

PROFESSIONAL MARKET STUDY  
FOR THE CREEKWOOD APARTMENTS  
APPLICATION # - 2006-037  
A PROPOSED LIHTC FAMILY REHAB DEVELOPMENT

LOCATED IN:  
SOPERTON, TREUTLEN COUNTY, GA

PREPARED FOR:  
GEORGIA DEPARTMENT of COMMUNITY AFFAIRS  
OFFICE of AFFORDABLE HOUSING  
60 Executive Park South, NE  
Atlanta, GA 30329

PREPARED BY:  
KOONTZ and SALINGER  
P.O. BOX 37523  
RALEIGH, NC 27627-7523

JUNE 2006

## Table of Contents

	Page
Market Study Assignment	iii
Section A - Executive Summary	vii
Section B - Project Description	
Assignment & Project Description	1
Section C - Site Evaluation	
Site & Neighborhood Description	4
Summary	16
Section D - Market Area Description	
Market Area Description	17
Section E - Community Demographic Data	
Population Trends, Projections, Characteristics	20
Household Characteristics	23
Income Characteristics	28
Summary	32
Labor Force Trends & Economic Base	33
Summary	37
Section F - Demand Analysis	
Demand Analysis - Effective Demand Pool	40
Demand Analysis - Effective Tenant Pool	42
Upcoming Direct Competition	43
Capture Rate Analysis	45
Absorption Rate Analysis	47
Section G - Competitive Environment - Supply Analysis	
Supply Analysis	48
Reconciliation of Net Rents	52
Part I - Survey of Program Assisted Properties	54
Part II - Survey of Conventional Properties	56
Section H - Interviews	58
Section I - Recommendation	59
Section J - Qualifications	60
Section K - Identity of Interest	61
Appendix A - Data Set	

## INTRODUCTION

The proposed acquisition/rehab multi-family development will target LIHTC eligible households in the general population within Soperton and Treutlen County, Georgia.

The market study assignment was to ascertain market demand for a proposed acquisition/rehab multi-family development presently known as the **Creekwood Apartments** (a USDA-RD Section 515 family complex), for the Georgia Department of Community Affairs (GA-DCA).

### Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	651-676	Na
2BR/1b	9	802-850	Na
3BR/2b	20	1141	Na
Total	37		

### Project Rents:

The proposed development will target 100% of the units at 60% or below of area median income (AMI); and 65% of the units at 60% or below AMI. The net rent will include water, sewer and trash removal. At present, 1-unit is a non revenue producing unit set aside for management. After the rehab process this unit will remain as a non revenue unit. Of the remaining 36-units, 35 have USDA-RD project base rental assistance. This PBRA will be transferred to the new owner upon acquisition.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent*	Utility Allowance	Gross Rent
1BR/1b	8	\$338	\$ 63	\$401
2BR/1b	8	\$358	\$ 89	\$447
3BR/2b	20	\$386	\$103	\$489

\*USDA-RD basic rent

In addition, there are several terms that will be used throughout the study, which have very specific meanings within the program assisted framework, but which may have other meanings in other contexts. Two sets of terms in particular are identified here to avoid confusion in the study.

### **Type of Project Rent Structure:**

- Conventional - also referred to as "market rate", reflects projects which are developed without any program funding from public or private sources, using equity and conventional finance. Rents are established by the owner, typically without regulatory constraints.
- Assisted - projects that use some form of program financing designed to make rents more affordable. The financing may include federal and state grant, loan or loan guarantee programs; the Low Income Housing Tax Credit program, direct rental assistance and in some cases private grants or preferential loans.
- Subsidized - projects that have direct rental assistance, which allows tenants to pay only an affordable proportion of their income for rent, with the balance paid by another agency (usually governmental). These subsidies are project-based; that is, the subsidies are attached to the units. Tenant-based subsidies are carried by the tenants, who may use them in assisted or conventional projects. Note: all subsidized projects are also assisted projects, but not all assisted projects are subsidized.

### **Rent Inclusions:**

- Gross Rent - refers to the total rent payment, including utilities. (Cable and telephone utilities are excluded from this definition.) Gross rents are usually identified as a monthly rent. Gross rents are used in the study for program usage such as LIHTC maximum rents or HUD Fair Market Rents.
- Net Rent - sometimes known as "street rent", involves the rent paid to the landlord, and usually excludes some or all utilities. Net rents are used in comparisons with conventional projects, and are also usually identified as a monthly rent.
- Utility Allowance - is the amount of the Gross Rent not included in the Net Rent, and reflects the estimated amount a tenant will have to pay out-of-pocket for utilities.

As a final terminology note, capture rate and penetration rate are used interchangeably in this study. They refer to the proportion of a defined total pool of tenants that a specific project must capture (or the degree to which the project must penetrate the total pool) in order to be fully occupied. Different capture rates will be calculated for different market pools - for example, the capture rate applied to the total income-qualified renter base will be different from the capture rate applied to a annual target demand pool. Both are used in this study.

The analyst performed an in-depth, on-site analysis in the market area, surrounding neighborhoods, and the site. Personal interviews were conducted with local area real estate professionals and other persons knowledgeable in the local area housing market.

Among sources utilized and cited throughout the study are the U.S. Census of Population and Housing, the Georgia Department of Labor, the Soperton - Treutlen County Chamber of Commerce, the City of Soperton, the US Department of Housing and Urban Development and pertinent information and materials collected from local professional real estate sources and subject related service providers.

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

## **STATEMENT OF CONTINGENT AND LIMITING CONDITIONS**

1. The consultant declares that he does not have, and will not have the future, any material interest in the proposed project, and that there is no identity between him and the client of the study. Further, the consultant declares 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. The analyst certifies that no attempt was made to contact the applicant directly for any information in the market study.
2. The information on which this analysis of conditions in Soperton and Treutlen County 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 consultant assumes 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 private sources cited during the normal course of a thorough investigation. The consultant reserves the right to alter conclusions on the basis of any discovered inaccuracies.
3. No opinion of a legal 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 / handicapped eligibility established by law for units designated by elderly households and the handicapped.
6. The consultant affirms that a member of the firm 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.

---

---

**Jerry M. Koontz, Principal  
Koontz and Salinger**

**SECTION A**  
**EXECUTIVE SUMMARY**

**1. Market Area and Site Description:**

- The Primary Market Area (PMA) for the proposed multi-family development consists of Treutlen County.
- The overall character of the neighborhood within the immediate vicinity of the site can be defined as a mixture of: office, institutional, single-family residential, multi-family development, and health-care use. The site is located in the northeastern portion of Soperton, within the city limits. All major facilities in the city can be accessed within a 5 minute drive.
- In the opinion of the analyst, the site of the subject is considered to be very appropriate for multi-family acquisition/rehab development.

**2. Appropriateness of Project Parameters**

- Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package. No other property in the local rental market will have an amenity package as deep and varied as the proposed subject property.
- In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, based on the proposed floor plans, in particular the 3BR townhouse units. With the exception of single-family homes for rent, the proposed subject units will offer the largest floor plans in the local rental market.
- The subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding proposed net rents by bedroom type, subject to the retention of the deep subsidy project, base rental assistance (PBRA). Without the PBRA the net rents would have to be reduced, significantly. In particular, this would be the case for the 1BR and 2BR units.
- The proposed subject 1BR/1b net rent at 60% is approximately 13% greater than the competitive 1BR/1b market rate net rents and at 60% AMI. The proposed 2BR/1b net rent at 60% AMI is approximately 2% greater

than the competitive 2BR/1b market rate net rents. The proposed subject 3BR/2b net rent at 60% is approximately 14% less than the competitive 3BR/2b market rate net rents. Note: This reconciliation process assumes no PBRA for the subject. Clearly, based on the results of this process, the subject will require deep subsidy RA.

- The subject bedroom mix is considered to be appropriate, allowing for all bedroom types, yet focusing on the larger bedroom size with PBRA, focusing on families in need of very affordable housing. In addition, the subject will be replacing like-kind units on a 1 for 1 basis, by bedroom type.

### 3. Market Demand:

- The capture rates by income segment and bedroom mix are considered to be positive indicator of demand support for the proposed 36-unit subject development, with PBRA. The overall project capture rate is 9.3%. This capture rate is premised upon the subject not retaining any of the existing tenants at the time of the rehab process. Based upon an examination of the most recent rent roll, current demand and the condition of the units, it is estimated that the project should be able to retain at least 60% (if not more) of the existing tenant base. Should at least 22 of the 36 available units (60%) be retained, along with the PBRA, the subject capture rate with PBRA would be much, much, lower - at 3.6%. Without PBRA, the retention rate would not be as high and in fact the assumption of a project with 36 available units without PBRA would be more indicative of a very high capture rate of 64.3%.
- At present there are no like-kind direct comparable LIHTC (non RA or RA) units in the PMA, other than the subject.

Capture Rates by Bedroom Type & Income Targeting - With PBRA							
Unit Size	Income Limits	Units Proposed	Net Demand	Capture Rate	Absorption	Avg Mkt Net Rent	Proposed Net Rent
1BR	60% AMI	8	97	8.2%	3 mos.	\$300	\$338
2BR	60% AMI	8	192	4.2%	3 mos.	\$350	\$358
3BR	60% AMI	20	97	20.6%	6 mos.	\$450	\$386

- The long term negative impact of placing the proposed subject property into the PMA is forecasted **not** to be significant as its relates to the present supply of

program assisted apartment properties.

- The worst case scenario for 93% to 100% rent-up is estimated to be 9 months (at 4-units per month on average). The most likely/best case rent-up scenario suggests a 6-month rent-up time period (an average of 6-units per month). However, these estimates of absorption are based upon the assumption that the subject will not retain any of the tenants after the time of the rehab process. In reality, even without an extensive rehab process the subject has maintained an annual occupancy rate of approximately 90% and with the retention of PBRA would have little to no difficulty in maintaining at least a 60% retention rate. Given this scenario, the remaining 40% of the complex should be absorbed within 2 months to 6 months upon the completion of the rehab process.
- Without the PBRA the estimates of capture rate by bedroom type and absorption are:

Capture Rates by Bedroom Type & Income Targeting - Without PBRA							
Unit Size	Income Limits	Units Proposed	Net Demand	Capture Rate	Absorption	Avg Mkt Net Rent	Proposed Net Rent
1BR	60% AMI	8	14	57.1	*	\$300	\$338
2BR	60% AMI	8	28	28.6	*	\$350	\$358
3BR	60% AMI	20	14	142.9	*	\$450	\$386

\* In the case of the 1BR and 2BR units the absorption rate is subject to a reduction of the proposed net rents. In the case of the 3BR units the absorption rate is subject a reduction in the number of units.

#### 4. Recommendation & Conclusion:

- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward, as presently configured**, subject to the retention of the 35-units of PBRA. The findings clearly demonstrate that in the case of the Soperton market there are few market findings that support a development concept without the present 35-units of PBRA. With the PBRA, and successful rehabilitation of the development, along with on-site professional management, Creekwood should once again function at a high rate of occupancy.

## **MARKET STUDY FOLLOWS**

**SECTION B**

**PROPOSED PROJECT DESCRIPTION**

The proposed Low Income Housing Tax Credit (LIHTC) multi-family development will target very low to low income households within the general population in Soperton and Treutlen County, Georgia.

The subject property is an existing USDA-RD Section 515 family complex. It is located at 211 Arch Street, within the Soperton city limits. Specifically, the application is for the acquisition /rehab of the existing complex.

The market study assignment was to ascertain market demand for a proposed acquisition/rehab multi-family development presently known as the **Creekwood Apartments**, for the Georgia Department of Community Affairs (GA-DCA), under the following scenario:

**Project Description**

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	4	651	Na
1BR/1b	4	676	Na
2BR/1b	4	802	Na
2BR/1b	4	823	Na
2BR/1b	1	850	Na
3BR/2b TH	20	1141	Na
Total	37		

At present, the project design of Creekwood comprises 4 two-story townhouse buildings, in which the three-bedroom units are located and 2 two-story walk-up buildings, in which the one and two-bedroom units are located. One two-bedroom unit is located in a separate building comprising a manager's office and central laundry. The project provides 54 parking spaces. Creekwood was built in 1982 and at present is in fair to poor condition.

The proposed *Occupancy Type* is for the **General Population** and is not age restricted.

**Project Rents:**

The proposed development will target 100% of the units at 60%

or below of area median income (AMI). The net rent will include water, sewer and trash removal. At present, 1-unit is a non revenue producing unit, set aside for management. After the rehab process this unit will remain as a non revenue unit. Of the remaining 36-units, 35 have USDA-RD project base rental assistance (PBRA). This PBRA will be transferred to the new owner upon acquisition.

PROPOSED PROJECT RENTS 60% AMI				
Bedroom Mix	# of Units	Net Rent*	Utility Allowance	Gross Rent
1BR/1b	8	\$338	\$ 63	\$401
1BR/1b	8	\$358	\$ 89	\$447
3BR/2b	20	\$386	\$103	\$489

\*USDA-RD basic rent

### **Current Amenity Package**

The development includes the following amenity package:

#### **Unit Amenities**

- stove
- central air
- carpet
- patio/balcony
- mini-blinds
- refrigerator
- washer/dryer hook-ups
- cable ready
- out side storage
- smoke detectors

#### **Development Amenities**

- manager's office
- central laundry

### **Proposed Amenity Package**

The proposed rehabilitation process will include bringing the property up to the current ADA codes and guidelines, current energy and efficiency codes, and a complete rehabilitation of the interior and exterior of all the units, as well as major rehabilitation to the exteriors of the buildings. The proposed rehabed development will include the following amenity package:

#### **Unit Amenities**

- range
- dishwasher
- central air
- carpet
- patio/balcony
- mini-blinds
- refrigerator
- microwave
- washer/dryer hook-ups
- cable ready
- out side storage
- new smoke detectors

#### **Development Amenities**

- manager's office\*
- new clubhouse
- equipped fitness room
- playground
- gazebo
- fencing along street
- central laundry
- with a computer lab, library
- covered picnic building w/grills
- 5000 foot playing field
- covered bus shelter

\* A new manager's unit built be built in order to provide the complex with a full-time on-site manager.

The renovation plan is set-up that only two building will be placed out of service at the same time during the rehab process. Given the present amount of deep subsidy rental assistance it is most likely that the existing tenant base at the time of rehab will be retained either on site in a other nearby rental units.

The estimated projected year that Creekwood will be placed in service as a rehabilitated development is 2008.

**SECTION C**

**SITE & NEIGHBORHOOD  
EVALUATION**

The Creekwood Apartment development is located at 211 Arch Street, at intersection of Arch and College Streets. The site is located in the northeastern portion of Soperton, within the city limits, approximately .1 mile from US 221 and SR 46.

Specifically, the site is located in Census Tract 9602 (a Qualified Census Tract, QCT) and Zip Code 30457. See Site Map, page 11.

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers and area churches. All major facilities in the city can be accessed within a 5 minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.

**Site Characteristics & Creekwood**

The approximately 3.89-acre, rectangular shaped tract is relatively flat. The 37-unit Creekwood Apartment development was built in 1982 as a USDA-RD Section 515 family complex. One unit is set-aside as a non revenue producing unit. At the time of the survey, 31 (or 86%) of the 36 tenant available units were occupied. The waiting list has 7-applicants. The majority of the existing tenants were reported to have come from either Soperton or elsewhere within Treutlen County.

The site is not located within a flood plain and appears to drain well. The subject site is not zoned, owing to the fact that there is no zoning in Soperton or Treutlen County. The surrounding land uses around the site are detailed below:

Direction	Existing Land Use	Current Zoning
North	Light Industry & Health-care	Na
East	Elementary School	Na
South	Vacant	Na
West	Multi-family	Na

## Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined as a mixture of land uses including: office, institutional, single-family residential, multi-family residential, and health-care use.

Directly north of the site is the Middle Georgia Diversified Commercial Development, a sheltered workshop managed by Easter Seal. At present, much the current work comprises cut and sew apparel contract work for the US military. Immediately north of this property, off College Street, is the Truetlen County Nursing Home, followed by single-family development.

Directly south of the site is vacant woodland followed by single-family homes in a neighborhood setting.

Directly east of the tract, on the opposite side of College Street is the Treutlen Elementary School.

Directly west of the tract is one of the Soperton Housing Authority complexes, known as Keene Drive. This 26-unit property was built in the early 1990's and is in good to very good condition. The complex includes: six 1BR units, 12 2BR units, 6 3BR units and 2 4BR units. Further west and northwest of this property is a mixture of single-family homes, the Treutlen County Health Department and a medical clinic known as the Million Pines Family Health Care Center.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.



(1) - Creekwood Apartments, east to west.



(2) - Creekwood Apartments managers office and central laundry.



(3) - Two story walk-up building design.



(4) - Typical interior of a two story walk-up unit.



(5) - Townhouse building design.



(6) - Typical interior of a townhouse unit.



(7) - Keene Drive PHA complex, immediately west of the subject.



(8) - Middle Georgia Diversified immediately north of the subject.

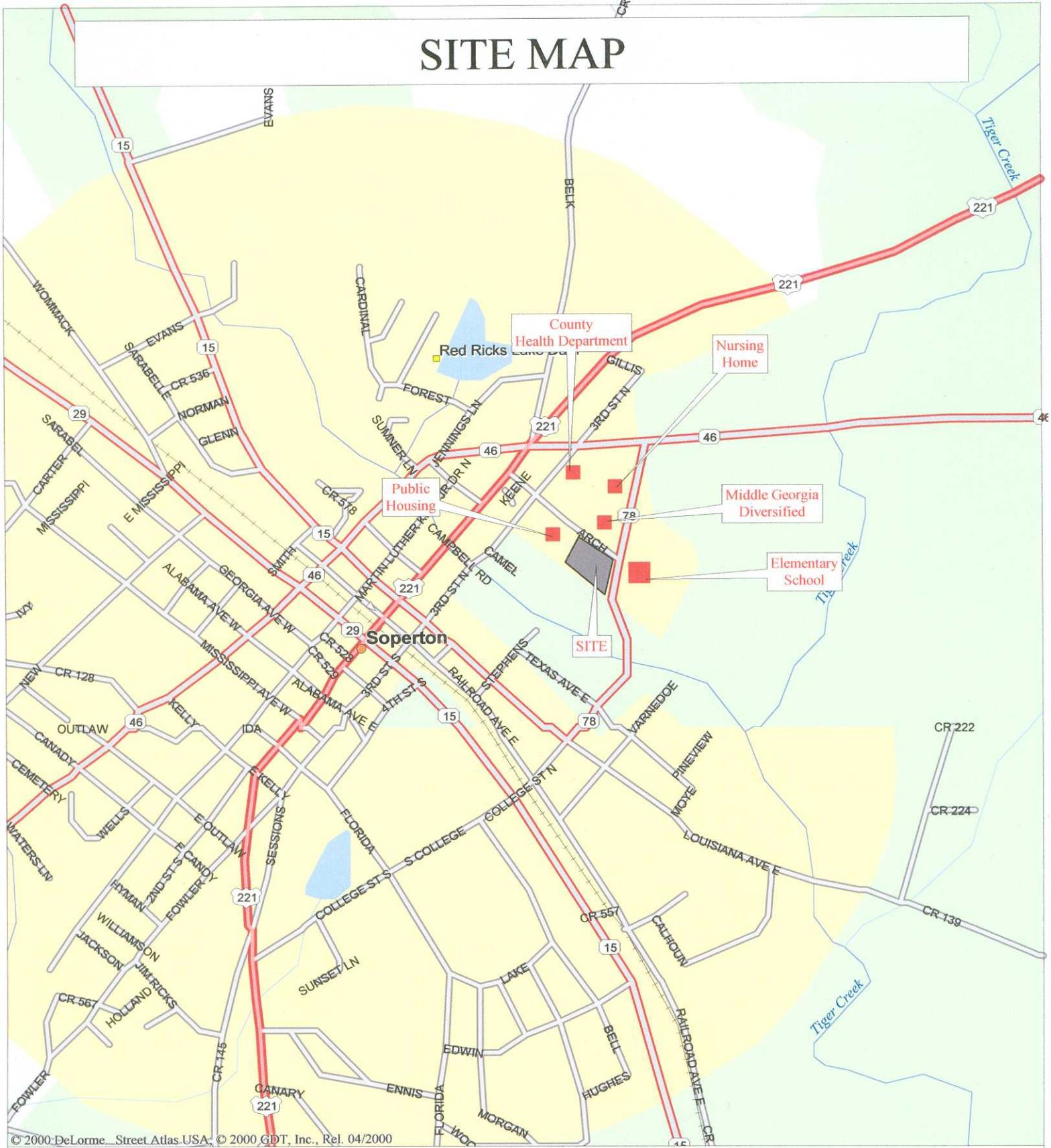


(9) - Treutlen Elementary School immediately east of the subject



(10) - Rear view of the subject property, north to south.

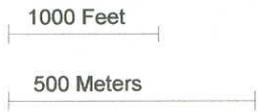
# SITE MAP



© 2000 DeLorme, Street Atlas USA, © 2000 GDT, Inc., Rel. 04/2000

Mag 15.00  
Wed Jun 07 11:01 2006

Scale 1:15,625 (at center)



- Local Road
- State Route
- US Highway
- Utility/Pipe

### Access to Services

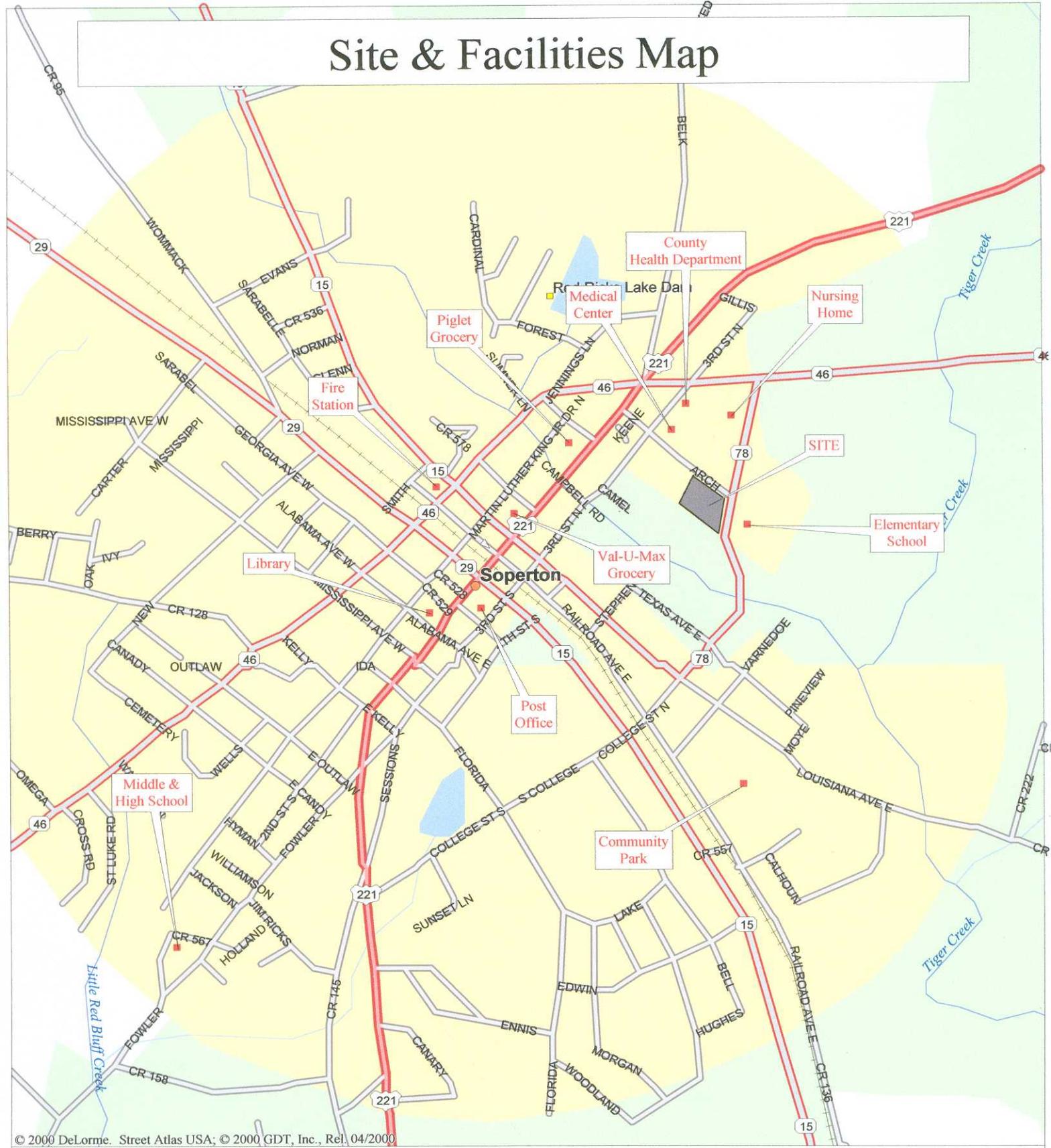
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

<b>Points of Interest</b>	<b>Distance from Subject</b>
Access to US 221	.1
Access to SR 46	.1
Elementary School	.1
County Health Care	.1
County Nursing Home	.1
Million Pines Family Medical Center	.1
Piglet Grocery	.2
Val-U-Max Grocery	.4
Downtown	.5
Post Office	.5
Fire Station	.5
Library	.5
Community Park	.6
Middle School	1.5
High School	1.5
Access to I-16	6.5
Mount Vernon	14.0
Vidalia	18.0

Note: Distance from subject is in tenths of miles and are approximated.

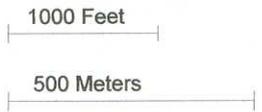
# Site & Facilities Map



© 2000 DeLorme. Street Atlas USA; © 2000 GDT, Inc., Rel. 04/2000

Mag 15.00  
Wed Jun 07 11:03 2006

Scale 1:15,625 (at center)



-  Local Road
-  State Route
-  US Highway
-  Utility/Pipe

**Program Assisted Apartments in Soperton**

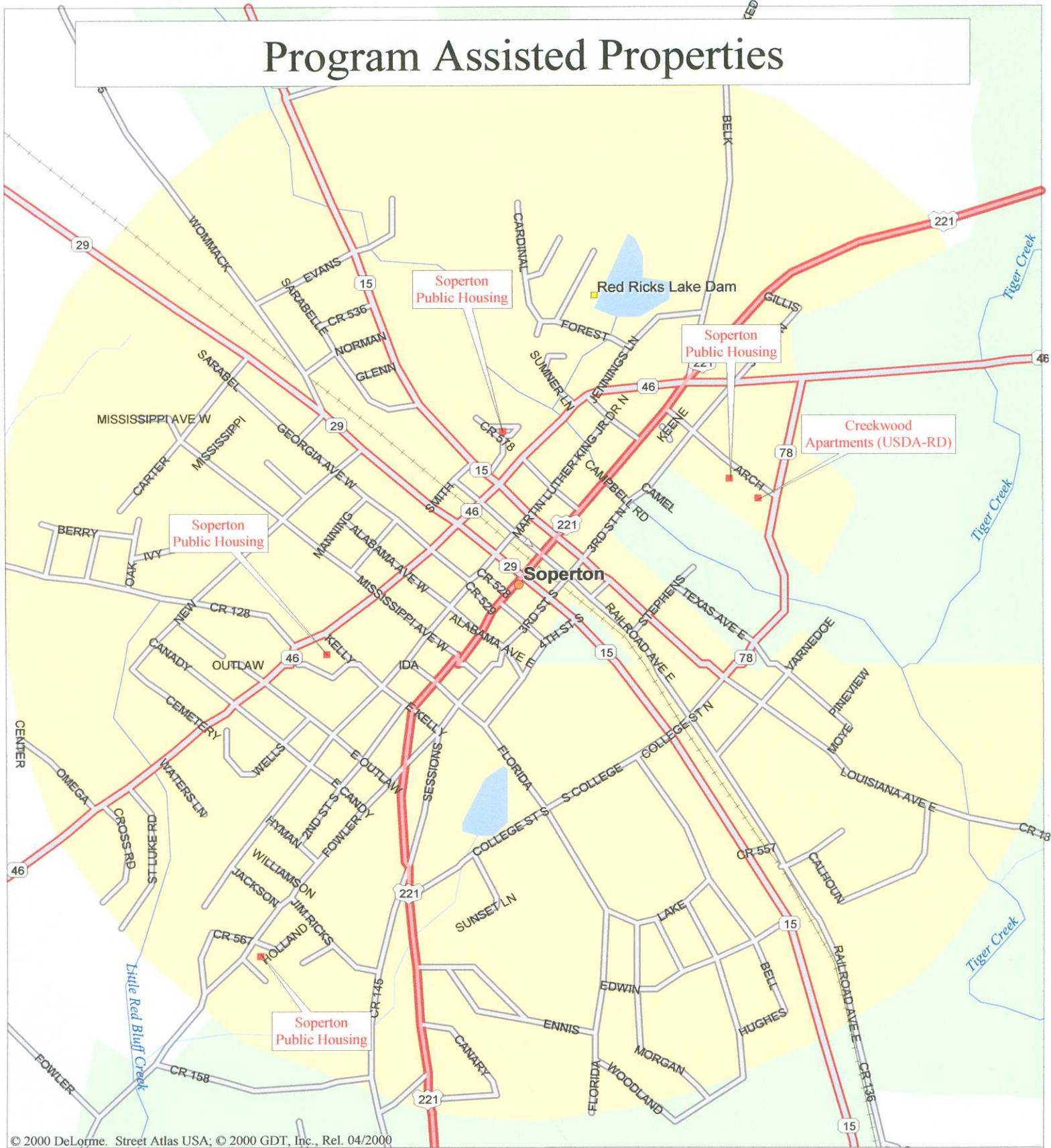
Other than the subject the only other program assisted apartment apartments in Soperton are the scattered site complexes of the Soperton Housing Authority. A map (on the next page) exhibits the program assisted properties within Soperton in relation to the site.

<b>Project Name</b>	<b>Street Address</b>	<b>Program Type</b>	<b>Number of Units</b>	<b>Distance from Site</b>
Creekwood	211 Arch St	USDA-RD fm	37	
Soperton PHA	scattered sites	PHA	121	.1 to 1.5

---

---

# Program Assisted Properties



© 2000 DeLorme. Street Atlas USA; © 2000 GDT, Inc., Rel. 04/2000

Mag 15.00  
Wed Jun 07 11:12 2006

Scale 1:15,625 (at center)  
1000 Feet  
500 Meters

-  Local Road
-  State Route
-  US Highway
-  Utility/Pipe

## SUMMARY

The field visits for the site, the subject property and surrounding market area were on May 21 and 22, 2006. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

The overall character of the neighborhood within the immediate vicinity of the site/subject can be defined as a mixture of: office, institutional, single-family residential, multi-family development, and health-care use. The site is located in the northeastern portion of Soperton, within the city limits.

Access to the site/subject is available off Arch Street. Arch Street is a low density residential connector, with a speed limit of 25 to 35 miles per hour in the immediate vicinity of the site. The access to the subject off Arch Street does not present problems of egress and ingress to the site.

The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of most negative externalities (including noxious odors, close proximity to power lines, close proximity to rail lines and junk yards).

The site in relation to the subject and the surrounding roads is very agreeable to signage, in particular to passing traffic along both Arch and College Streets.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered to be very appropriate for multi-family development.

<b>SITE/SUBJECT ATTRIBUTES :</b>	
<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Good accessibility to services, trade, and health care	
Good linkages to area road system	
Nearby road speed and noise is acceptable	
Surrounding land uses are acceptable	

**SECTION D**

**MARKET AREA DESCRIPTION**

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly

**considers** the **location** and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. The primary market is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and the secondary area is the location from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

**Primary Market Area**

Based upon field research in Soperton and a 10 to 15 mile area, along with an assessment of the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family development consists of Treutlen County. (See Market Area Map)

Note: Interviews with the Soperton Housing Authority (Assistant Director), the City Clerk of Soperton, the manager of the Creekwood Apartments and the Soperton-Treutlen County Chamber of Commerce confirmed that significant market support for the existing Creekwood Apartment development includes the City of Soperton and extends out from Soperton to include the county as a whole. The primary reason that the county as a whole is used as the PMA is owing to the fact that: (1) the school system is county-wide and centered in Soperton and (2) there are no other incorporated places in the county other than Soperton.

The PMA is located in the Midlands Region of south-eastern Georgia. Soperton is approximately 14 miles north of Mt Vernon, 18 miles northwest of Vidalia and 24 miles southwest Swainsboro. Soperton, the county seat, is centrally located within Treutlen County.

The PMA is bounded as follows:

North	Johnson & Emanuel Counties
East	Emanuel County
South	Montgomery & Wheeler Counties
West	Laurens County

Soperton is the most densely populated place within the PMA, representing approximately 40% of the total population. Other than Soperton, there is are no other incorporated places located within the PMA.

Soperton is the trade area for the county regarding: employment opportunities, finance, retail and wholesale trade and health care services.

With regard to the location of an apartment complex, with and without deep subsidy rental assistance, the City of Soperton would be the most logical choice as a location of a LIHTC complex within the PMA. In this case, the complex would not only serve the City, but the PMA as a whole, given the lack of alternative choices.

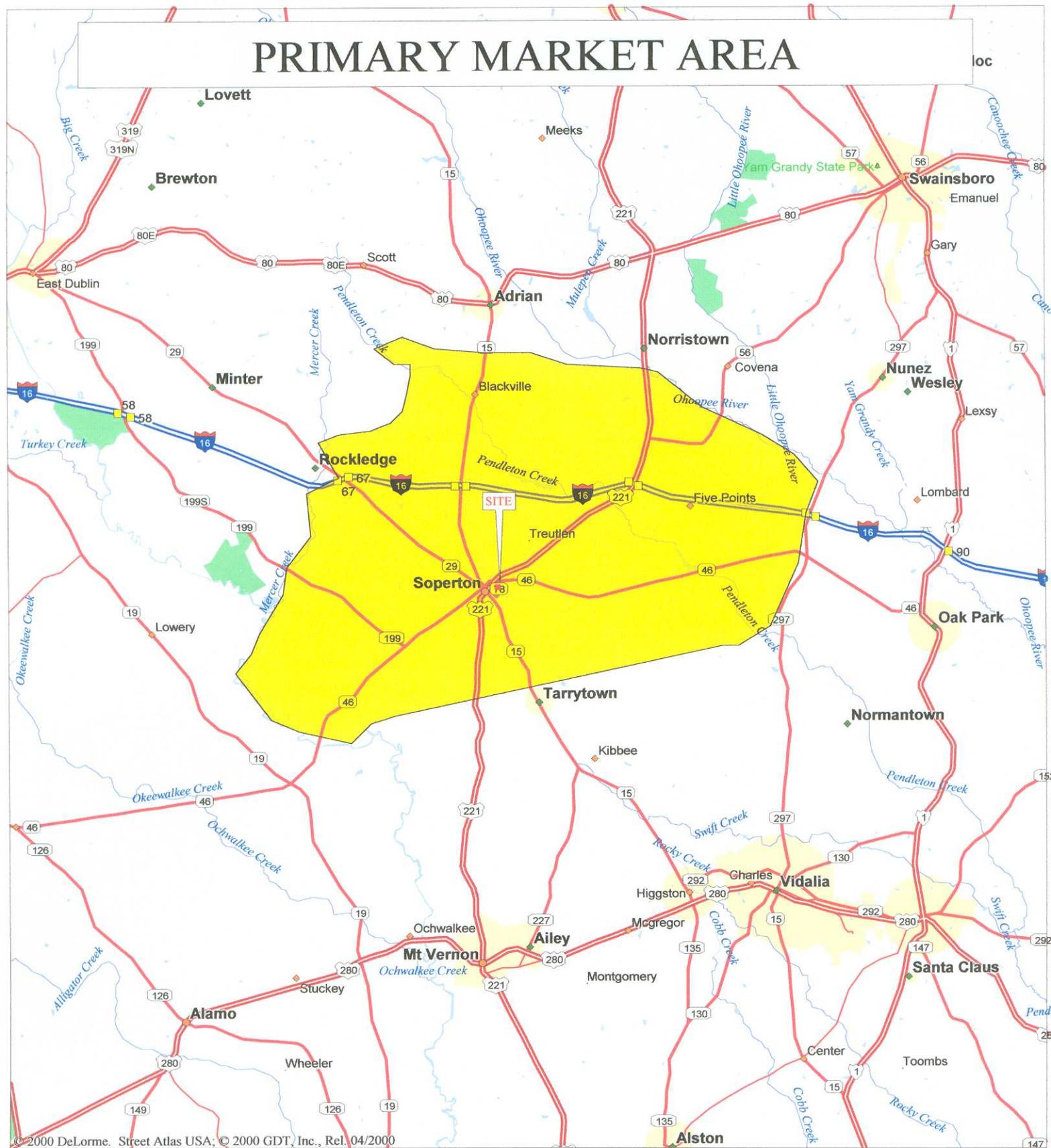
Transportation access to Soperton is very good. State Road 46 and I-16 are the major east/west connectors and US 221 and SR's 15, 29, and 199 are the major north/south connectors.

### **Secondary Market Area**

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area. Demand for the development from the SMA is considered to be moderate to good. Typically, 5% to 25% of program assisted apartment complexes are occupied by tenants from outside the PMA. Note: The demand methodology in this market study utilized a GA-DCA market study guideline factor of 15%.

# PRIMARY MARKET AREA

loc



© 2000 DeLorme. Street Atlas USA; © 2000 GDT, Inc., Rel. 04/2000

Mag 11.00  
Wed Jun 07 10:55 2006

Scale 1:300,000 (at center)



- Local Road
- Major Connector
- State Route
- Rest Area

**SECTION E**  
**COMMUNITY DEMOGRAPHIC DATA**

Tables 1 through 14 exhibit indicators of trends in total population and household growth, for the City of Soperton and Treutlen County.

**Population Trends**

Table 1, exhibits the change in **total** population in Soperton and Treutlen County between 1990 and 2010. The year 2008 is estimated to be the first year of availability for occupancy of the subject property. The year 2000 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure in accordance with the 2006 GA-DCA Market Study Guidelines.

The PMA exhibited significant to very significant total population gains during the 1990's, at almost 1.5% per year. Population gains over the next several years are forecasted for the PMA at a reduced rate of increase, yet still very positive, represented by a rate of growth at between 1.25% to 1.3% per year.

A significant minority of the population in the PMA is located within the City of Soperton. It is estimated that approximately 40% of the PMA population is located within the City of Soperton and about 75% of the county population within 5 miles of Soperton.

Gains have been very significant from the Hispanic segment of the population. Several trailer parks with a large Hispanic representation are located in Treutlen County near the Toombs County line, owing to the fact that the majority of the available jobs in the area are located in Vidalia and Lyons.

**Population Projection Methodology:**

The population projection methodology is based on the examination of several data sets that have estimates for the 2008 placed in service year and a 2010 forecast. The ESRI data was used as a cross check to the University of Georgia, Selig Center forecast, but not in lieu of the Selig Center data.

**Note:** The forecasts for the City of Soperton are subject to local annexation policy and rely heavily on the 2000 to 2004 US Census estimates.

**Sources:** (1) 1990 and 2000 US Census, and 2001 - 2004 US Census estimates.

(2) Georgia 2010-2015 Residential Population Project of Georgia Counties, Source: Georgia Governor's Office of Planning and Budget (as of December, 2004).

(3) ESRI 2004/2005 and 2009/2010 Projections, 16<sup>th</sup> & 17<sup>th</sup> Editions.

(4) East Central Georgia Counties, 2005 & 2010, Selig Center for Economic Growth, Terry College of Business, Un. of Georgia, 2006.

**Note:** For the forecast of total population, greater weight was given to the recent 2000-2004 US Census and Census estimates, and the forecast provided by the Selig Center for Economic Growth, University of Georgia.

Table 1					
Total Population Trends and Projections: Soperton and Treutlen County					
Soperton					
Year	Population	Total Change	Percent	Annual Change	Percent
1990	2,797	-----	-----	-----	-----
2000	2,824	+ 27	+ 0.97	+ 3	+ 0.10
2008*	2,825	+ 1	Ns	Ns	Ns
2010	2,825	Nc	Nc	Nc	Nc
Treutlen County					
1990	5,994	-----	-----	-----	-----
2000	6,854	+ 860	+ 14.35	+ 86	+ 1.43
2008*	7,585	+ 731	+ 10.67	+ 91	+ 1.33
2010	7,773	+ 188	+ 2.48	+ 94	+ 1.24

\* 2008 - Estimated year that project is placed in service.

Nc - No change; Ns - Not significant

Calculations - Koontz and Salinger. June, 2006.

Table 2 exhibits the change in population by age group in the Soperton PMA between 1990 and 2000.

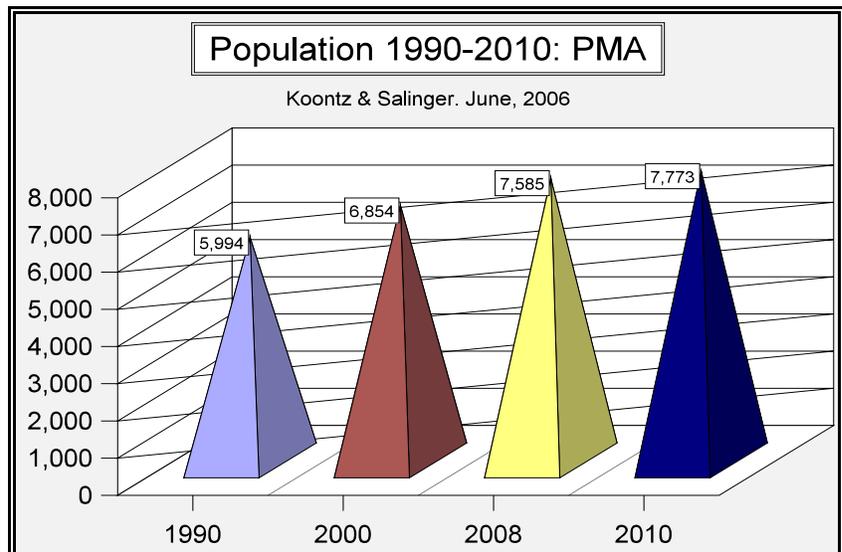
Table 2						
Population by Age Groups: Soperton PMA, 1990 - 2000						
	1990 Number	1990 Percent	2000 Number	2000 Percent	Change Number	Change Percent
<b>Age Group</b>						
0 - 4	427	7.12	506	7.38	+ 79	+18.50
5 - 17	1,276	21.29	1,275	18.60	- 1	- 0.07
18 - 24	612	10.21	817	11.92	+ 205	+33.50
25 - 44	1,616	26.96	1,862	27.17	+ 246	+15.22
45 - 54	606	10.11	864	12.61	+ 258	+42.57
55 - 64	535	8.92	622	9.08	+ 87	+16.26
65 +	922	15.38	908	13.25	- 14	- 1.52

Sources: 1990 & 2000 Census of Population, Georgia.  
Koontz and Salinger. June, 2006.

Table 2 revealed that population increased in most of the displayed age groups in the PMA between 1990 and 2000. The increase was significant in the primary renter age group: of 18 to 44, at a little over 20%. Overall, a significant portion of the total PMA population is in the target property primary renter group of 18 to 44, representing almost 40% of the total population.

Between 2000 and 2008 total population is projected to increase in the PMA at a significant rate of about 1.35% per year. The annual rate of change is forecasted to increase between 2008 and 2010 at an annual rate of almost 1.25%.

The figure to the right presents a graphic display of the numeric change in population in the PMA between 1990 and 2010.



## HOUSEHOLD TRENDS & CHARACTERISTICS

Tables 3 and 4 exhibit the change in household population within the City of Soperton and the Soperton PMA between 2000 and 2010. The significant to very significant increase in household formations in the PMA since the 2000 Census is forecasted to continue over a 10 year period and reflects the recent population trends and near term forecasts.

The forecast for group quarters is based upon trends observed during the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters' supply since the 2000 census was taken. Based upon an interview with the City of Soperton, (912) 529-6174 and the Soperton-Treutlen County Chamber of Commerce, (912) 529-6868, there have been neither new nursing homes, assisted living facilities nor correctional facilities introduced into the city or county since 2000. However, the analyst is allowing for likely inmate growth at the correctional facility already in place in the county.

<b>Table 3</b>					
<b>Household Formations: 1990 to 2010</b>					
<b>Soperton and the Soperton PMA</b>					
<b>Year / Place</b>	<b>Total Population</b>	<b>Population In Group Quarters</b>	<b>Population In Households</b>	<b>Persons Per Household<sup>1</sup></b>	<b>Total Households<sup>2</sup></b>
<b>Soperton</b>					
1990	2,797	65	2,732	2.7103	1,008
2000	2,824	97	2,727	2.4881	1,096
2008	2,825	100	2,725	2.4100	1,131
2010	2,825	100	2,725	2.4000	1,135
<b>Soperton PMA</b>					
1990	5,994	77	5,917	2.7419	2,158
2000	6,854	388	6,466	2.5547	2,531
2008	7,585	500	7,085	2.4800	2,857
2010	7,773	525	7,248	2.4700	2,934

Calculations: Data was interpolated between 2005 and 2010 and estimated for 2008. Koontz & Salinger. June, 2006.

<sup>1</sup>Continuation of the 1990 to 2000 persons per household rate of change.

<sup>2</sup>Population in Households divided by persons per unit count.

Table 4				
Change in Household Formations Primary Market Area				
Year	Total Change	Annual Change	Percent Change	% Annual Change
1990-2000	+ 373	+ 37	+17.28	+ 1.73
2000-2008	+ 326	+ 41	+12.88	+ 1.61
2008-2010	+ 77	+ 39	+ 2.70	+ 1.35

Sources: 1990 & 2000 Census of Population, Georgia.  
Koontz and Salinger. June, 2006.

The projection of household formations in the PMA between 2000 and 2008 exhibited an increase of 41 households per year or approximately 1.6% per year. The rate and size of the annual increase is considered to be very significant and supportive of both additional multi-family and single-family residential growth, subject to project size and affordability parameters.

\_\_\_\_ Note: The 2000 to 2008 trend in the PMA is forecasted to continue between 2008 and 2010 at a still significant rate of growth. Resulting in a forecasted annual net gain of approximately 40 households or 1.35% per year.

**Table 5**  
**Households by Tenure by Person Per Household**  
**Soperton PMA, 1990 - 2000**

Households	Owner				Renter			
	1990	2000	Change	% 2000	1990	2000	Change	% 2000
1 Person	342	417	+ 75	22.04%	171	223	+ 52	34.90%
2 Person	494	636	+ 145	33.77%	150	173	+ 23	27.07%
3 Person	292	359	+ 67	18.97%	94	120	+ 26	18.78%
4 Person	254	294	+ 40	15.54%	86	76	- 10	11.89%
5 Person	108	114	+ 6	6.02%	50	28	- 22	4.38%
6 Person	34	50	+ 16	2.64%	24	11	- 13	1.72%
7 + Person	42	19	- 23	1.00%	17	8	- 9	1.25%
Total	1,566	1,892	+ 326	100%	592	639	+ 47	100%

Sources: 1990 and 2000 Censuses of Population, Georgia.  
Koontz and Salinger. June, 2006.

Table 5 indicates that in 2000 approximately 98% of the renter-occupied households in the Soperton PMA contain 1 to 6 persons (the target group by household size).

The majority of these households are:

- singles,
- couples, roommates,
- single head of households with children, and
- families with children.

Noticeable increases in renter households by size were exhibited by 1 through 3 persons per household. Note: Losses were exhibited in all of the large renter household sizes. One person households are typically attracted to both 1 and 2 bedroom rental units and 2 and 3 person households are typically attracted to 2 bedroom units, and to a lesser degree three bedroom units. It is estimated that between 15% and 20% of the renter households in the PMA fit the bedroom profile for a 3BR unit. Given the proposed income targeting, rent positioning of the subject and 1990 and 2000 trends, the appropriate estimate is considered to be 20% versus 15%.

Table 6 exhibits households in Soperton, and the Soperton PMA by owner-occupied and renter-occupied tenure.

The 1990 to 2000 tenure trend revealed a change in both the owner-occupied and renter-occupied tenure ratios (on a percentage basis). In the PMA the tenure trend was more supportive of owner-occupied units versus an increase in renter-occupied tenure in the city. The 2000 to 2008 projected trend supports a change in the tenure ratio favoring owner-occupied households more so than renter-occupied households, particularly in the PMA.

Overall, significant net numerical gains are forecasted for both owner-occupied and renter-occupied households in the PMA.

The tenure forecasts are based on:

- (1) field work and survey findings,
- (2) the relatively low interest rate environment in much of the 1990's, as well as the current low interest rate environment,
- (3) the apartment complexes built since 2000, and
- (4) an analysis of building permit data for Treutlen County.

<b>Table 6</b>					
<b>Households by Tenure: 1990 to 2010</b>					
<b>Soperton and the Soperton PMA</b>					
<b>Year/ Place</b>	<b>Total Households</b>	<b>Owner Occupied</b>	<b>Percent</b>	<b>Renter Occupied</b>	<b>Percent</b>
<b>Soperton</b>					
1990	1,008	634	62.90	374	37.10
2000	1,096	670	61.13	426	38.87
2008	1,131	675	59.70	456	40.30
2010	1,135	675	59.40	460	40.50
<b>Soperton PMA</b>					
1990	2,158	1,566	72.57	592	27.43
2000	2,531	1,892	74.75	639	25.25
2008	2,857	2,186	76.50	671	23.50
2010	2,934	2,256	76.90	678	23.10

Sources: 1990 and 2000 Census of Population, Georgia.  
Koontz and Salinger. June, 2006.

Table 7 exhibits building permit data between 2000 and 2006. The permit data is for Treutlen County (including the City of Soperton). Note: Data was not available for 2006. However, the City of Soperton reported that no permits have been issued for multi-family nor single-family development in the city thus far in 2006.

Between 2000 and 2005, 2 permits were issued in the county, of which, 0 or approximately 0% were multi-family units. Note: There has been an increase in the number of trailers in the county. However, these units are not tract numerically.

<b>Table 7</b>			
<b>New Housing Units Permitted: Treutlen County, 2000-2006<sup>1</sup></b>			
Year	Net Total <sup>2</sup>	Single-Family Units	Multi-Family Units
2000	--	--	--
2001	--	--	--
2002	--	--	--
2003	--	--	--
2004	--	--	--
2005	2	2	--
2006	Na		
<b>Total</b>	<b>2</b>	<b>2</b>	<b>--</b>

---

<sup>1</sup>Source: New Privately Owned Housing Units Authorized In Permit Issuing Places, U.S. Department of Commerce, C-40 Construction Reports. U.S. Census Bureau.

Selig Center for Economic Growth.

<sup>2</sup>Net total equals new SF and MF dwellings units.

## HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional 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 multi-family development. In order to quantify this effective demand, the income distribution of the PMA households must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents and/or the availability of deep subsidy rental assistance (RA) for USDA-RD developments.

The estimate of the upper income limit is based on the most recent set of HUD Median Income Guidelines for six person households (the maximum household size for a 3BR unit) in Treutlen County, Georgia at 60% of the area median income (AMI).

Tables 8A and 8B exhibit renter households, by income group, in the Soperton PMA in 1990 and 2000, forecasted to 2008.

The projection methodology is based on a forecast of median household income for the County (which is representative of the PMA) into the first year of expected project rent-up. The forecast is based on 1990 to 2000 US Census HUD median household income estimates projected forward to 2008. The forecasted 2008 median household income is then compared to the last available census median household income and the change in the proportion of households by a comparison of the two different medians is calculated. The process of re-distributing households by income brackets into the forecast period is somewhat mechanical. It takes into consideration both the change in the data - based on the census and HUD estimates as well as utilizing the analyst knowledge of change in the Socio-economic make-up of the local market and applying deductive analysis to the allocation of proportional changes in the income brackets between 1990 - 2000 and 2000 - 2008.

Tables 8A and 8B exhibits renter-occupied household income in the Soperton PMA in 1990, 2000, and projected to 2008. The forecast is based on 1990 and 2000 census data, as well as wage growth trends and an examination of the introduction of new multi-family supply since 2000.

<b>Table 8A</b> <b>Renter-Occupied Household by Income Groups</b> <b>Soperton PMA, 1990 &amp; 2000</b>				
Households by Income	1990 Number	1990 Percent	2000 Number	2000 Percent
Under \$10,000	271	49.54	294	49.66
10,000 - 19,999	130	23.77	110	18.58
20,000 - 34,999	115	21.02	74	12.50
35,000 - 49,999	32	5.85	69	11.66
50,000 +	0	0.00	45	7.60
<b>Total</b>	<b>547</b>	<b>100%</b>	<b>592</b>	<b>100%</b>

<b>Table 8B</b> <b>Renter-Occupied Household by Income Groups</b> <b>Soperton PMA, 2000 &amp; 2008</b>				
Households by Income	2000 Number	2000 Percent	2008 Number	2008 Percent
Under \$10,000	294	49.66	336	50.00
10,000 - 19,999	110	18.58	107	16.00
20,000 - 34,999	74	12.50	81	12.00
35,000 - 49,999	69	11.66	90	13.50
50,000 +	45	7.60	57	8.50
<b>Total</b>	<b>592</b>	<b>100%</b>	<b>671</b>	<b>100%</b>

Sources: 1990 and 2000 Census of Population, Georgia.  
 Koontz and Salinger. June, 2006.

## Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies and one bedrooms, 1 person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom. (Note that estimated rents must be net of utility allowances.)
- (3) - The existing development has 95% deep subsidy rental assistance.
- (4) - The 2006 HUD Income Guidelines were used.
- (5) - 0% of the units will be set aside as market rate with no income restrictions.

**Analyst Note:** The subject will comprise 37 one, two and three-bedroom units. The recommended maximum number of people per unit is:

1BR - 1 and 2 persons  
2BR - 2, 3 and 4 persons  
3BR - 3, 4, 5 and 6 persons

**Analyst Note:** As long as the unit in demand is income qualified there is no minimum number of people per unit.

The proposed (existing) development will target 100% of the units at 60% or below of area median income (AMI). Note: The subject will retain all existing deep subsidy project base rental assistance for 35-units, 1-unit is a non revenue managers unit and the remaining 1-unit will not have deep subsidy rental assistance.

The lower portion of the target income range is set by the proposed subject 1BR, 2BR and 3BR rents at 60% AMI along with the fact that it has 100% project base rental assistance.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities

and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property's intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. GA-DCA has set the estimate for non elderly applications at 35%.

The proposed 1BR net rent at 60% AMI is \$338. The estimated utility costs is \$63. (Source: GA-DCA 2006 application) The proposed 1BR gross rent is \$401. The proposed 2BR net rent at 60% AMI is \$358. The estimated utility costs is \$89. (Source: GA-DCA 2006 application) The proposed 2BR gross rent is \$447. The proposed 3BR net rent at 60% AMI is \$386. The estimated utility costs is \$103. (Source: GA-DCA 2006 application) The proposed 3BR gross rent is \$489. The lower income limit at 60% AMI without deep subsidy rental assistance was established at \$13,750. Given the fact that 97% of the units set aside for potential tenants will have deep subsidy project base rental assistance the lower income limit was re-established at \$0.

The AMI at 60% for 1 to 6 person households in Treutlen County follows:

	<b>60%</b> <b><u>AMI</u></b>
1 Person -	<b>\$19,440</b>
2 Person -	<b>\$22,260</b>
3 Person -	<b>\$25,020</b>
4 Person -	<b>\$27,840</b>
5 Person -	<b>\$30,060</b>
6 Person -	<b>\$32,280</b>

Source: 2006 HUD Median Income Guidelines.

The overall income range for the targeting of income eligible households at 60% AMI is \$0 to \$32,280.

Were the subject to lose its project base rental assistance the overall income range for the targeting of income eligible households at 60% AMI is \$13,750 to \$32,280.

According to the Multi-Family Housing Program Director for the USDA-RD program in Georgia, (Mr. Michael W. Rogers) over the past 20 years, the Agency has always renewed expiring RA agreements. Based on this past history it is expected that project base RA will be renewed for another 5-year period and beyond for the Creekwood Apartment development.

## SUMMARY

### Target Income Range - Subject Property - by Income Targeting Scenario

#### With RA commitment

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI with the present RA commitment of 35-units is \$0 to \$32,280.

It is projected that in 2008 approximately **76%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group, allowing for PBRA.

#### Without RA commitment

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI without deep subsidy project base RA is \$13,750 to \$32,280.

It is projected that in 2008 approximately **20%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group, without PBRA support.

## ECONOMIC & EMPLOYMENT TRENDS

The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net in-migration.

Tables 9 through 14 exhibit labor force trends by employment, changes in employment sectors and changes in average annual weekly wages for Treutlen County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

<b>Table 9</b>			
<b>Civilian Labor Force and Employment Trends, Treutlen County: 2000, 2004 and 2005</b>			
	2000	2004	2005
Civilian Labor Force	2,638	2,562	2,786
Employment	2,429	2,408	2,581
Unemployment	203	154	205
Rate of Unemployment	7.7%	6.0%	7.4%

<b>Table 10</b>				
<b>Change in Employment, Treutlen County</b>				
Years	# Total	# Annual*	% Total	% Annual*
2000 - 2004	- 27	- 5	- 1.11	- 0.22
2004 - 2005	+ 173	Na	+ 7.18	Na

\* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2000 - 2005. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. June, 2006.

## Employment Trends

Table 11

**Employment Change and Rates of Unemployment, Treutlen County**

Year	Number Employed	Change Over Previous Year	Unemployment Rate
2000	2,435	-----	7.7
2001	2,429	- 6	6.5
2002	2,392	- 37	7.2
2003	2,417	+ 25	6.8
2004	2,408	- 9	6.0
2005	2,518	+ 173	7.4
2006 (01)	2,598	-----	6.5
2006 (02)	2,594	+ 4	6.4
2006 (03)	2,607	+ 13	5.7
2006 (04)	2,612	+ 5	5.0

Table 12							
Average Monthly Covered Employment by Sector, Treutlen County, 2003 and 2004							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2003	1,109	40	Na	106	Na	160	416
2004	1,124	47	114	194	45	169	400
03-04 # Ch.	+ 15	+ 7	Na	+ 8	Na	+ 9	- 16
03-04 % Ch.	+1.4	+17.5	Na	+4.3	Na	+5.6	-3.8

% Ch. 2003 to 2004 = % Increase/Decrease

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade; FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and Social Services; G - Federal, State & Local Government

Sources: Georgia Labor Force Estimates, 2000 - 2006. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. June, 2006.

Table 13, exhibits average annual weekly wages in 2003 and 2004 in the major employment sectors in Treutlen County. The rate of change in wages has for the most part matched or exceeded the recent rate of inflation, as measured by the consumer price index (CPI) for about half of the employment sectors. It is estimated that the majority of workers in the service and trade sectors in 2005/06 have average weekly wages between \$300 and \$500.

<b>Table 13</b>				
<b>Average Annual Wages, 2003 and 2004</b>				
<b>Treutlen County</b>				
Employment Sector	2003	2004	% Numerical Change	Annual Rate of Change
Total	\$ 421	\$ 409	- 12	- 2.9
Construction	\$ 242	\$ 290	+ 48	+19.8
Manufacturing	Na	Na	Na	Na
Wholesale Trade	Na	Na	Na	Na
Retail Trade	\$ 303	\$ 303	0	0.0
Transportation & Warehouse	\$ 567	\$ 620	+ 53	+ 9.3
Finance	Na	\$ 641	Na	Na
Real Estate Leasing	Na	\$ 331	Na	Na
Health Care Services	\$ 315	\$ 299	- 16	- 5.0
Leisure & Hospitality	\$ 165	\$ 177	+ 12	+ 7.3
Federal Government	\$ 711	\$ 740	+ 29	+ 4.1
State Government	\$ 511	\$ 503	- 8	- 1.6
Local Government	\$ 458	\$ 470	+ 12	+ 2.6

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2003 and 2004.

Koontz and Salinger. June, 2006.

## Major Employers

The major employers in Soperton and Treutlen County are listed in Table 14.

<b>Table 14</b>			
<b>Major Employers</b>			
<b>Firm</b>	<b>Product/Service</b>	<b>Employees</b>	<b>Year Built</b>
<b>Industrial</b>			
GFF Holding	Carpet	128	1970
Middle GA Diversified	Sheltered Workshop	77	
Veratex, Inc.	Manufacturing	22	
<b>Non Industrial</b>			
Treutlen County	Nursing Home	Na	
Treutlen County	School System	174	
Soperton & Treutlen Co.	Local Government	Na	
Treutlen	Correctional Facility	85	

Sources: Soperton-Treutlen County Chamber of Commerce, (912) 529-6868.

2006 Georgia Manufacturers Directory, Harris Infosource

## SUMMARY

The economic situation for Treutlen County is statistically represented by employment activity, both in workers and jobs.

According to the Soperton - Treutlen County Chamber of Commerce, the local economy consistently had an overall unemployment rate of 6% to 7% over the last few years. The availability of jobs in the county is sparse, represented by only a few manufacturing plants that are located in the area. Much of the workforce commutes outside of the county to work.

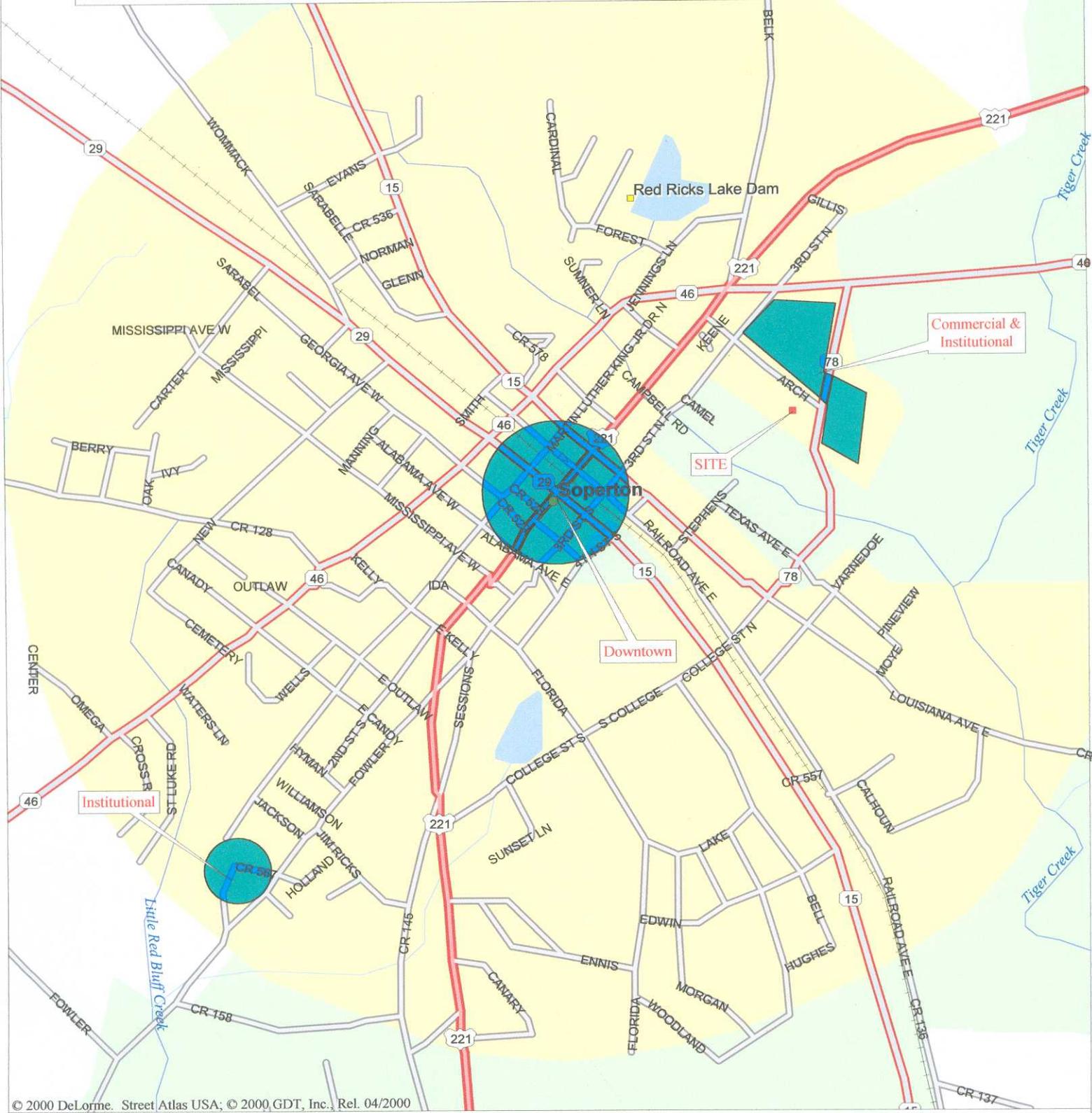
Soperton is the center of trade and services for the county, as well as the location of all of the major employers in the county. At the time of the survey there were no on-going signs of service and trade sector growth. Much of the local economy is centered around agri-business, specifically crops and forest products. Approximately 55% of the workforce commutes out of county to work. Most commute to nearby Laurens, Toombs and Emanuel Counties.

The Selig Center for Economic Growth (Terry College of Business, University of Georgia) forecasts an annual negative rate of change with net employment losses of 0.6% per year between 2005 and 2010 for Treutlen County.

The Treutlen County Development Authority is attempting to create growth opportunities for the area. At present, it is involved in upgrading water and sewer service in the industrial park and is in discussion about providing broadband Internet service for the county. In addition, the Authority is promoting the positive location attributes of the county which include ready access to I-16 access and close proximity to Savannah.

A map of the major employment concentrations in Soperton is exhibited on the next page.

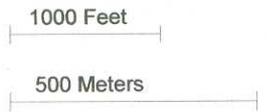
# Major Employment Concentrations



© 2000 DeLorme. Street Atlas USA; © 2000 GDT, Inc., Rel. 04/2000

Mag 15.00  
Wed Jun 07 11:14 2006

Scale 1:15,625 (at center)



- Local Road
- State Route
- US Highway
- Utility/Pipe

## SECTION F

### PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household

growth and demand from existing renter households already in the Soperton market. In addition, given the amount of substandard housing that still exists in the PMA market, the potential demand from substandard housing will be examined.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimated projected year that the subject will be placed in service of 2008.

In this section, the effective project size is 36-units and not 37-units, owing to the fact that 1-unit will be set aside as a non revenue unit for management. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 8A and 8B from the previous section of the report. This demand analysis will be two-fold. It will examine potential demand for the subject **with** and **without** deep subsidy project base rental assistance (PBRA).

Subsequent to the derivation of the annual demand estimate, the project is considered within the context of the current market conditions. This analysis assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like-kind competitive supply. In this case discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted family apartment projects in the market area.

## **Effective Demand Pool**

In this methodology, there are three basic sources of demand for an apartment project to acquire potential tenants:

- \* net household formation (normal growth),
- \* existing renters who are living in substandard housing, and
- \* existing renters who choose to move to another unit, typically based upon affordability (rent overburdened), project location and features.

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

- (1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2006 to 2008 forecast period,
- (2) taking into consideration like-kind competition introduced into the market between 1999 and 2006, and
- (3) for secondary market area demand (a 15% adjustment factor).

Note: The secondary market area adjustment factor is pre determined and specified in the most current GA-DCA Market Study Guideline instructions.

## **Growth**

For the PMA, forecast housing demand through household formation totals 326 households over the 2000 to 2008 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2000 to 2008, forecast period it is calculated that 32 or approximately 10% of the new household formations would be renters.

Based on 2008 income forecasts, 24 new renter households fall into the 60% AMI target income segment of the proposed subject property with PBRA; and 6 into the 60% AMI target income segment without PBRA.

### **Demand from Existing Renters that are In Substandard Housing**

The most current and reliable data from the US Census regarding substandard housing is the 2000 census. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. In 2000, 0 households were living in renter-occupied dwelling units without complete plumbing facilities in the PMA and 26 households were living in renter-occupied dwellings in over crowded conditions. The total number of existing renters that were in substandard housing based on the 2000 Census was 26.

Based on a field analysis of Soperton and Treutlen County, along with an examination of the trends in substandard data between the 1990 and 2000 censuses, it is estimated that in 2008 there are 20 renter households in substandard housing conditions in the PMA.

Based on 2008 income forecasts, 15 substandard renter households fall into the target income segment of the proposed subject property at 60% AMI with PBRA; and 4 households at 60% AMI without PBRA.

### **Demand from Existing Renters that are Rent Overburdened**

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent\*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. Forecasting this percentage estimate forwarded into 2008 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households (in 2008) have remained the same since 2000. That is approximately 60% of the renters with incomes in the 60% AMI target income segment are rent overburdened with PBRA; and 30% of the renters with incomes in the 60% AMI target income segment are rent overburdened without PBRA.

\*Note: HUD and the US Census define a rent overburdened household at 30% of income to rent.

In the PMA it is estimated that 297 existing renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property with PBRA. In the PMA it is estimated

that 39 existing renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property without PBRA.

### **Total Effective Tenant Pool - PMA**

The potential demand from these sources (in the PMA) total 336 households/units at 60% AMI with PBRA; and 49 households/units at 60% AMI without PBRA. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA.

### **Secondary Market Area Adjustment (15% factor)**

The following is stated on page 9 of 19 in the 2006 GA-DCA Market Study Guidelines: "To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area." The 15% adjustment factor is applied to all of the **combined** demand estimates (regardless of tenure) as detailed in the overall demand methodology.

The secondary market area adjustment factor increased demand by 50 households at 60% of AMI with PBRA, and by 7 households at 60% AMI without PBRA.

### **Total Effective Tenant Pool - PMA & SMA**

The potential demand from the demand methodology sources from both the PMA and SMA total 386 households/units at 60% AMI with PBRA; and 56 households/units at 60% AMI without PBRA. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from both the PMA and SMA.

These estimates of demand were adjusted for the introduction of new like-kind supply into the PMA between the 2006 to 2008 forecast period, as well as between 1999 and 2005. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

The final segmentation process of the demand methodology was to subject out like-kind competition/supply in the PMA built since 1999. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/Home family developments, and USDA-RD Section 515 family developments. Note: Since 1999, no like-kind competitive family apartment developments have been introduced into the PMA.

## Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. According to local sources, no other multi-family apartment development supply is known to be under construction or in the pipeline for development. Source: City of Soperton, City Clerks Office.

A review of the 1999 to 2005 list of awards made by the Georgia Department of Community Affairs revealed that in the last six rounds no awards were made for LIHTC developments in the PMA.

The segmented, effective demand pool is summarized in Table 15, on the following pages.

**Table 15**

**Quantitative Demand Estimate: Soperton PMA**

	With	No
	<u>RA</u>	<u>RA</u>
• <u>Demand from New Growth - Renter Households</u>		
Total Projected Number of Households (2008)	671	671
Less: Current Number of Households (2000)	<u>639</u>	<u>639</u>
Change in Total Renter Households	+ 32	+ 32
% of Renter Households in Target Income Range	<u>76%</u>	<u>20%</u>
Total Demand from New Growth	<b>24</b>	<b>6</b>
• <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2000)	26	26
Number of Households in Substandard Housing(2008)	20	20
% of Substandard Households in Target Income Range	<u>76%</u>	<u>20%</u>
Number of Income Qualified Renter Households	<b>15</b>	<b>4</b>
• <u>Demand from Existing Renter Households</u>		
Number of Renter Households (2008)	671	671
Minus substandard housing segment	20	20
Net Number of Existing Renter Households	651	651
% of Households in Target Income Range	<u>76%</u>	<u>20%</u>
Number of Income Qualified Renter Households	495	130
Proportion Income Qualified (that are Rent Overburden)	<u>60%</u>	<u>30%</u>
<b>Total</b>	<b>297</b>	<b>39</b>
• <u>Net Total Demand from the PMA</u>	<b>336</b>	<b>49</b>
• <u>Secondary Market Area Adjustment</u>		
Net Total Demand	336	49
Adjustment Factor of 15%	<u>15%</u>	<u>15%</u>
Demand from SMA Adjustment	<b>50</b>	<b>7</b>
• <u>Gross Total Demand (PMA &amp; SMA)</u>	386	56
Minus New Supply of Competitive Units (1999-2008)	<u>0</u>	<u>0</u>
• <u>Gross Total Demand (Renter, Owner, Non Tenure &amp; SMA)</u>	<b>386</b>	<b>56</b>

**Capture Rate Analysis**

**Total Number of Households Income Qualified = 386. For the subject 36 LIHTC units this equates to an overall LIHTC Capture Rate of 9.3%.**

LIHTC Capture Rates by AMI

	With	No
● <u>Capture Rate</u> (36 unit subject, by AMI)	<u>RA</u>	<u>RA</u>
Number of Units in Subject Development	36	36
Number of Income Qualified Households	386	56
Required Capture Rate	<b>9.3%</b>	<b>64.3%</b>

**Analyst Note:** The above capture rate analysis is premised upon the subject not retaining any of the existing tenants at the time of the rehab process. Based on an examination of the most recent rent roll, current demand and the condition of the units it is estimated that the project should be able to retain at least 60% (if not more) of the existing tenant base. Should at least 22 of the 36 available units (60%) be retained along with the PBRA the subject capture rate with PBRA would be much, much, lower - at 3.6%. Without PBRA the retention rate would not be as high and in fact the assumption of a project with 36 available units and no PBRA would be more realistic along with a very high capture rate such as 64.3%.

● Total Demand by Bedroom Mix

It is estimated that approximately 25% of the target group fits the profile for a 1BR unit, 50% for a 2BR unit and 25% of the target group is estimated to fit a 3BR unit profile. Source: Table 5 and Survey of the Competitive Environment.

**Total Demand by Bedroom Type (at 60% AMI) - with PBRA**

1BR	-	97
2BR	-	192
3BR	-	97
Total	-	386

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	97	0	97	8	8.2%
2BR	192	0	192	8	4.2%
3BR	97	0	97	20	20.6%

\* At present there is no supply of income restricted rental units under construction or in the approved pipeline for development.

**Analyst Note:** Owing to the quantitative and qualitative findings, along with reconciliation with the GA-DCA capture rate thresholds, the above capture rates are considered to be attainable for the proposed bedroom mix.

**Total Demand by Bedroom Type (at 60% AMI) - without PBRA**

1BR - 14  
2BR - 28  
3BR - 14  
  
Total - 56

	<u>Total Demand</u>	New <u>Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	14	0	14	8	57.1%
2BR	28	0	28	8	28.6%
3BR	14	0	14	20	142.9%

\* At present there is no supply of income restricted rental units under construction or in the approved pipeline for development.

**Analyst Note:** Owing to the quantitative and qualitative findings, along with reconciliation with the GA-DCA capture rate thresholds, the above 1BR and 3BR capture rates are **not** considered to be attainable for the proposed bedroom mix, absent PBRA.

## **Absorption Rate Analysis**

Given the strength (or lack of strength) of the demand estimated in Table 15, the worst case scenario for 93% to 100% rent-up is estimated to be 9 months (at 4-units per month on average). The most likely/best case rent-up scenario suggests a 6-month rent-up time period (an average of 6-units per month).

These estimates of absorption are based upon the assumption that the subject will not retain any of the tenants after the time of the rehab process. In reality, even without an extensive rehab process the subject has maintained an annual occupancy rate of approximately 90% and with the retention of PBRA would have little to no difficulty in maintaining at least a 60% retention rate. Given this scenario, the remaining 40% of the complex should be absorbed within 2 to 6 months upon the completion of the rehab process.

**Note:** In addition, the absorption of the project is contingent upon an attractive product and professional management.

Stabilized occupancy, is expected to be 93 or higher, subject to the completion of the rehab process.

## **Overall Impact to the Rental Market**

---

Given the current rental market vacancy rate and the forecasted strength of demand for the expected entry of the subject in 2008, it is estimated that the acquisition/rehab of the proposed development will probably have little to no long term negative impact on the PMA program assisted or conventional apartment market, owing mostly to the fact that the subject will have 95% PBRA.. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than 1 year. (Note: This expectation is contingent upon neither catastrophic natural nor economic forces effecting the Treutlen County apartment market and local economy in 2008.)

**SECTION G**  
**COMPETITIVE ENVIRONMENT &  
SUPPLY ANALYSIS**

This section of the report evaluates the general rental housing market conditions in the PMA, for both program assisted properties and market rate properties. Part I of the survey focused upon the existing program assisted properties within the PMA. Part II consisted of a sample survey of conventional

apartment properties in the PMA. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Soperton apartment market is representative of a rural apartment market, with a very limited amount of rental supply. At present, the market has one apartment complex, which in the case of this market study represents the subject. In addition, the local rental market is served by the Soperton Housing Authority. The remainder of the rental supply consists mostly of single-family homes and trailers for rent and a few duplexes and triplexes. The majority of the market rate supply (located in the rural areas of the PMA outside of Soperton) consists primarily of single-family homes for rent and single-wide trailers.

Note: At the time of the survey there were no competing apartment developments under construction or in the pipeline for development.

**Survey of the Competitive Environment**

\* At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted family properties was approximately 2%. All of the vacant units were at one property, the subject - Creekwood Apartments. At the time of the survey Creekwood had 4 vacant units.

\* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties was 0%. The overall estimated vacancy rate of non program assisted properties in the market is less than 3%.

\* The Soperton apartment market has no traditional market rate apartment complexes.

\* Other than a few duplexes and triplexes, the majority of the market rate rentals in the PMA consist of single-family houses for rent and single-wide trailers. In Soperton, most single-family rent houses rent between \$300 and \$500, with a few 3BR rentals commanding rents of \$600. The market does have several duplex properties that offer a 2BR unit. The rent for these

units is typically \$300 to \$350, excluding all utilities. Older 2BR homes and trailers command a rent in the area of \$250 to \$350. In the rural areas of the county it was reported that most of the 2BR/1b trailers rent for \$225 to \$300 and 3BR/1b trailers rent for \$300 to \$375.

Sources: (1) Soperton Housing Authority, (912) 529-4596  
(2) Swainsboro Road rentals  
(3) The Soperton News, 5/17/06

\* At the time of the survey, none of the apartment properties in Soperton were offering rent concessions.

\* Among the most comparable apartment properties in the PMA to the subject is: the subject/Creekwood. Other comparable properties would be the new LIHTC/Home apartment properties in Vidalia and Lyons, as well as some of the USDA-RD Section 515 family properties in Vidalia.

### **Treutlen County HUD Section 8 Voucher Program**

The GA-DCA manages the HUD Section 8 Voucher program for Soperton and Treutlen County. Currently, 5 Section 8 vouchers are in use in Emanuel County. The waiting list for a voucher in Emanuel County is very small, with 2 applicants. The wait list for new applicants in Treutlen County was last opened in August, 2003. Source: Mr. Patrick McNally, GA-DCA, Waycross Office, (912) 285-6280.

### **Fair Market Rents**

The 2006 Fair Market Rents for Treutlen County, GA are as follows:

Efficiency	= \$ 347
1 BR Unit	= \$ 406
2 BR Unit	= \$ 458
3 BR Unit	= \$ 613
4 BR Unit	= \$ 701

\*Fair Market Rents are gross rents (include utility costs)

Source: [www.huduser.org](http://www.huduser.org)

Table 16, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed apartment properties in the Soperton PMA competitive environment.

<b>Table 16</b>											
<b>SURVEY OF SOPERTON PMA APARTMENT COMPLEXES</b>											
<b>PROJECT PARAMETERS</b>											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	37	8	9	20	Na	\$338	\$358	\$386	651-676	802-850	1141
Creekwood	36	8	8	20	4	\$338	\$358	\$386	651-676	802-833	1141
Soperton HA	121	Na	Na	Na	0	BOI	BOI	BOI	Na	Na	Na
Swainsboro Road	7	--	7	--	0	--	\$300-\$350	--	--	Na	--
<b>Total*</b>	<b>164</b>				<b>4</b>						

\* - Excludes the subject property

Na - Not available

BOI - Based on income

Note: The basic rent was noted for the USDA-RD properties

Source: Koontz and Salinger. June, 2006.

Table 17 exhibits the key amenities of the subject and the surveyed apartment properties. Overall, the proposed subject development will be competitive to very competitive with all of the existing program assisted and market rate rental properties in the market regarding the unit and development amenity package.

Table 17													
SURVEY OF SOPERTON PMA APARTMENT COMPLEXES													
UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x		x	x	x	x	x	x
Creekwood	x	x						x	x	x	x		x
Soperton HA		x							x		s		
Swainsboro Rd								x	x	x	x		

s - some

Source: Koontz and Salinger. June, 2006.

Key: A - On-Site Mgmt      B - Central Laundry      C - Pool  
 D - Tennis Court      E - Playground/Rec Area      F - Dishwasher  
 G - Disposal      H - W/D Hook-ups      I - A/C  
 J - Cable Ready      K - Mini-Blinds      L - Community Rm/Exercise Rm  
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

**Reconciliation of Net Rents**

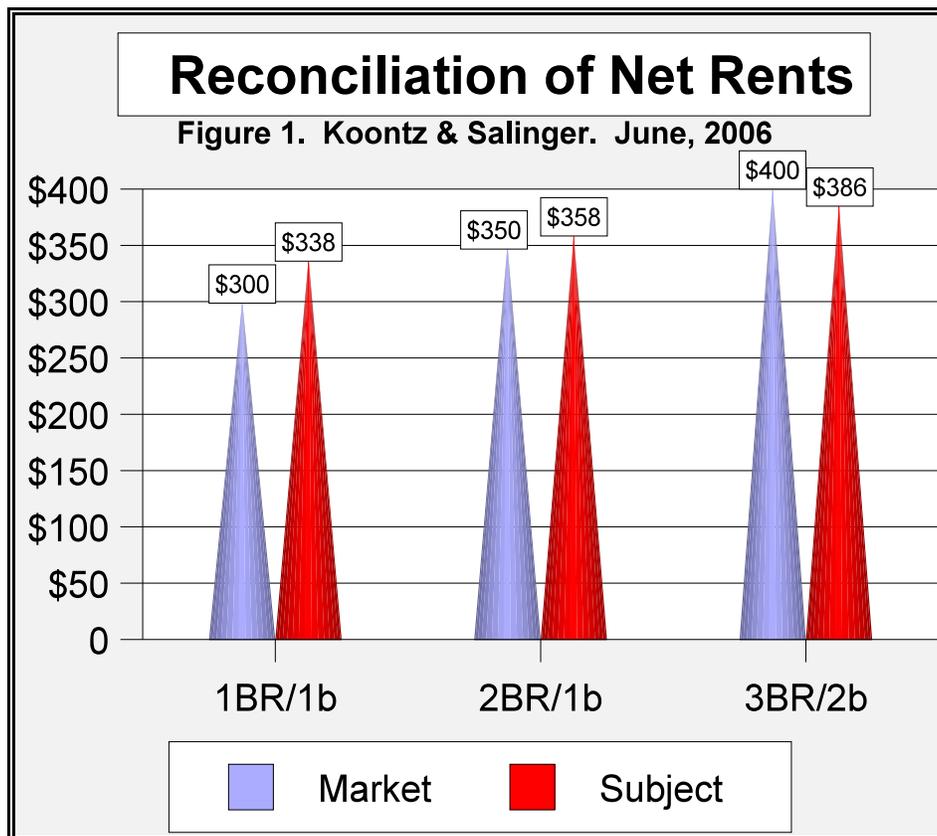
The survey of the competitive environment (which included local real estate professionals) revealed the following market based findings regarding net rents. Figure 1 below exhibits the estimated median market rate net rents by bedroom type in relation to the proposed subject property net rents at 60% of AMI.

**Data Set**

<u>Bedroom Type</u>	<u>Market Estimate*</u>	<u>Subject Rents at 60% AMI</u>
1BR/1b	\$300	\$338
2BR/1b	\$350	\$358
3BR/2b	\$450	\$386

\* net rent - for comparable units

Figure 1, reveals that the proposed subject 1BR/1b net rent at 60% is approximately 13% greater than the comparable/competitive 1BR/1b market rate net rents and at 60% AMI. The proposed 2BR/1b net rent at 60% AMI is approximately 2% greater than the comparable/competitive 2BR/1b market rate net rents. The proposed subject 3BR/2b net rent at 60% is approximately 14% less than the comparable/competitive 3BR/2b market rate net rents. Note: This reconciliation process assumes no PBRA for the subject. Clearly, based on the results of this process, the subject will require RA.



The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the surveyed properties is provided on page 57.

---

---

**Survey of the Competitive Environment-Program Assisted**

1. Creekwood Apartments, 211 Arch St (912) 529-6602

**Contact:** Jackie Moxley (5/22/06) **Type:** USDA-RD fm  
**Date Built:** 1982 **Condition:** Fair  
**Contact Type:** In person interview

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$338	\$555	651-676	0
2BR/1b	8	\$358	\$589	802-823	2
3BR/1.5b	20	\$386	\$645	1141	2
Total	36				4

**Typical Occupancy Rate:** 90% (last 6 mos) **Waiting List:** Yes (7)  
**Security Deposit:** 1 month basic rent **Concessions:** No  
**Utilities Included:** Allowance **Turnover:** 4-units per mo

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	Yes	Picnic Area	No

**Design:** 2 story walk-up & townhouse

**Remarks:** 35-units have RA; 1BR utility allowance - \$63; 2BR - \$89; 3BR - \$103; existing tenants came from a countywide area



2. Soperton Public Housing, 700 Eastman Rd (912) 529-4596

**Contact:** Mr. Brantley, Assist Dir. (5/22/06) **Type:** PHA

**Date Built:** 1968 to early 1990's **Condition:** Good  
**Contact Type:** In person interview

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	*	BOI	Na	0
2BR/1b	*	BOI	Na	0
3BR/2b	*	BOI	Na	0
4BR/2b	*	BOI	Na	0
5BR/2b	*	BOI	Na	0
Total	121			0

**Typical Occupancy Rate:** 98+% **Waiting List:** Yes (4-5 apps)  
**Security Deposit:** BOI **Concessions:** No  
**Utilities Included:** excludes all **Turnover:** Na

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	No
Dishwasher	No	Carpeting	No
Disposal	No	Window Treatment	Some
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

**Amenities - Project**

On-Site Mgmt	No	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

**Design:** 1-story



**Survey of the Competitive Environment-Market Rate**

1. Swainsboro Road Apartments, SR 56 & Airport Rd (912) 529-3206  
 529-4232  
**Contact:** "Bubba" owner of Piglet Grocery **Type:** Conventional  
**Date Built:** about 5 to 6 years old **Condition:** Good  
**Contact Type:** via manager (6/5/06)

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	7	\$300-\$350	Na	0
Total	7			0

**Typical Occupancy Rate:** 95% **Waiting List:** Na  
**Security Deposit:** 1 month **Concessions:** No  
**Utilities Included:** None **Turnover:** "low"

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Unk	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

**Amenities - Project**

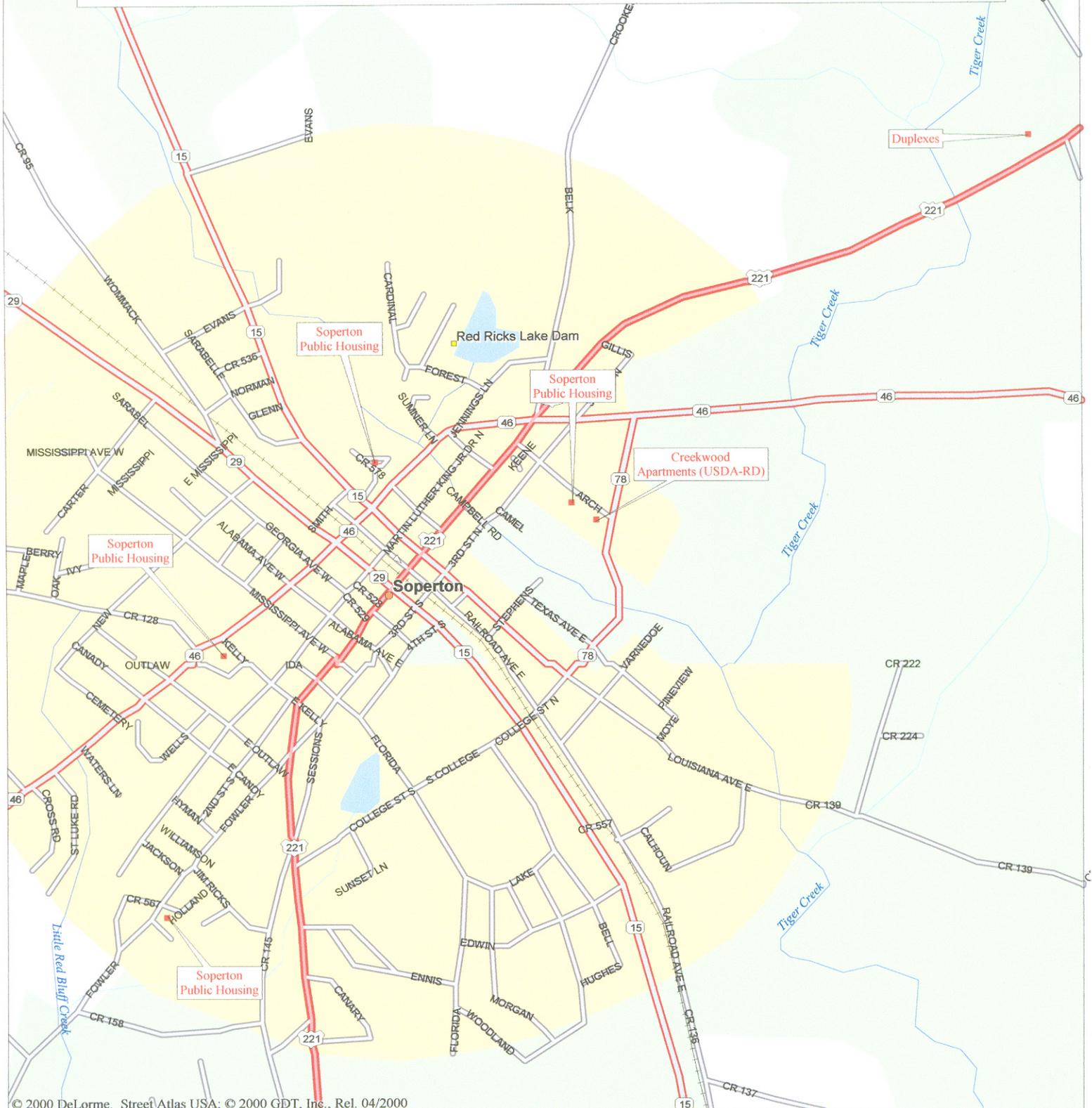
On-Site Mgmt	No	Pool	No
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

**Design:** 2 one story duplexes and 1 one story triplex

**Remarks:** except for some house for rent and trailers for rent these are the only market rate apartments in Soperton



# Competitive Environment



© 2000 DeLorme. Street Atlas USA; © 2000 GDT, Inc., Rel. 04/2000

Mag 15.00  
Wed Jun 07 11:21 2006

Scale 1:18,750 (at center)

2000 Feet

500 Meters

-  Local Road
-  State Route
-  US Highway
-  Utility/Pipe

## SECTION H

### INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study

research process.

In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site location, project size, bedroom mix, income targeting/primary funding source and net rents. The following statements/comments were made:

(1) - The City Clerk for Soperton, Ms. Becky Hooks, was interviewed (in person), (912) 529-6173. At the time of the interview Ms. Hooks, expressed a strong opinion for the proposed acquisition/rehab development process for the Creekwood Apartments. It was stated that the city council was in support of the proposed development. Creekwood as one of the few sources of rental housing in the county is needed. However, it is in need of substantial rehab and modernization.

(2) - Ms. Jackie Moxely, Manager of the Creekwood Apartments was interviewed (in person), (912)529-6602. At the time of the interview Ms. Moxely expressed a very positive opinion regarding the proposed acquisition/rehab of the Creekwood Apartments. She stated that the complex usually maintains an occupancy rate of 88% to 90% and that's with the majority of the units in very, very poor condition. Many of the ceilings have problems with leaks, carpeting is was past in need of replacement, the kitchens are obsolete and there are many other problems with the development, both in the area of functional obsolescence and professional management / tenant base issues that need to be addressed. Ms. Moxely stated that if the project was rehabed and maintained its existing PBRA, it would probably be 100% occupied year-round.

(3) - Mr. Floyd "Buddy" Brantley, the Assistant Director of the Housing Authority of the City of Soperton was interviewed (in person), (912) 529-4596. Mr. Brantley stated that the Housing Authority was in support of the proposed acquisition/rehab of the Creekwood Apartments. He stated "there is a need" for the complex in addition to the Housing Authority serving the very low to low income population in Treutlen County. After reviewing the proposed project parameters, Mr. Brantley thought it would be critical that Creekwood retain is present amount of PBRA, owing to the fact that a large proportion of the households in need of rental housing in the county are at or below the poverty level, many with annual income of \$12,000 or below.

**SECTION I**

**CONCLUSIONS &  
RECOMMENDATION**

As proposed in Section A of this study, it is of the opinion of the analyst, based on the findings in the market study that the Creekwood Apartments (a proposed LIHTC acquisition/rehab apartment property) proceed forward with the development process.

**Detailed Support of Recommendation**

1. Product Mix - The target group is large enough to absorb the proposed product development of **36** units (plus 1 non revenue managers unit), subject to the retention of the existing 35-units (95% of tenant units) deep subsidy project base rental assistance (PBRA).
2. Assessment of rents - The proposed net rents will be very competitive in the PMA, subject to the retention of the existing PBRA.
3. The current apartment market is **not** representative of an over saturated market, for well maintained, well amenitized and professionally managed properties.
4. The proposed complex unit amenity package is considered to be competitive in the PMA.
5. Stabilized occupancy, is forecasted to be 93% or higher, after the rehab process.
6. The site location is considered to be very marketable and should enhance the rent-up process.
7. The proposed development will not negatively impact the existing supply of program assisted properties in the market.

**SECTION J**  
**ANALYST QUALIFICATIONS**

**K**oontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental

agencies.

**JERRY M. KOONTZ**

EDUCATION: M.A. Geography 1982 Florida Atlantic Un.  
B.A. Economics 1980 Florida Atlantic Un.  
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC  
  
1983-1985, Market Research Staff Consultant, Stephens Associates, an consulting firm in real estate development and planning. Raleigh, NC  
  
1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.  
  
1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 23 years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d)(4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

PHONE: (919) 362-9085  
FAX: (919) 362-4867  
EMAIL: VONKOONTZ@AOL

**Member in Good Standing:** National Council of Affordable Housing Market Analysts



## **Market Analyst Certification and Checklist**

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

The report was written 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: \_\_\_\_\_

### **A. Executive Summary**

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

### **B. Project Description**

Project address, legal description and location	Page	1
Number of units by unit type	Page	1
Unit size, # of bedrooms & structure type	Page	1
Rents & Utility Allowance	Page	2
Existing or proposed project based rental assistance	Page	2
Proposed development amenities	Page	2 & 3

For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page	*
---	------	---

Projected placed in service date	Page	3
Construction type	Page	1
Occupancy type	Page	1
Special Population Target (if applicable)	Page	Na

### **C. Site Evaluation**

Date of Inspection of Subject Property by Market Analyst	Page	16
Physical features of Subject Property and Adjacent Uses	Page	4 & 5
Subject Photographs	Page	6 -10

Map identifying location of subject as well as closets facilities	Page	13
Developments in vicinity to subject & proximity in miles	Page	14
Map identifying existing low-income housing within the PMA	Page	15
Road or infrastructure improvements planned or under construction	Page	4
Comment on access, ingress/egress and visibility of subject	Page	16
Any visible environmental or other concerns	Page	16
Overall conclusions of site and their marketability	Page	16

#### **D. Market Area**

Map identifying Subject's Location within PMA	Page	19
Map identifying Subject's Location within SMA, if applicable	Page	Na

#### **E. Community Demographic Data**

Data on Population & Households Five Years Prior to Market Entry and Projected Five Years Post-Market Entry	Page	21
---	------	----

##### **1. Population Trends**

a. Total Population	Page	20&21
b. Population by Age Group	Page	22
c. Number of elderly & non elderly (for elderly projects)	Page	Na
d. Special needs, additional information	Page	Na

##### **2. Household Trends**

Elderly by tenure, if applicable

a. Total number of households & average household size	Page	23
b. Households by tenure (# of owner & renter households)	Page	26
c. Households by Income	Page	29
d. Renter households by # of persons in the household	Page	25

##### **3. Employment Trends**

a. Employment by industry	Page	34
b. Major employers, product or service, total employees, expansions	Page	36
c. Contractions, New planned employers, and impact on employment	Page	37
d. Unemployment trends for the PMA & County for last 2 to 4 years	Page	34
e. Map of the site & location of major employment concentrations	Page	38
f. Overall conclusions	Page	37

#### **F. Project Specific Demand Analysis**

Income Restrictions - per development's application	Page	30-32
Affordability - Delineation of Income Bands	Page	30-32
Comparison of market rents of competing projects with the subject market rents	Page	Na
Comparison of market rents of competing projects with proposed LIHTC rents	Page	52
Demand Analysis Using Projected Service Date (within 2 years)	Page	39-46
a. New Households Using Growth Rates from Reputable Source	Page	40
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&44

f. Capture Rates for Each Bedroom Type	Page 45&46
g. Anticipated Absorption period for the property	Page 47

**G. Supply Analysis**

Comparative chart of subject amenities & competing projects	Page 50
Supply & analysis of competing developments under construction and pending	Page 48
Comparison of competing developments	Page 50
Rent Comparable Map (showing subject & comparables)	Page 57
Rental Assisted Projects in PMA	Page 54-55
Multi-family Building Permits issued in PMA in last two years	Page 27

**H. Interviews**

Names, Title, and Telephone # of Individuals Interviewed	Page 58
--	---------

**I. Conclusions & Recommendations**

Conclusion as to Impact of Subject on PMA	Page 59
Recommendation as to Subject's Viability in PMA	Page 59

**J. Signed Statement**

Signed Statement from Analyst	Page 61
-------------------------------	---------

\* See Appendix for Rent Roll and Proposed Renovation Information; detailed information on Creekwood at the time of the survey is available on page 54 of the market study.