

Market Analysis
for
Heritage Square
Elderly (65+) Tax Credit (Sec. 42) Apartments
With Rental Assistance
in
Pelham, Georgia
Mitchell County

Prepared For:

Georgia Department of Community Affairs

by

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1 FOREWORD

1.1 STATEMENT OF QUALIFICATIONS

John Wall and Associates (the Anderson office) has done over 2,200 market analyses, the majority of these being for apartment projects (conventional and government). However, the firm has done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis and GIS projects. Clients include private developers, government officials, syndicators, and lending institutions.

Prior to founding John Wall and Associates, Mr. Wall was the Planning Director for a city of 30,000 where he supervised the work of the Planning Department, including coordinating the activities of and making presentations to both the Planning and Zoning Commission and the Zoning Board of Adjustment and Appeals. His duties included site plan approval, subdivision review, annexation, downtown revitalization, land use mapping program, and negotiation of realistic, workable solutions with various groups.

While in the public and private sectors, Mr. Wall served on the Appalachian Regional Council of Governments Planning and Economic Development Committee for more than seven years.

Mr. Wall has also taught site analysis and site planning part-time at the graduate level for several semesters as a visiting professor at Clemson University College of Architecture, Planning Department.

Mr. Wall holds a Master's degree in City and Regional Planning and a BS degree in Pre-Architecture. In addition, he has studied at the Clemson College of Architecture Center for Building Research and Urban Studies at Genoa, Italy, and at Harvard University in the Management of Planning and Design Firms, Real Estate Finance, and Real Estate Development.

1.2 RELEASE OF INFORMATION

This report shall not be released by John Wall and Associates to persons other than the client and his/her designates for a period of at least sixty (60) days. Other arrangements can be made upon the client's request.

1.3 TRUTH AND ACCURACY

It is hereby attested to that the information contained in this report is true and accurate. The report can be relied upon as a true assessment of the low income housing rental market. However, no assumption of liability is being made or implied.

1.4 IDENTITY OF INTEREST

The market analyst will receive no fees contingent upon approval of the project by any agency or lending institution, before or after the fact, and the market analyst will have no interest in the housing project.

1.5 CERTIFICATION OF PHYSICAL INSPECTION

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full assessment of the need and demand for new rental units.

1.6 REQUIRED STATEMENT

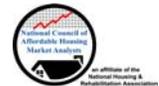
The statement below is required precisely as worded by some clients. It is, in part, repetitious of some of the other statements in this section, which are required by other clients *exactly as they are* worded.

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area, and the information derived from that inspection has been used in the full study of the need and demand for new rental units.

To the best of my knowledge: the market can support the project to the extent shown in the study; the study was written according to The Client's *Market Study Guide*; the information is accurate; and the report can be relied upon by The Client to present a true assessment of the low-income rental housing market.

I understand that any misrepresentation of this statement may result in the denial of further participation in The Client's rental housing programs. I affirm that I have no interest in the project. I have no relationship with the ownership entity that has not been disclosed to The Client in accordance with the certifications in the *Proposal for Market Studies*. My compensation is not contingent on this project being funded.

1.7 NCAHMA MEMBER CERTIFICATION



This market study has been prepared by John Wall and Associates, a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA). This study has been prepared in conformance with the standards adopted by NCAHMA for the market analysts' industry except as noted in the introduction under limitations. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects*, and *Model Content Standards for the Content of Market Studies*.

for Affordable Housing Projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Affordable Housing Market Analysts.

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

(Note: Information on the National Council of Affordable Housing Market Analysts including *Standard Definitions of Key Terms and Model Content Standards* may be obtained by visiting <http://www.housinonline.com/mac/machome.htm>)

Submitted and attested to by:

John Wall, President

JOHN WALL and ASSOCIATES

Date

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3 INTRODUCTION

- (1) Statistical
- (2) Like-Kind Comparison
- (3) Interviews

3.1 PURPOSE

The purpose of this report is to analyze the apartment market for a specific site in Pelham, Georgia.

The Statistical approach uses Census data and local statistics; 2000 is used as a base year. The population that would qualify for the proposed units is obtained from these figures.

3.2 SCOPE

Considered in this report are market depth, bedroom mix, rental rates, unit size, and amenities. These items are investigated principally through a field survey conducted by John Wall and Associates. Unless otherwise noted, all charts and statistics are the result of this survey.

The Like-Kind Comparison approach collects data on projects similar in nature to that which is being proposed and analyzes how they are doing. This approach assesses their strong points, as well as weak points, and compares them with the subject.

In general, only complexes of 30 units or more built since 1980 are considered in the field survey. Older or smaller projects are sometimes surveyed when it helps the analysis. Projects with rent subsidized units are included, if relevant, and noted.

The last section, Interviews, assesses key individuals' special knowledge about the market area. While certainly subjective and limited in perspective, their collective knowledge, gathered and assessed, can offer valuable information.

Taken individually, these three approaches give a somewhat restricted view of the market. However, by examining them together, knowledge sufficient to draw reasonable conclusions can be achieved.

3.3 METHODOLOGY

Three separate approaches to the analysis are used in this report; each is a check on the other. By using three generally accepted approaches, reasonable conclusions can be drawn. The three approaches used are:

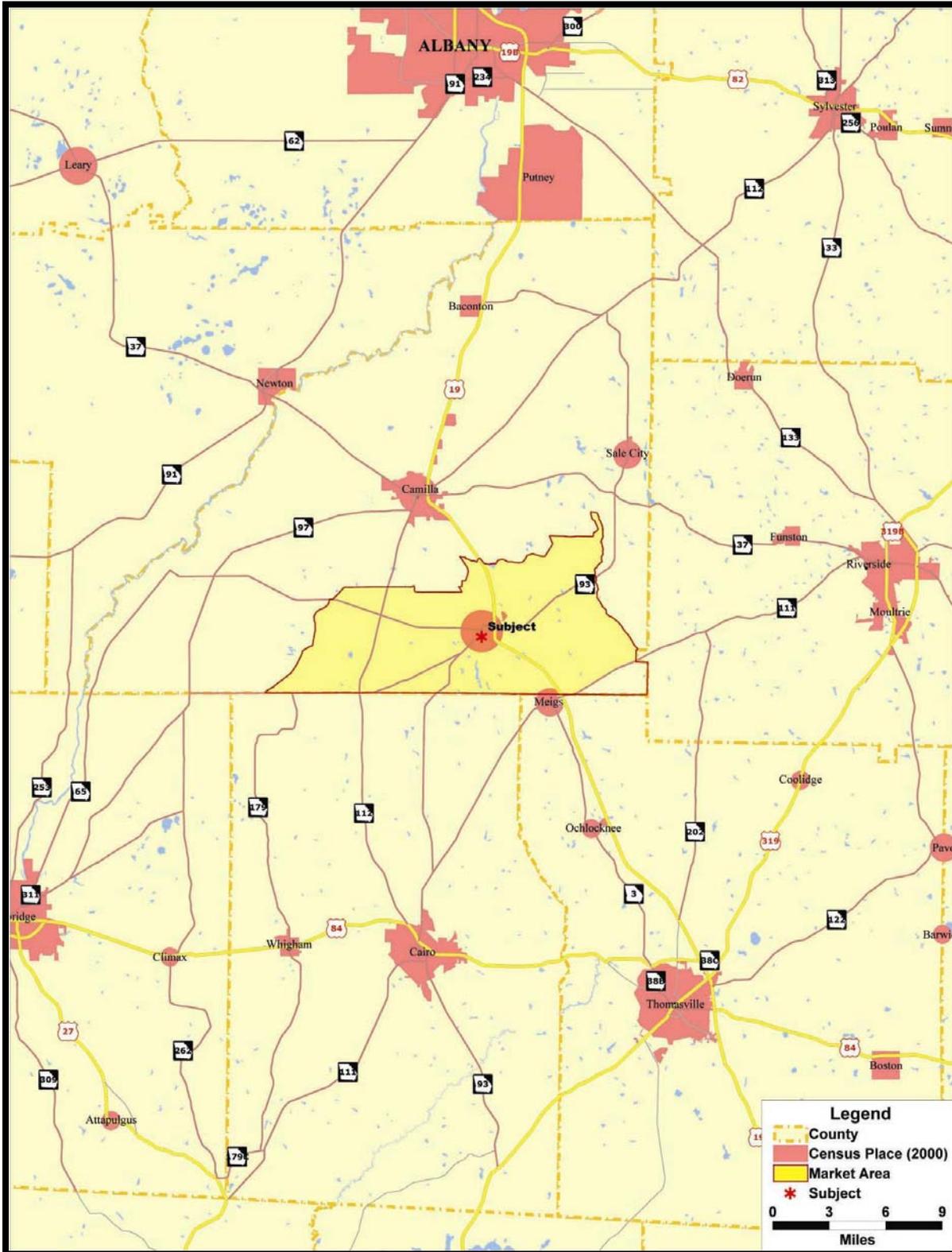
3.4 LIMITATIONS

This market study was written according to DCA's (Client's) *Market Study Guide*. To the extent this guide differs from the NCAHMA *Standard Definitions of Key Terms or Model Content Standards*, the client's guide has prevailed.

REGIONAL LOCATOR MAP



AREA LOCATOR MAP



4 EXECUTIVE SUMMARY

The projected completion date of the proposed project is 2006.

The market area (conservative) consists of 83% of Census Tract 9805 and 62% of Census Tract 9802 in Mitchell County.

4.1 DEMAND

	Elderly Rental Assistance \$0 to \$9,400
DEMAND	57
Less comparable units built since 2000 or proposed	- 0
NET DEMAND	57
Recommended bedroom mix:	
One Bedroom	90%
Two Bedroom	10%
Three Bedroom	0
Four Bedroom	0

4.1.1 ABSORPTION

Given reasonable marketing and management, the project should be able to rent up to 93% occupancy within 1 to 3 months (depending on the rehabilitation) — a few months longer if the project is completed in November, December, or January. The absorption rate determination considers such factors as the overall estimate of new household growth, the available supply of competitive units, observed trends in absorption of comparable units, and the availability of subsidies and rent specials. The absorption period is considered to start as soon as the first units are released for occupancy.

4.2 CAPTURE RATE

Capture Rate by Unit Size and Targeting Rental Assistance \$0 to \$9,400

	<u>Demand*</u>	<u>%</u>	Developer's <u>Proposal</u>	Capture <u>Rate</u>
1 Bedroom	51	90	24	47.1%
2 Bedrooms	6	10	0	0.0%
3 Bedrooms	0	0	0	0.0%
4 or More Bedrooms	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total	57	100	24	42.1%

* Numbers may not add due to rounding.

4.3 CONCLUSIONS

4.3.1 SUMMARY OF FINDINGS

- The **site** appears very well suited for the project.
- The **neighborhood** is compatible with the project.
- The **location** is well suited to the project.
- The **economy** has been fluctuating.
- The **population and household growth** in the market area is moderate.
- The **demand** for the project is not very high. However, this proposal will not add any units to the market area. Presently, the subject's elderly units have 0 vacancies. Other rental-assisted properties have significant waiting lists.
- The **capture rate** for the project is somewhat high. Again, however, the project would not add any units to the market.
- The **most comparable** apartments are Map IDs: 2 and 3 (rent based on income) and 4 (close to subject). There are no really good comparables.
- Total **vacancy rate** at competitive projects is 0.0%. Also, units without rental assistance have a vacancy rate of 2.5%. The subject's elderly units have 0 vacancies.
- **Concessions** in the comparables are non-existent.
- The **rents**, given prevailing rents, vacancy rates, and concessions in the market area, are very reasonable. The subject will continue to have rental assistance.
- The proposed **bedroom mix** is reasonable for the market.
- The subject's **amenities** are good and comparable or superior to similarly priced apartments.
- The subject's **value** should be perceived as very good. The project will continue to have rental assistance.
- The subject's **affordability** is very good. The project will continue to have rental assistance.
- Most of those **interviewed** felt the project would benefit from rehabilitation.

4.3.2 RECOMMENDATIONS

None.

4.3.3 NOTES

- 1) Only the 24 elderly units with rental assistance are being rehabilitated.
- 2) Information regarding tenant retainage and the scope of work was requested to do this study, but it was not available.

4.3.4 CONCLUSION

The project should continue to be successful.

5 PROJECT DESCRIPTION

The project description is provided by the developer.

5.1 DEVELOPMENT LOCATION

The site is on the south side of Pelham, Georgia. It is located at the intersection of West Railroad Street and Reid Street, adjacent to the fire station.

5.2 CONSTRUCTION TYPE

Rehabilitation.

5.3 OCCUPANCY

Elderly.

5.4 TARGET INCOME GROUP

Low income.

5.5 SPECIAL POPULATION

2 units designated handicap and 1 unit designated vision impaired/hearing impaired.

5.6 STRUCTURE TYPE

1-story garden.

5.7 UNITS SIZES, RENTS AND TARGETING

<u>Number</u>	<u>Bedrooms</u>	<u>Baths</u>	<u>Square Ft</u>	<u>Rent / Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>	<u>Percent Median</u>
24	1	1	699	306	52	358	60% RA

24 Total Units

24 Units With Rental Assistance

0 Market Rate Units

5.8 DEVELOPMENT AMENITIES

Community spaces or community building, picnic area/BBQ, gazebo or large covered patio, laundry room, computer center, library, park benches, and game table.

5.9 UNIT AMENITIES

Air conditioning, washer/dryer connections, dishwasher, garbage disposal, microwave, porches/patios or sunrooms, call system with buzzer and light to exterior to all units, and cable pre-wired.

5.10 UTILITIES INCLUDED

Water & sewer and trash.

5.11 REHAB INFORMATION

Current occupancy: 24 of 24 units, 0 vacancies (The subject is only the elderly portion of the property.)

Current rents: Full rental assistance (subject).

Tenant incomes if available: Not available. The tenant retainage figure was requested, but it was not available.

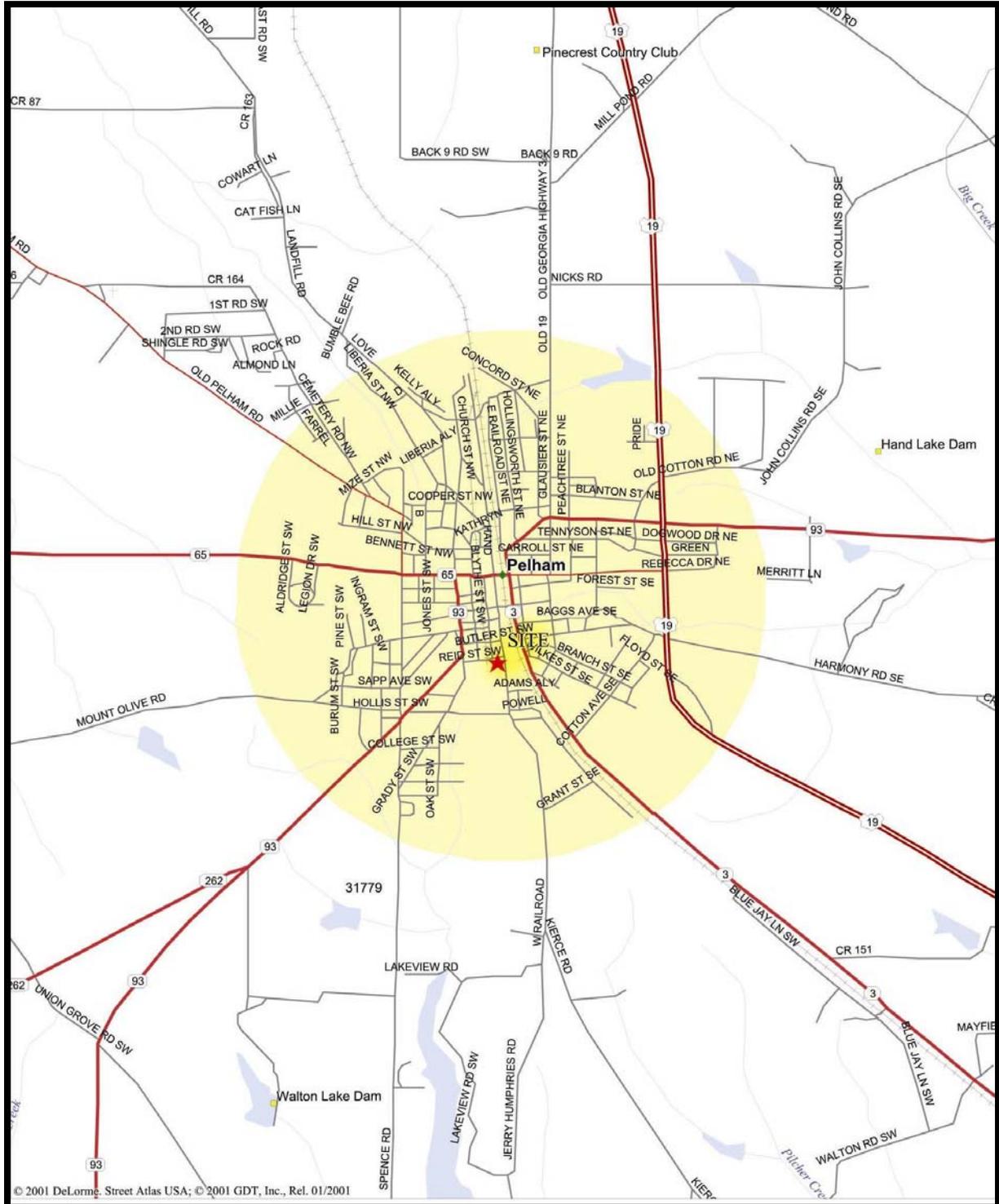
Scope of work: The scope of work was requested, but it was not available. Therefore, it had to be assumed that the scope of work would be sufficient.

5.12 PROJECTED CERTIFICATE OF OCCUPANCY DATE

2006

6 SITE EVALUATION

SITE LOCATION MAP



6.1 VISIBILITY AND CURB APPEAL

The site has good visibility from West Railroad Street as well as from other various, smaller roads. The shopping center across the street offers visibility as well. The curb appeal is good.

6.2 PHYSICAL CONDITIONS

The site is currently an elderly Section 515 apartment complex in fair condition. The complex was built in 1985 and shows some signs of its age.

6.3 ADJACENT LAND USES

N: Reid Street and then shopping center with Family Dollar and Piggly Wiggly

E: West Railroad Street and fire department and then vacant retail and pediatrics center

S: Woods and fire department

W: Family apartments and then woods and duplexes

6.4 VIEWS

There are no views out from the site that could be considered negative.

6.5 NEIGHBORHOOD

The site borders the downtown area so the neighborhood contains several businesses. There is some single family, a fire department, a rescue station, and a senior center.

6.6 SHOPPING, GOODS, SERVICES AND AMENITIES

There is an abundance of shopping, goods, services, and amenities around the site. There is a grocery store across the street. The senior center is an easy walk across West Railroad Street.

6.7 EMPLOYMENT OPPORTUNITIES

There are employment opportunities in the retail sector around the site. This may not be applicable considering the project is for elderly.

6.8 TRANSPORTATION

There is no public transportation available in Pelham.

6.9 CONCLUSION

The site is exceptional for the proposed project.

SITE AND NEIGHBORHOOD PHOTOS AND ADJACENT LAND USES MAP



6.10 SITE AND NEIGHBORHOOD PHOTOS



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7



Photo 8



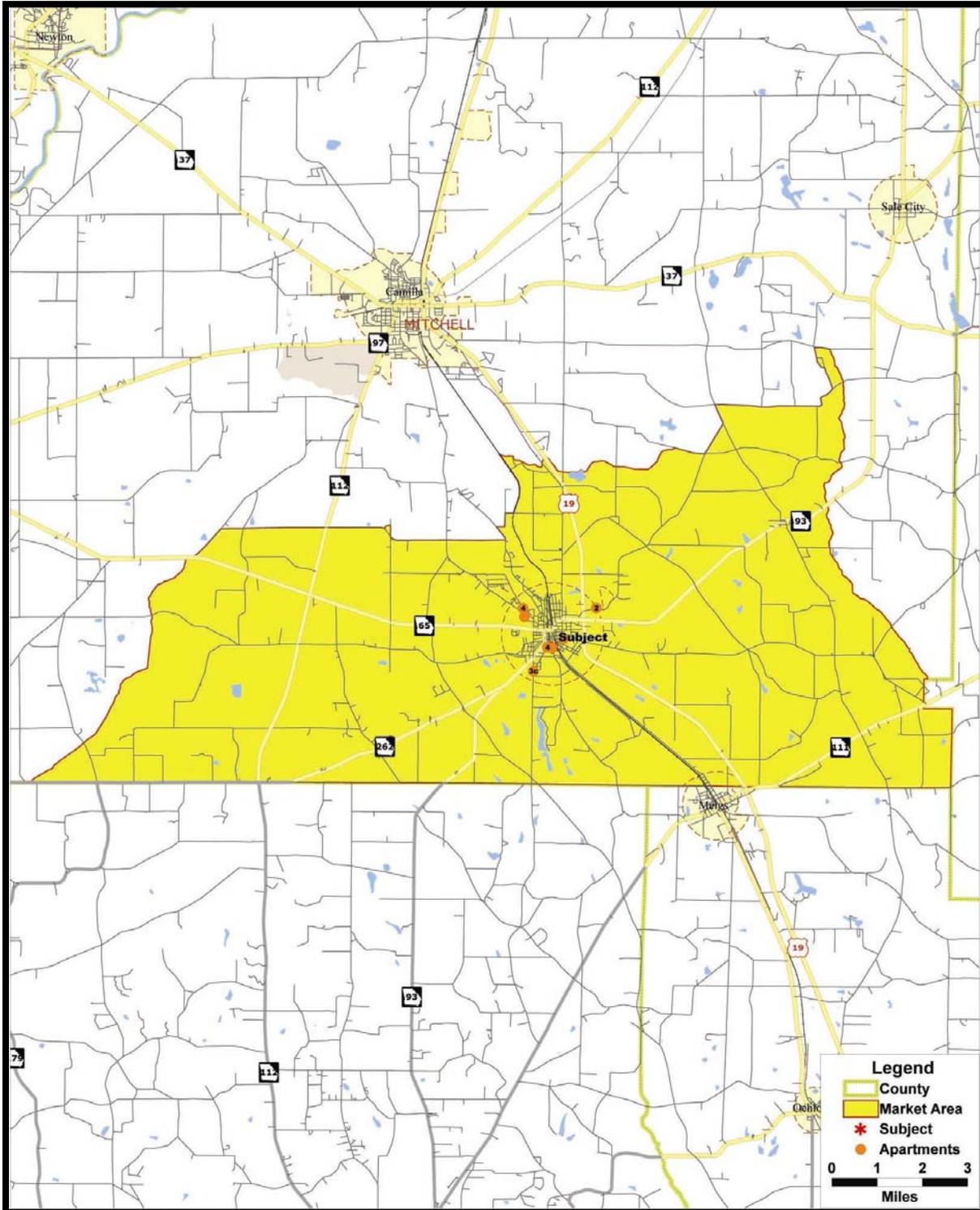
Photo 9



Photo 10

7 MARKET AREA

MARKET AREA MAP



7.1 MARKET AREA DETERMINATION

The market area is the community where the project will be located and only those outlying rural areas that will be significantly impacted by the project, generally excluding other significant established communities. The market area is considered to be the area from which most of the prospective tenants will be drawn. Some people will move into the market area from nearby towns, while others will move away. These households are accounted for in the “Household Trends” section. The border of the market area is based on travel time, commuting patterns, the gravity model, physical boundaries, and the distribution of renters in the area. The analyst visits the area before the market area definition is finalized.

7.2 DRIVING TIMES AND PLACE OF WORK

Commuter time to work is shown below:

Workers' Travel Time to Work for the Market Area (Time in Minutes)

<u>Category</u>	<u>Persons</u>	<u>%</u>
Less than 5 minutes	172	6.1
5 to 9 minutes	324	11.5
10 to 14 minutes	410	14.5
15 to 19 minutes	467	16.5
20 to 24 minutes	387	13.7
25 to 29 minutes	212	7.5
30 to 34 minutes	345	12.2
35 to 39 minutes	73	2.6
40 to 44 minutes	36	1.3
45 to 59 minutes	183	6.5
60 to 89 minutes	51	1.8
90 or more minutes	163	5.8
Total	2,823	

Source: 2000 Census

The following table shows the number of persons who work in the county in which they reside.

Place of Work—State and County Level By Place of Residence

	<u>Inside</u>		<u>Outside</u>		<u>Outside</u>		<u>Total</u>
	<u>County</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>State</u>	<u>%</u>	
Georgia	2,240,758	60	1,496,272	40	95,773	2.6	3,737,030
Mitchell County	5,551	64.4	3,062	36	109	1.3	8,613
Market Area	1,962	69.8	847	30	52	1.9	2,809
Pelham city	977	70	419	30	12	0.9	1,396

Source: 2000 Census

7.3 MARKET AREA DEFINITION

The market area for this report has been defined as (2000 Census) 83% of Census Tract 9805 and 62% of Census Tract 9802 in Mitchell County. The market area is defined in terms of standard US Census geography so it will be possible to obtain accurate, verifiable information about it. The Market Area Map highlights this area.

8 COMMUNITY DEMOGRAPHIC DATA

8.1 POPULATION

8.1.1 POPULATION TRENDS

Housing demand is most closely associated with population trends. While no population projection presently exists for the market area, one is calculated from existing figures and shown below. Since city populations vary based in part on annexations, no city projection is given.

Population Trends and Projections

	<u>1990</u>	<u>2000</u>	<u>2003</u>	<u>2006</u>	<u>2008</u>	1990 to 2000 Avg. Annual % Change	2000 to 2006 Avg. Annual % Change
Georgia	6,478,216	8,186,453	8,681,578	9,166,017	9,488,977	2.6	2.0
Mitchell County	20,275	23,932	24,860	25,694	26,250	1.8	1.2
Market Area	7,324	7,557	7,754	7,929	8,046	0.3	0.8
Pelham city	—	4,126	—	—	—	—	—

Source: 1990 Census, 2000 Census; 2003 estimates and 2008 projections by Claritas; Others estimated by John Wall and Associates from figures shown.

The population trends and projections shown in the table above indicate that between 2000 and 2006 the market area will grow at a rate about 0.4 times as fast as the state.

8.1.2 ELDERLY POPULATION TRENDS

The population trend for the elderly age groups (55+ and 65+) is of interest as an indicator of future need for *elderly* apartments. *The proposal is for 65+.*

The table below shows that in 2000 the population of the 55 years plus age group in the market area was 1,800. As seen in the first table below there are 2,004 persons in the 55 years plus age group in 2006. *Therefore, the 55 years plus age group will grow by 204 persons from 2000 to 2006.*

The table below shows that in 2000 the population of the 65 years plus age group in the market area was 1,053. As seen in the second table below there are 1,201 persons in the 65 years plus age group in 2006. *Therefore, the 65 years plus age group will grow by 148 persons from 2000 to 2006.*

Projections of Persons Age 55 Years or Older

	<u>2000</u>	<u>2003</u>	<u>2006</u>	<u>2008</u>
Georgia	1,446,731	1,644,259	1,863,360	2,009,427
Mitchell County	4,945	5,369	5,759	6,019
Market Area	1,800	1,907	2,004	2,068
Pelham city	1,019	—	—	—

Source: 2000 Census, 2003, 2008 Claritas, others by John Wall and Associates from figures shown.

Projections of Persons Age 65 Years or Older

	<u>2000</u>	<u>2003</u>	<u>2006</u>	<u>2008</u>
Georgia	785,275	856,052	938,338	993,195
Mitchell County	2,810	3,049	3,267	3,412
Market Area	1,053	1,130	1,201	1,248
Pelham city	690	—	—	—

Source: 2000 Census, 2003, 2008 Claritas, others by John Wall and Associates from figures shown.

8.1.3 AGE

Population is shown below for several age categories. The percent figures are presented in such a way as to easily compare the market area to the state, which is a “norm.” This will point out any peculiarities in the market area.

Persons by Age (Number)

	<u>Under 18</u>	<u>18 to 34</u>	<u>35 to 54</u>	<u>55 to 64</u>	<u>65 to 74</u>	<u>75 to 84</u>	<u>85 or more</u>	<u>55 or more</u>	<u>65 or more</u>
Georgia	2,169,234	2,136,988	2,433,500	661,456	435,695	261,723	87,857	1,446,731	785,275
Mitchell County	6,540	5,745	6,702	2,135	1,501	954	355	4,945	2,810
Market Area	2,201	1,551	2,006	747	561	364	128	1,800	1,053
Pelham city	1,325	825	957	329	319	256	115	1,019	690

Source: 2000 Census

Persons by Age (Percent)

	<u>Under 18</u>	<u>18 to 34</u>	<u>35 to 54</u>	<u>55 to 64</u>	<u>65 to 74</u>	<u>75 to 84</u>	<u>85 or More</u>	<u>55 or More</u>	<u>65 or More</u>
Georgia	26.5	26.1	29.7	8.1	5.3	3.2	1.1	17.7	9.6
Mitchell County	27.3	24.0	28.0	8.9	6.3	4.0	1.5	20.7	11.7
Market Area	29.1	20.5	26.5	9.9	7.4	4.8	1.7	23.8	13.9
Pelham city	32.1	20.0	23.2	8.0	7.7	6.2	2.8	24.7	16.7

Source: 2000 Census

8.1.4 RACE AND HISPANIC ORIGIN

The racial composition of the market area does not factor into the demand for units; the information below is provided for reference.

Note that “Hispanic” is not a racial category. “White,” “Black,” and “Other” represent 100% of the population. Some people in each of those categories also consider themselves “Hispanic.” The percent figures allow for a comparison between the state (“norm”) and the market area.

Race and Hispanic Origin

	<u>White</u>	<u>%</u>	<u>Black</u>	<u>%</u>	<u>Other</u>	<u>%</u>	<u>Hispanic</u>	<u>%</u>
Georgia	5,327,281	65.1	2,349,542	28.7	509,630	6.2	435,227	5.3
Mitchell County	11,864	49.6	11,455	47.9	613	2.6	491	2.1
Market Area	4,139	54.8	3,231	42.8	187	2.5	144	1.9
Pelham city	1,719	41.7	2,316	56.1	91	2.2	59	1.4

Source: 2000 Census

8.1.5 MINORITY STATUS

The term “minority” encompasses more than just race. It does not factor into demand.

Comparison of Persons by Minority Status

	2000		2000	
	<u>Not Minority</u>	<u>%</u>	<u>Minority</u>	<u>%</u>
Georgia	5,128,661	62.6	3,057,792	37.4
Mitchell County	11,746	49.1	12,186	50.9
Market Area	4,108	54.4	3,449	45.6
Pelham city	1,714	41.5	2,412	58.5

Source: 2000 Census

8.1.6 SEX

This information is not relevant to a market analysis, but it is frequently requested when omitted.

Comparison of Persons by Sex

	<u>Female</u>		<u>Male</u>	
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Georgia	4,159,340	50.8	4,027,113	49.2
Mitchell County	11,762	49.1	12,170	50.9
Market Area	3,916	51.8	3,641	48.2
Pelham city	2,172	52.6	1,954	47.4

Source: 2000 Census

8.2 HOUSEHOLDS

8.2.1 HOUSEHOLD TRENDS

The following table shows the change in the number of households between the base year and the projected year of completion.

Households and Persons Per Housing Unit

	1990	2000	2003	2006	2008	Change 2000 to 2006	2000 Persons Per Household	2000 Persons Per Renter Household
	<u>Households</u>	<u>Households</u>	<u>Households</u>	<u>Households</u>	<u>Households</u>	<u>Households</u>	<u>Household</u>	<u>Household</u>
Georgia	2,366,615	3,006,369	3,198,215	3,386,577	3,512,151	380,208	2.65	2.51
Mitchell County	6,798	8,063	8,569	9,042	9,358	979	2.72	2.67
Market Area	2,503	2,792	2,931	3,061	3,148	269	2.63	2.58
Pelham city	—	1,467	—	—	—	—	2.60	2.61

Sources: 1990 Census, 2000 Census; 2003 estimates and 2008 projections by Claritas; Others estimated by John Wall and Associates from figures shown.

In 2000, the market area had 2,792 households and thus a demand for the same number of housing units (because each household lives in its own housing unit). In 2006 the market area is projected to have 3,061 households. *This change in households creates a demand for 269 more housing units by the year of the subject's completion.*

The table above also shows the number of households in several different years, persons per household and persons per renter household in 2000.

8.2.2 ELDERLY HOUSEHOLD TRENDS

The following tables show the number of elderly (55+ and 65+ householder) households in the market area in 1990 and 2000, and projections for the year of completion.

Elderly Household Trends and Projections (55+)

	2000	2003	2006	2008
Georgia	888,553	1,003,400	1,128,561	1,212,002
Mitchell County	3,055	3,333	3,607	3,789
Market Area	1,130	1,207	1,282	1,332
Pelham city	632	—	—	—

Source: 2000 Census; 2003, 2008 projections by Claritas; 2008 by John Wall and Associates (from figures shown).

The table above shows the number of (55+) older households in several different years. In 2000 the market area had 1,130 (55+) older households and thus a demand for the same number of housing units (because each household lives in its own housing unit). In 2006 the market area is projected to have 1,282 (55+) older households. *This change in 55+ older households creates a demand for 152 more housing units by the year of the subject's completion.*

Elderly Household Trends and Projections (65+)

	2000	2003	2006	2008
Georgia	495,266	536,287	584,516	616,668
Mitchell County	1,808	1,969	2,134	2,244
Market Area	692	741	800	839
Pelham city	426	—	—	—

Source: 2000 Census; 2003, 2008 projections by Claritas; 2008 by John Wall and Associates (from figures shown).

The table above shows the number of (65+) elderly households in several different years. In 2000 the market area had 692 (65+) elderly households and thus a demand for the same number of housing units (because each household lives in its own housing unit). In 2006 the market area is projected to have 800 (65+) elderly households. *This change in 65+ elderly households creates a demand for 108 more housing units by the year of the subject's completion.*

8.2.3 HOUSEHOLD TENURE

The tables below show how many units are occupied by owners and by renters. The percent of the households in the market area that are occupied by renters will be used later in determining the demand for new rental housing.

Occupied Housing Units by Tenure

	<u>Owner</u>	<u>%</u>	<u>Renter</u>	<u>%</u>	<u>Total</u>
Georgia	2,029,154	67.5	977,215	32.5	3,006,369
Mitchell County	5,804	72.0	2,259	28.0	8,063
Market Area	2,021	72.4	771	27.6	2,792
Pelham city	883	60.2	584	39.8	1,467

Source: 2000 Census. Calculations by John Wall and Associates.

8.2.4 HOUSEHOLD SIZE

Household size is another characteristic that needs to be examined. The household size of those presently renting can be used as a strong indicator of the bedroom mix required. Renters and owners have been shown separately in the tables below because the make-up of owner-occupied units is significantly different from that of renters. A comparison of the percent figures for the market area and the state (“norm”) is often of interest.

Rental Housing Units by Persons in Unit

	<u>1 Pers.</u>	<u>%</u>	<u>2 Pers.</u>	<u>%</u>	<u>3 Pers.</u>	<u>%</u>	<u>4 Pers.</u>	<u>%</u>	<u>5 Pers.</u>	<u>%</u>	<u>6+ pers.</u>	<u>%</u>
Georgia	321,869	33	262,458	27	164,048	17	120,828	12	61,510	6	46,502	5
Mitchell County	705	31	519	23	406	18	324	14	170	8	135	6
Market Area	262	34	179	23	123	16	109	14	53	7	43	6
Pelham city	194	33	143	24	86	15	84	14	44	8	33	6

Source: 2000 Census

Owner Housing Units by Persons in Unit

	<u>1 Pers.</u>	<u>%</u>	<u>2 Pers.</u>	<u>%</u>	<u>3 Pers.</u>	<u>%</u>	<u>4 Pers.</u>	<u>%</u>	<u>5 Pers.</u>	<u>%</u>	<u>6+ pers.</u>	<u>%</u>
Georgia	388,654	19	701,324	35	386,810	19	339,811	17	138,132	7	74,423	4
Mitchell County	1,170	20	1,942	33	1,097	19	883	15	428	7	284	5
Market Area	436	22	711	35	377	19	277	14	139	7	81	4
Pelham city	229	26	289	33	150	17	102	12	75	8	38	4

Source: 2000 Census

The percent and number of large (5 or more person) households in the market is an important fact to consider in projects with a significant number of 3 or 4 bedroom units. In such cases, this fact has been taken into account and is used to refine the analysis. It also helps to determine the upper income limit for the purpose of calculating demand.

8.2.5 HOUSEHOLD INCOMES

The table below shows the number of households (both renter and owner) that fall within various income ranges for the market area.

Number of Households in Various Income Ranges

	<u>Georgia</u>		<u>Mitchell</u>		<u>Market Area</u>		<u>Pelham</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Less than \$10,000	304,816	10.1	1,536	19.1	563	20.2	371	24.5
\$10,000 to \$14,999	176,059	5.9	787	9.8	275	9.9	160	10.5
\$15,000 to \$19,999	177,676	5.9	803	10.0	321	11.5	226	14.9
\$20,000 to \$24,999	191,603	6.4	648	8.1	230	8.3	140	9.2
\$25,000 to \$29,999	191,619	6.4	617	7.7	251	9.0	132	8.7
\$30,000 to \$34,999	187,070	6.2	550	6.8	190	6.8	108	7.1
\$35,000 to \$39,999	176,616	5.9	411	5.1	151	5.4	51	3.4
\$40,000 to \$44,999	173,820	5.8	424	5.3	153	5.5	86	5.7
\$45,000 to \$49,999	152,525	5.1	387	4.8	100	3.6	47	3.1
\$50,000 to \$59,999	278,017	9.2	517	6.4	138	5.0	41	2.7
\$60,000 to \$74,999	315,186	10.5	533	6.6	164	5.9	60	4.0
\$75,000 to \$99,999	311,651	10.4	448	5.6	128	4.6	36	2.4
\$100,000 to \$124,999	157,818	5.2	155	1.9	57	2.0	35	2.3
\$125,000 to \$149,999	76,275	2.5	82	1.0	21	0.8	0	0.0
\$150,000 to \$199,999	66,084	2.2	72	0.9	18	0.6	12	0.8
\$200,000 or more	70,843	2.4	70	0.9	24	0.9	12	0.8
Total:	3,007,678		8,040		2,784		1,517	

Source: 2000 Census

9 MARKET AREA ECONOMY

The economy of the market area will have an impact on the need for apartment units.

Occupation of Employed Persons Age 16 Years And Over

<u>Occupation</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
Total	1,583	1,365	2,948	—
Management, professional, and related occupations:	316	372	688	23.3
Management, business, and financial operations occupations:	221	113	334	11.3
Management occupations, except farmers and farm managers	84	86	170	5.8
Farmers and farm managers	108	7	115	3.9
Business and financial operations occupations:	29	20	49	1.7
Business operations specialists	10	0	10	0.3
Financial specialists	19	20	39	1.3
Professional and related occupations:	94	259	353	12.0
Computer and mathematical occupations	3	2	5	0.2
Architecture and engineering occupations:	8	7	15	0.5
Architects, surveyors, cartographers, and engineers	8	3	11	0.4
Drafters, engineering, and mapping technicians	0	4	4	0.1
Life, physical, and social science occupations	4	4	8	0.3
Community and social services occupations	26	27	53	1.8
Legal occupations	4	0	4	0.1
Education, training, and library occupations	34	131	165	5.6
Arts, design, entertainment, sports, and media occupations	8	20	28	0.9
Healthcare practitioners and technical occupations:	7	67	74	2.5
Health diagnosing and treating practitioners and technical occupations	6	35	41	1.4
Health technologists and technicians	1	32	33	1.1
Service occupations:	197	269	466	15.8
Healthcare support occupations	7	64	71	2.4
Protective service occupations:	46	12	58	2.0
Fire fighting and law enforcement workers, including supervisors	35	12	47	1.6
Other protective service workers, including supervisors	11	0	11	0.4
Food preparation and serving related occupations	45	69	114	3.9
Building and grounds cleaning and maintenance occupations	90	46	136	4.6
Personal care and service occupations	7	78	85	2.9
Sales and office occupations:	183	398	581	19.7
Sales and related occupations	123	135	258	8.8
Office and administrative support occupations	60	262	322	10.9
Farming, fishing, and forestry occupations	134	27	161	5.5
Construction, extraction, and maintenance occupations:	280	9	289	9.8
Construction and extraction occupations:	126	0	126	4.3
Supervisors, construction and extraction workers	26	0	26	0.9
Construction trades workers	96	0	96	3.3
Extraction workers	4	0	4	0.1
Installation, maintenance, and repair occupations	154	9	163	5.5
Production, transportation, and material moving occupations:	474	290	764	25.9
Production occupations	208	270	478	16.2
Transportation and material moving occupations:	266	21	287	9.7
Supervisors, transportation and material moving workers	4	0	4	0.1
Aircraft and traffic control occupations	0	0	0	0.0
Motor vehicle operators	172	12	184	6.2
Rail, water and other transportation occupations	5	0	5	0.2
Material moving workers	85	9	94	3.2

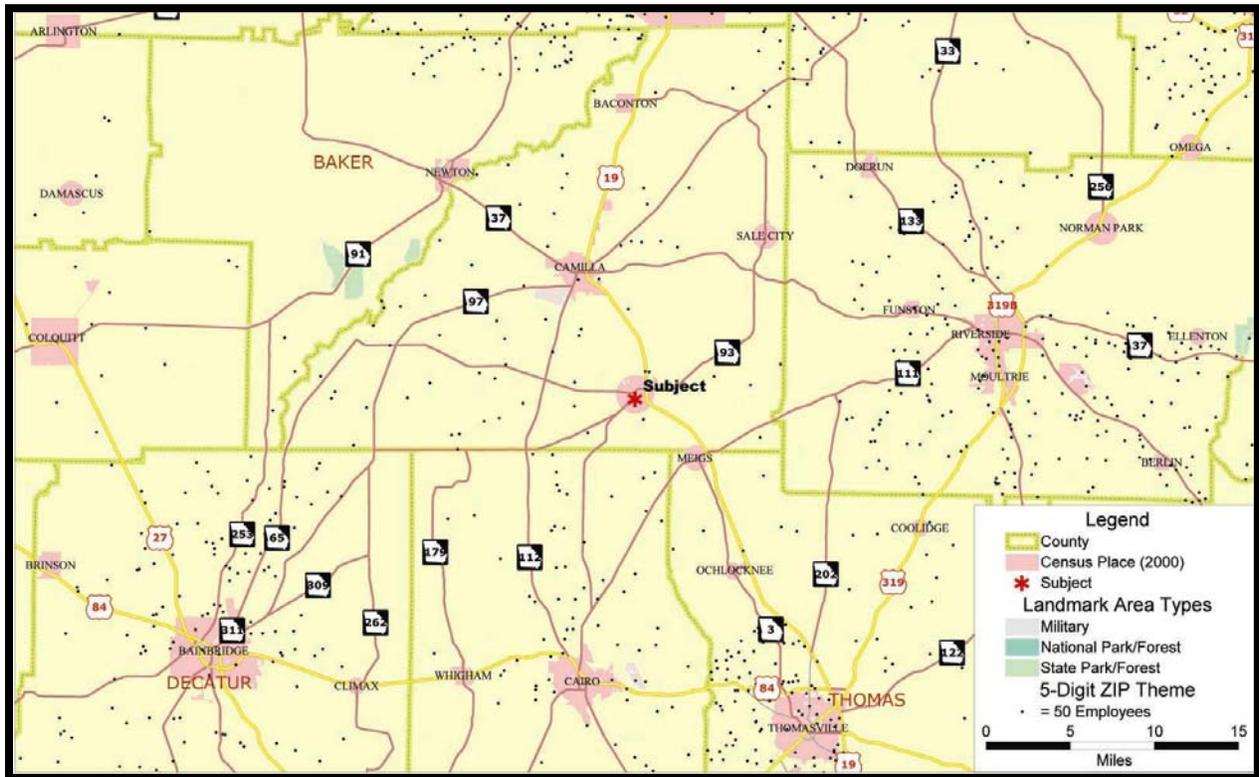
Source: 2000 Census

Industry of Employed Persons Age 16 Years And Over

<u>Industry</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
Total	1,583	1,365	2,948	—
Agriculture, forestry, fishing and hunting, and mining:	285	31	316	10.7
Agriculture, forestry, fishing and hunting	280	31	311	10.5
Mining	5	0	5	0.2
Construction	156	10	166	5.6
Manufacturing	307	283	590	20.0
Wholesale trade	104	32	136	4.6
Retail trade	146	178	324	11.0
Transportation and warehousing, and utilities:	140	37	177	6.0
Transportation and warehousing	100	21	121	4.1
Utilities	40	16	56	1.9
Information	4	12	16	0.5
Finance, insurance, real estate and rental and leasing:	45	62	107	3.6
Finance and insurance	28	43	71	2.4
Real estate and rental and leasing	16	19	35	1.2
Professional, scientific, mgmt., administrative, and waste mgmt. svcs.:	61	38	99	3.4
Professional, scientific, and technical services	18	19	37	1.3
Management of companies and enterprises	0	0	0	0.0
Administrative and support and waste management services	43	19	62	2.1
Educational, health and social services:	109	379	488	16.6
Educational services	57	147	204	6.9
Health care and social assistance	52	232	284	9.6
Arts, entertainment, recreation, accommodation and food services:	54	89	143	4.9
Arts, entertainment, and recreation	1	4	5	0.2
Accommodation and food services	52	85	137	4.6
Other services (except public administration)	84	114	198	6.7
Public administration	87	98	185	6.3

Source: 2000 Census

EMPLOYMENT CONCENTRATIONS MAP



9.1 MAJOR EMPLOYERS

The following is a list of major employers in the market area:

<u>Company</u>	<u>Product</u>	<u>Employees</u>	<u>Year Est.</u>
Equity Group	Poultry processing	2800	NA
Jimmy Autry Correctional Institute	Prison	460	NA
Pelham Board of Education	Education	365	NA
Mitchell County Board of Commissioners	Administration	150	NA
Mitchell County Hospital	Medical	108	NA
Wal-Mart Stores	Retail	98	NA
Mitchell EMC	Electrical service provider	55	NA
City of Pelham	Administration	52	NA
RESA	Educators training facility	45	NA
Lee Williamson Construction	Building contractor	14	NA

Source: Chamber of Commerce

9.2 NEW OR PLANNED CHANGES IN WORKFORCE

If there are any, they will be discussed in the "Interviews" section of the report.

9.3 EMPLOYMENT (CIVILIAN LABOR FORCE)

In order to determine how employment affects the market area and whether the local economy is expanding, declining, or stable, it is necessary to inspect employment statistics for several years. The table below shows the increase or decrease in employment and the percentage of unemployed at the county level. This table also shows the change in the size of the labor force, an indicator of change in housing requirements for the county.

Employment Trends

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Unemployment</u>	<u>Rate (%)</u>	<u>Employment</u>	<u>Change</u>		<u>Annual Change</u>	
					<u>Number</u>	<u>Pct.</u>	<u>Number</u>	<u>Pct.</u>
2000	12,199	744	6.1	11,455	—	—	—	—
2001	11,688	608	5.2	11,080	-375	-3.3	-375	-3.3
2002	11,736	599	5.1	11,137	57	0.5	57	0.5
2003	12,105	557	4.6	11,548	411	3.7	411	3.7
J-04	11,554	508	4.4	11,046	-502	-4.3		
F-04	11,538	519	4.5	11,019	-27	-0.2		
M-04	11,947	502	4.2	11,445	426	3.9		
A-04	11,928	453	3.8	11,475	30	0.3		

Source: State Employment Security Commission

9.4 ECONOMIC SUMMARY

The largest number of persons is employed in the "Production, transportation, and material moving occupations" occupation category and in the "Manufacturing" industry category.

A change in the size of labor force frequently indicates a corresponding change in the need for housing.

Employment has been fluctuating over the past several years.

Projects without rental assistance require tenants who either earn enough money to afford the rent or have a rent subsidy voucher. When there is a downturn in the economy, there will be households where one or more employed persons become unemployed. Some households that could afford to live in the proposed units will no longer have enough income. By the same token, there will be other households that previously had incomes that were too high to live in the proposed units who will now be income qualified.

10 INCOME RESTRICTIONS AND AFFORDABILITY

Several economic factors need to be examined in a housing market study. Most important is the number of households that would qualify for apartments on the basis of their income. A variety of circumstances regarding restrictions and affordability are outlined below.

10.1 HOUSEHOLDS REQUIRING HUD RENTAL ASSISTANCE

The lower limit of the acceptable income range for units with rental assistance is zero income. The upper limit of the acceptable income range for units with HUD rental assistance is established by the HUD guidelines. HUD allows households below 50% of area median income (AMI) to receive rental assistance; however, 75% of the assistance is reserved for households at or below 30% AMI. Therefore, the pool of households eligible for rental assistance is calculated by using all of the households with incomes below 30% and limiting the number of households between 30% and 50% AMI to conform with the HUD guidelines (the 75/25 split between 30% AMI households and 50% AMI households).

10.2 HOUSEHOLDS NOT REQUIRING RENTAL ASSISTANCE

Households whose gross rent (rent plus utilities) would account for less than 30% of their annual adjusted income do not require rental assistance.

10.3 HOUSEHOLDS QUALIFYING FOR TAX CREDIT UNITS

Families who earn less than a defined percentage (usually 50% or 60%) of the county or MSA median income as adjusted by HUD (AMI) qualify for low income housing tax credit (LIHTC) units. Therefore, feasibility for projects expecting to receive tax credits will be based in part on the incomes required to support the tax credits.

For those tax credit units occupied by low income households, the monthly gross rent should not realistically exceed 35% of the household income. However, elderly households can afford to pay a larger portion of their income on housing than family households. Elderly households should not realistically exceed 40% of the household income.

Gross rent includes utilities, but excludes payments of rental assistance by federal, state, and local entities.

10.4 HOUSEHOLDS QUALIFYING FOR MARKET RATE UNITS

Households in luxury/upscale apartments typically spend less than 30% of their income on rent plus utilities. Thus, the realistic lower limit of the income range is determined by the following formula:

$$(\text{rent} + \text{utilities} / \text{month}) \div 30.0\% \times 12 \text{ months} = \text{annual income}$$

The maximum likely income is established by using 20.0% of income to be spent on gross rent. These minimum and maximum incomes are used to establish the income *range* for households entering the project. Only households whose incomes fall within the range are considered as a source of demand.

Income data have been shown separately for owner and renter households.

10.5 ESTABLISHING TAX CREDIT QUALIFYING INCOME RANGES

It is critical to establish the number of households that qualify for apartments under the tax credit program based on their income. The income ranges are established in two stages. First, the maximum incomes allowable are calculated by applying the tax credit guidelines. Then, minimum incomes required are calculated. According to United States Code, either 20% of the units must be occupied by households who earn under 50% of the area median gross income (AMI), OR 40% of the units must be occupied by households who earn under 60% of the AMI. Sometimes units are restricted for even lower income households. In many cases, the developer has chosen to restrict the rents for 100% of the units to be for low income households.

Maximum Income Limit (HUD FY 2004)

<u>Persons</u>	<u>30% of AMI</u>
1	9,400
2	10,750
3	12,050
4	13,400
5	14,500
6	15,550
7	16,650
8	17,700

Source: *Very Low Income (50%) Limit: HUD, Low and Very-Low Income Limits by Family Size.*

Others: *John Wall and Associates, derived from HUD figures.*

The table above shows the maximum tax credit allowable incomes for households moving into the subject based on household size and the percent of area median gross income (AMI).

After establishing the maximum income, the lower income limit will be determined. The lower limit is the income a household must have in order to be able to afford the rent and utilities. The realistic lower limit of the income range is determined by the following formula:

$$(\text{rent} + \text{utilities} / \text{month}) \div 35\% \text{ [or } 30\% \text{ or } 40\%, \text{ as described in the subsections above]} \times 12 \text{ months} = \text{annual income}$$

This provides for up to 35% [or 30% or 40%] of adjusted annual income (AAI) to be used for rent plus utilities.

The proposed gross rents (rent plus utility allowance), as supplied by the client, and the minimum incomes required to maintain 35% [or 30% or 40%] or less of income spent on gross rent are:

Minimum Incomes Required and Gross Rents

<u>Bedrooms</u>	<u>Effective % AMI</u>	<u>Target Population</u>	<u>Gross Rent</u>	<u>Minimum Income Required</u>
1	30%	rental assistance	358	0

Source: *John Wall and Associates from data provided by client.*

From the tables above, the practical lower income limits for units *without* rental assistance can be established. Units *with* rental assistance will use \$0 as their lower income limit.

When the minimum incomes required are combined with the maximum tax credit limit, the income *ranges* for households entering the project can be established. Only households whose incomes fall within the range can be considered as a source of demand. Note that *both* the income limits *and* the amount of spread in the ranges are important.

10.6 QUALIFYING INCOME RANGES

Qualifying Income Ranges by Bedrooms and Persons Per Household

Effective % AMI	Bedrooms	Pers.	Gross Rent	Income Based Lower Limit	Spread Between Limits	Tax Credit Based Upper Limit
30%	1	1	358	0	9,400	9,400
30%	1	2	358	0	10,750	10,750

Sources: Gross rents: client; Limits: tables on prior pages; Spread: calculated from data in table.

10.7 RENT AND INCOME SUMMARY

The table below shows a summary of eligible income data:

Qualifying and Proposed Rent and Income Summary

RA Units	
<u>Number of Units</u>	
1 Bedroom	24
<u>Maximum Allowable Gross Rent (Federal Guidelines)</u>	
1 Bedroom	252
<u>Developer's Gross Rent</u>	
1 Bedroom	358
<u>Minimum Income Based on Developer's Rent</u>	
1 Bedroom	0
<u>Maximum Income at 1.5 Persons Per Bedroom (30% Income for Rent)</u>	
1 Bedroom	10,075

TARGETED INCOME RANGES

An income range of \$0 to \$9,400 is reasonable for the rental assistance apartments.

10.8 ELDERLY HOUSEHOLD INCOMES

Elderly household income and non-elderly household income are shown in the tables below.

Age by Income for the Market Area

Income	Under 55	%	55+	%	65+	%	75+	%	Total	%
Total	1,688	—	1,096	—	691	—	335	—	2,784	—
Less than \$10,000	303	18.0	260	23.7	203	29.4	121	36.1	563	20.2
\$10,000 to \$14,999	138	8.2	137	12.5	102	14.8	61	18.2	275	9.9
\$15,000 to \$19,999	209	12.4	113	10.3	87	12.6	32	9.6	322	11.6
\$20,000 to \$24,999	126	7.5	104	9.5	72	10.4	36	10.7	230	8.3
\$25,000 to \$29,999	154	9.1	97	8.9	61	8.8	28	8.4	251	9.0
\$30,000 to \$34,999	124	7.3	65	5.9	28	4.1	9	2.7	189	6.8
\$35,000 to \$39,999	91	5.4	60	5.5	35	5.1	12	3.6	151	5.4
\$40,000 to \$44,999	99	5.9	54	4.9	22	3.2	4	1.2	153	5.5
\$45,000 to \$49,999	71	4.2	28	2.6	7	1.0	0	0.0	99	3.6
\$50,000 to \$59,999	105	6.2	34	3.1	13	1.9	11	3.3	139	5.0
\$60,000 to \$74,999	109	6.5	55	5.0	21	3.0	0	0.0	164	5.9
\$75,000 to \$99,999	89	5.3	39	3.6	17	2.5	11	3.3	128	4.6
\$100,000 to \$124,999	39	2.3	17	1.6	10	1.4	4	1.2	56	2.0
\$125,000 to \$149,999	11	0.7	9	0.8	2	0.3	0	0.0	20	0.7
\$150,000 to \$199,999	9	0.5	9	0.8	0	0.0	0	0.0	18	0.6
\$200,000 or more	8	0.5	16	1.5	12	1.7	6	1.8	24	0.9

Source: 2000 Census

The need for units for elderly age 65+ is being evaluated.

The percent of elderly renter households in the appropriate income ranges will be applied to the elderly renter household growth figures to determine the number of new elderly (age 65+) renter

households that will be income qualified to move into each of the different unit types the subject will offer.

Percent of Elderly Renter Households in Appropriate Income Ranges for the Market Area

<u>AMI</u>	<u>Income Range</u>	<u>Number of Households</u>	<u>Percent of Households</u>	<u>Target Population</u>
30%	\$0 to \$9,400	191	27.6	rental assistance

Source: John Wall and Associates from figures above

11 DEMAND

11.1 DEMAND FROM NEW HOUSEHOLDS

11.1.1 NEW ELDERLY HOUSEHOLDS

Demand for elderly households is being calculated for elderly with householders 65+.

It was shown in the Elderly Household Trends section that there is a demand for 108 more elderly (65+) housing units by the year of completion. It is also shown in the Demand From Elderly Tenure section that the area ratio of elderly rental units to total elderly units is 22.5%. Therefore, 24 of these new elderly units will need to be rental.

The table, “Percent of Elderly Renter Households in the Appropriate Income Ranges for the Market Area,” shows the percentage of elderly households in various income ranges. These percentages are applied to the total number of new elderly rental units needed (24) to arrive at the *number* of new elderly rental units needed in the relevant income categories:

New Elderly (65+) Renter Households in Each Income Range for the Market Area

<u>AMI</u>	<u>Income Range</u>	<u>Total New Renter Households</u>	<u>Percent of Households in Income Range</u>	<u>New Rental Units Needed</u>	<u>Target Population</u>
30%	\$0 to \$9,400	24	27.6	7	rental assistance

Source: John Wall and Associates from figures above

11.2 DEMAND FROM EXISTING HOUSEHOLDS

11.2.1 DEMAND FROM RENT OVERBURDEN HOUSEHOLDS

A household is defined as rent overburdened when it pays 30% or more of its income on gross rent (rent plus utilities). Likewise, the household is *severely* rent overburdened if it pays 35% or more of its income on gross rent.

For tax credit units *without* rental assistance, households may pay 35% of their income for gross rent. Therefore, up to 35% of income for gross rent is used in establishing affordability in the “Demand from Growth” calculations. Hence, only *severely* (paying in excess of 35%) rent overburdened households are counted as a source of demand for tax credit units without rental assistance.

For units *with* rental assistance (tenants pay only 30% of their income for gross rent), any households paying more than 30% for gross rent would benefit by moving into the unit so all overburdened households in the relevant income range are counted as a source of demand.

The following table presents data on rent overburdened households in various income ranges.

Percentage of Income Paid For Gross Rent (Renter Households in Specified Housing Units)

	<u>Georgia</u>		<u>Mitchell</u>		<u>Market Area</u>		<u>Pelham</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Less than \$10,000:	178,632		789		289		228	
30.0 to 34.9 percent	7,227	4.0	31	3.9	19	6.6	14	6.1
35.0 percent or more	110,843	62.1	434	55.0	140	48.4	130	57.0
\$10,000 to \$19,999:	171,653		557		191		157	
30.0 to 34.9 percent	17,332	10.1	70	12.6	17	8.9	10	6.4
35.0 percent or more	98,347	57.3	143	25.7	33	17.3	29	18.5
\$20,000 to \$34,999:	237,062		432		142		107	
30.0 to 34.9 percent	35,945	15.2	0	0.0	0	0.0	0	0.0
35.0 percent or more	54,027	22.8	26	6.0	10	7.0	6	5.6
\$35,000 to \$49,999:	161,828		205		77		29	
30.0 to 34.9 percent	8,545	5.3	0	0.0	0	0.0	0	0.0
35.0 percent or more	6,160	3.8	0	0.0	0	0.0	0	0.0
\$50,000 to \$74,999:	134,565		123		17		19	
30.0 to 34.9 percent	1,565	1.2	0	0.0	0	0.0	0	0.0
35.0 percent or more	1,091	0.8	0	0.0	0	0.0	0	0.0
\$75,000 to \$99,999:	45,202		22		15		6	
30.0 to 34.9 percent	147	0.3	0	0.0	0	0.0	0	0.0
35.0 percent or more	158	0.3	0	0.0	0	0.0	0	0.0
\$100,000 or more:	35,504		33		5		6	
30.0 to 34.9 percent	52	0.1	0	0.0	0	0.0	0	0.0
35.0 percent or more	45	0.1	0	0.0	0	0.0	0	0.0

Source: 2000 Census. Calculations by John Wall and Associates.

From the table above the number of rent overburdened households in each appropriate income range can be estimated in the table below.

Rent Overburdened Households in Each Income Range for the Market Area

<u>AMI</u>	<u>Income Range</u>	<u>Rental Units Needed Due to Overburdened Condition</u>	<u>Target Population</u>
30%	\$0 to \$9,400	149	rental assistance

Source: John Wall and Associates from figures above

11.2.2 DEMAND FROM ELDERLY RENT OVERBURDENED HOUSEHOLDS

Gross Rent as a Percent of Elderly Household Income by Age for Market Area

	<u>Under 55</u>	<u>%</u>	<u>55+</u>	<u>%</u>	<u>65+</u>	<u>%</u>	<u>75+</u>	<u>%</u>	<u>Total</u>	<u>%</u>
Total	507		227		166		75		734	
Under 30 percent	261	51.5	94	41.4	71	42.8	30	40.0	355	48.4
30 to 34.9 percent	28	5.5	8	3.5	8	4.8	4	5.3	36	4.9
35.0 pct. or more	103	20.3	80	35.2	45	27.1	12	16.0	183	24.9

Note: "Not Computed" comprises households that either pay no rent or have no income (or negative income). Such households are not counted as being rent overburdened and are not shown in the table; therefore the numbers shown do not add up to the total.

Source: 2000 Census. Calculations by John Wall and Associates.

The table above shows 53 elderly (65+) households are rent overburdened (30% of income on gross rent) and 45 elderly (65+) households are severely rent overburdened (35% of income on gross rent).

The number of elderly rent overburdened households in each appropriate income range is estimated in the table below.

Elderly (65+) Rent Overburdened Households in Each Income Range for the Market Area

<u>AMI</u>	<u>Income Range</u>	<u>Elderly Rent Overburdened Households</u>	<u>Percent of Overburdened Households in Income Range</u>	<u>Rental Units Needed Due to Overburdened Condition</u>	<u>Target Population</u>
30%	\$0 to \$9,400	53	68.2%	36	rental assistance

Source: John Wall and Associates from figures above

11.2.3 DEMAND FROM ELDERLY TENURE

Many elderly wish to remain in the same community but are unable to or do not want to “keep up with” all that owning a home requires. However, because apartments are either in too short supply or do not exist in their community, they are unable to make that move.

If the state’s condition is interpreted to be the norm regarding the percentage of elderly that desire to rent, then the market area has a standard to be compared to.

Occupied Housing Units by Tenure and Age of Householder

	<u>55 plus</u>		<u>55 plus</u>		<u>55 plus</u>	<u>65 plus</u>		<u>65 plus</u>		<u>65 plus</u>
	<u>owners</u>	<u>%</u>	<u>renters</u>	<u>%</u>	<u>total</u>	<u>owners</u>	<u>%</u>	<u>renters</u>	<u>%</u>	<u>total</u>
Georgia	736,424	80.8	174,541	19.2	910,965	410,579	80.0	102,519	20.0	513,098
Mitchell County	2,480	81.7	557	18.3	3,037	1,473	80.6	355	19.4	1,828
Market Area	895	79.5	231	20.5	1,126	568	77.5	165	22.5	733
Pelham city	394	69.1	176	30.9	570	276	67.2	135	32.8	411

Source: 2000 Census. Calculations by John Wall and Associates.

If the state’s condition is interpreted to be the norm regarding the percentage of elderly that desire to rent were apartments available, the market area has a standard to be compared to. Of the households in the state with a householder 65 years or older, 20.0% rent. In the market area, 22.5% of the households with a householder 65 years or older rent.

In comparing the state with the market area, the state has a lesser percentage than the market area, so there should be little or no room in the market area for apartments to house elderly homeowners who want to move into apartments.

12 SUMMARY OF ELDERLY 65 YEARS OR OLDER DEMAND

	Elderly Rental Assistance \$0 to \$2,400
1) New elderly rental units required by year of completion	24
Times ratio of elderly households with qualifying incomes	0.276
Equals demand due to household increase	7
2) Rent overburdened households in age group	53
Times ratio of rent overburdened households with qualifying incomes	0.682
Equals demand due to rent overburden	36
3) Demand due to elderly moving from single family	0
4) Subtotal	43
5) Divided by ratio of elderly renters originate within market area	1
6) Subtotal adjusted for secondary market area	43
7) 75/25 split adjustment allowed by HUD (see "Income Limits")	0.75
8) Subtotal adjusted for rental assistance	57
9) Demand	57
10) Less comparable units built since 2000 or proposed	0
11) NET DEMAND	57

* Numbers may not add due to rounding.

13 SUPPLY ANALYSIS (AND COMPARABLES)

13.1 RENTS AT BASE YEAR

The following table is a schedule of all rental units (single family and multifamily) in the market area and the rent being charged:

Rents in the Market Area

	Contract		Gross		Asking		Percent Vacant
	Rent	%	Rent	%	Rent	%	
Total:	735	—	735	—	26	—	—
With cash rent:	618	84.1	618	84.1	n/a	—	—
Less than \$100	125	17.0	56	7.6	0	0.0	0.0
\$100 to \$149	62	8.4	34	4.6	0	0.0	0.0
\$150 to \$199	66	9.0	60	8.2	2	7.7	2.9
\$200 to \$249	119	16.2	67	9.1	8	30.8	6.3
\$250 to \$299	103	14.0	94	12.8	0	0.0	0.0
\$300 to \$349	91	12.4	49	6.7	16	61.5	14.8
\$350 to \$399	24	3.3	60	8.2	0	0.0	0.0
\$400 to \$449	0	0.0	61	8.3	0	0.0	0.0
\$450 to \$499	20	2.7	59	8.0	0	0.0	0.0
\$500 to \$549	4	0.5	43	5.9	0	0.0	0.0
\$550 to \$599	4	0.5	13	1.8	0	0.0	0.0
\$600 to \$649	0	0.0	5	0.7	0	0.0	0.0
\$650 to \$699	0	0.0	13	1.8	0	0.0	0.0
\$700 to \$749	0	0.0	3	0.4	0	0.0	0.0
\$750 to \$799	0	0.0	0	0.0	0	0.0	0.0
\$800 to \$899	0	0.0	0	0.0	0	0.0	0.0
\$900 to \$999	0	0.0	0	0.0	0	0.0	0.0
\$1,000 to \$1,249	0	0.0	0	0.0	0	0.0	0.0
\$1,250 to \$1,499	0	0.0	0	0.0	0	0.0	0.0
\$1,500 to \$1,999	0	0.0	0	0.0	0	0.0	0.0
\$2,000 or more	0	0.0	0	0.0	0	0.0	0.0
No cash rent	116	15.8	116	15.8	n/a	—	—

Source: 2000 Census. Calculations by John Wall and Associates.

These figures indicate that the most frequent contract rents in the market area were Less than \$100 per month. There were 116 units that paid no cash rent.

Number of Bedrooms by Gross Rent for the Market Area

	0 BR		1 BR		2 BR		3+ BR	
	Count	%	Count	%	Count	%	Count	%
Total	36	—	170	—	248	—	281	—
With cash rent:	32	—	150	—	231	—	205	—
Less than \$200	17	53.1	54	36.0	47	20.3	33	16.1
\$200 to \$299	7	21.9	43	28.7	58	25.1	52	25.4
\$300 to \$499	4	12.5	42	28.0	96	41.6	88	42.9
\$500 to \$749	4	12.5	11	7.3	30	13.0	32	15.6
\$750 to \$999	0	0.0	0	0.0	0	0.0	0	0.0
\$1,000 or more	0	0.0	0	0.0	0	0.0	0	0.0
No cash rent	4	—	20	—	17	—	75	—

Source: 2000 Census. Calculations by John Wall and Associates.

13.2 TENURE

Tenure by Bedrooms

	<u>Georgia</u>		<u>Mitchell</u>		<u>Market Area</u>		<u>Pelham</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Owner Occupied:	2,029,293		5,803		2,020		935	
No bedroom	7,861	0.4	76	1.3	18	0.9	6	0.6
1 bedroom	43,857	2.2	262	4.5	107	5.3	49	5.2
2 bedrooms	331,173	16.3	1,012	17.4	398	19.7	219	23.4
3 bedrooms	1,111,338	54.8	3,547	61.1	1,211	60.0	526	56.3
4 bedrooms	427,685	21.1	748	12.9	224	11.1	78	8.3
5 or more bedrooms	107,379	5.3	158	2.7	61	3.0	57	6.1
Renter Occupied:	977,076		2,260		772		558	
No bedroom	38,750	4.0	129	5.7	36	4.7	25	4.5
1 bedroom	241,196	24.7	401	17.7	174	22.5	159	28.5
2 bedrooms	414,489	42.4	844	37.3	256	33.2	216	38.7
3 bedrooms	237,355	24.3	723	32.0	252	32.6	132	23.7
4 bedrooms	39,103	4.0	148	6.5	49	6.3	26	4.7
5 or more bedrooms	6,183	0.6	15	0.7	5	0.6	0	0.0

Source: 2000 Census. Calculations by John Wall and Associates.

The tables below indicate most of the rental units in the market area are in the “single family” category:

Housing Units Occupied Year-Round By Tenure and Units in Structure

	<u>single family</u>		<u>duplex</u>	<u>3 or 4</u>	<u>5 to 9</u>	<u>10 to 49</u>	<u>50 plus</u>	<u>%</u>	<u>mobile home</u>		<u>other</u>
	<u>#</u>	<u>%</u>							<u>#</u>	<u>%</u>	
<u>Owner Occupied:</u>											
Georgia	1,738,525	85.7	6,228	8,196	8,180	7,741	5,104	0.3	254,198	12.5	1,121
Mitchell County	3,934	67.8	5	29	13	0	0	0.0	1,822	31.4	0
Market Area	1,434	71.0	4	11	5	0	0	0.0	566	28.0	0
Pelham city	835	89.3	5	0	0	0	0	0.0	95	10.2	0
<u>Renter Occupied:</u>											
Georgia	316,646	32.4	72,587	111,002	147,645	158,039	82,005	8.4	88,451	9.1	701
Mitchell County	1,136	50.3	301	261	120	39	12	0.5	385	17.0	6
Market Area	428	55.4	96	55	22	17	5	0.6	149	19.3	0
Pelham city	324	58.1	113	44	27	16	8	1.4	26	4.7	0

Source: 2000 Census

13.3 BUILDING PERMITS ISSUED

Building permits are an indicator of the economic strength and activity of a community. While permits are never issued for a market area, the multi-family permits issued for the county and town are an indicator of apartments recently added to the supply:

Building Permits Issued

Year	<u>Mitchell County</u>			<u>Pelham</u>		
	<u>Total</u>	<u>Single Family</u>	<u>Multi-Family</u>	<u>Total</u>	<u>Single Family</u>	<u>Multi-Family</u>
1990	26	26	0	9	9	0
1991	8	8	0	0	0	0
1992	21	11	10	0	0	0
1993	26	14	12	0	0	0
1994	42	42	0	0	0	0
1995	38	29	9	0	0	0
1996	35	35	0	0	0	0
1997	73	55	18	2	2	0
1998	145	33	112	2	2	0
1999	45	45	0	2	2	0
2000	99	79	20	2	2	0
2001	57	57	0	2	2	0
2002	74	42	32	2	2	0
2003	84	56	28	3	3	0

KEY: X = Did not issue permits at that time; NA = Data not available; S = No annual report received, or fewer than 9 monthly reports received

Source: C-40, U.S. Dept. of Commerce, Bureau of the Census, "Housing Units Authorized by Building Permits".

13.4 APARTMENT UNITS BUILT SINCE 2000 OR PROPOSED

The following table shows comparables built in the market area since 2000 or known to be proposed to be built by the subject's opening date.

Apartment Units Built Since 2000 or Proposed

<u>Project Name</u>	<u>Year Built</u>	<u>Above Moderate Income</u>	<u>60% AMI, No Rental Assistance</u>	<u>50% AMI, No Rental Assistance</u>	<u>40% AMI, No Rental Assistance</u>	<u>Units With Rental Assistance</u>	<u>TOTAL</u>
None	—	—	—	—	—	—	—

13.5 SCHEDULE OF PRESENT RENTS, UNITS, AND VACANCIES

The present housing situation is examined in this section. The apartment inventory sheet reflects selected apartment complexes in the market area.

The table below shows selected apartment complexes *with* rent subsidy in or near the market area.

Schedule of Number of Units and Vacancies for *Rent-Assisted* Apartment Units

1-Bedroom & Eff		2-Bedroom		3-Bedroom		4-Bedroom or More	
units	vacancies	units	vacancies	units	vacancies	units	vacancies
76	0	90	0	67	0	17	0
24(E)	0	—	—	—	—	—	—
24(E)	Subj.	—	—	—	—	—	—

Orange = Subject

E = Elderly; P = Proposed; UC = Under Construction; RU = in Rent Up

Source: John Wall and Associates

It is interesting to note that, of the 274 apartments surveyed in the market area *with* rent subsidy, there are 0 vacancies. This represents an overall vacancy rate of 0.0%. Of the 24 elderly apartments with rental assistance in the market area, there are 0 vacancies. This represents a vacancy rate of 0.0%.

The table below shows selected comparable apartment complexes *without* rent subsidy in or near the market area:

Schedule of Number of Units and Vacancies for *Unassisted* Apartment Units

1-Bedroom Units			2-Bedroom Units			3-Bedroom Units		
Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies
325	10	0	292b	48	2	500*	91	2
			413*	10	0			
						4-Bedroom Units		
						Rents	Units	Vacancies
						613b	3	0
Vacancy Rate:		0.0%			3.4%			2.2%
Median Rent:		\$325			\$292b			\$500*
Vacancy Rate 4-Bedroom:		0.0%						
Median Rent 4-Bedroom:		\$613*						

b = Basic rent; * = Average rent; r = Renovating; UC = Under Construction; RU= in Rent Up

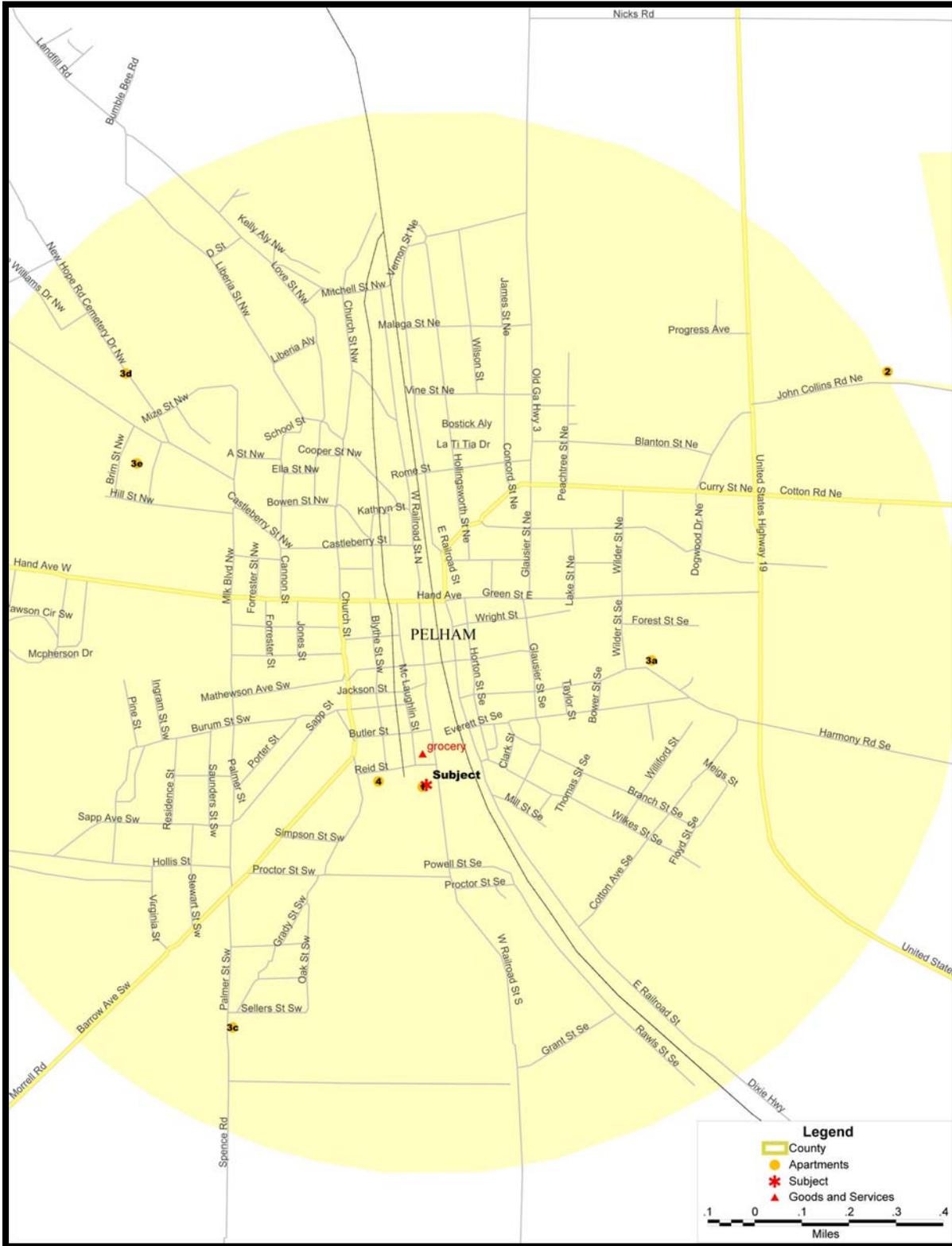
Source: John Wall and Associates

It is interesting to note that, of the 162 apartments surveyed in the market area *without* rent subsidy (0 of the above apartments have project based rental assistance), there are 4 vacancies. This represents a vacancy rate of 2.5%. A vacancy rate of 5.0% is considered normal.

13.6 IMPACT OF THE SUBJECT ON EXISTING TAX CREDIT UNITS

The project would not impact any existing tax credit units. There are no existing tax credit units in the market. The project would not add any units to the market. The project would continue to have rental assistance.

APARTMENT LOCATIONS MAP



APARTMENT INVENTORY

Pelham, Georgia (PCN: 04-057)

ID#	Apartment Name	Year Built vac%	Efficiency/Studio (e) One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom			COMMENTS
			Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	
	Heritage Square SUBJECT - Proposed 307 W. Railroad St.	1985	24	P	BOI										Elderly; TC (60%); RA=24; Handicap=2; Vision/ Hearing=1 *Community spaces or community building; **Elevator in buildings not 1-story, computer center, call system (with buzzer and light to exterior) to all units, 1-story garden style units are to have porches/patios or sun rooms, units not garden style are to have small gathering areas distributed on each floor, library, game table, park benches, gazebo or large covered patio at community building, and picnic/BBQ facilities; 1- story garden.
	1 Heritage Square SUBJECT - Present 307 W. Railroad St. South Pelham Cindy 229-294-8866	1985 2.8%	24*	0	BOI	48	2	292b							WL=4 Sec 515; RA=0 *Sec 515 Elderly; RA=24 **Water, sewer, and garbage
	2 Hillcrest 1503 John Collins Rd. NE Pelham Joanne 229-294-0985	1982 0%	16	0	BOI	24	0	BOI	8	0	BOI				WL=45 Sec 515/Sec 8; RA=49 *Water, sewer, and garbage
	3 Pelham Housing Authority Scattered Sites Pelham Debbie 229-294-8444	1952- 1968 0%	e 4 56	0 0	BOI BOI	66	0	BOI	59	0	BOI	16 1	0 C	BOI BOI	WL=40 Public Housing
	4 Lee H. Williams Construction Scattered Sites Pelham Tonya 229-294-8937	Varies* 1.8%	10	0	325	10	0	400-425	91	2	450-550	3	0	600-650	Conventional *20 units have been built since 2000



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	24	1	P	699	BOI
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	24				

Complex:

Heritage Square
 SUBJECT - Proposed
 307 W. Railroad St.

Map Number:

Year Built:
 1985

Last Rent Increase

Specials

Waiting List

Subsidies

Elderly; TC (60%); RA=24;
 Handicap=2; Vision/Hearing=1

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- ** Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- WST Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *Community spaces or community building; **Elevator in buildings not 1-story, computer center, call system (with buzzer and light to exterior) to all units, 1-story garden style units are to have porches/patios or sun rooms, units not garden style are to have small gathering areas distributed on each floor, library, game table, park benches, gazebo or large covered patio at community building, and picnic/BBQ facilities; 1-story garden.



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	24*	1	0	690	BOI
1 BR vacancy rate	0.0%				
Two-Bedroom	48	1	2	750	292b
2 BR vacancy rate	4.2%				
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	2.8%	72	2		

Complex: Heritage Square **Map Number:** 1

SUBJECT - Present
 307 W. Railroad St. South
 Pelham
 Cindy
 229-294-8866

Year Built:
 1985

Last Rent Increase

Specials

Waiting List
 WL=4

Subsidies
 Sec 515; RA=0
 *Sec 515 Elderly; RA=24

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: **Water, sewer, and garbage



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	16	1	0		BOI
1 BR vacancy rate	0.0%				
Two-Bedroom					
2 BR vacancy rate	0.0%				
Three-Bedroom					
3 BR vacancy rate	0.0%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	48	0		

Complex:

Map Number: 2

Hillcrest
 1503 John Collins Rd. NE
 Pelham
 Joanne
 229-294-0985

Year Built:

1982

Last Rent Increase

Specials

Waiting List

WL=45

Subsidies

Sec 515/Sec 8; RA=49

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *Water, sewer, and garbage



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio	4	1	0		BOI
One-Bedroom	56	1	0		BOI
1 BR vacancy rate	0.0%				
Two-Bedroom	66	1	0		BOI
2 BR vacancy rate	0.0%				
Three-Bedroom	59	1	0		BOI
3 BR vacancy rate	0.0%				
Four-Bedroom	16	2	0		BOI
4 BR vacancy rate	0.0%	1	2	0	BOI
TOTALS	0.0%	202	0		

Complex: Pelham Housing Authority
 Scattered Sites
 Pelham
 Debbie
 229-294-8444

Map Number: 3

Year Built:
 1952-
 1968

Last Rent Increase

Specials

Waiting List
 WL=40

Subsidies
 Public Housing

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments:



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	10	1	0	900	325
1 BR vacancy rate	0.0%				
Two-Bedroom					
Two-Bedroom	10	1-1.5	0	950	400-425
2 BR vacancy rate	0.0%				
Three-Bedroom					
Three-Bedroom	91	1.5	2	1050	450-550
3 BR vacancy rate	2.2%				
Four-Bedroom					
Four-Bedroom	3	2	0	1150	600-650
4 BR vacancy rate	0.0%				
TOTALS	1.8%	114	2		

Complex: Lee H. Williams Construction
Map Number: 4
 Scattered Sites
 Pelham
 Tonya
 229-294-8937

Year Built:
 Varies*

Last Rent Increase

Specials

Waiting List

Subsidies
 Conventional

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *20 units have been built since 2000

14 INTERVIEWS

The following interviews were conducted regarding demand for the subject.

Glenda, the apartment manager of Heritage Square (Section 515 Elderly and Family; Map ID #1; Subject), said it would be nice for the elderly portion to be rehabilitated. She said the new, proposed amenities sound very nice. Overall, Glenda said the units need general repairs, and rehabilitating would benefit the complex greatly. She said all of her tenants come from the market area.

Joanne, the apartment manager of Hillcrest (Section 515; Map ID #2), said Heritage Square being rehabilitated would be very good. She said the landscaping and pavement could use some work. She said the new, proposed amenities sound very nice. She added that the elderly usually prefer one bedroom units but occasionally desire a two bedroom unit. Overall, Joanne said the rehabilitation would be very nice for the elderly tenants of Heritage Square.

Debbie, the clerk with Pelham Housing Authority (Public Housing; Map ID #3), said she is not familiar enough with the subject to say whether or not the rehabilitation is a good idea. She did say the new, proposed amenities sound nice.

Linda Hutto, Director of the Pelham Senior Center, said the center provides exercise classes, BINGO, community suppers, Meals on Wheels, and one hot meal daily. She said the center serves many tenants from the subject. Overall, Linda said rehabilitation of the elderly units at the subject would be very good.

Danny Singleton, Executive Director of the Pelham Chamber of Commerce, said Darwood Manufacturing Company, which produces shirts and uniforms, closed in July 2003. One hundred seventy-five people lost their job. However, in January 2004, the company reopened and began hiring back. Currently there are 40 employees. The company originally closed due to overseas competition. With its reopening, the company will contract different materials, such as bean bags, etc. A complex, which held Fred's Department Store (20 employees) and Movie Gallery (5 employees), burned in June 2003 and is currently being rebuilt. It is to be completed by the end of Summer 2004. Hardee's reopened in 2003 after being closed for ten years; it employs 40 to 45 people. Inter-Mountain Commodities, which produces grain/alfalfa hay and seeds, opened in 2004. It currently has 10 employees with a possibility of hiring more. RESA, a training center for teachers, currently has 45 employees with a possibility of expansion. Hand Training Company building recently received funding to be remodeled as commercial and office space. This building will hold retail, doctors' offices, and government offices. This project will span the next few years to be completed. The elementary, middle, and high schools were renovated Summer 2003. The hospital had a grand opening in May 2004 of its ER, which was updated and new technology added. Georgia Better Home Town Program granted money to improve road conditions in Pelham. Currently, the town is in the permit process for this project. In January 2005, "Streetscape" will begin. This will revamp the downtown area (architecture and landscaping). This is to be completed in September 2005. In addition, overhead power lines will be taken down (underground will be used as replacements) and a new park will be added. Mr. Singleton said there is a need for low income housing in Pelham. He stated that he receives twenty calls each week and ten walk-ins each week for people looking for housing. He stated that there are a lot of teachers in the area who do not want to buy a house.

15 DCA MARKET ANALYST CERTIFICATION AND CHECKLIST

I understand that by initializing (or checking) the following items, I am stating those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report.

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

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

Signed: _____ Date _____
Signed: _____ Date _____

A. Executive Summary

- | | |
|--|---------|
| 1 Market demand for subject property given the economic conditions of the area | Page 8 |
| 2 Projected Stabilized Occupancy Level and Timeframe | Page 8 |
| 3 Appropriateness of unit mix, rent and unit sizes | Page 9 |
| 4 Appropriateness of interior and exterior amenities including appliances | Page 9 |
| 5 Location and distance of subject property in relationship to local amenities | Page 14 |
| 6 Discussion of capture rates in relationship to subject | Page 9 |
| 7 Conclusion regarding the strength of the market for subject | Page 9 |

B. Project Description

- | | |
|---|---------|
| 1 Project address, legal description and location ⁱ | Page 10 |
| 2 Number of units by unit type | Page 10 |
| 3 Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc) | Page 10 |
| 4 Rents and Utility Allowance* | Page 10 |
| 5 Existing or proposed project based rental assistance | Page 10 |
| 6 Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.) | Page 10 |

7 For rehab proposals, current occupancy levels, rents, and tenant incomes (it available), as well as detailed information as to renovation of property	Page 11
8 Projected placed in service date	Page 11
9 Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page 10
10 Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs,etc.	Page 10
11 Special Population Target (if applicable)	Page 10
* <i>For the Atlanta MSA, for 60% income, rents are based on 54% rents</i>	
* <i>Net Rents are to be used for calculation of income bands</i>	

C. Site Evaluation

1 Date of Inspection of Subject Property by Market Analyst	Page N/A ⁱⁱ
2 Physical features of Subject Property and Adjacent Uses	Page 13
3 Subject Photographs (front, rear, and side elevations as well as street scenes)	Page 15
4 Map identifying location of subject as well as closest shopping centers. schools, medical facilities and other amenities relative to subject	Page 14
5 Developments in vicinity to subject and proximity in miles (Identify developments surrounding the subject on all sides)	Page 41
zoning of subject and surrounding uses	Page N/A ⁱⁱⁱ
6 Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject	Page 41
7 Road or infrastructure improvements planned or under construction in the PMA	Page 42 ^{iv}
8 Comment on access, ingress/egress and visibility of subject	Page 13
9 Any visible environmental or other concerns	Page 13 ^v
10 Overall conclusions of site and their marketability	Page 13

D. Market Area

1 Map identifying Subject's Location within PMA	Page 20
2 Map identifying Subject's Location within SMA, if applicable	Page N/A ^{vi}

E. Community Demographic Data

Data on Population and Households Five Years Prior to Market Entry, and Projected Page 22, 23, 24

Five Years Post-Market Entry, (2004, 2005 and 2010) *

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

1. Population

Trends

- | | |
|--|--------------------------|
| a. Total Population | Page 22 |
| b. Population by Age Group | Page 22 |
| c. Number of elderly and non-elderly (for elderly projects) | Page 22 |
| d. If a special needs is proposed, additional information for this segment | Page N/A ^{viii} |

2. Household

Trends

- | | |
|--|-------------|
| a. Total number of households and average household size | Page 23, 25 |
| b. Households by tenure (# of owner and renter households)
Elderly by tenure, if applicable | Page 24, 35 |
| c. Households by Income (Elderly, if applicable, should be allocated separately) | Page, 31 |
| d. Renter households by # of persons in the household | Page 25 |

3. Employment Trend

- | | |
|--|-------------|
| a. Employment by industry—#s &% (i.e. manufacturing: 150,000 (20%)) | Page 26 |
| 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 | Page 28, 28 |
| c. Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years. | Page 28 |
| d. Map of the site and location of major employment concentrations. | Page 27 |
| e. Overall conclusions | Page 9 |

F. Project Specific Demand Analysis

- | | | |
|----|---|-----------------------|
| 1 | Income Restrictions - uses applicable incomes and rents in the development's tax application. | Page 31 |
| 2 | Affordability - Delineation of Income Bands * | Page 31 |
| 3 | Comparison of market rates of competing properties with proposed subject market rent | Page 39 ^{ix} |
| 4 | Comparison of market rates of competing properties with proposed LIHTC rents | Page 39 |
| 5 | Demand Analysis Using Projected Service Date (within 2 years) | Page 33 |
| a. | New Households Using Growth Rates from Reputable Source | Page, 33 |
| b. | Demand from Existing Households (Combination of rent overburdened and substandard) | Page 33
Page, 36 |
| c. | Elderly Households Converting to Rentership (applicable only to elderly) | Page 35 |
| d. | Deduction of Supply of "Comparable Units" | Page, 36 |
| e. | Capture Rates for Each Bedroom Type | Page 8 |

** Assume 35% of gross income towards total housing expenses for family*

** Assume 40% of gross income towards total housing expenses for elderly*

** Assume 35% of net income/or derivation of income band for family*

** Assume 40% of net income for derivation of income band for elderly*

G. Supply Analysis

- | | | |
|---|--|-----------------------|
| 1 | Comparative chart of subject amenities and competing properties | Page 41 ^x |
| 2 | Supply & analysis of competing developments under construction & pending | Page 39 |
| 3 | Comparison of competing developments (occupancy, unit mix and rents) | Page 41 ^{xi} |
| 4 | Rent Comparable Map (showing subject and comparables) | Page 41 |

5 Assisted Projects in PMA * Page 41^{xii}

6 Multi-Family Building Permits issued in PMA in last two years Page 39

* PHA properties are not considered comparable with LIHTC units

H. Interviews

1 Names, Title, and Telephone # of Individuals Interviewed Page 42^{xiii}

I. Conclusions and Recommendations

1 Conclusion as to Impact of Subject on PMA Page 40

2 Recommendation as to Subject's Viability in PMA Page 9

J. Signed Statement

1 Signed Statement from Analyst Page 2

K. Comparison of Competing Properties

1 Separate Letter addressing addition of more than one competing property

ⁱ A legal description of the site was not provided by DCA.

ⁱⁱ The date(s) of the site visit(s) is not provided.

ⁱⁱⁱ Zoning is not addressed in this report.

^{iv} Any road and infrastructure improvements relevant to the site will be discussed in interviews.

^v If there are any visible environmental concerns, they will be addressed in the ‘Physical Conditions’ section.

^{vi} This report does not use a secondary market area.

^{vii} The license for our data does not allow us to redistribute it.

^{viii} Any special documentation regarding special needs population is provided in an appendix.

^{ix} Rents for market and tax credit units are shown on the same table to facilitate comparisons.

^x The chart follows the map, the photo sheets follow the chart.

^{xi} The chart follows the map, the photo sheets follow the chart.

^{xii} The chart follows the map, the photo sheets follow the chart.

^{xiii} Telephone numbers of apartment managers are found on the photo sheets. Names and titles are within the interviews.

16 DCA REQUIRED CHART

Unit Size	Income Limits	Units Proposed	Total Demand	New Supply	Net Demand	Capture Rate	Absorption	Avg. Market Rent	Proposed Rents
1 Bdrm	PBRA	24	51	0	51	47.1%			RA
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
1 Bdrm	TOTAL	24	51	0	51	47.1%		325	—
2 Bdrm	0%	0	6	0	6	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
2 Bdrm	TOTAL	0	6	0	6	—			—
3 Bdrm	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
3 Bdrm	TOTAL	0	0	0	0	—			—
4 Bdrm	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
4 Bdrm	TOTAL	0	0	0	0	—			—
5 Bdrm	0%		0			—			
	0%		0			—			
	0%		0			—			
	0%		0			—			
	0%		0			—			
5 Bdrm	TOTAL		0			—			—

NOTE: TOTAL line reflects total tax credit units. The numbers do not add, due to overlap in income bands

Proposed project capture rate LIHTC units 42.1%

Proposed project capture rate market rate units NA

Proposed project stabilization period 1-3 mos.*

*Depends largely on the rehabilitation.

PBRA=Project-Based Rental Assistance

17 JOHN WALL — RÉSUMÉ

EXPERIENCE

17.1.1 PRESIDENT

JWA, Inc., Anderson, South Carolina (June, 1990 to Present)

JWA, Inc. is an information services company providing demographic and other types of data, as well as geographic information system services, mapping, and research to market analysts and other clients. JWA, Inc. is the licensing authority for the independent offices of John Wall & Associates. There are currently two such offices: Anderson, South Carolina and Cary, North Carolina.

17.1.2 PRESIDENT

John Wall & Associates, Anderson, South Carolina (December, 1982 to Present)

John Wall & Associates is a planning and design firm specializing in real estate market analysis and land development consultation. Initially, the firm concentrated on work in the southeastern portion of the United States. In 1990, a second office was licensed in Cary, North Carolina, and both offices expanded their areas of work to the entire United States. John Wall & Associates (Anderson, South Carolina office) has completed over 1,800 market analyses, the majority of these being for apartment projects (both government and conventional). The firm has also done many other types of real estate market analyses; shopping center master plans; industrial park master plans; housing and demographic studies; land planning projects; site analysis; location analysis; and GIS projects. Clients have included private developers, government officials, syndicators, and lending institutions.

17.1.3 VISITING PROFESSOR OF SITE PLANNING (PART-TIME)

Clemson University College of Architecture, Planning Dept., Clemson, South Carolina (Spring 1985; Fall 1985; Spring 1986)

17.1.4 PLANNING DIRECTOR

Planning Department, City of Anderson, South Carolina (September, 1980 to December, 1982)

17.1.5 PLANNER II

Planning Department, City of Anderson, South Carolina (June, 1980 to September, 1980)

17.1.6 ASSISTANT DOWNTOWN PLANNER

Planning Department, City of Anderson, South Carolina (December, 1978 to June, 1980)

17.1.7 CARTOGRAPHER

Oconee County Tax Assessors' Office, Walhalla, South Carolina (October, 1976 to January, 1977)

17.1.8 ASSISTANT ENGINEER

American Concrete Pipe Association, Vienna, Virginia (January, 1969 to March, 1969)

EDUCATION

Real Estate Development, Harvard University, Cambridge, Massachusetts (July, 1989)

Fundamentals of Real Estate Finance, Harvard University, Cambridge, Massachusetts (July, 1989)

Management of Planning & Design Firms, Harvard University, Cambridge, Massachusetts (August, 1984)

Master of City & Regional Planning, Clemson University, Clemson, South Carolina (May, 1980)

BS Pre-Architecture, Clemson University, Clemson, South Carolina (May, 1978)

Graduate of Manlius Military Academy, Manlius, New York (June, 1965)

MILITARY

U.S. Navy, Interim Top Secret Clearance (April, 1969 to October, 1973; Honorable Discharge)