

PROFESSIONAL MARKET STUDY
FOR THE HICKORY TRACE APARTMENTS
APPLICATION # - 2006-039
A PROPOSED LIHTC FAMILY DEVELOPMENT

LOCATED IN:
SWAINSBORO, EMANUEL 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	3
Summary	14
Section D - Market Area Description	
Market Area Description	15
Section E - Community Demographic Data	
Population Trends, Projections, Characteristics	18
Household Characteristics	22
Income Characteristics	28
Summary	32
Labor Force Trends & Economic Base	33
Summary	37
Section F - Demand Analysis	
Demand Analysis - Effective Demand Pool	41
Demand Analysis - Effective Tenant Pool	43
Upcoming Direct Competition	44
Capture Rate Analysis	46
Absorption Rate Analysis	48
Section G - Competitive Environment - Supply Analysis	
Supply Analysis	49
Reconciliation of Net Rents	54
Part I - Survey of Program Assisted Properties	56
Part II - Survey of Conventional Properties	60
Section H - Interviews	64
Section I - Recommendation	66
Section J - Qualifications	67
Section K - Identity of Interest	68
Appendix A - Data Set	

INTRODUCTION

The proposed multi-family development will target LIHTC eligible households within the general population of the Swainsboro area of Emanuel County, Georgia.

The market study assignment was to ascertain market demand for a proposed multi-family development to be known as **Hickory Trace**, 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)
2BR/2b	3	950	Na
3BR/2b	25	1050	Na
4BR/2b	12	1350	Na
Total	40		

Project Rents:

The proposed development will target 35% of the units at 50% 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.

PROPOSED PROJECT RENTS @ 50% & 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance	Gross Rent
2BR/2b	3	\$350	\$116	\$466
3BR/2b	25	\$400	\$141	\$541
4BR/2b	12	\$450	\$180	\$630

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 Swainsboro - Emanuel County Chamber of Commerce, the Swainsboro / Emanuel County Joint Development Authority, the City of Swainsboro, 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 Swainsboro and Emanuel 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 Emanuel County, with the exception of the Oak Park census division in the extreme southern portion of the county.
- The overall character of the neighborhood within the immediate vicinity of the site can be defined as a mixture of: commercial, single-family residential and multi-family development. The site is located in the north-central portion of Swainsboro, within the city limits. Currently, the site is zoned for multi-family development, allowing 12-units per acre. 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 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. With the exception of Jordan Estates no other program assisted apartment property in the 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.
- 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.
- The proposed subject 2BR/2b net rent at 50% & 60% AMI is approximately 22% less than the comparable 2BR/2b market rate net rents. The proposed subject 3BR/2b net rent at 50% & 60% AMI is approximately 24% less than the comparable 3BR/2b market rate net rents. The proposed subject 4BR/2b net rent at 50% & 60% AMI is

approximately 25% less than the comparable 4BR/2b market rate net rents.

- The subject bedroom mix is considered to be appropriate. At present, the market is in need of larger bedroom sizes, such as the proposed subject mix of mostly 3BR and 4BR units, more so than needing additional 1BR and 2BR units.

3. Market Demand:

- The capture rates by income segment and bedroom mix are considered to be positive indicator of demand support for the proposed 40-unit subject development, given the GA-DCA capture rate threshold parameters. The overall project capture rate is 12.6%.
- At present there are no like-kind direct comparable LIHTC (non RA) units in the PMA.

Capture Rates by Bedroom Type & Income Targeting							
Unit Size	Income Limits	Units Proposed	Net Demand	Capture Rate	Absorption	Avg Mkt Net Rent	Proposed Net Rent
2BR	50% AMI	1	62	1.6%	1 mo.	\$450	\$350
	60% AMI	2	33	6.1%	1 mo.	\$450	\$350
2BR	Total	3	95	3.2%	1 mo.		
3BR	50% AMI	9	94	9.6%	9 mos.	\$525	\$400
	60% AMI	16	50	32.0%	12 mos.	\$525	\$400
3BR	Total	25	144	17.4%	10 mos.		
4BR	50% AMI	4	52	7.7%	9 mos.	\$600	\$450
	60% AMI	8	27	29.6%	12 mos.	\$600	\$450
4BR	Total	12	79	15.2%	10 mos.		

Note: Total Demand = net demand, owing to lack of like-kind supply.

- The introduction of the proposed 40-unit development will probably have little to no long term negative impact on the PMA program assisted apartment market. However, short term negative impact of up to 12 months should be expected at both of the USDA-RD Section 515 family complexes in the market. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than / up to 1 year.

- The absorption rates identified above are a function of the proposed subject rents, building design, amenity package, and professional management and development team, as well as, the rent-up of recent like-kind properties developed by the applicant. The subject design & project parameters, along with the experience of the development team has demonstrated an achievable stabilized occupancy level of 93%+ within a 9 month (or less) to 12 month period for like-kind properties such as the proposed subject property.

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.**

MARKET STUDY FOLLOWS

SECTION B

PROPOSED PROJECT DESCRIPTION

The proposed Low Income Housing Tax Credit (LIHTC) multi-family development will target low to moderate income households in the general population within the City of Swainsboro and Emanuel County, Georgia.

The market study assignment was to ascertain market demand for a proposed multi-family development to be known as **Hickory Trace**, 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)
2BR/2b	3	950	Na
3BR/2b	25	1050	Na
4BR/2b	12	1350	Na
Total	40		

The proposed new construction project design will comprise 40 one-story single-family homes. The project will include a separate building comprising a manager's office, central laundry, and activity centers/rooms. The subject property is located off E. Pine Street, within the Swainsboro city limits.

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

Project Rents:

The proposed development will target 35% of the units at 50% 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. Note: There is no proposed deep subsidy rental assistance for subject.

PROPOSED PROJECT RENTS @ 50% & 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance	Gross Rent
2BR/2b	3	\$350	\$116	\$466
3BR/2b	25	\$400	\$141	\$541
4BR/2b	12	\$450	\$180	\$630

Amenity Package

The development will include the following amenity package:

Unit Amenities

- range
- microwave
- central air
- smoke alarms
- carpet
- patio/balcony
- walk-in closet
- refrigerator
- dish washer
- cable & internet ready
- washer/dryer hook-ups
- mini-blinds
- out side storage
- carport

Development Amenities

- manager's office
- central laundry
- playground
- shuffleboard court
- community van
- clubhouse/community room
- picnic/grill area w/gazebo
- equipped exercise/fitness room
- equipped computer room & library
- covered bus stop shelter

The estimated projected year that Hickory Trace will be placed in service is 2008.

Hickory Trace will have a tenant ownership plan. "The tenant ownership plan will begin after completion of the initial 15 year compliance period and will enable the existing tenants to purchase their homes at affordable pricing, with possible discounts, and payment options." Source: GA-DCA Application 2006-039.

SECTION C

**SITE & NEIGHBORHOOD
EVALUATION**

The site of the proposed LIHTC apartment development is located off East Pine Street via a proposed (approximately) 200 foot extension off E Pine Street. The site is located in the north-central portion of Swainsboro, within the city

limits, approximately .3 miles from the downtown. Specifically, the site is located in Census Tract 9803 (a Qualified Census Tract, QCT), Census Block Group 3, Census Block 3039, and Zip Code 30401. See Site Map, page 9.

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail and service areas, employment opportunities, and local health care providers. 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. At present, the major infrastructure development in the county is the 4-laning of US 1, south to I-16.

Site Characteristics

The approximately 9.16-acre, polygon shaped tract is slightly undulating and mostly wooded. At present, there are no physical structures on the tract. The site is considered to be marketable and buildable. However, this assessment is subject to both environmental and engineering studies. All public utility services are available to the tract and excess capacity exists.

The site is not located within a flood plain and appears to drain well. Note: The GA-DCA 2006 Site Information Form did indicate that 37% of the tract is in wetland, yet that no wetlands areas will be impacted by the proposed development. The subject site is zoned R-12, which allows 12-units per acre and is considered to be multi-family residential. The City of Swainsboro Building and Zoning Office stated that the current zoning designations of the properties surrounding the site will likely remain the same into the near future, yet are subject to future inquiries. The surrounding land use and zoning designations around the site are detailed below:

Direction	Existing Land Use	Current Zoning
North	Single-family & Vacant	R12 & R3
East	Single-family & Vacant	R12 & R3
South	Single & Multi-family & Commercial	R12 & C8
West	Single-family & Commercial	R12 & C8

Zoning Key: R3 - Residential District (3-units per acre)
 R12 - Residential District (12-units per acre)
 C8 - General Commercial District

Source: City of Swainsboro, Official Zoning Map

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: single-family residential, multi-family residential, and commercial use.

Directly north of the site is vacant wooded land followed by a few small single-family homes located off Norwood Avenue and North Street. Further north by about .3 miles is primarily single-family neighborhood development, with a mixture of small parks and churches.

Directly south of the site via an approximately 200 foot extension is E Pine Street. On either side of the extension south of the subject is multi-family development. One property is the Jordan Estates LIHTC family complex that was built in 2005. Jordan Estates is a 50-unit complex that at present is 100% occupied and maintains a waiting list with 30 applicants. The other property is the Swainsboro Apartment USDA-RD Section 515 family development. The 36-unit Swainsboro Apartment development was built in 1984 and at the time of the survey had 7-vacant units. Six of the 7 vacant units have been "down" since April and were/are in need of extensive repair. Two of these 6-units will be ready to rent in June of 2006. On the opposite side of E Pine Street directly across from the access point to the site are three very small, aged single-family homes (all occupied) in average to poor condition. About .1 mile west of the access point, off E Pine Street is a small mini-storage facility, followed by more commercial development and then the downtown central business district about .3 miles from the site.

Directly east of the tract is wooded vacant land followed by single-family development off Norwood Avenue and a rail line.

Directly west of the tract is the Spring Gardens LIHTC elderly apartment development. Spring Gardens is a 28-unit development targeting households age 55 and over. It was built in 2005 and at the time of the survey was 100% occupied and maintained a small waiting list.

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



(1) - Site access point off E Pine Street, south to north. Swainsboro Apartments to the right, Jordan Estates to the left.



(2) - From site entrance, off E Pine Street, west to east.



(3) - From site entrance, off E Pine Street, east to west.



(4) - Single-family dwelling directly south of site access point, off E Pine Street.



(5) - Site south to north.



(6) - From site to the Swainsboro Apartments, northwest to southeast.

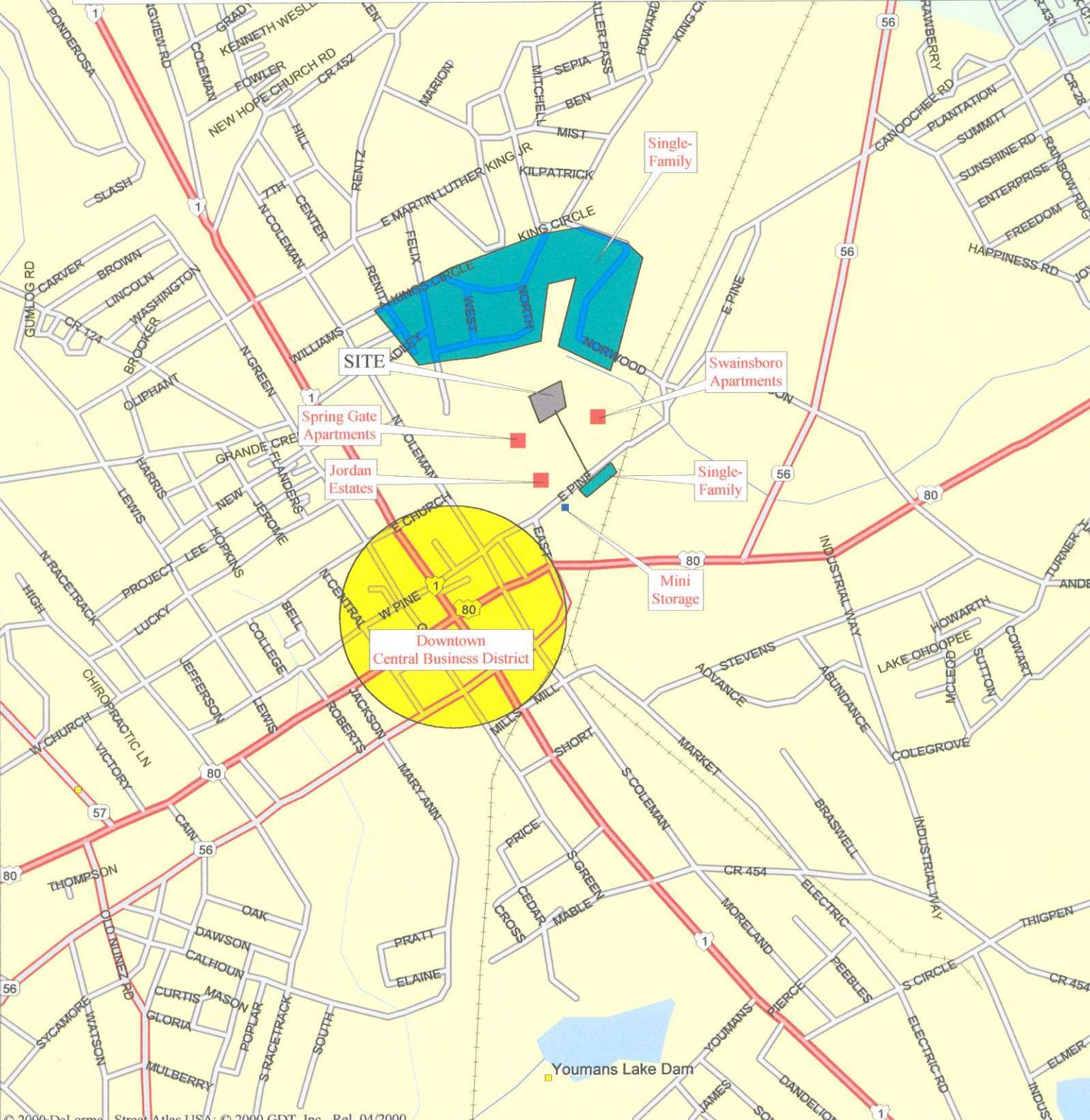


(7) - Southern boundary of the site with the Spring Gardens LIHTC elderly apartments.



(8) - Jordan Estates LIHTC family apartments from the proposed subject extension road, east to west.

Site Map



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

Mag 15.00
 Fri Jun 02 09:45 2006

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

- Local Road
- Major Connector
- State Route
- US Highway

Access to Services

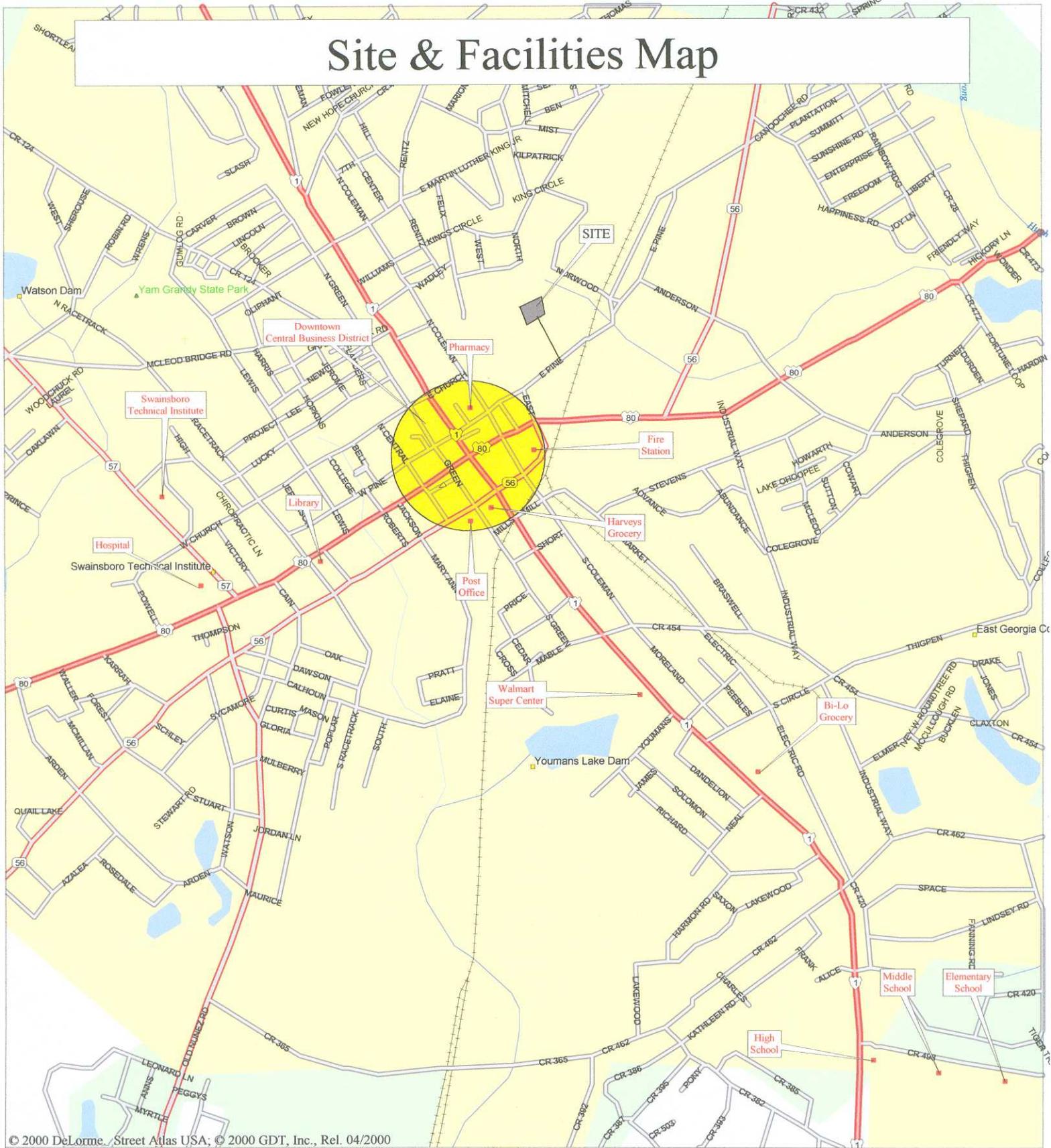
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Subject
Eckerds Pharmacy	.2
Access to US 80	.2
Community Park	.2
Swainsboro Downtown	.3
Fire Station	.4
Harvey's Grocery	.5
Post Office	.6
Library	.9
Emanuel County Medical Center (hospital)	1.0
Walmart Supercenter	1.0
Swainsboro Technical College	1.4
Bi-Lo Grocery	1.5
High School	2.5
Industrial Park - West	2.6
Middle School	2.7
Elementary School	2.9
Access to I-16	15.0

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

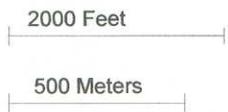
Site & Facilities Map



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

Mag 15.00
 Fri Jun 02 09:49 2006

Scale 1:21,875 (at center)



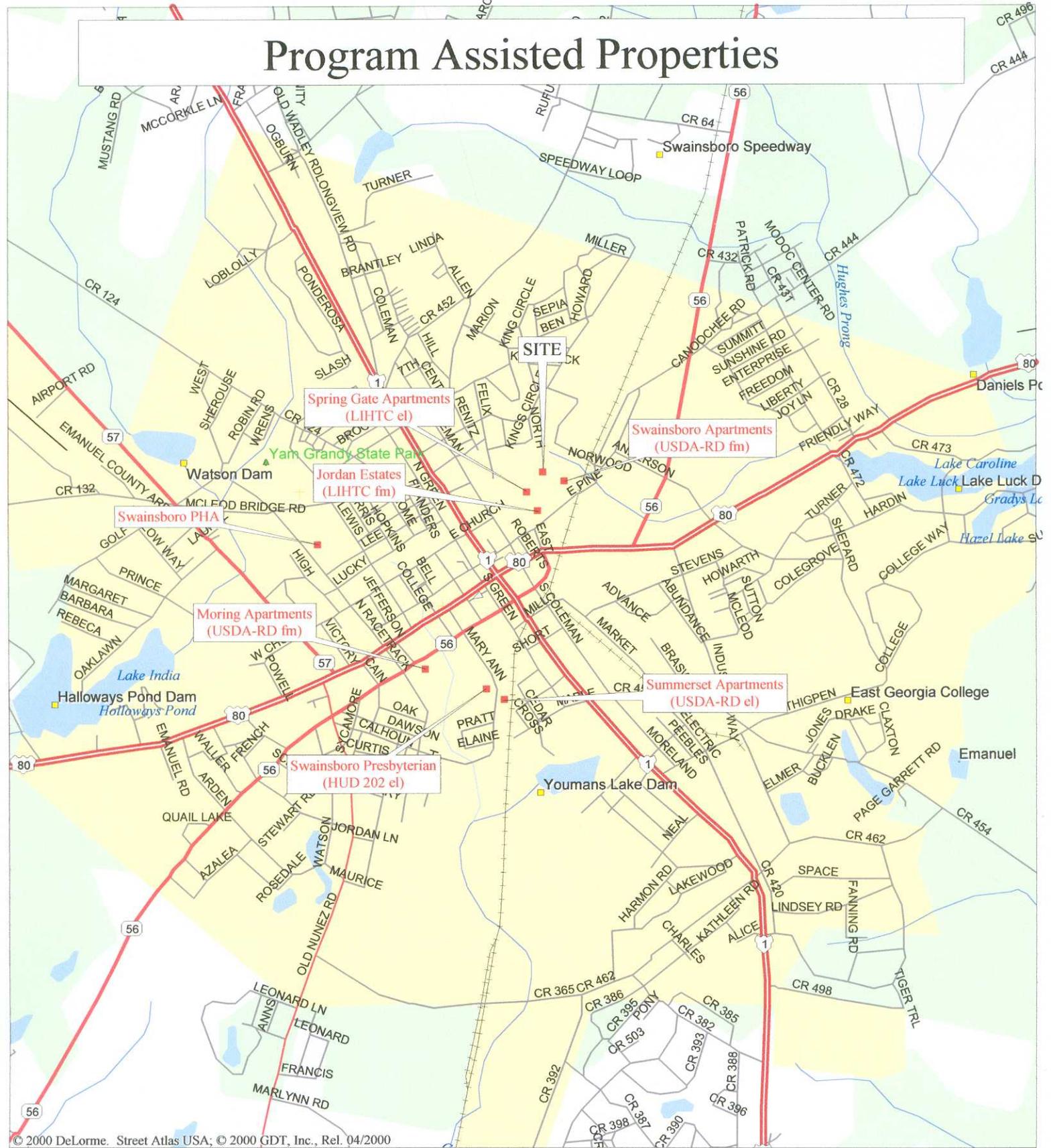
- Local Road
- Major Connector
- State Route
- US Highway

Program Assisted Apartments in Swainsboro

At present there are seven existing program assisted apartment complexes in Swainsboro, including the Swainsboro Housing Authority. Three of the program assisted complexes target the elderly and are considered to be no comparable with the subject. A map (on the next page) exhibits the program assisted properties within Swainsboro in relation to the site.

Project Name	Street Address	Program Type	Number of Units	Distance from Site
Jordan Estates	221 E Pine	LIHTC-fm	50	.1
Spring Garden	223 E Pine	LIHTC-el	28	.1
Swainsboro Apts.	335 E Pine	USDA-RD fm	36	.1
Moring Apts.	409 W Moring	USDA-RD fm	36	.9
Summerset	317 Mary Ann	USDA-RD el	30	.9
Swainsboro Presbyterian	310 Mary Ann	HUD 202 el	50	.9
Swainsboro PHA	scattered	PHA	343	varies

Program Assisted Properties



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

Mag 14.00
Fri Jun 02 09:36 2006

Scale 1:31,250 (at center)
2000 Feet
1000 Meters

-  Local Road
-  Major Connector
-  State Route
-  US Highway

SUMMARY

The field visits for the site and surrounding market area were on May 20, 22 and 23, 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 can be defined as a mixture of: commercial, single-family residential and multi-family development. The site is located in the north-central portion of Swainsboro, within the city limits. Currently, the site is zoned for multi-family development, allowing 12-units per acre.

Access to the site is available off E. Pine Street, via an approximately 200 foot extension off E Pine. E. Pine Street is a low density connector, with a speed limit of 30 miles per hour in the immediate vicinity of the site. It connects the site with the downtown area of Swainsboro about .3 miles to the west. Also, the location of the site off E Pine 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 not very agreeable to signage. The exception would be the placement of a sign at the entrance to the subject off E Pine, about 200 feet from the actual development.

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.

SITE/SUBJECT ATTRIBUTES :	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, and downtown CBD	
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 Swainsboro 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 the following census divisions in Emanuel County:

- Swainsboro,
- Adrian,
- Summerton, and
- Twin City.

(See Market Area Map)

The PMA excluded the Oak Park census division in the extreme southern portion of the county.

The PMA is located in the Midlands Region of south-eastern Georgia. Dublin is approximately 36 miles west and Statesboro is approximately 37 miles east. Swainsboro, the county seat, is centrally located within Emanuel County.

The PMA is bounded as follows:

North	Burke & Jefferson Counties
East	Bulloch, Candler and Jenkins Counties
South	Oak Park census division, I-16 and Treutlen County
West	Johnson County

Swainsboro is the most densely populated place within the PMA, representing approximately 33% of the total population. In addition to Swainsboro, there are six other, smaller incorporated places located within the PMA. The largest of the six places is Twin City, with a 2000 census population of 1,752, followed by Stillmore with a 2000 population of 730. Adrian had a 2000 population of 579; Nunze had 131; Summerton had 140; and Garfield had 152. For the most part, excluding Swainsboro and to a lesser degree Twin City and Stillmore, the PMA is very rural with much of the land use in agriculture or open space.

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

With regard to the location of an apartment complex, without deep subsidy rental assistance, the City of Swainsboro 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 Swainsboro is very good. US 80 is the major east/west connector and US 1 and SR's 56, 57, 192, and 297 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%.

SECTION E
COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

Table 1, exhibits the change in **total** population in Swainsboro, the Swainsboro PMA and Emanuel 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 moderate population gains during the 1990's, at a little over .5% per year. Population gains over the next several years are forecasted for the PMA at a reduced rate of moderate increase, yet still positive, represented by a rate of growth at approximately .35% to .4% per year.

A significant minority of the population in the PMA is located within the City of Swainsboro. It is estimated that approximately 33% of the PMA population is located within the City of Swainsboro and about 75% of the county population within 10 miles of Swainsboro.

Population gains in the county have been significant from the Hispanic segment of the population. The primary reason for the increase is owing to employment provided by the location of a large chicken processing plant in Stillmore, as well as the large amount of labor intensive agriculture in the county.

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. The PMA population projection methodology is based on applying a ratio methodology of the County estimates and forecasts to the PMA in 1990 and 2000 forecasted in 2010.

Note: The forecasts for the City of Swainsboro 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, 16th & 17th 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: Swainsboro, the Swainsboro PMA, and Emanuel County					
Swainsboro					
Year	Population	Total Change	Percent	Annual Change	Percent
1990	7,361	-----	-----	-----	-----
2000	6,943	- 418	- 5.68	- 42	- 0.57
2008*	7,185	+ 242	+ 3.48	+ 30	+ 0.44
2010	7,235	+ 50	+ 0.70	+ 25	+ 0.35
Swainsboro PMA					
1990	19,776	-----	-----	-----	-----
2000	20,835	+1,059	+ 5.36	+ 106	+ 0.54
2008*	21,530	+ 695	+ 3.34	+ 87	+ 0.42
2010	21,690	+ 160	+ 0.74	+ 80	+ 0.37
Emanuel County					
1990	20,546	-----	-----	-----	-----
2000	21,837	+1,291	+ 6.28	+ 129	+ 0.63
2008*	22,725	+ 888	+ 4.07	+ 111	+ 0.51
2010	22,938	+ 213	+ 0.94	+ 107	+ 0.47

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

Calculations - Koontz and Salinger. June, 2006.

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

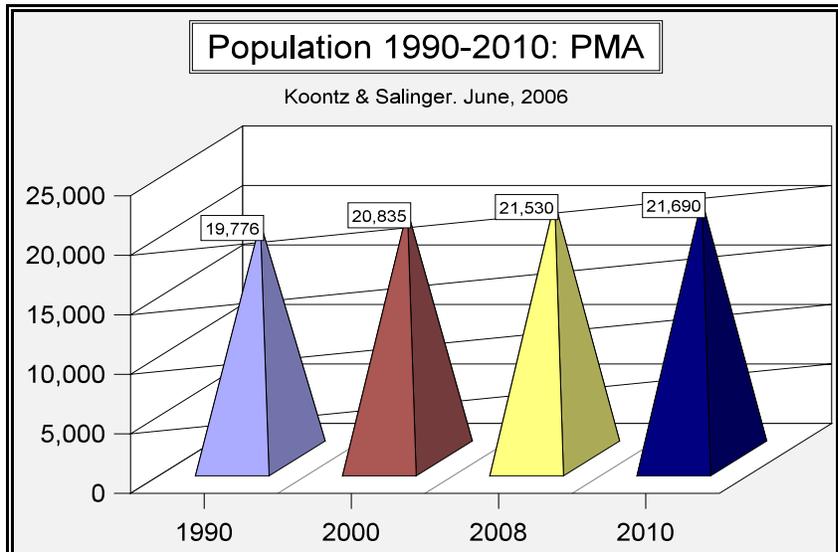
Table 2						
Population by Age Groups: Swainsboro PMA, 1990 - 2000						
	1990 Number	1990 Percent	2000 Number	2000 Percent	Change Number	Change Percent
Age Group						
0 - 4	1,546	7.82	1,428	6.85	- 118	- 7.63
5 - 17	4,500	22.75	4,445	21.33	- 55	- 1.22
18 - 24	1,817	9.19	2,127	10.21	+ 310	+17.06
25 - 44	5,510	27.86	5,396	25.90	- 114	- 2.07
45 - 54	1,951	9.87	2,717	13.04	+ 766	+39.26
55 - 64	1,627	8.23	1,954	9.38	+ 327	+20.10
65 +	2,825	14.29	2,768	13.29	- 57	- 2.02

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

Table 2 revealed that population increased in half of the displayed age groups in the PMA between 1990 and 2000. The increase was very modest in the primary renter age group: of 18 to 44, at a little over 2.5%. Overall, a significant portion of the total PMA population is in the target property primary renter group of 18 to 44, representing around 36% of the total population.

Between 2000 and 2008 total population is projected to increase in the PMA at a moderate rate of around .4% per year. The annual rate of change is forecasted to remain nearly the same between 2008 and 2010 at .4%. The majority of the increase is located within a 5 mile area of Swainsboro.

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 Swainsboro, the Swainsboro PMA and Emanuel County between 2000 and 2010. The moderate increase in household formations in the PMA has continued over a 10 year period and is reflective of the continuing decline in overall household size, as well as, a moderate increase in population. For example, much of the recent population gains have been in: (1) the aging baby boom sector, resulting in a larger number of 2 person empty nester households, (2) recent gains in new young household formations with zero to 2 children and (3) an increase in Hispanic working age population.

The decline in the rate of persons per household has continued over the last 10 years and is projected to continue at a much reduced rate of decline between 2000 and 2008 in both the PMA and the county, as well as in the City. The reduction in the rate of decline is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population and the in-migration of young working age households into the county, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

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 interviews with the Swainsboro-Emanuel County Chamber of Commerce, (478) 237-6426, and the City of Swainsboro, (478) 237-7025 there have been neither new nursing homes, assisted living facilities nor correctional facilities introduced into the city or county since 2000. Note: A correctional facility of size was introduced into the PMA between the 1990 and 2000 census. It was reported that this facility has not been added onto (at least significantly) since the last census.

Table 3					
Household Formations: 1990 to 2010					
Swainsboro, Swainsboro PMA and Emanuel County					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household¹	Total Households²
Swainsboro					
1990	7,361	138	7,223	2.6342	2,742
2000	6,943	136	6,807	2.5352	2,685
2008	7,185	140	7,045	2.4770	2,844
2010	7,235	140	7,095	2.4675	2,875
Swainsboro PMA					
1990	19,776	336	19,440	2.7296	7,122
2000	20,835	808	20,027	2.6206	7,642
2008	21,530	825	20,705	2.5545	8,105
2010	21,690	840	20,850	2.5430	8,199
Emanuel Co.					
1990	20,546	336	20,210	2.7237	7,420
2000	21,837	808	21,029	2.6139	8,045
2008	22,725	825	21,900	2.5480	8,595
2010	22,938	840	22,098	2.5365	8,712

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

¹Continuation of the 1990 to 2000 persons per household rate of change.

²Population 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	+ 520	+ 52	+ 7.30	+ 0.73
2000-2008	+ 463	+ 58	+ 6.06	+ 0.76
2008-2010	+ 94	+ 47	+ 1.16	+ 0.58

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 58 households per year or approximately .75% per year. The rate and size of the annual increase is considered to be moderate to 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 more moderate rate of growth. Resulting in a forecasted annual net gain of approximately 50 households or .6% per year.

Table 5

Households by Tenure by Person Per Household
Swainsboro PMA, 1990 - 2000

Households	Owner				Renter			
	1990	2000	Change	% 2000	1990	2000	Change	% 2000
1 Person	1,033	1,164	+ 131	21.52%	685	735	+ 50	32.91%
2 Person	1,592	1,867	+ 275	34.52%	532	542	+ 10	24.27%
3 Person	915	1,030	+ 115	19.04%	339	369	+ 30	16.52%
4 Person	809	817	+ 8	15.10%	294	303	+ 9	13.57%
5 Person	390	338	- 52	6.25%	162	159	- 3	7.12%
6 Person	127	116	- 11	2.14%	81	69	- 12	3.09%
7 + Person	86	77	- 9	1.42%	77	56	- 21	2.51%
Total	4,952	5,409	+ 457	100%	2,170	2,233	+ 63	100%

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

Table 5 indicates that in 2000 approximately 67% of the renter-occupied households in the Swainsboro PMA contain 2 to 8 persons (the target group by household size).

The majority of these households are:

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

Noticeable increases in renter households by size were exhibited by 1 and 3 persons per household. Note: Losses were exhibited in most 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 20% and 30% of the renter households in the PMA fit the bedroom profile for a 3BR or 4BR unit. Given the proposed income targeting, rent positioning of the subject and 1990 and 2000 trends, the appropriate estimate is considered to be 30% versus 20%.

Table 6 exhibits households in Swainsboro, the Swainsboro PMA and Emanuel County 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 and the County the tenure trend was more supportive of owner-occupied tenure. The 2000 to 2008 projected trend supports a change in the tenure ratio favoring renter-occupied households on a percentage basis, owing to the recent introduction of three apartment properties and in influx of workforce population more inclined to rent than own in the short term.

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 Emanuel County.

Table 6					
Households by Tenure: 1990 to 2010					
Swainsboro, the Swainsboro PMA and Emanuel County					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
Swainsboro					
1990	2,742	1,501	54.74	1,241	45.26
2000	2,685	1,478	55.05	1,207	44.95
2008	2,844	1,541	55.00	1,303	45.80
2010	2,875	1,552	55.00	1,323	46.00
PMA					
1990	7,122	4,952	69.53	2,170	30.47
2000	7,642	5,409	70.78	2,233	29.22
2008	8,105	5,673	70.00	2,432	30.00
2010	8,199	5,739	70.00	2,460	30.00
Emanuel Co					
1990	7,420	5,184	69.87	2,236	30.13
2000	8,045	5,722	71.12	2,323	28.88
2008	8,595	6,051	70.40	2,544	29.60
2010	8,712	6,142	70.50	2,570	29.50

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 Emanuel County (including the City of Swainsboro). Note: Data was not available for 2006. However, the City of Swainsboro reported that no permits have been issued for multi-family development thus far in 2006. It was estimated that 3 or 4 permits have been issued for new single-family residences.

Between 2000 and 2005, 136 permits were issued in the county, of which, 120 or approximately 88% were multi-family units.

Table 7			
New Housing Units Permitted: Emanuel County, 2000-2006¹			
Year	Net Total ²	Single-Family Units	Multi-Family Units
2000	--	--	--
2001	24	--	24
2002	6	6	--
2003	4	4	--
2004	53	3	50
2005	49	3	46
2006	Na		
Total	136	16	120

¹Source: 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.

²Net 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 eight person households (the maximum household size for a 4BR unit) in Emanuel County, Georgia at 50% and 60% of the area median income (AMI).

Tables 8A and 8B exhibit renter households, by income group, in the Swainsboro 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 Swainsboro 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.

Table 8A Renter-Occupied Household by Income Groups Swainsboro PMA, 1990 & 2000				
Households by Income	1990 Number	1990 Percent	2000 Number	2000 Percent
Under \$10,000	1,037	50.76	932	43.86
10,000 - 19,999	556	27.21	513	24.14
20,000 - 34,999	335	16.40	313	14.73
35,000 - 49,999	92	4.50	205	9.65
50,000 +	23	1.13	162	7.62
Total	2,043	100%	2,125	100%

Table 8B Renter-Occupied Household by Income Groups Swainsboro PMA, 2000 & 2008				
Households by Income	2000 Number	2000 Percent	2008 Number	2008 Percent
Under \$10,000	932	43.86	900	37.00
10,000 - 19,999	513	24.14	584	24.00
20,000 - 34,999	313	14.73	389	16.00
35,000 - 49,999	205	9.65	316	13.00
50,000 +	162	7.62	243	10.00
Total	2,125	100%	2,432	100%

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 proposed development be available to Section 8 voucher holders.
- (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 40 two, three and four bedroom units. The recommended maximum number of people per unit is:

2BR - 2, 3 and 4 persons
3BR - 3, 4, 5 and 6 persons
4BR - 4, 5, 6, 7 and 8 persons

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

The proposed development will target 35% of the units at 50% or below of area median income (AMI); and 65% of the units at 60% or below AMI.

The lower portion of the target income range is set by the proposed subject 2BR, 3BR and 4BR rents at 50% and 60% AMI.

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 2BR net rent at 50% and 60% AMI is \$350. The estimated utility costs is \$116. (Source: GA-DCA 2006 application) The proposed gross rent is \$466. The proposed 3BR net rent at 50% and 60% AMI is \$400. The estimated utility costs is \$141. (Source: GA-DCA 2006 application) The proposed gross rent is \$541. The proposed 4BR net rent at 50% and 60% AMI is \$450. The estimated utility costs is \$180. (Source: GA-DCA 2006 application) The proposed gross rent is \$630.

Based on the proposed gross rents the lower income limits at 50% and 60% AMI were established at \$15,980, \$18,550 and \$21,600. The thresholds lower income limit is \$15,980.

The AMI at 50% and 60% for 1 to 8 person households in Emanuel County follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$16,200	\$19,440
2 Person -	\$18,550	\$22,260
3 Person -	\$20,850	\$25,020
4 Person -	\$23,200	\$27,840
5 Person -	\$25,050	\$30,060
6 Person -	\$26,900	\$32,280
7 Person -	\$28,750	\$34,500
8 Person -	\$30,600	\$36,720

Source: 2006 HUD Median Income Guidelines.

The overall income range for the targeting of income eligible households at 50% AMI is \$15,980 to \$30,600.

The overall income range for the targeting of income eligible households at 60% AMI is \$15,980 to \$36,720.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The subject will position 14-units at 50% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$15,980 to \$30,600.

It is projected that in 2008 approximately **21%** of the renter households in the PMA were in the subject property 50% AMI LIHTC target income group.

60% AMI

The subject will position 26-units at 60% of AMI.

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$15,980 to \$36,720.

It is projected that in 2008 approximately **27.25%** of the renter households in the PMA were in the subject property 60% AMI LIHTC target income group.

Adjustments

In order to adjust for income over lap between the two income segments the following adjustments were made: (1) the 50% income segment estimate of 21% was reduced in order to account for income overlap with the 60% income segment; and (2) the 60% income segment estimate of 27.25% was reduced in order to account for income over lap at 50%.

It is estimated that approximately **14%** of the overall income qualified range will target households at the 50% AMI segment; and **13.25%** will target households at the 60% AMI segment. The rationale for the near equal weighting is: (1) the significant percentage of renter households with income between \$10,000 and \$20,000, (2) the fact that the proposed nets rents at 50% and 60% are the same, and (3) the upper trend in income growth.

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 Emanuel County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 9			
Civilian Labor Force and Employment Trends, Emanuel County: 2000, 2004 and 2005			
	2000	2004	2005
Civilian Labor Force	9,949	10,506	10,790
Employment	9,395	9,977	10,169
Unemployment	554	529	621
Rate of Unemployment	5.6%	5.0%	5.8%

Table 10				
Change in Employment, Emanuel County				
Years	# Total	# Annual*	% Total	% Annual*
2000 - 2004	+ 582	+ 116	+ 6.19	+ 1.24
2004 - 2005	+ 192	Na	+ 1.92	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, Emanuel County

Year	Number Employed	Change Over Previous Year	Unemployment Rate
2000	9,395	-----	5.6
2001	9,133	- 262	5.9
2002	9,370	+ 237	5.4
2003	9,847	+ 477	5.0
2004	9,977	+ 130	5.0
2005	10,169	+ 192	5.8
2006 (01)	10,251	-----	4.8
2006 (02)	10,198	- 53	4.9
2006 (03)	10,327	+ 129	4.4
2006 (04)	10,333	+ 6	4.2

Table 12							
Average Monthly Covered Employment by Sector, Emanuel County, 2003 and 2004							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2003	7,596	193	2,164	1,131	223	659	2,163
2004	7,501	134	2,208	1,168	230	454	2,148
03-04 # Ch.	- 95	- 59	+ 44	+ 37	+ 7	-205	- 15
03-04 % Ch.	-1.2	-30.6	+2.0	+3.3	+3.1	-31.1	-0.7

% 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 Emanuel 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 the majority 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 \$350 and \$525.

Table 13				
Average Annual Wages, 2003 and 2004				
Emanuel County				
Employment Sector	2003	2004	% Numerical Change	Annual Rate of Change
Total	\$ 436	\$ 454	+ 18	+ 4.1
Construction	\$ 309	\$ 351	+ 42	+13.6
Manufacturing	\$ 429	\$ 464	+ 35	+ 8.2
Wholesale Trade	\$ 392	\$ 522	+ 130	+33.2
Retail Trade	\$ 341	\$ 352	+ 11	+ 3.2
Transportation & Warehouse	\$ 536	\$ 643	+ 107	+20.0
Finance	\$ 567	\$ 575	+ 8	+ 1.4
Real Estate Leasing	\$ 222	\$ 263	+ 41	+18.5
Health Care Services	\$ 374	\$ 428	+ 54	+14.4
Leisure & Hospitality	\$ 177	\$ 170	- 7	- 4.0
Federal Government	\$ 793	\$ 839	+ 46	+ 5.8
State Government	\$ 539	\$ 515	- 24	- 4.5
Local Government	\$ 495	\$ 508	+ 13	+ 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 Swainsboro and Emanuel County are listed in Table 14.

Table 14			
Major Employers			
Firm	Product/Service	Employees	Year Built
Industrial			
Advanced Metal Components	Sheet Metal	116	1977
Capro Inc.	Cable Assemblies	160	1987
Coastal Plain Ventures	Industrial Doors	90	1939
ElectroLux	Metal Stamping	60	1974
Emanuel County News	Publishing	222	1840
Handi-House Mfg.	Utility Buildings	133	1965
Milco Building Products	Vinyl Windows	51	1986
Ogeechee Steel	Steel Fabrication	60	1984
Rayonier Inc.	Sawmill	110	1981
Crider Inc.	Poultry Processing	400	1983
Crider Inc.	Chicken Canning	1300	1985
Alliance Homes	Modular Housing	125	1992
Twin City Mfg.	Contract Sewing	175	1947
Runners Diversified	Bulletproof Vests	50	1978
Nordson Corp.	Machinery	75	
TRA Technology	Internet Solutions	30	
Chemetron	Fire Control Systems	25	
Central Fence	Fence Products	32	
Non Industrial			
Emanuel County	Hospital	400+	
East Georgia College	Education	150	
Emanuel County	School System	760	
Swainsboro & Emanuel Co.	Local Government	Na	
Walmart Supercenter	Retail Trade	Na	

Sources: Swainsboro-Emanuel County Chamber of Commerce, (478) 237-6426.
2006 Georgia Manufacturers Directory, Harris Infosource

SUMMARY

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

According to the Swainsboro - Emanuel County Chamber of Commerce, the local economy stabilized during 2004/05 and over the past six months has been expanding. Recently, Hubert Engineered Wood Products announced that it will build a facility in Nunez, opening sometime in 2008 and employ around 200 workers. Over the last several years Swainsboro and Emanuel County have: (1) had a \$8 million expansion of the local airport; (2) had a \$14 million expansion of the hospital; (3) developed a new 120-acre Pathway Technology Park; (4) a new 570-acre industrial park near the intersection of US 1 and I-16; (5) had a \$1 million expansion of the central area of the downtown; and (6) have seen both East Georgia College and the Swainsboro Technical College exhibit enrollment growth.

In February, 2006 the Pathway Technology Park announced that it will become the home of the National Nanotechnology Manufacturing Center. "The center is the first of its kind and is the result of a partnership between the Swainsboro-Emanuel County Joint Development Authority, the US Army's Picatinny Arsenal (Picatinny, NJ) and Georgia nanoFab (Cartersville, GA). Major US research universities will be sources for projects with the Center serving as a clearing-house for Georgia nanoFab's rapid scale-up manufacturing. Source: Press Release

A significant number of the 1,200 member Hispanic workforce that work in the poultry processing plants in the Stillmore area of Emanuel, as well as in other sectors of the area agri-business economy, such as cotton, peanuts and onions reside in Swainsboro. Many are residents of the older rental properties in the area, as well as single-wide trailers for rent.

The 2006 Industrial Outlook for food products in Georgia which included poultry processing is for a prediction of moderate growth. "The US population is expanding by about 1% per year, so the industry can't rely on population increases for dramatic growth. Due to growth of the global economy and a weaker dollar, exports should grow modestly during 2006. Over time, foreign markets will expand much more rapidly than the domestic consumer market." Source: Georgia Trend, April, 2006. The major concern of the US poultry market is the avian influenza scare. Already in the first and second quarter of 2006 major chicken processors such as Gold Kist, Tyson and Pilgrim Pride have reported losses. The drop in consumption has been both in the domestic market and the export markets. Source: The Atlanta Journal-Constitution, 5/11/06. The poultry industry is both monitoring and taking preventative measures against this threat to the industry.

Summary

In summary, recent economic indicators are more supportive of a

stable to expanding local economy in Swainsboro and Emanuel over the next year. A stable to growing economy helps to strengthen the overall demand for rentals by younger and new immigrant households and to give support for local landlords to increase rents on an annual basis as overall supply versus demand tightens.

In addition, Swainsboro is the center of trade and services for the county, as well as the location of the majority of the major employers in the county. There are on-going signs of service and trade sector growth. The major employment nodes in Swainsboro include four industrial parks, a technology park, the downtown central business district, East Georgia College and significant commercial development along Business US 1 South. Approximately 25% of the workforce commutes out of county to work. Most commute to nearby Bulloch and Toombs Counties.

The Selig Center for Economic Growth (Terry College of Business, University of Georgia) forecasts an annual negative growth rate with slight net employment losses of -0.1% per year between 2005 and 2010 for Emanuel County. Note: In the opinion of the analyst this forecast very well could be overly conservative and in error, based on recent economic development trends in the county since 2005 and up to the present.

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

Major Employment Concentrations



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

Mag 14.00
Fri Jun 02 10:00 2006

Scale 1:37,500 (at center)
2000 Feet
1000 Meters

-  Local Road
-  Major Connector
-  State Route
-  US Highway

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 Swainsboro 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 40-units. 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.

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 on 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 463 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 199 or approximately 43% of the new household formations would be renters.

Based on 2008 income forecasts, 28 new renter households fall into the 50% AMI target income segment of the proposed subject property; and 26 into the 60% AMI target income segment.

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, 26 households were living in renter-occupied dwelling units without complete plumbing facilities in the PMA and 221 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 247.

Based on a field analysis of Swainsboro and Emanuel 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 150 renter households in substandard housing conditions in the PMA.

Based on 2008 income forecasts, 21 substandard renter households fall into the target income segment of the proposed subject property at 50%; and 20 households at 60% AMI.

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 45% of the renters with incomes in the 50% AMI target income segment are rent overburdened; and 25% of the renters with incomes in the 60% AMI target income segment are rent overburdened.

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

In the PMA it is estimated that 144 existing renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property. In the PMA it is estimated that 76

existing renter households are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property.

Total Effective Tenant Pool - PMA

The potential demand from these sources (in the PMA) total 193 households/units at 50% AMI; and 122 households/units at 60% AMI. 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 29 households at 50% of AMI and by 18 households at 60% AMI.

Total Effective Tenant Pool - PMA & SMA

The potential demand from the demand methodology sources from both the PMA and SMA total 222 households/units at 50% AMI; and 140 households/units at 60% AMI. 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, one like-kind competitive family apartment development has been introduced into the PMA. In 2005, the 50-unit Jordan Estates complex was built in Swainsboro. Thirty of the 50-units are at 50% AMI, 30-units at 60% AMI, and 6-units at 30% AMI.

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 Swainsboro, Building, Planning and Zoning, Mr. Bruce Kirby, (478) 237-7025.

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 two awards were made for LIHTC developments in the PMA. Both awards were in 2005. One award was for a comparable family development, Jordan Estates and the other award was for a non comparable elderly development, Spring Garden. In 2002, the 24-unit Pine Terrace Villas complex was built. However, this is a market rate property and is absent income restrictions.

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

Table 15

Quantitative Demand Estimate: Swainsboro PMA

	AMI	AMI
• <u>Demand from New Growth - Renter Households</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2008)	2,432	2,432
Less: Current Number of Households (2000)	<u>2,233</u>	<u>2,233</u>
Change in Total Renter Households	+ 199	+ 199
% of Renter Households in Target Income Range	<u>14%</u>	<u>13.25%</u>
Total Demand from New Growth	28	26
• <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2000)	247	247
Number of Households in Substandard Housing(2008)	150	150
% of Substandard Households in Target Income Range	<u>14%</u>	<u>13.25%</u>
Number of Income Qualified Renter Households	21	20
• <u>Demand from Existing Renter Households</u>		
Number of Renter Households (2008)	2,432	2,432
Minus substandard housing segment	150	150
Net Number of Existing Renter Households	2,282	2,282
% of Households in Target Income Range	<u>14%</u>	<u>13.25%</u>
Number of Income Qualified Renter Households	319	302
Proportion Income Qualified (that are Rent Overburden)	<u>45%</u>	<u>25%</u>
Total	144	76
• <u>Net Total Demand from the PMA</u>	193	122
• <u>Secondary Market Area Adjustment</u>		
Net Total Demand	193	122
Adjustment Factor of 15%	<u>15%</u>	<u>15%</u>
Demand from SMA Adjustment	29	18
• <u>Gross Total Demand (PMA & SMA)</u>	222	140
Minus New Supply of Competitive Units (1999-2008)	<u>- 14</u>	<u>- 30</u>
• <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	208	110

Capture Rate Analysis

Total Number of Households Income Qualified = 318. For the subject 40 LIHTC units this equates to an overall LIHTC Capture Rate of 12.6%.

LIHTC Capture Rates by AMI

	50%	60%
● <u>Capture Rate</u> (40 unit subject, by AMI)	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	14	26
Number of Income Qualified Households	208	110
Required Capture Rate	6.7%	23.6%
● <u>Total Demand by Bedroom Mix</u>		

It is estimated that approximately 30% of the target group fits the profile for a 2BR unit, 45% for a 3BR unit and 25% of the target group is estimated to fit a 4BR unit profile. Source: Table 5 and Survey of the Competitive Environment.

Total Demand by Bedroom Type (at 50% AMI) -

2BR	-	62
3BR	-	94
4BR	-	52
Total	-	208

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
2BR	62	0	62	1	1.6%
3BR	94	0	94	9	9.6%
4BR	52	0	52	4	7.7%

* 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) -

2BR - 33
3BR - 50
4BR - 27

Total - 110

	<u>Total Demand</u>	New <u>Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
2BR	33	0	33	2	6.1%
3BR	50	0	50	16	32.0%
4BR	27	0	27	8	29.6%

* 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.

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 12 months (at 3 to 4-units per month on average). The most likely/best case rent-up scenario suggests a 9-month rent-up time period (an average of 4 to 5-units per month).

Note: The absorption of the project is contingent upon an attractive product, professional management, including a strong marketing and pre-leasing program.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93 or higher.

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 introduction of the proposed development will probably have little to no long term negative impact on the PMA program assisted apartment market. However, short term negative impact of up to 12 months should be expected at both the Swainsboro and Moring USDA-RD Section 515 family complexes. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than / up to 1 year. (**Note:** This expectation is contingent upon neither catastrophic natural nor economic forces effecting the Emanuel 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 Swainsboro apartment market is representative of a semi-rural apartment market, with a mixture of a number of small to mid-size program assisted properties and market rate properties. At present, the market has six program assisted properties (excluding the local housing authority), of which three solely target the elderly population and three target the general population. The market has several small to mid-size conventional apartment complexes, with the remainder of the rental supply comprising mostly single-family homes and duplexes for rent. The majority of the market rate supply (located in the rural areas of the PMA outside of Swainsboro) consists primarily of single-family homes for rent and single-wide trailers. The exception is a small USDA-RD elderly complex located in Twin City.

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

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 9%. The typical occupancy rate reported for these properties ranged between 90% and 97%. The three elderly properties each maintained a waiting list and at the time of the survey were close to 100% occupied.
- * The primary reason for the higher than usual vacancy rate among the program assisted properties was owing to the recent large number of evictions at the Swainsboro USDA-RD family complex. In addition, the two USDA-RD family properties are still adjusting to the introduction of Jordan Estates during 2005.
- * The newest program assisted property in Swainsboro is Jordan Estates. Jordan Estates is a 50-unit LIHTC/Home family complex that was built in 2005. The property was 100% occupied within two months. At the time of the survey, management reported that there were 30 applicants on the waiting list.
- * At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties was 7%. The overall estimated vacancy rate of non program assisted properties in the

market including the area single-family houses for rent, single-wide trailers and duplexes is at or less than 5%.

* The Swainsboro apartment market (that participated in the survey) has two market rate apartment properties, comprising 58 two-bedroom units. Two-bedroom net rents range between \$400 and \$600 and three-bedroom at \$525.

* Other than a few small to mid-size conventional apartment properties in Swainsboro, the majority of the market rate rentals in the PMA consist of single-family houses for rent, duplexes and single-wide trailers. In Swainsboro, most single-family rent houses rent between \$400 and \$600. 3BR & 4BR rentals range between \$450 and \$650. It was noted several times that the local rental market has very few 4BR units for rent and those that are in the market command a rent near the top of the 3BR rental market which is estimated at \$600. For the most part the majority of the market rate rentals are 2BR units with a few 1BR and 3BR units.

* In the rural areas of the county it was reported that most of the 2BR/1b trailers rent for \$275 to \$350 and 3BR/1b trailers rent for \$325 to \$400.

* Overall, the local real estate offices reported that the local rental market is strong, owing primarily to recent growth. The respondents stated that the proposed subject property rents will be very competitive in the market and that there "should be not problem in filling the units".

Sources: (1) Kilpatrick & Sconyers Agency, Ms. Patsy,
(478) 237-3942

(2) Livingston Realty, (478) 237-3942

(3) The Forest-Blade, 5/17/06

* At the time of the survey, none of the program assisted properties in Swainsboro were offering rent concessions.

* Among the most comparable apartment properties in the PMA to the subject are: Jordan Estates (a LIHTC/Home family property), Quail Ridge and Pine Terrace, both conventional properties.

Emanuel County HUD Section 8 Voucher Program

The GA-DCA manages the HUD Section 8 Voucher program for Swainsboro and Emanuel County. Currently, 98 Section 8 vouchers are in use in Emanuel County. The waiting list for a voucher in Emanuel County is moderately long, with 38 applicants, owing to the fact that the list was just recently re-opened in February, 2006 to accept new applicants. Source: Mr. Patrick McNally, GA-DCA, Waycross Office, (912) 285-6280.

Fair Market Rents

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

Efficiency	= \$ 299
1 BR Unit	= \$ 347
2 BR Unit	= \$ 458
3 BR Unit	= \$ 558
4 BR Unit	= \$ 714

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

Source: 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 Swainsboro PMA competitive environment.

Table 16											
SURVEY OF SWAINSBORO APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3B R-4BR	Vac. Units	1BR Rent	2BR Rent	3BR - 4BR Rent	SF 1BR	SF 2BR	SF 3BR-4BR
Subject	40	--	3	37	Na	--	\$350	\$400-\$450	--	950	1050-1350
Jordan Estates	50	8	34	8	0	\$170-\$275	\$199-\$355	\$227-\$395	813	1077	1275
Swainsboro	36	16	14	6	7	\$285	\$300	\$315	703	995	1272
Moring	36	6	30	--	4	\$315	\$325	--	703	995	--
Pine Terrace	24	--	24	--	1	--	\$570-\$600	--	--	1052	--
Quail Ridge	34	--	28	6	3	--	\$400-\$475	\$525	--	995	1272
Total*	180	30	130	20	15						

* - Excludes the subject property

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 subject is competitive to very competitive with all of the existing program assisted apartment properties in the market regarding the unit and development amenity package.

Table 17													
SURVEY OF SWAINSBORO 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	x
Jordan Estates	x	x			x	x	x	x	x	x	x	x	x
Swainsboro					x			x	x	x	x		x
Moring	x				x			x	x	x	x		x
Pine Terrace						x	x	x	x	x	x		x
Quail Ridge			x			x		x	x	x	x		x

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

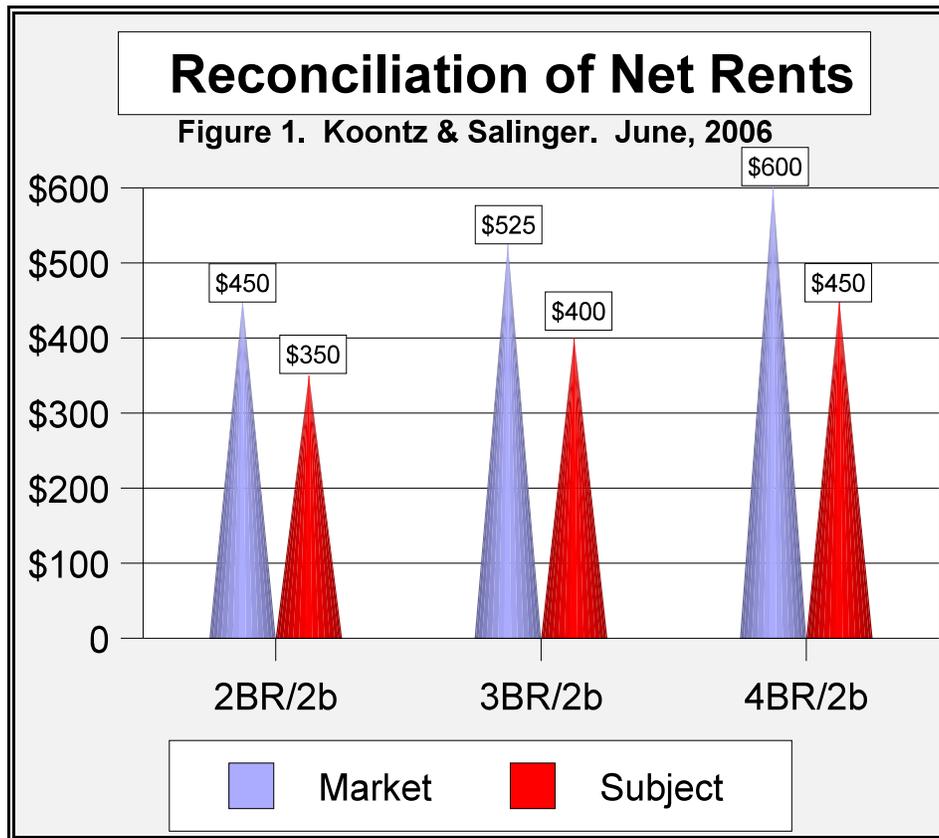
The survey of the competitive environment (which included local real estate professionals) revealed the following market based findings regarding net rents. Figure 1 below exhibits the estimated median market rate net rents by bedroom type in relation to the proposed subject property net rents at 50% and 60% of AMI.

Data Set

<u>Bedroom Type</u>	<u>Market Estimate*</u>	<u>Subject Rents at</u>	
		<u>50% AMI</u>	<u>60% AMI</u>
2BR/2b	\$450	\$350	\$350
3BR/2b	\$525	\$400	\$400
4BR/2b	\$600	\$450	\$450

* net rent - for comparable units

Figure 1, reveals that the proposed subject 2BR/2b net rent at 50% & 60% AMI is approximately 22% less than the comparable/competitive 2BR/2b net rents. The proposed subject 3BR/2b net rent at 50% & 60% AMI is approximately 24% less than the comparable/competitive 3BR/2b net rents. The proposed subject 4BR/2b net rent at 50% & 60% AMI is approximately 25% less than the comparable/competitive 4BR/2b net rents.



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 63.

Survey of the Competitive Environment-Program Assisted

1. Jordan Estates Apartments, 221 E Pine St (478) 237-9223

Contact: Marie Dale, Mgr. (5/23/06)
Date Built: 2005
Contact Type: In person interview

Type: LIHTC/Home
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>			<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
		30%	50%	60%			
1BR/1b	8	\$170	\$246	\$275	\$ 86	813	0
2BR/2b	34	\$199	\$334	\$355	\$111	1077	0
3BR/2b	8	\$227	\$376	\$395	\$137	1275	0
Total	50 - 6	14	30				0

Typical Occupancy Rate: 97% **Waiting List:** Yes (30 apps)
Security Deposit: \$250 **Concessions:** No
Utilities Included: Water, sewer, trash **Turnover:** 1 to 2 per month

Amenities - Unit

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

Amenities - Project

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

Design: 2 story walk-up

Remarks: 3 tenants have a Section 8 voucher; tenants came from the city and a county-wide area; the complex was absorbed over a 2 month period; 2BR units are in most demand; walk-in traffic is about 40 households per month; several tenants came from the local PHA and USDA-RD family complexes



2. Swainsboro Apartments, 335 E Pine St (478) 237-7136

Contact: Linda, Mgr. (5/15/06)
Date Built: 1984
Contact Type: Telephone interview

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	16	\$285	\$423	703	3
2BR/1.5b	14	\$300	\$447	995	3
3BR/1.5b	6	\$315	\$466	1272	1
Total	36				7

Typical Occupancy Rate: 90%
Security Deposit: \$175
Utilities Included: Allowance & trash

Waiting List: Yes (25 apps)
Concessions: No
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	Patio

Amenities - Project

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

Design: 1-story, 2 story and townhouse

Remarks: 20-units have RA; 1BR utility allowance is \$130; 2BR \$147; 3BR \$191; 6-units have been "down", 2 of these units will become available in June



3. Moring Apartments, 409 W Moring St

(478) 237-9780

Contact: Linda, Mgr. (5/15/06)

Type: USDA-RD fm

Date Built: 1986

Condition: Good

Contact Type: Telephone 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	6	\$315	\$395	703	0
2BR/1b	6	\$325	\$455	995	0
2BR/1.5b	24	\$325	\$455	995	4
Total	36				4

Typical Occupancy Rate: 92%

Waiting List: Yes (11 apps)

Security Deposit: \$175

Concessions: No

Utilities Included: Allowance & trash

Turnover: 3-units per mo

Amenities - Unit

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

Amenities - Project

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

Design: 1-story and townhouse

Remarks: 4-units have RA; 1BR utility allowance is \$73; 2BR \$103; had several recent evictions owing too to many people in the unit



4. Swainsboro Public Housing

(478) 237-7381

Contact: Mr. Hall, Ex Dir (5/15/06)
Date Built: 1952-1979
Contact Type: Telephone interview

Type: PHA
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Flat Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	*	BOI	Na	*
2BR/1b	*	BOI	Na	*
3BR/2b	*	BOI	Na	*
4BR/2b	*	BOI	Na	*
5BR/2b	*	BOI	Na	*
Total	343			0

Typical Occupancy Rate: 95%
Security Deposit: BOI
Utilities Included: Yes

Waiting List: Yes
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	No
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: 1-story

Remarks: includes projects in Adrian and Garfield; currently undergoing remodeling of existing units - 20-units have been completed



Survey of the Competitive Environment-Market Rate

1. Pine Terrace Apartments, 120 Louise St (478) 494-0084

Contact: Ms. Tonia Underwood (5/16/06) **Type:** Conventional
Date Built: 2002 **Condition:** Excellent
Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	24	\$575-\$600	1052	1
Total	24			1

Typical Occupancy Rate: 95% **Waiting List:** Na
Security Deposit: 1 month **Concessions:** No
Utilities Included: Trash removal **Turnover:** "low"

Amenities - Unit

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

Amenities - Project

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

Design: Two story walk-up

Remarks: set up for satellite tv; microwave units in kitchen



2. Quail Ridge Apartments, 1064 SR 56 S

(478) 668-3645

Contact: Earlene Wimberly, (6/5/06)

Type: Conventional

Date Built: 1985

Condition: Good

Contact Type: Telephone interview

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1-1.5b	28	\$400-\$475	995	2
3BR/2b	6	\$525	1272	1
Total	34			3

Typical Occupancy Rate: 90%

Waiting List: Sometimes

Security Deposit: 1 month rent

Concessions: No

Utilities Included: water, sewer

Turnover: 3 per month

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	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	Yes
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	Yes	Picnic Area	No

Design: 1 story (duplexes); townhouse and 2 story walk-up

Remarks:



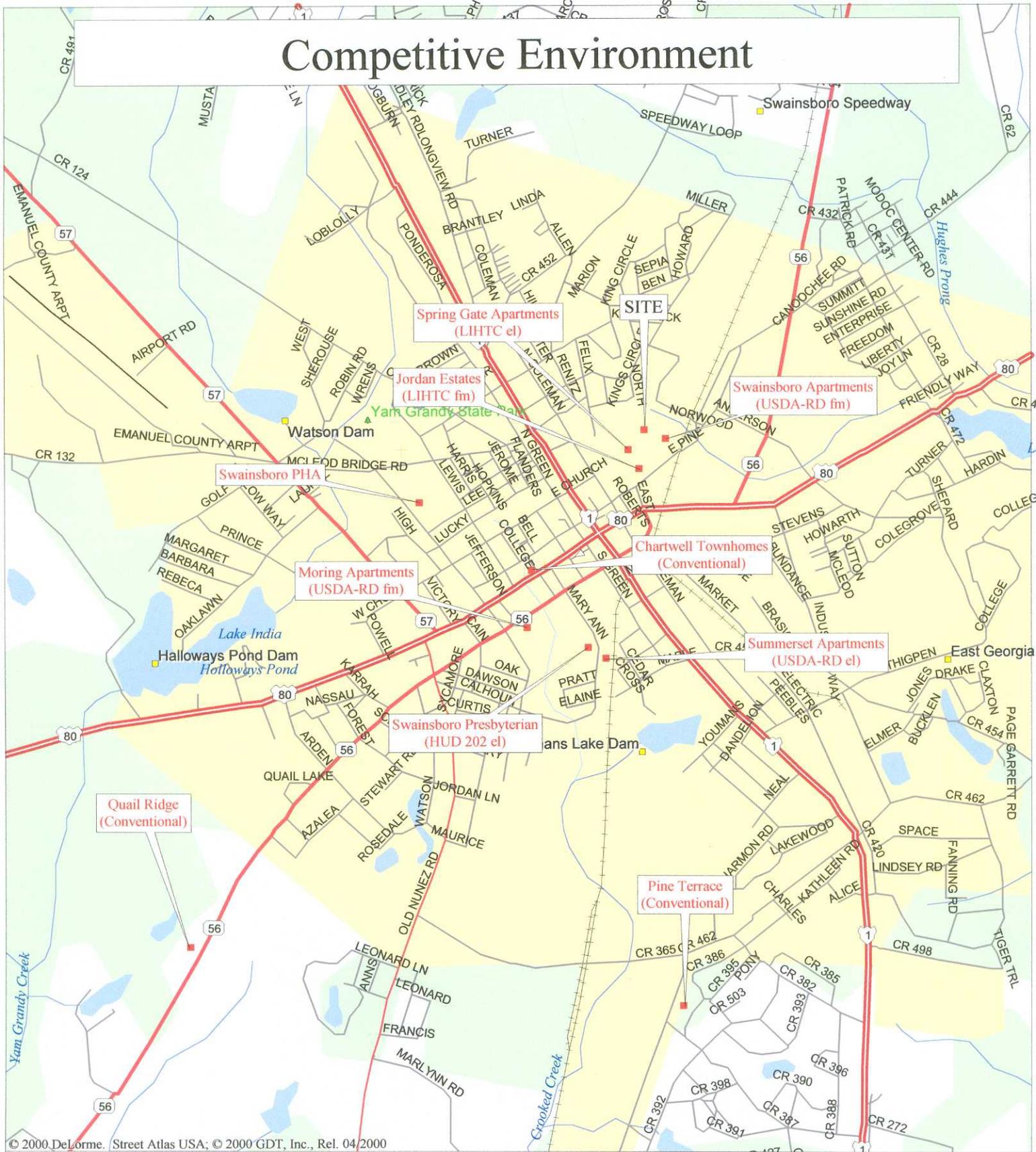
3. Chartwell Townhomes, Moring St

(478) 763-3100

Chartwell is a small 12 to 16-unit property located at the corner of Moring and Roberts Street. Many attempts were made to contact management and/or the owner. None were successful. Local sources in Swainsboro guessed that the units were all 2BR and most likely rent in the area of \$400 to \$450. The property is at least 20 years old (or older). Several window surveys of the property indicated that it was well occupied.



Competitive Environment



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

Mag 14.00
Fri Jun 02 10:11 2006

Scale 1:31,250 (at center)
2000 Feet
1000 Meters

- Local Road
- Major Connector
- State Route
- US Highway

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 Clerks Office and the City Building, Planning and Zoning Office were contacted, Mr. Bruce Kirby, (478) 237-7025. At the time of the interview representatives of the City of Swainsboro expressed a positive opinion of support for the proposed LIHTC family development in Swainsboro. It was stated that the city council was in 100% support of the proposed development. The City has committed to provided financial support of almost \$14,000 per year, over a ten year period for the proposed development in the form of subsidized water and reduced garbage removal fees.

(2) - Ms. Marie Dale, Manager of the Jordan Estates (LIHTC/Home-family) Apartments was interviewed (in person), (478)237-9223. At the time of the interview Ms. Dale expressed a very positive opinion regarding the proposed LIHTC development in Swainsboro. Ms. Dale stated that "there is need" for additional non elderly affordable housing in Swainsboro. She stated that there is a need for families with large households requiring at least three-bedroom. In her opinion, the fact that the proposed development will comprise single-family homes for rent represents a product that will be very well received by the market and mostly likely filled very quickly. At present, her property typically has a waiting list with 30 to 40 applicants. Most of her tenants came from a county-wide area, with several coming from the local housing authority and the two USDA-RD family properties in the City. In summary, she believes that the proposed development would be absorbed in short order given present LIHTC demand characteristics in Swainsboro.

(3) - Linda, the manager of Moring and Swainsboro USDA-RD Section 515 family properties was interviewed, (478) 237-9780. She stated that even though her properties might be impacted in the short term, the fact that the proposed development is mainly 3BR and 4BR units and they are single-family homes for rent suggests to her that: (1) she will not have many tenants leave because she typically has to turn away many large households owing to a lack of 3BR units and (2) the proposed development should be filled quickly by households already renting older substandard rental homes and trailers in the area.

(4) - Mr. Roger Hall, the Executive Director of the Swainsboro Public Housing Authority was interviewed, (478) 237-7381. Mr. Hall stated that "there is not a need" for additional LIHTC housing serving Swainsboro and Emanuel County. He stated that the proposed application was "not a good idea" and that the market already has "too much inventory in the area". He stated that he has been of this opinion for over the last four years. One of his primary concerns is filling units that become vacant. Even though the Housing Authority has a good track record in maintaining high occupancy rates, it has become more difficult in the recent past, particularly since Jordan Estates and Spring Garden were introduced into the market. A primary concern of the Authority is an increase in vacancy rates among his housing stock.

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 Hickory Trace (a proposed LIHTC single-family for rent multi-family project) 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 **40** units.

2. Assessment of rents - The proposed net rents will be very competitive in the PMA.

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, subsequent to initial lease-up, is forecasted to be 93% or higher.

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 in the long term.

SECTION J
ANALYST QUALIFICATIONS

Koontz 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	viii
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	1
Existing or proposed project based rental assistance	Page	1
Proposed development amenities	Page	2
For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page	Na
Projected placed in service date	Page	2
Construction type	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	14
Physical features of Subject Property and Adjacent Uses	Page	3 & 4
Subject Photographs	Page	5 - 8

Map identifying location of subject as well as closets facilities	Page	11
Developments in vicinity to subject & proximity in miles	Page	12
Map identifying existing low-income housing within the PMA	Page	13
Road or infrastructure improvements planned or under construction	Page	3
Comment on access, ingress/egress and visibility of subject	Page	14
Any visible environmental or other concerns	Page	14
Overall conclusions of site and their marketability	Page	14

D. Market Area

Map identifying Subject's Location within PMA	Page	17
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	19
---	------	----

1. Population Trends

a. Total Population	Page	18&20
b. Population by Age Group	Page	21
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	22&23
b. Households by tenure (# of owner & renter households)	Page	26
c. Households by Income	Page	28&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	39
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	54
Demand Analysis Using Projected Service Date (within 2 years)	Page	40-47
a. New Households Using Growth Rates from Reputable Source	Page	41
b. Demand from Existing Households	Page	42
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	44&45

f. Capture Rates for Each Bedroom Type	Page 46&47
g. Anticipated Absorption period for the property	Page 48

G. Supply Analysis

Comparative chart of subject amenities & competing projects	Page 53
Supply & analysis of competing developments under construction and pending	Page 49
Comparison of competing developments	Page 52
Rent Comparable Map (showing subject & comparables)	Page 63
Rental Assisted Projects in PMA	Page 56-59
Multi-family Building Permits issued in PMA in last two years	Page 27

H. Interviews

Names, Title, and Telephone # of Individuals Interviewed	Page 64
--	---------

I. Conclusions & Recommendations

Conclusion as to Impact of Subject on PMA	Page 66
Recommendation as to Subject's Viability in PMA	Page 66

J. Signed Statement

Signed Statement from Analyst	Page 68
-------------------------------	---------