

HOUSING MARKET STUDY

FOR

LAUREL RIDGE DEVELOPMENT

A LIHTC PROJECT FOR FAMILIES INVOLVING
NEW CONSTRUCTION, SINGLE FAMILY FOR-RENT UNITS

LOCATED IN:

THE CITY OF LAGRANGE,
TROUP COUNTY, GEORGIA

PREPARED FOR:

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS

PREPARED BY:

WAVERLY RESEARCH GROUP, INC
5015 Silverton Court
Las Cruces, New Mexico 88011

JULY, 2006

DCA PROJECT NUMBER: 2006-001

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS

1. The consultants declare that they do not have, and will not have in the future, any material interest in the proposed project, and that there is no identity between them and the applicant. Further, the consultants declare that the payment of the study fee is in no way contingent upon a favorable study conclusion, nor upon approval of the project by any agency, before or after the fact.
2. The consultants have based this analysis on information about conditions in LaGrange and Troup County, Georgia, which has been obtained from the most pertinent and current available sources, and every reasonable effort has been made to insure its accuracy and reliability. However, the consultants assume no responsibility for inaccuracies in reporting by any of the Federal, State, or Municipal agencies cited, nor for any data withheld or erroneously reported by sources cited during the normal course of a thorough investigation. The consultants reserve the right to alter their conclusions on the basis of any discovered inaccuracies.
3. No opinion of a legal, architectural, or engineering nature is intentionally expressed or implied.
4. The fee charged for this study does not include payment for testimony nor further consultation.
5. This analysis assumes a free and fair real estate market place, with no constraints imposed by any market element based on race, age, or gender, except for age eligibility established by law for units designated for occupancy by elderly households.
6. The study is designed to satisfy the underwriting guidelines, rules and methodology requirements of Georgia DCA and the conclusions reflect the predicted ability of the project to meet or exceed DCA market thresholds. A positive conclusion does not necessarily imply that the project would be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted market analysis standards and elements pre-empted by DCA guidelines.

The consultants affirm that the principal of the firm has made a physical inspection of the site and market area, and that information has been used in the full assessment of the need and demand for new rental units.

TABLE OF CONTENTS

Statement of Limiting Conditions	
Market Analyst's Certification	
Executive Summary	i
Introduction	1
Project Description	2
Site and Evaluation	4
Site Location Map	10
Community Services Map	12
Government Assisted Rental Projects Map	13
Market Area Description	15
Market Area Map	18
Economic and Demographic Base	19
Population and Households	22
Income	29
Employment Trends	31
Housing Demand Analysis	37
Housing Supply Analysis	49
Apartment Map	57
Primary Survey Summary	58
Amenities Table	59
Competitive Apartments	60
Information Contacts and Summary of Interviews	78
Market Conclusions & Recommendations	66
Market Analysts Statement	83
Certifications and Checklist	84
Appendices:	
Demographic Projections	
Waverly Research Group, Inc. Credentials	

EXECUTIVE SUMMARY

1. Project Description:

- Laurel Ridge will comprise 69 single family homes for rent for family households. The project will have assisted rents, but will have no project-based rental assistance. The project has the following profile:

<u>Units</u>	<u>Mix</u>	<u>Size (Sq. Ft.)</u>	<u>Net Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>	<u>Target AMI</u>
2	2BR/2Ba	1,468	\$177	\$158	\$335	30% AMI
8	2BR/2Ba	1,468	\$399	\$158	\$557	50% AMI
8	2BR/2Ba	1,468	\$510	\$158	\$668	60% AMI
5	3BR/2BA	1,582	\$194	\$193	\$387	30% AMI
21	3BR/2BA	1,582	\$452	\$193	\$645	50% AMI
21	3BR/2BA	1,582	\$581	\$193	\$774	60% AMI
1	4BR/2Ba	1,752	\$471	\$247	\$718	50% AMI
<u>3</u>	4BR/2Ba	1,752	\$615	\$247	\$862	60% AMI
69						

- Rents include trash collection only. Tenants will be responsible for all other utilities, including sewer and water, heat, hot water, electric and personal utilities, such as telephone and cable.
- **The type of unit (single family) is expected to appeal strongly to consumers in LaGrange, and the moderate rents, the mix oriented to larger households and generous unit sizes are considered appropriate for this development.**
- **The unit amenities are considered appropriate for this project, particularly given the design as detached units. The project amenities are also considered appropriate, and will be supplemented by the nearby City park.**

2. Site and Community Description

- The subject site is located on the west side of Grady Street, near its intersection with Kellogg Street and Ellis Street in the southwestern section the City of LaGrange. The land is currently vacant and heavily wooded. It has utilities available to the site. The site is currently zoned for low density single family, but rezoning/annexation would likely follow selection for funding.
- Land use in the immediate site vicinity is primarily single family residential. Neighborhood shopping and health care is very convenient (within 1 mile north) and

other community shopping, community services, highway options and employment concentrations are easily accessible.

3. Market Area Description

- The Primary Market Area (PMA) market area for the project is defined as the following Census Divisions in Troup County.

* LaGrange

* Hillcrest

* Abbottsford

* Oak Grove

4. Community Demographics:

The demographic conditions and forecasts in this study reflect current conditions and official demographic forecasts. **It is emphasized that this market area is expected to experience a substantial variation from these conditions, not reflected in the forecasts, due to the development and operation of a new KIA automobile assembly plant now under development in nearby West Point. The impact of this addition of roughly 5,500 new primary jobs in the County on the local economy and on housing need and demand will likely be extensive, although a quantifiable impact assessment is not yet readily available. It is acknowledged that the demographic projections and demand conclusions are therefore likely to be understated.**

- The population of the LaGrange Market Area experienced a moderate, below average increase between 1990 and 2000 (0.7% annually). Based on official projections, this trend is expected to increase to 0.8% through the forecast period.
- Household growth in the LaGrange Market Area was positive during the 90's, a result of the population growth and declining household sizes. The number of households is projected to increase by 186 households annually in the forecast period, in line with population gains and near stabilization in household size.
- Tenure among households showed a very slightly decreasing proportion of renters over the 90's for LaGrange PMA, and the proportion of renters in the PMA remained high at 36%. The ratios are projected to stabilize at around 35%. Net renter household growth in this market is projected to be around 163 units in the forecast period, all things being equal.
- Median household incomes are relatively low but have increased significantly since 1989. The median income for all households was roughly \$36,500 in 1999. The estimated median income for all households is now at approximately \$42,400, while the estimated renter median is only \$26,400.
- Troup County has a moderate employment base, with employment concentrations in and around the City of LaGrange, and in the West Point area to the southwest.

- The largest manufacturing employers in Troup County are carpets and carpet tiles, and automotive products manufacturers.
- Both job creation and the number of employed workers have showed losses over the past five years. Both declined after 2000, and have not yet recovered their former levels. The impact of the KIA location will dramatically and positively affect jobs and workers throughout the economy.

5. Demand

- Demand for the assisted LIHTC apartment development is generated from new household growth, and from existing renters in substandard housing and those paying more than 35% of income for rent (rent overburden). Each demand component is adjusted for income eligibility, and for potential competition.

Demand by bedroom mix and target AMI level is shown below, along with capture rates and absorption periods:

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Mean Market Net Rent	Proposed Net Rent
2 Bdrm	30% AMI	2	222	5	217	0.9%	1 month	\$532	\$177
	50%AMI	8	152	20	132	6.1%	3 months	\$532	\$399
	60% AMI	8	165	18	147	5.4%	3 months	\$532	\$510
2 Bdrm	TOTAL	18	535	43	492	3.7%	3 months	\$532	
3 Bdrm	30% AMI	5	116	2	114	4.4%	2 months	\$630	\$194
	50%AMI	21	75	6	69	30.4%	8 months	\$630	\$452
	60% AMI	21	83	6	77	27.3%	8 months	\$630	\$581
3 Bdrm	TOTAL	47	271	14	257	18.3%	8 months	\$630	
4Bdrm	50% AMI	1	11	0	11	9.3%	4 months	\$865	\$471
	60% AMI	3	12	0	12	25.1%	6 months	\$865	\$615
4 Bdrm	TOTAL	4	40	0	40	10.0%	6 months	\$865	
Proposed Project Capture Rate LIHTC Units							6.1%		
Proposed Project Capture Rate Market Rate Units							NA		
Proposed Project Capture Rate ALL Units							6.1%		
Proposed Project Stabilization Period							8 months		

- While the larger household market is underserved in this PMA, the concentration of units in the 3BR and 4BR size, combined with the smaller number of households with 4 persons or more, result in higher capture rates for the 3BR units at the 50% and 60% level. This is considered normal and acceptable, as is the relatively high capture rate required by the 4BR units at the 60% level.
- Demand is likely to greatly exceed supply at all income levels within the next 3 years, as long as the Kia development continues on schedule.

6. Supply

- The multi-family stock in the LaGrange Market Area is typical of small cities in rural areas, with a mix primarily of small, assisted housing options, many of which are directly subsidized. The survey included 11 rental projects comprising nearly 1,450 units with a current vacancy rate of 7.4%; most managers' state that this is abnormally high, and reflects increased recent evictions. Three LIHTC projects (334 total family units, with 132 LIHTC units) have assisted rents, and currently have a vacancy rate of only 1.5% in the tax credit units. The remaining projects are market-rate.
- The most directly comparable projects are Valley Ridge, Lee's Crossing and Sun Ridge, although none are truly comparable in design. Absorption at Valley Ridge and Lee's Crossing averaged 8 units per month when initially introduced. Current vacancies are 5.2% in these three projects with 592 units.
- Rents range from \$210 to \$615 for 2BR units, and \$232 to \$700 for all 3BR units; both include 30% AMI tax credit rents. The subject rents appear to be well within the range. (There are no 4BR apartment units in the survey sample).
- There are no other assisted apartment projects for families planned at this time in the LaGrange PMA.

7. Conclusions

- **Given the analysis and conclusions of each of the report sections, this project is deemed to have sufficient potential for successful development and operation as it is presently configured for consideration in this LIHTC cycle, and no changes are recommended. The housing market is expected to become tighter, with increased demand across the affordability spectrum, as the influence of the KIA plant grows.**
- Based on the data from the survey of the LaGrange rental market, particularly the occupancy among the existing conventional and non-subsidized projects, it is estimated that the proposed is likely to have very little impact on the existing apartment market in the short term. Impact on rentals in the PMA will likely be limited to normal short-term turnover associated with any new project introduction.
- **Based on the indicated levels of market support, the project should be absorbed to stabilization within an 8-month period, at an average rate of 8 units per month, and maintain a 95% occupancy rate or better thereafter.** The velocity of absorption will be affected by economic conditions that may exist at the point of project entry, and may not be as high as expected if a downturn in the local economy occurs. Conversely, as the KIA facility approaches completion, the underlying demand is likely to strengthen and accelerate.

INTRODUCTION

The following is a professional real estate market study for the determination of the need and demand for an assisted multi-family development for family households in the City of LaGrange in Troup County, Georgia. The study follows standard procedures for a multi-family market study, including the identification and analysis of the site circumstances, the demographic and income characteristics, and economic conditions in the market area; determination of projected demand among family households for rental housing, and evaluation of the existing multi-family housing supply.

The study will conform to professional standards of real estate market analysis, and is designed to satisfy the market study requirements of the Low Income Housing Tax Credit program as outlined in the Market Study Manual of the Georgia Department of Community Affairs 2006 application instructions, as well as incorporating additional guidelines promulgated by DCA. Unless otherwise specified in those guidelines, terms in this study will conform to definitions compiled and published by the National Council of Affordable Housing Market Analysts, and supplemented by specific definitions in the text.

The principal and analyst, Donald F. Robinson, performed a comprehensive on-site analysis in the market area, surrounding neighborhoods, and the site on May 13 - 14, 2006. Personal interviews were conducted with local area real estate professionals, municipal planners and other persons knowledgeable of the local housing market, particularly local area rental management firms and apartment managers.

Among sources used and cited throughout the study are the U.S. Census of Population and Housing, the Georgia Department of Labor, the U.S. Department of Housing and Urban Development, the City of LaGrange and Troup County officials, and pertinent information and materials collected from local professional real estate sources. Throughout the demographic analysis of this study, estimates and projections including households, tenure, household size and age, and income distribution are derived and estimated from data published by the US Census, The Governor's Office of Planning and Budget (OPB) and the College of Agribusiness and Economic Development of the University of Georgia (CAED), and refined with additional County data published by CLARITAS. CAED and Claritas data are appended to the study.

Other, specific elements of the methodology are discussed in the text of the study.

PROJECT DESCRIPTION

Laurel Ridge Development is proposed for development as 70-units of single family detached homes for rent in LaGrange, Georgia. The subdivision will be located between Grady Street and S. Kight Road in southeastern LaGrange, with the physical address on Grady Street in Troup County adjacent to the City limits. The project will involve new construction, and will be open to occupancy by LIHTC-eligible family households with no age restrictions. The 70 units comprise 7 units targeted to households with incomes less than 30% of Area Median Income (AMI), 30 units targeted to those with incomes less than 50% AMI and 32 units for households with incomes less than 60% AMI, with one non-revenue unit for occupancy by on-site management. There is no proposed project based rental assistance. The projected date of entry into the market (Placed in Service or PIS) is roughly two years from now, on June 30, 2008.

As proposed, the project will be composed of 19 2BR/2Ba units, 47 3BR/2Ba units and 4 3BR/2Ba units in one story, single family detached dwellings with 40% brick exterior and enhanced landscaping. The two-bedroom units will have 1,468 square feet; three-bedroom units will have 1,582 square feet and four-bedroom units will have 1,752 square feet.

The project profile is summarized below detailing the number of bedroom units for each AMI level, type of bedroom mix, unit size, net rent, utility allowance, and gross rent. The total number of units considered in this analysis is 69, since there are 18 2BR revenue producing units, with the 19th being a common use unit therefore non-revenue producing.

<u>Target AMI</u>	<u># of Units</u>	<u>Unit Type</u>	<u>Size (Sq. Ft.)</u>	<u>Net Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
30% AMI	2	2BR/2Ba	1,468	\$177	\$158	\$335
50% AMI	8	2BR/2Ba	1,468	\$399	\$158	\$557
60% AMI	8	2BR/2Ba	1,468	\$510	\$158	\$668
30% AMI	5	3BR/2BA	1,582	\$194	\$193	\$387
50% AMI	21	3BR/2BA	1,582	\$452	\$193	\$645
60% AMI	21	3BR/2BA	1,582	\$581	\$193	\$774
50% AMI	1	4BR/2Ba	1,752	\$471	\$247	\$718
60% AMI	3	4BR/2Ba	1,752	\$615	\$247	\$862

The project will not include any project-based rental assistance.

Tenants will be responsible for electric utilities, including lights, the HVAC for heating and cooling, cooking utilities, and hot water. Tenants will also be responsible for water and sewer. Project management will provide trash removal.

DEVELOPMENT AMENITIES

- * Community building with:
 - laundry room
 - office for on-site management
 - exercise room
 - community room
 - large covered porch
 - equipped resident computer resource center

- *Covered pavilion with picnic tables and barbeque facilities for community
- *Open playing field at least 5,000 SF
- *Equipped Playground
- *Volleyball court
- *Walking path with sitting areas

- *Sidewalks
- *Gazebo/-sheltered mail/transportation center
- *Enhanced landscaping
- *145 paved parking spaces

UNIT AMENITIES

- *Electric range
- *Carbon Monoxide fire suppression over range
- *Refrigerator
- *Washer & dryer hook-ups
- *Garbage disposal

- *Microwave
- *Ceiling fans
- *Pre-wired for cable television
- *Pre-wired for high speed internet access
- *Covered entrance to unit
- *Central air-conditioning

OPTIONAL SERVICES

- * Social & Recreational Activities Semi-Monthly
- *Supervised Recreational Activities for Children weekly
- *Fire safety classes
- *Van transportation for residents

In addition to the amenities and services, the project is intended to allow conversion of units from lease to home-ownership at the end of the 15-year holding period, contingent on tenured occupancy and other conditions.

SITE AND NEIGHBORHOOD DESCRIPTION

The subject site is located on the west side of Grady Street and on the east side of South Kight Road, just south of Kellogg St. The project address is noted as Grady Street, LaGrange, GA 30240-0000, in Census Tract 9609.01. This is not a Qualified Census Tract. The site, although not within the city, is immediately adjacent to LaGrange City limits, with public utility access physically available.

Internal access to the single family homes will be along a loop road, served by access from both Grady Street and S. Kight Rd. near its intersection with Kellogg. The community building and recreation areas will be located at the southeast corner of the property at the entrance road off Grady. Access to the project will not be impeded by local traffic, with limited traffic on Grady and less on S. Kight.

The site property is currently zoned R-100, residential, which allows single family development on $\frac{1}{2}$ acre lots. Laurel Ridge Development is included in the Hillside Neighborhood Master Plan developed by the City of LaGrange. There are no plans for development of vacant adjacent parcels to the south at this time, and no changes to existing developed parcels are planned. According to the Planning and Development officials in the City and the County, if the project proceeds, the development will need to apply for annexation in order to gain access to public utilities. At the same time the property would be rezoned to allow the single family residential development at the density proposed.

Troup Transit, an entity of the Troup County Board of Commissioners is a Demand Response type service for DHR clients and is available Monday - Friday to the public, giving priority to seniors and disabled residents. No road or infrastructure improvements are planned for the immediate site vicinity although the City has a long term sewer line extension plan which will extend service to several peripheral areas of the City in the next 10 years. The site is not located in a flood plain, wetland area, or a tree/vegetation protection area.

SITE AND NEIGHBORHOOD CHARACTERISTICS

The site is an irregular, roughly rectangular shaped parcel comprising 23.139 acres, in the middle of a middle class residential area. Single family homes surround the site on three sides, with vacant land to the south. The land on the west of Grady St. is in the County, and is zoned R-100, single family residential for the most part. There is one small commercial site on Grady, surrounded by the subject, and there is also a church on the west side of Grady, also surrounded by the site. There is one small parcel zoned for multi-family use two blocks north of the site on N. Kight Rd.

On the City side of the property, east of Grady, the predominant land use is also single family residential, and the predominant zoning is R-2, Single Family Residential. There is a City park with baseball and other athletic fields two blocks east of the property on Jones St.

The site is presently undeveloped and virtually completely covered with trees and native scrub vegetation. The topography is gently rolling, sloping upward to the northwest. There is a telephone easement in the middle of the property at this time, with above ground lines on poles; the site plan calls for development of this area.

The site is within close proximity to two areas of employment concentration. The LaGrange Industrial Park is located south of the subject neighborhood, centered on Grady and Lukken Industrial Drive, with some industrial development on Grady within ½ mile of the site. The Park extends along Lukken Industrial, and extends south for several blocks as well. There are also a few light industrial uses along Gordon Commercial Road west of the neighborhood. Approximately one mile to the north, there is a substantial commercial area, with several small shopping centers and the West Georgia Health System Medical Center, along with a number of medical offices. This area is generally at the intersection of West Point Road, Gordon Road, Roanoke Road and Vernon Road and Street (US 29).

As noted, land to the south is wooded and undeveloped. Local sources indicate no plans for development of any vacant parcels at the present time.

The pictures on the following pages show the site and surrounding land uses, along with a map noting the site location.



Site from Grady St. looking northwest along telephone utility lines



Southern border of site looking southwest from Grady St.



S. Kight looking south from Kellogg St., site on left



Commercial property for sale west of Grady surrounded by site



Valley Grove Baptist Church northeast of site, looking southwest with site to right



Residence northeast of site on Kellogg

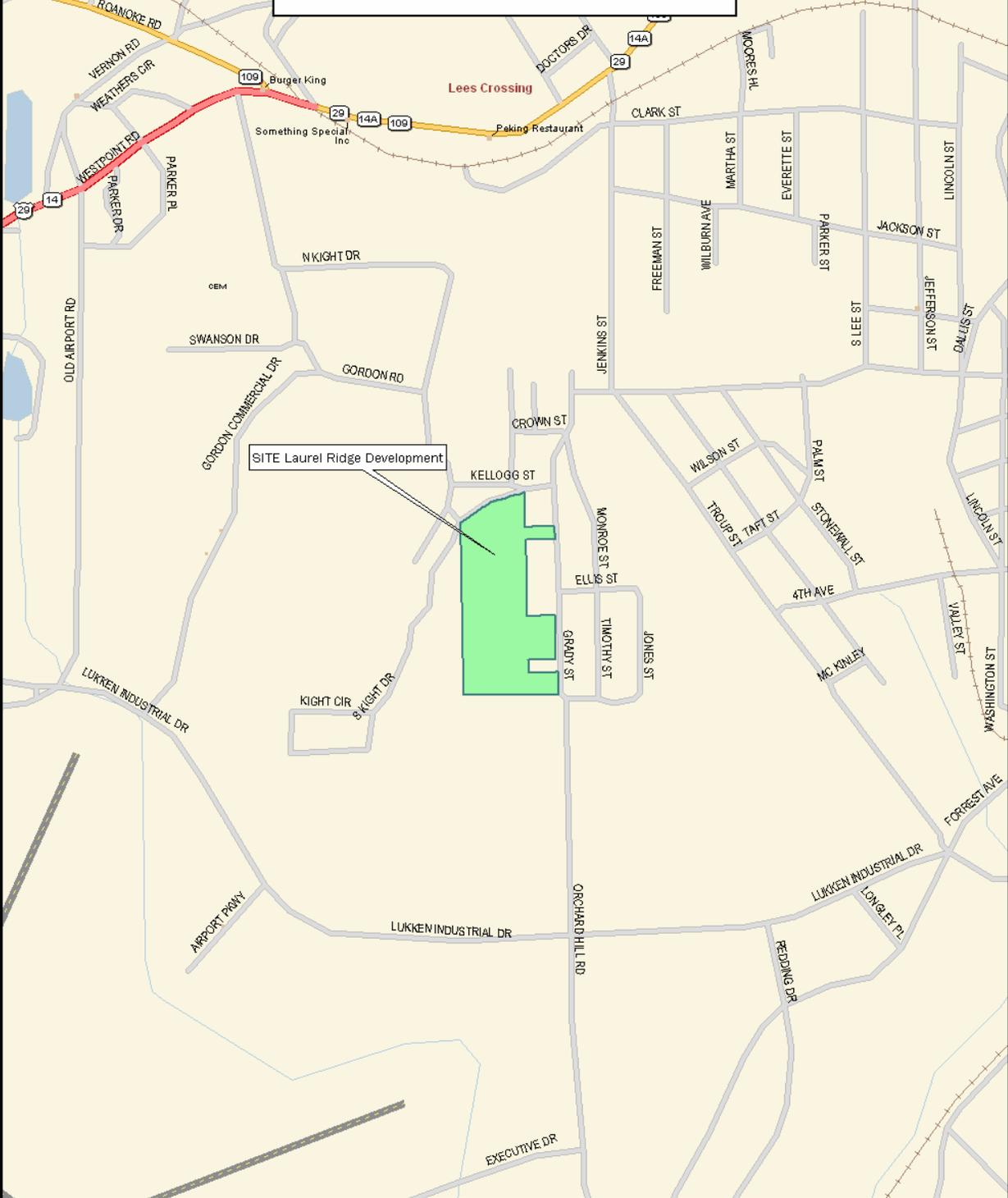


Residence east of site on Grady

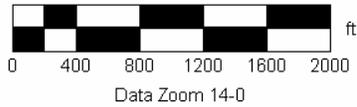


Residence west of site on S. Kight

Laurel Ridge Development Site LaGrange, Georgia



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COMMUNITY SERVICES

Although the site is located in the southwestern part of town, it is easily accessible to all parts of the City, and also reasonably proximate to interchanges with Interstate 85 to the south. Vernon St. connects the hospital and the western part of the City with the downtown area, and with Main Street (US Highway 27) which travels north/south. East of the CBD, Lafayette Parkway connects the central city with Interstate 85 and LaGrange Mall, 3 miles east of the downtown; the mall houses 30 stores, and is anchored by Belk and JC Penney. There is also an interchange with I-85 south of town on Main Street (US 27).

There is a wide variety of retail establishments in LaGrange, from the traditional Mall east on Lafayette Parkway, several shopping centers on Commerce Avenue in the northeast part of the City including a Publix and a Kroger supermarket, a Wal-Mart north on Franklin Road (US 27) and the previously mentioned neighborhood shopping areas on Vernon near the site, including a small grocery. Most of the municipal services are concentrated in and around the CBD, although the closest fire station to the site is on Lukken Industrial Dr 1.5 miles southeast of the property. There is also a small post office on Vernon St. near the site.

The schools serving the site include the Ethel Kight magnet elementary school 3 blocks north of the site, Cannon Street Elementary 2 miles east, LaGrange High School 2.6 miles northeast, and Newman Middle School on Hogansville Rd. northeast of the City. LaGrange is also home to LaGrange College, and West Georgia Technical College, both within 2 miles of the subject.

The West Georgia Health System/ Medical Center is located less than one mile from the site, as mentioned above, and is surrounded by a wide variety of physicians offices and satellite health care facilities. A wider variety of medical specialists is also available in Columbus, 45 miles south and particularly in Atlanta, 65 miles northeast.

Maps showing the geographic relationship of the site to community services, employment concentrations in the vicinity, and to all government program-assisted housing in the PMA are included below.

LaGrange Community Services

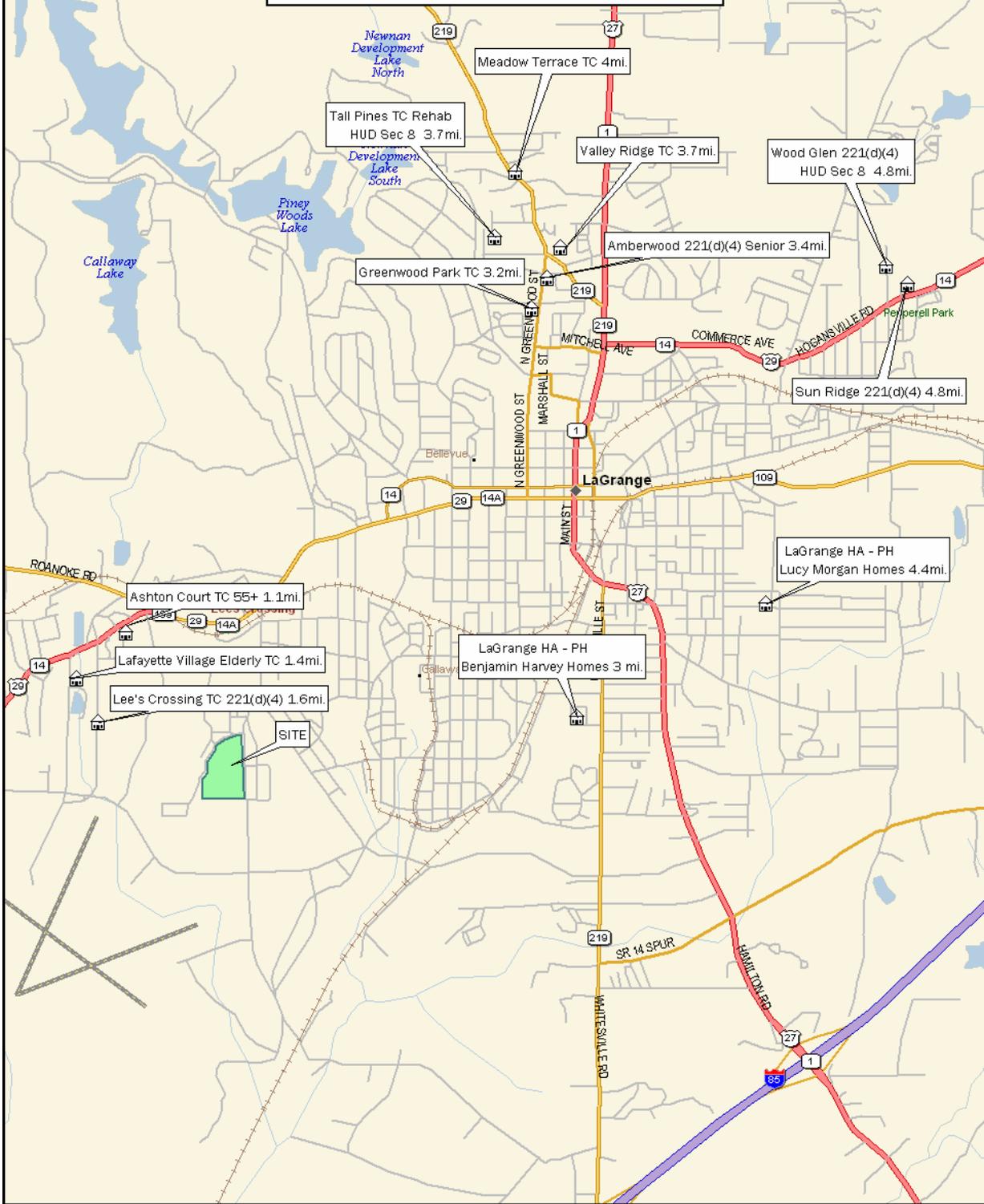


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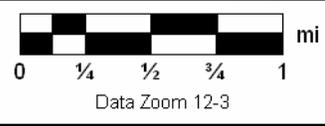


Data Zoom 12-3

LaGrange Assisted Apartments



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SITE SUMMARY

The site is considered marketable, with good access to municipal arterials and highways providing good access to all commercial and public services in LaGrange, and to employment centers in the City. The site is easily accessible to the highway system in the County, including US 27 and US 29, plus Interstate 85, connecting the City to other employment options in the County (such as West Point) and the State – roughly one hour to Atlanta.

Within the neighborhood, the site has excellent visibility and access, with no residual adverse features.

MARKET AREA DESCRIPTION

The definition of a market area for any real estate use is generally limited to the geographic area within which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly considers the location and proximity to consumer generators, transportation access, and the proximity and scale of competitive options. Frequently, both a primary and a secondary area are defined, where the primary area consumers will have the greatest propensity to choose a specific product at a specific location, and the secondary area consumers are less likely to choose the product but will still generate significant demand.

In almost all new apartment developments, a number of the tenants come from outside the defined primary (and/or secondary) market area. Out-of-market demand is not necessarily specific to any geography, and is often "opportunity-oriented": that is, demand is generated by the availability of units. Out-of-market demand includes elderly who return home (move-backs), elderly parents "imported" by their locally resident children, and households of any age who move because appropriate and affordable housing options are available.

This evaluation considers demand from the defined primary market area, plus a limited amount of support from the immediate secondary area and beyond the region. In this case, the defined primary market area broadly reflects the geographic area from which most tenants will come, but the economic impact of the impending development of a major new automobile manufacturing facility in nearby West Point (discussed in greater detail in the employment section of the report) dictates that a secondary area should be included in this case.

PRIMARY MARKET AREA

An affordable housing market area definition is typically based on analysis of population and housing development, transportation and geographic patterns, housing stock conditions, and the location of competitive affordable housing. In this case, the primary factors are the site location within Troup County, density and similarity of existing residential development, geo-political boundaries, the location of other apartment projects, historic development patterns, as well as access to services. A further consideration is the availability of secondary data from the U.S. Census.

In Georgia, data at the sub-County level are available for incorporated places; Census designated places (CDPs), Census County Divisions (CCDs), Census Tracts, Block Groups and Blocks. Complete data are not available for all levels in the Census hierarchy however, particularly at the block level. In the rural areas of Georgia, CCDs and Census Tracts are

generally coextensive, and the boundaries are frequently arbitrary, for ease of data collection and reporting. The final definition of a Primary Market Area is ultimately based on a "best fit" geography, which utilizes the geographic area for which data are available that best corresponds with the area identified through the analysis of the other factors previously noted.

Based on these factors, the effective market area for the project is defined as four Census Divisions in Troup County – LaGrange, Abbottsford, Hillcrest and Oak Grove, and including the City of LaGrange. The rationale for this definition is explained below.

Troup County is located in the West Georgia, southwest of the Atlanta metropolitan area and on the border with Alabama. The County is bordered by Harris County to the south, Chambers County, Alabama to the west, Heard County to the North and Meriwether County to the east. LaGrange is the largest City in the County, and serves as the County Seat. The two Census divisions excluded from the definition house the other two population centers in the County – West Point and the smaller Hogansville.

Transportation access in the County includes I-85 connecting Atlanta with Montgomery and Mobile, Alabama. Interstate I-185 splits off from I-85 just east of LaGrange, and travels south to Columbus and Fort Benning. In addition, US 29 parallels I-85, and US 27 serves the City going north-south, and connects the market with Columbus to the south, and Carrollton, Cedartown and other parts of northwest Georgia,

In addition to being the County Seat, the City of LaGrange serves as the trade center for the County and the West Georgia region north of Columbus, and is a significant health care, education and employment center in the County. Population growth has been occurring in the north and northwest parts of town, but large new planned residential developments should foster growth in the east and west as well in the near future. LaGrange also serves as the largest concentration of multi-family projects in the County, with separate housing submarkets in West Point and Hogansville.

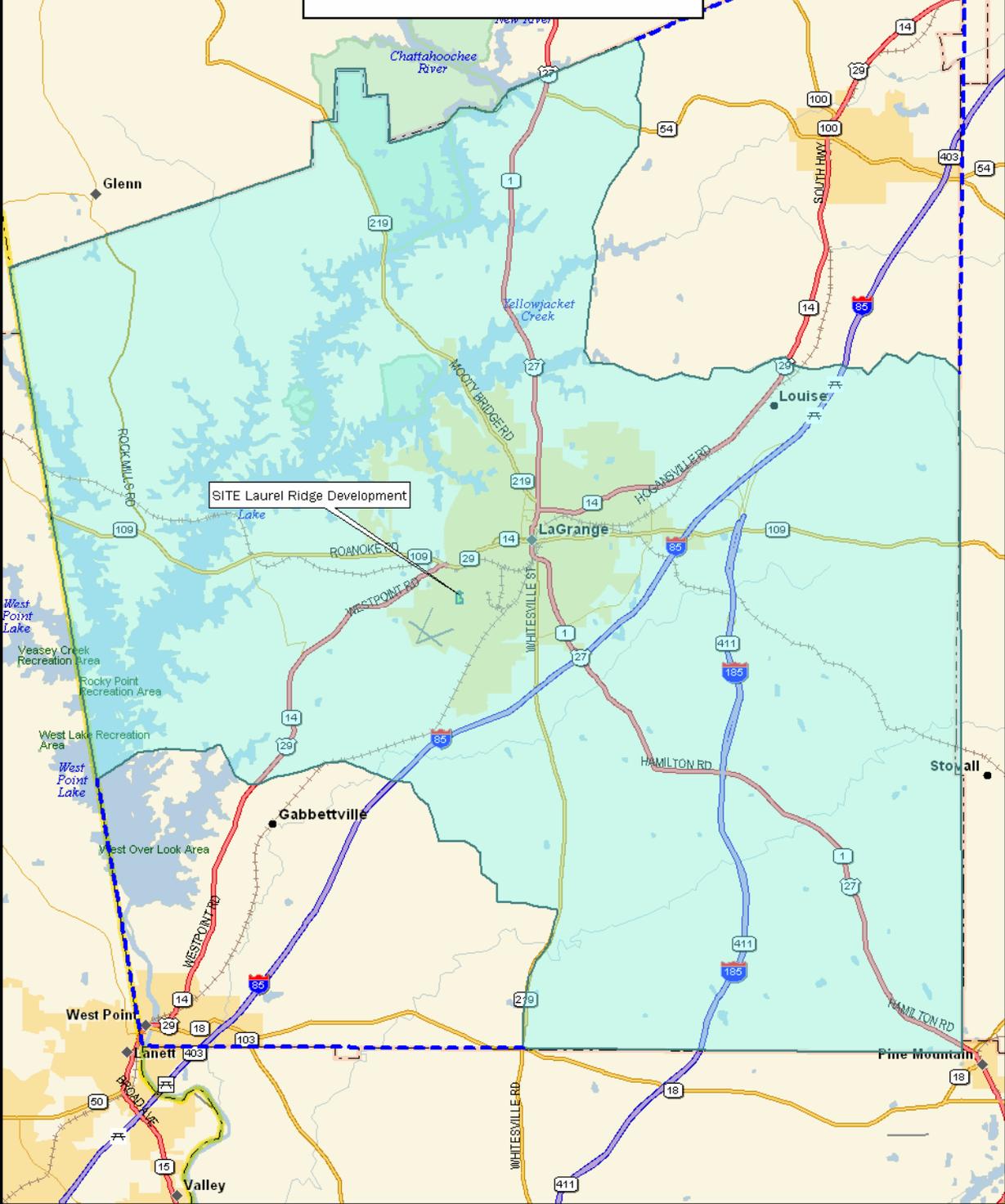
SECONDARY MARKET AREA

The Secondary Market Area for the proposed project will specifically include the remaining two Census Divisions in Troup County, which include West Point in the southwest and Hogansville in the northeast, both on either side of LaGrange in the I-85/US 29 corridor. The secondary area will also include adjacent parts of both Harris County, and Chambers County in Alabama.

While it is likely that some residents at the proposed project will be drawn from adjacent or reasonably close areas, and some local observers believe that LaGrange is beginning to feel the exurban expansion from Atlanta, some potential local residents may choose to migrate to larger urban areas such as Columbus or Atlanta. The location of the new KIA plant in West Point will indeed cause greater in-migration for employment, but the precise economic and housing impact has not yet been reliably quantified. It is the consultant's opinion, fostered by conversations with local officials and residents in LaGrange and the County, that the net migration effect will probably increase but at this time should be assumed to balance at zero, and the defined market area will best represent the population served by the proposed project. The expected economic and demographic expansion will serve to reduce the risk of product introduction.

The market areas are shown on the map on the following page. The PMA is shaded, with the SMA indicated by the dotted line.

Laurel Ridge Development Market Area



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Data Zoom 10-0

ECONOMIC AND DEMOGRAPHIC BASE

Demand for any real estate use is typically a function of three basic indices - employment, demographics (population and households), and income. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Population and particularly household data indicate the strength of the consumer base, and the characteristics of those consumer households affect product design and marketing. Analysis of the income distribution identifies the ability of target segments to afford a specific product.

For this study, reflecting a specified methodology and an affordable product, these three indices are examined with specific demand goals in mind. Need by type is based on household strength and income distribution to identify eligible households. Demand is estimated using growth trends, mobility, tenure, and income segmentation, to determine the consumer base to evaluate in the competitive environment. Finally, household characteristics such as household size and age help determine the housing features in demand by the consumers.

Normally this type of analysis relies on Department of Housing and Urban Development (HUD) estimates of income medians, levels, and program limits for consumer households. The 2006 HUD income limits and data are used in this study in defining upper income limits for target household segments, as required by the LIHTC guidelines. For comparison purposes, the HUD Fair Market Rents are also identified, and reflect the final 2006 FMR's published in 2005, as well as the proposed 2007 FMR's just released.

For the purposes of this analysis, the forecast period is defined as three years, from 2005 to 2008, in accordance with DCA market study requirements. This allows sufficient time in the next two years for predevelopment planning, financial approvals by multiple agencies, actual construction, and leasing, and establishes a base year using current estimates rather than projections. The proposed project could commence construction in 2007, with a completion in mid 2008.

This type of study usually includes data at the County, market area and town; in this case, these levels are represented only by the defined LaGrange Market Area, and Troup County as the Secondary Market Area.

MARKET AREA DEMOGRAPHICS AND ECONOMIC DEVELOPMENT

Population trends and projections, and particularly household formations, are the basic indicators of the need and demand for housing. Tables 1 through 6 provide indicators of the trends for population and household growth. For this market area, the LaGrange Market Area and Troup County data are analyzed, supplemented by additional data on the City of LaGrange where appropriate.

It must be pointed out that the future growth in LaGrange and Troup County is likely to be much more dynamic and potentially explosive than the continuation of trends indicated in the forecasts in this section. Kia Motors Co, a subsidiary of Hyundai Motor Company, both of South Korea, has recently announced its intention to build a \$1.2 billion automobile manufacturing facility just north of the town of West Point, roughly 8 miles from the subject site. The location in relation to the site is shown on the map on the following page.

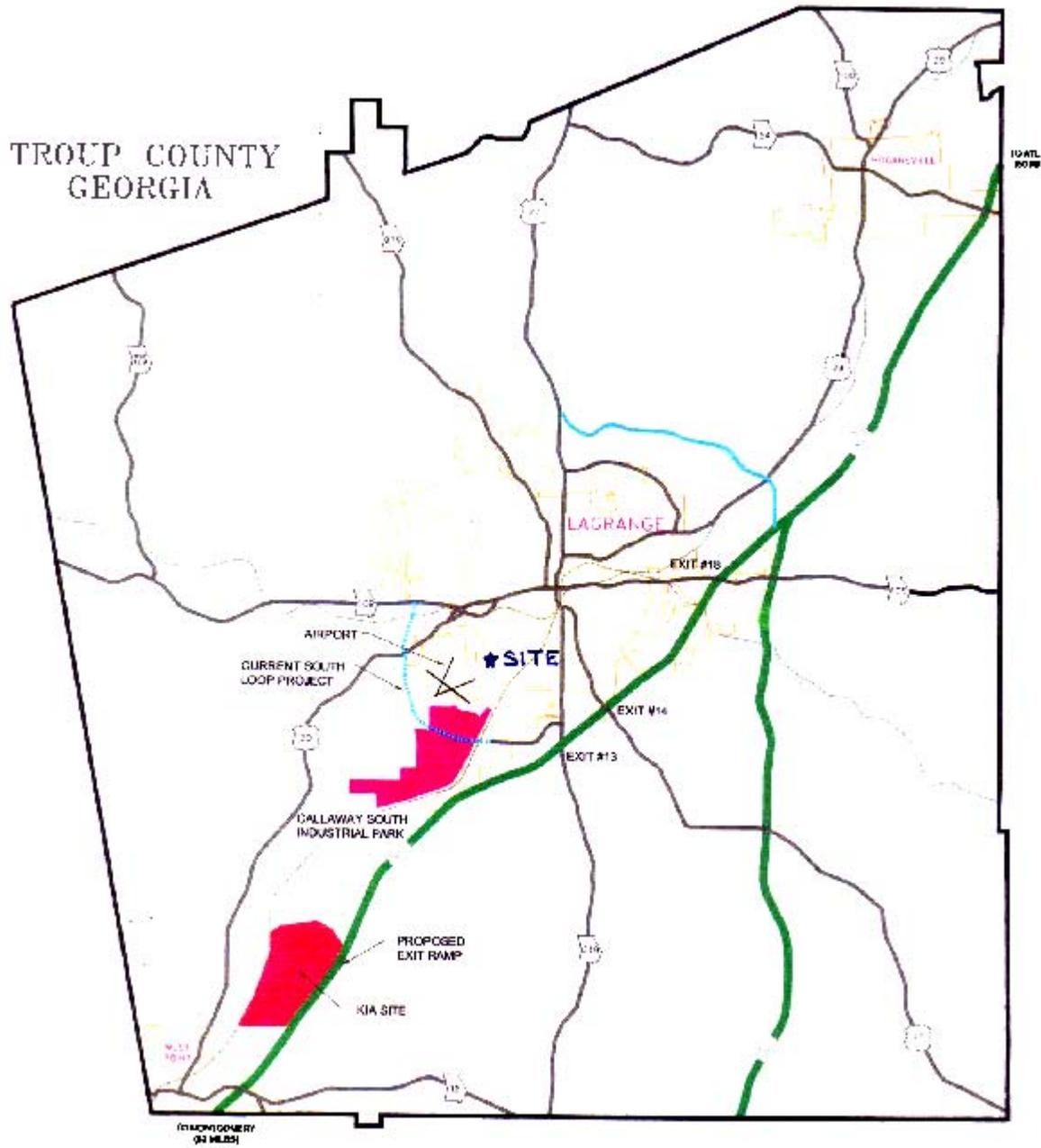
This factory will in itself employ nearly 2,900 people, with salaries exceeding \$50,000 per year. Equally important, related suppliers will also locate near the facility to provide materials to the assembly plant, employing an expected 2,600 additional workers in primary jobs. Since there are only 31,500 jobs in Troup County currently, this would on its own represent a 17.5% increase in jobs in the next 2.5 to 3 years, and a staggering 76% increase in manufacturing jobs, which had been in decline.

The secondary impact of this facility will likely be the subject of considerable economic debate and analysis in the near term – the multiplier effect of the addition of so many primary jobs at one time. Other companies related to the automotive industry are also likely to locate in the vicinity, and the increase in secondary employment necessary to accommodate the growth fostered by the primary growth could be up to two times as many jobs – health care, service and retail, government, education etc. At this time, it is not possible to accurately quantify the economic and demographic impact of this development, but the potential is very high, and significantly higher than currently projected.

The effect on the proposed project, and similar affordable housing projects, will be less than on the moderate to affluent housing segment – most of the primary job-holders will have incomes higher than eligibility for affordable housing. However, many if not most of the secondary, service sector jobs will entail lower salaries, and growth in these households/jobholders would increase the demand for rental housing as well as for-sale housing.

There is one current caveat – the CEO of Hyundai has been indicted in Korea, and although he is now released on bail, corporate decisions may be delayed. Local and

company officials indicate that the plant plans will proceed on schedule, and local and state improvements to the site and highways are already underway.



POPULATION AND HOUSEHOLDS

For purposes of this analysis, data from the 2000 Census for the LaGrange Market Area are presented and compared to data from the 1990 Census. As previously noted, the estimates and projections are derived from a composite of official forecasts including Census estimates, OPB forecasts and CAED projections, and supplemented with County level data and 5 year forecasts from Claritas. None of these sources has taken into account the impact of the potential opening of the KIA plant in West Point on the economic and demographic conditions in Troup County over the next five years, and reliable impact statements have not yet been published. Therefore, this analysis relies on the existing forecasts, with the understanding that population and household growth may be 5 times as great or more, with a corresponding dramatic increase in housing needs.

The population of the LaGrange Market Area experienced a moderate increase between 1990 and 2000 (323 persons or 0.7% per year), and this trend has increased significantly since 2000. Based on projections, nearly average growth conditions are expected through the forecast period, with a gain of nearly 400 persons per year in the population base.

The same data and projections show slightly slower trends in the general population in the County, indicating that almost all of the County growth occurred in the PMA. The general population increased by 325 persons during the 90's or 0.6% per year - considered below average. The general population is estimated to have increased more rapidly - at about 1.1% since 2000, but is projected to revert to the lower 0.6% per year during the forecast period.

The population of the City of LaGrange increased by over 400 persons, to almost 26,000 during the 1990's decade. A further increase to 27,750 persons is forecast. Both of these increases reflect annexations as well as natural increases.

TABLE 1
POPULATION TRENDS
LAGRANGE MARKET AREA
1990 - 2013

	<u>1990</u>	<u>2000</u>	<u>2005</u>	<u>2008</u>	<u>2013</u>
City of LaGrange	25,597	25,998	27,200	27,741	28,860
Troup County	55,536	58,779	62,015	63,200	65,600
LaGrange Market Area	44,963	48,193	51,165	52,340	54,450

Total Population Change

LaGrange Market Area

Total Population Change	NUMBER		GROWTH RATE	
	<u>Total</u>	<u>Annual</u>	<u>Total</u>	<u>Annual</u>
1990 - 2000	3,230	323	7.2%	0.7%
2000 - 2005	2,972	594	6.2%	1.2%
2005 - 2008	1,175	392	2.3%	0.8%
2008 - 2013	2,110	422	4.0%	0.8%

Troup County

Total Population Change	NUMBER		GROWTH RATE	
	<u>Total</u>	<u>Annual</u>	<u>Total</u>	<u>Annual</u>
1990 - 2000	3,243	324	5.8%	0.6%
2000 - 2005	3,236	647	5.5%	1.1%
2005 - 2008	1,185	395	1.9%	0.6%
2008 - 2013	2,400	480	3.8%	0.7%

- NOTES: 1. 2008 data are projections.
2. Annual growth rates are compound rates, not averages.

SOURCES: 1990 Census of Population
2000 Census of Population, SF1
2004 and 2005 Census Estimates
Georgia Office of Planning and Budget
Demographics and Economic Data Area Report, UGA
Center for Agribusiness and Economic Development
Demographics USA 2005 - County Edition (Claritas)

Mobility in the population confirms that a modest amount of in-migration has occurred, and that net migration trend corresponds to the moderate growth. Around 18.5% of the LaGrange Market Area and of the Troup County populations moved into the area within the five-year period prior to the 2000 Census.

The age distribution tables (Tables 2 and 3) detail the growth rates among the various population segments between 1990 and 2000. The data show an increase of 5.8% in the number of children in the market area and a decrease in the 18-34 age segment; growth was strongest among the older elderly and the mature wage-earners – a result of population maturation. The change between 1990 and 2000 for the household formation segment (18-34) indicated a loss of -5.3%, while the more mature segment of 35 to 54 year olds increased by 27.7%. The increase in the number of elderly was negative in the 65-74 segment, reflecting wartime, pre-baby-boom demographics.

TABLE 2 POPULATION AGE DISTRIBUTION LAGRANGE MARKET AREA 1990 - 2000				
	<u>1990</u>	<u>2000</u>	<u>Change</u>	<u>Percent Change</u>
Less than 18 years	12,611	13,337	726	5.8%
Proportion	28.0%	27.7%		
18 - 34 years	11,889	11,254	-635	-5.3%
Proportion	26.4%	23.4%		
35 - 54 years	10,747	13,719	2,972	27.7%
Proportion	23.9%	28.5%		
55 - 64 years	3,822	3,892	70	1.8%
Proportion	8.5%	8.1%		
65 - 74 years	3,306	3,092	-214	-6.5%
Proportion	7.4%	6.4%		
75 years and over	2,588	2,899	311	12.0%
Proportion	5.8%	6.0%		
Total Population	44,963	48,193		
Sources: 1990 Census of Population 2000 Census of Population, SF1				

In the County, the young senior segment recorded a decrease of 11%, and the mature wage earner segment showed a gain of 27%. The increase in the number of elderly was highest in the oldest age segment, while children recorded a gain of 6%.

TABLE 3
POPULATION AGE DISTRIBUTION
TROUP COUNTY
1990 - 2000

	<u>1990</u>	<u>2000</u>	<u>Change</u>	<u>Percent Change</u>
Less than 18 years	15,506	16,373	867	5.6%
Proportion	27.9%	27.9%		
18 - 34 years	14,482	13,391	-1,091	-7.5%
Proportion	26.1%	22.8%		
35 - 54 years	13,155	16,739	3,584	27.2%
Proportion	23.7%	28.5%		
55 - 64 years	4,767	4,875	108	2.3%
Proportion	8.6%	8.3%		
65 - 74 years	4,285	3,821	-464	-10.8%
Proportion	7.7%	6.5%		
75 years and over	3,341	3,580	239	7.2%
Proportion	6.0%	6.1%		
Total Population	55,536	58,779		

Sources: 1990 Census of Population
2000 Census of Population, SF1

HOUSEHOLDS

Household growth in the LaGrange Market Area was moderate during the 90's, corresponding to a decrease in household size in addition to the below average population gains. This trend accelerated in the first half of this decade, and is expected to be average in the forecast period, corresponding to the slow population growth forecast but continued household size declines.

In the County, the growth averaged 0.7% per year or around 150 households. The number of County households is projected to increase by nearly 200 per year during the forecast period. See Table 4.

In almost every market, rural and urban, there has been a decline in the household size since 1960, due to a number of sociological factors. These include smaller families, fewer extended or three generation families, greater number of divorces and single parents, increased personal longevity yielding more elderly, one- and two-person households, etc. (By definition, the minimum household size is 1.0.) This has been true in both Troup County and in the PMA, with a modest decrease in household size recorded between 1990 and 2000.

TABLE 4
HOUSEHOLD TRENDS
LAGRANGE MARKET AREA
1990 - 2013

	<u>Year</u>	<u>Population</u>	<u>In Group Quarters</u>	<u>Households</u>	<u>Persons Per Household</u>
LaGrange Market Area	1990	44,963	1,029	16,388	2.68
	2000	48,193	1,439	17,895	2.61
	2005	51,165	1,475	19,260	2.58
	2008	52,340	1,504	19,819	2.57
	2013	54,450	1,556	20,743	2.55
Troup County	1990	55,536	1,036	20,371	2.68
	2000	58,779	1,517	21,920	2.61
	2005	62,015	1,569	23,429	2.58
	2008	63,200	1,600	24,016	2.57
	2013	65,600	1,655	25,076	2.55

HOUSEHOLD TREND ANALYSIS - PRIMARY MARKET AREA

	<u>NUMBER</u>		<u>GROWTH RATE</u>	
	<u>Total</u>	<u>Annual</u>	<u>Total</u>	<u>Annual</u>
1990 - 2000	1,507	151	9.2%	0.9%
2000 - 2005	1,365	273	7.6%	1.5%
2005 - 2008	559	186	2.9%	1.0%
2008 - 2013	924	185	4.7%	0.9%

- NOTES: 1. 2008 data are projections.
2. Annual growth rates are compound rates, not averages.

SOURCES: 1990 Census of Population and Housing
2000 Census of Population, SF1
Georgia Office of Planning and Budget
Demographics USA 2005 - County Edition (Claritas)

Tenure among households showed a healthy but slightly decreasing proportion of renters over the 90's for the LaGrange Market Area, from 37.5% in 1990 to 36.8% in 2000. The ratios are projected to continue to decrease slightly in the PMA to around 36.2% over the forecast period. Net renter household growth in this market is projected to be around 55 units per year in the forecast period, all things being equal.

Similar trends were apparent in Troup County as a whole during the 90's, with a net increase in the number of renters, but a decline in the ratio from 35.9% to 35.5%. The ratio of renters in Troup County is projected to be almost stable during the forecast period. See Table 5.

TABLE 5 HOUSEHOLDS BY TENURE LAGRANGE MARKET AREA 1990 - 2013					
LaGrange Market Area					
	<u>Households</u>	<u>Owner</u>	<u>Percent</u>	<u>Renter</u>	<u>Percent</u>
1990	16,388	10,250	62.5%	6,138	37.5%
2000	17,895	11,318	63.2%	6,577	36.8%
2005	19,260	12,249	63.6%	7,011	36.4%
2008	19,819	12,645	63.8%	7,174	36.2%
2013	20,743	13,296	64.1%	7,447	35.9%
Troup County					
	<u>Households</u>	<u>Owner</u>	<u>Percent</u>	<u>Renter</u>	<u>Percent</u>
1990	20,371	13,058	64.1%	7,313	35.9%
2000	21,920	14,131	64.5%	7,789	35.5%
2005	23,429	15,158	64.7%	8,270	35.3%
2008	24,016	15,563	64.8%	8,453	35.2%
2013	25,076	16,301	65.0%	8,777	35.0%
SOURCES: 1990 Census of Population and Housing 2000 Census of Population, SF1					

Household size data from the 2000 Census provide an indication that the population in Troup County and LaGrange generally conform to national norms - 10.3% of all County households and 10.2% of all LaGrange Market Area households have five people or more (10% is typical). The majority of the households are still in the more traditional sizes of two to four (64.8% in the County and 65.2% in the PMA), and around 24.9% of County and 24.6% of PMA households are persons living alone.

These proportions do vary somewhat with tenure. Again, in the market area and the County, 57% of renters are in 2-4 person households, but 32% are persons living alone. However, the proportion of larger household increases in both the PMA and the SMA to 11+%. These PMA trends imply that a mix of two and three bedroom units would be the most appropriate for family units, but a few larger, four bedroom units are also needed to maintain balance in the mix, particularly since there are few 3BR or 4BR units now in the mix (21% according to the competitive survey discussed later in the study).

TABLE 6
HOUSEHOLDS BY SIZE
LAGRANGE MARKET AREA
2000

LaGrange Market Area	<u>Owner-Occupied</u>			<u>Renter-Occupied</u>		
	<u>Number</u>	<u>Percent</u>	<u>Cumulative Percentage</u>	<u>Number</u>	<u>Percent</u>	<u>Cumulative Percentage</u>
Household Size						
One Person	2,290	20.2%	20.2%	2,112	32.1%	32.1%
Two Persons	3,971	35.1%	55.3%	1,639	24.9%	57.0%
Three Persons	2,179	19.3%	74.6%	1,164	17.7%	74.7%
Four Persons	1,788	15.8%	90.4%	925	14.1%	88.8%
Five Persons	711	6.3%	96.7%	441	6.7%	95.5%
Six Persons	250	2.2%	98.9%	168	2.6%	98.1%
Seven or More Persons	<u>129</u>	1.1%	100.0%	<u>128</u>	1.9%	100.0%
Total Households	11,318	100.0%		6,577	100.0%	
Troup County						
	<u>Owner-Occupied</u>			<u>Renter-Occupied</u>		
	<u>Number</u>	<u>Percent</u>	<u>Cumulative Percentage</u>	<u>Number</u>	<u>Percent</u>	<u>Cumulative Percentage</u>
One Person	2,971	21.0%	21.0%	2,489	32.0%	32.0%
Two Persons	4,883	34.6%	55.6%	1,932	24.8%	56.8%
Three Persons	2,704	19.1%	74.7%	1,391	17.9%	74.6%
Four Persons	2,190	15.5%	90.2%	1,105	14.2%	88.8%
Five Persons	893	6.3%	96.5%	521	6.7%	95.5%
Six Persons	316	2.2%	98.8%	195	2.5%	98.0%
Seven or More Persons	<u>174</u>	<u>1.2%</u>	100.0%	156	<u>2.0%</u>	100.0%
Total Households	14,131	100.0%		7,789	100.0%	

SOURCE: 2000 Census of Population, SF1

INCOME

One of the first discriminating factors in residential analysis is income eligibility and affordability. The market study must distinguish between gross demand and effective demand - effective demand is represented by those households that can both qualify for and afford to rent the proposed low-income multi-family development. For market-rate housing, the eligibility is unlimited, but affordability is nearly as an important a factor as in assisted housing. In order to quantify this effective demand, the income distribution of the market area households must be analyzed.

Median household incomes among all households in the LaGrange Market Area are moderate with modest increases since 1999. The median income for all households was roughly \$36,500 in 1999 and \$22,750 for renters. These are projected to be \$42,400 for all households and only \$26,400 for renters in 2005. Base year estimates are used to reflect constant dollars between incomes and rents; while it is expected that incomes will be higher in 2008, with a different distribution overall, it is also expected that income limits will increase as well.

Even with the increases over recent years, there are a significant proportion of renter households who could not afford to pay market or LIHTC rents without project-based subsidies, but there is also a moderate proportion that needs affordable rents without subsidies.

TABLE 7
HOUSEHOLD INCOME DISTRIBUTION
LAGRANGE MARKET AREA

1999				
Household Income Range	ALL HOUSEHOLDS		RENTER HOUSEHOLDS	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$0 - 10,000	2,291	12.8%	1,500	22.8%
\$10,000 - 20,000	2,648	14.8%	1,440	21.9%
\$20,000 - 30,000	2,522	14.1%	1,092	16.6%
\$30,000 - 40,000	2,219	12.4%	789	12.0%
\$40,000 - 50,000	1,951	10.9%	697	10.6%
\$50,000 and over	<u>6,263</u>	35.0%	<u>1,059</u>	16.1%
TOTAL	17,895	100.0%	6,577	100.0%
Median Household Income	\$36,500		\$22,750	
2005				
Household Income Range	ALL HOUSEHOLDS		RENTER HOUSEHOLDS	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$0 - 10,000	2,061	10.7%	1,332	19.0%
\$10,000 - 20,000	2,407	12.5%	1,381	19.7%
\$20,000 - 30,000	2,619	13.6%	1,143	16.3%
\$30,000 - 40,000	2,138	11.1%	883	12.6%
\$40,000 - 50,000	2,119	11.0%	750	10.7%
\$50,000 and over	<u>7,916</u>	41.1%	<u>1,521</u>	21.7%
TOTAL	19,260	100.0%	7,011	100.0%
Median Household Income	\$42,400		\$26,400	
SOURCES: 2000 Census of Population, SF3 US Department of Housing and Urban Development (HUD)				

EMPLOYMENT TRENDS

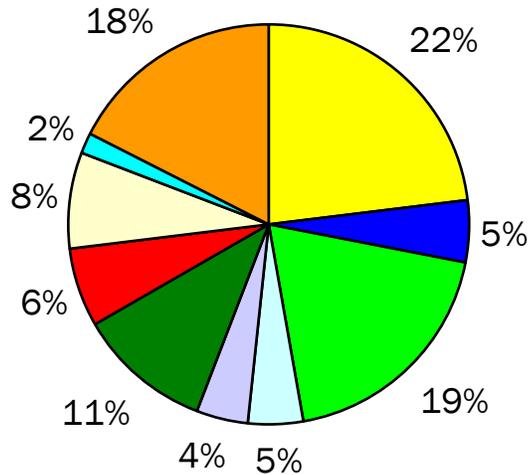
The economic situation for LaGrange and environs is statistically represented by the employment activity, both in workers and jobs, in Troup County as a whole. The County in this case encompasses a slightly larger economy, and is a slightly broader geographic and categorical employment base than the City of LaGrange and the market area, but the bulk of the population and jobs are in the PMA. Generally changes in family households reflect a fairly direct relationship with employment, unlike elderly household dynamics, and the employment data reflect the vitality and stability of the area for growth and development in general.

Labor data for 2005 reflect stability in employment over the past year following general declines between 2000 and 2004, although there was a substantial change in the methodology and benchmarking of data in 2005 that make direct comparisons less reliable. The unemployment rate is well above national averages and has increased significantly since 2000, although in the past year this statistic reflects an increase in the labor force rather than a decrease in workers. Manufacturing is still an important part of the economy, but Troup County has lost a significant number of manufacturing jobs, particularly in the textile industry. Since 2001, there have been more than 3,000 jobs lost in the County, reflecting both layoffs and closings. In this the County is similar to other surrounding markets; with several counties losing substantial mill and fabrics jobs in recent years.

The national economy in general has shown sluggish signals lately, with a significant recession in 2000 – 2002, and a purported recovery in 2003 and 2004, but with very little recapture of the jobs lost. During 2005, the economy had basically recovered back to the job levels of January 2000, and appears to be temporarily stronger in early 2006. The recession was highlighted by lower factory orders and increasing transfer of jobs offshore, increased unemployment claims, increasing and longer layoffs and reduced consumer confidence, while the recovery has shown fewer primary employment jobs such as manufacturing, and more service and government jobs. The Troup County economy reflects the impact from these trends, particularly with the loss of jobs overseas. Overall, Troup County did record significant improvement in line with the national growth trends of the late 1990's, but correspondingly declined in the past four years. The addition of KIA to the area employers would reverse several of the negative economic trends in Troup County.

Manufacturing has historically dominated employment in Troup County, despite declines in recent years. Figure 1 illustrates the segmentation of the jobs in the County by industry, detailing the predominance of Manufacturing, Trade, and Government sector jobs.

**FIGURE 1: JOB SECTORS, 2005
TROUP COUNTY**



Jobs data have historically been reported using the Standard Industrial Classification (SIC) system. This has now been replaced by the North American Industry Classification System (NAICS), which will serve as the new structure for classifying business activity in the United States. The Georgia Department of Labor began publishing NAICS-based state and local employment estimates in 2001. Unlike some states, revised/converted data for prior years have not yet been released to replace previously published SIC data; further, the County-level SIC data are no longer published. Accordingly, detailed analysis of long-term trends is not possible.

Table 8 presents jobs data by place of work for Troup County for 2001 and 2005 reported under the new NAICS system. There was an overall net loss of more than 3,000 private sector jobs, chiefly in Manufacturing. Service employment increased, particularly Professional Services and Leisure and Hospitality, but there was also an increase in Health Care and Government.

TABLE 8
 EMPLOYMENT BY INDUSTRY GROUP (NAICS)
 TROUP COUNTY
 2001 - 2005
 (Place of Work)

	<u>2001</u>	<u>2005</u>	<u>Proportion</u>	<u>Growth</u>	<u>Average Wage/Week</u>
JOBS:					
Manufacturing	10,325	7,239	23.0%	-11.2%	\$800
Construction, Natural Resources	1,856	1,610	5.1%	-4.6%	\$735
Trade, Transportation & Utilities	6,397	6,024	19.1%	-2.0%	\$567
Information	1,951	1,433	4.6%	-9.8%	\$800
Financial Services	894	1,270	4.0%	12.4%	\$816
Professional/Technical Svcs.	3,138	3,451	11.0%	3.2%	\$581
Education/Health Care Services	2,023	2,014	6.4%	-0.1%	\$626
Leisure and Hospitality	1,991	2,464	7.8%	7.4%	\$209
Other Services	511	498	1.6%	-0.9%	\$442
Government	<u>5,319</u>	<u>5,525</u>	17.5%	1.3%	<u>\$610</u>
Total	34,498	31,486	100.0%	-3.0%	\$630
Total Private	29,179	25,961	82.5%	-3.8%	\$635
NOTES: 1. Annual growth rates are compound, not simple averages.					
2. Data use NAICS system.					
SOURCE: Georgia Department of Labor					

Table 9 indicates selected major employers in Troup County.

TABLE 9
 SELECTED MAJOR EMPLOYERS
 TROUP COUNTY

<u>Firm</u>	<u>Business</u>	<u>Number of Employees</u>
Millikin & Co.	Carpet	1,759
Wal-mart Distribution Center	Retail Distribution	1,600
Interface	Carpet and Carpet Tiles	900
Duracell	Batteries	475
Guardian Automotive	Automotive Glass	440
Emerson Network Power	Telecommunications Power	370
Freudenberg NOK	Automotive Seals	308
Kleen-Tex	Mats and Matting	300
Kimberly-Clark	Disposable Paper Items	255
T-Mobile	Telecommunications	250
Mountville Mills	Mats and Matting	210

SOURCES: City of LaGrange Economic Development Department

There was an overall strong increase in employment during the 90's in Troup County, (average 1.6% per year). There was a decline in employment in between 1999 and 2004, and employed workers have not yet recovered to pre-recession levels. Overall, between 2001 and 2005 there was a loss of just over 1,000 employed persons coupled with an increase in the unemployment rate to 7.0%. See Table 10.

TABLE 10
LABOR FORCE TRENDS
TROUP COUNTY
1990 - 2005
(Place of Residence)

	<u>1990</u>	<u>2000</u>	<u>2004</u>	<u>2005</u>
Civilian Labor Force	26,403	30,136	30,156	30,746
Employment	24,875	29,066	28,523	28,580
Unemployment	1,528	1,070	1,633	2,166
Unemployment Rate	5.8%	3.6%	5.4%	7.0%

	NUMBER		GROWTH RATE	
	<u>Total</u>	<u>Annual</u>	<u>Total</u>	<u>Annual</u>
1990 - 2000	-458	-46	-30.0%	-3.5%
2000 - 2004	563	141	52.6%	11.1%
2004 - 2005	533	533	1.9%	1.9%

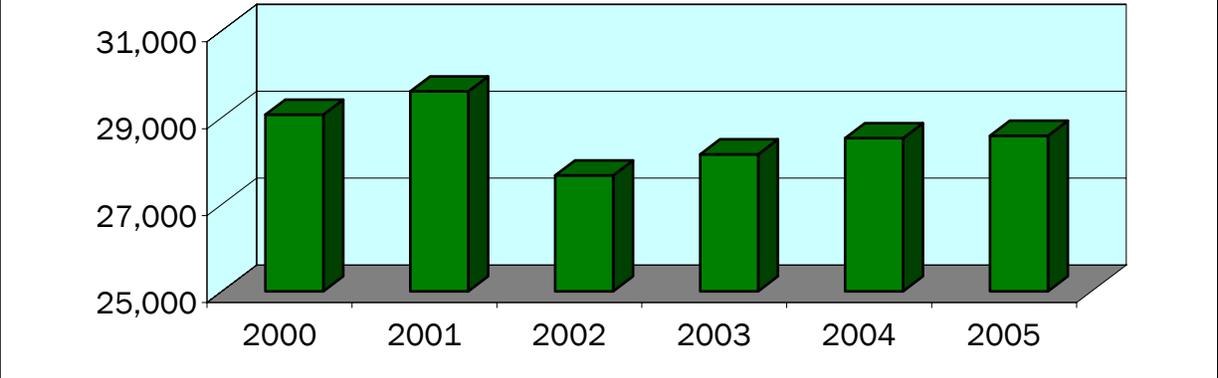
NOTES: 1. 1990-2005 data are annual averages; due to substantial changes in benchmarks and methodology, data are not strictly comparable from year to year.
2. Annual growth rates are compound rates, not simple averages.

SOURCE: Georgia Department of Labor

(NOTE: there have been several changes in the employment data reporting system in the past few years, which make data difficult to compare directly, in both this section and the job trends section.)

Year-to-year changes in employment levels are shown graphically in Figure 2.

**FIGURE 2: EMPLOYMENT TRENDS,
TROUP COUNTY**



The two sets of data combined, workers and jobs, indicate an economic climate that has suffered some reversals in line with the national economic downturn and its aftermath. Overall job levels have decreased, and the unemployment rate has increased. The unemployment rate for the County is above state and national levels. At the same time, the worker base is substantially smaller than the job base, indicating in-migration of workers from adjacent counties; this is likely to increase as the KIA facility affects the local economy.

HOUSING DEMAND ANALYSIS

The demand for Low Income Housing Tax Credit (LIHTC) assisted apartment units for family tenants is generated from three major sources, and adjusted for two more minor sources of demand. The first major source is new household growth in the market area, adjusted for the demand via affordability/tenure. The second major source of demand is forecast to come from existing renter-occupied households within the market area who are currently in a rent overburden condition. The third source of demand is similarly generated from renter households living in substandard units.

These sources will be added together in order to quantify the effective LIHTC eligible renter demand estimate for the subject development. In this case, the demand is further adjusted to reflect the influence of households from the secondary market area and beyond; this methodology assumes that a supplemental 15% of demand will derive from outside the PMA. Finally, the demand estimate is reduced by the increase in targeted, affordable units serving the rent-overburdened households, and added to the housing stock since the Census reporting rent overburden (2000). The demand estimate will then be evaluated vis a vis the project, in order to estimate what percentage of the income-eligible target group would need to be attracted to the subject to achieve a feasible development.

This project includes 51 of 69 units which will be 3BR units or larger. The overall demand estimates reflect the structure that basically indicates that the project has a wide mix, and will serve almost all household types. However, an adjustment is also made for household size and targeted bedroom demand, so that the specific demand and capture rate estimates are not overstated.

Initially, this analysis examines the project in relation to general household population, including factors of tenure and income qualification. This indicates the proportion of the housing stock the project represents. Subsequently, the analysis addresses the derivation of the effective demand pool from which tenants are likely to be drawn, as described above.

LIHTC INCOME LIMITS, AFFORDABILITY AND TARGET INCOME RANGE

Establishing the factor to identify which target households are eligible by income requires the definition of the limits of the affordable income range. Typically in LIHTC demand analysis, the upper limit is set using HUD limits for the LIHTC program, at 50% and/or 60% of the area median income adjusted for household size. This analysis converts household size into bedroom mix using maximum reasonable occupancies rounded to the next highest integer, given the household size distribution in Table 6. Therefore, a 1BR unit

can accommodate three people, but the expected average is 1.5 persons, rounded to 2 people according to DCA guidelines; 2BR = 3 people; and 3BR = 5 people.

The following table demonstrates the rent positioning of the proposed in conjunction with maximum rents, and details the maximum eligible incomes at the 50% and 6% levels. This table also compares the proposed rents with the County Fair Market Rents.

Bedroom <u>Mix</u>	Average Household <u>Size</u>	Income <u>Limit</u>	<u>50% of AMI</u>		<u>60% of AMI</u>		
			Maximum <u>Rent</u>	Proposed <u>Rent</u>	Income <u>Limit</u>	Maximum <u>Rent</u>	Proposed <u>Rent</u>
2BR	3 persons	\$23,850	\$596	\$399	\$28,600	\$715	\$510
3BR	5 persons	\$26,800	\$670	\$452	\$32,150	\$804	\$581
4BR	6 persons	\$28,750	\$719	\$471	\$34,500	\$863	\$615
2006 Median Family Income			\$48,700				
			<u>0BR</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
HUD 2006 Fair Market Rents:			\$439	\$444	\$556	\$703	\$726
HUD Proposed 2007 FMR's			\$456	\$461	\$573	\$731	\$755
SOURCES: U.S. Department of Housing and Urban Development.							

Note: The Fair Market Rents for all units are substantially **lower** than the LIHTC maximum rents at both the 50 percent and 60 percent of median income levels. However, the proposed rents are lower than the FMR's, which will facilitate the acceptance of Housing Choice Vouchers at the subject.

The affordability range, including both upper and lower income limits, is defined by the subject rents and general affordability standards. Lower limits in most cases are established by assuming that a family household can afford to pay **up to 35%** of its income for housing expenses, including utilities. The upper limit is established by program income limits and the DCA guidelines.

NOTE: The most recent Consumer Expenditure Survey (CEX, 2004) indicates that the average cost paid by all renter households is around 33% of gross income and 35% of total expenditures. However, the average cost paid by very low income households (households where the gross income [or the category "Income Before Taxes"] is less than \$23,223) is **74% of actual income excluding assistance**, or around 38% of total expenditures by this group. For seniors, including homeowners, the average cost of housing is also around 33% of expenditure, although no renter tenure data is available for seniors. In very tight markets,

some renters have paid in excess of 50% of their incomes for housing, but that limit tends to defeat the purpose of the LIHTC and other affordable housing programs.

Individual unit/target configuration upper limits are shown below, including the very affordable units at 30% AMI.

<u>Units</u>	<u>Mix</u>	<u>Size (Sq. Ft.)</u>	<u>Net Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>	<u>Target AMI</u>	<u>Maximum Income</u>
2	2BR/2Ba	1,468	\$177	\$158	\$335	30% AMI	\$13,400
8	2BR/2Ba	1,468	\$399	\$158	\$557	50% AMI	\$23,850
8	2BR/2Ba	1,468	\$510	\$158	\$668	60% AMI	\$28,600
5	3BR/2BA	1,582	\$194	\$193	\$387	30% AMI	\$16,100
21	3BR/2BA	1,582	\$452	\$193	\$645	50% AMI	\$26,800
21	3BR/2BA	1,582	\$581	\$193	\$774	60% AMI	\$32,150
1	4BR/2Ba	1,752	\$471	\$247	\$718	50% AMI	\$28,750
3	4BR/2Ba	1,752	\$615	\$247	\$862	60% AMI	\$34,500

LIHTC program income limits adjusted for household size establishes the upper limit for the tax credit units. In this case, the upper limit is equal to the LIHTC limit for 5-person households at the 30% AMI levels for all units, and for 6-person households at the 50% and 60% levels. Target ranges are indicated below:

<u>AMI</u>	<u>Units</u>	<u>Lower</u>	<u>Upper</u>
30%	7	\$11,500	\$16,100
50%	30	\$19,100	\$28,750
60%	32	\$22,900	\$34,500

The estimate of the proportion of total renters that each of these ranges represents is modified in this analysis to adjust for the overlap between AMI segments. The affordability range for the 30% AMI level is discrete in itself, but there is significant overlap in the ranges for the 50% and 60% AMI levels. **It is emphasized that the two ranges are not discrete – that a household whose income is below 50% AMI is automatically below 60%, and that were a unit targeted to 50% not available, that household would be eligible for a unit targeted to 60% AMI. However, in order to facilitate comparison of measures of demand from project to project, a convention is adopted in this analysis that assumes each target segment is discrete. A similar convention is employed later in this section to allocate demand to specific bedroom configurations.**

Employing this allocation convention results in the following estimates of the proportion of renter population eligible by income at specific target levels:

					Renter Proportion	2000 Households
7	Total	\$11,486	\$16,100	30%	10.0%	658
30	Total	\$19,097	\$28,750	50%	11.8%	776
32	Total	\$22,903	\$34,500	60%	13.0%	855
69	Total	\$11,486	\$34,500	Total	34.0%	2,236

GENERAL HOUSEHOLD POPULATION METRICS

This section presents data on the gross household population, and the proportion of the totals represented by the proposed project. Within this general category, broad qualifications for tenure, income and age are also provided. The data is used to give a general indication of the scale of this project in total and its position in the LaGrange market, as currently proposed.

It must be emphasized that LaGrange comprises a moderate housing market, although with a substantial proportion of renters. The size of the proposed project in such a market results in moderate measures of overall scale. However, this calculation does **not** adjust for the number of affordable units currently available in the market.

	Project	
	Total	Proportion
Proposed Project Size (LIHTC Units)	69	
Total Households (2008)	19,819	0.3%
Total Renters	7,174	1.0%
Total Income Qualified Renters	2,439	2.8%

EFFECTIVE DEMAND POOL

DEMAND FROM NEW RENTER HOUSEHOLD GROWTH

For the primary market area, forecast housing demand through household formation totals reflects an increase of 1,924 units for overall households, including an increase of 597 renter households in the forecast period. By definition, growth equals demand for new housing units, which would imply demand for 597 new units from this component. This total is adjusted for income qualification at each AMI level. This calculation is summarized below:

New Renter Household Growth Calculation Summary

Renter Households projected in 2008:	7,174			
Renter Households in 2000:	6,577			
Renter-Occupied Unit Need:	597			
Income Qualification Rate:	<u>30% AMI</u>	<u>50% AMI</u>	<u>60% AMI</u>	Overall
	10.0%	11.8%	13.0%	34.0%
Income-Qualified Demand from New Renters:	60	71	78	203

DEMAND FROM EXISTING RENTER HOUSEHOLDS IN SUBSTANDARD UNITS

DCA specifies a demand component from households in substandard units; typically this is likely to be a lesser source of demand, and is limited to households living in units without plumbing or in overcrowded conditions. In the LaGrange PMA, the number of substandard units is moderate (8.3%) and primarily reflects overcrowding. This component calculation assumes that the condition is confined to the lower income groups.

This factor does **not** take any other measures of substandard condition into account, including kitchen deficiencies, infestation by insects or other pests, inadequate or no heat source, or general deteriorating condition. This calculation is summarized below:

Existing Renter Household Calculation Summary - Substandard

Gross Rental Pool (2000)	6,577			
	<u>30% AMI</u>	<u>50% AMI</u>	<u>60% AMI</u>	total
Income Qualification:	10.0%	11.8%	13.0%	34.0%
Income-Qualified Rental Pool:	658	776	855	2,236
Substandard Rate:	<u>8.3%</u>	<u>8.3%</u>	<u>8.3%</u>	<u>8.3%</u>
Potential Effective Demand From Existing Renters in Substandard Units (TARGET GROUP)	55	65	71	186

DEMAND FROM EXISTING RENTER HOUSEHOLDS WITH RENT OVERBURDEN

In 2000, there were nearly 17,900 households and 6,577 renter households in the primary market area. These households are considered to be the basis for demand by households already occupying housing units in the market area. This excludes existing rental units that are now vacant.

Based on the 2000 Census, it is estimated that over 31% of all renters, or 690 renter households, suffer from rent overburden. Most of this condition is concentrated in the lowest income groups, and includes over 53% of households with incomes of \$10,000 to \$20,000 (appropriate for 30% AMI), and an estimated 21.2% of the households earning between \$10,000 and \$35,000, or the segment most appropriate for the proposed 50% and 60% units. Rent overburden is defined in this case as a condition where a household pays rent greater than 35% of its household income.

Application of this rate to the **income-qualified** renter bases in 2000 yields the following calculation, summarized below:

Existing Renter Household Calculation Summary - Rent Overburden

Gross Rental Pool (2000)	6,577			
	<u>30% AMI</u>	<u>50% AMI</u>	<u>60% AMI</u>	<u>Total</u>
Income Qualification:	10.0%	11.8%	13.0%	34.0%
Income-Qualified Rental Pool:	658	776	855	2,236
Substandard Allocation	<u>55</u>	<u>65</u>	<u>71</u>	<u>186</u>
	603	711	784	2,051
Rent Overburden Rate:	53.8%	21.2%	21.2%	31.3%
Potential Effective Demand From Existing Renters with Rent Overburden (TARGET GROUP)	325	151	166	641

ADJUSTMENT FOR NEW COMPARABLE UNITS

The demand methodology incorporates renter household growth since 2000 as one component, and identifies households experiencing rent overburden and substandard conditions according to the overburden proportion reported in the 2000 Census as different components. In both cases, the conditions use the year 2000 as a base year, and acknowledge the effect that the existing supply has on rental housing as of that date. An adjustment must be made for comparable units that have been built since 2000, or are funded to be built in the forecast period, that satisfy the demand from these components.

There have been several additions in the LaGrange PMA since 2000, although no other units are in the "pipeline". Most of the units added are not comparable to the proposed, and are therefore not included in the adjustment. These include Ashton Court (elderly) and Sun Ridge (rents 20% to 36% higher than the proposed). One project – Valley Ridge – is directly comparable, with units at the 30%, 50%, 60% and Market Rate levels. The appropriate units are netted out of the estimate in each category.

ADJUSTMENT FOR EXCESS VACANCY

The demand methodology also assumes that a project will achieve normal occupancy – sufficient to allow normal turnover, cleaning and refurbishing, and a degree of choice available for consumer – when 93% of the units are leased. In many cases where demand exceeds supply, the occupancy rate may be much higher. However, in those cases where the occupancy at affordable apartments is below the "normal occupancy" rate, an adjustment is required to acknowledge the availability of those units to satisfy the demand. This assisted

market falls in the former category, where vacancy is approximately the standard 7%, and no excess vacancy adjustment is required.

TOTAL EFFECTIVE DEMAND POOL AND CAPTURE RATE

The net potential demand from all these sources, divided into target AMI levels, is shown in Table 13. This estimate comprises the total income qualified demand pool from which the tenants at the proposed project will be drawn. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit at this time; this is the gross effective demand.

TABLE 13 DEMAND AND NET DEMAND LAUREL RIDGE APARTMENTS				
	HH at 30% AMI (\$11,500 - \$16,100)	HH at 50% AMI (\$19,100 - \$28,750)	HH at 60% AMI (\$22,900 - \$34,500)	Total (\$11,500 - \$34,500)
a) Demand from New Household migration into the market and growth from existing households in the market: age and income appropriate	60	71	78	203
Plus				
Demand from Existing Renter Households - Substandard Housing	55	64	71	186
Plus				
Demand from Existing Renter Households- Rent Over burdened households	325	151	166	641
Plus				
Secondary Market Demand adjustment @ 115%	66	43	47	154
Sub Total	505	329	362	1,184
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	NA	NA	NA	NA
Plus				
Demand from Existing Households - Elderly Homeowner Relocation (Limited to 20% where applicable)	NA	NA	NA	NA
Plus				
Demand for Existing HFOP Rental Households (Limited to 10% where applicable)	NA	NA	NA	NA
Equals Total Demand	505	329	362	1,184
Less				
Supply of directly comparable affordable housing units built and/or awarded in the project market between 1999 and the present	7	26	24	57
Equals Net Demand	498	303	338	1,127

Based on the demand estimate, **without project-based subsidies**, the subject project would need an overall capture rate of around **6.1%** of the overall effective income qualified demand. The capture rates for the three target income levels are as follows:

<u>30%</u>	<u>50%</u>	<u>60%</u>	<u>Total</u>
7	30	32	69
1.4%	9.9%	9.5%	6.1%

The overall capture rate is well below the DCA Threshold, as are each of the target income level capture rates.

ESTIMATE OF DEMAND BY BEDROOM MIX

This section of the demand analysis expands the evaluation to individual bedroom categories and AMI levels. This refinement to the demand analysis also implicitly adjusts for the proportion of larger households, and the fact that the majority of units in this project are 3+BR,

Data from the 2003 American Housing Survey indicates the following preferences for bedroom mix among renter households:

Household Size	Bedroom Preference							
1-person	1BR:	53%	2BR:	33%	3BR:	8%		
2-person	1BR:	24%	2BR:	56%	3BR:	16%		
3-person	1BR:	12%	2BR:	54%	3BR:	30%		
4-person	1BR:	6%	2BR:	40%	3BR:	41%	4BR:	10%
5-persons +			2BR:	36%	3BR:	45%	4BR:	19%

Demand by bedroom mix can be estimated using the above ratios and the renter household size distribution in Table 10. This estimation process also assumes that a similar proportion of **new** renter households will have 5 or more persons.

The demand estimate by bedroom type for a family project at each income category and at the 30% AMI level is as follows:

<u>30% of AMI</u>					<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	
One-person HH	498	x	32.1%	=	160 HH	85	52	13	0
Two-person HH	498	x	24.9%	=	124 HH	29	70	20	0
Three-person HH	498	x	17.7%	=	88 HH	10	47	26	0
Four-person HH	498	x	14.1%	=	70 HH	4	28	29	7
Five-person+ HH	498	x	11.2%	=	56 HH	<u>0</u>	<u>20</u>	<u>25</u>	<u>11</u>
						128	217	114	18

Capture Rate by Bedroom Type

Two-bedroom	$\frac{2}{217}$	=	0.9%
Three-bedroom	$\frac{5}{114}$	=	4.4%

The demand estimate by bedroom type for a family project at each income category and at the 50% AMI level is as follows:

<u>50% of AMI</u>					<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	
One-person HH	303	x	32.1%	=	97 HH	52	32	8	0
Two-person HH	303	x	24.9%	=	75 HH	18	42	12	0
Three-person HH	303	x	17.7%	=	54 HH	6	29	16	0
Four-person HH	303	x	14.1%	=	43 HH	3	17	17	4
Five-person+ HH	303	x	11.2%	=	34 HH	0	12	15	<u>6</u>
						77	132	69	11
Two-bedroom						$\frac{8}{132}$	=	6.1%	
Three-bedroom						$\frac{21}{69}$	=	30.4%	
Four-bedroom						$\frac{1}{11}$	=	9.3%	

The demand estimate by bedroom type for a family project at each income category and at the 60% AMI level is as follows:

<u>60% of AMI</u>					<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	
One-person HH	338	x	32.1%	=	109 HH	58	35	9	0
Two-person HH	338	x	24.9%	=	84 HH	20	47	14	0
Three-person HH	338	x	17.7%	=	60 HH	7	32	18	0
Four-person HH	338	x	14.1%	=	48 HH	3	19	19	5
Five-person+ HH	338	x	11.2%	=	38 HH	0	14	17	<u>7</u>
						86	147	77	12
Two-bedroom						$\frac{8}{147}$	=	5.4%	
Three-bedroom						$\frac{21}{77}$	=	27.3%	
Four-bedroom						$\frac{3}{12}$	=	25.1%	

These capture rates by bedroom size are based on several assumptions that, while practical in dealing with available data, do not accurately predict consumer behavior. In particular, this model assumes exact conformity to existing patterns of household size and bedroom mix, without allowing any consumer choices based on availability. This implies that a household would prefer to wait – to not lease a different available unit for which the household were eligible – if the unit they are supposed to fit into is not available. In actual experience, a household may choose a three bedroom unit when initially looking for a 2BR, if the latter is already leased.

These capture rates for the 3BR and 4BR units are considered aggressive but achievable, given the limited number of 3BR units in the market and the lack of 4BR units. Even so, the capture rates fall below the acceptable thresholds established by DCA for a rural County. The project is considered feasible without PBRA.

ABSORPTION

Given the strength of demand estimated above, the experience of other recent entries in the market, the continuing demand and absorption of units in the market, and the probable jump in demand that the market will experience as the KIA impact grows, the worst case scenario for lease-up to the 93% stabilized occupancy point is estimated to be 11 months, or an average of just under 6 units per month. The most likely scenario suggests an **8 month** rent-up, at **8 units per month**, while the best case would involve significant pre-leasing and full occupancy in the first five months. This absorption potential is based on information gathered in the qualitative survey, the conditions inventory in the market at this time, and the assumption that the management will plan and execute an attractive product, a rigorous tenant screening process, and a professional marketing and pre-leasing program.

The project is expected to be able to maintain a 93% or higher occupancy level into the foreseeable future.

HOUSING SUPPLY ANALYSIS

This section of the study examines the existing multi-family housing supply and its ability to satisfy the needs of the household population segments identified in the prior sections, based on data from the 2000 Census. Further, the competitive environment is explored to define general rental market conditions, focusing on affordable options. The most directly competitive units are examined in greater detail regarding vacancy and waiting lists, unit and project features, rent levels and subsidies.

For purposes of this analysis, seasonal or second homes are excluded; only year-round units are considered. For the LaGrange PMA this actually is insignificant despite the proximity of the recreational lakes northeast of the City, with 138 such units, representing 0.7% of the total housing stock. Most of these units are in the northern part of the Market Area.

HOUSING STOCK CONDITION AND AFFORDABILITY

In 2000, there were 790 occupied units (4.4% of the occupied housing stock) that either lacked plumbing or were overcrowded, and therefore defined as substandard. Of these, 541 or 68.5% were renter occupied. **Only 164 of these occupied units reflected units which lacked plumbing**; the balance were defined as overcrowded, which implies a need for units with higher bedroom mix including 3BR and 4BR units, particularly among family households. A substantial proportion (9.9%) or 1,916 units of the housing stock were in mobile homes in 2000. Further, nearly one in three housing units was constructed prior to 1960 and is therefore more than 55 years old. Other factors yielding substandard or non-competitive conditions are not evaluated.

Rent overburden is a much more prevalent condition in the LaGrange PMA. According to the 2000 Census, 31.3% of all renters in the PMA paid more than 35% of income for rent. Among the lower income segments, households with less than \$10,000 income, some 80.1% were rent over-burdened. In the \$10,000 - \$30,000 group, which most closely corresponds to the target segments for the proposed project, 21% were rent over-burdened, but 53% are overburdened in the lower portion of that range.

HOUSING STOCK GROWTH – BUILDING PERMITS

Housing permit data in Georgia is more comprehensive than in many states, although most sources aggregate the data by County except in the larger cities. For the LaGrange Market Area, the building permit total is represented by the total permits reported in the County. These indicate that the area is not keeping pace with the trends – only 25% of the

permits were for multi-family units, while just over 35% of the households are renters. The relationship between tenure and type is not direct – some renters occupy single family or mobile homes (as is proposed in this project) and some attached housing is for-sale, but this variance tends to indicate an opportunity for new apartment construction to maintain balance. This would be particularly true as dynamic growth accelerates.

<u>YEAR</u>	<u>SINGLE- FAMILY</u>	<u>MULTI- FAMILY</u>	<u>TOTAL</u>
1998	271	64	335
1999	269	292	561
2000	324	266	590
2001	309	66	375
2002	353	105	458
2003	432	27	459
2004	438	107	545
2005	<u>442</u>	<u>2</u>	<u>444</u>
TOTAL	2,838	929	3,767
ANNUAL AVERAGE:	355	116	471
Proportion	75%	25%	100%
SOURCE: U.S. Census C-40 Construction Reports			

OVERALL MARKET SUPPLY CONDITIONS

LaGrange is a relatively typical small city in western Georgia bordering on Alabama, with mature housing stock, a number of small, older apartment projects, and several larger and newer LIHTC or market rate apartments. Much of the owner-occupied stock is older and smaller as well, and located closer to the former employment centers, with larger homes coming in planned residential communities on the outskirts of the city. Over half of the renters (51.6%) live in single family homes.

As part of the analysis of the supply conditions in the LaGrange Market Area, Waverly conducted a survey of comparable and competitive apartments in the area. The survey included three properties that are a combination of market rate and tax credit units with 212 market rate units and 132 tax credit units, and eight conventional properties (of which

two are insured by the HUD 221(d)(4) program), comprising 1,103 units, for a total of 1,447 units.

There are several other tax credit, HUD 221 (d)(4), subsidized or public housing properties in LaGrange that were not included in the survey since they are not competitive or comparable. These include:

- Tall Pines Apartments, 155 units, 1971, 100% HUD Section 8 direct rent subsidy, rehabilitated under the tax credit program,
- Wood Glen Apartments, 120 units, 1980, 100% HUD Section 8 direct rent subsidy, rehabilitated under the tax credit program,
- Amberwood Apartments, 113 units, 1984, 221(d)(4) with 100% HUD Section 8 direct rent subsidy, elderly,
- Ashton Court, 70 units, 2000, 60% AMI LIHTC, elderly at 55+,
- Lafayette Village, 58 units, 1999, elderly, fully HUD Section 8 subsidized,
- Lucy Morgan Homes, 1950's, 182 units and Benjamin Harvey Hill Homes, 1951, 238 units, public housing, managed by LaGrange Housing Authority.

Holly Hill Apartments were not included in the survey because they were sold several years ago and the previous management company, whose phone number is the only one available for the apartments, does not know who manages them now. No local manager was located, and the project is small enough to be only marginally competitive. Other conventional apartments in LaGrange were deemed too small or too old to be included.

Market conditions in rental housing in the LaGrange area indicate several key factors, including the following:

- The LaGrange Market Area is typical of small, exurban cities not located near larger, urban cities in Georgia. None of the apartment housing stock was developed under the USDA RD 515 program for rural housing because of the size of LaGrange; HUD Section 8 properties are limited. The newer apartments on the market have a greater number of units and amenities, and include a combination of conventional and tax credit properties.
- The survey included 11 rental projects comprising 1,447 units. All eleven projects are located within the defined PMA; ten are within the LaGrange city limits and one is virtually adjacent to the city's boundary. Three projects (344 units) were developed under Georgia DCA LIHTC program; two during the late 1980's and one

in 2005. The remaining seven properties are all conventional complexes with market rate rents, and two of these properties, Sun Ridge and Lee's Crossing, are 221(d)(4) conventional properties.

- The newest properties in the rental market are Valley Ridge built in 2005 and Sun Ridge built in 2002. The Gardens were built in 1999 and Phase II of Lee's Crossing was constructed in 1998. Out of the remaining properties seven were constructed in the 1980's and one in the 1970's. This indicates an aging rental market.
- The concept of single-family-detached units for rent is unique in this market, which limits the aspect of "true comparability" to any other apartments in town. The LIHTC properties that are considered most directly comparable to the proposed are the recently completed and absorbed Valley Ridge and the older Greenwood Park units. Among the conventional projects, Sun Ridge and Lee's Crossing are considered the most comparable; both have rents higher than the subject, but it is expected that conventional units will be positioned above LIHTC units.
- Absorption data for LaGrange apartments is very sketchy, with only one project in each of the LIHTC and conventional categories able to report their initial absorption data. Lee's Crossing Phase II experienced absorption of around 8 units per month; Sun Ridge does not have the data available. Valley Ridge reached 95% occupancy within 11 months, or a 7 unit per month average.
- Six out of the eleven apartment complexes used in the market survey had rental advertisements in the LaGrange Daily News on Sunday, May 14, 2006. Other ads had 1BR units ranging from \$300 to \$325, 2BR units from \$465 to \$495, and 3BR units ranging from \$575 to 650. There were several other listings with no rents advertised.
- Under Homes for Rent, one 1BR SFD listed for \$425. A much greater range in rents was seen in the 2 and 3BR homes; 2BR homes range from \$300 to \$600 and 3BR homes from \$400 to \$950. Only one 4BR home was listed at \$1,095 per month.
- Average rent for a 1BR unit is \$461 with a range of \$181 for the 30% AMI units to \$575 for market rate apartments. In the 2BR units the average rent is \$532 ranging from \$210 to \$615 and for the 3BR units the average is \$630, range \$232 to \$700.

With no 4BR apartments and only one advertised 4BR house for rent, there is no consensus average rent in this market for 4BR units. The average 4BR rent in nearby Columbus is approximately \$960, based primarily on houses for rent. The local Fair Market Rents determined by HUD are considerably lower for 4BR units (\$755 proposed) and have a very small premium over 3BR units in the market.

Considering these factors, the average 4BR net rent usable in LaGrange is estimated at \$865.

- Current occupancy data was provided by managers of all projects. The overall vacancy rate was **7.4%**, representing 107 vacancies among 1,447 units – most of those are in non-subsidized or conventional units. Most project managers reported significantly higher turnover the past few months, a result of volatility in the job market, and also a higher number of defaults and “skips” (households vacating without notice or payment). A couple of the tax credit properties reported a high number of recent evictions due to “move in specials” that resulted in having to “clean house”.
- Six of the eight conventional properties had no waiting lists and the remaining two had short lists (one with 6 applications and the other “a few”). The most extensive waiting lists are at Valley Ridge for the 30% and 50% AMI units and Greenwood Park and Meadow Terrace had 10 applications each for tax credit units.
- Administration of the Housing Choice Vouchers for Troup County is handled by the Carrollton NW Regional Office, Carrollton, Georgia. At this time there are 200 Housing Choice Vouchers (HCV) under contract in Troup County, and Kate Rowland, Area Housing Administrator, is getting ready to issue an additional 100 to 150 vouchers more although there is no firm date for this issuance. The waiting list is usually ± 50 households although there are only 25-35 at this time due to additional vouchers having been issued. The challenge in Troup County is finding affordable housing because most rental housing is priced too high. The payment standard is \$773 in Troup and it needs to be around \$550 for many families income. Most voucher holders are single head of household with dependent children.
- The unit and project amenities among the older projects in the LaGrange PMA are typical of rental projects built in the 1970’s and 1980’s with the newer product having more amenities, particularly project amenities. All offer range, refrigerator, and dishwashers (except Commerce Square with no DW), carpeting, window treatments and air-conditioning, but other amenities vary from project to project. Garbage disposals and washer dryer hook-ups are available in all complexes except Commerce Square and Wynnwood. Four complexes have microwaves, three have select units with washer and dryers, nine have ceiling fans and patios/balconies/sunrooms or porches, eight have small storage units on the patios or balconies, two have vaulted ceilings and five have walk-in closets. Cable TV is standard in all units, and tenants have access to the internet via the local Cable Company. (NOTE: LaGrange offers city-wide hard-wired internet access, which is definitely a marketing advantage for technically minded tenants).

Project amenities are not standard from complex to complex. Commerce Square and Wynnwood have no on-site managers or project amenities. Versailles and The Gardens have no laundry facilities on site and only offer hook-ups in the units. Four complexes have a clubhouse and one has a community room; these five also

have fitness equipment. Swimming pools are more common with eight properties having in ground pools, seven have playgrounds, five have tennis courts, five have car care areas, and five have volleyball nets or basketball hoops and four have picnic/grill areas. Sun Ridge has mini-storage and garages for additional fees.

- Managers at apartment complexes in LaGrange were queried about where their tenants come from and if they have any potential long term tenants due to Hurricane Katrina. Most of the complexes were not impacted by displaced renters or former homeowners. One property had 17 families from Katrina, however 16 of the families have now moved elsewhere.
- Mr. Alton West, Director of Community Development for the City, stated the last apartment development to enter the market was Valley Ridge, however Sun Ridge was looking to expand with a second phase (manager of Sun Ridge declined to comment). He cited four major developments planned for LaGrange; North Point has 100 single family units approved, LaGrange Commons has started clearing land but no approval of lots has been issued, Big Springs and Bryant Lake are still in the planning phase and there has been no activity to date. In all, over 1,000 single family units have been planned. There are other mixed-use, planned communities proposed with multi-family components included. Mr. Homer Samuels, Building Official with the City of LaGrange stated only one for-sale 70-unit townhouse community has broken ground, and all others are still just proposals. While most of the larger planned communities have multi-family components, Mr. West stated that almost all of these are likely to be units for sale, not for rent. Most of the city's growth is in the north and southeast.
- Mr. Ray Coulombe, City Economic Development Manager, said they were always showing buildings in the two industrial parks and that most buildings were occupied or had potential tenants. A third industrial park, Calloway Industrial Park, on 1,800 acres southwest of LaGrange near the KIA site is "ramping up" and the City is accelerating their efforts since the KIA announcement even though this plan has been on the books for along time. An access road is being expedited with a bridge over the railroad tracks. Apparently there has been a lot of interest by suppliers and contacts from investors and speculators but there have been no firm announcements, just rumors and interest. West Georgia Technical College is moving into one of the larger buildings in the LaGrange Industrial Park and is leasing space to KIA for their temporary offices, and the Technical School is generating courses to meet employment needs in the auto industry. Traffic continues to be a planning issue as growth increases the amount of commuter usage of existing two lane roads; the plans include widening of the roads and building a by-pass. Commercial growth with retail is centered around the 4 large proposed land developments.
- Ms. Nancy Seeger, Troup County Planner, as well as Mr. West, stated the subject site is currently in the county, but the city will consider annexation if tax credits are approved. Small subdivisions of single family homes are planned in the

southwestern part of the county but no apartments are proposed. She stated the state will begin grading the KIA site during the first week of July and DOT plans are moving forward for an interchange off of Interstate 85.

- Both Ms. Seeger and Mr. West report a limited amount of land that is already zoned for multi-family development, other than the components of the large Planned Unit Developments. In the County, the lack of sewer and water requires any multi-family development to provide septic package plants, and severely limits the availability of zoned property. In the City, there is more zoned property, or land that is capable of rezoning, but the amount is still very limited, these parcels would likely be located in the north and west parts of the City, with more attached for-sale in the east and south.
- According to John Yoder, Agent and Associate Broker with Spinks, Brown and Durand – Coldwell Banker Realtors, the average home sale price at this time is between \$100,000 and \$120,000, which would entail a mortgage payment before taxes and maintenance of around \$650. A house generally stays on the market 90 to 120 days. The market experienced some “irrational exuberance” when KIA made its announcement, but it has now leveled off with more realistic expectations. He noted that the LaGrange market is more resilient than some other markets because of the Calloway Foundation, whose charitable donations infuse the area with jobs and money. Although the higher end rental properties lost some tenants to home-purchase options in the past two years, the higher current interest rates and higher sales prices have nearly eliminated the price advantage for purchasers.
- Trey Daniels, Principal and Owner of Daniels Realty and Insurance, said the single family rental market has been “pretty good” lately, with newer homes renting quickly and older homes retaining tenants. He has no problems with evictions and has a very low turnover. Rents average around \$500 per month for a 2BR 1Ba home and a 3BR with 1 to 1.5Ba for \$700 a month; there are few 4BR rentals and most are at the high end. All leases are for 12 months and he does background and credit checks to screen out potential problem tenants. He indicated that engineers from KIA are looking for rental homes to share 3 to 4 engineers per house until their contracts with KIA expire so they will not have to relocate their families.
- The proposed new construction project is expected to have limited impact on the existing rental market at its time of entry into the market. If the units were available today, there would likely be slow absorption and some displacement from other tax credit properties, since detached housing is typically preferred by consumers. However, because of the likely acceleration of growth across the economic spectrum within the next two years, the impact of the proposed is likely to be limited to normal turnover that occurs when a new project enters the market, and the market will likely re-absorb vacancies within a short period of time.

It is emphasized that local managers and realtors provide the individual project information voluntarily. In some cases, the managers are unwilling or unable to provide complete information, or may inadvertently provide incorrect information. Despite these potential problems, the compilation and synthesis of the status of the comparables is considered to provide the best indication of the competitive position of the subject project.

A map indicating project locations is provided on the following page, followed by summary tables reflecting apartment project details. Each project is then discussed individually, and photographs of the local complexes are included.

LaGrange Competitive Apartments



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Data Zoom 12-0

COMPETITIVE APARTMENTS
LaGrange, Georgia - Troup County

Apartment Complex	Built	Total	1 BR	2 BR	3 BR	4 BR	Vacant	WL	Program
Laurel Ridge Development	SUBJECT	70		19	47	4			SFD
Grady Street	Rent			\$177-511	\$194-581	\$471-615			LIHTC
Troup County, adjacent to	SF			1,468	1,582	1,752			30/50/60% AMI
City of LaGrange	Rent/SF			\$0.12-0.35	\$0.12-0.37	\$0.12-0.35			
Greenwood Park	1989	132		102	30		17	10	102 Mkt
1700 Park Place	Rent			\$453-595	\$545-700			Applications	30 LIHTC
LaGrange, GA	SF			1,045	1,245				
(706) 883-6291	Rent/SF			\$0.43-0.57	\$0.44-0.56				
Meadow Terrace	1987	132		103	29		16	10	102 Mkt
1600 Meadow Terrace	Rent			\$462-580	\$511-675			Applications	30 LIHTC
LaGrange, GA	SF			1,064	1,234				
(706) 883-6224	Rent/SF			W0.43-0.55	\$0.41-0.55				
Valley Ridge	2005	80	16	48	16		2	Long for	8 Mkt
950 Mooty Bridge Rd.	Rent		\$181-575	\$210-640	\$232-765			30/50% AMI	72 LIHTC
LaGrange, GA	SF		783	1,040	1,204			None for	
(706) 882-1815	Rent/SF		\$0.23-0.73	\$0.20-0.61	\$0.19-0.64			Mkt & 60% AMI	
Lee's Crossing	1985 & 1998	320	104	96	120		22	None	Market Rate
119 Old Airport Rd.	Rent		\$475-565	\$560	\$580-699				221(d)(4)
LaGrange, GA	SF		722-774	973	1,240-1,275				
(706) 884-1120	Rent/SF		\$0.66-0.78	\$0.58	\$0.47-0.56				
Sun Ridge	2002	192	NA	NA	NA		7	None	Market Rate
1235 Hogansville Rd.	Rent		\$540	\$620	\$790				221(d)(4)
LaGrange, GA	SF		796	1,084	1,263				
(706) 845-8446	Rent/SF		\$0.68	\$0.57	\$0.63				
Commerce Square	1980's	36	12	24			1	None	Market Rate
Young's Mill Rd.	Rent		\$350	\$430					
LaGrange, GA	SF		640	950					
(706) 883-3481	Rent/SF		\$0.55	\$0.45					
The Gardens	1999	64		64			9	None	Market Rate
55 Patilla Rd.	Rent			\$615					
LaGrange, GA	SF			1,200					
(706) 883-8728	Rent/SF			\$0.51					
Highland Village	1984	81	62	19			0	6	Market Rate
100 Bridgewood Dr.	Rent		\$435	\$525-545				Applications	
LaGrange, GA	SF		576	864					
(706) 884-2806	Rent/SF		\$0.76	\$0.61-0.63					
Versailles	1978	96	16	64	16		13	None	Market Rate
1246 Mooty Bridge Rd.	Rent		\$435	\$500	\$585				
LaGrange, GA	SF		665	885	1,144				
(706) 884-3357	Rent/SF		\$0.65	\$0.56	\$0.51				
Whispering Pines	1985	216	60	96	60		12	Some for 2BR	Market Rate
1515 Hogansville Rd.	Rent		\$510-525	\$599-605	\$679				
LaGrange, GA	SF		809	1,044	1,236				
(706) 882-1833	Rent/SF		\$0.63-0.65	\$0.57-0.58	\$0.55				
Wynnwood	1980's	98	56	42			8	None	Market Rate
Wynnwood Dr.	Rent		\$370	\$470					
LaGrange, GA	SF		640	1,170					
(706) 883-3481	Rent/SF		\$0.58	\$0.40					
Total Units		1,447							
Total Units Reporting Mix Proportion		1,255	326	658	271	1,255			
			26.0%	52.4%	21.6%				
				Units Reporting Vacancies			1,447		
				Total Units Vacant			107		
				Vacancy Rate			7.4%		

Complex: Laurel Ridge Development

SUBJECT

Address: Grandy Street, LaGrange

Phone Number: None at this time

Development Program: DCA LIHTC/New Construction

Date Built:

Rent Subsidy/Type: None

Style of Apt.: Single Family Dwellings

Subsidized Units: None

Condition: New

Housing Choice Vouchers: Will Accept

Age Restricted: Family, none

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>
		30/50/60% AMI			
2BR/ 2Ba	2/8/8	\$177/399/511	1,468	\$0.12/0.27/0.35	\$158
3BR/ 2Ba	5/21/21	\$194/452/581	1,582	\$0.12/0.29/0.37	\$193
4BR/ 2Ba	0/1/3	\$0/471/615	1,752	\$0.0/0.27/0.35	\$247

AMI %Total: 7/30/32

Total Units: 69* Actual total is 70 units

*There is one additional unit (2BR/2Ba) for the Resident Manager; no rent will be charged.

Four units are equipped for mobility disabled (5%) and 2 units for hearing and sight impaired.

Unit Amenities:

(\$) Additional Fee

(S) Select Units

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

- Air Conditioning:**
- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

- Utilities Included:**
- None
 - Cold Water
 - Sewer
 - Trash
 - Heat
 - Hot water
 - Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Computer Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Walking Paths

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Playing Field
- Gazebos
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: No information was provided regarding cable preparedness.

Complex: Greenwood Park Apartments **Interview Date:** June 16, 2006
Address: 1700 Park Place, LaGrange **Contact:** Cheryl Melton
Phone Number: (706) 883-6291 **Position:** Leasing Manager

Development Program: LIHTC **Date Built:** 1989
Rent Subsidy/Type: None **Style of Apt.:** 3 story walk-up
Subsidized Units: None **Condition:** Good
Housing Choice Vouchers: 13 vouchers in use **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent*</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
60% AMI/Market							
2BR/ 2Ba TC	17	\$453	1,045	\$0.43	\$82	0	
2BR/ 2Ba Mkt	85	\$595	1,045	\$0.57	\$0	16	
3BR/ 2Ba TC	13	\$545	1,245	\$0.44	\$104	0	
3BR/ 2Ba Mkt	17	\$700	1,245	\$0.56	\$0	1	
Total:	132				Total:	17	10

Typical Annual Occupancy: 94% **Current Occupancy:** 87%

Typical Turnover: 9-10 per month **Security Deposit:** \$200
Days Unit Vacant: Average # of days is 30 **Application Fee:** \$25
Initial Absorption: Not available **Pet Policy/Fees:** \$350 NRF

Unit Amenities:

- | | | | | |
|--|---|--|--|--|
| <input checked="" type="checkbox"/> Refrigerator | <input type="checkbox"/> Ceiling fans | Flooring | Air Conditioning: | Utilities Included: |
| <input checked="" type="checkbox"/> Stove | <input type="checkbox"/> Fireplaces | <input checked="" type="checkbox"/> Carpet | <input checked="" type="checkbox"/> Central | <input type="checkbox"/> None |
| <input checked="" type="checkbox"/> Dishwasher | <input checked="" type="checkbox"/> Patio/Balcony | <input type="checkbox"/> Hardwood | <input type="checkbox"/> Wall/window | <input checked="" type="checkbox"/> Cold Water |
| <input checked="" type="checkbox"/> Garbage Disposal | <input checked="" type="checkbox"/> Storage | <input checked="" type="checkbox"/> Vinyl/tile | <input type="checkbox"/> Sleeves | <input checked="" type="checkbox"/> Sewer |
| <input type="checkbox"/> Microwave | <input type="checkbox"/> Vaulted Ceilings | Windows | <input type="checkbox"/> Tenant Provides | <input checked="" type="checkbox"/> Trash |
| <input type="checkbox"/> Washer & Dryer | <input checked="" type="checkbox"/> Walk-in Closets | <input type="checkbox"/> Shades | Heating Fuel: | <input type="checkbox"/> Heat |
| <input type="checkbox"/> W/ D Hook-ups | <input checked="" type="checkbox"/> Cable Ready | <input checked="" type="checkbox"/> Miniblinds | <input type="checkbox"/> Gas | <input type="checkbox"/> Hot water |
| <input type="checkbox"/> Emergency Call | <input checked="" type="checkbox"/> Internet Access | <input type="checkbox"/> Verticals | <input checked="" type="checkbox"/> Electric | <input type="checkbox"/> Gas/Electricity |

Project Amenities:

- | | | | | |
|--|--|---|--|--|
| <input checked="" type="checkbox"/> On-site Mgt. | <input checked="" type="checkbox"/> Clubhouse | <input checked="" type="checkbox"/> Swimming Pool | <input checked="" type="checkbox"/> Carcare Area | <input checked="" type="checkbox"/> Sports Court |
| <input checked="" type="checkbox"/> Laundry Room | <input type="checkbox"/> Community Room | <input checked="" type="checkbox"/> Tennis Courts | <input type="checkbox"/> Garage/Carport | <input type="checkbox"/> Jacuzzi/Spa |
| <input type="checkbox"/> Security Intercom/Gated | <input type="checkbox"/> Business Center | <input checked="" type="checkbox"/> Playground | <input type="checkbox"/> Volleyball | <input type="checkbox"/> Picnic/Grill Area |
| <input type="checkbox"/> Elevators | <input checked="" type="checkbox"/> Fitness Center | <input type="checkbox"/> Trails | <input checked="" type="checkbox"/> Basketball | <input type="checkbox"/> Mini-storage |

Premium Fees: \$25/month for a fireplace in the 2BR/2Ba Deluxe units.

Additional Information: Manager stated they moved a lot of tenants in on "move-in-specials" and are now "cleaning house" which accounts for the current high vacancy rate. 17 families leased units after being displaced by Katrina; only one family still lives in the complex. Rents on the 2BR market rate units have been reduced from \$615 to \$595.

Complex: Meadow Terrace Apartments **Interview Date:** June 16, 2006
Address: 1600 Meadow Terrace, LaGrange **Contact:** Cheryl Melton
Phone Number: (706) 883-6224 **Position:** Leasing Manager

Development Program: LIHTC **Date Built:** 1987
Rent Subsidy/Type: None **Style of Apt.:** 2 story walk-up
Subsidized Units: None **Condition:** Good
Housing Choice Vouchers: 10 vouchers in use **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
60% AMI/Market							
2BR/ 2Ba TC	14	\$462	1,064	\$0.43	\$73	0	
2BR/ 2Ba Mkt	90	\$550	1,064	\$0.52	\$0	15	
3BR/ 2Ba TC	15	\$511	1,234	\$0.41	\$120	0	
3BR/ 2Ba Mkt	13	\$650	1,234	\$0.53	\$0	1	
Total:	119				Total:	16	10

Typical Annual Occupancy: 95% **Current Occupancy:** 87%

Typical Turnover: 9 to 10 per month **Security Deposit:** \$200
Days Unit Vacant: Average of 27.5 days **Application Fee:** \$25
Initial Absorption: Not available **Pet Policy/Fees:** \$350 + \$10/month

Unit Amenities:

- | | | | | |
|--|--|--|--|--|
| <input checked="" type="checkbox"/> Refrigerator | <input type="checkbox"/> Ceiling fans | Flooring | Air Conditioning: | Utilities Included: |
| <input checked="" type="checkbox"/> Stove | <input type="checkbox"/> Fireplace | <input checked="" type="checkbox"/> Carpet | <input checked="" type="checkbox"/> Central | <input type="checkbox"/> None |
| <input checked="" type="checkbox"/> Dishwasher | <input checked="" type="checkbox"/> Patio/Balcony | <input type="checkbox"/> Hardwood | <input type="checkbox"/> Wall/window | <input checked="" type="checkbox"/> Cold Water |
| <input checked="" type="checkbox"/> Garbage Disposal | <input checked="" type="checkbox"/> Storage | <input checked="" type="checkbox"/> Vinyl/tile | <input type="checkbox"/> Sleeves | <input checked="" type="checkbox"/> Sewer |
| <input checked="" type="checkbox"/> Microwave | <input checked="" type="checkbox"/> Vaulted Ceilings | Windows | <input type="checkbox"/> Tenant Provides | <input checked="" type="checkbox"/> Trash |
| <input type="checkbox"/> Washer & Dryer | <input checked="" type="checkbox"/> Walk-in Closets | <input type="checkbox"/> Shades | Heating Fuel: | <input type="checkbox"/> Heat |
| <input checked="" type="checkbox"/> W/ D Hook-ups | <input checked="" type="checkbox"/> Cable Ready | <input checked="" type="checkbox"/> Miniblinds | <input type="checkbox"/> Gas | <input type="checkbox"/> Hot water |
| <input type="checkbox"/> Emergency Call | <input type="checkbox"/> Internet Access | <input type="checkbox"/> Verticals | <input checked="" type="checkbox"/> Electric | <input type="checkbox"/> Gas/Electricity |

Project Amenities:

- | | | | | |
|--|--|---|--|--|
| <input checked="" type="checkbox"/> On-site Mgt. | <input checked="" type="checkbox"/> Clubhouse | <input checked="" type="checkbox"/> Swimming Pool | <input checked="" type="checkbox"/> Carcare Area | <input checked="" type="checkbox"/> Sports Court |
| <input checked="" type="checkbox"/> Laundry Room | <input type="checkbox"/> Community Room | <input checked="" type="checkbox"/> Tennis Courts | <input type="checkbox"/> Garage/Carport | <input type="checkbox"/> Jacuzzi/Spa |
| <input type="checkbox"/> Security Intercom/Gated | <input type="checkbox"/> Business Center | <input checked="" type="checkbox"/> Playground | <input type="checkbox"/> Volleyball | <input type="checkbox"/> Picnic/Grill Area |
| <input type="checkbox"/> Elevators | <input checked="" type="checkbox"/> Fitness Center | <input type="checkbox"/> Trails | <input checked="" type="checkbox"/> Basketball | <input type="checkbox"/> Mini-storage |

Premium Fees: \$30/month for a fireplace in the 2BR/2Ba Deluxe units.

Additional Information: * Rents have been reduced twice in the past year on the market rate units. 2BR units went from \$595 to 580 and are now \$580 and 3BR units were \$700 then \$675 and are currently \$650. This property is experiencing many evictions for non-payment.



Greenwood Park Apartments



Meadow Terrace Apartments

Complex: Valley Ridge Apartments
Address: 950 Mooty Bridge Rd., LaGrange
Phone Number: (706) 882-1815

Interview Date: June 19, 2006
Contact: Crystal Johnson
Position: Manager
Date Built: Jun-05
Style of Apt.: 2 story walk-up, garden
Condition: Very good, new
Age Restricted: Family, no restrictions

Development Program: LIHTC
Rent Subsidy/Type: None
Subsidized Units: None
Housing Choice Vouchers: 3 in use

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba TC 30%	2	\$181	783	\$0.23	\$97		Yes
1BR/ 1Ba TC 50%	7	\$368	783	\$0.47	\$97	1	Yes
1BR/ 1Ba TC 60%	6	\$461	783	\$0.59	\$97		No
1BR/ 1Ba Mkt.	1	\$575	783	\$0.73	\$0		No
2BR/ 2Ba TC 30%	5	\$210	1,040	\$0.20	\$124		Yes
2BR/ 2Ba TC 50%	20	\$433	1,040	\$0.42	\$124	0	Yes
2BR/ 2Ba TC 60%	18	\$545	1,040	\$0.52	\$124		No
2BR/ 2Ba Mkt.	5	\$640	1,040	\$0.62	\$0		No
3BR/ 2Ba TC 30%	2	\$232	1,204	\$0.19	\$154		Yes
3BR/ 2Ba TC 50%	6	\$491	1,204	\$0.41	\$154	1	Yes
3BR/ 2Ba TC 60%	6	\$620	1,204	\$0.51	\$154		No
3BR/ 2Ba Mkt.	2	\$765	1,204	\$0.64	\$0		No
Total:	80					1	**

Typical Annual Occupancy: 95%

Current Occupancy: 99%

Typical Turnover: 6 per month

Security Deposit: \$200

Days Unit Vacant: One to two weeks

Application Fee: \$35

Initial Absorption: Eleven months to reach 95%

Pet Policy/Fees: Service animals only

Unit Amenities:

(\$) Additional Fee

(S) Select Units

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

- Air Conditioning:**
- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

- Utilities Included:**
- None
 - Cold Water
 - Sewer
 - Trash
 - Heat
 - Hot water
 - Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Benches
- Picnic/Grill Pavilion
- Library, Videos

Additional Information: *Manger stated the occupancy rate of 95% was reached in April, 2006 and they have never reached 100%. **16-17 pages of names are on a waiting list for the 30% & 50% AMI units only. Initial lease-up took place in "spurts" and it takes 10 applications to get 1 that qualifies. A lot of families applied who were displaced by Katrina but they didn't have proper documentation so only 2 families qualified. The 60% AMI units are the hardest to rent.

Complex: Lee's Crossing Apartments **Interview Date:** 6/1506
Address: 119 Old Airport Rd., LaGrange **Contact:** Melissa Hewell
Phone Number: (706) 884-1120 **Position:** New Manager

Development Program: HUD 221(d)(4) Conventional **Date Built:** PH I&II 1985 & PH III 1998
Rent Subsidy/Type: None **Style of Apt.:** 2 story walk-up
Subsidized Units: None **Condition:** Very good
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent*</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
		PH I&II/PH III					
1BR/ 1Ba	104	\$475-565	722-774	\$0.66-0.78	\$0		
2BR/ 2Ba	96	\$560	973	\$0.58	\$0	22	
3BR/ 2Ba	120	\$580-699	1,240-1,275	\$0.47-0.56	\$0		
Total:	320				Total:	22	None

Typical Annual Occupancy: 89%

Current Occupancy: 93%

Typical Turnover: 15 per month

Security Deposit: Up to one month's rent

Days Unit Vacant: 30 days to 2 months

Application Fee: \$30/person, \$50/couple

Initial Absorption: Phase III (104u) leased in 1 yr.

Pet Policy/Fees: \$250 + \$10/month

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

(\$) Additional Fee

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

(S) Select Units

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

Air Conditioning:

- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

Utilities Included:

- None
- Cold Water
- Sewer
- Trash
- Heat
- Hot water
- Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: *The current rents reflect a rent reduction as a special promotion. Rents are generally \$20 to 100 higher. Corporate units rent for \$1,200 to 1,600 per month.



Valley Ridge Apartments



Lee's Crossing Apartments

Complex: Sun Ridge Apartments **Interview Date:** June 15, 2006
Address: 1235 Hogansville Rd., LaGrange **Contact:** Tiffany Wright
Phone Number: (706) 845-8446 **Position:** Property Manager

Development Program: HUD 221(d)(4) Conventional **Date Built:** 2002
Rent Subsidy/Type: None **Style of Apt.:** 2 story walk-up
Subsidized Units: None **Condition:** Very good
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba	NA	\$540*	796	\$0.68	\$0	3	
2BR/ 2Ba	NA	\$620*	1,084	\$0.57	\$0	2	
3BR/ 2Ba	NA	\$790	1,263	\$0.63	\$0	2	
Total:	192				Total:	7	None

Typical Annual Occupancy: 94%

Current Occupancy: 96%

Typical Turnover: 3 to 4 per month

Sure Deposit: \$88

Days Unit Vacant: Up to a month

Application Fee: \$35

Initial Absorption: Not available

Pet Policy/Fees: \$275-400 NRF + \$10/mo.

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

(\$) Additional Fee

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

(S) Select Units

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

Air Conditioning:

- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

Utilities Included:

- None
- Cold Water
- Sewer
- Trash
- Heat
- Hot water
- Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: \$75/mo. for a garage and \$25/ mo. for mini-storage.

Additional Information: *Rents are reduced as a concession. Usually rents are \$590 for a 1BR and \$695 for a 2BR. There is no special on the 3BR units. Manager said Katrina made no real impact on this property. 3 to 6 month leases add \$100 to \$50 per month to the rent. Many tenants are from out of the immediate area.

Complex: The Gardens Apartments

Interview Date: June 16, 2006

Address: 55 Patilla Rd., LaGrange

Contact: Kendra Arrington

Phone Number: (706) 883-8728

Position: Manager

Development Program: Market Rate

Date Built: 1999

Rent Subsidy/Type: None

Style of Apt.: 2 story walk-up

Subsidized Units: None

Condition: Very Good

Housing Choice Vouchers: None

Age Restricted: Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
2BR/ 2Ba	64	\$615*	1,200	\$0.51	\$0	9	0
Total:	64				Total:	9	0

Typical Annual Occupancy: 91%

Current Occupancy: 86%

Typical Turnover: 1 to 2 per month

Security Deposit: \$300 to one month's rent

Days Unit Vacant: Up to 30 days on average

Application Fee: \$30

Initial Absorption: 8 months

Pet Policy/Fees: \$300 NRF

Unit Amenities:

(\$) Additional Fee

(S) Select Units

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

- Ceiling fans
- Garden Tubs
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

- Air Conditioning:**
- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

- Utilities Included:**
- None
 - Cold Water
 - Sewer
 - Trash
 - Heat
 - Hot water
 - Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: The rent us normally \$695 but has been reduced as a concession. Manager said they had no impact from Katrina although a lot of their tenants are from out of the area.



Sun Ridge Apartments



The Gardens Apartments

Complex: Commerce Square Apartments **Interview Date:** June 22, 2006
Address: Young's Mill Road, LaGrange **Contact:** Dawn Newman
Phone Number: 706-883-3481 Durand Properties **Position:** Properties Manager

Development Program: Market Rate **Date Built:** 1980's
Rent Subsidy/Type: None **Style of Apt.:** 1 story, garden
Subsidized Units: None **Condition:** Average
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba	12	\$350	640	\$0.55	\$0	1	
2BR/ 1Ba	24	\$430	950	\$0.45	\$0	0	
Total:	36				Total:	1	None

Typical Annual Occupancy: 90%

Current Occupancy: 97%

Typical Turnover: 10 per month

Security Deposit: \$200 to 1 month's rent

Days Unit Vacant: More than 30 days

Application Fee: None

Initial Absorption: Not available

Pet Policy/Fees: \$100 refundable

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

(\$) Additional Fee

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

(S) Select Units

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

Air Conditioning:

- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

Utilities Included:

- None
- Cold Water
- Sewer
- Trash
- Heat
- Hot water
- Gas/Electricity

Project Amenities: None

- | | | | | |
|--|--|--|---|--|
| <input type="checkbox"/> On-site Mgt. | <input type="checkbox"/> Clubhouse | <input type="checkbox"/> Swimming Pool | <input type="checkbox"/> Carcare Area | <input type="checkbox"/> Sports Court |
| <input type="checkbox"/> Laundry Room | <input type="checkbox"/> Community Room | <input type="checkbox"/> Tennis Courts | <input type="checkbox"/> Garage/Carport | <input type="checkbox"/> Jacuzzi/Spa |
| <input type="checkbox"/> Security Intercom/Gated | <input type="checkbox"/> Business Center | <input type="checkbox"/> Playground | <input type="checkbox"/> Volleyball | <input type="checkbox"/> Picnic/Grill Area |
| <input type="checkbox"/> Elevators | <input type="checkbox"/> Fitness Center | <input type="checkbox"/> Trails | <input type="checkbox"/> Basketball | <input type="checkbox"/> Mini-storage |

Premium Fees: None

Additional Information: Offering last month rent free with 12 month lease. No new tenants due to Katrina.

Complex: Highland Village Apartments **Interview Date:** June 20, 2006
Address: 100 Bridgewood Dr., LaGrange **Contact:** Rebecca Henson
Phone Number: (706) 884-2806 **Position:** Manager

Development Program: Market Rate **Date Built:** 1984
Rent Subsidy/Type: None **Style of Apt.:** 1 story garden
Subsidized Units: None **Condition:** Average
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba	62	\$435	576	\$0.76	\$0	0	0
2BR/ 1Ba	13	\$525	864	\$0.61	\$0	0	6
2BR/ 2Ba	6	\$545	864	\$0.63	\$0	0	
Total:	81				Total:	0	6

Typical Annual Occupancy: 97-98% **Current Occupancy:** 100%

Typical Turnover: 4 to 5 per month **Security Deposit:** \$150
Days Unit Vacant: Less than 30 days **Application Fee:** \$25
Initial Absorption: Not available **Pet Policy/Fees:** \$150 NRF

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

(\$) Additional Fee

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

(S) Select Units

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

- Air Conditioning:**
- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

- Utilities Included:**
- None
 - Cold Water
 - Sewer
 - Trash
 - Heat
 - Hot water
 - Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: No tenants from Katrina. Many are transferred in due to jobs and most applications are resident referrals. No concessions offered.



Commerce Square Apartments



Highland Village Apartments

Complex: Versailles Apartments **Interview Date:** June 20, 2006
Address: 1246 Mooty Bridge Rd., LaGrange **Contact:** Tracy Johnson
Phone Number: (706) 884-3357 **Position:** Filling in for Manager

Development Program: Market Rate **Date Built:** 1978
Rent Subsidy/Type: None **Style of Apt.:** 2 story brick
Subsidized Units: None **Condition:** Average
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba	16	\$435	665	\$0.65	\$0	1	
2BR/ 1.5Ba	64	\$500	885	\$0.56	\$0	10	
3BR/ 2Ba	16	\$585	1,144	\$0.51	\$0	2	
Total:	96				Total:	13	None

Typical Annual Occupancy: 94%

Current Occupancy: 86%

Typical Turnover: Not available
Days Unit Vacant: More than 30 days
Initial Absorption: Not available

Security Deposit: \$87.50 to 1 month's rent
Application Fee: \$30
Pet Policy/Fees: \$275 to 500 + \$10/mo.

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

(\$) Additional Fee

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

(S) Select Units

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

Air Conditioning:

- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

Utilities Included:

- None
- Cold Water
- Sewer
- Trash
- Heat
- Hot water
- Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: No concessions offered. This property is listed for sale.

Complex: Whispering Pine Apartments **Interview Date:** June 16, 2006
Address: 1515 Hogansville Rd., LaGrange **Contact:** Cassie McGraw
Phone Number: (706) 882-1833 **Position:** Leasing Consultant

Development Program: Market Rate **Date Built:** 1985
Rent Subsidy/Type: None **Style of Apt.:** 2 story walk-up
Subsidized Units: None **Condition:** Average
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba	60	\$510-525	809	\$0.63-0.65	\$0		
2BR/1&2Ba	96	\$599-605	1,044	\$0.57-0.58	\$0		
3BR/ 2Ba	60	\$679	1,236	\$0.55	\$0		
Total:	216					Total: 12	For 2BR

Typical Annual Occupancy: 94%

Current Occupancy: 94%

Typical Turnover: Ten per month
Days Unit Vacant: More than 30 days
Initial Absorption: Not available

Security Deposit: \$125 to one month's rent
Application Fee: \$50
Pet Policy/Fees: Cats \$300 NRF

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

(\$) Additional Fee

- Ceiling fans
- Fireplace
- Patio/Balcony
- Storage
- Vaulted Ceilings
- Walk-in Closets
- Cable Ready
- Internet Access

(S) Select Units

- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

Air Conditioning:

- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

Utilities Included:

- None
- Cold Water
- Sewer
- Trash
- Heat
- Hot water
- Gas/Electricity

Project Amenities:

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: Manager stated she experiences 3-4 skips per month. Several families who moved in from Katrina still live in the apartments. They have 4 to 6 units used as corporate housing and the rents are 1BR \$1,200, 2BR \$1,300 and a 3BR is \$1,400 per month.



Versailles Apartments



Whispering Pines Apartments

Complex: Wynnwood Apartments **Interview Date:** June 22, 2006
Address: Wynnwood Dr., LaGrange **Contact:** Dawn Newman
Phone Number: 706-883-3481 Durand Properties **Position:** Properties Manager

Development Program: Market Rate **Date Built:** 1980's
Rent Subsidy/Type: None **Style of Apt.:** 2 Story walk-up
Subsidized Units: None **Condition:** Average
Housing Choice Vouchers: None **Age Restricted:** Family, no restrictions

<u>Unit Size/Bath</u>	<u>Units</u>	<u>Rent</u>	<u>Square Footage</u>	<u>Rent/SF</u>	<u>UA</u>	<u>Vacant</u>	<u>WL</u>
1BR/ 1Ba	56	\$370	640	\$0.58		5	
2BR/ 1.5Ba	42	\$470	1,170	\$0.40		3	
Total:	98				Total:	8	None

Typical Annual Occupancy: 94% **Current Occupancy:** 92%

Typical Turnover: High turnover; skips & job trans. **Security Deposit:** \$200 to 1 month's rent
Days Unit Vacant: More than 30 days **Application Fee:** None
Initial Absorption: Not available **Pet Policy/Fees:** \$100 refundable

Unit Amenities:

- Refrigerator
- Stove
- Dishwasher
- Garbage Disposal
- Microwave
- Washer & Dryer
- W/ D Hook-ups
- Emergency Call

- (\$) Additional Fee
- Ceiling fans
 - Fireplace
 - Patio/Balcony
 - Storage
 - Vaulted Ceilings
 - Walk-in Closets
 - Cable Ready
 - Internet Access

- (S) Select Units
- Flooring**
- Carpet
 - Hardwood
 - Vinyl/tile
- Windows**
- Shades
 - Miniblinds
 - Verticals

- Air Conditioning:**
- Central
 - Wall/window
 - Sleeves
 - Tenant Provides
- Heating Fuel:**
- Gas
 - Electric

- Utilities Included:**
- None
 - Cold Water
 - Sewer
 - Trash
 - Heat
 - Hot water
 - Gas/Electricity

Project Amenities: None

- On-site Mgt.
- Laundry Room
- Security Intercom/Gated
- Elevators

- Clubhouse
- Community Room
- Business Center
- Fitness Center

- Swimming Pool
- Tennis Courts
- Playground
- Trails

- Carcare Area
- Garage/Carport
- Volleyball
- Basketball

- Sports Court
- Jacuzzi/Spa
- Picnic/Grill Area
- Mini-storage

Premium Fees: None

Additional Information: This property attracts young, single tenants. A few tenants from Katrina however they have all moved out.



Wynnwood Apartments

INTERVIEWS WITH OFFICIALS AND OTHER INFORMATION CONTACTS

The following persons/agencies were interviewed during the course of the site visit, conducted between May 12-15, or were interviewed and/or contacted, by telephone during the course of the study providing general information on Troup County and the City of LaGrange.

Alton West, Director of Community Development, LaGrange, Georgia, 706-883-2021

Provided information on proposed housing development and infrastructure in the City of LaGrange. Discussed the Hillside Redevelopment Plan and zoning in the area, as well as availability of multi-family land.

Ray Coulombe, Manager, City of LaGrange Economic Development, LaGrange, Georgia, 706-883-2064

Provided information on industrial parks and proposed infrastructure.

Nancy Seeger, Planner, Troup County Planning and Zoning Office, LaGrange, Georgia, 706-883-1650

Provided information on annexation plans and development in southwestern Troup County, as well as zoning in the site vicinity.

Kate Rowland, Area Housing Administrator, GDCA Rental Assistance Carrollton NW Regional Office, HUD Section 8 Administrator, Carrollton, Georgia, 770-838-2600

Provided information on the HUD section 8 voucher usages in LaGrange.

John Yoder, Agent/Associate Broker, Spinks, Brown, and Durand, Coldwell Banker Realtors, LaGrange, Georgia, 706-884-5681

Provided information on single family real estate for sale in LaGrange.

Trey Daniel, Principal/Owner, Daniel Realty and Insurance Co., LaGrange, Georgia, 706-882-1848

Provided information on the for-rent single family homes in LaGrange.

The following persons provided information on apartment projects included in the Housing Supply Section of the report. Information provided by these individuals is summarized on the individual apartment data sheets and specific facts or opinions are included in the body of the report where appropriate.

Dawn Newman, Property Manager, Durand Properties, Commerce Square Apartments and Wynnwood Apartments, LaGrange, Georgia, 706-882-7773

Bill Britt, Manager, Wood Glen Apartments, LaGrange, Georgia, 776-884-8661

Crystal Smith, Assistant Property Manager, Tall Pines Apartments, LaGrange, Georgia, 706-882-8754

Glory Hill, Accountant, LaGrange Housing Authority, Benjamin Harvey Hill Home Apartments and Lucy Morgan Home Apartments, LaGrange, Georgia, 770882-6416

Cheryl Melton, Leasing Manager, Meadow Terrace Apartments and Greenwood Park Apartments, LaGrange, Georgia, 706-883-6224

Crystal Johnson, Manager, Valley Ridge Apartments, LaGrange, Georgia, 706-882-1815

Kendra Arrington, Manager, The Gardens Apartments, LaGrange, Georgia, 706-883-8728

Cassie McGraw, Leasing Consultant, Whispering Pines Apartments, LaGrange, Georgia, 706-882-1833

Tracy Johnson, Temporary Manager, Versailles Apartments, LaGrange, Georgia, 706-884-3357

Rebecca Henson, Manager, Highland Village Apartments, LaGrange, Georgia, 706-884-2806

Melissa Hewell, Manager, Lee's Crossing Apartments, LaGrange, Georgia, 706-884-1120

Tiffany Wright, Leasing Agent, Sun Ridge Apartments, LaGrange, Georgia, 706-845-8446

Internet sources of information:

www.census.gov

www.huduser.org

factfinder.census.gov

www.census.gov/const

www.carpages.ca/go/autonews

www.ibiv02.residentinteractive.com

www.homeGeorgiain.com

www.dca.state.Georgia.us

www.selig.uGeorgia.edu/housing

www.econdata.net

www.benandlaurieyates.com

www.lagrange-ga.org

www.trouppcountyga.org

www.georgia.org/PressCenter

www.georgiaencyclopedia.org

www.lagrangenews.com

www.ajc.com/hp/content/homepage

CONCLUSIONS AND RECOMMENDATIONS

Based on the preceding analysis, the following conclusions and recommendations can be reached regarding the rental market in the LaGrange Market Area and Troup County:

- As proposed, LaGrange Green will have affordable rents but will not have project based rental subsidies. The affordability range for each unit type is shown below:

<u>Number of Units</u>	<u>Bedroom Size</u>	<u>Gross Rent</u>	<u>Minimum Income</u>	<u>Maximum Income</u>	<u>AMI</u>
2	2BR/2Ba	\$335	\$11,486	\$13,400	30%
8	2BR/2Ba	\$557	\$19,097	\$23,850	50%
8	2BR/2Ba	\$668	\$22,903	\$28,600	60%
5	3BR/2Ba	\$387	\$13,269	\$16,100	30%
21	3BR/2Ba	\$645	\$22,114	\$26,800	50%
21	3BR/2Ba	\$774	\$26,537	\$32,150	60%
1	4BR/2Ba	\$718	\$24,617	\$28,750	50%
3	4BR/2Ba	\$862	\$29,554	\$34,500	60%

- Given the limitations of available data, the overall income range for units will be \$11,500 to \$34,500 and the proportion of eligible householders is 34% of the total renter households.

- Based on the methodology specified by DCA, the overall total demand pool and required capture rates by target AMI are shown below:

<u>AMI Level</u>	<u>30%</u>	<u>50%</u>	<u>60%</u>	<u>Total</u>
Units Proposed	7	30	32	69
Net Demand	498	303	338	1,127
Capture	1.4%	9.9%	9.5%	6.1%

- The demand calculations shown above do **not** take into account individual applicant eligibility based on credit history, or other screening factors used by management.
- The capture rates by bedroom size and AMI level are as follows:

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
2 Bdrm	30% AMI	2	222	5	217	0.9%
	50%AMI	8	152	20	132	6.1%
	60% AMI	8	165	18	147	5.4%
2 Bdrm	TOTAL	18	535	43	492	3.7%
3 Bdrm	30% AMI	5	116	2	114	4.4%
	50%AMI	21	75	6	69	30.4%
	60% AMI	21	83	6	77	27.3%
3 Bdrm	TOTAL	47	271	14	257	18.3%
4Bdrm	50% AMI	1	11	0	11	9.3%
	60% AMI	3	12	0	12	25.1%
4 Bdrm	TOTAL	4	40	0	40	10.0%

- These capture rates by bedroom size and income group assume that units are rented to households at the AMI level shown in the application, and without any project-based subsidies. Further, this calculation assumes that the target income levels and the bedroom preference segments are discrete in themselves.

- Given the analysis and conclusions of each of the report sections, this project is recommended as proposed without change.

- A project of 69 single family detached units, positioned in the middle of the LIHTC rental scale, will likely have little difficulty in being absorbed in the LaGrange Market Area. The project's ability to achieve and maintain stabilized occupancy levels of 93% or better in this area is also considered very likely. Absorption is considered likely to be 8 units per month or greater. This would result in an initial absorption period of 8 months to reach stabilization at 93% occupancy.

Information supplied to this analyst by DCA included a Preliminary Market Study on the proposed project, prepared by Koontz & Salinger in April, 2006. This preliminary study specifies that it is not a complete study, that the conclusions are subject to verification by a complete market study, and that it does not necessarily conform to all 2006 DCA requirements. However, the preliminary analysis includes a brief survey of comparable properties, an estimate of current demand and resulting capture rates by income level and bedroom configuration, and an evaluation of the project site and concept.

Since the surveys of the comparables in the K&S study and this study occurred at different times, they resulted in a slightly different overall “snapshot” of market conditions but resulted in similar supply conclusions. In the same manner, although the K&S study used a variation on the target household size assumption which resulted in a slightly larger demand estimate, the demographic, economic and demand calculations were also very similar between

the studies, and resulted in similar although slightly more positive conclusions in the K&S study than this study. It is the opinion of this analyst that the information provided in the K&S study is an accurate portrayal of the market, which varies from the enclosed study to only a minor degree.

As previously mentioned, the demand analysis was directed to a three-year forecast period, from 2005 to 2008. The conclusions of this market study and the project evaluation are considered valid for that time period.

MARKET ANALYST'S STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that the information obtained in the field has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, this market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity, and my compensation is not contingent on this project being funded. This report was written according to DCA's Market Study Manual.

Donald F. Robinson, Market Study Author

July 10, 2006

Date

Waverly Research Group, Inc
5015 Silverton Court
Las Cruces, New Mexico 88011
505-522-3400

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.

I certify that 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: July 10, 2006

A. Executive Summary

Market demand for subject property given the economic conditions of the area	Page	iii
Projected Stabilized Occupancy Level and Timeframe	Page	iii
Appropriateness of unit mix, rent and unit sizes	Page	i
Appropriateness of interior and exterior amenities including appliances	Page	i
Location and distance of subject property in relationship to local amenities	Page	ii
Discussion of capture rates in relationship to subject	Page	iv
Conclusion regarding the strength of the market for subject	Page	iv

B. Project Description

Project address, legal description and location	Page	2
Number of units by unit type	Page	2
Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartments, etc.)	Page	2
Rents and Utility Allowance	Page	2
Existing or proposed project based rental assistance	Page	2
Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.)	Page	3
For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page	NA
Projected placed in service date	Page	2
Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page	2
Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs	Page	2
Special Population Target (if applicable)	Page	NA

C. Site Evaluation

Date of Inspection of Subject Property by Market Analyst	Page	1
Physical features of Subject Property and Adjacent Uses	Page	5
Subject Photographs (front, rear, and side elevations as well as street scenes)	Page	6-9
Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject	Page	12

Developments in vicinity to subject and proximity in miles (Identify developments surrounding the subject on all sides)	Page 5
Map identifying existing low-income housing within the Primary Market Areas and proximity in miles to subject	Page 13
Road or infrastructure improvements planned or under construction in the PMA	Page 4
Comment on access, ingress/egress and visibility of subject	Page 5
Any visible environmental or other concerns	Page 5
Overall conclusions of site and their marketability	Page 14
 D. Market Area	
Map identifying Subject's Location within PMA and SMA	Page 18
 E. Community Demographic Data	
Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry	Page 19
 1. Population Trends	
a. Total Population	Page 23
b. Population by Age Group	Page 24-25
c. Number of elderly and non-elderly (for elderly projects)	Page NA
d. If a special needs is proposed, additional information for the segment	Page NA
 2. Household Trends (Elderly by tenure if applicable)	
a. Total number of households and average household size	Page 26
b. Households by tenure (# of owner and renter households)	Page 27
c. Households by income (Elderly allocated separately, if applicable)	Page 30
d. Renter households by # of persons in the household	Page 28
 3. Employment Trends	
a. Employment by industry - #s & % (i.e. manufacturing : 150,000 (20%))	Page 33
b. Major employers, product or service, total employees, anticipated expansions, contraction in work forces, as well as newly planned employers and impact on employment in the PMA	Page 34
c. Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years	Page 35
d. Map of the site and location of major employment concentrations	Page 12
e. Overall conclusions	Page 36
 F. Project Specific Demand Analysis	
Income Restrictions – uses applicable incomes and rents in the development's tax application	Page 39
Affordability – Delineation of income Bands	Page 39
Comparison of market rates of competing properties with proposed subject market rent	Page NA
Comparison of market rates of competing properties with proposed LIHTC rents	Page 52

Demand Analysis Using Projected Service Date (within 2 years)	
a. New Households Using Growth Rates from Reputable Source	Page 41
b. Demand From Existing Households	Page 41
c. Elderly Households Converting to Rentership	Page NA
d. Elderly Households Relocating to the Market	Page NA
e. Deduction of Supply of “Comparable Units”	Page 43
f. Capture Rents for Each Bedroom Type	Page 46
g. Anticipated Absorption period for the property	Page 48

G. Supply Analysis

Comparative chart of subject amenities and competing properties	Page 58-59
Supply & analysis of competing developments under construction & pending	Page 54
Comparison of competing developments (occupancy, unit mix and rents)	Page 58
Rent Comparable Map (showing subject and comparables)	Page 57
Rental Assisted Projects in PMA	Page 50-51
Multi-Family Building Permits issued in PMA in last two years	Page 50

H. Interviews

Names, Titles, and Telephone # of individuals Interviewed	Page 78
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I. Conclusions and Recommendations

Conclusion as to impact of Subject on PMA	Page 81
Recommendation as to Subject’s Viability in PMA	Page 81

J. Signed Statement

Signed Statement from Analyst	Page 83
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K. Comparison of Competing Properties

Separate Letter addressing addition of more than one competing property	NOT APPLICABLE
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DEMOGRAPHIC PROJECTION DATA

Georgia Residential Population Projections	2000 Residential Census	2010 Residential Projection	2015 Household Projection	Group Quarters Projection	2015 Residential Projection	2000-2015 Projected Residential Growth %
Toombs	26,067	27,489	27,777	442	28,219	8.3%
Towns	9,319	11,469	12,268	650	12,918	38.6%
Treutlen	6,854	7,691	7,023	875	7,898	15.2%
Troup	58,779	63,974	65,039	1,677	66,716	13.5%
Turner	9,504	9,708	9,666	173	9,839	3.5%
Twiggs	10,590	10,224	10,166	121	10,287	-2.9%
Union	17,289	23,349	26,562	462	27,024	56.3%
Upson	27,597	28,849	29,182	454	29,636	7.4%
Walker	61,053	66,425	68,201	1,223	69,424	13.7%
Walton	60,687	89,688	105,751	700	106,451	75.4%
Ware	35,483	36,408	33,504	3,000	36,504	2.9%
Warren	6,336	5,651	5,298	114	5,412	-14.6%
Washington	21,176	20,172	18,616	1,473	20,089	-5.1%
Wayne	26,565	29,960	29,324	2,400	31,724	19.4%
Webster	2,390	2,071	2,090	2	2,092	-12.5%
Wheeler	6,179	8,096	7,438	1,526	8,964	45.1%
White	19,944	29,343	34,356	531	34,887	74.9%
Whitfield	83,525	96,930	103,578	781	104,359	24.9%
Wilcox	8,577	9,061	7,659	1,604	9,263	8.0%
Wilkes	10,687	10,678	10,538	145	10,683	0.0%
Wilkinson	10,220	10,345	10,291	92	10,383	1.6%
Worth	21,967	21,560	21,170	212	21,382	-2.7%

Source: Georgia Governor's Office of Planning and Budget 2015 Population Projections as of 12/04

TradeDimensions

2005

Demographics USA

County Edition

DATA FOR A NEW ERA



CLARITAS

Business Consulting & Analytics

Basic Demographics

County Index	FIPS Code	County Name	1/1/06 Population (000)	% Change 2000-05	Race/Ethnicity (% of Area)				Pop. Per Sq. Mi. (Density)	1/1/05 Households (000)	2005 Retail Sales (\$000)	2005 Roving Power Index (BPI)	Graded Buying Power Indexes		
					White	Black	Asian/Pac. Isl.	Hispanic					GPP (Economy-Prone Products)	MPP (Welfare-Prone Products)	PPP (Premium-Prone Products)
3	0008	Taylor	7.0	1.8	84.5	34.1	.5	1.5	35	2.8	80,888	26,691	.0014	.0030	.0016
7	0038	Troup	60.9	3.5	85.4	32.1	.6	2.0	147	22.9	948,055	1,271,157	.0205	.0282	.0221
3	0071	Tyler	8.8	7	55.1	41.4	.4	3.7	33	3.5	118,630	66,558	.0022	.0039	.0023
9	0022	Twiggs	10.4	-1.6	58.9	41.7	.2	1.3	29	3.9	141,100	39,604	.0029	.0039	.0026
9	0011	Union	20.1	16.1	97.4	1.2	.3	1.1	82	8.5	328,048	241,218	.0030	.0030	.0026
9	0840	Upson	20.2	2.2	70.0	29.5	.4	1.6	87	11.1	400,500	158,755	.0066	.0116	.0077
6	0028	Walker	83.3	3.7	94.7	3.4	.4	9	142	24.8	506,000	997,429	.0190	.0232	.0167
6	0016	Walton	73.0	20.4	85.3	13.8	.8	2.2	222	25.7	1,301,605	898,119	.0214	.0294	.0217
8	0029	Ware	35.8	.3	70.0	27.6	.5	2.4	36	15.7	487,068	638,320	.0111	.0167	.0125
8	0001	Ware	6.0	-5.9	40.9	58.0	.2	1.1	21	8.4	78,735	25,865	.0019	.0036	.0018
5	0012	Washington	20.6	-2.8	40.2	53.8	.3	.8	30	7.3	288,240	170,884	.0048	.0078	.0055
5	0018	Wayne	28.1	5.6	77.8	19.4	.5	3.0	44	10.0	387,888	336,536	.0077	.0115	.0085
10	0010	Webster	2.3	-4.6	48.2	47.6	.1	4.1	11	.8	33,960	8,792	.0006	.0008	.0002
12	0006	Wheeler	6.8	7.8	62.7	34.9	.1	4.1	22	2.2	70,780	11,025	.0012	.0028	.0012
14	0007	White	24.1	26.7	85.0	3.3	.8	1.8	100	3.4	373,788	388,075	.0075	.0100	.0091
10	0025	Whitfield	80.7	7.4	79.0	3.4	1.3	25.7	308	31.1	1,428,189	1,546,539	.0317	.0504	.0339
19	0026	Wilcox	8.9	3.3	83.8	35.7	.2	1.2	23	2.0	104,725	19,529	.0017	.0031	.0018
11	0019	Wilkes	10.7	-0.2	56.4	41.8	.4	2.4	23	6.4	138,759	84,798	.0026	.0057	.0031
78	0002	Wilkinson	10.3	.6	58.5	39.9	.1	1.7	23	3.0	120,620	27,617	.0021	.0038	.0020
25	0003	Worth	21.6	-0.6	68.9	29.4	.3	1.5	38	5.2	211,030	182,821	.0055	.0084	.0064
23	0011	State Total	8,965.4	0.8	64.3	28.3	2.6	6.6	154	1,274.8	187,133,786	133,607,828	2.3353	2.9723	2.9944
25	0008	Alaska													
38	0031	Hawaii													
60	0041	Hawaii	163.3	9.8	32.7	.6	96.3	11.5	41	52.0	2,650,755	3,234,602	.0636	.0764	.0596
75	0061	Hawaii	917.2	4.7	20.1	3.2	65.1	6.9	1,529	301.9	15,840,806	9,640,211	.2715	2.466	2.687
37	0069	Kalawala	.1	-17.7	33.1		58.7	4.1	0	.1	1,378			.0001	
32	0011	Yolo	51.0	5.0	30.9	4	43.9	8.7	99	21.9	1,032,106	1,545,190	.0229	.0306	.0240
84	0034	Yuba	139.0	8.5	35.0	.5	40.6	8.2	120	47.6	2,474,300	4,074,002	.0832	.0984	.0638
67	0031	State Total	1,241.5	5.0	29.9	2.5	50.6	7.7	300	430.5	21,908,601	18,503,007	.4112	.4221	.4125
17	0010	Idaho													
66	0031	Ada	334.7	11.2	91.6	.8	2.2	5.3	317	126.5	6,601,328	8,254,200	.1256	.1081	.1324
89	0035	Adams	3.8	2.5	90.2	.1	2	1.4	3	1.5	48,595	30,574	.0028	.0018	.0011
122	0019	Bannock	75.6		90.1	.7	1.5	5.3	68	27.4	1,193,280	1,307,778	.0248	.0293	.0185
159	0045	Beaumont	6.3	-2.0	97.4	.2	2	2.2	8	2.3	30,045	54,558	.0015	.0023	.0019
180	0058	Berkeley	8.0	-1.5	89.6	.2	2	1.5	12	3.6	136,718	72,681	.0022	.0015	.0028
867	0018	Boise	49.6	4.4	91.8	.2	.8	14.0	21	14.1	356,433	353,873	.0108	.0124	.0125
204	0071	Bonneville	21.5	13.4	87.8	.3	1.1	14.7	8	6.2	937,000	471,578	.0104	.0079	.0091
136	0003	Bonneville	7.0	12.8	95.7	.1	4	3.8	4	3.0	128,543	24,135	.0018	.0023	.0021
239	0003	Bonneville	40.4	9.8	95.1	.1	4	1.7	25	16.3	616,890	1,042,615	.0158	.0136	.0176
361	0028	Bonneville	89.4	8.4	91.3	.5	1.0	6.7	46	31.5	1,474,873	1,584,031	.0280	.0304	.0306
074	0058	Boundary	10.4	5.2	85.0	.2	8	3.8	8	4.0	143,176	115,330	.0028	.0024	.0038
101	0064	Butte	2.9	-1.8	93.7	.4	2	6.6	1	.1	41,163	16,100	.0007	.0009	.0006
046	0028	Carson	1.1	8.1	95.1	1.6	2	6.3	1	.4	18,080	5,853	.0008	.0004	.0008
040	0028	Carson	160.5	22.1	91.8	.6	0	20.4	272	54.8	2,158,758	1,815,848	.0414	.0434	.0484
121	0027	Clearwater	7.0	-3.7	95.2	.2	4	2	4	2.5	97,900	95,284	.0030	.0025	.0024
027	0016	Coconino	21.7	1.3	82.2	.3	4	21.4	8	7.2	288,853	254,031	.0057	.0033	.0065
084	0043	Cochise	.8	17.5	67.3	.1	.5	43.5	.3	.3	8,330	7,706	.0002	.0002	.0002
003	0020	Cook	8.2	-7.6	93.7	.2	.7	2.0	3	3.2	113,080	85,779	.0022	.0028	.0027
058	0038	Cook	4.0	-8.3	96.9	.1	5.7	1	1	1.7	59,793	29,368	.0010	.0015	.0012
1016	0028	Crowley	28.5	-2.1	63.1	8.9	2.5	13.6	9	6.8	339,243	288,462	.0070	.0078	.0084
0671	0082	Franklin	12.1	6.8	94.4	.1	.2	6.2	16	3.7	152,690	80,757	.0027	.0031	.0033
023	0049	Franklin	13.3	4.4	90.4	.1	.3	12.5	7	4.1	167,385	80,878	.0028	.0039	.0034
0010	0004	Franklin	16.1	6.0	93.3	.1	.8	7.7	26	6.8	220,510	70,047	.0035	.0058	.0043
1042	0014	Franklin	14.4	2.0	85.3	.3	.3	20.8	20	5.1	189,835	87,532	.0033	.0048	.0050
1026	0016	Franklin	10.4	-0.9	83.9	.1	4	1.8	2	6.1	197,825	117,178	.0036	.0068	.0050
0000	0018	Franklin	20.8	8.6	91.1	.4	.1	6.6	10	5.0	272,323	114,138	.0046	.0084	.0054
0080	0003	Franklin	19.2	4.9	83.4	.2	.5	23.1	32	6.5	258,828	223,536	.0050	.0065	.0060
0011	0034	Franklin	121.8	12.1	95.3	.3	.7	2.7	98	46.2	1,950,173	2,058,739	.0401	.0438	.0465
0057	0027	Franklin	38.9	.6	92.5	9	2.6	2.1	33	13.2	524,085	388,251	.0077	.0149	.0107
0014	0041	Franklin	7.7	-0.9	96.7	.1	2	2.7	2	2.3	115,198	101,528	.0028	.0043	.0020
0004	0003	Franklin	3.8	1.2	91.5	.4	.7	2.1	8	1.6	56,180	24,400	.0009	.0017	.0011
0050	0025	Franklin	4.5	10.0	85.5	.6	.6	15.1	4	1.6	28,758	19,984	.0010	.0014	.0012
0024	0017	Franklin	21.1	18.8	85.1	4	1.0	3.6	86	3.2	315,440	306,574	.0070	.0081	.0074
0020	0020	Franklin	19.2	-6.0	77.9	.3	.6	26.8	25	6.7	242,403	184,791	.0046	.0065	.0054
0028	0016	Franklin	39.2	2.1	91.3	4	.3	1.6	45	15.7	632,583	782,083	.0137	.0174	.0150
0145	0010	Franklin	4.1	.2	97.4	.1	.2	2.4	5	1.5	52,358	17,977	.0003	.0013	.0011
0100	0020	Franklin	11.6	7.7	78.8	.4	.7	38.8	1	4.0	129,588	65,418	.0025	.0042	.0028
0075	0003	Franklin	21.9	6.5	89.8	.1	1.1	13.4	54	7.9	361,470	211,027	.0060	.0073	.0067
0033	0003	Franklin	7.3	-3.1	82.2	.1	.5	24.2	6	2.5	69,458	56,082	.0018	.0025	.0020
		Franklin	12.7	-7.4	85.5	.2	.3	2.3	5	5.5	180,300	82,154	.0069	.0070	.0076

County Edition

TransDimensions International, Inc. - Demographics USA® 2005 - County Edition

5-Year Projections

	1/1/05 Pop. (000)	5-Year Projections					Average Household EBI		Retail Sales		Total Retail Sales Per Household		Buying Power Index		
		Pop.	% Change 5 Years	House- holds (000)	% Change 5 Years	EBI (000)	% Change 5 Years	2005	5-Year Proj.	5-Year Proj.	% Change 5 Years	2005	5-Year Proj.	2005	5-Year Proj.
		(000)		(000)		(000)				(\$000)					
Trafford	7.0	7.1	1.7	2.7	3.2	98,305	15.4	30,713	34,255	30,372	13.8	10,137	11,183	.0014	.0013
Tukey	60.9	62.9	3.4	22.8	3.9	1,098,830	14.6	41,450	45,715	1,375,301	22.0	49,281	57,849	.0205	.0206
Twin Falls	9.6	9.6	.8	3.5	1.8	107,482	15.8	33,904	38,788	34,238	-3.4	19,021	18,188	.0022	.0020
Union	10.4	10.2	-1.8	3.8	-0.5	160,103	13.5	56,849	41,791	16,816	18.5	10,901	12,222	.0022	.0021
Upper	28.2	28.8	2.1	11.4	2.7	447,348	11.7	26,212	38,383	330,894	37.2	28,589	35,563	.0060	.0057
Walker	63.3	65.8	3.8	25.9	4.5	1,018,385	13.1	38,221	40,287	435,102	14.5	16,025	17,571	.0050	.0051
Walton	73.3	85.9	17.6	30.4	17.9	1,748,525	24.2	50,656	57,537	380,824	40.3	27,157	32,315	.0214	.0246
Ware	35.3	35.0	-1	13.0	1.0	515,368	10.6	34,074	37,302	746,360	15.7	48,842	53,918	.0111	.0107
Ware	6.0	5.7	-5.0	2.3	-4.1	86,310	6.2	33,793	39,072	29,410	13.7	10,811	12,078	.0013	.0012
Washington	20.6	20.1	-8.6	7.2	-8.2	285,288	8.4	35,888	38,750	165,974	-2.9	23,287	23,128	.0040	.0045
Wayne	28.1	29.0	5.4	10.7	6.7	482,680	13.3	38,693	43,232	422,679	23.0	33,469	38,521	.0077	.0080
Webster	2.3	2.2	-5.0	9	-5.6	34,580	1.3	38,243	40,175	7,774	-11.6	9,801	9,082	.0005	.0004
Wheeler	6.6	7.1	7.3	2.4	8.7	83,780	18.4	31,711	34,210	11,211	1.7	4,540	4,578	.0012	.0012
White	24.1	28.4	17.8	11.2	18.5	485,308	29.9	30,711	40,480	494,090	10.7	38,194	36,212	.0076	.0070
Wheeler	89.7	90.0	7.0	33.0	6.1	1,883,258	16.6	45,669	50,425	2,288,818	24.4	60,195	68,390	.0317	.0327
Wilcox	8.9	9.1	3.2	3.1	4.8	120,990	15.5	35,687	39,257	9,134	-1.9	9,838	8,218	.0017	.0016
Willac	10.7	10.8	-0.4	4.4	-0.9	147,705	6.4	31,586	33,319	105,722	11.5	21,579	23,849	.0025	.0024
Wilkinson	10.3	10.3	.4	4.0	1.7	144,048	7.9	34,044	36,129	25,816	-8.5	7,042	6,475	.0021	.0019
Worth	21.8	21.7	-0.8	8.2	-4	348,578	12.4	37,910	42,447	216,970	18.6	22,221	26,338	.0055	.0053
State Total	8,606.4	9,646.7	8.3	3,547.8	8.3	202,129,894	20.9	51,007	56,976	1,168,831,202	18.5	37,837	41,389	2.9553	3.0864
Hawaii															
Honolulu	183.3	179.0	9.8	65.3	10.7	3,157,429	33.3	43,412	48,356	4,222,705	30.5	54,857	64,670	.0586	.0610
Kauai	917.2	963.4	5.0	318.5	5.5	18,239,010	16.1	52,465	57,270	9,818,854	-0.2	32,821	30,862	.2715	.2582
Molokai	.1	.1		.1	2.1	1,543	12.0	14,206	15,588						
Oahu	81.5	85.8	6.2	23.5	7.8	1,208,900	17.2	47,195	51,304	1,602,151	25.0	61,500	71,753	.0229	.0237
State Total	1,291.5	1,369.5	6.1	489.4	6.7	25,692,886	18.8	50,898	56,707	20,988,776	15.3	42,964	46,642	.4112	.4079
Idaho															
Ada	334.7	370.4	10.7	138.2	10.1	8,114,390	21.1	52,550	68,716	3,104,702	30.0	59,162	59,224	.1255	.1348
Adams	3.6	3.7	2.6	1.5	4.0	56,890	15.7	32,249	30,002	37,495	25.5	20,581	24,228	.0009	.0000
Benewah	75.6	75.0	27.5	.5	5	1,311,108	12.7	42,456	47,638	1,588,310	18.8	48,026	57,741	.0249	.0244
Blaine	6.3	6.2	-2.0	2.2	-0.8	87,319	9.1	35,450	30,879	55,519	3.8	24,162	25,232	.0015	.0014
Boise	9.0	8.9	-1.6	3.5	-0.8	139,280	8.9	35,625	30,370	83,809	11.0	20,439	22,872	.0022	.0021
Bonneville	43.8	45.5	4.5	14.8	5.3	685,685	17.1	40,451	44,891	403,417	12.2	25,866	27,549	.0105	.0104
Blaine	21.5	24.2	12.5	10.0	13.9	778,033	22.1	71,851	77,726	594,114	28.8	53,177	59,752	.0104	.0111
Boise	7.5	8.4	11.6	3.3	12.2	133,520	20.2	43,708	48,149	32,089	32.0	6,140	8,339	.0018	.0020
Bonneville	40.4	44.3	3.4	18.0	10.2	738,715	23.0	37,805	42,124	1,353,946	30.1	63,901	75,389	.0158	.0188
Bozeman	89.4	95.7	3.2	34.4	9.0	1,738,140	21.8	49,750	62,272	2,528,788	26.0	62,254	73,311	.0330	.0352
Butte	10.4	10.8	6.3	4.2	6.6	167,658	17.1	35,893	39,523	144,076	24.9	26,985	33,364	.0028	.0028
Camas	2.9	2.8	-1.5	1.1	-0.1	46,475	12.9	37,514	42,404	20,867	15.1	16,572	19,094	.0027	.0027
Carroll	1.1	1.2	7.9	.5	9.9	23,155	28.0	41,401	40,045	5,173	5.4	13,424	12,862	.0025	.0023
Canyon	160.5	191.2	19.1	85.2	18.9	2,822,789	28.7	39,402	43,301	1,819,061	12.6	29,479	27,904	.0414	.0445
Caribou	7.0	8.8	-8.8	2.6	-2.4	103,680	8.0	38,877	42,245	109,567	13.8	38,200	44,558	.0020	.0019
Chelan	21.7	22.0	1.4	7.3	1.7	302,318	12.0	37,547	41,382	356,073	4.5	35,429	36,390	.0067	.0053
Clark	8	7	-16.6	2	-20.1	7,138	-14.7	30,515	32,606	7,127	-7.5	26,227	29,893	.0002	.0001
Clearwater	8.2	7.6	-7.6	2.9	-5.2	118,836	7	35,063	38,799	82,242	7.5	26,823	31,407	.0022	.0019
Clatsop	4.0	3.6	-4.5	1.6	-7.4	60,530	1.3	36,083	39,445	81,818	8.4	17,710	20,715	.0010	.0009
Clatsop	28.5	27.9	-2.1	8.6	-3.0	388,410	6.6	38,595	42,993	287,958	-7.1	32,832	31,271	.0070	.0062
Columbia	12.1	12.9	6.8	4.0	7.0	181,670	19.0	41,074	45,834	92,529	14.0	21,697	23,243	.0027	.0028
Condon	12.3	12.9	4.5	4.4	5.8	189,150	15.7	39,327	43,473	84,753	4.7	19,646	19,479	.0028	.0028
Coquille	15.1	17.1	6.0	6.2	5.6	257,825	18.9	37,817	41,869	75,107	7.2	12,013	12,200	.0035	.0035
Craig	14.4	14.7	2.1	5.1	1.1	213,948	13.8	37,272	41,764	83,544	6.9	17,272	18,266	.0033	.0031
Curry	15.4	15.2	-0.9	6.1	-0.2	216,508	9.6	32,403	35,686	123,703	5.3	19,213	20,339	.0088	.0094
Dawson	20.8	22.5	6.3	7.1	9.2	357,370	23.9	41,008	47,483	148,188	29.2	17,590	20,656	.0046	.0048
DeWitt	18.2	19.2	5.0	6.9	4.8	300,075	15.9	38,998	43,960	274,529	22.3	34,195	40,271	.0052	.0052
Douglas	121.8	135.7	11.4	51.3	11.2	2,405,245	23.4	42,242	46,896	2,694,469	30.9	44,608	50,400	.0401	.0433
Douglas	35.2	35.4	.7	13.5	.6	600,323	14.4	39,802	45,258	436,674	13.1	29,308	32,519	.0027	.0026
Douglas	7.7	7.7	-0.9	8.8	0.1	180,540	11.6	35,068	38,177	119,895	17.9	30,906	36,481	.0023	.0022
Elbert	3.0	3.8	1.3	1.6	2.3	68,448	17.7	36,435	41,941	23,938	-2.2	15,331	14,828	.0009	.0009
Elbert	4.5	4.9	9.6	1.7	9.8	71,970	22.6	36,070	41,002	21,788	9.3	12,545	12,322	.0010	.0010
Elbert	31.1	35.0	12.4	8.4	13.9	392,170	25.1	38,080	41,049	398,402	8.5	37,246	34,831	.0070	.0072
Elbert	18.2	18.2	-0.1	6.4	-4.6	254,763	5.1	36,284	39,855	167,425	1.6	24,353	26,253	.0046	.0041
Elbert	38.2	39.1	2.3	16.0	2.4	715,513	13.1	40,353	44,591	340,933	20.3	49,329	58,640	.0137	.0138
Elbert	4.1	4.1	2	1.5	1.0	53,425	13.5	36,109	40,591	21,341	18.7	12,388	14,577	.0009	.0008
Elbert	11.5	12.3	7.5	4.3	7.5	55,635	19.4	34,968	38,849	82,799	26.6	16,391	19,330	.0025	.0026
Elbert	21.9	23.8	8.5	9.8	6.9	390,535	19.0	35,729	43,757	495,146	25.8	27,233	32,239	.0058	.0058
Elbert	7.3	7.1	-3.1	2.4	-2.8	106,478	7.1	32,865	38,068	57,810	2.2	22,740	23,912	.0019	.0018
Elbert	12.7	11.8	-7.6	5.2	-6.9	183,736	1.9	32,622	35,584	681,036					

WAVERLY RESEARCH GROUP, INC.
STATEMENTS OF QUALIFICATION

THE WAVERLY RESEARCH GROUP, INC.

The Waverly Research Group, Inc. conducts market and economic feasibility studies, and provides general consulting services for real estate development projects. Waverly prepares studies analyzing market support for residential, industrial and commercial properties including office, retail, hospitality (hotel/motel), and mixed-use development. Other, more specialized areas of expertise include health care facilities, options in housing for the elderly, low and moderate income (affordable) housing, due-diligence services for the financial services industry, and adaptive re-use studies for the renovation of underused and/or historic properties.

The Waverly Group also offers a variety of development consulting service to clients, including site selection, product development, market positioning and economic impact studies. Waverly also evaluates the financial potential of development projects, and prepares pro-forma projections. In addition, Waverly assists municipalities and other government agencies in evaluating the potential for economic revitalization through redevelopment and adaptive re-use, and provides economic and market analysis services to assist land-use planning efforts.

The Waverly Group professionals have completed a wide variety of studies for housing, particularly multi-family affordable housing. These include standard apartments, farm labor housing, elderly independent living units, assisted living and enriched housing, and life care facilities. Geographic areas of operation include the Northeast (Vermont and Connecticut), the Mid Atlantic (New York, New Jersey, Delaware, Maryland, Virginia, and West Virginia), the Southeast (North Carolina, South Carolina, Tennessee, Kentucky, Georgia and Florida), the Mid West (Illinois, Iowa, Kansas and North Dakota), the Mountain States (Wyoming and Colorado) and the Southwest (Texas, New Mexico, Nevada, and Arizona).

While most of the Waverly assignments are performed for private sector clients, in most cases the studies are designed to meet the requirements of various government programs and agencies, and in many cases are performed directly for the reviewing agency or for the lender or syndicator. The Waverly analysts are particularly experienced in projects under USDA Rural Development Section 515 and 514 programs, the Low Income Housing Tax Credit program, and the HUD HOME programs, the Section 202, Section 221(d)(4) and Section 232 programs, both as part of the MAP program, as well as various state programs. The firm also prepares full reviews of existing market studies for consistency and accuracy for public and private underwriters.

The principal of the Waverly Group, Donald F. Robinson, has 30 years experience in research and real estate consulting. He has worked throughout the United States, but is especially familiar with New York and the Mid-Atlantic, Southeast and Southwest regions. The firm was founded in 1986, and is located in Las Cruces, New Mexico.

STATEMENT OF QUALIFICATIONS

Donald F. Robinson

Principal, Waverly Research Group, Inc., Las Cruces, New Mexico.

Former Director of Research, John E. Scott and Associates, Richmond, Virginia.

Former Research Associate, C. B. Robertson Associates, Inc., Richmond, Virginia.

Former Business Services Librarian, County of Henrico, Richmond, Virginia.

Graduate, University of Virginia, Charlottesville, Virginia, Bachelor of Arts, 1971.

Graduate, University of Illinois, Urbana, Illinois, Master of Science in Library Science, 1976.

Graduate, University of Richmond, Richmond, Virginia, Master of Business Administration, 1983.

Former Adjunct Instructor in Real Estate, University of Richmond.

Conducted economic, market and financial studies for private and public sector clients in the Mid-Atlantic, Southeast, Midwest, Mountain States and Southwest United States. Studies have included development assignments in land use analysis; highest and best use; financial structuring and packaging; re-use of historic properties, redevelopment and revitalization; housing, commercial, industrial, health care, recreation and hospitality analysis; space evaluation and site selection. Other services included private consulting assignments in land planning, investment analysis, regional economic base analysis, due diligence, and business evaluation and acquisition. Served as consultant to property owners, developers, health care institutions, non-profit foundations, financial institutions, public agencies, and other real estate professionals.

Mr. Robinson has worked as a real estate market analyst for 28 years, since 1978. He is now based in Las Cruces, New Mexico.

STATEMENT OF QUALIFICATIONS

Judy W. Maynard

Senior Research Analyst, The Waverly Research Group, Inc., Las Cruces, New Mexico.

Former Business Manager, Friends of the Richmond Public Library, Richmond, Virginia

Former Owner/Manager, Novel Futures Bookstore, Richmond, Virginia

Registered Nurse 1975-1983

St. John's Hospital – Drug and alcoholism treatment

St. Mary's Hospital – Psychiatric Unit & Psychiatric Intensive Care Unit

Chippenham Hospital/Tucker Pavilion – General medical and psychiatric nursing

Graduate, J. Sergeant Reynolds Community College, Associate in Applied Science in Nursing, 1975

Continuing Education in Drug and Alcoholism Rehabilitation, Virginia Commonwealth University, 1978 – 1982

Continuing Education in Accounting, John Tyler Community College, 1988

Volunteer, WCVE, Central Virginia Public Radio

Tai Chi Instructor for Senior Citizens

Past President, Richmond Independent Book Sellers

Conducted market and field research for market studies in Virginia, New York, Vermont, Georgia, North Carolina, South Carolina, Florida, Arizona, New Mexico, Nevada, Wyoming, North Dakota and Kansas. Studies have included multi-family housing for families and elderly households, major recreation facilities and healthcare facilities. Compiled research information using the US Census and other secondary sources. Conducted competitive surveys with government officials, property managers, owners, and healthcare professionals. Developed and implemented survey and market study forms to be used in the reporting of market opportunities and determining market rents.

Ms. Maynard has worked as a real estate market analyst since 1994. She is now based in Las Cruces, New Mexico.