistance. <i>There will be no project based rental assistance.</i>	Page	N/A
5	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.).	Page	12, 13
6	For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property.	Page	N/A
7	Projected placed in service date. <i>Not Provided.</i>	Page	N/A
8	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page	1, 12
9	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page	1
10	Special Population Target (if applicable).	Page	N/A
11			

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst.	Page	IV
2	Physical features of Subject Property and Adjacent Uses.	Page	3
3	Subject Photographs (front, rear, and side elevations as well as street scenes).	Page	4
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject.	Page	11, 12
5	Developments in vicinity to subject and proximity in miles (Identify developments surrounding subject on all sides) - zoning of subject and surrounding uses.	Page	3, 11, 12

6	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject. <i>A map of all surveyed rental communities is provided. Many of these are low income housing communities. Any large public housing or section 8 communities located within close proximity to the subject site would be noted in the site location narrative and on the site map.</i>	Page	43
	Road or infrastructure improvements planned or under construction in the PMA. <i>No road or infrastructure improvements were identified that would impact the</i>		
7	<i>viability of the proposed development.</i>	Page	None
8	Comment on access, ingress/egress and visibility of subject.	Page	3
	Any visible environmental or other concerns. <i>Environmental or other concerns would be noted if they exist. They</i>		
9	<i>do not in this case.</i>	Page	None
10	Overall conclusions of site and their marketability.	Page	3

D. Market Area

1	Map identifying Subject's Location within PMA .	Page	18
2	Map identifying Subject's Location within SMA, if applicable.	Page	N/A

E. Community Demographic Data

	Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry, (2001, 2004 and 2009) * <i>Population and household estimates are given for 1990, 2000, 2002, 2005 and 2006. All projections for future years are based on historical data from the 2000 census and Claritas projections. The annual compounded growth rate would be the same between 2000 and 2002 as it would be for between 2000 and 2005 or between 2002 and 2007, etc. The bench mark years and a five year projection are considered the most accurate population and household estimates. Additional estimates can be provided, however were omitted in an effort to simplify this section. Estimates of household growth for various years are used throughout the report in the demand, affordability and capture rate analyses.</i>	Page	26, 56, 59, 62
--	---	------	----------------

** If using sources other than U.S. Census (i.e., Claritas or other reputable source of data), please include in Addenda*

1. Population Trends

a.	Total Population.	Page	26
b.	Population by Age Group.	Page	30
c.	Number of elderly and non-elderly (for elderly projects).	Page	30
d.	If a special needs is proposed, additional information for this segment.	Page	N/A

2. Household Trends

a.	Total number of households and average household size.	Page	26
b.	Households by tenure (# of owner and renter households).	Page	32
	Elderly by tenure, if applicable.		N/A
c.	Households by Income (Elderly, if applicable, should be allocated separately).	Page	34

d.	Renter households by # of persons in the household. <i>Rental units by number of persons in the household is not provided. This can be obtained if considered critical.</i>	Page	Not included
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3. Employment Trend

a.	Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%)).	Page	22
b.	Major employers, product or service, total employees, anticipated expansions, contractions in work forces, as well as newly planned employers and impact on employment in the PMA. <i>We are aware of no major additions or subtractions to the labor force in the PMA. At-place employment data indicates that the number of people employed in Bartow County continues to grow. This trend is expected to continue.</i>	Page	23
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years. <i>Unemployment trends are provided on a county level. Labor force and unemployment data is generally only available on a county or municipality level, not per Census Tract. The trend in the county is deemed applicable to the PMA .</i>	Page	20
d.	Map of the site and location of major employment concentrations.	Page	24
e.	Overall conclusions.	Page	22

F. Project Specific Demand Analysis

1	Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page	2
2	Affordability - Delineation of Income Bands *.	Page	2, 59, 62
3	Comparison of market rates of competing properties with proposed subject market rent.	Page	44, 48, 67
4	Comparison of market rates of competing properties with proposed LIHTC rents.	Page	44, 48, 67
5	Demand Analysis Using Projected Service Date (within 2 years).	Page	61 - 64
a.	New Households Using Growth Rates from Reputable Source.	Page	61 - 64
b.	Demand from Existing Households. (Combination of rent overburdened and substandard)	Page	61 - 64
c.	Elderly Households Converting to Rentership (applicable only to elderly).	Page	N/A
d.	Deduction of Supply of "Comparable Units".	Page	61 - 64
e.	Capture Rates for Each Bedroom Type.	Page	64

G. Supply Analysis

a.	Comparative chart of subject amenities and competing properties.	Page	46, 47
b.	Supply & analysis of competing developments under construction & pending.	Page	50
c.	Comparison of competing developments (occupancy, unit mix and rents).	Page	44, 48
d.	Rent Comparable Map (showing subject and comparables). <i>Assisted Projects in PMA *. *. Pertinent rental communities, including assisted communities, are included among in the survey of existing housing stock.</i>	Page	43
e.		Page	44

Multi-Family Building Permits issued in PMA in last two years. *The most recent building permit data is provided for Bartow County. As with unemployment data, building permits are only available for counties and municipalities. Given that the PMA includes all or portions of several permit issuing entities, it would be impossible to determine which of these permits are located in the PMA. The primary market area's activity is considered comparable to county activity.*

Page 28

* PHA properties are not considered comparable with LIHTC units.

H. Interviews

Names, Title, and Telephone # of Individuals Interviewed. *Data obtained through interviews is used throughout the report including in the upcoming competition sections and the rental summary. Many of the interviews with planning personnel occur in person, therefore a phone number is not available. Data obtained through interviews with property managers is presented in the rental analysis section and the profile sheets at the end of the report.*

Page 69, Various

I. Conclusions and Recommendations

- a. Conclusion as to Impact of Subject on PMA.
- b. Recommendation as to Subject's Viability in PMA.

Page 65, 66, 68

Page 65-68

J. Signed Statement

- a. Signed Statement from Analyst.

Page 72

K. Comparison of Competing Properties

Page N/A

- a. Separate Letter addressing addition of more than one competing property. *Provided under separate cover if applicable.*

Appendix 5 Community Photos and Profiles

Adairsville Apartments

Multifamily Community Profile

41 Legion Court
Adairsville, GA 30103
 County/Map: **Bartow, GA**

Property Manager: --
 Owner: --

General Information

Total Units: **24** Heat Source: **Electric**
 Community Type: **Subsidized** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: **1984** Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	33.3%	\$0	550	\$0.00
One/Den	--	--	--	--
Two	66.7%	\$0	650	\$0.00
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite.	--	--
Surface; OffSite.	--	--
Covered:	--	--
Attach. Garage:	--	--
Detach. Garage:	--	--
Structured:	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	0	0.0%	--	--	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Disposal; Ice Maker; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony--
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Garden	1	1	8	--	550	--	--	--
/ Garden	2	1	16	--	650	--	--	--

Adairsville Arms

Multifamily Community Profile

5535 Joe Frank Harris Hwy
Adairsville, GA 30103
County/Map: Bartow, GA

Property Manager: --
Owner: --

General Information

Total Units: **48** Heat Source: **Electric**
Community Type: **Subsidized** Heat:
Structure Type: **Garden/TH** Hot Water:
No. Floors: -- Cooking:
Year Opened: **1992** Electricity:
Water/Sewer:
Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	33.3%	\$390	550	\$0.71
One/Den	--	--	--	--
Two	66.7%	\$405	750	\$0.54
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

Unit Alarms:
Perimeter Fence:
Gated Entry:
Security Patrol:
Intercom:
Keyed Bldg Entry:
Cameras:
Security Lighting:
Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/3/2003	<input type="checkbox"/>	0	0.0%	--	--	--

Community Amenities

Clubhouse: Playground:
Comm Rm: Basketball:
Central Lndry: Tennis:
Fitness: Volleyball:
Hot Tub: Car Wash:
Sauna: Business Ctr:
Outdoor Pool: Computer Ctr:

Unit Features

Standard Features:
In Unit Laundry (Hook-ups); Patio/Balcony--
Features Available in Select Units:
--
Optional Features w/ Fee:
--
Rent Concessions:
none



Floorplans (Street Rents as of 7/3/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Garden	1	1	16	\$390	550	\$0.71	--	Section 8
/ Garden	2	1	32	\$405	750	\$0.54	--	--

Bagwell Apartments

Multifamily Community Profile

460 Richardson Rd
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **60** Heat Source: **Electric**
 Community Type: **Market Rate I** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: **1978** Water/Sewer:
 Year Rehabed: **1988** Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	80.0%	\$275	750	\$0.37
One/Den	--	--	--	--
Two	20.0%	\$350	850	\$0.41
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	2	3.3%	\$275	\$350	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Disposal; Ice Maker; In Unit Laundry (Hook-ups); Central A/C--
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	1	1	48	\$275	750	\$0.37	--	--
	2	1.5	12	\$350	850	\$0.41	--	--

Catoosa Senior Village

Multifamily Community Profile

300 Timms Road
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **60** Heat Source: **Electric**
 Community Type: **LIHTC/ Elderly** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: **2** Cooking:
 Electricity:
 Year Opened: **2003** Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	46.7%	\$303	762	\$0.40
One/Den	--	--	--	--
Two	53.3%	\$341	1,002	\$0.34
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

Unit Alarms:
 Perimeter Fence:
 Gated Entry:
 Security Patrol:
 Intercom:
 Keyed Bldg Entry:
 Cameras:
 Security Lighting:
 Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	0	0.0%	\$298	\$335	--

Community Amenities

Clubhouse: Playground:
 Comm Rm: Basketball:
 Central Lndry: Tennis:
 Fitness: Volleyball:
 Hot Tub: Car Wash:
 Sauna: Business Ctr:
 Outdoor Pool: Computer Ctr:

Unit Features

Standard Features:
Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C--
 Features Available in Select Units:
 --
 Optional Features w/ Fee:
 --
 Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Garden	1	1	14	\$325	762	\$0.43	--	Market
/ Garden	1	1	14	\$271	762	\$0.36	--	LIHTC -- 50%
	2	1	16	\$345	1,002	\$0.34	--	Market
	2	1	16	\$325	1,002	\$0.32	--	LIHTC -- 50%

Creekview Estates

Multifamily Community Profile

120 Creekview Drive
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **58** Heat Source: **Natural Gas**
 Community Type: **Market Rate I** Heat:
 Structure Type: **Duplex** Hot Water:
 No. Floors: -- Cooking:
 Year Opened: -- Electricity:
 Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	--	\$455	1,000	\$0.46
One/Den	--	--	--	--
Two	--	\$506	1,200	\$0.42
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/3/2003	<input type="checkbox"/>	2	3.4%	\$450	\$500	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Carpet
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 7/3/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	1	1	--	\$450	1,000	\$0.45	--	--
	2	1	--	\$500	1,200	\$0.42	--	--

Deerfield

Multifamily Community Profile

Greenleaf Dr SW
Calhoun, GA
 County/Map: **Gordon, GA**

Property Manager: --
 Owner: --

General Information

Total Units: **106**
 Community Type: **Market Rate I**
 Structure Type: **Garden**
 No. Floors: **1**
 Year Opened: **2001**

Utilities Included in Rent

Heat Source: **Electric**
 Heat:
 Hot Water:
 Cooking:
 Electricity:
 Water/Sewer:
 Trash:

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	--	--	--	--
One/Den	--	--	--	--
Two	37.7%	\$550	980	\$0.56
Two/Den	--	--	--	--
Three	62.3%	\$625	1,100	\$0.57
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

Unit Alarms:
 Perimeter Fence:
 Gated Entry:
 Security Patrol:
 Intercom:
 Keyed Bldg Entry:
 Cameras:
 Security Lighting:
 Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	6	5.7%	--	\$550	\$625

Community Amenities

Clubhouse:
 Comm Rm:
 Central Lndry:
 Fitness:
 Hot Tub:
 Sauna:
 Outdoor Pool:

Playground:
 Basketball:
 Tennis:
 Volleyball:
 Car Wash:
 Business Ctr:
 Computer Ctr:

Unit Features

Standard Features:
Dishwasher; In Unit Laundry (Hook-ups); Central A/C--

Features Available in Select Units:
 --

Optional Features w/ Fee:
 --

Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	2	1	40	\$550	980	\$0.56	--	--
	3	2	66	\$625	1,100	\$0.57	--	--

Eastgate Properties

Multifamily Community Profile

420 Richardson Road SE
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **56** Heat Source: **Natural Gas**
 Community Type: **LIHTC - General** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: -- Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	21.4%	\$291	684	\$0.43
One/Den	--	--	--	--
Two	57.1%	\$363	829	\$0.44
Two/Den	--	--	--	--
Three	21.4%	\$472	1,100	\$0.43
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
6/16/2003	<input type="checkbox"/>	0	0.0%	\$291	\$363	\$472

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Carpet
- Features Available in Select Units:
 —
- Optional Features w/ Fee:
 —
- Rent Concessions:
none



Floorplans (Street Rents as of 6/16/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Garden	1	1	12	\$291	684	\$0.43	--	--
/ Garden	2	1	32	\$363	829	\$0.44	--	--
/ Garden	3	2	12	\$472	1,100	\$0.43	--	--

Forest Hill Apartments

Multifamily Community Profile

Greanleaf Dr
Calhoun, GA
 County/Map: **Gordon, GA**

Property Manager: --
 Owner: --

General Information

Total Units: **50** Heat Source: **Electric**
 Community Type: **Subsidized** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: **1989** Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	28.0%	\$260	--	--
One/Den	--	--	--	--
Two	72.0%	\$296	--	--
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	0	0.0%	\$255	\$290	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony--
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	1	1	14	\$255	--	--	--	--
	2	1	36	\$290	--	--	--	--

Magnolia Place

Multifamily Community Profile

Elm Street
 Adairsville, GA 30103
 County/Map: Bartow, GA

Property Manager: --
 Owner: --

General Information

Total Units: **32** Heat Source: **Electric**
 Community Type: **Market Rate I** Heat:
 Structure Type: **Townhouse** Hot Water:
 No. Floors: -- Cooking:
 Year Opened: **2000** Electricity:
 Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	--	--	--	--
One/Den	--	--	--	--
Two	100.0%	\$550	810	\$0.68
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	2	6.3%	--	\$550	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony--
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Townhouse	2	2	32	\$550	810	\$0.68	--	--

Park Brook Apartment

Multifamily Community Profile

511 Peter Street
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **78** Heat Source: **Electric**
 Community Type: **Market Rate I** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: **1989** Water/Sewer:
 Year Rehabed: **1999** Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	16.7%	\$295	470	\$0.63
One	41.0%	\$335	680	\$0.49
One/Den	--	--	--	--
Two	52.6%	\$453	1,035	\$0.44
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	0	0.0%	\$335	\$453	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Dishwasher; In Unit Laundry (Hook-ups); Central A/C--
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
Eff	1	1	13	\$295	470	\$0.63	--	--
1	1	1	32	\$335	680	\$0.49	--	--
2	1.5	1.5	9	\$500	1,200	\$0.42	--	--
2	1.5	1.5	32	\$440	988	\$0.45	--	--

Pine Ridge Apart I

Multifamily Community Profile

1386 Highway 41 N
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **36** Heat Source: **Electric**
 Community Type: **Subsidized** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: **1980** Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	22.2%	\$325	--	--
One/Den	--	--	--	--
Two	77.8%	\$361	--	--
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

Unit Alarms:
 Perimeter Fence:
 Gated Entry:
 Security Patrol:
 Intercom:
 Keyed Bldg Entry:
 Cameras:
 Security Lighting:
 Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	0	0.0%	\$320	\$355	--

Community Amenities

Clubhouse: Playground:
 Comm Rm: Basketball:
 Central Lndry: Tennis:
 Fitness: Volleyball:
 Hot Tub: Car Wash:
 Sauna: Business Ctr:
 Outdoor Pool: Computer Ctr:

Unit Features

Standard Features:
In Unit Laundry (Hook-ups); Central A/C--
 Features Available in Select Units:
 --
 Optional Features w/ Fee:
 --
 Rent Concessions:
none

Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	1	1	8	\$320	--	--	--	--
	2	1	28	\$355	--	--	--	--

Pine Ridge Apart II

Multifamily Community Profile

1386 Highway 41 N
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **24** Heat Source: **Electric**
 Community Type: **Subsidized** Heat:
 Structure Type: -- Hot Water:
 No. Floors: -- Cooking:
 Electricity:
 Year Opened: **1982** Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	33.3%	\$310	--	--
One/Den	--	--	--	--
Two	50.0%	\$345	--	--
Two/Den	--	--	--	--
Three	16.7%	\$380	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

Unit Alarms:
 Perimeter Fence:
 Gated Entry:
 Security Patrol:
 Intercom:
 Keyed Bldg Entry:
 Cameras:
 Security Lighting:
 Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	0	0.0%	\$310	\$345	\$380

Community Amenities

Clubhouse: Playground:
 Comm Rm: Basketball:
 Central Lndry: Tennis:
 Fitness: Volleyball:
 Hot Tub: Car Wash:
 Sauna: Business Ctr:
 Outdoor Pool: Computer Ctr:

Unit Features

Standard Features:
Disposal; In Unit Laundry (Hook-ups); Central A/C--
 Features Available in Select Units:
 --
 Optional Features w/ Fee:
 --
 Rent Concessions:
none

Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	1	1	8	\$310	--	--	--	--
	2	1	12	\$345	--	--	--	--
	3	1	4	\$380	--	--	--	--

Southwood Apartments

Multifamily Community Profile

212 Old Belwood Rd SE
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **48** Heat Source: **Electric**
 Community Type: **Market Rate I** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Year Opened: -- Electricity:
 Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	100.0%	\$477	--	--
One/Den	--	--	--	--
Two	--	--	--	--
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
6/26/2003	<input type="checkbox"/>	0	0.0%	\$542	--	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
- Ice Maker; In Unit Laundry (Hook-ups); Carpet**
- Features Available in Select Units:
-
- Optional Features w/ Fee:
-
- Rent Concessions:
- none**



Floorplans (Street Rents as of 6/26/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Garden	1	1	48	\$542	--	--	--	Market

Spring Valley

Multifamily Community Profile

200 Spring Vally Blvd
Calhoun, GA

Property Manager: --

Owner: --

County/Map: Gordon, GA

General Information

Total Units: **40**
Community Type: **Subsidized**
Structure Type: --
No. Floors: --
Year Opened: **1984**

Utilities Included in Rent

Heat Source: **Electric**
Heat:
Hot Water:
Cooking:
Electricity:
Water/Sewer:
Trash:

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	--	--	--
One	40.0%	\$270	--	--
One/Den	--	--	--	--
Two	60.0%	\$300	--	--
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered:	--	--
Attach. Garage:	--	--
Detach. Garage:	--	--
Structured:	--	--

Security

Unit Alarms:
Perimeter Fence:
Gated Entry:
Security Patrol:
Intercom:
Keyed Bldg Entry:
Cameras:
Security Lighting:
Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
7/2/2003	<input type="checkbox"/>	5	12.5%	\$270	\$300	--

Community Amenities

Clubhouse:
Comm Rm:
Central Lndry:
Fitness:
Hot Tub:
Sauna:
Outdoor Pool:
Playground:
Basketball:
Tennis:
Volleyball:
Car Wash:
Business Ctr:
Computer Ctr:

Unit Features

Standard Features:
Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony--
Features Available in Select Units:
--
Optional Features w/ Fee:
--
Rent Concessions:
none



Floorplans (Street Rents as of 7/2/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
	1	1	16	\$270	--	--	--	--
	2	1.5	24	\$300	--	--	--	--

The Calhoun Lodge

Multifamily Community Profile

200 S Line Street
 Calhoun, GA
 County/Map: Gordon, GA

Property Manager: --
 Owner: --

General Information

Total Units: **131** Heat Source: **Electric**
 Community Type: **Market Rate I** Heat:
 Structure Type: **Garden** Hot Water:
 No. Floors: -- Cooking:
 Year Opened: -- Electricity:
 Water/Sewer:
 Trash:

Utilities Included in Rent

Unit Mix (Net Rent) (1)

Bedroom	% of Total	Avg Rent	Avg SqFt	Avg \$/SqFt
Eff	--	\$320	--	--
One	--	\$440	--	--
One/Den	--	--	--	--
Two	--	--	--	--
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Parking

Free Surface Parking

	#Spaces	\$
Surface; OnSite	--	--
Surface; OffSite	--	--
Covered	--	--
Attach. Garage	--	--
Detach. Garage	--	--
Structured	--	--

Security

- Unit Alarms:
- Perimeter Fence:
- Gated Entry:
- Security Patrol:
- Intercom:
- Keyed Bldg Entry:
- Cameras:
- Security Lighting:
- Manned Door:

Historic Occupancy & Net Rent Data (1)

Date	LeaseUp	Vacancy		Rent		
		Units	Rate	1BR	2BR	3BR
6/16/2003	<input type="checkbox"/>	7	5.3%	\$440	--	--

Community Amenities

- Clubhouse:
- Comm Rm:
- Central Lndry:
- Fitness:
- Hot Tub:
- Sauna:
- Outdoor Pool:
- Playground:
- Basketball:
- Tennis:
- Volleyball:
- Car Wash:
- Business Ctr:
- Computer Ctr:

Unit Features

- Standard Features:
Dishwasher; Disposal; In Unit Laundry (Hook-ups); Window A/C; Patio/Balcony--
- Features Available in Select Units:
 --
- Optional Features w/ Fee:
 --
- Rent Concessions:
none



Floorplans (Street Rents as of 6/16/2003) (2)

Description	BRs	Bath	Units	Rent	SqFt	Rent/SF	Feature	Program
/ Garden	Eff	1	--	\$320	--	--	--	--
/ Garden	1	1	--	\$440	--	--	--	--