

# Market Feasibility Analysis

**Bethany Senior Village**  
**Northeast portion of Bethany Road and U.S. Highway 441**  
**Madison, Morgan County, Georgia 30650**  
**(Morgan County)**

*Prepared For*

**Mr. Denis Blackburne**  
**The Woda Group, Inc.**  
*Parallel Housing, Inc (Developer)*  
**329 Huber Village Boulevard, Suite 100**  
**Westerville, Ohio 43081**

*Effective Date*

**June 10, 2013**

*Job Reference Number*

**13-297 JW/PB**



155 E. Columbus Street, Suite 220  
Pickerington, Ohio 43147  
Phone: (614) 833-9300  
Bowennational.com

## TABLE OF CONTENTS

- A. Executive Summary
  - B. Project Description
  - C. Site Description and Evaluation
  - D. Primary Market Area Delineation
  - E. Community Demographic Data
  - F. Economic Trends
  - G. Project-Specific Demand Analysis
  - H. Rental Housing Analysis (Supply)
  - I. Absorption & Stabilization Rates
  - J. Interviews
  - K. Conclusions & Recommendations
  - L. Signed Statement
  - M. Market Study Representation
  - N. Qualifications
- Addendum A – Field Survey of Conventional Rentals  
Addendum B – Comparable Property Profiles  
Addendum C – Market Analyst Certification Checklist  
Addendum D – Methodologies, Disclaimers & Sources  
Addendum E – Achievable Market Rent Analysis

## SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the proposed Bethany Senior Village rental community utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Madison, Georgia. Based on the findings contained in this report, we believe a market will exist for the subject development, as long as it is constructed and operated as proposed in this report.

### **1. Project Description:**

Bethany Senior Village involves the new construction of a 44-unit, age-restricted Low Income Housing Tax Credit (LIHTC) affordable rental community property to be located at the northeast portion of the intersection of Bethany Road and U.S. Highway 441. The proposed project will be available to senior households (ages 55 and older) with incomes up to 50% and 60% of Area Median Household Income (AMHI). The site will offer one- and two-bedroom units with proposed Tax Credit collected rents ranging from \$450 to \$595. Additional details regarding the proposed project are included in Section B of this report.

### **2. Site Description/Evaluation:**

The single-family homes within the site area are generally in good condition and will have a positive affect on the marketability of the site. A majority of the immediate surrounding land uses to the north, east and south consist of undeveloped, wooded land, creating a serene and tranquil atmosphere that is considered desirable among the senior population. Overall access is considered good as the site is within close proximity of State Routes 12, 24, 83 and 402, U.S. Highways 129, 278 and 441 and Interstate 20. On-call, on-site pickup senior (ages 60+) transportation services are also available. Overall visibility is considered good as it can be clearly seen traveling on U.S. Highway 129/441/State Route 24, an arterial roadway used to access the site. The site is close to shopping, employment and recreation opportunities, and social services and public safety services are all within 2.3 miles. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

### **3. Market Area Definition:**

The Madison Site PMA includes all of Morgan County, as well as Greensboro and the surrounding unincorporated areas of Greene County, Georgia. The boundaries of the Site PMA include the Morgan County line and the Oconee National Forest to the north; Cunningham Road, Siloam town limits, State Route 15/77 and White Plains town limits to the east; White Plains-Veazey Road, Leslie Mill Road, Walker Church Road, Wrightsville Church Road, Lake Oconee Parkway, Landing Parkway and the Morgan County line to the south; and the Morgan County line to the west. A map illustrating these boundaries is included on page D-3 of this report and details the furthest boundary is 31.5 miles from the site.

### **4. Community Demographic Data:**

Overall population and households have experienced positive growth since 2000. These trends are projected to remain positive through 2015, increasing by 264 (1.1%) and 157 (1.7%), respectively, from 2013. In addition, population and households ages 55 and older are projected to increase by 355 (4.6%) and 225 (5.5%), respectively, over the same time period. In fact, nearly all household growth that is projected in the market is anticipated to be among households ages 55 and older. This growth indicates an increasing need for senior housing in the market through 2015. Further, the proposed development will target one- to two-person senior renter households which comprise the majority of such households within the Site PMA. As such, the subject site will be able to accommodate most of the Site PMA's senior renter households based on household size. The preceding factors will have a positive impact on the marketability of the subject site.

### **5. Economic Data:**

According to a local representative with the Madison-Morgan County Chamber of Commerce, the local economy is currently growing. There have been various announcements of new businesses developing within the county, totaling over one billion dollars in investments and creating over 1,500 new jobs. Notably, Baxter International is currently constructing a plasma fractionation facility in the western portion of the county in Stanton Springs, which is anticipated to employ 1,500 workers.

Based on ESRI data and employment data from the Bureau of Labor Statistics, the county's employment base consistently increased between 2010 and 2012, then declined by 1.3% between 2012 and March 2013. On the other hand, the unemployment rate consistently decreased within the preceding four-year period; however, is still considered moderately high, averaging 7.7% through March 2013.

Considering the moderately high unemployment rate and the declining employment base, the need for affordable housing has remained strong, as evidenced by the typically high occupancies of the affordable housing projects in the Site PMA. In addition, a high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

## **6. Project-Specific Affordability and Demand Analysis:**

Per GDCA guidelines, projects in rural markets with an overall capture rate of 35% or below are considered acceptable. As such, the project's overall capture rate of 31.9% is considered achievable, especially considering the lack of affordable non-subsidized age-restricted housing within the market. In addition, we also anticipate a sufficient amount of support will originate from senior homeowners due to the unit designs and lack of non-subsidized senior LIHTC housing within or near the market area. However, per GDCA methodology, demand from senior homeowners is limited to 2% of total demand. We anticipate a greater percentage of support will generate from homeowners looking to downsize from their homes and seeking a maintenance free housing alternative, especially considering that income-qualified senior homeowners do not have an affordable rental housing option currently available to them. As such, the overall capture rate is considered conservative.

## **7. Competitive Rental Analysis**

Given the lack of non-subsidized age-restricted Low-Income Housing Tax Credit (LIHTC) projects within the market, we identified one family (general-occupancy) LIHTC project within the Madison Site PMA that offers similar unit styles as the subject project. This project, Orchard Grove Apartments (Map I.D. 3) targets households with incomes up to 50% and 60% of Area Median Household Income (AMHI) and, as such, is considered comparable. Given the lack of non-subsidized LIHTC housing within the market, we have identified and surveyed two additional LIHTC projects that offer at least some units that operate under the LIHTC program outside of the Site PMA, but within the region. These two projects target households with incomes up to 50% and 60% of AMHI and are considered comparable. It should be noted that these two projects are not considered competitive as they derive demographic support from a different geographical area. As such, these properties have been included for comparison purposes only. The three comparison LIHTC properties and the proposed subject project are summarized in the table on the following page.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Bethany Senior Village</b>	<b>2015</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Seniors 55+; 60% AMHI</b>
3	Orchard Grove Apts.	2004	62	100.0%	1.9 Miles	30 H.H.	Families; 50% & 60% AMHI
901	Harristown Park	2011	60	100.0%	25.5 Miles	400 H.H.	Seniors 55+; 50% & 60% AMHI
904	Skyline Trace	2010	59*	100.0%	24.7 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

Map IDs 901 & 904 are located outside of the Site PMA

\*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0%, indicating pent-up demand for affordable housing in both the market and region. It should be noted that there are no non-subsidized age-restricted LIHTC projects within the market. As such, the subject project will provide a rental housing alternative to low-income senior households which is currently underserved in the Madison Site PMA.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
<b>Site</b>	<b>Bethany Senior Village</b>	<b>\$548/50% (3)</b> <b>\$548-\$608/60% (15)</b>	<b>\$625/50% (4)</b> <b>\$720/60% (22)</b>	<b>-</b>	<b>-</b>
3	Orchard Grove Apts.	-	\$577/50% (28/0) \$577/60% (18/0)	\$699/50% (10/0) \$699/60% (6/0)	None
901	Harristown Park*	\$556/50% (2/0) \$556/60% (10/0)	\$657/50% (7/0) \$667/60% (41/0)	-	None
904	Skyline Trace	\$672/50% (3/0) \$731/60% (3/0)	\$772/50% (10/0) \$842/60% (19/0)	\$888/50% (8/0) \$933/60% (16/0)	None

Map IDs 901 & 904 are located outside of the Site PMA

\*Age-restricted; 55+

The proposed subject gross rents, ranging from \$548 to \$720, will be within the range of gross rents offered at the comparable LIHTC project's one- and two-bedroom units within the region. Given that all affordable LIHTC projects within the region are 100.0% occupied, indicates that the gross rents offered at such projects are achievable. Further, the proposed development will be the only non-subsidized age-restricted LIHTC project and the only LIHTC project to offer one-bedroom units within the market. As such, the proposed development will be able to provide a rental housing alternative to low-income senior households which is currently underserved within the Site PMA. This will provide the subject site with a competitive advantage.

It should be noted, however, that the proposed subject's two-bedroom gross rents will be the highest when compared with the one LIHTC project in the market, Orchard Grove Apartments (Map I.D. 3). Given that Orchard Grove Apartments is 100.0% occupied and maintains an extensive waiting list, this project may be able to achieve a premium and still maintain a stabilized occupancy. Further, the proposed development will be the newest community in the market, offering a cottage-style design that is not readily available and is considered appealing to senior residents. Therefore, it is also likely that the proposed development will be able to achieve a premium in the market. Initial lease-up of these particular two-bedroom units will likely be slower than the subject's one-bedroom units. Nonetheless, it is recommended that the developer and/or management monitor market conditions during the initial lease-up period. If the development experiences an extended absorption period, it is likely that the project would need to lower its rents in order to reach a stabilized occupancy.

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the proposed development will be appropriately positioned within the market. It should be noted that the subject's proposed rents will be the highest in the market. However, given that the one non-subsidized LIHTC project in the market is 100.0% occupied and the fact that the proposed development will be the only non-subsidized age-restricted LIHTC project in the market, it is likely that higher rents can be achieved, while maintaining a stabilized occupancy. Additionally, the cottage style design of the subject units will be very marketable to senior households, particularly in a market with limited senior housing alternatives. This will also enable the subject units to get a premium in the market.

## **8. Absorption/Stabilization Estimates**

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2015 renovation completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2015.

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the lack of age-restricted, non-subsidized LIHTC units in the market, the cottage-style project design, the required capture rate, achievable market rents, the demand for all affordable rental housing and the proposed competitiveness of the subject site. Our absorption projections also take into consideration that the developer and/or management successfully markets the project in Morgan County, as well as the

adjacent areas of Greene County. If the development experiences an extended absorption period, it is likely that the project would need to lower its rents in order to reach a stabilized occupancy.

Based on our analysis, it is our opinion that the proposed 44 LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately nine to ten months. This absorption period is based on a conservative average monthly absorption of approximately four to five units per month. We believe the proposed one-bedroom units will lease-up at a higher monthly rate than the two-bedroom units.

These absorption projections assume a 2015 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

#### **9. Overall Conclusion:**

Based on the findings reported in our market study, it is our opinion that a market exists for the 44 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings.

The one non-subsidized general-occupancy LIHTC community located within the Madison Site PMA, Orchard Grove Apartments (Map I.D. 3), is 100.0% occupied and maintains a wait list. It should be noted that there are no age-restricted non-subsidized LIHTC communities within the market. In addition, the proposed development will be the only non-subsidized LIHTC project to offer one-bedroom units within the market. As such, the subject project will provide a rental housing alternative to low-income senior households which is currently underserved in the market. This will provide the subject site with a competitive advantage.

As indicated in Section H of this report, the subject project will offer gross rents within the range of the comparable LIHTC projects within the region. However, it should be noted that when compared with Orchard Grove Apartments, the proposed development will offer the highest gross rents. Given that the one existing non-subsidized LIHTC community is 100.0% occupied and maintains an extensive waiting list, this project may be able to achieve a premium and still maintain a stabilized occupancy. Further, the proposed development will be the newest community in the market, offering a cottage-style design that is not readily available and is considered appealing to senior residents. Therefore, it is also

likely that the proposed development will be able to achieve a premium in the market. Nonetheless, it is recommended that the developer and/or management market the project throughout Morgan County and the adjacent county of Greene during the initial lease-up period and once the project reaches a stabilized occupancy to ensure the success of the proposed development.

**SUMMARY TABLE**

(must be completed by the analyst and included in the executive summary)

Development Name:	Bethany Senior Village	Total # Units:	44
Location:	Northeast corner of Bethany Rd & U.S. Hwy 441, Madison, GA 30650	# LIHTC Units:	44
PMA Boundary:	The Madison Site PMA includes all of Morgan County, as well as Greensboro and the surrounding unincorporated areas of Greene County, Georgia. (Detailed boundaries are located in Section D).		
	Farthest Boundary Distance to Subject:	31.5 miles	

**RENTAL HOUSING STOCK** (found on page Addendum A, pages 4-5)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	426	10	97.7%
Market-Rate Housing	6	161	7	95.7%
Assisted/Subsidized Housing NO LIHTC	3	147	3	98.0%
<b>LIHTC</b>	3	118	0	100.0%
Stabilized Comps	1	62	0	100.0%
Properties in Construction & Lease Up	N/A	N/A	N/A	N/A

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	One	1.0	738	<b>\$450 (50%)</b>	<b>\$457</b>	<b>\$0.61</b>	<b>1.5%</b>	<b>\$575</b>	<b>\$0.78</b>
4	One	1.0	738	<b>\$450 (60%)</b>	<b>\$457</b>	<b>\$0.61</b>	<b>1.5%</b>	<b>\$575</b>	<b>\$0.78</b>
11	One	1.0	738	<b>\$510 (60%)</b>	<b>\$457</b>	<b>\$0.61</b>	<b>-11.6%</b>	<b>\$575</b>	<b>\$0.78</b>
4	Two	1.0	988	<b>\$500 (50%)</b>	<b>\$532</b>	<b>\$0.58</b>	<b>6.0%</b>	<b>\$650</b>	<b>\$0.74</b>
22	Two	1.0	988	<b>\$595 (60%)</b>	<b>\$532</b>	<b>\$0.58</b>	<b>-11.8%</b>	<b>\$650</b>	<b>\$0.74</b>

**DEMOGRAPHIC DATA** (found in Sections E & G)

	2010		2013		2015	
Senior Renter Households	811	18.8%	705	17.3%	751	17.4%
Age & Income-Qualified Renter HHs (LIHTC)	N/A	N/A	175	4.3%	184	4.3%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND** (found on page G-5)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall
Renter Household Growth		6	9			9
Existing Households (Overburd + Substand)		91	127			127
Homeowner conversion (Seniors)		1	2			2
<b>Total Primary Market Demand</b>		98	138			138
Less Comparable/Competitive Supply		0	0			0
<b>Net Income-Qualified Renter HHs</b>		98	138			138

**CAPTURE RATES** (found on page G-5)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate		7.1%	26.8%			31.9%

## SECTION B - PROJECT DESCRIPTION

The proposed project involves the new construction of a 44-unit, age-restricted Low Income Housing Tax Credit (LIHTC) affordable rental community property to be located at the intersection of Bethany Road and U.S. Highway 441 in Madison, Georgia. The proposed project, Bethany Senior Village, will be available to senior households (ages 55 and older) with incomes up to 50% and 60% of Area Median Household Income (AMHI). The site will offer one and two-bedroom units with proposed Tax Credit collected rents ranging from \$450 to \$595. Additional details regarding the proposed project are as follows:

### A. PROJECT DESCRIPTION

- 1. Project Name:** Bethany Senior Village
- 2. Property Location:** Northeast portion of Bethany Road and U.S. Highway 441  
Madison, Georgia 30650  
(Morgan County)
- 3. Project Type:** Tax Credit
- 4. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent of AMHI	Proposed Rents		
						Collected	Utility Allowance	Gross
3	One-Br.	1.0	Garden	738	50%	\$450	\$98	\$548
4	One-Br.	1.0	Garden	738	60%	\$450	\$98	\$548
11	One-Br.	1.0	Garden	738	60%	\$510	\$98	\$608
4	Two-Br.	1.0	Garden	988	50%	\$500	\$125	\$625
22	Two-Br.	1.0	Garden	988	60%	\$595	\$125	\$720
44	Total							

Source: The Woda Group, Inc.  
AMHI – Area Median Household Income (Morgan County, GA; 2013)

- 5. Target Market:** Low-Income Seniors (ages 55+)
- 6. Project Design:** 11 cottage-style residential buildings and one non-residential building
- 7. Project Completion/Opening Date:** August 2015

**8. Unit Amenities:**

Each unit will include the following unit amenities:

- Gas Range
- Refrigerator
- Dishwasher
- Central Air Conditioning
- Washer/Dryer Hookups
- Carpet
- Window Blinds
- Ceiling Fans
- Patio

**9. Community Amenities:**

The subject property will include the following community features

- On-Site Management
- Club House/Community Room
- Walking Trails
- Gazebo
- Laundry Facility
- Fitness Center
- Community Garden
- Picnic Area

**10. Resident Services:**

Not applicable

**11. Utility Responsibility:**

Water, sewer and trash collection will be included in the rent, while tenants are responsible for the following:

- General Electricity
- Electric Heat (Heat Pump)
- Gas Water Heat
- Electric Cooking

**12. Rental Assistance:**

Not applicable

**13. Parking:**

A surface lot with 65 spaces will be available at no additional charge.

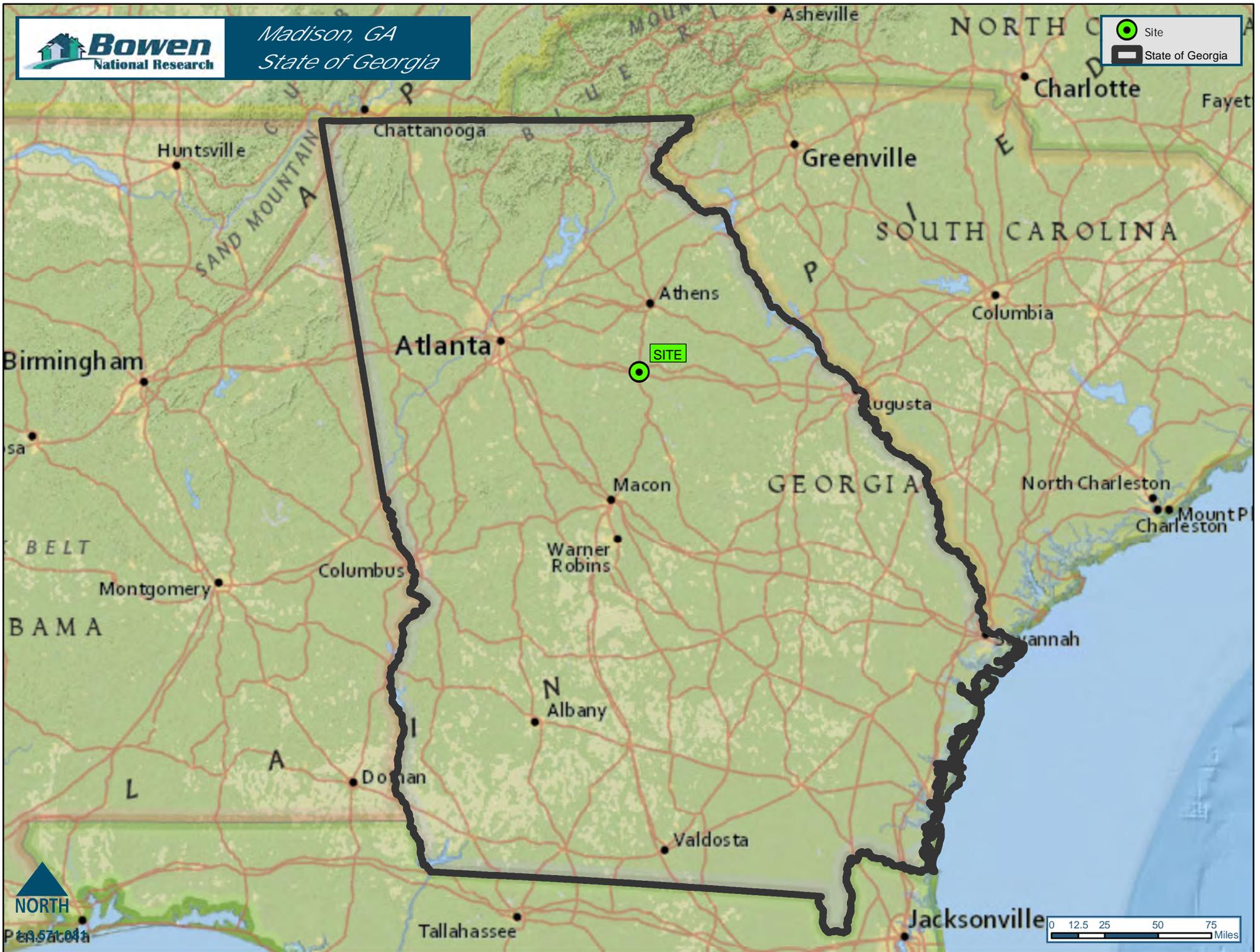
**14. Statistical Area:** Morgan County, Georgia (2013)

A state map, area map and map illustrating the site neighborhood are on the following pages.



Madison, GA  
State of Georgia

Site  
State of Georgia

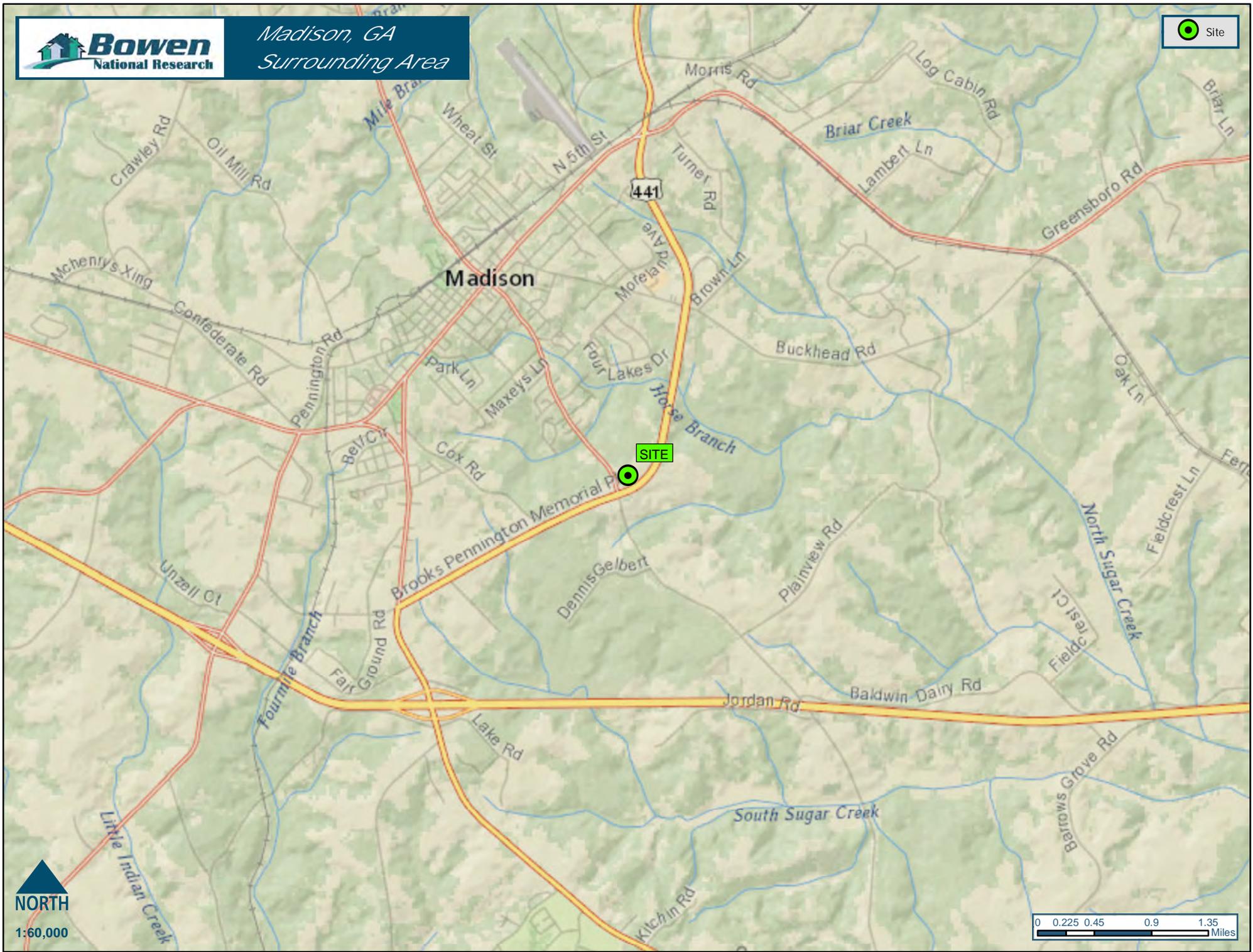


NORTH





*Madison, GA  
Surrounding Area*



**NORTH**  
1:60,000

0 0.225 0.45 0.9 1.35  
Miles

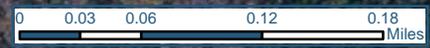


Madison, GA  
Site Neighborhood

Legend  
Site Area



NORTH  
1:6,000



## SECTION C – SITE DESCRIPTION AND EVALUATION

### 1. LOCATION

The subject site consists of undeveloped, wooded land located in the northeast quadrant of U.S. Highway 129/441/State Route 24 and Bethany Road in the southeastern portion of Madison, Georgia. Located within Morgan County, Madison is approximately 27.0 miles south of Athens, Georgia and approximately 61.0 miles east of Atlanta, Georgia. Greg Gray, an employee of Bowen National Research, inspected the site and area apartments during the week of May 6, 2013.

### 2. SURROUNDING LAND USES

The subject site is within a rural area of Madison. Surrounding land uses include single-family homes, commercial businesses, multifamily apartments, undeveloped land and retail businesses. Adjacent land uses are detailed as follows:

<b>North -</b>	Directly north of the site is undeveloped, wooded land and extends further north. Further northwest are commercial businesses in satisfactory condition, a single-family residential neighborhood with homes in good condition and multifamily apartments in satisfactory condition that extend to Bamblewood Drive.
<b>East -</b>	Undeveloped, wood land borders the site to the east and extends to U.S. Highway 129/441/State Route 24. Continuing east are undeveloped land and scattered single-family homes that extend for several miles.
<b>South -</b>	U.S. Highway 129/441/State Route 24, a four-lane divided arterial roadway, borders the site to the south. A modern small office building in good condition is at the southeast corner of Bethany Road and U.S. Highway 129/441/State Route 24. Undeveloped land and scattered single-family homes in satisfactory to good condition extend several miles to the south.
<b>West -</b>	West of the site is bordered by a commercial business and single-family home that are in good condition, followed by Bethany Road, a two-lane arterial roadway. A single-family home in good condition is directly west of Bethany Road, followed by additional scattered single-family homes in satisfactory to good condition and undeveloped, wooded land which extends to Cox Road.

The single-family homes within the site area are generally in good condition and will have a positive affect on the marketability of the site. A majority of the immediate surrounding land uses to the north, east and south consist of undeveloped, wooded land, creating a serene and tranquil atmosphere that is considered desirable among the senior population. This will also likely enhance the subject's marketability. Overall, the subject property fits well with the surrounding land uses and they will contribute to the marketability of the site.

### **3. VISIBILITY AND ACCESS**

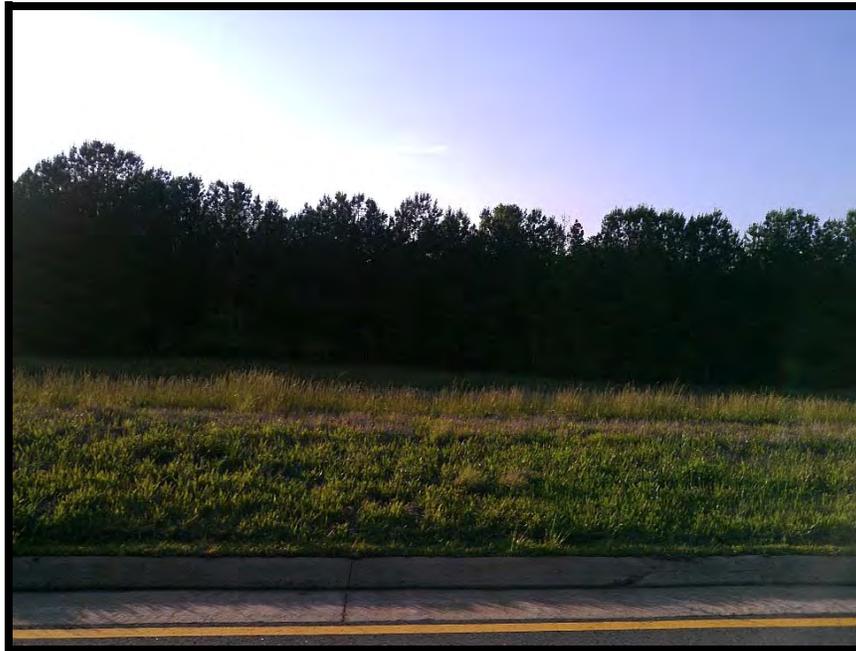
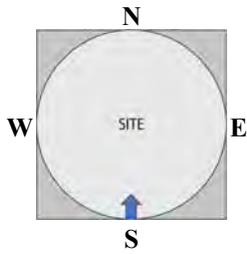
The subject property is at the northeast corner of Bethany Road and U.S Highway 129/441/State Route 24. Both roadways generally consist of light traffic patterns. The proposed development will derive access from Bethany Road, a two-lane arterial roadway. Ingress and egress from the site is considered good, as Bethany Road consists of light traffic with clear lines of site provided in both directions. Motorist accessing Bethany Road traveling on U.S Highway 129/441/State Route 24 will also be convenient due to the light traffic patterns. In addition, the site is within 2.0 miles of State Routes 12, 83 and 402, U.S. Highway 278 and Interstate 20. On-call, on-site pickup senior (ages 60+) transportation services are available. Overall, access to the site is considered good. Visibility of the site from U.S. Highway 129/441/State Route 24 is excellent, as it is unimpeded by the surrounding structures. While traffic on U.S. Highway 129/441/State Route 24 is generally light, the site will be exposed to motorist. Overall, visibility of the site is considered good.

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area. The area is established and electric service is provided by Georgia Power, gas service is provided by Georgia Natural Gas, water service and sewer is provided by city of Madison.

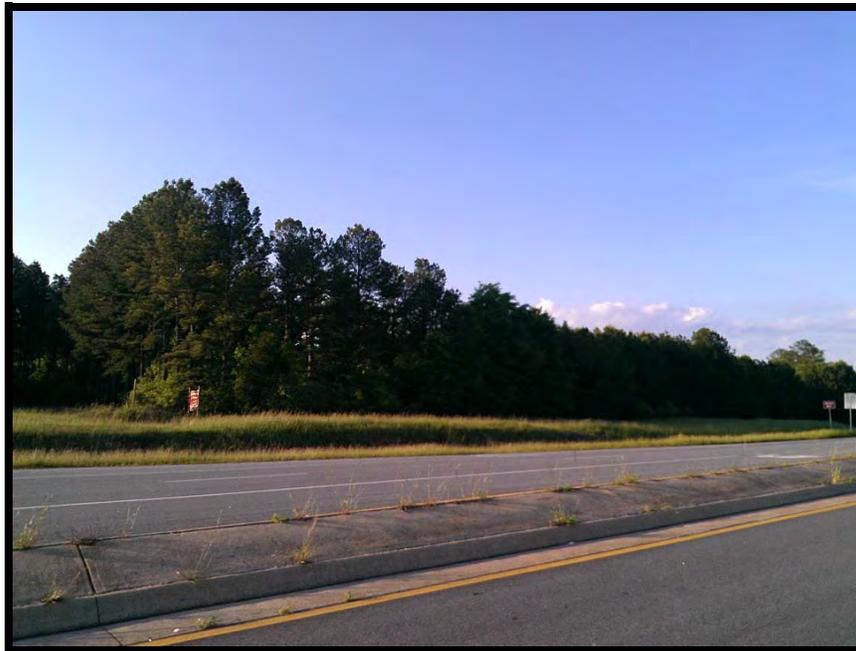
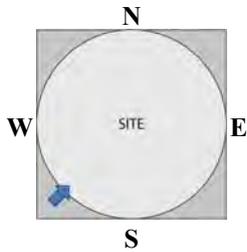
### **4. SITE PHOTOGRAPHS**

Photographs of the subject site are on located on the following pages.

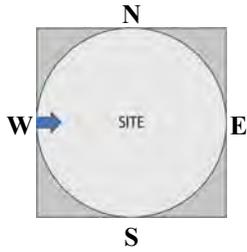
# SITE PHOTOGRAPHS



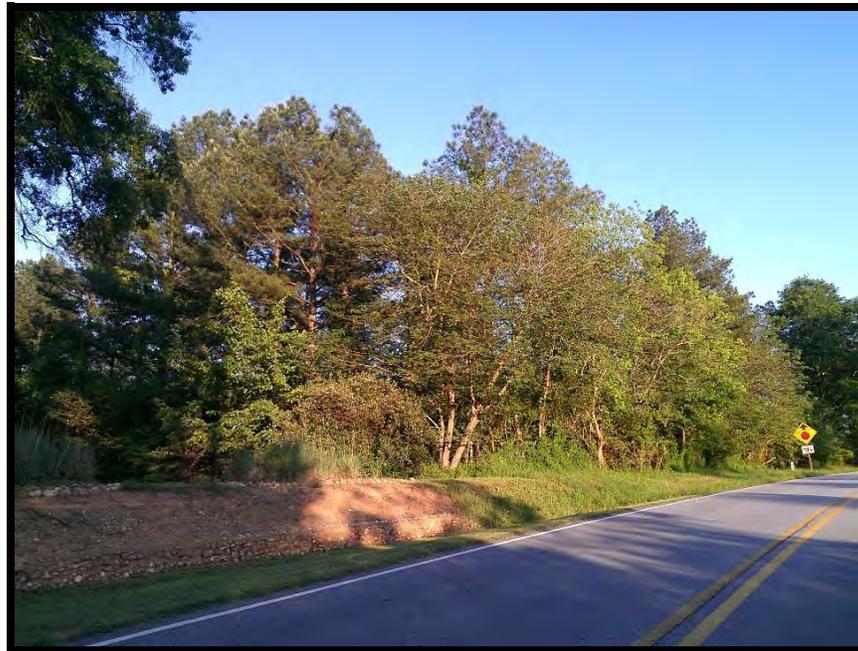
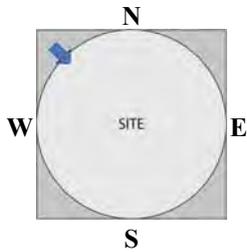
View of site from the south



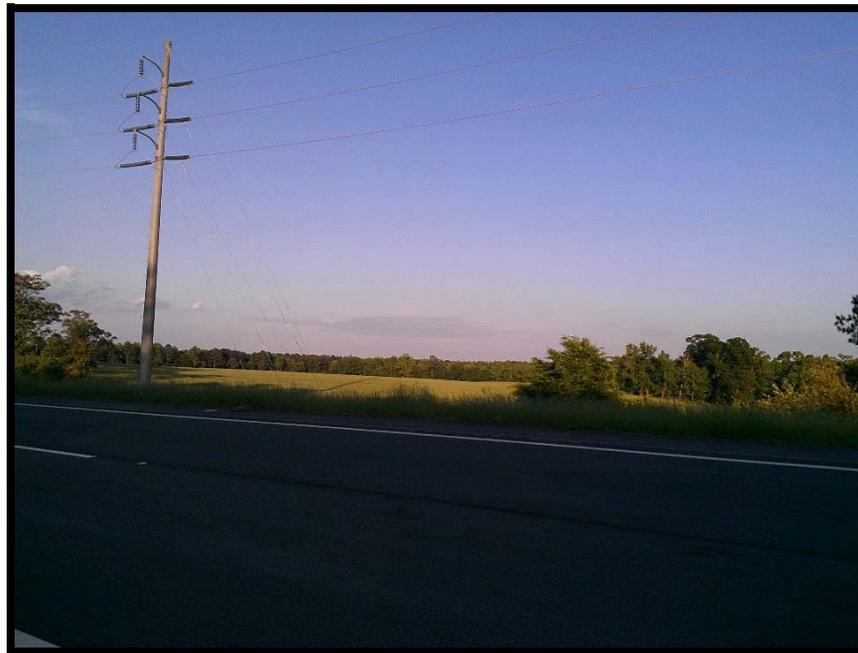
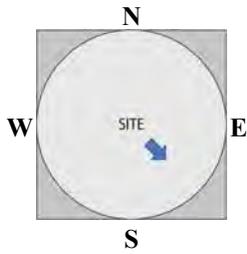
View of site from the southwest



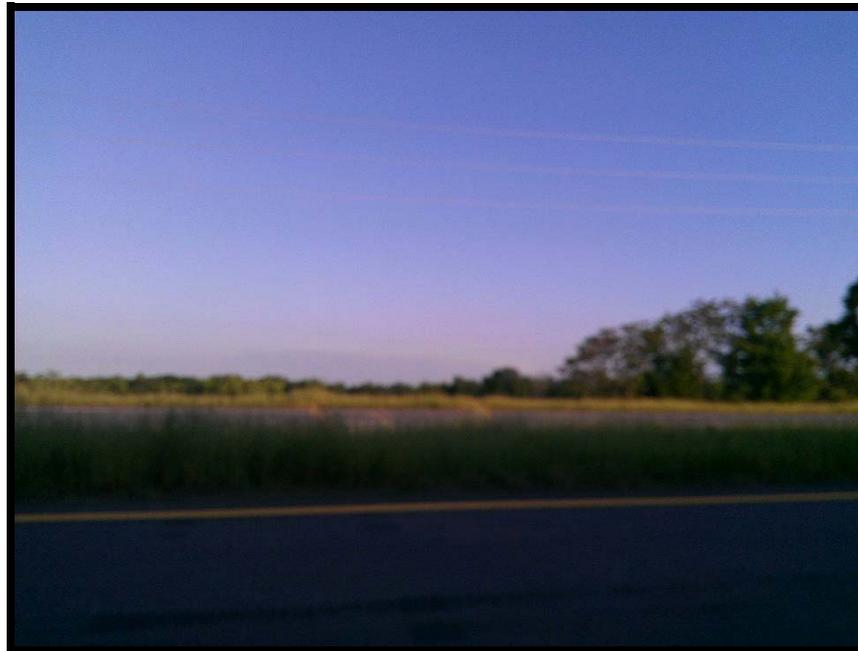
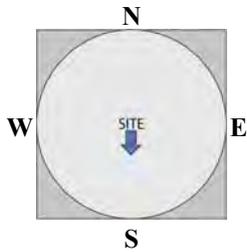
View of site from the west



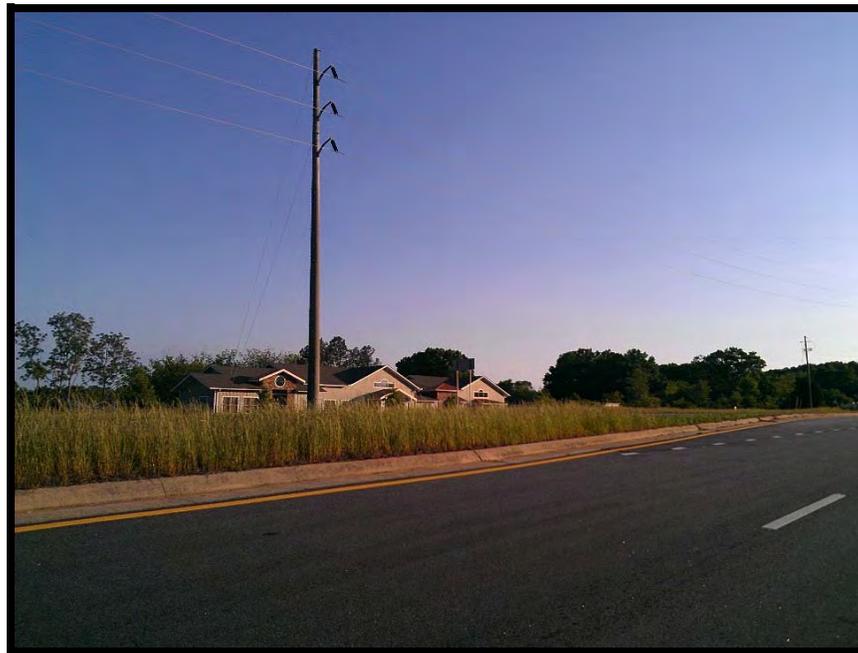
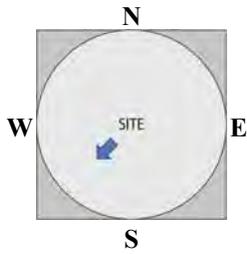
View of site from the northwest



Southeast view from site



South view from site



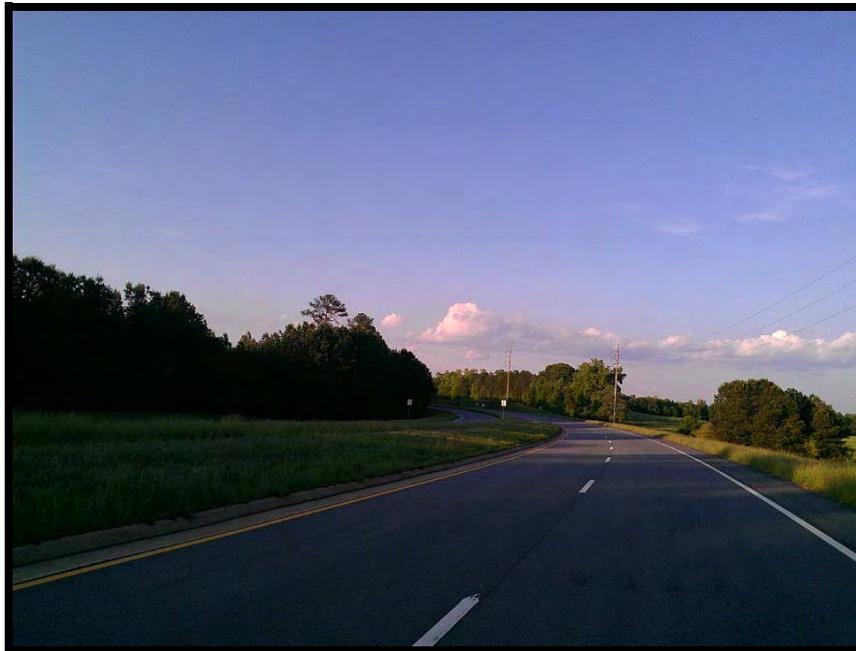
Southwest view from site



North view on Bethany Road



South view on Bethany Road



East view on Lions Club Road (U.S. Highway 441/129, State Route 24)

## **5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE**

The site is served by the community services detailed in the following table:

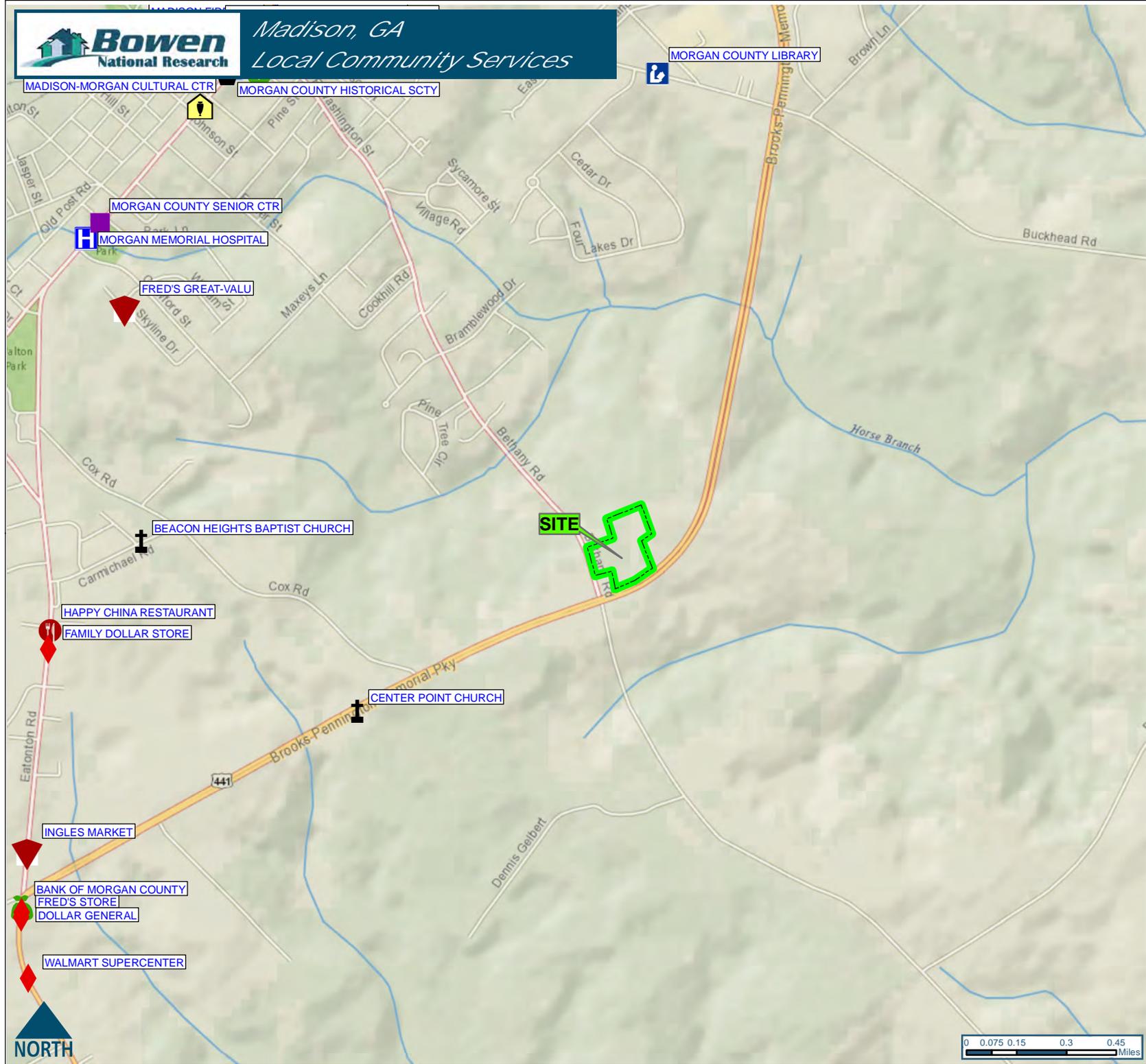
Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 129/441/State Route 24 State Route 12/U.S. Highway 278 Interstate 20	Adjacent South 1.6 Northwest 2.0 Southeast
Public Bus Stop	Morgan County Transit	On-Site
Major Employers/Employment Centers	Walmart Supercenter Morgan Memorial Hospital	1.8 Southwest 2.3 Northwest
Grocery	Walmart Supercenter Ingles Market Fred's Great-Value	1.8 Southwest 1.8 West 2.1 West
Discount Department Store	Walmart Supercenter Dollar General Fred's Store Family Dollar Store	1.8 Southwest 1.9 Southwest 1.9 Southwest 2.0 West
Hospital	Morgan Memorial Hospital	2.3 Northwest
Police	Madison Police Department	1.9 Northwest
Fire	Madison Fire Department	2.0 Northwest
Post Office	U.S. Post Office	1.9 Northwest
Bank	Bank Of Morgan County Sun Trust Bank	1.9 Southwest 1.9 Northwest
Senior Center	Morgan County Senior Center	2.3 Northwest
Gas Station/Convenience Store	David's Amoco Pilot Travel Center	2.0 Northwest 2.3 Southwest
Pharmacy	Walmart Supercenter Thrifty Mac Drug Madison Drug Company	1.8 Southwest 2.0 Northwest 2.0 Northwest
Restaurant	Ye Olde Colonial Restaurant Amici Italian Cafe Happy China Restaurant	1.9 Northwest 1.9 Northwest 1.9 West
Library	Morgan County Library	1.9 North
Golf	Madison Lakes Long Shadow Golf Course	4.5 South 4.5 South
Park	Heritage Park Hill Park	1.5 Northeast 2.0 Northwest
Church	Center Point Church Beacon Heights Baptist Church	1.3 West 1.6 West

Various grocery stores, pharmacies and discount department stores are within 2.1 miles of the site including a Walmart Supercenter, Ingles Market, Thrifty Mac Drug, Dollar General and Family Dollar. Other notable community services within 2.3 miles of the site include gas stations/convenience stores, banks, restaurants, a library and a post office.

The Morgan County Senior Center provides services including, but not limited to, enrichment courses, nutrition services, education programs, activities and transportation services. The transportation system provided is for seniors 60 years and older and is an on-call, on-site pickup service ranging from \$1.25 (inside city limits) to \$1.50 (outside city limits) one way. The senior center is situated along South Main Street, 2.3 miles northwest of the subject site.

Overall, the site's proximity to community and safety services will have a positive impact on the marketability of the site.

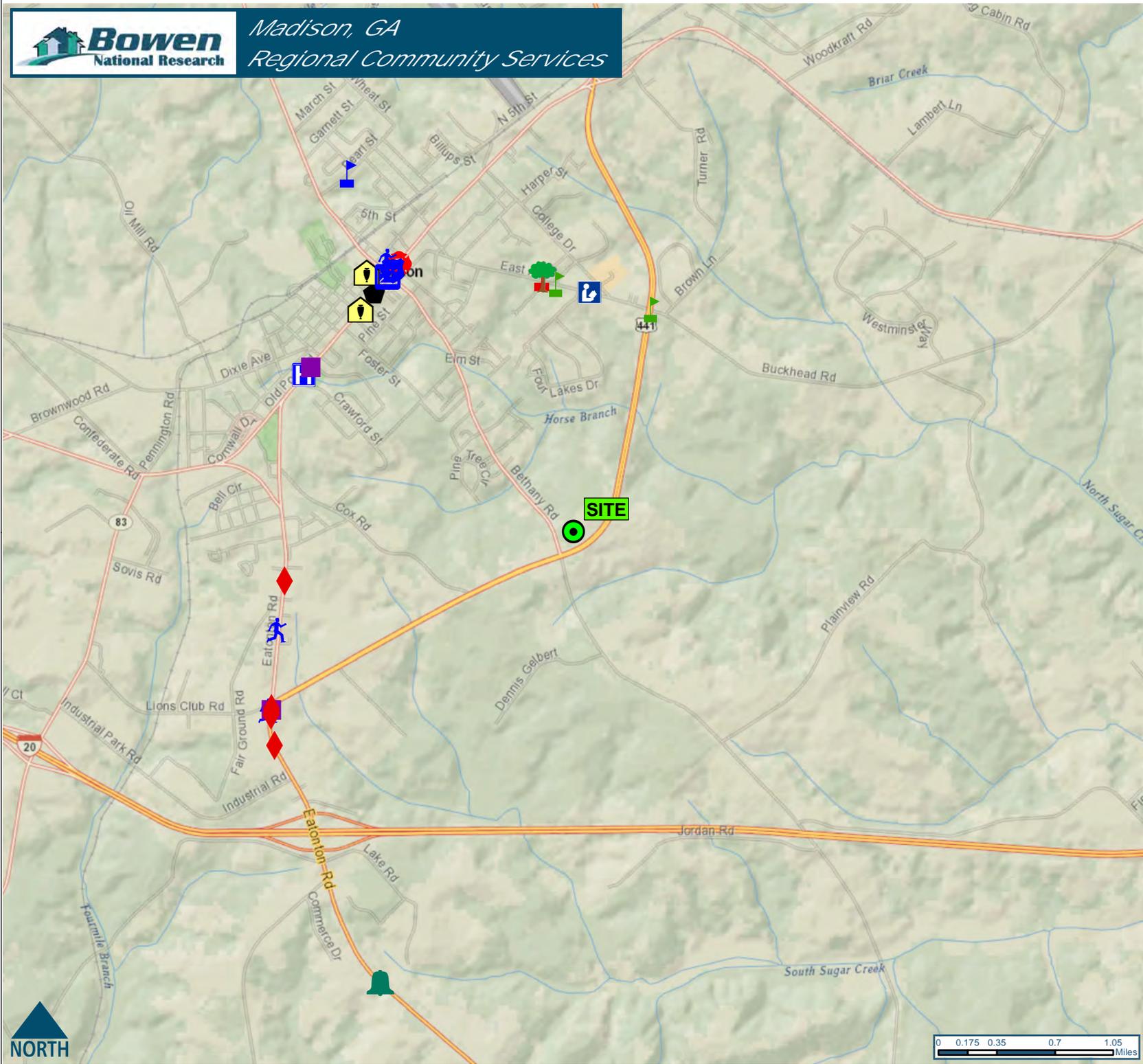
Maps illustrating the location of community services are on the following pages.



*Legend*

- Site Area
- bank
- church
- grocery
- historic sites
- hospital services
- library
- museum
- restaurant
- senior services
- shopping

1:25,000



Legend

- Site
- elementary school
- fire
- fitness center
- high school
- historic sites
- hospital services
- library
- middle school
- museum
- park
- police
- post office
- senior services
- shopping
- university/college



1:50,000

## 6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (73) for the Site PMA is below the national average with an overall personal crime index of 43 and a property crime index of 92. Total crime risk (67) for Morgan County is below the national average with indexes for personal and property crime of 35 and 89, respectively.

	Crime Risk Index	
	Site PMA	Morgan County
<b>Total Crime</b>	<b>73</b>	<b>67</b>
<b>Personal Crime</b>	<b>43</b>	<b>35</b>
Murder	48	45
Rape	42	30
Robbery	24	20
Assault	63	50
<b>Property Crime</b>	<b>92</b>	<b>89</b>
Burglary	138	139
Larceny	92	84
Motor Vehicle Theft	52	49

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk index for the Site PMA/Morgan County is significantly below the national average. As such, the perception of crime will not have an impact on the marketability of the proposed development.

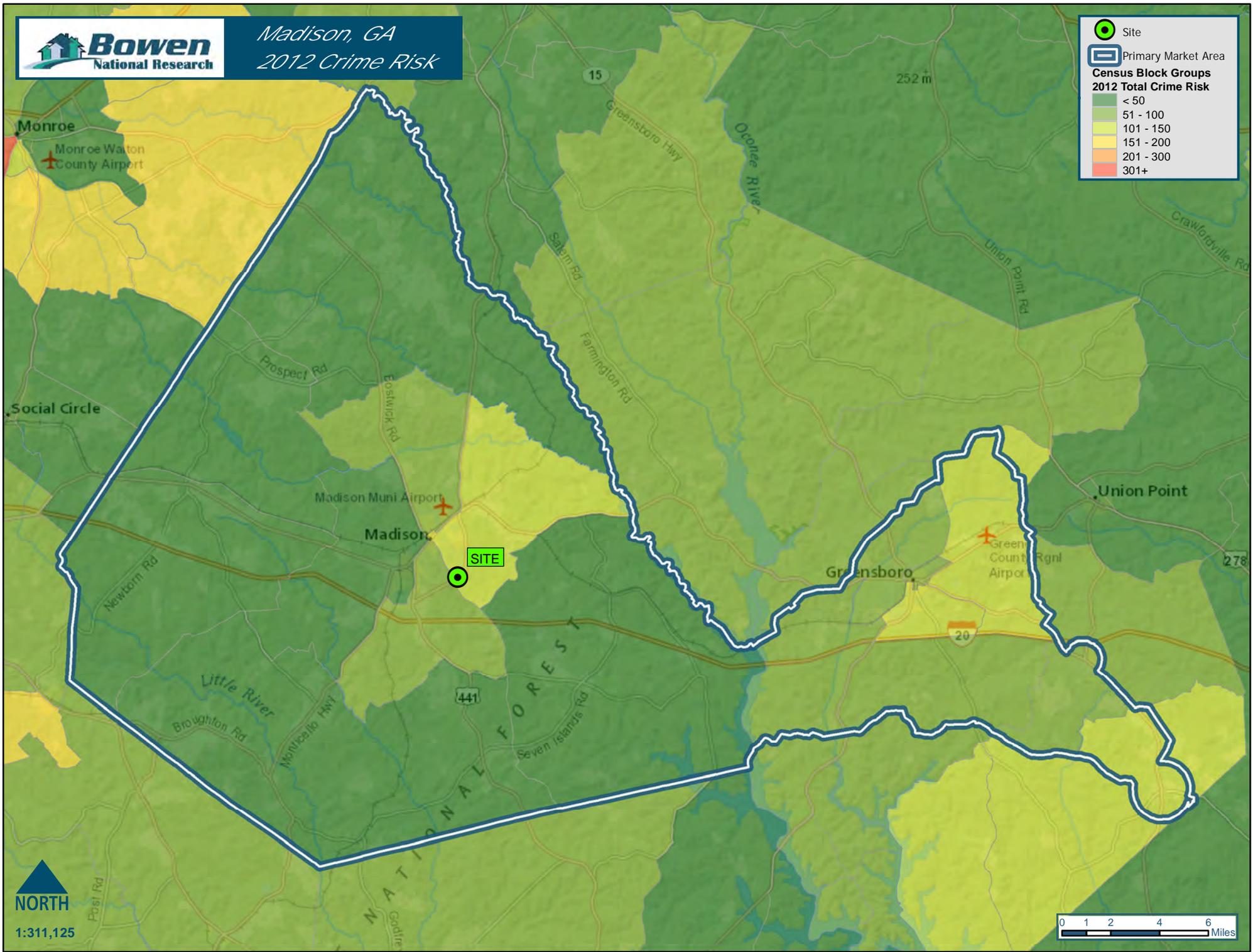
A map illustrating crime risk is on the following page.

 Site

 Primary Market Area

**Census Block Groups**  
**2012 Total Crime Risk**

-  < 50
-  51 - 100
-  101 - 150
-  151 - 200
-  201 - 300
-  301+



## **7. OVERALL SITE EVALUATION**

The single-family homes within the site area are generally in good condition and will have a positive affect on the marketability of the site. A majority of the immediate surrounding land uses to the north, east and south consist of undeveloped, wooded land, creating a serene and tranquil atmosphere that is considered desirable among the senior population. Overall access is considered good as the site is within close proximity of State Routes 12, 24, 83 and 402, U.S. Highways 129, 278 and 441 and Interstate 20. On-call, on-site pickup senior (ages 60+) transportation services are also available. Overall visibility is considered good as it can be clearly seen traveling on U.S. Highway 129/441/State Route 24, an arterial roadway used to access the site. The site is close to shopping, employment and recreation opportunities, and social services and public safety services are all within 2.3 miles. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

## **8. MAP OF LOW-INCOME RENTAL HOUSING**

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.

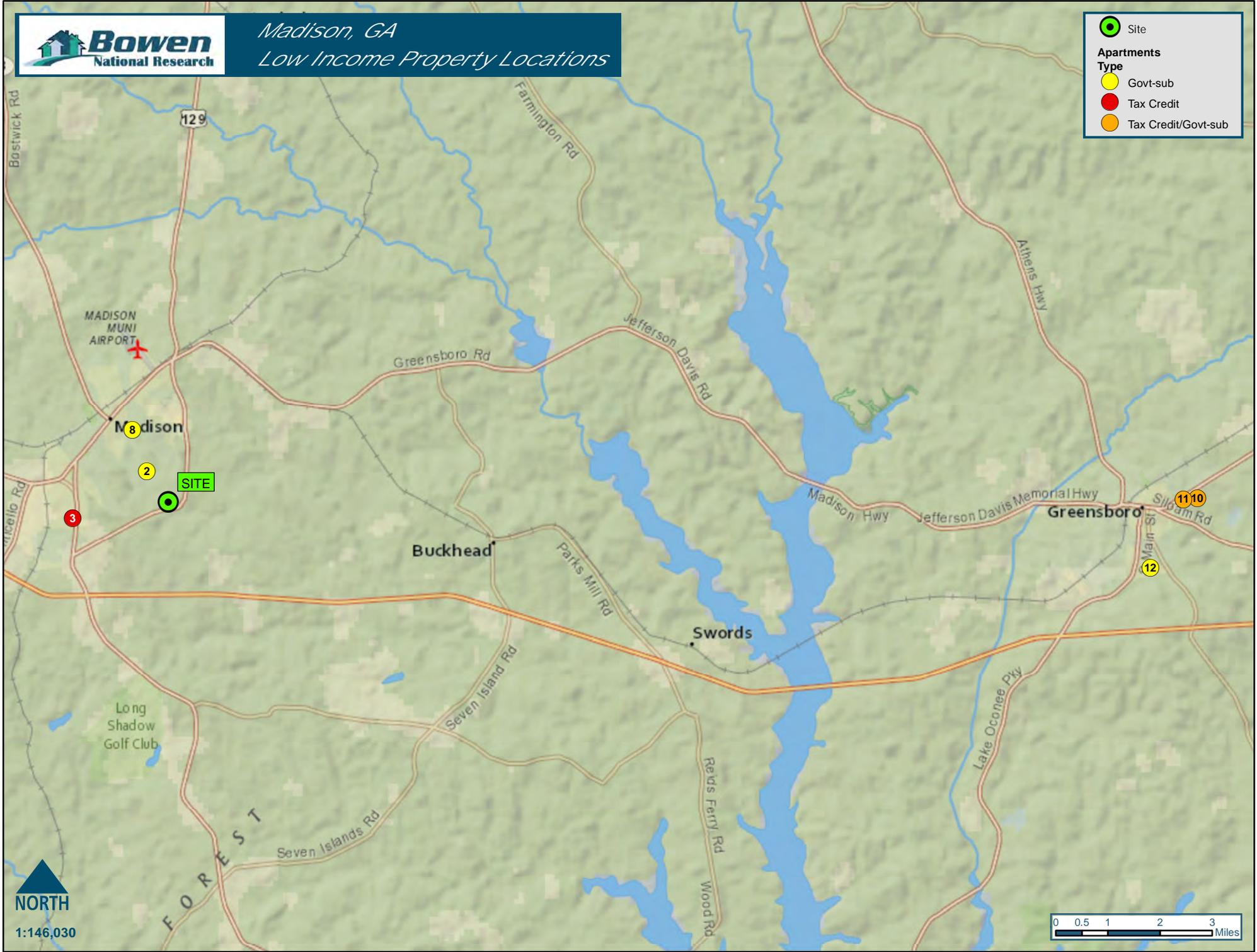


*Madison, GA*  
*Low Income Property Locations*

● Site

**Apartments Type**

- Govt-sub
- Tax Credit
- Tax Credit/Govt-sub



**NORTH**  
1:146,030



## SECTION D – PRIMARY MARKET AREA DELINEATION

The Site Primary Market Area (PMA) is the geographical area from which comparable properties and potential renters are expected to be drawn. The Madison Site PMA was determined through interviews with property managers, real estate agents, government officials and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Madison Site PMA includes all of Morgan County, as well as Greensboro and the surrounding unincorporated areas of Greene County, Georgia. The boundaries of the Site PMA include the Morgan County line and the Oconee National Forest to the north; Cunningham Road, Siloam town limits, State Route 15/77 and White Plains town limits to the east; White Plains-Veazey Road, Leslie Mill Road, Walker Church Road, Wrightsville Church Road, Lake Oconee Parkway, Landing Parkway and the Morgan County line to the south; and the Morgan County line to the west.

The following interviews were conducted to determine if support would originate from the entire Morgan County area:

- Laurie Aguilar, Property Manager of the Orchard Grove Apartments (Map I.D. 3), a general-occupancy LIHTC community, stated that a majority of their tenants come from the immediate Madison area and surrounding areas of Morgan County. Mrs. Aguilar stated that seniors from the Bostwick area would consider moving to Madison as there is a lack of affordable senior housing within Morgan County and Madison is the town that many of the seniors from that area come for community services such as medical care and shopping needs. Mrs. Aguilar went on to say that there are currently no senior affordable housing projects in Madison or Bostwick which would further indicate that if seniors living in Bostwick were looking for affordable housing it would be logical that they would look to Madison for their housing needs.
- Nancy Dove, Section 8 Administrator for Georgia DCA-Athens Regional Office, stated that a new construction senior affordable housing project located in Madison will draw most of its tenants from the immediate Madison area. However, due to the lack of senior housing within the entire Morgan County area, seniors would be willing to move to Madison from all areas of the county for new affordable housing and for the community services available to seniors within Madison, including the senior center and hospital.

Additional interviews were conducted to determine if a sufficient amount of support would derive from outside the Morgan County area, which are summarized as follows:

- Rick Zeier, City Planner with the City of Greensboro Planning and Development Department, believes that seniors within the Greensboro area would relocate to Madison for available age-restricted affordable housing. Considering that the subject site will be the newest senior community within the area, consisting of a cottage-style design with a comprehensive amenities package, and with the lack of available age-restricted affordable housing within the Greensboro area, he further believes that a good amount of support would derive from Greensboro.
- Reba Phelps, Realtor with Coldwell Banker Lake Oconee located in Greensboro, stated that due to the lack of available age-restricted affordable housing in Greensboro and the surrounding areas, it is very likely that seniors within Greensboro would move to Madison. Ms. Phelps went on to state that Madison has more community services, especially medical services, relative to Greensboro, and seniors of Greensboro already commute to Madison for those specific needs.

It should be emphasized that it is recommended that the developer and/or management market the project throughout Morgan County and the adjacent county of Greene during the initial lease-up period and once the project reaches a stabilized occupancy to ensure the success of the proposed development. The inability of the project to attract sufficient support from the entire PMA may adversely impact its initial lease-up and ability to reach a stabilized occupancy.

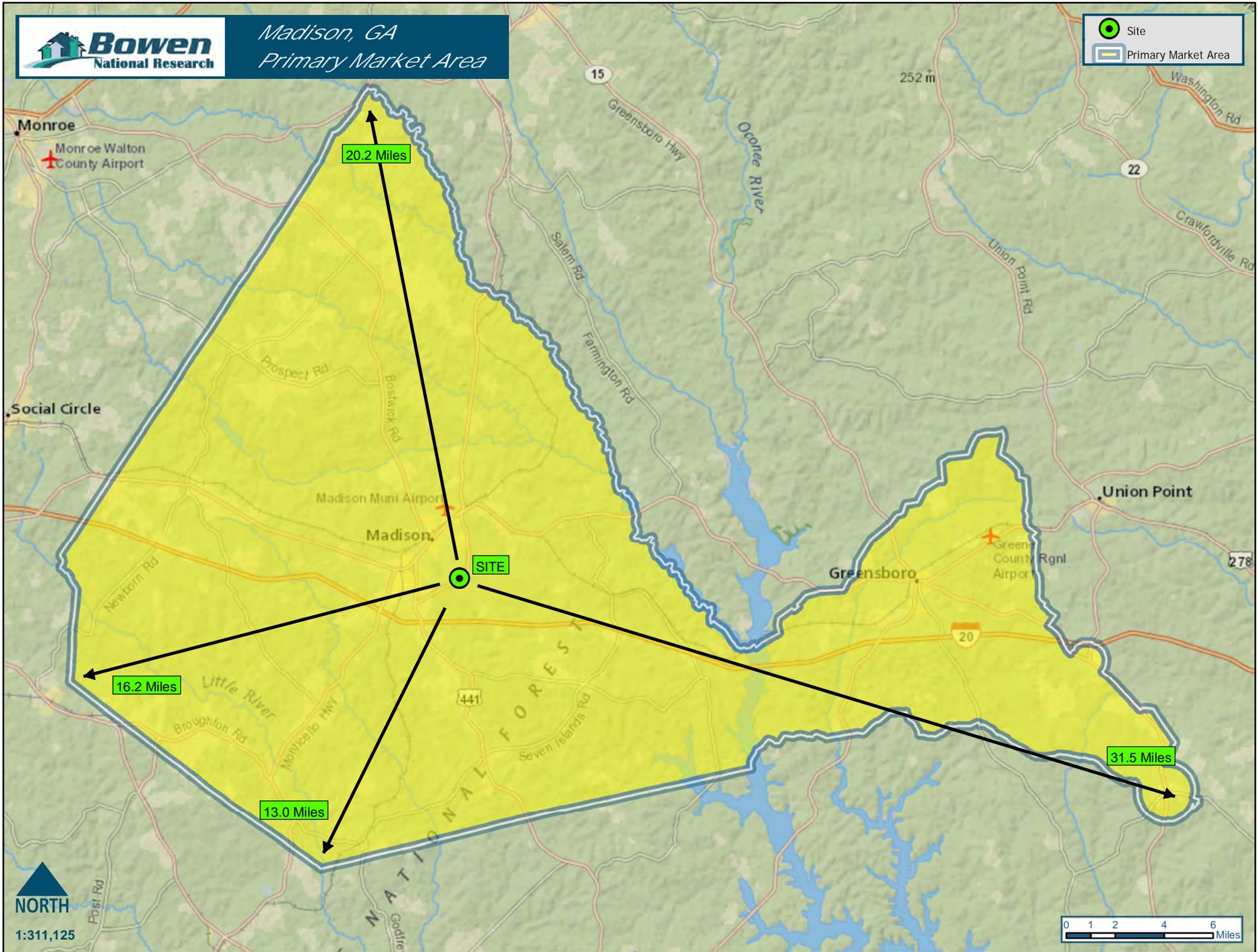
The area to the north of the Site PMA was excluded due to its proximity to Athens, a large city with existing senior affordable housing options and numerous community services. The areas to the east and south of the Site PMA are predominantly rural, consisting of owner households that will typically not support affordable rental housing. Areas to the west of the Site PMA were excluded due to its distance to the site and proximity to Covington, a city with existing affordable housing options and numerous community services. Therefore, we have not considered a secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



Madison, GA  
Primary Market Area

● Site  
▭ Primary Market Area



## SECTION E - COMMUNITY DEMOGRAPHIC DATA

### 1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2013 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Population	21,587	24,137	24,719	24,982
Population Change	-	2,550	582	264
Percent Change	-	11.8%	2.4%	1.1%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Madison Site PMA population base increased by 2,550 between 2000 and 2010. This represents an 11.8% increase over the 2000 population, or an annual rate of 1.1%. Between 2010 and 2013, the population increased by 582, or 2.4%. It is projected that the population will increase by 264, or 1.1%, between 2013 and 2015.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,549	27.1%	6,448	26.1%	6,307	25.2%	-142	-2.2%
20 to 24	1,166	4.8%	1,270	5.1%	1,395	5.6%	126	9.9%
25 to 34	2,638	10.9%	2,738	11.1%	2,763	11.1%	25	0.9%
35 to 44	3,107	12.9%	3,064	12.4%	3,049	12.2%	-14	-0.5%
45 to 54	3,599	14.9%	3,500	14.2%	3,415	13.7%	-85	-2.4%
55 to 64	3,305	13.7%	3,556	14.4%	3,648	14.6%	92	2.6%
65 to 74	2,238	9.3%	2,540	10.3%	2,759	11.0%	219	8.6%
75 & Over	1,535	6.4%	1,602	6.5%	1,645	6.6%	44	2.7%
Total	24,137	100.0%	24,719	100.0%	24,982	100.0%	264	1.1%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over 31% of the population is expected to be age 55 and older in 2013. Over 32% of the population is projected to be age 55 and older in 2015, increasing by 355, or 4.6%. This indicates that the population is aging within the market, which will bode well for the proposed project.

The following compares the Site PMA's elderly (age 55+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2013 (Estimated)	2015 (Projected)
Elderly (Age 55+)	7,078	7,698	8,053
Non-Elderly	17,059	17,021	16,930
Total	24,137	24,719	24,982

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The elderly population is projected to increase by 355, or 4.6%, between 2013 and 2015. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

## 2. HOUSEHOLD TRENDS

Household trends within the Madison Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	7,783	9,045	9,217	9,374
Household Change	-	1,262	172	157
Percent Change	-	16.2%	1.9%	1.7%
Household Size	2.74	2.67	2.65	2.64

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Madison Site PMA, households increased by 1,262 (16.2%) between 2000 and 2010. Between 2010 and 2013, households increased by 172 or 1.9%. By 2015, there will be 9,374 households, an increase of 157 households, or 1.7% over 2013 levels. This is an increase of approximately 78 households annually over the next two years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	232	2.6%	329	3.6%	332	3.5%	3	1.0%
25 to 34	1,040	11.5%	1,085	11.8%	1,074	11.5%	-11	-1.0%
35 to 44	1,530	16.9%	1,635	17.7%	1,636	17.4%	0	0.0%
45 to 54	1,938	21.4%	2,086	22.6%	2,025	21.6%	-62	-3.0%
55 to 64	1,837	20.3%	1,901	20.6%	1,978	21.1%	76	4.0%
65 to 74	1,416	15.7%	1,270	13.8%	1,388	14.8%	118	9.3%
75 to 84	763	8.4%	639	6.9%	666	7.1%	26	4.1%
85 & Over	288	3.2%	272	3.0%	277	3.0%	5	1.8%
Total	9,045	100.0%	9,217	100.0%	9,374	100.0%	157	1.7%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2013 and 2015, the greatest growth among household age groups is projected to be among the households ages 55 and older. In fact, nearly all of the household growth is projected to occur among the aforementioned age groups, increasing by 225, or 5.5%. This demonstrates that there will likely be an increasing need for housing for seniors in the market.

Households by tenure are distributed as follows:

Distribution of Households	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 55)	3,063	33.9%	3,254	35.3%	3,208	34.2%
Owner-Occupied (Age 55+)	3,494	38.6%	3,378	36.6%	3,558	38.0%
Renter-Occupied (<Age 55)	1,677	18.5%	1,881	20.4%	1,857	19.8%
Renter-Occupied (Age 55+)	811	9.0%	705	7.6%	751	8.0%
Total	9,045	100.0%	9,217	100.0%	9,374	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, renter-occupied households age 55 and older are projected to increase by 46, or 6.5%, between 2013 and 2015. This provides further evidence of the increasing need for senior housing within the market.

Households by tenure for the general demographic, as well as those ages 55 and older are distributed in the following tables:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,557	72.5%	6,631	71.9%	6,766	72.2%
Renter-Occupied	2,488	27.5%	2,586	28.1%	2,608	27.8%
Total	9,045	100.0%	9,217	100.0%	9,374	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Tenure Age 55+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	3,494	81.2%	3,378	82.7%	3,558	82.6%
Renter-Occupied	811	18.8%	705	17.3%	751	17.4%
Total	4,305	100.0%	4,083	100.0%	4,308	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 705 (17.3%) of all households age 55 and older within the Site PMA were renters in 2013.

The household sizes by tenure for age 55 and older within the Site PMA, based on the 2010 Census and 2013 estimates, were distributed as follows:

Persons Per Renter Household Age 55+	2010 (Census)		2013 (Estimated)		Change 2010-2013	
	Households	Percent	Households	Percent	Households	Percent
1 Person	437	53.9%	392	55.5%	-45	-10.4%
2 Persons	101	12.4%	90	12.8%	-10	-10.3%
3 Persons	64	7.9%	51	7.2%	-14	-21.5%
4 Persons	72	8.8%	54	7.6%	-18	-24.7%
5 Persons+	138	17.0%	119	16.8%	-19	-13.7%
Total	811	100.0%	705	100.0%	-106	-13.1%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household Age 55+	2010 (Census)		2013 (Estimated)		Change 2010-2013	
	Households	Percent	Households	Percent	Households	Percent
1 Person	908	26.0%	869	25.7%	-39	-4.3%
2 Persons	1,949	55.8%	1,836	54.3%	-113	-5.8%
3 Persons	386	11.0%	401	11.9%	16	4.1%
4 Persons	163	4.7%	169	5.0%	7	4.0%
5 Persons+	88	2.5%	102	3.0%	14	16.0%
Total	3,494	100.0%	3,378	100.0%	-116	-3.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The subject site will target one- to two-person senior renter households, which comprise more than 68% of the Site PMA's senior renter households. As such, the subject site will be able to accommodate the majority of senior renter households based on household size within the market. It should also be noted that despite the decline in senior households between 2010 and 2013, these households are projected to increase through 2015. These factors will have a positive impact on the proposed development.

The distribution of households by income age 55 and older within the Madison Site PMA is summarized as follows:

Household Income 55+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	484	11.2%	458	11.2%	475	11.0%
\$10,000 to \$19,999	721	16.8%	688	16.8%	714	16.6%
\$20,000 to \$29,999	546	12.7%	486	11.9%	508	11.8%
\$30,000 to \$39,999	414	9.6%	407	10.0%	421	9.8%
\$40,000 to \$49,999	521	12.1%	515	12.6%	535	12.4%
\$50,000 to \$59,999	349	8.1%	318	7.8%	342	7.9%
\$60,000 to \$74,999	255	5.9%	282	6.9%	311	7.2%
\$75,000 to \$99,999	378	8.8%	370	9.1%	389	9.0%
\$100,000 to \$124,999	178	4.1%	156	3.8%	176	4.1%
\$125,000 to \$149,999	111	2.6%	87	2.1%	97	2.2%
\$150,000 to \$199,999	161	3.7%	137	3.4%	144	3.3%
\$200,000 & Over	186	4.3%	179	4.4%	197	4.6%
Total	4,305	100.0%	4,083	100.0%	4,308	100.0%
Median Income	\$39,676		\$40,045		\$40,691	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 55 and older was \$39,676. This increased by 0.9% to \$40,045 in 2013. By 2015, it is projected that the median household income will be \$40,691, an increase of 1.6% from 2013.

The following tables illustrate renter household income by household size for age 55 and older for 2010, 2013 and 2015 for the Madison Site PMA:

Renter Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	88	37	1	0	3	129
\$10,000 to \$19,999	184	16	13	30	10	253
\$20,000 to \$29,999	29	15	1	31	39	115
\$30,000 to \$39,999	12	7	1	0	39	59
\$40,000 to \$49,999	54	7	35	3	2	101
\$50,000 to \$59,999	17	3	0	2	3	26
\$60,000 to \$74,999	10	5	1	2	2	20
\$75,000 to \$99,999	13	1	2	1	23	41
\$100,000 to \$124,999	3	1	3	0	0	8
\$125,000 to \$149,999	2	1	1	0	13	18
\$150,000 to \$199,999	9	5	3	0	0	17
\$200,000 & Over	13	4	3	2	2	25
Total	437	101	64	72	138	811

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 55+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	82	29	0	0	2	114
\$10,000 to \$19,999	166	18	12	17	11	223
\$20,000 to \$29,999	29	14	1	28	34	107
\$30,000 to \$39,999	9	6	0	0	34	50
\$40,000 to \$49,999	45	7	29	3	2	86
\$50,000 to \$59,999	20	2	1	1	3	26
\$60,000 to \$74,999	11	3	1	1	2	19
\$75,000 to \$99,999	11	1	1	0	10	24
\$100,000 to \$124,999	4	3	2	0	8	16
\$125,000 to \$149,999	2	3	2	0	10	16
\$150,000 to \$199,999	6	1	2	0	0	9
\$200,000 & Over	7	2	0	3	3	15
Total	392	90	51	54	119	705

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 55+ Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	87	31	1	0	1	120
\$10,000 to \$19,999	175	20	12	17	12	237
\$20,000 to \$29,999	31	16	1	29	34	111
\$30,000 to \$39,999	10	7	0	1	36	53
\$40,000 to \$49,999	49	9	29	3	2	92
\$50,000 to \$59,999	22	2	1	2	3	30
\$60,000 to \$74,999	12	5	1	3	2	23
\$75,000 to \$99,999	12	2	1	0	10	25
\$100,000 to \$124,999	4	4	1	0	8	18
\$125,000 to \$149,999	1	3	2	0	10	16
\$150,000 to \$199,999	6	1	2	0	1	9
\$200,000 & Over	8	3	0	3	4	17
Total	417	102	51	58	123	751

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 55 and older for 2010, 2013 and 2015 for the Madison Site PMA:

Owner Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	208	120	17	1	10	355
\$10,000 to \$19,999	238	168	22	17	23	469
\$20,000 to \$29,999	111	263	47	3	8	431
\$30,000 to \$39,999	86	209	50	9	1	356
\$40,000 to \$49,999	50	257	69	38	5	419
\$50,000 to \$59,999	67	171	67	16	1	322
\$60,000 to \$74,999	31	174	17	11	2	235
\$75,000 to \$99,999	51	186	49	29	23	337
\$100,000 to \$124,999	18	113	26	6	7	170
\$125,000 to \$149,999	9	49	12	22	1	93
\$150,000 to \$199,999	11	126	2	2	2	145
\$200,000 & Over	27	114	8	8	3	161
Total	908	1,949	386	163	88	3,494

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 55+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	197	119	17	2	10	344
\$10,000 to \$19,999	223	162	28	20	31	464
\$20,000 to \$29,999	100	214	55	5	5	379
\$30,000 to \$39,999	87	208	50	9	3	357
\$40,000 to \$49,999	64	244	71	45	5	429
\$50,000 to \$59,999	59	153	59	19	2	292
\$60,000 to \$74,999	31	197	20	10	5	263
\$75,000 to \$99,999	44	188	56	31	28	346
\$100,000 to \$124,999	14	95	15	6	10	141
\$125,000 to \$149,999	7	34	13	17	0	70
\$150,000 to \$199,999	13	108	4	2	1	128
\$200,000 & Over	30	113	14	5	2	164
Total	869	1,836	401	169	102	3,378

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 55+ Households	2015 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	207	117	18	3	10	355
\$10,000 to \$19,999	234	162	28	21	32	477
\$20,000 to \$29,999	107	222	58	4	6	397
\$30,000 to \$39,999	91	211	53	9	4	368
\$40,000 to \$49,999	67	251	75	46	5	443
\$50,000 to \$59,999	65	164	60	22	1	312
\$60,000 to \$74,999	35	215	23	10	4	288
\$75,000 to \$99,999	47	194	61	33	31	365
\$100,000 to \$124,999	17	106	18	6	11	158
\$125,000 to \$149,999	10	37	15	18	0	81
\$150,000 to \$199,999	12	114	5	2	1	134
\$200,000 & Over	32	124	16	6	2	180
Total	924	1,916	429	182	106	3,558

Source: Ribbon Demographics; ESRI; Urban Decision Group

Overall population and households have experienced positive growth since 2000. These trends are projected to remain positive through 2015, increasing by 264 (1.1%) and 157 (1.7%), respectively, from 2013. In addition, population and households ages 55 and older are projected to increase by 355 (4.6%) and 225 (5.5%), respectively, over the same time period. In fact, nearly all household growth that is projected in the market is anticipated to be among households ages 55 and older. This growth indicates an increasing need for senior housing in the market through 2015. Further, the proposed development will target one- to two-person senior renter households which comprise the majority of such households within the Site PMA. As such, the subject site will be able to accommodate most of the Site PMA's senior renter households based on household size. The preceding factors will have a positive impact on the marketability of the subject site.

## SECTION F - ECONOMIC TRENDS

### 1. LABOR FORCE PROFILE

The labor force within the Madison Site PMA is based primarily in three sectors. Accommodation & Food Services (which comprises 18.8%), Retail Trade and Wholesale Trade comprise over 43% of the Site PMA labor force. Employment in the Madison Site PMA, as of 2013, was distributed as follows:

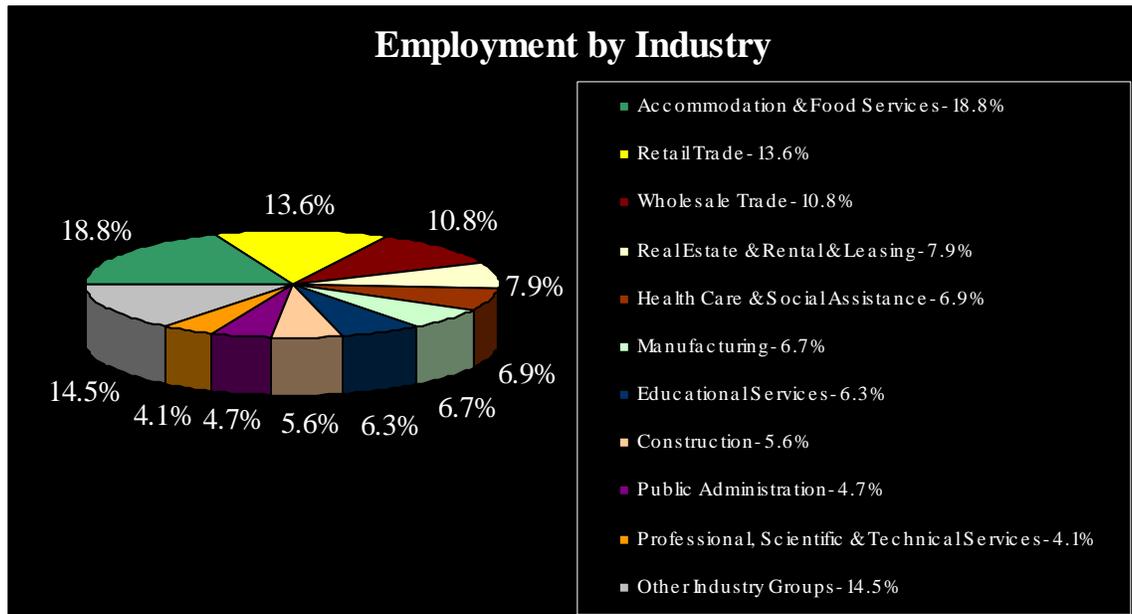
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	28	2.4%	57	0.6%	2.0
Mining	2	0.2%	10	0.1%	5.0
Utilities	3	0.3%	40	0.4%	13.3
Construction	94	8.1%	541	5.6%	5.8
Manufacturing	30	2.6%	649	6.7%	21.6
Wholesale Trade	45	3.9%	1,043	10.8%	23.2
Retail Trade	196	16.8%	1,310	13.6%	6.7
Transportation & Warehousing	30	2.6%	148	1.5%	4.9
Information	21	1.8%	100	1.0%	4.8
Finance & Insurance	68	5.8%	338	3.5%	5.0
Real Estate & Rental & Leasing	56	4.8%	759	7.9%	13.6
Professional, Scientific & Technical Services	81	6.9%	391	4.1%	4.8
Management of Companies & Enterprises	2	0.2%	50	0.5%	25.0
Administrative, Support, Waste Management & Remediation Services	44	3.8%	83	0.9%	1.9
Educational Services	22	1.9%	610	6.3%	27.7
Health Care & Social Assistance	75	6.4%	662	6.9%	8.8
Arts, Entertainment & Recreation	28	2.4%	162	1.7%	5.8
Accommodation & Food Services	84	7.2%	1,805	18.8%	21.5
Other Services (Except Public Administration)	170	14.6%	390	4.1%	2.3
Public Administration	73	6.3%	455	4.7%	6.2
Nonclassifiable	14	1.2%	20	0.2%	1.4
<b>Total</b>	<b>1,166</b>	<b>100.0%</b>	<b>9,623</b>	<b>100.0%</b>	<b>8.3</b>

\*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.

## Employment by Industry



Typical wages by job category for the North Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	North Georgia Nonmetropolitan Area	Georgia
Management Occupations	\$82,370	\$106,520
Business and Financial Occupations	\$54,280	\$69,720
Computer and Mathematical Occupations	\$66,470	\$76,060
Architecture and Engineering Occupations	\$57,400	\$73,630
Community and Social Service Occupations	\$36,130	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$38,230	\$48,400
Healthcare Practitioners and Technical Occupations	\$59,700	\$69,400
Healthcare Support Occupations	\$24,020	\$26,160
Protective Service Occupations	\$31,610	\$33,690
Food Preparation and Serving Related Occupations	\$18,770	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$23,420	\$23,550
Personal Care and Service Occupations	\$22,030	\$22,160
Sales and Related Occupations	\$28,280	\$35,520
Office and Administrative Support Occupations	\$29,770	\$33,110
Construction and Extraction Occupations	\$34,450	\$38,120
Installation, Maintenance and Repair Occupations	\$36,830	\$41,750
Production Occupations	\$29,870	\$31,340
Transportation and Moving Occupations	\$26,600	\$34,260

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$18,770 to \$38,230 within the nonmetropolitan area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$64,044. It is important to note that most occupational types within the nonmetropolitan area have lower typical wages than the State of Georgia's typical wages. While the subject project will target senior households, many of which will likely be retired, there appears to a sufficient base of

wage-appropriate jobs in the market from which seniors seeking employment could choose.

## 2. MAJOR EMPLOYERS

The ten largest employers within the Morgan County comprise a total of approximately 2,200 employees. These employers are summarized as follows:

Business	Business Type	Total Employed
Georgia Pacific	Manufacturer: Paper Products	450
Morgan County Board of Education	Education	425
Pennington Seed	Grass Seed Producer	250
Walmart	Retail	200
Anthony International	Specialty Glass Manufacturer	200
Morgan Memorial Hospital	Health Care	175
Flambeau Manufacturing	Plastic Injection Molding Manufacturer	150
Lowe's Home Store	Retail	140
Bard Manufacturing	HVAC Units Manufacturing	130
Rema Tip Top	Auto & Industrial Products Distributor	80
<b>Total</b>		<b>2,200</b>

Source: Madison-Morgan County Chamber of Commerce (Dec. 2012)

According to a representative with the Madison-Morgan County Chamber of Commerce the local economy is experiencing growth in employment as their manufacturers are responding to the improving economy. A summary of key factors impacting the local economy over the past year are as follows:

- Caterpillar, Incorporated is currently building a new facility in the Oconee-Clarke County area that will employ 1,400 and represents a \$200 million investment. Construction began in May 2012. The plant is just 30 miles outside Madison.
- Baxter International, a global health care company, announced in April 2012 that they are building their “state of the art” plasma fractionation facility in Stanton Springs, a billion dollar investment, in the western portion of Morgan County. It will consist of a one million square-foot facility. The plant intends to employ 1,500 workers.
- Steak N’ Shake is under construction in Madison and is expected to be completed in the early summer of 2013 and will create approximately 15 to 20 new jobs.

- Georgia Pacific, the area’s largest employer, is in the early stages of expansion plans. However, specific details were not available at the time this report was issued.

There have been no WARN notices of large-scale layoffs or closures posted for Morgan County within the past 12 months.

### 3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

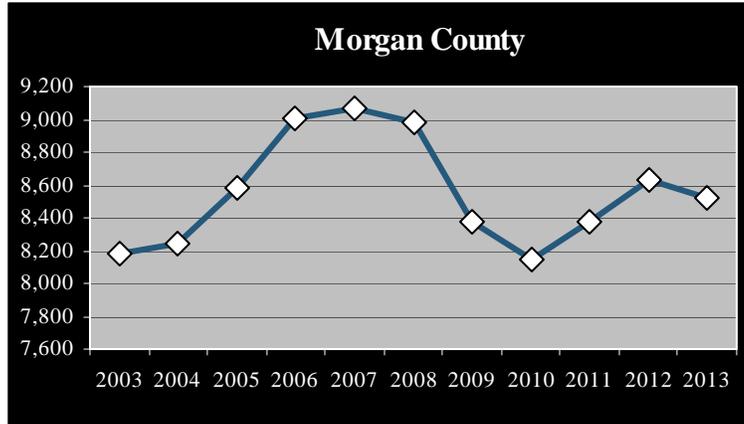
Excluding 2013, the employment base has declined by 3.9% over the past five years in Morgan County, more than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Morgan County, Georgia and the United States.

Year	Total Employment					
	Morgan County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	8,186	-	4,173,787	-	138,371,211	-
2004	8,240	0.7%	4,249,007	1.8%	139,967,126	1.2%
2005	8,584	4.2%	4,375,178	3.0%	142,299,506	1.7%
2006	9,011	5.0%	4,500,150	2.9%	145,000,043	1.9%
2007	9,066	0.6%	4,587,739	1.9%	146,388,369	1.0%
2008	8,983	-0.9%	4,540,706	-1.0%	146,047,748	-0.2%
2009	8,372	-6.8%	4,289,819	-5.5%	140,696,562	-3.7%
2010	8,149	-2.7%	4,241,718	-1.1%	140,457,477	-0.2%
2011	8,378	2.8%	4,295,113	1.3%	141,728,427	0.9%
2012	8,632	3.0%	4,371,608	1.8%	143,574,127	1.3%
2013*	8,517	-1.3%	4,401,261	0.7%	142,952,603	-0.4%

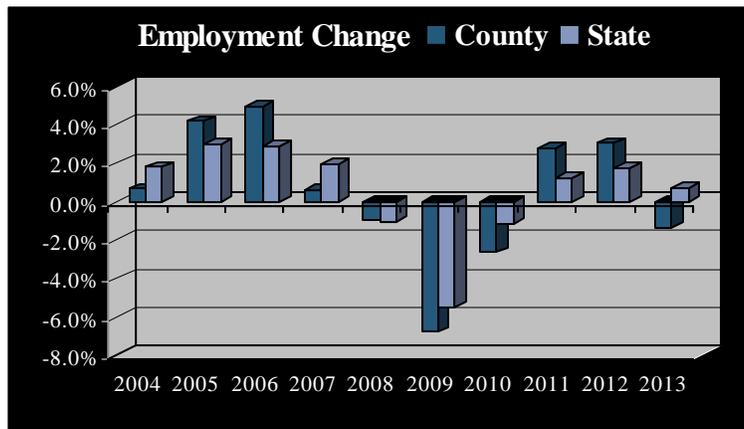
Source: Department of Labor; Bureau of Labor Statistics

\*Through March



As the preceding illustrates, the Morgan County employment base experienced positive growth between 2003 and 2007, then experienced a significant decline between 2008 and 2010, mirroring national trends during the recession that impacted much of the country. Between 2010 and 2012, the employment base increased, then declined by 115 employees, or 1.3%, between 2012 and March of 2013.

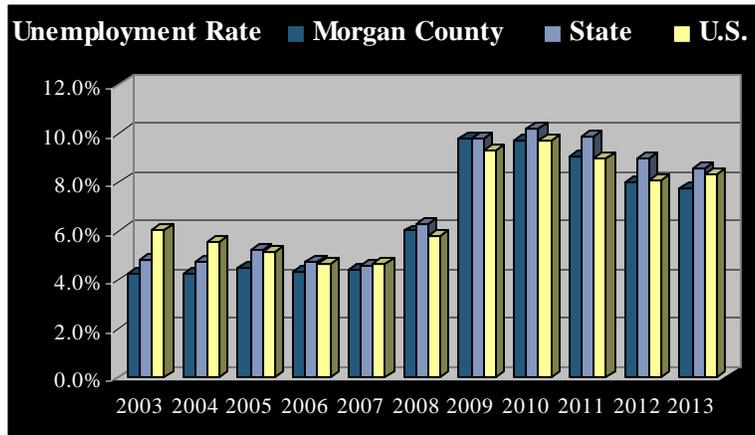
The following table illustrates the percent change in employment for Morgan County and Georgia.



Unemployment rates for Morgan County, Georgia and the United States are illustrated as follows:

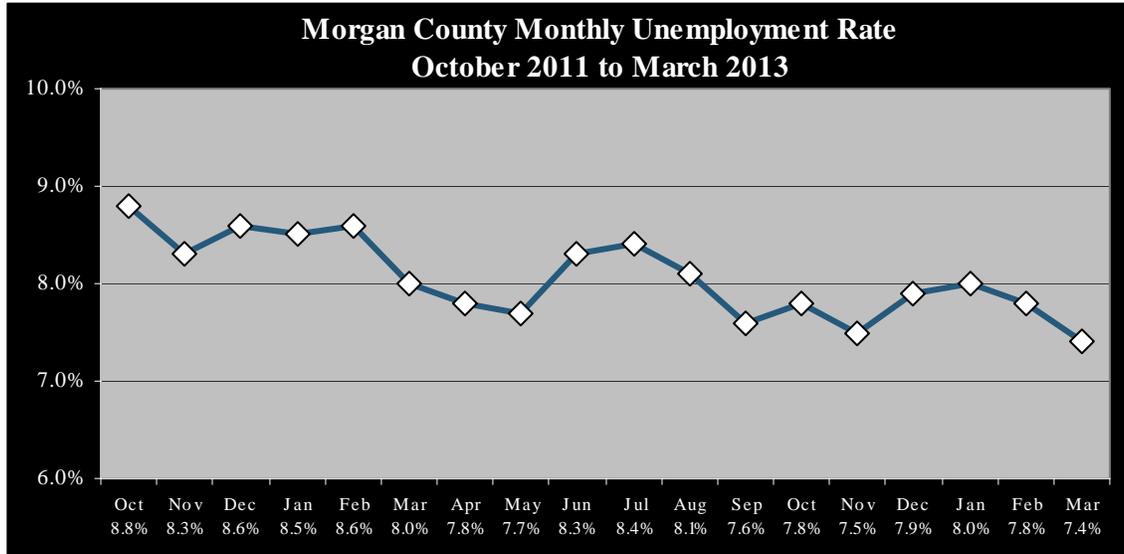
Year	Unemployment Rate		
	Morgan County	Georgia	United States
2003	4.2%	4.8%	6.0%
2004	4.2%	4.7%	5.6%
2005	4.5%	5.2%	5.2%
2006	4.3%	4.7%	4.7%
2007	4.4%	4.6%	4.7%
2008	6.0%	6.3%	5.8%
2009	9.8%	9.8%	9.3%
2010	9.7%	10.2%	9.7%
2011	9.1%	9.9%	9.0%
2012	8.0%	9.0%	8.1%
2013*	7.7%	8.6%	8.3%

Source: Department of Labor, Bureau of Labor Statistics  
 \*Through March



The unemployment rate in Morgan County has ranged between 4.2% and 9.8%, generally below the state average since 2003. As the preceding table illustrates, the unemployment rate increased by over five percentage points between 2007 and 2009, similar to trends experienced by much of the nation during this time period. On a positive note, the unemployment rate consistently decreased within the preceding four-year period; however, this rate is considered moderately high at 7.7% through March 2013.

The following table illustrates the monthly unemployment rate in Morgan County for the most recent 18-month period for which data is currently available.



The unemployment rate in Morgan County has fluctuated from a high of 8.8% in October of 2011 to a low of 7.4% in March of 2013. It should be noted that the 7.4% unemployment rate reported in March of 2013 is 0.6 percentage points lower than March of 2012.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Morgan County.

<b>In-Place Employment Morgan County</b>			
<b>Year</b>	<b>Employment</b>	<b>Change</b>	<b>Percent Change</b>
2002	6,111	-	-
2003	5,916	-195	-3.2%
2004	5,946	30	0.5%
2005	6,219	273	4.6%
2006	6,369	150	2.4%
2007	6,380	11	0.2%
2008	6,314	-66	-1.0%
2009	5,821	-493	-7.8%
2010	5,639	-182	-3.1%
2011	5,868	229	4.1%
2012*	5,929	61	1.0%

Source: Department of Labor, Bureau of Labor Statistics

\*Through September

Data for 2011, the most recent year that year-end figures are available, indicates in-place employment in Morgan County to be 70.0% of the total Morgan County employment. This means that Morgan County has more employed persons leaving the county for daytime employment than those who work in the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs. However, since the proposed development will be age-restricted, this is not expected to be a significant factor on the subject's marketability.

#### **4. ECONOMIC FORECAST**

According to a local representative with the Madison-Morgan County Chamber of Commerce, the local economy is currently growing. There have been various announcements of new businesses developing within the county, totaling over one billion dollars in investments and creating over 1,500 new jobs. Notably, Baxter International is currently constructing a plasma fractionation facility in the western portion of the county in Stanton Springs, which is anticipated to employ 1,500 workers.

Based on ESRI data and employment data from the Bureau of Labor Statistics, the county's employment base consistently increased between 2010 and 2012, then declined by 1.3% between 2012 and March 2013. On the other hand, the unemployment rate consistently decreased within the preceding four-year period; however, is still considered moderately high, averaging 7.7% through March 2013.

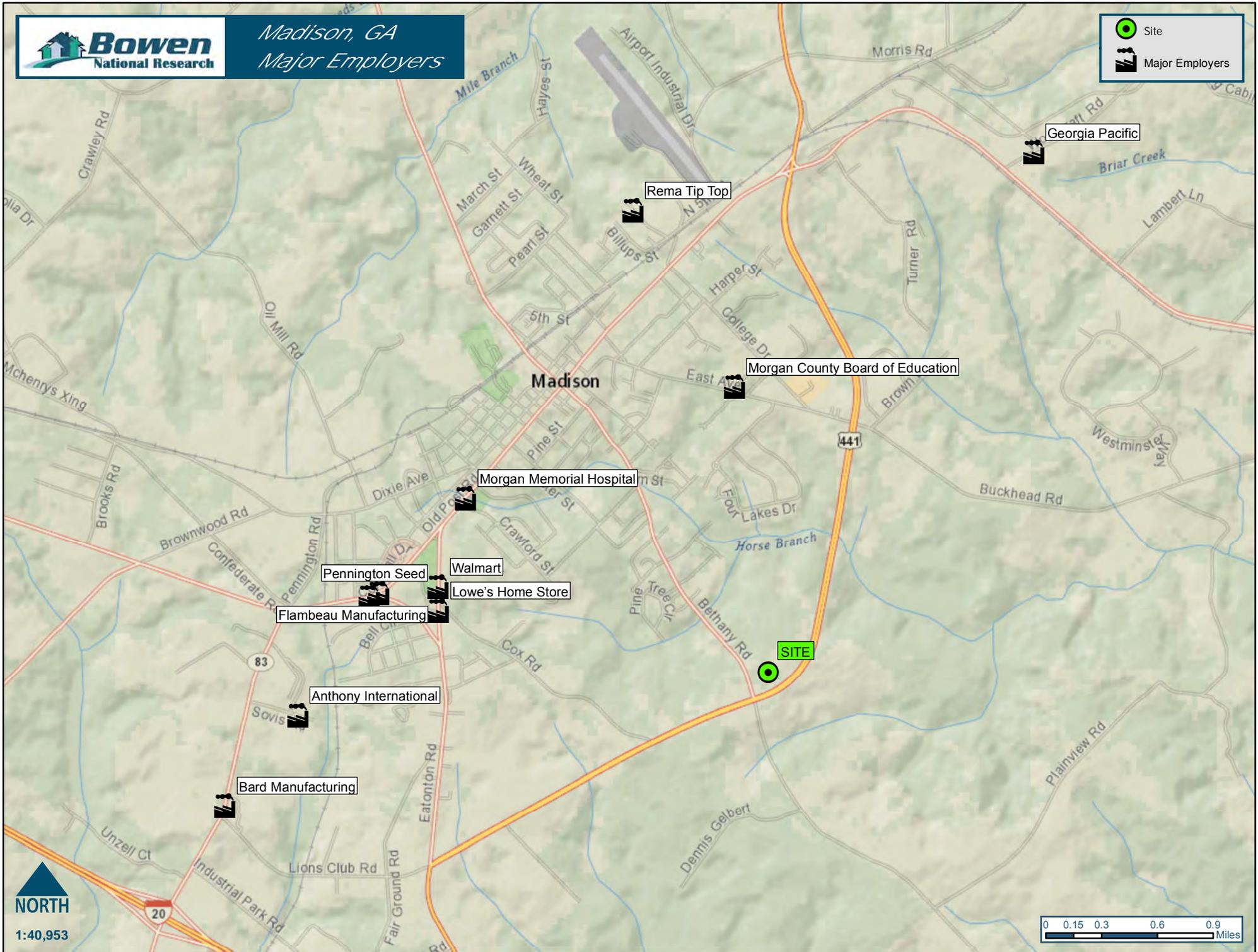
Considering the moderately high unemployment rate and the declining employment base, the need for affordable housing has remained strong, as evidenced by the typically high occupancies of the affordable housing projects in the Site PMA. In addition, a high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

A map illustrating notable employment centers is on the following page.



*Madison, GA  
Major Employers*

● Site  
Major Employers



1:40,953



## SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

### 1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Morgan County, which has a four-person median household income of \$61,400 for 2013. The subject property will be restricted to senior households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted income level:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$21,150	\$25,380
Two-Person	\$24,150	\$28,980

#### a. Maximum Income Limits

The largest proposed units (two-bedroom) at the subject site are expected to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$28,980**.

#### b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$548 (50% and 60% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,576.

Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$16,440**.

**c. Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate range required to live at the proposed project by AMHI level is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 50% of AMHI)	\$16,440	\$24,150
Tax Credit (Limited to 60% of AMHI)	\$16,440	\$28,980
Overall LIHTC Demand	\$16,440	\$28,980

**2. METHODOLOGY**

**Demand**

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household:** **New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand.* Note that our calculations have been reduced to only include **renter-qualified** households.
  
- b. **Demand from Existing Households:** The second source of demand should be projected from:
  - **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 66.0% to 67.0% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.*

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2006-2010 5-year estimates, 6.3% of all households in the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).*
  
  - **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure above 5% must be based on actual market conditions, as documented in the study.*
- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

## Net Demand

The overall demand components illustrated above are added together and the competitive supply of developments awarded and/or constructed from 2010 to the present is subtracted to calculate Net Demand. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

There are no LIHTC properties that were funded and/or built during the projection period (2011 to current). As such, there were no LIHTC properties included in this demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% (\$16,440 - \$24,150)	60% (\$16,440 - \$28,980)	Overall (\$16,440 - \$28,980)
Demand From New Households (Age- And Income-Appropriate)	130 - 124 = 6	184 - 175 = 9	184 - 175 = 9
+			
Demand From Existing Households (Rent Overburdened)	124 X 67.0% = 83	175 X 66.0% = 116	175 X 66.0% = 116
+			
Demand From Existing Households (Renters In Substandard Housing)	124 X 6.3% = 8	175 X 6.3% = 11	175 X 6.3% = 11
=			
Demand Subtotal	97	136	136
+			
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	323 X 5.0% = 16 (1*)	506 X 5.0% = 25 (2*)	506 X 5.0% = 25 (2*)
=			
Total Demand	98	138	138
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2011)	0	0	0
=			
Net Demand	98	138	138
Proposed Units / Net Demand	7 / 98	37 / 138	44 / 138
Capture Rate	7.1%	26.8%	31.9%

\*Given that demand from existing homeowners cannot exceed 2% of total demand, these numbers were utilized to calculate total demand

Per GDCA guidelines, projects in rural markets with an overall capture rate of 35% or below are considered acceptable. As such, the project's overall capture rate of 31.9% is considered achievable, especially considering the lack of affordable non-subsidized age-restricted housing within the market. In addition, we also anticipate a sufficient amount of support will originate from senior homeowners due to the unit designs and lack of non-subsidized senior LIHTC housing within or near the market area. However, per GDCA methodology, demand from senior homeowners is limited to 2% of total demand. We anticipate a greater percentage of support will generate from homeowners looking to downsize from their homes and seeking a maintenance free housing alternative, especially considering that income-qualified senior homeowners do not have an affordable rental housing option currently available to them. As such, the overall capture rate is considered conservative.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows:

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	55%
Two-Bedroom	45%
Total	100.0%

Applying these shares to the income-qualified senior households yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows:

Bedroom Size (Share Of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Subject Collected Rents
One-Bedroom (55%)	50%	3	54	0	54	5.6%	1-2 Months	\$457	\$450
One-Bedroom (55%)	60%	15	76	0	76	19.7%	4-5 Months	\$457	\$494***
<b>One-Bedroom</b>	<b>Total</b>	<b>18</b>	<b>130</b>	<b>0</b>	<b>130</b>	<b>13.8%</b>	<b>5-6 Months</b>	<b>\$457</b>	<b>\$487***</b>
<hr/>									
Two-Bedroom (45%)	50%	15	44	0	44	34.1%	6-7 Months	\$532	\$500
Two-Bedroom (45%)	60%	22	62	0	62	35.5%	8-9 Months	\$532	\$595
<b>Two-Bedroom</b>	<b>Total</b>	<b>37</b>	<b>106</b>	<b>0</b>	<b>106</b>	<b>34.9%</b>	<b>9-10 Months</b>	<b>\$532</b>	<b>\$580***</b>

\*Includes overlap between the targeted income levels at the subject site.

\*\*Directly comparable units built and/or funded in the project market over the projection period.

\*\*\*Weighted average

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in Addendum E

The capture rates by bedroom type, ranging from 13.8% to 34.9%, are considered achievable, especially given the fact that the proposed project will be the newest and only age-restricted non-subsidized LIHTC community in the market.

## SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

### 1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Madison Site PMA in 2010 and 2013 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2013 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	6,660	89.1%	6,769	84.8%
Owner-Occupied	5,125	77.0%	5,190	76.7%
Renter-Occupied	1,535	23.0%	1,580	23.3%
Vacant	812	10.9%	1,213	15.2%
Total	7,472	100.0%	7,983	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2013 update of the 2010 Census, of the 7,983 total housing units in the market, 15.2% were vacant. This is a significant increase over the 2010 vacancy rate of 10.9% and could indicate a softening rental housing market. However, the vacancy status of the 1,213 units is estimated in the following table and illustrates that most vacant units are not long term rentals.

Vacancy Status	Percent of Vacant Units
For Rent	12.4%
Rented, Not Occupied	0.0%
For Sale Only	15.4%
Sold, Not Occupied	4.6%
For Seasonal, recreational, or occasional use	36.8%
For migrant workers	2.6%
Other Vacant	28.2%

Source: U.S. Census Bureau, 2007-2011 American Community Survey (ACS)

As reported in the 2007-2011 ACS, 12.4% of the vacant housing units are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as “For Seasonal, recreational, or occasional use”. The second largest share of vacant units is classified as “Other Vacant”, which encompasses foreclosed, dilapidated and abandoned housing. Regardless, in order to determine if the overall vacancy rate increase is the reflection of a decline in long-term rental housing, we conducted a field survey of area apartments.

In addition, while we acknowledge that there are 1,580 renter-occupied units in the market in 2013, we believe that most of these rentals are located in non-conventional rental housing units including single-family/mobile home rentals, duplex, etc. The estimated distribution of occupied housing by units in a structure and tenure is detailed in the table on the following page.

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	4,370	84.2%	950	60.1%
1, Attached	31	0.6%	2	0.1%
2 to 4	0	0.0%	103	6.5%
5 to 9	0	0.0%	95	6.0%
10 or more	0	0.0%	32	2.0%
Mobile Homes	789	15.2%	398	25.2%
Total	5,190	100.0%	1,580	100.0%

Source: U.S. Census Bureau, 2007-2011 American Community Survey (ACS)

As the preceding table illustrates, over 85% of renter-occupied housing consists of single-family/mobile home rentals, whereas only 2.0% consist of structures with 10 or more units. As such, this demonstrates that there is a lack of conventional rental housing units and that the subject project will be able to provide a new, quality rental housing alternative that is currently lacking in the market.

### Conventional Apartments

We identified and personally surveyed 12 conventional housing projects containing a total of 426 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.7%, a good rate for rental housing. Among these projects, seven are non-subsidized (market-rate and Tax Credit) projects containing 223 units. These non-subsidized units are 96.9% occupied. The remaining five projects contain 203 government-subsidized units, which are 98.5% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	6	161	7	95.7%
Tax Credit	1	62	0	100.0%
Tax Credit/Government-Subsidized	2	56	0	100.0%
Government-Subsidized	3	147	3	98.0%
Total	12	426	10	97.7%

All rental housing segments are performing at occupancies above 95.0%. As such, there do not appear to be any deficiencies within the rental housing market. It is important to note that the one LIHTC community within the Site PMA is 100.0% occupied, demonstrating pent up demand exists for LIHTC housing within the Madison Site PMA.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	1	0.6%	0	0.0%	\$671
Two-Bedroom	1.0	20	12.4%	2	10.0%	\$762
Two-Bedroom	1.5	24	14.9%	2	8.3%	\$812
Two-Bedroom	2.0	49	30.4%	0	0.0%	\$807
Two-Bedroom	2.5	39	24.2%	3	7.7%	\$827
Three-Bedroom	2.0	28	17.4%	0	0.0%	\$908
<b>Total Market-rate</b>		<b>161</b>	<b>100.0%</b>	<b>7</b>	<b>4.3%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	2.0	46	74.2%	0	0.0%	\$577
Three-Bedroom	2.0	16	25.8%	0	0.0%	\$699
<b>Total Tax Credit</b>		<b>62</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

Based on this distribution by bedroom types, there was only one (1) one-bedroom market-rate unit identified and surveyed within the Madison Site PMA. Further, there are no one-bedroom LIHTC units in the market. Although relatively rural markets tend to have a significantly higher share of larger unit types available compared to urban markets, a 0.4% share of non-subsidized one-bedroom units is considered underserved. The proposed development's one-bedroom units will be able to accommodate a portion of the unmet demand within the market.

It should also be noted that while the proposed gross rents at the subject project, ranging from \$548 to \$720 depending on unit size, are higher than that of the one non-subsidized LIHTC project in the market, it is likely that the existing LIHTC project could achieve a premium and still remain stabilized. This is based on the fact that it is 100.0% occupied and maintains a wait list. Further, the median gross market-rate rents are 5.8% to 22.4% higher than the corresponding proposed development's gross rents. Therefore, the proposed gross rents at the subject site will likely represent a value within the market.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	17	5.9%
B-	3	82	3.7%
C+	2	62	4.8%

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	62	0.0%

All properties broken out by quality are maintaining vacancy rates of 5.9% or lower, a low rate for rental housing. As such, it can be concluded that quality has not had a significant impact on vacancies.

## 2. SUMMARY OF ASSISTED PROJECTS

There are a total of six federally subsidized and/or Tax Credit apartment developments in the Madison Site PMA. These projects were surveyed in May 2013. They are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)			
						One-Br.	Two-Br.	Three-Br.	Four-Br.
2	Madison Villas	RD 515	1996	48	95.8%	\$503-\$627 (16)	\$582-\$726 (32)	-	-
3	Orchard Grove Apts.	TAX	2004	62	100.0%	-	\$577 (46)	\$699 (16)	-
8	Madison Public Housing	P.H.	1959 / 1995	66	100.0%	SUB (12)	SUB (20)	SUB (24)	SUB (10)
10	Fox Chase Apts. I	TAX & RD 515	1992	24	100.0%	\$553-\$680 (2)	\$627-\$750 (18)	\$689-\$830 (4)	-
11	Fox Chase Apts. II	TAX & RD 515	1992	32	100.0%	\$553-\$693 (32)	-	-	-
12	Greensboro Village Apts.	RD 515	1990	33	97.0%	\$583-\$768 (10)	\$647-\$822 (23)	-	-
<b>Total</b>				<b>265</b>	<b>98.9%</b>				

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

P.H. - Public Housing

RD - Rural Development

SUB – Tenants pay up to 30% of their incomes toward gross rent

The overall occupancy is 98.9% for these projects, indicating strong market demand for affordable housing.

### HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia DCA-Athens Regional Office, which has jurisdiction over Morgan County, there are approximately 44 Housing Choice Voucher holders within their jurisdiction and zero households currently on the waiting list for additional Vouchers. It should be noted that the DCA will only place households on the waiting list if they feel they can serve them within one year. Due to the lack of funding from HUD, there is no time table as to when the waiting list will reopen. Annual turnover of households in the Voucher program is estimated at five households per year. This reflects the continuing need for Housing Choice Voucher assistance.

It should be noted that there was only one non-subsidized LIHTC comparable project identified within the market. As such, we identified and surveyed two additional non-subsidized LIHTC projects outside of the Site PMA, but within the region. All comparable LIHTC properties accept Housing Choice Vouchers. The following table summarizes the properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Occupancy Rate	Number of Vouchers
3	Orchard Grove Apts.	62	100.0%	15
901	Harristown Park	60	100.0%	2
904	Skyline Trace	63	100.0%	6
Total		185	100.0%	23

900 series Map IDs located outside of the Site PMA

As the preceding table illustrates, approximately 23 units are occupied by voucher holders out of 185 units, comprising 12.4% of the total comparable LIHTC units in the region. Specifically, the one LIHTC project in the market has 62 units with 15 occupied by voucher holders, comprising 24.2% of the total comparable LIHTC units in the market. As such, this illustrates that the gross rents charged at the comparable LIHTC projects in both the market and region are achievable.

The following table outlines the HUD 2013 Fair Market Rents for Morgan County, Georgia:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$543	\$548 (50%) \$548-\$608 (60%)
Two-Bedroom	\$644	\$625 (50%) \$720 (60%)

As the preceding table illustrates, the two-bedroom units at 50% of AMHI proposed gross rents are below the current Fair Market Rent for a two-bedroom unit. As such, Voucher holders are able to reside at the proposed development's four (4) two-bedroom units at 50% of AMHI. However, the proposed gross rents at the remaining units (40) are above current Fair Market Rents. As such, the project will not be eligible to accept Housing Choice Voucher holders on the majority of the units, unless Voucher holders were willing to pay the difference between Fair Market Rents and the gross rents that will be charged at the subject site. This has been considered in our absorption estimates in Section I.

### 3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there were no multifamily projects planned for the area.

#### Building Permit Data

The following table illustrates single-family and multifamily building permits issued within Morgan County for the past ten years.

Housing Unit Building Permits for Morgan County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	60	38	4	0	0	0	0	0	0	0
Single-Family Permits	172	211	279	229	173	68	34	33	34	15
Total Units	232	249	283	229	173	68	34	33	34	15

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding tables indicate, there have been no multifamily building permits issued within Morgan County since 2005, which is not considered unusual within rural markets. Given that the combined occupancy rate of all rental projects identified and surveyed in the market is 97.3% and based on the limited number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

### 4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Given the lack of non-subsidized age-restricted Low-Income Housing Tax Credit (LIHTC) projects within the market, we identified one family (general-occupancy) LIHTC project within the Madison Site PMA that offers similar unit styles as the subject project. This project, Orchard Grove Apartments (Map I.D. 3) targets households with incomes up to 50% and 60% of Area Median Household Income (AMHI) and, as such, is considered comparable. Given the lack of non-subsidized LIHTC housing within the market, we have identified and surveyed two additional LIHTC projects that offer at least some units that operate under the LIHTC program outside of the Site PMA, but within the region. These two projects target households with incomes up to 50% and 60% of AMHI and are considered comparable. It should be noted that these two projects are not considered competitive as they derive demographic support from a different geographical area. As such, these properties have been included for comparison purposes only. The three comparison LIHTC properties and the proposed subject project are summarized in the table on the following page.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Bethany Senior Village</b>	<b>2015</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Seniors 55+; 60% AMHI</b>
3	Orchard Grove Apts.	2004	62	100.0%	1.9 Miles	30 H.H.	Families; 50% & 60% AMHI
901	Harristown Park	2011	60	100.0%	25.5 Miles	400 H.H.	Seniors 55+; 50% & 60% AMHI
904	Skyline Trace	2010	59*	100.0%	24.7 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

Map IDs 901 & 904 are located outside of the Site PMA

\*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0%, indicating pent-up demand for affordable housing in both the market and region. It should be noted that there are no non-subsidized age-restricted LIHTC projects within the market. As such, the subject project will provide a rental housing alternative to low-income senior households which is currently underserved in the Madison Site PMA.

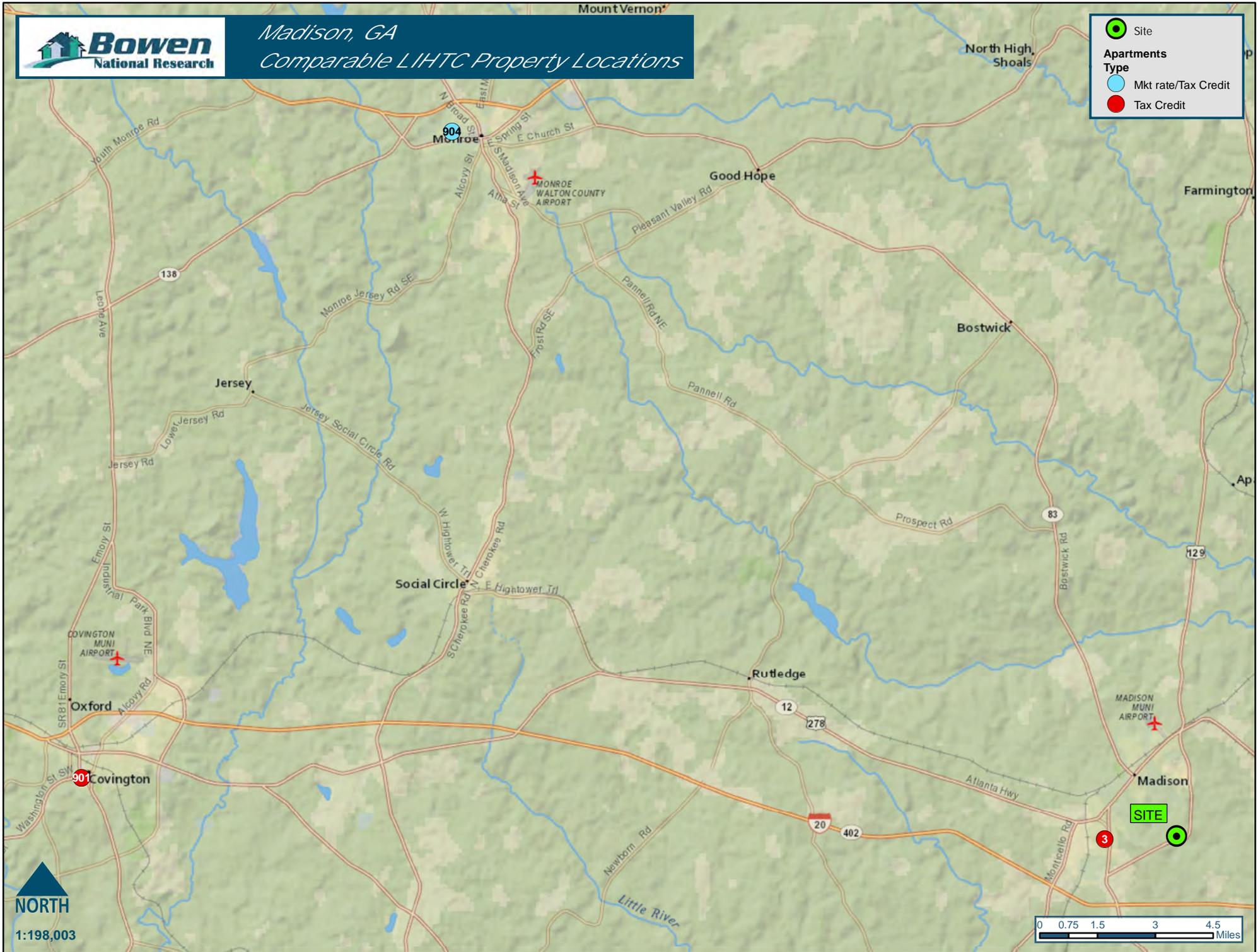
The map on the following page illustrates the location of the comparable Tax Credit properties relative to the proposed site location.



Madison, GA  
Comparable LIHTC Property Locations

Legend:

- Site (Green circle)
- Apartment Type:
  - Mkt rate/Tax Credit (Light blue circle)
  - Tax Credit (Red circle)



NORTH  
1:198,003

0 0.75 1.5 3 4.5 Miles

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
<b>Site</b>	<b>Bethany Senior Village</b>	<b>\$548/50% (3)</b> <b>\$548-\$608/60% (15)</b>	<b>\$625/50% (4)</b> <b>\$720/60% (22)</b>	-	-
3	Orchard Grove Apts.	-	\$577/50% (28/0) \$577/60% (18/0)	\$699/50% (10/0) \$699/60% (6/0)	None
901	Harristown Park*	\$556/50% (2/0) \$556/60% (10/0)	\$657/50% (7/0) \$667/60% (41/0)	-	None
904	Skyline Trace	\$672/50% (3/0) \$731/60% (3/0)	\$772/50% (10/0) \$842/60% (19/0)	\$888/50% (8/0) \$933/60% (16/0)	None

Map IDs 901 & 904 are located outside of the Site PMA

\*Age-restricted; 55+

The proposed subject gross rents, ranging from \$548 to \$720, will be within the range of gross rents offered at the comparable LIHTC project's one- and two-bedroom units within the region. Given that all affordable LIHTC projects within the region are 100.0% occupied, indicates that the gross rents offered at such projects are achievable. Further, the proposed development will be the only non-subsidized age-restricted LIHTC project and the only LIHTC project to offer one-bedroom units within the market. As such, the proposed development will be able to provide a rental housing alternative to low-income senior households which is currently underserved within the Site PMA. This will provide the subject site with a competitive advantage.

It should be noted, however, that the proposed subject's two-bedroom gross rents will be the highest when compared with the one LIHTC project in the market, Orchard Grove Apartments (Map I.D. 3). Given that Orchard Grove Apartments is 100.0% occupied and maintains an extensive waiting list, this project may be able to achieve a premium and still maintain a stabilized occupancy. Further, the proposed development will be the newest community in the market, offering a cottage-style design that is not readily available and is considered appealing to senior residents. Therefore, it is also likely that the proposed development will be able to achieve a premium in the market. Initial lease-up of these particular two-bedroom units will likely be slower than the subject's one-bedroom units. Nonetheless, it is recommended that the developer and/or management monitor market conditions during the initial lease-up period. If the development experiences an extended absorption period, it is likely that the project would need to lower its rents in order to reach a stabilized occupancy.

The following table illustrates the weighted average collected rents of the three comparable LIHTC projects by bedroom type. It should be noted that the two comparable LIHTC projects located outside of the market, but within the region, were considered in this analysis due to the lack of non-subsidized LIHTC housing in the market.

Weighted Average Collected Rent Of Comparable LIHTC Units	
One-Br.	Two-Br.
\$447	\$487

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent	Weighted Avg. Proposed Rent	Difference	Weighted Avg. Proposed Rent	Rent Advantage
One-Br.	\$441	- \$487*	- \$46	/ \$487*	-9.4%
Two-Br.	\$487	- \$580*	- \$93	/ \$580*	-16.0%

As the preceding table illustrates, the proposed collected one- and two-bedroom rents do not represent a rent advantage. It should be noted that all comparable LIHTC projects in the region are 100.0% occupied. As such, it is likely that the comparable LIHTC projects could achieve a premium and still maintain a stabilized occupancy. Please note that these are weighted averages of *collected* rents do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development’s collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	<b>Bethany Senior Village</b>	<b>738</b>	<b>988</b>	-
3	Orchard Grove Apts.	-	1,000	1,100
901	Harristown Park*	750	900	-
904	Skyline Trace	806	1,056	1,237

Map IDs 901 & 904 are located outside of the Site PMA

\*Age-restricted; 55+

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Bethany Senior Village</b>	<b>1.0</b>	<b>1.0</b>	<b>-</b>
3	Orchard Grove Apts.	-	2.0	2.0
901	Harristown Park*	1.0	2.0	-
904	Skyline Trace	1.0	2.0	2.0

Map IDs 901 & 904 are located outside of the Site PMA

\*Age-restricted; 55+

The proposed development will offer one-bedroom unit sizes, based on square footage and number of bathrooms offered, generally similar with the comparable one-bedroom units in the region. As noted, the subject site will be the only LIHTC project to offer one-bedroom units within the market. Therefore, the subject project will be able to accommodate a portion of the unmet demand within the market. The proposed development will offer two-bedroom units within the range of sizes offered at the comparable two-bedroom units within the region. Given that all comparable projects are 100.0% occupied, the subject's two-bedroom unit sizes are appropriately positioned within the region.

The following tables compare the amenities of the subject development with the other LIHTC projects in the region.

# COMPARABLE PROPERTIES AMENITIES - MADISON, GEORGIA

MAP ID	APPLIANCES						UNIT AMENITIES													
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
◆ SITE	X	X		X			X		C		X	X	X				B		S	
904	X	X		X	X	X	X		C		X	X	X				B		S	Patio Storage
3	X	X	X	X	X		X		C		X						B		S	
◆ 901	X	X	X	X	X	X	X		C	X	X	S	X		X		B	S	S	

MAP ID	PROJECT AMENITIES																		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER
◆ SITE		X	X		X	X										X			Walking Trails; Gazebo Community Garden
904	X	X	X	X		X		X						X		X			
3		X	X		X	X		X								X			
◆ 901		X			A	X						X		X		X			Community Garden

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional
<b>Window Treatments</b>
B - Blinds
C - Curtains
D - Drapes

<b>Parking</b>
A - Attached
C - Carport
D - Detached
O - On Street
S - Surface
G - Parking Garage
(o) - Optional
(s) - Some

<b>Sports Courts</b>
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

<b>Floor Covering</b>
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

<b>Community Space</b>
A - Activity Room
L - Lounge/Gathering Room
T - Training Room

The amenity packages included at the proposed development will be very similar with the existing LIHTC projects within the market. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Low-Income Housing Tax Credit project. In fact, the proposed development will be the only non-subsidized age-restricted project in the market and will offer a cottage-style design that is considered desirable among the aging population. This will provide the proposed development with a competitive advantage.

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the proposed development will be appropriately positioned within the market. It should be noted that the subject's proposed rents will be the highest in the market. However, given that the one non-subsidized LIHTC project in the market is 100.0% occupied and the fact that the proposed development will be the only non-subsidized age-restricted LIHTC project in the market, it is likely that higher rents can be achieved, while maintaining a stabilized occupancy. Additionally, the cottage style design of the subject units will be very marketable to senior households, particularly in a market with limited senior housing alternatives. This will also enable the subject units to get a premium in the market.

Comparable/Competitive Housing Impact

The anticipated occupancy rate of the one existing comparable Tax Credit development in the market following the first year of completion at the subject site is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2015
3	Orchard Grove Apts.	100.0%	95.0%+

Given that the one comparable LIHTC project in the market is 100.0% occupied, maintains an extensive wait list and targets a different demographic than the proposed development, the development of the subject site is not anticipated to have a significant impact on the future occupancy at Orchard Grove Apartments (Map I.D. 3).

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

## 5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$142,534. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$142,534 home is \$1,015, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$142,534
Mortgaged Value = 95% of Median Home Price	\$135,407
Interest Rate - Bankrate.com	6.0%
Term	30
Monthly Principal & Interest	\$812
Estimated Taxes and Insurance*	\$203
Estimated Monthly Mortgage Payment	\$1,015

\*Estimated at 25% of principal and interest

In comparison, the proposed collected LIHTC rents for the subject property range from \$450 to \$595 per month, depending on unit size. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$420 to \$565 greater than the cost of renting, depending on unit size. Therefore, it is not likely that some of the potential residents in the market would be able to afford the monthly payments required to own a home. In fact, as the subject project will target senior households, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance free housing alternative. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## **SECTION I – ABSORPTION & STABILIZATION RATES**

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2015 renovation completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2015.

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development. Our absorption projections take into consideration the lack of age-restricted, non-subsidized LIHTC units in the market, the cottage-style project design, the required capture rate, achievable market rents, the demand for all affordable rental housing and the proposed competitiveness of the subject site. Our absorption projections also take into consideration that the developer and/or management successfully markets the project in Morgan County, as well as the adjacent areas of Greene County. If the development experiences an extended absorption period, it is likely that the project would need to lower its rents in order to reach a stabilized occupancy.

Based on our analysis, it is our opinion that the proposed 44 LIHTC units at the subject site will reach a stabilized occupancy of at least 93.0% within approximately nine to ten months. This absorption period is based on a conservative average monthly absorption of approximately four to five units per month. We believe the proposed one-bedroom units will lease-up at a higher monthly rate than the two-bedroom units.

These absorption projections assume a 2015 opening date. A later opening date may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

## SECTION J – INTERVIEWS

The following are summaries of interviews conducted with various local sources knowledgeable of the local housing market:

Tara Cooner, Planning Administrator with Morgan County, believes that there is a need for additional affordable housing within Madison, as well as Morgan County as a whole. Given the economic conditions in Morgan County within the past several years, Ms. Cooner feels that any housing that is affordable will enhance the quality of life for residents in the county area and provide low-income residents with a modern housing alternative.

Nancy Dove, Section 8 Administrator with Georgia DCA-Athens Regional Office, stated that there is a definite need for additional affordable housing within Morgan County, given the numerous inquiries she receives from individuals looking for housing in the area. Ms. Dove's office does not maintain a waiting list unless they feel they can serve households within 12 months and they have not been able to do so in the past few years. With lack of funds from HUD to serve lower income renters, Ms. Dove stated that it is crucial that developers continue to build/rehab projects in the area.

Laurie Aguilar, Property Manager of Orchard Grove Apartments (Map I.D. 3), a general-occupancy LIHTC community, also believes that there is definite need for affordable housing in Madison, especially for seniors. There are currently no age-restricted projects within the Madison area and Ms. Aguilar receives at least one call a week from seniors asking about age-restricted housing options. Due to the lack of age-restricted housing, she refers such individuals to properties located in Athens or Covington.

## SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 44 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings.

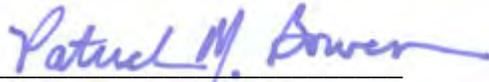
The one non-subsidized general-occupancy LIHTC community located within the Madison Site PMA, Orchard Grove Apartments (Map I.D. 3), is 100.0% occupied and maintains a wait list. It should be noted that there are no age-restricted non-subsidized LIHTC communities within the market. In addition, the proposed development will be the only non-subsidized LIHTC project to offer one-bedroom units within the market. As such, the subject project will provide a rental housing alternative to low-income senior households which is currently underserved in the market. This will provide the subject site with a competitive advantage.

As indicated in Section H of this report, the subject project will offer gross rents within the range of the comparable LIHTC projects within the region. However, it should be noted that when compared with Orchard Grove Apartments, the proposed development will offer the highest gross rents. Given that the one existing non-subsidized LIHTC community is 100.0% occupied and maintains an extensive waiting list, this project may be able to achieve a premium and still maintain a stabilized occupancy. Further, the proposed development will be the newest community in the market, offering a cottage-style design that is not readily available and is considered appealing to senior residents. Therefore, it is also likely that the proposed development will be able to achieve a premium in the market. Nonetheless, it is recommended that the developer and/or management market the project throughout Morgan County and the adjacent county of Greene during the initial lease-up period and once the project reaches a stabilized occupancy to ensure the success of the proposed development.

## SECTION L - SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.

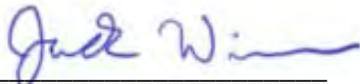
Certified:



Patrick Bowen  
President/Market Analyst  
Bowen National Research  
155 E. Columbus St., Suite 220  
Pickerington, OH 43147  
(614) 833-9300  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: June 10, 2013



Greg Gray  
Market Analyst  
[gregg@bowennational.com](mailto:gregg@bowennational.com)  
Date: June 10, 2013



Jack Wiseman  
Market Analyst  
[jackw@bowennational.com](mailto:jackw@bowennational.com)  
Date: June 10, 2013

## SECTION M – MARKET STUDY REPRESENTATION

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

## SECTION N - QUALIFICATIONS

### The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

### The Staff

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 15 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Benjamin J. Braley**, Market Analyst, has conducted market research for over six years in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

**Jack Wiseman**, Market Analyst, with Bowen National Research, has conducted extensive market research in over 200 markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

**Craig Rupert**, Market Analyst with Bowen National Research, has conducted market research in both urban and rural markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends and economic characteristics. Specifically, he has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, Indian housing, senior rental housing facilities and student housing facilities. Mr. Rupert has a Bachelor of Science degree in Hospitality Management from Youngstown State University.

**Heather Moore**, Market Analyst, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

**Greg Gray**, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

**Christine Atkins**, Market Analyst, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

**Lisa Wood**, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

**Chuck Ewing**, Market Analyst, has been conducting site-specific analysis throughout the United States since 2009. He has experience in the evaluation of a variety of real estate developments that include affordable and market-rate apartments, senior living facilities, student housing, supportive and disabled veteran housing, farm worker housing and regional rental supply analysis. Mr. Ewing has a Bachelor of Arts degree in Economics from the Ohio State University.

**Marlon Boone**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Boone graduated from The Ohio State University with a Bachelor of Science in City and Regional Planning, with a concentration in Housing, Development and Real Estate.

**Amy Tyrrell** is a Project Director for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

**Stephanie Viren** is the Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

**Desireé Johnson** is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

**June Davis**, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

## ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

### MADISON, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

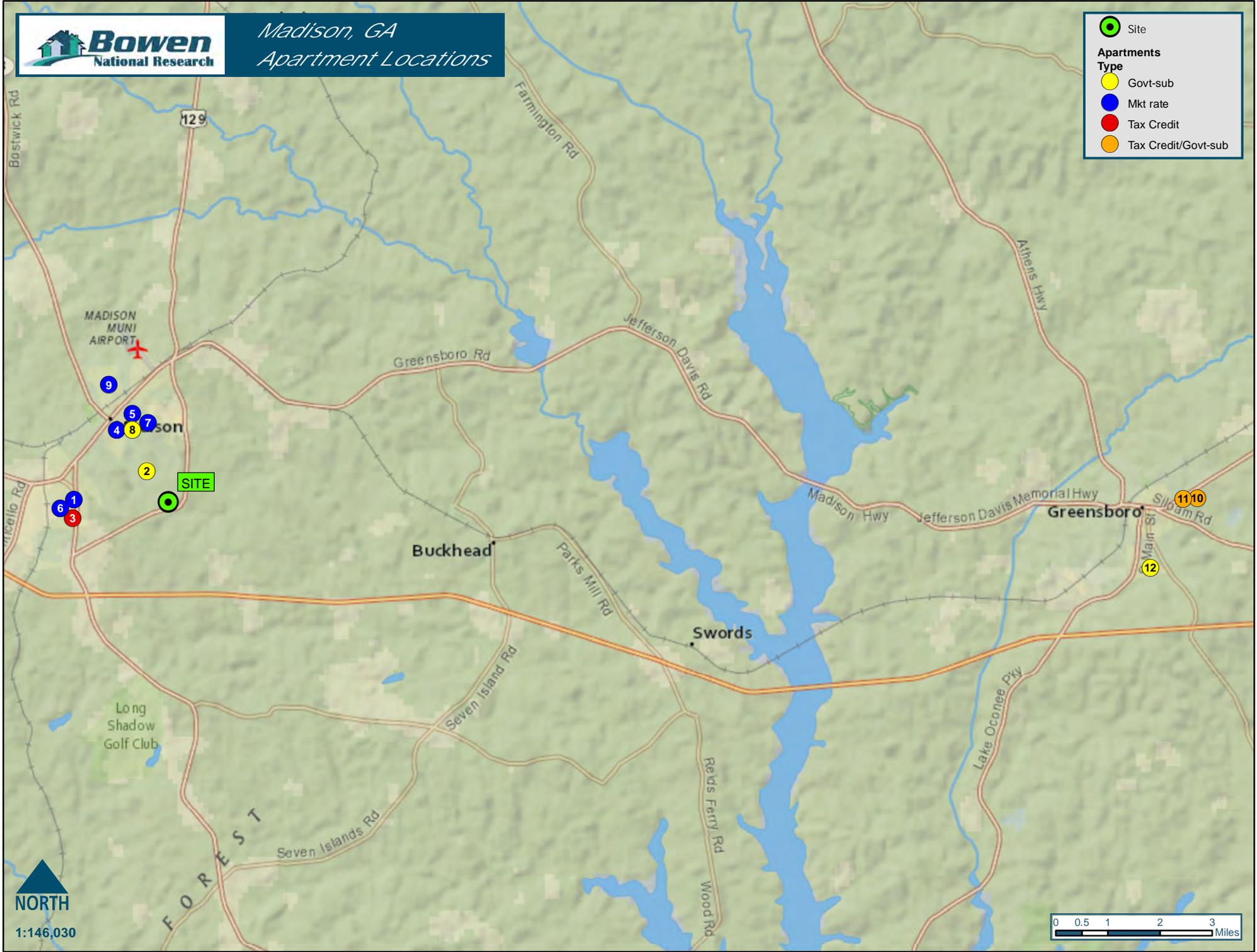


# Madison, GA Apartment Locations

● Site

**Apartments Type**

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



  
NORTH  
1:146,030



# MAP IDENTIFICATION LIST - MADISON, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Madison Square	MRR	B-	2000	59	0	100.0%	1.8
2	Madison Villas	GSS	B	1996	48	2	95.8%	0.9
3	Orchard Grove Apts.	TAX	A	2004	62	0	100.0%	1.9
4	Jefferson Ridge Townhomes	MRR	B-	2000	22	2	90.9%	1.6
5	Carriage Glen	MRR	B	1998	17	1	94.1%	1.9
6	Madison Commons	MRR	C+	2006	38	1	97.4%	2.0
7	Madison Towne Homes	MRR	C+	1985	24	2	91.7%	1.7
8	Madison Public Housing	GSS	C	1959	66	0	100.0%	1.6
9	960 Mapp St.	MRR	B-	1961	1	1	0.0%	2.8
10	Fox Chase Apts. I	TGS	B-	1992	24	0	100.0%	19.7
11	Fox Chase Apts. II	TGS	B-	1992	32	0	100.0%	19.6
12	Greensboro Village Apts.	GSS	B	1990	33	1	97.0%	20.0

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	6	161	7	95.7%	0
TAX	1	62	0	100.0%	0
TGS	2	56	0	100.0%	0
GSS	3	147	3	98.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

\* - Drive Distance (Miles)

Survey Date: May 2013

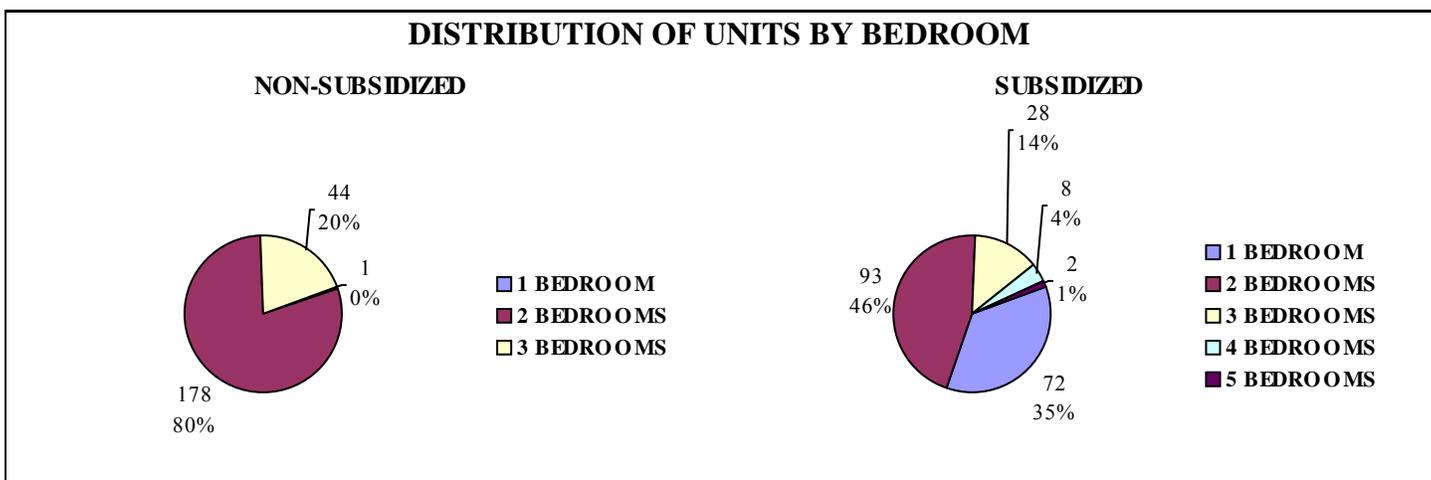
# DISTRIBUTION OF UNITS - MADISON, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	1	0.6%	0	0.0%	\$671
2	1	20	12.4%	2	10.0%	\$762
2	1.5	24	14.9%	2	8.3%	\$812
2	2	49	30.4%	0	0.0%	\$807
2	2.5	39	24.2%	3	7.7%	\$827
3	2	28	17.4%	0	0.0%	\$908
<b>TOTAL</b>		<b>161</b>	<b>100.0%</b>	<b>7</b>	<b>4.3%</b>	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	2	46	74.2%	0	0.0%	\$577
3	2	16	25.8%	0	0.0%	\$699
<b>TOTAL</b>		<b>62</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	34	60.7%	0	0.0%	N.A.
2	1	18	32.1%	0	0.0%	N.A.
3	1	4	7.1%	0	0.0%	N.A.
<b>TOTAL</b>		<b>56</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	38	25.9%	1	2.6%	N.A.
2	1	43	29.3%	0	0.0%	N.A.
2	2	32	21.8%	2	6.3%	N.A.
3	1	24	16.3%	0	0.0%	N.A.
4	1.5	8	5.4%	0	0.0%	N.A.
5	2	2	1.4%	0	0.0%	N.A.
<b>TOTAL</b>		<b>147</b>	<b>100.0%</b>	<b>3</b>	<b>2.0%</b>	
<b>GRAND TOTAL</b>		<b>426</b>	<b>-</b>	<b>10</b>	<b>2.3%</b>	



# SURVEY OF PROPERTIES - MADISON, GEORGIA

1 Madison Square			
	<b>Address</b> 1092 Micha Way Madison, GA 30650	<b>Phone</b> (706) 410-5952 (Contact in person)	<b>Total Units</b> 59
	<b>Year Built</b> 2000 <b>Comments</b> Does not accept HCV	<b>Contact</b> Bobbi	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> B-
<b>Waiting List</b> 6 households			
2 Madison Villas			
	<b>Address</b> 1061 Bamblewood Dr. Madison, GA 30650	<b>Phone</b> (706) 342-9872 (Contact in person)	<b>Total Units</b> 48
	<b>Year Built</b> 1996 <b>Comments</b> RD 515, has RA (16 units); HCV (11 units); Square footage estimated	<b>Contact</b> Thelma	<b>Vacancies</b> 2 <b>Occupied</b> 95.8% <b>Floors</b> 1,2 <b>Quality Rating</b> B
<b>Waiting List</b> 1-br: 6 households			
3 Orchard Grove Apts.			
	<b>Address</b> 1070 Micha Way Madison, GA 30650	<b>Phone</b> (706)752-1707 (Contact in person)	<b>Total Units</b> 62
	<b>Year Built</b> 2004 <b>Comments</b> 50% & 60% AMHI; HCV (15 units)	<b>Contact</b> Laurie	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> A
<b>Waiting List</b> 30 households			
4 Jefferson Ridge Townhomes			
	<b>Address</b> 363 E. Jefferson St. Madison, GA 30650	<b>Phone</b> (706) 818-3563 (Contact in person)	<b>Total Units</b> 22
	<b>Year Built</b> 2000 <b>Comments</b> Does not accept HCV; Square footage estimated	<b>Contact</b> Tom	<b>Vacancies</b> 2 <b>Occupied</b> 90.9% <b>Floors</b> 2 <b>Quality Rating</b> B-
<b>Waiting List</b> None			
5 Carriage Glen			
	<b>Address</b> 632 Carriage Ln. Madison, GA 30650	<b>Phone</b> (706) 769-8844 (Contact in person)	<b>Total Units</b> 17
	<b>Year Built</b> 1998 <b>Comments</b> Does not accept HCV	<b>Contact</b> Renee	<b>Vacancies</b> 1 <b>Occupied</b> 94.1% <b>Floors</b> 2 <b>Quality Rating</b> B
<b>Waiting List</b> None			

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: May 2013

# SURVEY OF PROPERTIES - MADISON, GEORGIA

6 Madison Commons			
	<b>Address</b> 1210 Micha Way Madison, GA 30650	<b>Phone</b> (706) 318-0350 (Contact in person)	<b>Total Units</b> 38
	<b>Year Built</b> 2006 <b>Comments</b> HCV (1 unit); Year built & square footage estimated	<b>Contact</b> Mindy	<b>Vacancies</b> 1 <b>Occupied</b> 97.4% <b>Floors</b> 1 <b>Quality Rating</b> C+
			<b>Waiting List</b> None
7 Madison Towne Homes			
	<b>Address</b> 100 Concord Ln. Madison, GA 30650	<b>Phone</b> (706) 342-3355 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1985 <b>Comments</b> Does not accept HCV; Select units have wood laminate flooring; Square footage estimated by manager	<b>Contact</b> Kyle	<b>Vacancies</b> 2 <b>Occupied</b> 91.7% <b>Floors</b> 2 <b>Quality Rating</b> C+
			<b>Waiting List</b> None
8 Madison Public Housing			
	<b>Address</b> 509 Madison Ave. Madison, GA 30650	<b>Phone</b> (770) 267-6591 (Contact in person)	<b>Total Units</b> 66
	<b>Year Built</b> 1959 <b>Renovated</b> 1995 <b>Comments</b> Public Housing; Scattered sites	<b>Contact</b> Lori	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> C
			<b>Waiting List</b> 6-12 months
9 960 Mapp St.			
	<b>Address</b> 960 Mapp St. Madison, GA 30650	<b>Phone</b> (404) 787-7344 (Contact in person)	<b>Total Units</b> 1
	<b>Year Built</b> 1961 <b>Comments</b>	<b>Contact</b> Sherry	<b>Vacancies</b> 1 <b>Occupied</b> 0.0% <b>Floors</b> 1 <b>Quality Rating</b> B- Single-Family Home <b>Waiting List</b>
			None
10 Fox Chase Apts. I			
	<b>Address</b> 11 Fox Chase Circle Greensboro, GA 30642	<b>Phone</b> (706) 453-4690 (Contact by phone)	<b>Total Units</b> 24
	<b>Year Built</b> 1992 <b>Comments</b> 60% AMHI; RD 515, has RA (12 units); Accepts HCV	<b>Contact</b> Veronica	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> B-
			<b>Waiting List</b> 9 households

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: May 2013

# SURVEY OF PROPERTIES - MADISON, GEORGIA

11 Fox Chase Apts. II			
	<b>Address</b> 11 Fox Chase Circle Greensboro, GA 30642	<b>Phone</b> (229) 247-9956 (Contact by phone)	<b>Total Units</b> 32 <b>Vacancies</b> 0 <b>Occupied</b> 100.0%
	<b>Year Built</b> 1992 <b>Comments</b> 60% AMHI; RD 515, has RA (32 units); One 2-br manager unit not included	<b>Contact</b> Veronica	<b>Floors</b> 1 <b>Quality Rating</b> B- <b>Senior Restricted (62+)</b> <b>Waiting List</b> 7 households
12 Greensboro Village Apts.			
	<b>Address</b> 108 Rachel St. Greensboro, GA 30648	<b>Phone</b> (706) 453-0808 (Contact by phone)	<b>Total Units</b> 33 <b>Vacancies</b> 1 <b>Occupied</b> 97.0%
	<b>Year Built</b> 1990 <b>Comments</b> RD 515, has RA (32 units); Accepts HCV; Year built & square footage estimated	<b>Contact</b> Emma	<b>Floors</b> 1 <b>Quality Rating</b> B <b>Waiting List</b> RA: 7-8 households

### Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: May 2013

# COLLECTED RENTS - MADISON, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$500	\$595	\$695					
3			\$425	\$515					
4							\$675		
5							\$725		
6			\$550	\$650					
7							\$600		
9			\$550						

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: May 2013

# PRICE PER SQUARE FOOT - MADISON, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Madison Square	1	850	\$671	\$0.79
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Madison Square	2	1050	\$807	\$0.77
4	Jefferson Ridge Townhomes	2.5	1100	\$827	\$0.75
5	Carriage Glen	2.5	1150	\$937	\$0.81
6	Madison Commons	1	900	\$762	\$0.85
7	Madison Towne Homes	1.5	900	\$812	\$0.90
9	960 Mapp St.	1	900	\$739	\$0.82
3	Orchard Grove Apts.	2	1000	\$577	\$0.58
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Madison Square	2	1100	\$953	\$0.87
6	Madison Commons	2	1100	\$908	\$0.83
3	Orchard Grove Apts.	2	1100	\$699	\$0.64

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: May 2013

# AVERAGE GROSS RENT PER SQUARE FOOT - MADISON, GEORGIA

<b>MARKET-RATE</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.79	\$0.79	\$0.84
TOWNHOUSE	\$0.00	\$0.83	\$0.00

<b>TAX CREDIT (NON-SUBSIDIZED)</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.00	\$0.58	\$0.64
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>COMBINED</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.79	\$0.71	\$0.76
TOWNHOUSE	\$0.00	\$0.83	\$0.00

# TAX CREDIT UNITS - MADISON, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 11	Fox Chase Apts. II	32	648	1	60%	\$435 - \$575
10	Fox Chase Apts. I	2	643	1	60%	\$435 - \$562
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Orchard Grove Apts.	18	1000	2	60%	\$425
3	Orchard Grove Apts.	28	1000	2	50%	\$425
10	Fox Chase Apts. I	18	924	1	60%	\$475 - \$598
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
10	Fox Chase Apts. I	4	948	1	60%	\$505 - \$646
3	Orchard Grove Apts.	6	1100	2	60%	\$515
3	Orchard Grove Apts.	10	1100	2	50%	\$515

◆ - Senior Restricted

# QUALITY RATING - MADISON, GEORGIA

## MARKET-RATE PROJECTS AND UNITS

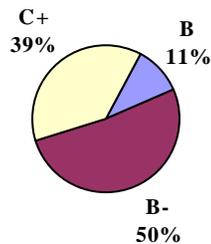
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	1	17	5.9%			\$937		
B-	3	82	3.7%		\$671	\$807	\$953	
C+	2	62	4.8%			\$812	\$908	

## TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

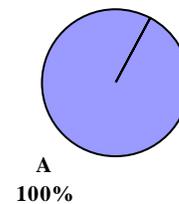
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	62	0.0%			\$577	\$699	

## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



## YEAR BUILT - MADISON, GEORGIA \*

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	1	1	1	100.0%	1	0.4%
1970 to 1979	0	0	0	0.0%	1	0.0%
1980 to 1989	1	24	2	8.3%	25	10.8%
1990 to 1999	1	17	1	5.9%	42	7.6%
2000 to 2005	3	143	2	1.4%	185	64.1%
2006	1	38	1	2.6%	223	17.0%
2007	0	0	0	0.0%	223	0.0%
2008	0	0	0	0.0%	223	0.0%
2009	0	0	0	0.0%	223	0.0%
2010	0	0	0	0.0%	223	0.0%
2011	0	0	0	0.0%	223	0.0%
2012	0	0	0	0.0%	223	0.0%
2013**	0	0	0	0.0%	223	0.0%
<b>TOTAL</b>	<b>7</b>	<b>223</b>	<b>7</b>	<b>3.1%</b>	<b>223</b>	<b>100.0 %</b>

\* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

\*\* As of May 2013

Survey Date: May 2013

## APPLIANCES AND UNIT AMENITIES - MADISON, GEORGIA

<b>APPLIANCES</b>			
<b>APPLIANCE</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
RANGE	7	100.0%	223
REFRIGERATOR	7	100.0%	223
ICEMAKER	1	14.3%	62
DISHWASHER	7	100.0%	223
DISPOSAL	2	28.6%	84
MICROWAVE	0	0.0%	
<b>UNIT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
AC - CENTRAL	7	100.0%	223
AC - WINDOW	0	0.0%	
FLOOR COVERING	7	100.0%	223
WASHER/DRYER	1	14.3%	17
WASHER/DRYER HOOK-UP	7	100.0%	223
PATIO/DECK/BALCONY	5	71.4%	160
CEILING FAN	4	57.1%	138
FIREPLACE	1	14.3%	24
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	6	85.7%	185
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

\* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

## PROJECT AMENITIES - MADISON, GEORGIA

<b>PROJECT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS</b>
POOL	0	0.0%	
ON-SITE MANAGEMENT	2	28.6%	121
LAUNDRY	1	14.3%	62
CLUB HOUSE	0	0.0%	
MEETING ROOM	1	14.3%	62
FITNESS CENTER	1	14.3%	62
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	14.3%	62
COMPUTER LAB	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	1	14.3%	62
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

# DISTRIBUTION OF UTILITIES - MADISON, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
TENANT			
ELECTRIC	11	425	99.8%
GAS	1	1	0.2%
			100.0%
<b>COOKING FUEL</b>			
TENANT			
ELECTRIC	12	426	100.0%
			100.0%
<b>HOT WATER</b>			
TENANT			
ELECTRIC	12	426	100.0%
			100.0%
<b>ELECTRIC</b>			
TENANT			
	12	426	100.0%
			100.0%
<b>WATER</b>			
LANDLORD	6	221	51.9%
TENANT	6	205	48.1%
			100.0%
<b>SEWER</b>			
LANDLORD			
	6	221	51.9%
TENANT			
	6	205	48.1%
<b>TRASH PICK-UP</b>			
LANDLORD			
	7	222	52.1%
TENANT			
	5	204	47.9%
			100.0%

# UTILITY ALLOWANCE - MADISON, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$24	\$26		\$9	\$16	\$19	\$6	\$6	\$34	\$10	\$15	\$20	\$20
1	GARDEN	\$34	\$36		\$10	\$22	\$26	\$9	\$9	\$47	\$13	\$20	\$20	\$20
1	TOWNHOUSE	\$34	\$36		\$10	\$22	\$26	\$9	\$9	\$47	\$13	\$20	\$20	\$20
2	GARDEN	\$43	\$46		\$13	\$28	\$34	\$10	\$11	\$61	\$16	\$24	\$20	\$20
2	TOWNHOUSE	\$43	\$46		\$13	\$28	\$34	\$10	\$11	\$61	\$16	\$24	\$20	\$20
3	GARDEN	\$53	\$56		\$18	\$34	\$41	\$13	\$13	\$74	\$22	\$32	\$20	\$20
3	TOWNHOUSE	\$53	\$56		\$18	\$34	\$41	\$13	\$13	\$74	\$22	\$32	\$20	\$20
4	GARDEN	\$68	\$72		\$22	\$43	\$53	\$16	\$17	\$95	\$28	\$39	\$20	\$20
4	TOWNHOUSE	\$68	\$72		\$22	\$43	\$53	\$16	\$17	\$95	\$28	\$39	\$20	\$20

GA-Northern Region (9/2012)

Survey Date: May 2013

A-18



ADDENDUM B

COMPARABLE PROPERTY PROFILES

**1 Madison Square**

1.8 miles to site



<b>Address</b>	1092 Micha Way Madison, GA 30650		
<b>Phone</b>	(706) 410-5952	<b>Contact</b>	Bobbi
<b>Total Units</b>	59	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2000	<b>Floors</b>	1
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	6 households		
<b>Quality Rating</b>	B-	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV		



**Features and Utilities**

<b>Utilities</b>	No landlord paid utilities
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	1	0	850	\$0.59	\$500
2	2	G	49	0	1050	\$0.57	\$595
3	2	G	9	0	1100	\$0.63	\$695

**6 Madison Commons**

2.0 miles to site



<b>Address</b>	1210 Micha Way Madison, GA 30650		
<b>Phone</b>	(706) 318-0350	<b>Contact</b>	Mindy
<b>Total Units</b>	38	<b>Vacancies</b>	1
		<b>Percent Occupied</b>	97.4%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2006	<b>Floors</b>	1
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	C+	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	HCV (1 unit); Year built & square footage estimated		

**Features and Utilities**

<b>Utilities</b>	No landlord paid utilities
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan
<b>Project Amenities</b>	

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	1	G	19	1	900	\$0.61	\$550
3	2	G	19	0	1100	\$0.59	\$650

**906 Tall Oaks Apts.**

23.0 miles to site



<b>Address</b>	403 Tall Oaks E Monroe, GA 30655		
<b>Phone</b>	(770) 267-3939	<b>Contact</b>	Melissa
<b>Total Units</b>	162	<b>Vacancies</b>	5
		<b>Percent Occupied</b>	96.9%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1982	<b>Floors</b>	1,2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Unit mix & 1-br square footage estimated		

**Features and Utilities**

**Utilities** No landlord paid utilities  
**Unit Amenities** Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Blinds  
**Project Amenities** On-site Management

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	30	0	750	\$0.57	\$425
2	1	G	132	5	900	\$0.53	\$475

**908 Park View**

26.2 miles to site



<b>Address</b>	10920 By Pass Rd. Covington, GA 30014		
<b>Phone</b>	(770) 786-8500	<b>Contact</b>	Amber
<b>Total Units</b>	100	<b>Vacancies</b>	3
		<b>Percent Occupied</b>	97.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1993	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B+	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV; Rent range based on amenities & unit upgrades		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Day Care

**Unit Configuration**

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	10	0	736	\$0.71 - \$0.78	\$525 to \$575
2	1 to 2	G	55	2	880	\$0.64 - \$0.74	\$565 to \$650
3	2	G	35	1	1152	\$0.58 - \$0.62	\$665 to \$715

**904 Skyline Trace**

24.7 miles to site



**Address** Ridge Rd.  
Monroe, GA 30655

**Phone** (678) 635-8808 **Contact** Megan

**Total Units** 63 **Vacancies** 0 **Percent Occupied** 100.0%

**Project Type** Market-Rate & Tax Credit

**Year Open** 2010 **Floors** 2

**Concessions** No Rent Specials

**Parking** Surface Parking

**Waiting List** NONE

**Quality Rating** B+ **Neighborhood Rating** B

**Remarks** 50% & 60% AMHI; HCV (6 units); Opened 7/2010, 100% occupied 2/2012; One 2-br manager unit not included in total



**Features and Utilities**

- Utilities** No landlord paid utilities
- Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Patio Storage
- Project Amenities** Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Computer Lab, Picnic Area

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	806	\$0.70	\$565	
1	1	G	3	0	806	\$0.69	\$560	60%
1	1	G	3	0	806	\$0.62	\$501	50%
2	2	G	2	0	1056	\$0.60	\$635	
2	2	G	19	0	1056	\$0.60	\$630	60%
2	2	G	10	0	1056	\$0.53	\$560	50%
3	2	G	16	0	1237	\$0.55	\$675	60%
3	2	G	8	0	1237	\$0.51	\$630	50%

**3****Orchard Grove Apts.**

1.9 miles to site



<b>Address</b>	1070 Micha Way Madison, GA 30650		
<b>Phone</b>	(706)752-1707	<b>Contact</b>	Laurie
<b>Total Units</b>	62	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	2004	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	30 households		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	50% & 60% AMHI; HCV (15 units)		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Picnic Area

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
2	2	G	18	0	1000	\$0.43	\$425	60%
2	2	G	28	0	1000	\$0.43	\$425	50%
3	2	G	6	0	1100	\$0.47	\$515	60%
3	2	G	10	0	1100	\$0.47	\$515	50%

**901 Harristown Park**

25.5 miles to site



<b>Address</b>	2135 Reynolds St. SW Covington, GA 30014		
<b>Phone</b>	(678) 625-3235	<b>Contact</b>	Johnetta
<b>Total Units</b>	60	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	2011	<b>Floors</b>	1,4
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	400 households		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	50% & 60% AMHI; HCV (2 units); Opened & 100% occupied 12/2011; Unit mix estimated		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Intercom, Blinds, E-Call Button
<b>Project Amenities</b>	On-site Management, Meeting Room, Fitness Center, Elevator, Computer Lab, Picnic Area, Community Garden

**Unit Configuration**

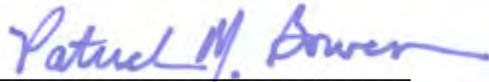
BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	10	0	750	\$0.54	\$405	60%
1	1	G	2	0	750	\$0.54	\$405	50%
2	2	G	41	0	900	\$0.53	\$475	60%
2	2	G	7	0	900	\$0.52	\$465	50%

## ADDENDUM C – MEMBER CERTIFICATION & CHECKLIST

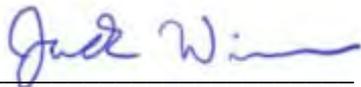
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

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

Certified:



Patrick Bowen  
President/Market Analyst  
Bowen National Research  
155 E. Columbus St., Suite 220  
Pickerington, OH 43147  
(614) 833-9300  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: June 10, 2013



Jack Wiseman  
Market Analyst  
[jackw@bowennational.com](mailto:jackw@bowennational.com)  
Date: June 10, 2013

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

## ADDENDUM-MARKET STUDY INDEX

### **A. INTRODUCTION**

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

### **B. DESCRIPTION AND PROCEDURE FOR COMPLETING**

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

### **C. CHECKLIST**

		Section (s)
<b>Executive Summary</b>		
1.	Executive Summary (Exhibit S-2)	A
<b>Project Description</b>		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
<b>Location and Market Area</b>		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

## CHECKLIST (Continued)

		Section (s)
<b>EMPLOYMENT AND ECONOMY</b>		
18.	Employment by industry	F
19.	Historical unemployment rate	F
20.	Area major employers	F
21.	Five-year employment growth	F
22.	Typical wages by occupation	F
23.	Discussion of commuting patterns of area workers	F
<b>DEMOGRAPHIC CHARACTERISTICS</b>		
24.	Population and household estimates and projections	E
25.	Area building permits	H
26.	Distribution of income	H
27.	Households by tenure	H
<b>COMPETITIVE ENVIRONMENT</b>		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
<b>ANALYSIS/CONCLUSIONS</b>		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum E
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	K
48.	Market strengths and weaknesses impacting project	K
49.	Recommendations and/or modification to project discussion	K
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	I
52.	Discussion of risks or other mitigating circumstances impacting project projection	H
53.	Interviews with area housing stakeholders	J

**CHECKLIST (Continued)**

		Section (s)
<b>OTHER REQUIREMENTS</b>		
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	Addendum B
57.	Statement of qualifications	N
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A

## Addendum D – Methodologies, Disclaimers & Sources

### 1. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Madison, Georgia by Parallel Housing, Inc.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

### 2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject project is identified. The PMA is generally described as the smallest geographic area from which most of the support for the subject project originates. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the subject development. An in-depth evaluation of these two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the subject project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- An analysis of the subject project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows GDCA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type offered at the site.

Please note that non-numbered items in this report are not required by GDCA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the continued market feasibility of the subject project.

### **3. REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions or conclusions in, or the use of, this study.

Any reproduction or duplication of this report without the expressed approval of Bowen National Research is strictly prohibited.

### **4. SOURCES**

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

## ADDENDUM E - ACHIEVABLE MARKET RENT ANALYSIS

### A. INTRODUCTION

We identified two market-rate properties within the Madison Site PMA that we consider most comparable to the proposed subject development. Due to the lack of market-rate rental housing within the Madison Site PMA, we identified two additional market-rate properties outside of the market, but within the region in Monroe and Covington that we consider comparable in terms of unit and project amenities to the proposed subject development. Given that the Monroe and Madison markets are similar socioeconomically, no adjustments were warranted for the difference in markets. Note, however, adjustments for the differences between the Madison market and the Covington market have been made. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

The proposed subject development and the four selected properties include the following:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	<b>Bethany Senior Village</b>	<b>2015</b>	<b>44</b>	-	<b>28 (-)</b>	<b>16 (-)</b>	-
1	Madison Square	2000	59	100.0%	1 (100.0%)	49 (100.0%)	9 (100.0%)
6	Madison Commons	2006	38	97.4%	-	19 (94.7%)	19 (100.0%)
906	Tall Oaks Apts.	1982	162	96.9%	30 (100.0%)	132 (96.2%)	-
908	Park View	1993	100	97.0%	10 (100.0%)	55 (96.4%)	35 (97.1%)

Occ. – Occupancy

Map ID 906 & 908 are located outside the Site PMA

The four selected market-rate projects have a combined total of 359 units with an overall occupancy rate of 97.5%, a good rate for rental housing. This indicates that these projects have been well received within the region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrates adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type → **ONE BEDROOM**

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Bethany Senior Village		Madison Square		Madison Commons		Tall Oaks Apts.		Park View			
Bethany Rd.		1092 Micha Way		1210 Micha Way		403 Tall Oaks E		10920 By Pass Rd.			
Madison, GA		Madison, GA		Madison, GA		Monroe, GA		Covington, GA			
<i>Data on Subject</i>		<i>Data \$ Adj</i>		<i>Data \$ Adj</i>		<i>Data \$ Adj</i>		<i>Data \$ Adj</i>		<i>Data \$ Adj</i>	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$500		\$550		\$425		\$575			
2	Date Surveyed	Apr-13		May-13		May-13		May-13			
3	Rent Concessions	None		None		None		None			
4	Occupancy for Unit Type	100%		95%		100%		100%			
5	Effective Rent & Rent/ sq. ft	\$500	0.59	\$550	0.61	\$425	0.57	\$575	0.78		
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	R/1		R/1		WU/1,2		WU/2,3			
7	Yr. Built/Yr. Renovated	2015		2006	\$9	1982	\$33	1993	\$22		
8	Condition /Street Appeal	E		G	\$15	F	\$30	G	\$15		
9	Neighborhood	G		G		G		G			
10	Same Market?	Yes		Yes		No		No	(\$29)		
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		2	(\$50)	1		1			
12	# Baths	1		1		1		1			
13	Unit Interior Sq. Ft.	738	(\$18)	900	(\$26)	750	(\$2)	736	\$0		
14	Balcony/ Patio	Y		Y		N	\$5	N	\$5		
15	AC: Central/ Wall	C		C		C		C			
16	Range/ refrigerator	R/F		R/F		R/F		R/F			
17	Microwave/ Dishwasher	N/Y		N/Y		N/Y		Y/Y	(\$5)		
18	Washer/Dryer	HU/L	\$5	HU	\$5	HU	\$5	HU/L			
19	Floor Coverings	C		C		C		C			
20	Window Coverings	B		N	\$5	B		B			
21	Intercom/Security System	N/N		N/N		N/N		N/N			
22	Garbage Disposal	N		N		N		Y	(\$5)		
23	Ceiling Fans	Y		Y		N	\$5	N	\$5		
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0			
25	On-Site Management	Y		N	\$5	Y		Y			
26	Security Gate	N		N		N		N			
27	Clubhouse/ Meeting Rooms	Y/N	\$5	N/N	\$5	N/N	\$5	N/Y			
28	Pool/ Recreation Areas	F/WT/GD/GZ	\$13	N	\$13	N	\$13	P/F	(\$1)		
29	Computer Center	N		N		N		N			
30	Picnic Area	Y	\$3	N	\$3	N	\$3	N	\$3		
31	Library	N		N		N		N			
32	Social Services	N		N		N		N			
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E			
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E			
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E			
36	Hot Water (in rent?/ type)	N/G		N/E		N/E		N/E			
37	Other Electric	N		N		N		N			
38	Cold Water/ Sewer	Y/Y	\$33	N/N	\$33	N/N	\$33	N/N	\$33		
39	Trash /Recycling	Y/N	\$20	N/N	\$20	N/N	\$20	Y/N			
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	6	1	8	2	8	1	6	4		
41	Sum Adjustments B to D	\$56	(\$18)	\$75	(\$76)	\$84	(\$2)	\$50	(\$40)		
42	Sum Utility Adjustments	\$53		\$53		\$53		\$33			
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$91	\$127	\$52	\$204	\$135	\$139	\$43	\$123		
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$591		\$602		\$560		\$618			
45	Adj Rent/Last rent		118%		110%		132%		108%		
46	Estimated Market Rent	\$595	\$0.81 ←	Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type →

**TWO BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Bethany Senior Village		Madison Square		Madison Commons		Tall Oaks Apts.		Park View			
Bethany Rd.		1092 Micha Way		1210 Micha Way		403 Tall Oaks E		10920 By Pass Rd.			
Madison, GA		Madison, GA		Madison, GA		Monroe, GA		Covington, GA			
<b>Data on Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$595		\$550		\$475		\$650			
2	Date Surveyed	Apr-13		May-13		May-13		May-13			
3	Rent Concessions	None		None		None		None			
4	Occupancy for Unit Type	100%		95%		96%		96%			
5	Effective Rent & Rent/ sq. ft	\$595	0.57	\$550	0.61	\$475	0.53	\$650	0.74		
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	R/1		R/1		WU/1,2		WU/2,3			
7	Yr. Built/Yr. Renovated	2005	\$15	2006	\$9	1982	\$33	1993	\$22		
8	Condition /Street Appeal	E	\$15	F	\$30	G	\$15	G	\$15		
9	Neighborhood	G		G		G		G			
10	Same Market?	Yes		Yes		No		No	(\$33)		
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	2		2		2		2			
12	# Baths	1	(\$30)	1		1		2	(\$30)		
13	Unit Interior Sq. Ft.	988	(\$9)	900	\$13	900	\$13	880	\$16		
14	Balcony/ Patio	Y		Y		N	\$5	N	\$5		
15	AC: Central/ Wall	C		C		C		C			
16	Range/ refrigerator	R/F		R/F		R/F		R/F			
17	Microwave/ Dishwasher	N/Y		N/Y		N/Y		Y/Y	(\$5)		
18	Washer/Dryer	HU/L	\$5	HU	\$5	HU	\$5	HU/L			
19	Floor Coverings	C		C		C		C			
20	Window Coverings	B		N	\$5	B		B			
21	Intercom/Security System	N/N		N/N		N/N		N/N			
22	Garbage Disposal	N		N		N		Y	(\$5)		
23	Ceiling Fans	Y		Y		N	\$5	N	\$5		
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0			
25	On-Site Management	Y		N	\$5	Y		Y			
26	Security Gate	N		N		N		N			
27	Clubhouse/ Meeting Rooms	Y/N	\$5	N/N	\$5	N/N	\$5	N/Y			
28	Pool/ Recreation Areas	F/WT/GD/GZ	\$13	N	\$13	N	\$13	P/F	(\$1)		
29	Computer Center	N		N		N		N			
30	Picnic Area	Y	\$3	N	\$3	N	\$3	N	\$3		
31	Library	N		N		N		N			
32	Social Services	N		N		N		N			
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E			
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E			
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E			
36	Hot Water (in rent?/ type)	N/G		N/E		N/E		N/E			
37	Other Electric	N		N		N		N			
38	Cold Water/ Sewer	Y/Y	\$40	N/N	\$40	N/N	\$40	N/N	\$40		
39	Trash /Recycling	Y/N	\$20	N/N	\$20	N/N	\$20	Y/N			
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	6	2	9		9		6	5		
41	Sum Adjustments B to D	\$56	(\$39)	\$88		\$97		\$66	(\$74)		
42	Sum Utility Adjustments	\$60		\$60		\$60		\$40			
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$77	\$155	\$148	\$148	\$157	\$157	\$32	\$180		
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$672		\$698		\$632		\$682			
45	Adj Rent/Last rent		113%		127%		133%		105%		
46	Estimated Market Rent	\$670	\$0.68 ←	Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that achievable market rents for units similar to the subject development are \$595 for a one-bedroom unit and \$670 for a two-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$450 (50% & 60%)	\$595	24.4%
	\$510 (60%)		14.3%
Two-Bedroom	\$500 (50%)	\$670	25.4%
	\$595 (60%)		11.2%

The proposed collected rents represent market rent advantages ranging from 11.2% to 25.4%, depending on bedroom type and targeted income level. Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. As such, the proposed rents should represent a good value for the local market

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
  
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1982 and 2006 years ago. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
10. As previously stated, two of the selected properties are located outside of the Madison Site PMA in Monroe and Covington. Due to similar financial characteristics between the Madison and Monroe markets, no adjustment was warranted. The Covington market, however, is much larger in terms of population, community services and apartment selection. Given the differences in markets, the rents that are achievable in Covington will not directly translate to the Madison market. Therefore, we have adjusted the collected rent at the one comparable project in Covington by approximately 5.0% to account for market differences.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer one-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected property's two-bedroom units. We have made adjustments of \$30 per full bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25.0% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally superior to the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project will offer a project amenities package superior to the selected properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.