

Market Analysis
for
Wellington Way

Tax Credit (Sec. 42) Apartments
For Family Households
in
Waycross, Georgia
Ware County

Prepared For:

Wellington Way Housing, LLLP

This report uses DCA's methodology.
DCA requires the items to be presented in the order given.
This report contains all required DCA content, plus additional content as
necessary for a reasonable analysis.

By:

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FOREWORD

QUALIFICATIONS STATEMENT

John Wall and Associates has done over 2,500 market analyses, the majority of these being for apartment projects (conventional and government). However, the firm has done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis and GIS projects. Clients include private developers, government officials, syndicators, and lending institutions.

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

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

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

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

RELEASE OF INFORMATION

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

TRUTH AND ACCURACY

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

IDENTITY OF INTEREST

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

CERTIFICATIONS

CERTIFICATION OF PHYSICAL INSPECTION

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

REQUIRED STATEMENT

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

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

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

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

NCHMA MEMBER CERTIFICATION

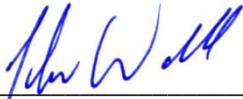
This market study has been prepared by John Wall and Associates, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects, and Model Content Standards for the Content of Market Studies for Affordable Housing Projects*. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users.

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

Submitted and attested to by:

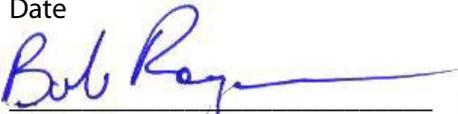


John Wall, President

JOHN WALL and ASSOCIATES

5-30-14

Date



Bob Rogers, Market Analyst

JOHN WALL and ASSOCIATES

5-30-14

Date

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INTRODUCTION

PURPOSE

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

SCOPE

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

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

METHODOLOGY

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

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

The Statistical approach uses Census data and local statistics; 2010 is used as a base year. The population that would qualify for the proposed units is obtained from these figures.

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

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

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

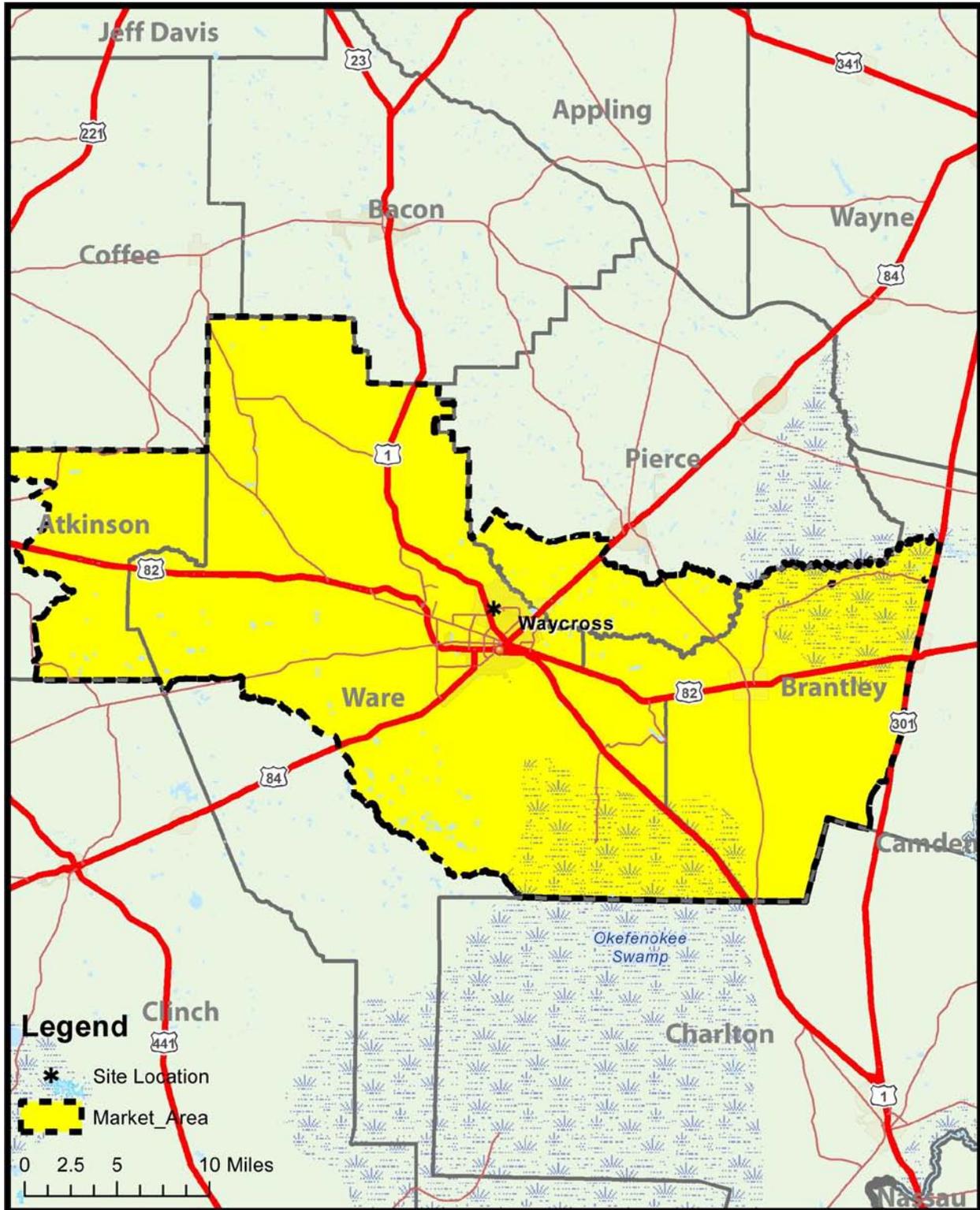
LIMITATIONS

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

REGIONAL LOCATOR MAP



AREA LOCATOR MAP



A. EXECUTIVE SUMMARY

The projected completion date of the proposed project is on or before 12/31/2016.

The market area (conservative) consists of Census tracts 9603 in Atkinson County, 9602 (33%) and 9603 in Brantley County, 9603 (38%) and 9604 (49%) in Pierce County, as well as 9501, 9502, 9503, 9504, 9505, 9506, 9507, 9508 (88%), and 9509 in Ware County.

The proposed project consists of 60 units (includes one two bedroom staff unit) of new construction.

The proposed project is for family households with incomes at 50% and 60% of AMI. Rents range from \$295 to \$508.

A.1 PROJECT DESCRIPTION

- **Address:**
Parcel No. 051A03 044 located on East Waring Street, Walter Street, and Monroe Street in Ware County near Waycross, Georgia
- **Construction and occupancy types:**
New construction
Flat
Family
- **Unit mix including bedrooms, bathrooms, square footage, income targeting, rents, and utility allowance:**

<u>AMI</u>	<u>Bedrooms</u>	<u>Baths</u>	<u>Number of Units</u>	<u>Square Feet</u>	<u>Net Rent</u>	<u>Utility Allow.</u>	<u>Gross Rent</u>	<u>Target Population</u>
50%	1	1	9	817	295	164	459	Tax Credit
50%	2	1	4	1,093	341	210	551	Tax Credit
50%	3	2	2	1,228	381	255	636	Tax Credit
60%	1	1	5	817	387	164	551	Tax Credit
60%	2	1	27	1,093	451	210	661	Tax Credit
60%	3	2	12	1,228	508	255	763	Tax Credit

Total Units	60
Tax Credit Units	59
PBRA Units	0
Mkt. Rate Units	0

Note there is one two bedroom staff unit.

- **Any additional subsidies available including project based rental assistance:**
There are none.
- **Brief description of proposed amenities and how they compare to existing properties:**
 - DEVELOPMENT AMENITIES:
Laundry room, clubhouse, and playground
 - UNIT AMENITIES:
Refrigerator, stove, microwave, dishwasher, washer/dryer connections, ceiling fan, HVAC, blinds, and pre-wired telephone/cable

- UTILITIES INCLUDED:

None

The subject's amenities, on average, are pretty comparable to those of other properties in the market area. Four of the apartments surveyed have swimming pools, but the subject does not. The subject has washer/dryer connections, which only three of the apartments have, and the subject has a playground, which only two of the apartments have.

A.2 SITE DESCRIPTION/EVALUATION

- **A brief description of physical features of the site and adjacent parcels:**
The site is flat and mostly clear. It is most of a block. The adjacent parcels are also flat.
- **A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural):**
The neighborhood is mainly residential.
- **A discussion of site access and visibility:**
The site has good visibility. It has frontage on three city streets.
- **Any significant positive or negative aspects of the subject site:**
The neighborhood is pleasant.
- **A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc.**
The site has reasonable proximity to goods and services. The nearest full service grocery is 1 ¾ miles from the site. The hospital is about 1 ½ miles.
Ware County Transit provides public transportation to residents of Ware County. Riders need to make a reservation 24 hours in advance. Cost is \$3.00 from 0 to 10 miles. Each additional mile is \$0.50. Seniors 65 years and over and children 5 years and younger can ride for half off the normal cost. Hours of operation are Monday through Friday 7:30 a.m. to 4:30 p.m.
- **An overall conclusion of the site's appropriateness for the proposed development:**
The site is well suited for the proposed development.

A.2.1 CRIME

According to the FBI, in 2011 the following crimes were reported to police:

Crimes Reported to Police

	<u>City</u>	<u>County</u>
Population:	14,842	—
Violent Crime	84	57
Murder	1	2
Rape	3	5
Robbery	36	4
Assault	44	46
Property Crime	1,146	757
Burglary	173	199
Larceny	942	538
Motor Vehicle Theft	31	20
Arson	2	0

Source: 2011 Table 8 and Table 10, *Crime in the United States 2011*

<http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/offenses-known-to-law-enforcement/standard-links/city-agency>

<http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/offenses-known-to-law-enforcement/standard-links/county-agency>

Detailed crime statistics for the neighborhood are not available. The site does not appear to be in a problematic area.

A.3 MARKET AREA DEFINITION

- **A brief definition of the primary market area including boundaries of the market area and their approximate distance from the subject property:**

The market area (conservative) consists of Census tracts 9603 in Atkinson County, 9602 (33%) and 9603 in Brantley County, 9603 (38%) and 9604 (49%) in Pierce County, as well as 9501, 9502, 9503, 9504, 9505, 9506, 9507, 9508 (88%), and 9509 in Ware County.

A.4 COMMUNITY DEMOGRAPHIC DATA

- **Current and projected household and population counts for the primary market area:**

2010 population = 50,440; 2014 population = 51,967; 2016 population = 52,731

2010 households = 18,982; 2014 households = 19,503; 2016 households = 19,764

- **Household tenure:**

31.1% of the households in the market area rent.

- **Household income:**

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

AMI		50%		60%		Tx. Cr.	
Lower Limit		15,740		18,890		15,740	
Upper Limit		27,300		32,760		32,760	
	Mkt. Area						
Renter occupied:	Households	%	#	%	#	%	#
Less than \$5,000	646	—	0	—	0	—	0
\$5,000 to \$9,999	789	—	0	—	0	—	0
\$10,000 to \$14,999	835	—	0	—	0	—	0
\$15,000 to \$19,999	452	0.85	385	0.22	100	0.85	385
\$20,000 to \$24,999	341	1.00	341	1.00	341	1.00	341
\$25,000 to \$34,999	748	0.23	172	0.78	581	0.78	581
\$35,000 to \$49,999	715	—	0	—	0	—	0
\$50,000 to \$74,999	545	—	0	—	0	—	0
\$75,000 to \$99,999	255	—	0	—	0	—	0
\$100,000 to \$149,999	140	—	0	—	0	—	0
\$150,000 or more	69	—	0	—	0	—	0
Total	5,535		898		1,022		1,307
Percent in Range			16.2%		18.5%		23.6%

- **Impact of foreclosed, abandoned and vacant, single and multifamily homes, and commercial properties in the PMA on the proposed development:**

There are no signs of any abandonment or foreclosure that would impact the subject.

A.5 ECONOMIC DATA

- **Trends in employment for the county and/or region:**

Employment has been constant over the past few.

- **Employment by sector:**

The largest sector of employment is:

Educational services, and health care and social assistance — 23.1%

- **Unemployment trends:**

Over the last 12 months, the unemployment rate has been between 8.8% and 11.1%. For 2013, the average rate was 10.3% while for 2012 the average rate was 11.1%.

- **Recent or planned major employment contractions or expansions:**

Several minor expansions have been announced; no contractions have been announced. The net impact will be minimal.

- **Overall conclusion regarding the stability of the county's overall economic environment:**

The county seems to have a stable economic environment.

A.6 PROJECT SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

- **Number renter households income qualified for the proposed development:**

Number of Renter Households in Appropriate Income Ranges for the Market Area

AMI		50%		60%		Tx. Cr.	
Lower Limit		15,740		18,890		15,740	
Upper Limit		27,300		32,760		32,760	
	Mkt. Area						
Renter occupied:	Households	%	#	%	#	%	#
Less than \$5,000	646	—	0	—	0	—	0
\$5,000 to \$9,999	789	—	0	—	0	—	0
\$10,000 to \$14,999	835	—	0	—	0	—	0
\$15,000 to \$19,999	452	0.85	385	0.22	100	0.85	385
\$20,000 to \$24,999	341	1.00	341	1.00	341	1.00	341
\$25,000 to \$34,999	748	0.23	172	0.78	581	0.78	581
\$35,000 to \$49,999	715	—	0	—	0	—	0
\$50,000 to \$74,999	545	—	0	—	0	—	0
\$75,000 to \$99,999	255	—	0	—	0	—	0
\$100,000 to \$149,999	140	—	0	—	0	—	0
\$150,000 or more	69	—	0	—	0	—	0
Total	5,535		898		1,022		1,307
Percent in Range			16.2%		18.5%		23.6%

- **Overall estimate of demand:**

Overall demand is 584.

- **Capture rates**

- *Overall:*
10.1%
- *LIHTC units:*
10.1%
- *By AMI targeting:*

	Units	Total	Net	Capture
	Proposed	Demand	Demand	Rate
50% AMI	15	493	493	3.0%
60% AMI	44	309	309	14.2%
All TC	59	584	584	10.1%
Overall	59	584	584	10.1%

- *Conclusion regarding the achievability of these capture rates:*
The capture rates are achievable.

A.7 COMPETITIVE RENTAL ANALYSIS

- **Analysis of the competitive properties in the PMA**

- *Number of properties:*
8 properties were surveyed.
- *Rent bands for each bedroom type proposed:*
1BR = \$388 to \$500
2BR = \$400 to \$600
3BR = \$450 to \$650

- *Average market rents:*
 - 1BR = \$437
 - 2BR = \$503
 - 3BR = \$548

A.8 ABSORPTION/STABILIZATION ESTIMATE

- **Number of units expected to be leased per month:**
The subject should be able to lease 8 units per month.
- **Number of units to be leased by AMI targeting:**
 - 50% AMI = 15
 - 60% AMI = 44
- **Number of months required for the project to reach 93% occupancy:**
The subject should be able to lease up in 8 months.

A.9 OVERALL CONCLUSION

NARRATIVE DETAILING KEY CONCLUSIONS OF THE REPORT:

- The **site** appears suitable for the project. It is currently flat, clear land.
- The **neighborhood** is compatible with the project. The immediate neighborhood is almost entirely residential.
- The **location** is suitable for the project. It is in a pleasant location. It is a little removed from goods and services, but most apartments in Waycross are.
- The **population and household growth** in the market area is significant. Almost 1,600 households will be added to the market area.
- The **economy** seems to be stable.
- The **demand** for the project is reasonable.
- The **capture rates** for the project are reasonable. The overall tax credit capture rate is 10.1%.
- The **most comparable** apartments are Ocean Breeze Park and Peachwood Place.
- Total **vacancy rates** of the most comparable projects are 0.0%.
- The **average LIHTC vacancy rate** is 0.0%.
- The overall **vacancy rate** among apartments surveyed is 1.9%.
- **Concessions** in the comparables are non-existent.
- The **rents**, given prevailing rents, vacancy rates, and concessions in the market area, are reasonable.
- The proposed **bedroom mix** is reasonable for the market.
- The **unit sizes** are reasonable for the proposal.
- The subject's **amenities** are generally superior to the other apartments in Waycross.
- The subject's **value** should be perceived as very good.

- The subject's **affordability** is good.
- All of those **interviewed** felt the project should be successful.
- The proposal would have no long term **impact** on existing LIHTC projects.

A.9.1 RECOMMENDATIONS

None.

A.9.2 NOTES

None.

A.9.2.1 STRENGTHS

Low rents.

Good neighborhood.

A.9.2.2 WEAKNESSES

Somewhat removed from goods and services.

A.9.3 CONCLUSION

The project, as proposed, should be successful.

A.10 DCA SUMMARY TABLE

Summary Table:	
(must be completed by the analyst and included in the executive summary)	
Development Name:	Wellington Way Total # Units: 60
Location:	Waycross # LIHTC Units: 59
PMA Boundary:	See map on page 30
Farthest Boundary Distance to Subject: 20 miles	

RENTAL HOUSING STOCK (found in Apartment Inventory)										
Type					# Properties	Total Units	Vacant Units	Average Occupancy		
All Rental Housing					7	415	8	98%		
Market-Rate Housing					5	295	8	97%		
Assisted/Subsidized Housing not to include LIHTC					0	n/a	n/a	n/a		
LIHTC					2	120	0	100%		
Stabilized Comps					2	120	0	100%		
Properties in Construction & Lease Up					0	n/a	n/a	n/a		
Subject Development					Average Market Rent			Highest Comp Rent		
# Units	# BR's	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Advtg.	Per Unit	Per SF	
9	1	1	817	295	437	0.54	48.1%	540	0.68	
4	2	1	1,093	341	503	0.46	47.5%	725	0.60	
2	3	2	1,228	381	548	0.45	43.8%	650	0.53	
5	1	1	817	387	437	0.54	12.9%	540	0.68	
27	2	1	1,093	451	503	0.46	11.5%	725	0.60	
12	3	2	1,228	508	548	0.45	7.9%	650	0.53	

DEMOGRAPHIC DATA (found on page 34)						
	2010		2014		2016	
Renter Households	5,907	31.10%	6,065	31.1%	6,147	31.1%
Income-Qualified Renter HHs (LIHTC)	1,307	22.13%	1,342	22.1%	1,360	22.1%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 15)						
Type of Demand	30%	50%	60%	mkt-rate	Other: __	Overall
Renter Household Growth		13	15			19
Existing HH (Overburden)		443	252			511
Existing HH (Substandard)		37	42			54
Less Comparable/Competitive Supply		0	0			0
Net Income-qualified Renter HHs		493	309			584

CAPTURE RATES (found on page 11)						
Targeted Population	30%	50%	60%	mkt-rate	Other: __	Overall
Capture Rate		3.0%	14.2%			10.1%

A.11 DEMAND

	50% AMI: \$15,740 to \$27,300	60% AMI: \$18,890 to \$32,760	Overall Tax Credit: \$15,740 to \$32,760
New Housing Units Required	13	15	19
Rent Overburden Households	443	252	511
Substandard Units	37	42	54
Demand	493	309	584
Less New Supply	0	0	0
NET DEMAND	493	309	584

A.11.1 OPTIMAL BEDROOM MIX

The following bedroom mix will keep the market in balance over the long term. Individual projects can vary from it.

<u>Bedrooms</u>	<u>Optimal Mix</u>
1	30%
2	50%
3	20%
4	0%
Total	100%

A.11.2 ABSORPTION

Given reasonable marketing and management, the project should be able to rent up to 93% occupancy within 8 months — a few months longer if the project is completed in November, December, or January. The absorption rate determination considers such factors as the overall estimate of new household growth, the available supply of competitive units, observed trends in absorption of comparable units, and the availability of subsidies and rent specials. The absorption period is considered to start as soon as the first units are released for occupancy.

A.12 NCHMA CAPTURE RATE

NCHMA defines capture rate as:

The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area. See penetration rate for rate for entire market area.

This definition varies from the capture rate used above.

NCHMA Capture Rate

	Income Qualified Renter Households	Proposal	Capture Rate
50% AMI: \$15,740 to \$27,300	898	15	1.7%
60% AMI: \$18,890 to \$32,760	1,022	44	4.3%
Overall Tax Credit: \$15,740 to \$32,760	1,307	59	4.5%

B. PROJECT DESCRIPTION

The project description is provided by the developer.

B.1 DEVELOPMENT LOCATION

The site is on the west side of Waycross, Georgia. It is Parcel No. 051A03 044 located on East Waring Street, Walter Street, and Monroe Street in Ware County near Waycross, Georgia.

B.2 CONSTRUCTION TYPE

New construction

B.3 OCCUPANCY

The proposal is for occupancy by family households.

B.4 TARGET INCOME GROUP

Low income

B.5 SPECIAL POPULATION

Four units designed for mobility impaired and one unit designed for vision impaired

B.6 STRUCTURE TYPE

Flat

B.7 UNIT SIZES, RENTS AND TARGETING

<u>AMI</u>	<u>Bedrooms</u>	<u>Baths</u>	<u>Number of Units</u>	<u>Square Feet</u>	<u>Net Rent</u>	<u>Utility Allow.</u>	<u>Gross Rent</u>	<u>Target Population</u>
50%	1	1	9	817	295	164	459	Tax Credit
50%	2	1	4	1,093	341	210	551	Tax Credit
50%	3	2	2	1,228	381	255	636	Tax Credit
60%	1	1	5	817	387	164	551	Tax Credit
60%	2	1	27	1,093	451	210	661	Tax Credit
60%	3	2	12	1,228	508	255	763	Tax Credit
Total Units			60					
Tax Credit Units			59					
PBRA Units			0					
Mkt. Rate Units			0					

Note there is one two bedroom staff unit.

These *pro forma* rents will be evaluated in terms of the market in the Supply section of the study.

B.8 DEVELOPMENT AMENITIES

Laundry room, clubhouse, and playground

B.9 UNIT AMENITIES

Refrigerator, stove, microwave, dishwasher, washer/dryer connections, ceiling fan, HVAC, blinds, and pre-wired telephone/cable

B.10 REHAB

Occupancy: N/A

Rents: N/A

Tenant incomes: N/A

Scope of work: N/A

B.11 UTILITIES INCLUDED

None

B.12 PROJECTED CERTIFICATE OF OCCUPANCY DATE

It is anticipated that the subject will have its final certificates of occupancy on or before 12/31/2016.

C. SITE EVALUATION

C.1 DATE OF SITE VISIT

Bob Rogers visited the site

C.2 PHYSICAL FEATURES OF SITE AND ADJACENT PARCELS

- **Physical features:**

The site is flat and mostly clear. There are some trees along the edges and in the northwest corner.

- **Adjacent parcels:**

The area adjacent to the site is flat. Much of it is wooded and there are a number of single family homes and mobile homes. To the west is a brick church.

- **Condition of surrounding land uses:**

All of the adjacent land uses appear to be well maintained.

C.3 SURROUNDING ROADS, TRANSPORTATION, AMENITIES, EMPLOYMENT, COMMUNITY SERVICES

The site entrance is very close to a convenience store. Elementary schools are about ½ mile, the hospital is about 1 ½ miles, and the nearest grocery store is a little less than 2 miles away.

Ware County Transit provides public transportation to residents of Ware County. Riders need to make a reservation 24 hours in advance. Cost is \$3.00 from 0 to 10 miles. Each additional mile is \$0.50. Seniors 65 years and over and children 5 years and younger can ride for half off the normal cost. Hours of operation are Monday through Friday 7:30 a.m. to 4:30 p.m.

According to Bob Hereford with Ware County Economic Development, Satilla Regional Medical Center integrated with Mayo Clinic in 2012 making Satilla the first Mayo Clinic Health System location in Georgia. The Darden Company is currently planning to expand its' Olive Garden operation in the previously dual-branded Olive Garden/Red Lobster location. The employees that were with Red Lobster will be cross-trained so few to no new jobs are expected to be created. Bob also mentioned that Clayton Homes may be expanding in the near future.

According to the Georgia Department of Labor, there have been no businesses to close or to have layoffs since January 2013 in Ware County.

SITE AND NEIGHBORHOOD PHOTOS AND ADJACENT LAND USES MAP



C.4 SITE AND NEIGHBORHOOD PHOTOS



Photo 1 – Looking NE across Waring St; the site is on the extreme left.



Photo 2 – Looking across Monroe St at the site.



Photo 3 – The church across Monroe Street from the site.



Photo 4 – Looking NE at the site from Monroe Street.



Photo 5 – A mobile home park near the site.



Photo 6 – A single family home adjacent to the site.



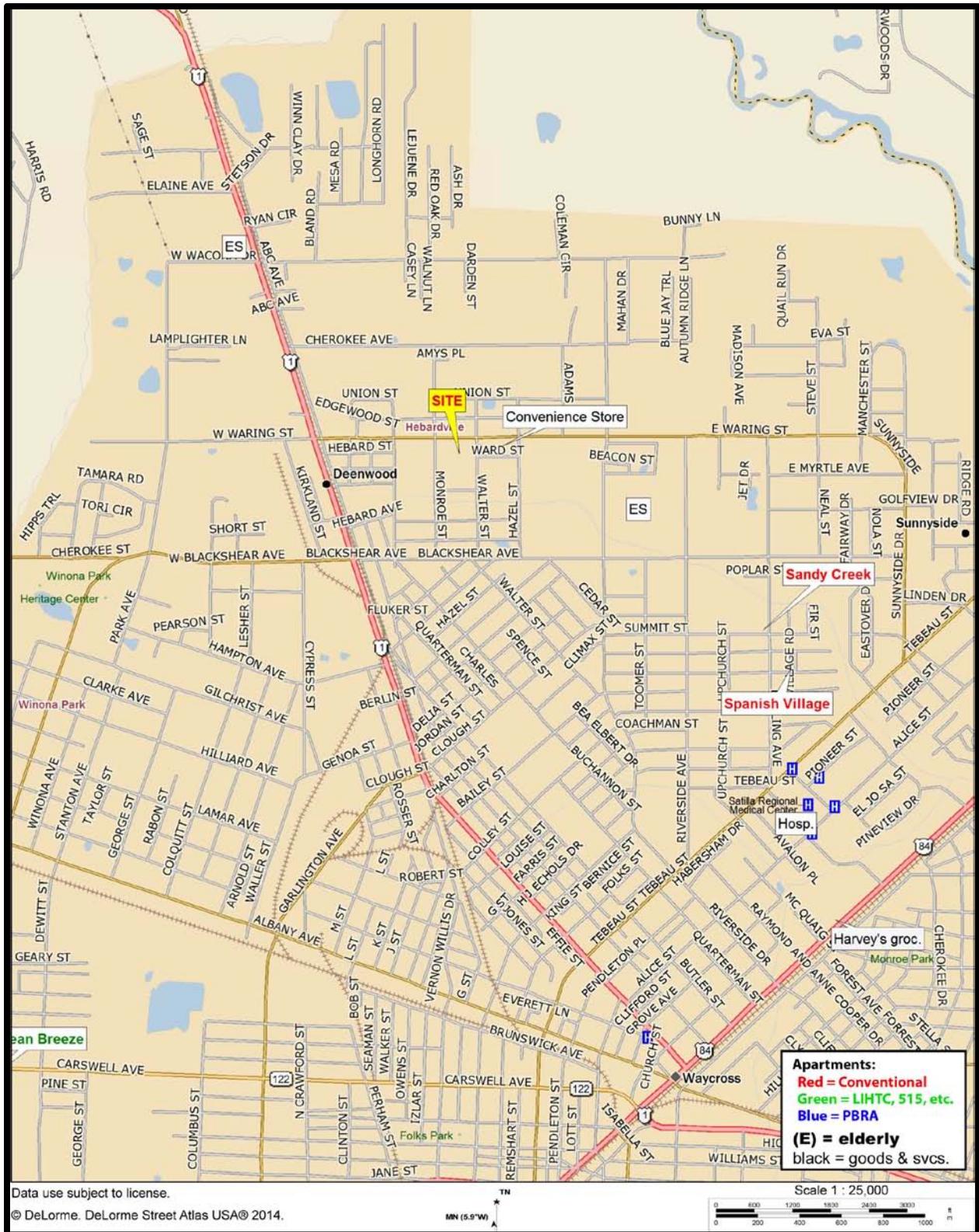
Photo 7 – A typical SF home near the site.



Photo 8 – A single family home adjacent to the site. The site is in the distance behind the house.

C.5 SITE LOCATION MAP

SITE LOCATION MAP



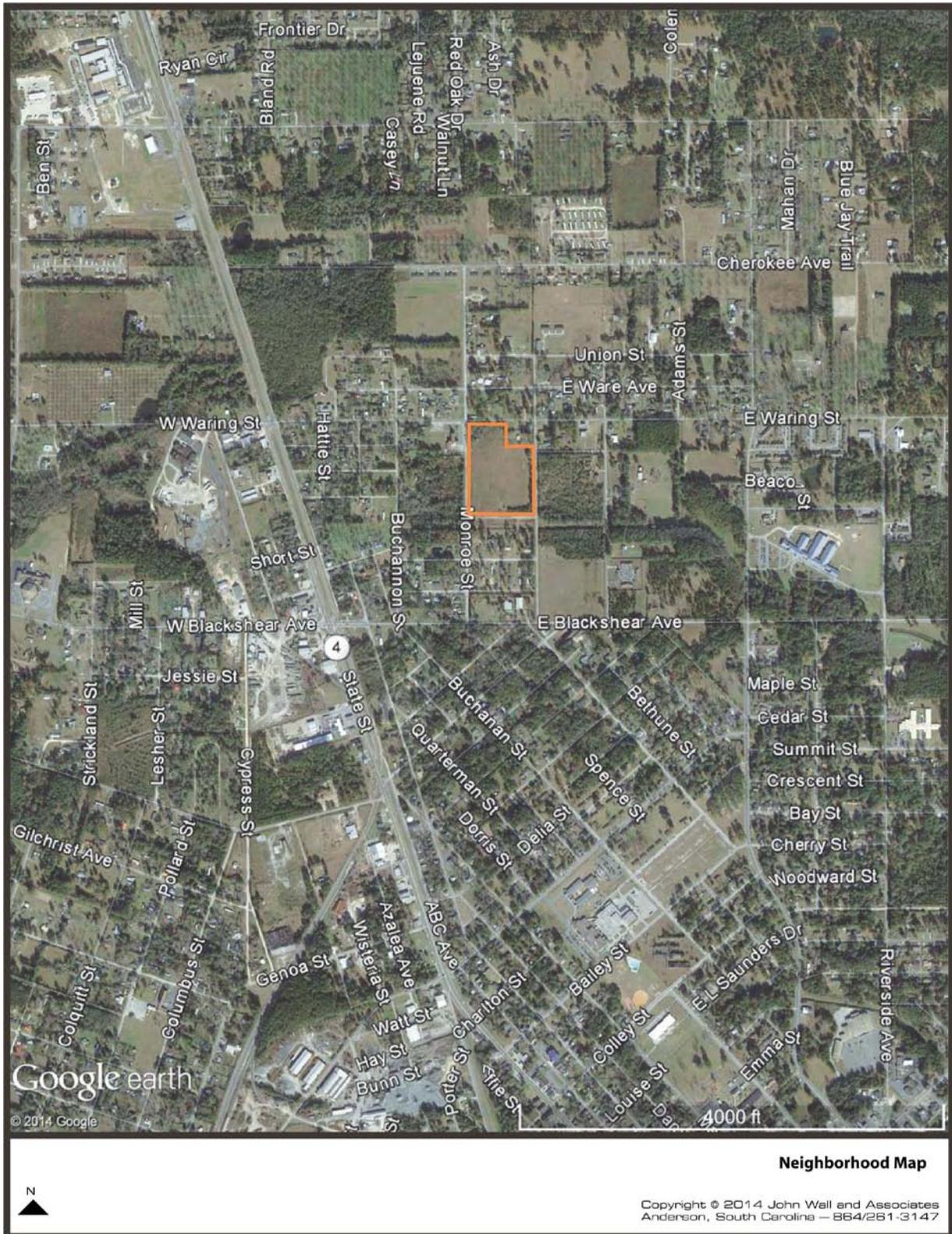
- **Listing of closest shopping areas, schools, employment centers, medical facilities and other important amenities with distance to site:**

Community Amenities

<u>Amenity</u>	<u>Distance</u>
Convenience store	600 feet
Elementary school	½ mi.
Pharmacy	1 ¼ mi.
Hospital	1 ½ mi.
Middle School	1 ½ mi.
Grocery store	1.8 mi
Wal-mart	4 mi.

C.6 LAND USES OF THE IMMEDIATE AREA

NEIGHBORHOOD MAP



C.7 MULTIFAMILY RESIDENTIAL DEVELOPMENTS

APARTMENT LOCATIONS MAP



C.8 ROAD AND INFRASTRUCTURE IMPROVEMENTS

No major road or infrastructure projects were noted in the immediate area that would have direct impact on the subject.

C.9 ACCESS, INGRESS, VISIBILITY

The site has visibility from Warring, Monroe, and Walter Streets. The main entrance will be on Walter street. There are no problems with ingress.

C.10 OBSERVED VISIBLE ENVIRONMENTAL OR OTHER CONCERNS

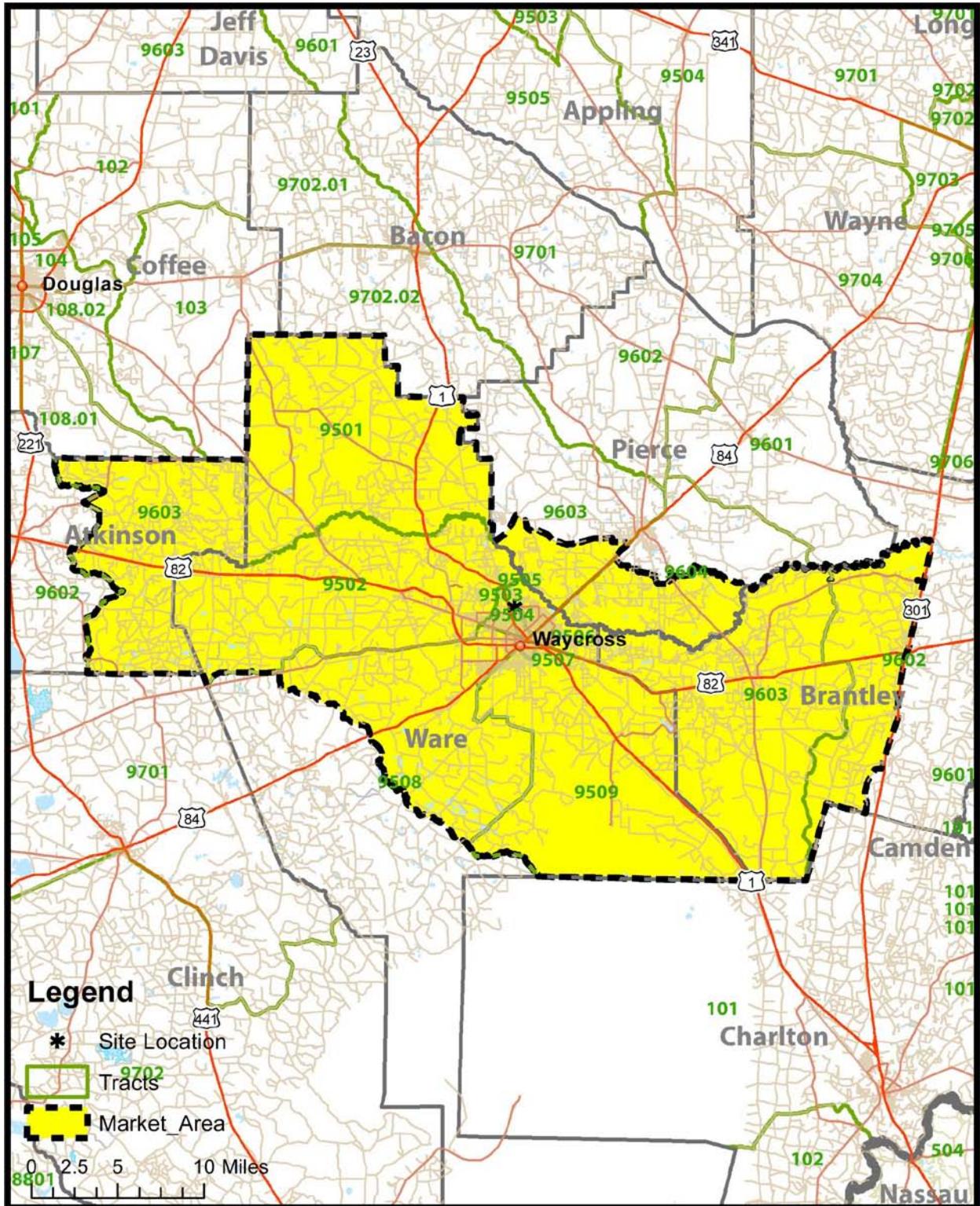
There were no other visible environmental or other concerns.

C.11 CONCLUSION

The site is well-suited for the proposed development.

D. MARKET AREA

MARKET AREA MAP



D.1 MARKET AREA DETERMINATION

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

Housing alternatives and local perspective will be presented in the Development Comparisons section of this report.

D.2 DRIVING TIMES AND PLACE OF WORK

Commuter time to work is shown below:

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

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total:	4,045,105		12,865		17,946		4,933	
Less than 5 minutes	106,831	2.6%	687	5.3%	844	4.7%	226	4.6%
5 to 9 minutes	346,798	8.6%	1,942	15.1%	2,313	12.9%	926	18.8%
10 to 14 minutes	542,240	13.4%	3,370	26.2%	3,967	22.1%	1,649	33.4%
15 to 19 minutes	630,182	15.6%	1,869	14.5%	2,825	15.7%	434	8.8%
20 to 24 minutes	585,153	14.5%	1,201	9.3%	2,203	12.3%	367	7.4%
25 to 29 minutes	241,842	6.0%	464	3.6%	695	3.9%	44	0.9%
30 to 34 minutes	572,487	14.2%	1,256	9.8%	1,904	10.6%	478	9.7%
35 to 39 minutes	122,570	3.0%	276	2.1%	379	2.1%	46	0.9%
40 to 44 minutes	151,966	3.8%	181	1.4%	231	1.3%	74	1.5%
45 to 59 minutes	367,879	9.1%	683	5.3%	1,018	5.7%	321	6.5%
60 to 89 minutes	269,296	6.7%	480	3.7%	968	5.4%	138	2.8%
90 or more minutes	107,861	2.7%	456	3.5%	599	3.3%	230	4.7%

Source: 2011-5yr ACS (Census)

D.3 MARKET AREA DEFINITION

The market area for this report has been defined as Census tracts 9603 in Atkinson County, 9602 (33%) and 9603 in Brantley County, 9603 (38%) and 9604 (49%) in Pierce County, as well as 9501, 9502, 9503, 9504, 9505, 9506, 9507, 9508 (88%), and 9509 in Ware County (2010 Census). The market area is defined in terms of standard US Census geography so it will be possible to obtain accurate, verifiable information about it. The Market Area Map highlights this area.

D.3.1 SECONDARY MARKET AREA

The secondary market area for this report has been defined as the greater Atlanta metro area. Demand will neither be calculated for, nor derived from, the secondary market area.

E. DEMOGRAPHIC ANALYSIS

E.1 POPULATION

E.1.1 POPULATION TRENDS

Housing demand is most closely associated with population trends. While no population projection presently exists for the market area, one is calculated from existing figures and shown below.

Population Trends and Projections

	<u>State</u>	<u>County</u>	<u>Market Area</u>	<u>City</u>
2000	8,186,453	35,483	46,622	15,333
2008	9,468,815	36,006	50,075	14,728
2010	9,687,653	36,312	50,440	14,649
2014	10,288,133	36,644	51,967	14,375
2016	10,588,373	36,809	52,731	14,239

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

As seen in the table above, the population in the market area was 51,967 in 2014 and is projected to increase by 764 persons from 2014 to 2016.

E.1.2 AGE

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

Persons by Age

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total	9,687,653		36,312		50,440		14,649	
Under 20	2,781,629	29.0%	9,547	26.4%	13,563	27.2%	4,218	28.7%
20 to 34	2,015,640	21.0%	7,155	19.8%	9,601	19.2%	2,711	18.4%
35 to 54	2,788,792	29.0%	9,637	26.6%	13,607	27.3%	3,477	23.6%
55 to 61	783,421	8.2%	3,230	8.9%	4,458	8.9%	1,239	8.4%
62 to 64	286,136	3.0%	1,212	3.3%	1,759	3.5%	447	3.0%
65 plus	1,032,035	10.7%	5,531	15.3%	7,454	14.9%	2,557	17.4%
55 plus	2,101,592	21.9%	9,973	27.6%	13,671	27.4%	4,243	28.8%
62 plus	1,318,171	13.7%	6,743	18.6%	9,213	18.5%	3,004	20.4%

Source: 2010 Census

E.1.3 RACE AND HISPANIC ORIGIN

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

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

Race and Hispanic Origin

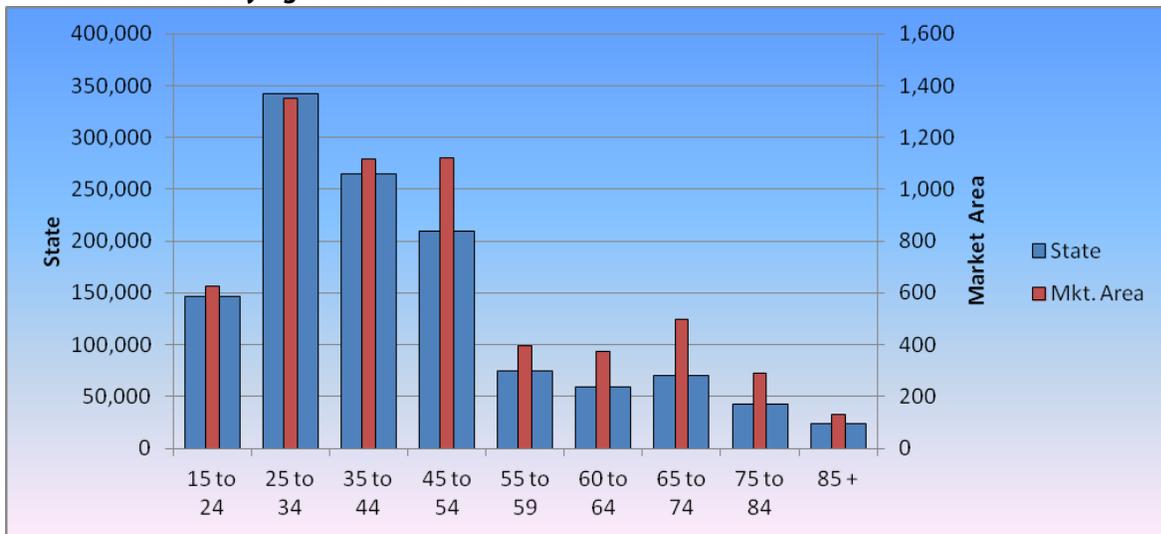
	State	%	County	%	Market Area	%	City	%
Total	9,687,653		36,312		50,440		14,649	
Not Hispanic or Latino	8,833,964	91.2%	35,105	96.7%	48,670	96.5%	14,236	97.2%
White	5,413,920	55.9%	23,583	64.9%	36,448	72.3%	5,801	39.6%
Black or African American	2,910,800	30.0%	10,662	29.4%	11,109	22.0%	8,029	54.8%
American Indian	21,279	0.2%	97	0.3%	147	0.3%	38	0.3%
Asian	311,692	3.2%	278	0.8%	320	0.6%	116	0.8%
Native Hawaiian	5,152	0.1%	7	0.0%	13	0.0%	3	0.0%
Some Other Race	19,141	0.2%	35	0.1%	39	0.1%	24	0.2%
Two or More Races	151,980	1.6%	443	1.2%	593	1.2%	225	1.5%
Hispanic or Latino	853,689	8.8%	1,207	3.3%	1,770	3.5%	413	2.8%
White	373,520	3.9%	520	1.4%	702	1.4%	158	1.1%
Black or African American	39,635	0.4%	59	0.2%	66	0.1%	43	0.3%
American Indian	10,872	0.1%	23	0.1%	28	0.1%	9	0.1%
Asian	2,775	0.0%	1	0.0%	2	0.0%	1	0.0%
Native Hawaiian	1,647	0.0%	6	0.0%	6	0.0%	0	0.0%
Some Other Race	369,731	3.8%	508	1.4%	836	1.7%	169	1.2%
Two or More Races	55,509	0.6%	90	0.2%	129	0.3%	33	0.2%

Source: 2010 Census

Note that the "Native Hawaiian" category above also includes "Other Pacific Islander" and the "American Indian" category also includes "Alaska Native."

E.2 HOUSEHOLDS

Renter Households by Age of Householder



Source: 2010 Census

The graph above shows the relative distribution of households by age in the market area as compared to the state.

E.2.1 HOUSEHOLD TRENDS

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

Household Trends and Projections

	<u>State</u>	<u>County</u>	<u>Market Area</u>	<u>City</u>
2000	3,006,369	13,475	17,679	6,094
2008	3,468,704	13,053	18,439	5,978
2010	3,585,584	13,654	18,982	5,870
2014	3,817,270	13,726	19,503	5,780
2016	3,933,113	13,761	19,764	5,736
Growth 2014 to 2016	115,843	36	261	-45

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

In 2010, the market area had 18,982 households and thus a demand for the same number of housing units (because each household lives in its own housing unit). Similarly, there were 19,503 households in 2014, and there will be 19,764 in 2016. These figures indicate that the market area needs to provide 261 housing units from 2014 to 2016.

E.2.2 HOUSEHOLD TENURE

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

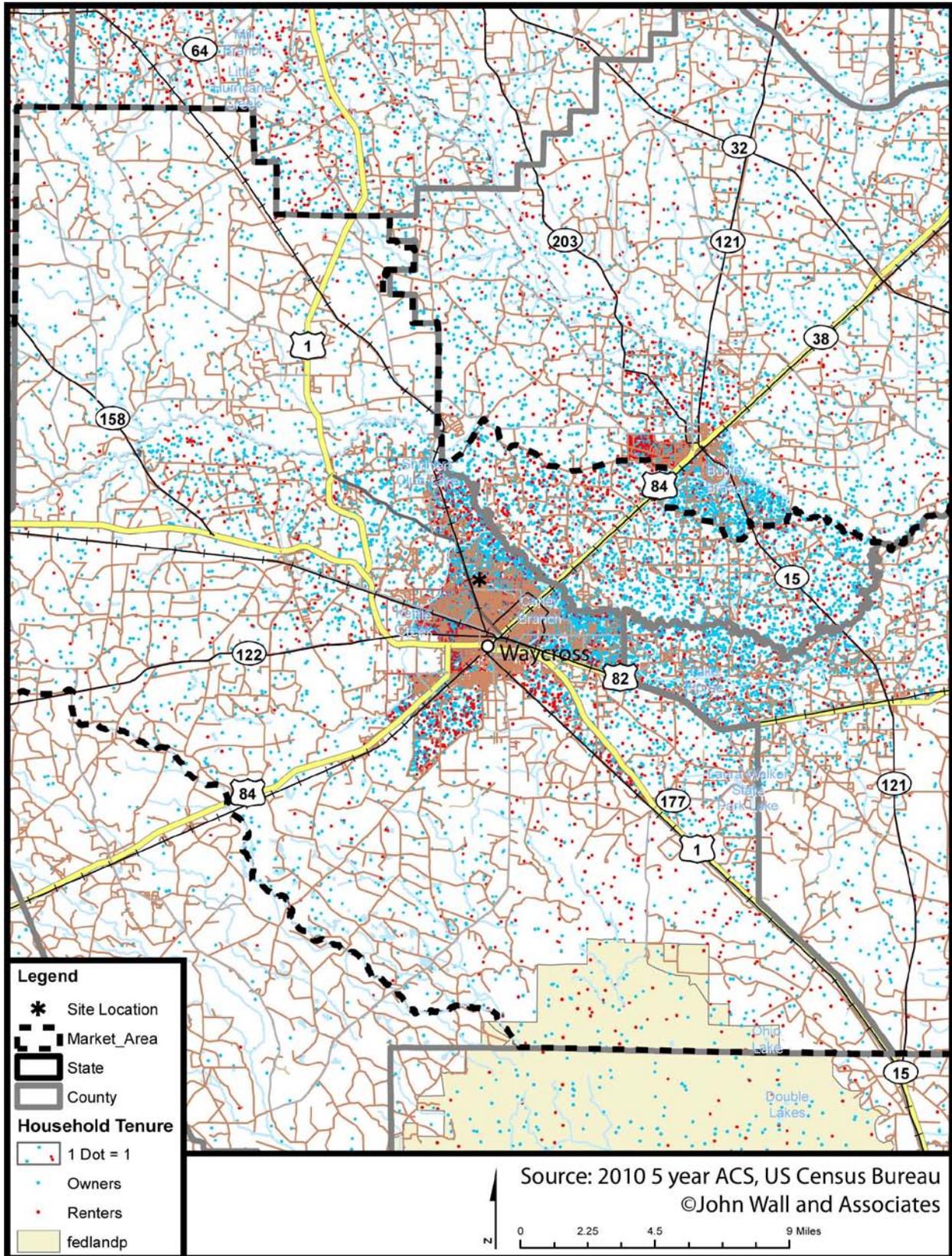
Occupied Housing Units by Tenure

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Households	3,585,584	—	13,654	—	18,982	—	5,870	—
Owner	2,354,402	65.7%	8,865	64.9%	13,075	68.9%	2,930	49.9%
Renter	1,231,182	34.3%	4,789	35.1%	5,907	31.1%	2,940	50.1%

Source: 2010 Census

From the table above, it can be seen that 31.1% of the households in the market area rent. This percentage will be used later in the report to calculate the number of general occupancy units necessary to accommodate household growth.

TENURE MAP



E.2.3 HOUSEHOLD SIZE

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

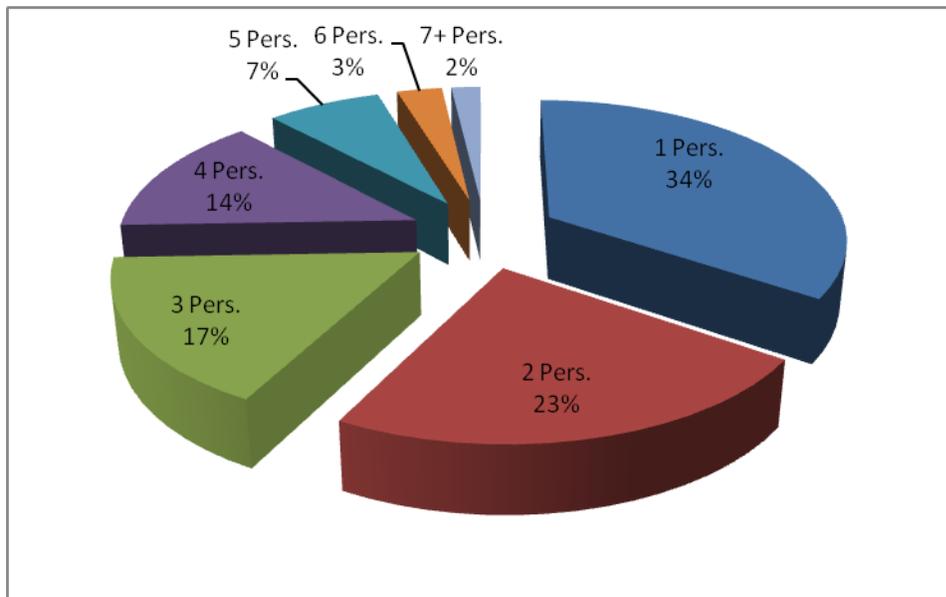
Housing Units by Persons in Unit

	<u>State</u>		<u>County</u>		<u>Market Area</u>		<u>City</u>	
Owner occupied:	2,354,402	—	8,865	—	13,074	—	2,930	—
1-person	498,417	21.2%	2,180	24.6%	3,001	23.0%	907	31.0%
2-person	821,066	34.9%	3,370	38.0%	4,952	37.9%	1,042	35.6%
3-person	417,477	17.7%	1,480	16.7%	2,222	17.0%	427	14.6%
4-person	360,504	15.3%	1,114	12.6%	1,766	13.5%	307	10.5%
5-person	159,076	6.8%	466	5.3%	740	5.7%	149	5.1%
6-person	60,144	2.6%	168	1.9%	254	1.9%	65	2.2%
7-or-more	37,718	1.6%	87	1.0%	140	1.1%	33	1.1%
Renter occupied:	1,231,182	—	4,789	—	5,907	—	2,940	—
1-person	411,057	33.4%	1,703	35.6%	2,037	34.5%	1,124	38.2%
2-person	309,072	25.1%	1,094	22.8%	1,373	23.2%	635	21.6%
3-person	203,417	16.5%	777	16.2%	987	16.7%	466	15.9%
4-person	155,014	12.6%	648	13.5%	802	13.6%	354	12.0%
5-person	84,999	6.9%	337	7.0%	428	7.2%	208	7.1%
6-person	37,976	3.1%	137	2.9%	170	2.9%	89	3.0%
7-or-more	29,647	2.4%	93	1.9%	110	1.9%	64	2.2%

Source: 2010 Census

The percent and number of large (5 or more persons) households in the market is an important fact to consider in projects with a significant number of 3 or 4 bedroom units. In such cases, this fact has been taken into account and is used to refine the analysis. It also helps to determine the upper income limit for the purpose of calculating demand. In the market area, 12.% of the renter households are large, compared to 12.4% in the state.

Renter Persons Per Unit For The Market Area



E.2.4 HOUSEHOLD INCOMES

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

Number of Households in Various Income Ranges

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total:	3,490,754		13,091		18,362		5,978	
Less than \$10,000	291,920	8.4%	1,477	11.3%	2,105	11.5%	1,043	17.4%
\$10,000 to \$14,999	199,317	5.7%	1,627	12.4%	1,962	10.7%	863	14.4%
\$15,000 to \$19,999	193,170	5.5%	1,000	7.6%	1,361	7.4%	611	10.2%
\$20,000 to \$24,999	192,281	5.5%	791	6.0%	1,087	5.9%	366	6.1%
\$25,000 to \$29,999	186,824	5.4%	827	6.3%	1,291	7.0%	512	8.6%
\$30,000 to \$34,999	193,158	5.5%	768	5.9%	1,123	6.1%	398	6.7%
\$35,000 to \$39,999	172,930	5.0%	701	5.4%	1,076	5.9%	328	5.5%
\$40,000 to \$44,999	174,284	5.0%	723	5.5%	1,007	5.5%	338	5.7%
\$45,000 to \$49,999	148,836	4.3%	533	4.1%	727	4.0%	180	3.0%
\$50,000 to \$59,999	287,623	8.2%	1,004	7.7%	1,377	7.5%	342	5.7%
\$60,000 to \$74,999	358,774	10.3%	1,212	9.3%	1,745	9.5%	348	5.8%
\$75,000 to \$99,999	410,336	11.8%	1,172	9.0%	1,682	9.2%	346	5.8%
\$100,000 to \$124,999	257,874	7.4%	618	4.7%	945	5.1%	195	3.3%
\$125,000 to \$149,999	146,883	4.2%	290	2.2%	439	2.4%	69	1.2%
\$150,000 to \$199,999	143,147	4.1%	163	1.2%	223	1.2%	28	0.5%
\$200,000 or more	133,397	3.8%	185	1.4%	213	1.2%	11	0.2%

Source: 2011-5yr ACS (Census)

F. EMPLOYMENT TREND

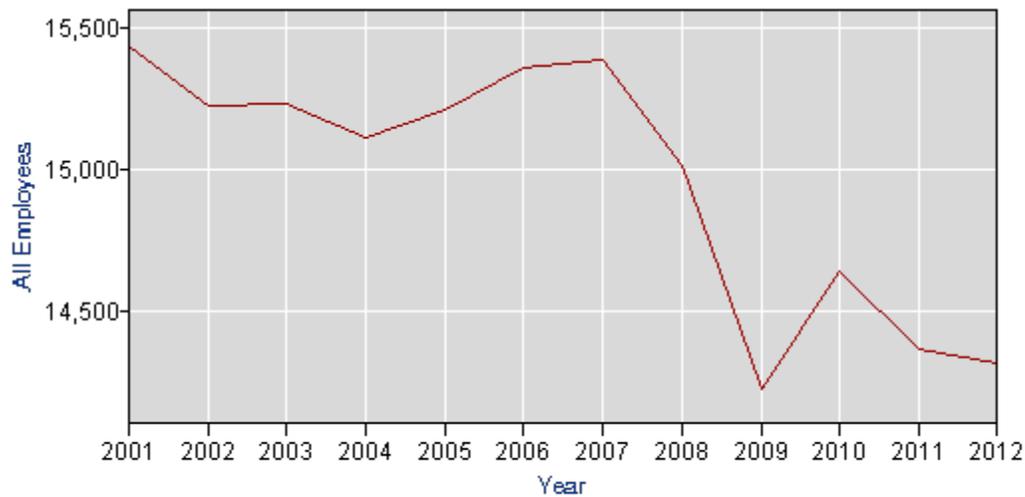
The economy of the market area will have an impact on the need for apartment units.

F.1 TOTAL JOBS

The following table shows how many people were employed in the county. These employed persons do not necessarily live in the county, so the trends are useful to determining the economic health of the area.

Covered Employment

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001	15,165	15,366	15,432	15,500	15,555	15,567	15,346	15,477	15,410	15,273	15,477	15,718	15,441
2002	15,011	15,057	15,086	15,252	15,357	15,285	15,063	15,193	15,426	15,230	15,354	15,379	15,224
2003	15,272	15,316	15,403	15,294	15,431	15,302	15,151	15,233	15,147	15,032	15,101	15,111	15,233
2004	14,804	14,785	14,865	14,926	15,207	15,171	15,127	15,299	15,140	15,303	15,412	15,325	15,114
2005	15,140	15,116	15,075	15,344	15,597	15,410	15,156	15,180	15,033	15,193	15,246	15,030	15,210
2006	15,032	15,072	14,933	15,472	15,699	15,416	15,313	15,580	15,204	15,580	15,698	15,356	15,363
2007	15,466	15,340	15,210	15,461	15,593	15,394	15,231	15,374	15,191	15,546	15,552	15,272	15,386
2008	15,114	15,059	14,973	15,318	15,482	15,019	14,963	15,150	14,841	14,908	14,757	14,578	15,014
2009	14,367	14,321	14,125	14,608	14,771	14,110	14,026	14,187	13,838	14,132	14,260	14,031	14,231
2010	14,386	14,521	14,515	15,150	15,327	14,850	14,613	14,635	14,336	14,518	14,571	14,269	14,641
2011	14,250	14,342	14,120	14,836	15,011	14,705	14,262	14,329	14,194	14,232	14,199	13,912	14,366
2012	14,176	14,095	13,929	14,524	14,786	14,529	14,154	14,305	14,226	14,393	14,530	14,201	14,321
2013	14,210	14,211	13,966	14,404	14,742	14,427	14,290	14,328	13,980				



Source: <http://data.bls.gov/pdq/querytool.jsp?survey=en>

F.2 JOBS BY INDUSTRY AND OCCUPATION

Occupation of Employed Persons Age 16 Years And Over

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total	4,288,924		13,564		18,928		5,226	
Management, business, science, and arts occupations:	1,503,863	35%	3,898	29%	5,267	28%	1,183	23%
Management, business, and financial occupations:	639,928	15%	1,338	10%	1,952	10%	282	5%
Management occupations	431,733	10%	1,157	9%	1,599	8%	248	5%
Business and financial operations occupations	208,195	5%	181	1%	354	2%	34	1%
Computer, engineering, and science occupations:	205,648	5%	217	2%	296	2%	62	1%
Computer and mathematical occupations	109,280	3%	33	0%	59	0%	25	0%
Architecture and engineering occupations	67,189	2%	61	0%	112	1%	0	0%
Life, physical, and social science occupations	29,179	1%	123	1%	124	1%	37	1%
Education, legal, community service, arts, and media occupations:	452,182	11%	1,355	10%	1,735	9%	474	9%
Community and social service occupations	63,956	1%	359	3%	443	2%	194	4%
Legal occupations	43,217	1%	95	1%	110	1%	8	0%
Education, training, and library occupations	275,377	6%	775	6%	1,049	6%	230	4%
Arts, design, entertainment, sports, and media occupations	69,632	2%	126	1%	132	1%	42	1%
Healthcare practitioners and technical occupations:	206,105	5%	988	7%	1,284	7%	365	7%
Health diagnosing and treating practitioners and other technical occupations	134,416	3%	517	4%	623	3%	155	3%
Health technologists and technicians	71,689	2%	471	3%	661	3%	210	4%
Service occupations:	693,740	16%	2,362	17%	3,367	18%	1,195	23%
Healthcare support occupations	77,057	2%	313	2%	481	3%	257	5%
Protective service occupations:	95,433	2%	337	2%	513	3%	85	2%
Fire fighting and prevention, and other protective service workers including supervisors	48,018	1%	96	1%	126	1%	16	0%
Law enforcement workers including supervisors	47,415	1%	241	2%	388	2%	69	1%
Food preparation and serving related occupations	230,056	5%	674	5%	929	5%	316	6%
Building and grounds cleaning and maintenance occupations	164,820	4%	690	5%	895	5%	370	7%
Personal care and service occupations	126,374	3%	348	3%	548	3%	167	3%
Sales and office occupations:	1,099,346	26%	3,618	27%	4,664	25%	1,476	28%
Sales and related occupations	514,219	12%	1,667	12%	2,122	11%	667	13%
Office and administrative support occupations	585,127	14%	1,951	14%	2,542	13%	809	15%
Natural resources, construction, and maintenance occupations:	430,635	10%	1,456	11%	2,528	13%	224	4%
Farming, fishing, and forestry occupations	26,147	1%	116	1%	191	1%	0	0%
Construction and extraction occupations	245,903	6%	656	5%	1,154	6%	92	2%
Installation, maintenance, and repair occupations	158,585	4%	684	5%	1,182	6%	132	3%
Production, transportation, and material moving occupations:	561,340	13%	2,230	16%	3,103	16%	1,148	22%
Production occupations	265,856	6%	1,255	9%	1,550	8%	670	13%
Transportation occupations	171,649	4%	482	4%	884	5%	158	3%
Material moving occupations	123,835	3%	493	4%	668	4%	320	6%

Source: 2011-5yr ACS (Census)

Occupation for the State and Market Area



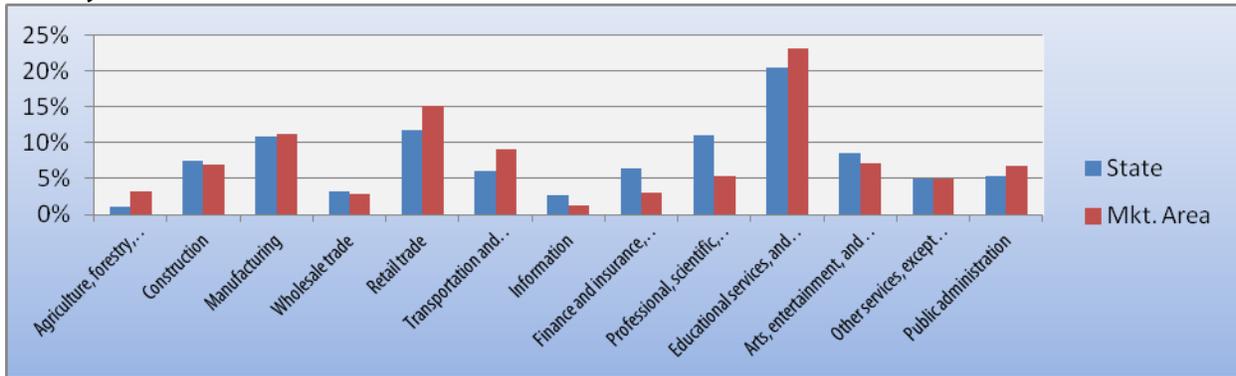
Industry of Employed Persons Age 16 Years And Over

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total:	4,288,924		13,564		18,928		5,226	
Agriculture, forestry, fishing and hunting, and mining:	49,487	1%	389	3%	603	3%	49	1%
Agriculture, forestry, fishing and hunting	44,572	1%	389	3%	603	3%	49	1%
Mining, quarrying, and oil and gas extraction	4,915	0%	0	0%	0	0%	0	0%
Construction	318,753	7%	775	6%	1,323	7%	162	3%
Manufacturing	466,714	11%	1,698	13%	2,107	11%	833	16%
Wholesale trade	140,068	3%	372	3%	547	3%	64	1%
Retail trade	507,318	12%	2,336	17%	2,862	15%	902	17%
Transportation and warehousing, and utilities:	257,832	6%	1,023	8%	1,732	9%	422	8%
Transportation and warehousing	217,447	5%	883	7%	1,416	7%	383	7%
Utilities	40,385	1%	140	1%	316	2%	39	1%
Information	113,553	3%	120	1%	228	1%	96	2%
Finance and insurance, and real estate and rental and leasing:	276,239	6%	476	4%	581	3%	127	2%
Finance and insurance	186,606	4%	347	3%	441	2%	113	2%
Real estate and rental and leasing	89,633	2%	129	1%	140	1%	14	0%
Professional, scientific, and management, and administrative and waste management services:	470,531	11%	702	5%	1,024	5%	158	3%
Professional, scientific, and technical services	272,826	6%	271	2%	356	2%	48	1%
Management of companies and enterprises	4,939	0%	46	0%	46	0%	0	0%
Administrative and support and waste management services	192,766	4%	385	3%	621	3%	110	2%
Educational services, and health care and social assistance:	873,918	20%	3,190	24%	4,373	23%	1,253	24%
Educational services	406,986	9%	1,183	9%	1,620	9%	407	8%
Health care and social assistance	466,932	11%	2,007	15%	2,752	15%	846	16%
Arts, entertainment, and recreation, and accommodation and food services:	369,726	9%	1,013	7%	1,352	7%	399	8%
Arts, entertainment, and recreation	62,655	1%	214	2%	232	1%	59	1%
Accommodation and food services	307,071	7%	799	6%	1,120	6%	340	7%
Other services, except public administration	215,345	5%	596	4%	932	5%	416	8%
Public administration	229,440	5%	874	6%	1,265	7%	345	7%

Source: 2011-5yr ACS (Census)

Note: Bold numbers represent category totals and add to 100%

Industry for the State and Market Area



Source: 2011-5yr ACS (Census)

F.3 MAJOR EMPLOYERS

The following is a list of major employers in the county:

Company

Mayo Clinic Health System
 Ware County School System
 CSX
 Baptist Village
 Flash Foods
 Cornelius Blueberries
 Carolina Skiff

Source: Chamber of Commerce

F.3.1 NEW OR PLANNED CHANGES IN WORKFORCE

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

F.4 EMPLOYMENT (CIVILIAN LABOR FORCE)

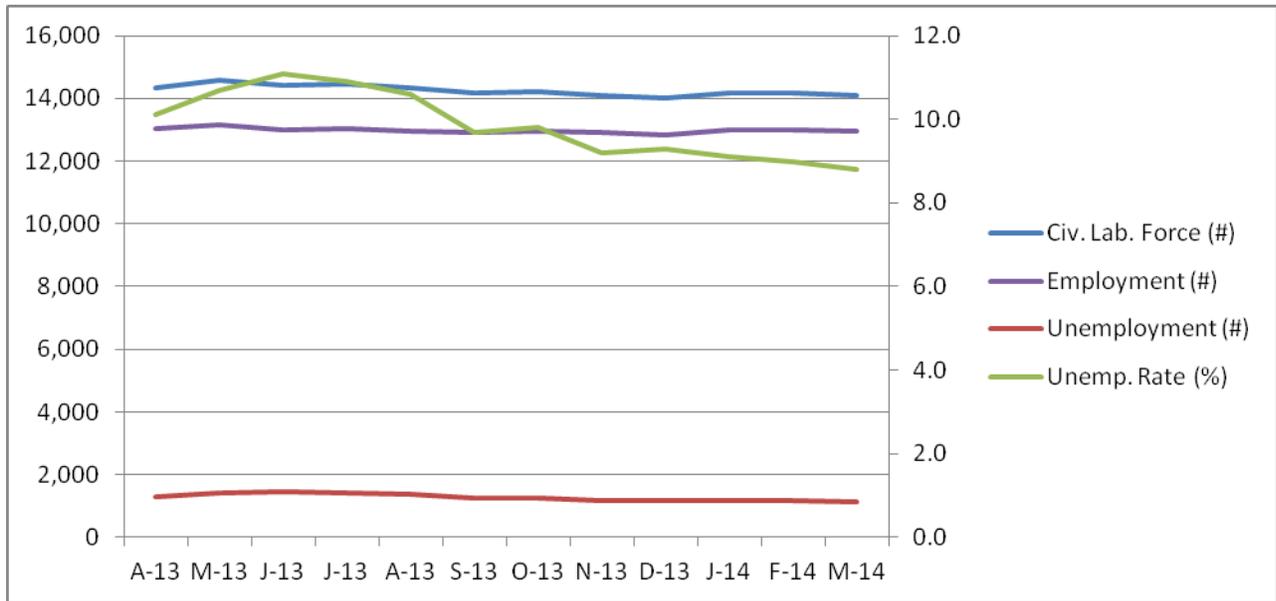
In order to determine how employment affects the market area and whether the local economy is expanding, declining, or stable, it is necessary to inspect employment statistics for several years. The table below shows the increase or decrease in employment and the percentage of unemployed at the county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

Employment Trends

Year	Civilian Labor Force	Unemployment	Rate (%)	Employment	Employment Change		Annual Change	
					Number	Pct.	Number	Pct.
2000	15,246	726	5.0	14,520	—	—	—	—
2011	14,721	1,518	11.5	13,203	-1,317	-9.1%	-120	-0.9%
2012	14,077	1,406	11.1	12,671	-532	-4.0%	-532	-4.0%
2013	14,381	1,343	10.3	13,038	367	2.9%	367	2.9%
A-13	14,335	1,315	10.1	13,020	-18	-0.1%		
M-13	14,588	1,410	10.7	13,178	158	1.2%		
J-13	14,421	1,441	11.1	12,980	-198	-1.5%		
J-13	14,459	1,421	10.9	13,038	58	0.4%		
A-13	14,333	1,374	10.6	12,959	-79	-0.6%		
S-13	14,188	1,255	9.7	12,933	-26	-0.2%		
O-13	14,206	1,268	9.8	12,938	5	0.0%		
N-13	14,084	1,187	9.2	12,897	-41	-0.3%		
D-13	14,031	1,194	9.3	12,837	-60	-0.5%		
J-14	14,191	1,184	9.1	13,007	170	1.3%		
F-14	14,173	1,170	9.0	13,003	-4	0.0%		
M-14	14,089	1,140	8.8	12,949	-54	-0.4%		

Source: State Employment Security Commission

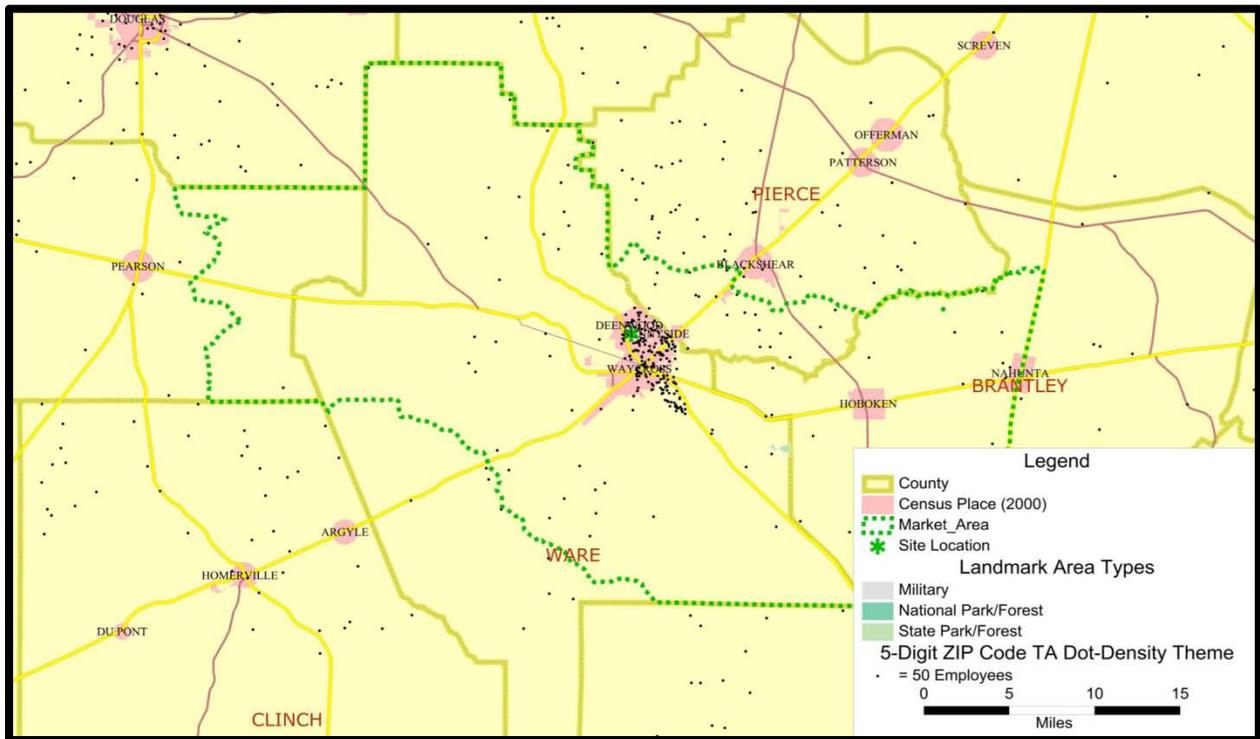
County Employment Trends



Source: State Employment Security Commission

F.5 EMPLOYMENT CONCENTRATIONS MAP

EMPLOYMENT CONCENTRATIONS MAP



F.6 ECONOMIC SUMMARY

The largest number of persons in the market area is employed in the "Management, professional, and related occupations" occupation category and in the "Educational services, and health care and social assistance" industry category.

A change in the size of labor force frequently indicates a corresponding change in the need for housing. The size of the labor force has been increasing over the past several years.

Employment has been increasing over the past several years. For the past 12 months, it has continued to increase.

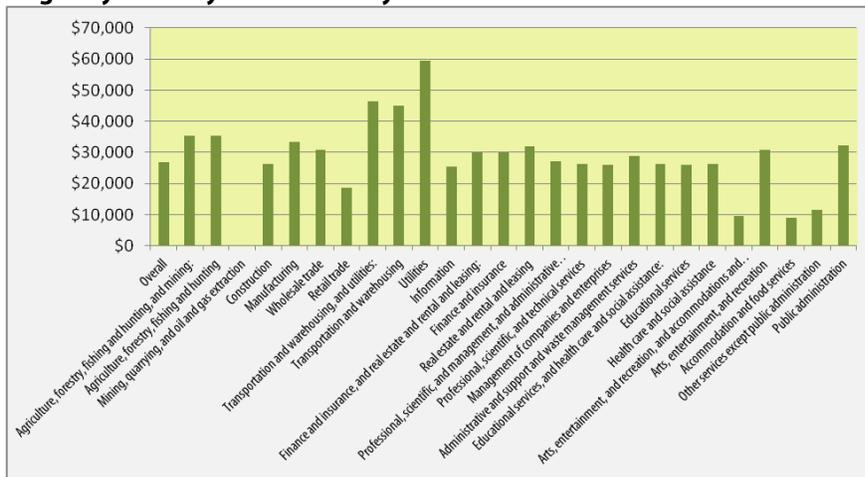
Median Wages by Industry

	<u>State</u>	<u>County</u>	<u>City</u>
Overall	\$32,040	\$26,938	\$22,432
Agriculture, forestry, fishing and hunting, and mining:	\$24,299	\$35,507	\$76,042
Agriculture, forestry, fishing and hunting	\$22,179	\$35,507	\$76,042
Mining, quarrying, and oil and gas extraction	\$42,782	—	—
Construction	\$28,274	\$26,326	\$21,688
Manufacturing	\$36,117	\$33,493	\$26,707
Wholesale trade	\$41,076	\$30,862	\$35,000
Retail trade	\$22,149	\$18,781	\$15,346
Transportation and warehousing, and utilities:	\$41,538	\$46,401	\$34,590
Transportation and warehousing	\$40,471	\$44,960	\$33,862
Utilities	\$50,922	\$59,444	\$44,821
Information	\$53,424	\$25,500	\$4,605
Finance and insurance, and real estate and rental and leasing:	\$41,475	\$30,060	\$27,554
Finance and insurance	\$45,242	\$29,946	\$27,989
Real estate and rental and leasing	\$34,581	\$32,083	\$17,143
Professional, scientific, and management, and administrative and waste management services:	\$40,875	\$27,120	\$27,431
Professional, scientific, and technical services	\$56,566	\$26,206	\$43,214
Management of companies and enterprises	\$63,862	\$25,946	—
Administrative and support and waste management services	\$24,691	\$28,892	\$27,292
Educational services, and health care and social assistance:	\$33,411	\$26,190	\$24,737
Educational services	\$36,546	\$26,148	\$25,461
Health care and social assistance	\$31,660	\$26,203	\$24,347
Arts, entertainment, and recreation, and accommodations and food services:	\$14,501	\$9,649	\$8,793
Arts, entertainment, and recreation	\$19,205	\$30,926	\$30,824
Accommodation and food services	\$14,029	\$8,930	\$8,162
Other services except public administration	\$23,097	\$11,524	\$9,936
Public administration	\$42,690	\$32,354	\$31,758

Source: 2011-5yr ACS (Census)

Note: Dashes indicate data suppressed by Census Bureau; no data is available for the market area.

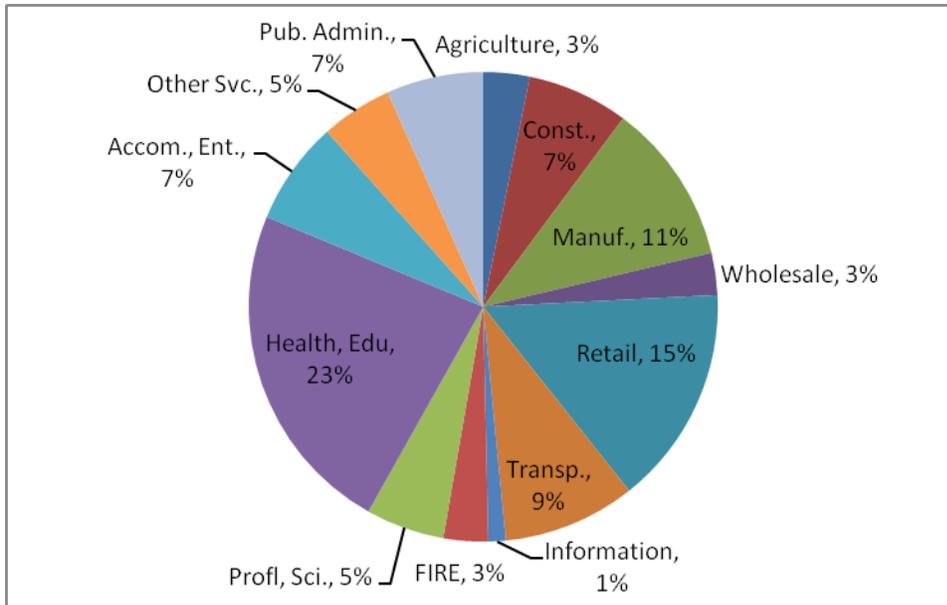
Wages by Industry for the County



2010-5yr ACS (Census)

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

Percent of Workers by Occupation for the Market Area



Source: 2011-5yr ACS (Census)

G. PROJECT-SPECIFIC AFFORDABILITY & DEMAND ANALYSIS

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

These minimum and maximum incomes are used to establish the income *range* for households entering the project. Only households whose incomes fall within the range are considered as a source of demand.

Income data have been shown separately for owner and renter households. Only the renter household income data are used for determining demand for rental units.

Gross rent includes utilities, but it excludes payments of rental assistance by federal, state, and local entities. In this study, gross rent is always monthly.

G.1 INCOME RESTRICTIONS

G.1.1 ESTABLISHING TAX CREDIT QUALIFYING INCOME RANGES

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

Maximum Income Limit (HUD FY 2014)

<u>Pers.</u>	<u>VLIL</u>	<u>50%</u>	<u>60%</u>
1	18,400	18,400	22,080
2	21,000	21,000	25,200
3	23,650	23,650	28,380
4	26,250	26,250	31,500
5	28,350	28,350	34,020
6	30,450	30,450	36,540
7	32,550	32,550	39,060
8	34,650	34,650	41,580

Source: *Very Low Income (50%) Limit and 60% limit: HUD, Low and Very-Low Income Limits by Family Size*
Others: John Wall and Associates, derived from HUD figures

The table above shows the maximum tax credit allowable incomes for households moving into the subject based on household size and the percent of area median gross income (AMI). Because the county is below the national non-metro, and because the site is not an ineligible area as determined by RD and because the subject is not using HOME funds, the national non-metro figures have been substituted for the standard income limits.

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

Gross rent ÷ 35% [or 30% or 40%, as described in the subsections above] x 12 months = annual income

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

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

Minimum Incomes Required and Gross Rents

	<u>Bedrooms</u>	<u>Number of Units</u>	<u>Net Rent</u>	<u>Gross Rent</u>	<u>Minimum Income Required</u>	<u>Target Population</u>
50%	1	9	295	459	\$15,737	Tax Credit
50%	2	4	341	551	\$18,891	Tax Credit
50%	3	2	381	636	\$21,806	Tax Credit
60%	1	5	387	551	\$18,891	Tax Credit
60%	2	27	451	661	\$22,663	Tax Credit
60%	3	12	508	763	\$26,160	Tax Credit

Source: John Wall and Associates from data provided by client

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

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

G.1.2 HOUSEHOLDS NOT RECEIVING RENTAL ASSISTANCE

Most households do not receive rental assistance. With respect to estimating which households may consider the subject a possible housing choice, we will evaluate the gross rent as a percent of their income according to the following formula:

$$\text{gross rent} \div X\% \times 12 \text{ months} = \text{annual income}$$

X% in the formula will vary, depending on the circumstance, as outlined in the next two sections.

G.1.3 HOUSEHOLDS QUALIFYING FOR TAX CREDIT UNITS

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

For those tax credit units occupied by low income households, the monthly gross rent should not realistically exceed 35% of the household income.

G.2 AFFORDABILITY

The most important information from the tables above is summarized in the table below. Income requirements for any PBRA units will be calculated for the contract rent.

Qualifying Income Ranges by Bedrooms and Persons Per Household

AMI	Bedrooms	Persons	Gross Rent	Income Based Lower Limit	Spread Between Limits	Upper Limit
50%	1	1	459	15,740	2,660	18,400
50%	1	2	459	15,740	5,260	21,000
50%	2	2	551	18,890	2,110	21,000
50%	2	3	551	18,890	4,760	23,650
50%	2	4	551	18,890	7,360	26,250
50%	3	3	636	21,810	1,840	23,650
50%	3	4	636	21,810	4,440	26,250
50%	3	5	636	21,810	6,540	28,350
50%	3	6	636	21,810	8,640	30,450
60%	1	1	551	18,890	3,190	22,080
60%	1	2	551	18,890	6,310	25,200
60%	2	2	661	22,660	2,540	25,200
60%	2	3	661	22,660	5,720	28,380
60%	2	4	661	22,660	8,840	31,500
60%	3	3	763	26,160	2,220	28,380
60%	3	4	763	26,160	5,340	31,500
60%	3	5	763	26,160	7,860	34,020
60%	3	6	763	26,160	10,380	36,540

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

G.2.1 UPPER INCOME DETERMINATION

DCA requires using 1.5 persons per bedroom, rounded up to the nearest whole person for the upper income limit determination.

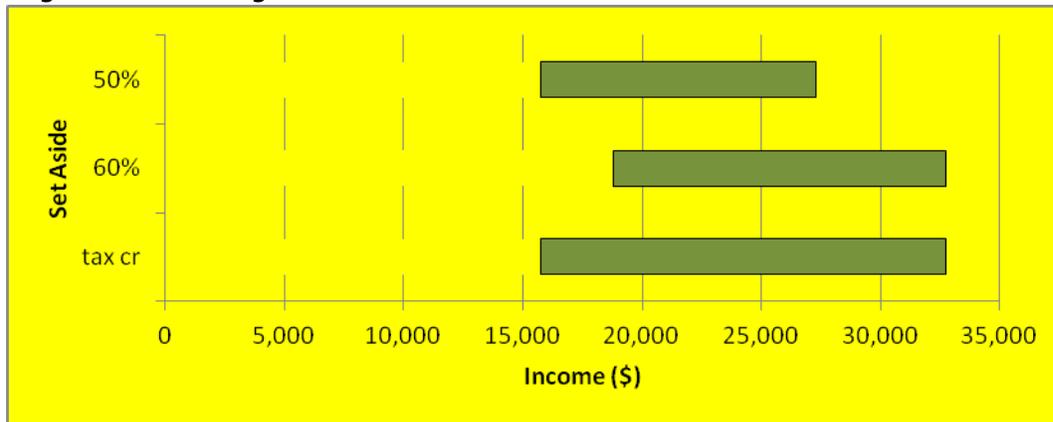
G.2.2 PROGRAMMATIC AND PRO FORMA RENT ANALYSIS

The table below shows a comparison of programmatic rent and *pro forma* rent.

Qualifying and Proposed and Programmatic Rent Summary

	1-BR	2-BR	3-BR
50% Units			
Number of Units	9	4	2
Max Allowable Gross Rent	\$492	\$591	\$682
Pro Forma Gross Rent	\$459	\$551	\$636
Difference (\$)	\$33	\$40	\$46
Difference (%)	6.7%	6.8%	6.7%
60% Units			
Number of Units	5	27	12
Max Allowable Gross Rent	\$591	\$709	\$819
Pro Forma Gross Rent	\$551	\$661	\$763
Difference (\$)	\$40	\$48	\$56
Difference (%)	6.8%	6.8%	6.8%

Targeted Income Ranges



An income range of \$15,740 to \$27,300 is reasonable for the 50% AMI units.

An income range of \$18,890 to \$32,760 is reasonable for the 60% AMI units.

An income range of \$15,740 to \$32,760 is reasonable for the tax credit units (overall).

G.2.3 HOUSEHOLDS WITH QUALIFIED INCOMES

The table below shows income levels for renters and owners separately. The number and percent of income qualified *renter* households is calculated from this table.

Number of Specified Households in Various Income Ranges by Tenure

	State	%	County	%	Market Area	%	City	%
Owner occupied:	2,332,685		8,702		12,827		3,079	
Less than \$5,000	45,157	1.9%	192	2.2%	269	2.1%	84	2.7%
\$5,000 to \$9,999	55,792	2.4%	267	3.1%	401	3.1%	138	4.5%
\$10,000 to \$14,999	89,928	3.9%	878	10.1%	1,127	8.8%	438	14.2%
\$15,000 to \$19,999	91,304	3.9%	624	7.2%	909	7.1%	362	11.8%
\$20,000 to \$24,999	96,391	4.1%	531	6.1%	746	5.8%	231	7.5%
\$25,000 to \$34,999	209,745	9.0%	989	11.4%	1,666	13.0%	458	14.9%
\$35,000 to \$49,999	311,396	13.3%	1,340	15.4%	2,095	16.3%	462	15.0%
\$50,000 to \$74,999	475,310	20.4%	1,764	20.3%	2,577	20.1%	424	13.8%
\$75,000 to \$99,999	337,914	14.5%	955	11.0%	1,427	11.1%	208	6.8%
\$100,000 to \$149,999	361,054	15.5%	859	9.9%	1,244	9.7%	235	7.6%
\$150,000 or more	258,694	11.1%	303	3.5%	367	2.9%	39	1.3%
Renter occupied:	1,158,069		4,389		5,535		2,899	
Less than \$5,000	89,641	7.7%	502	11.4%	646	11.7%	360	12.4%
\$5,000 to \$9,999	101,330	8.7%	516	11.8%	789	14.3%	461	15.9%
\$10,000 to \$14,999	109,389	9.4%	749	17.1%	835	15.1%	425	14.7%
\$15,000 to \$19,999	101,866	8.8%	376	8.6%	452	8.2%	249	8.6%
\$20,000 to \$24,999	95,890	8.3%	260	5.9%	341	6.2%	135	4.7%
\$25,000 to \$34,999	170,237	14.7%	606	13.8%	748	13.5%	452	15.6%
\$35,000 to \$49,999	184,654	15.9%	617	14.1%	715	12.9%	384	13.2%
\$50,000 to \$74,999	171,087	14.8%	452	10.3%	545	9.8%	266	9.2%
\$75,000 to \$99,999	72,422	6.3%	217	4.9%	255	4.6%	138	4.8%
\$100,000 to \$149,999	43,703	3.8%	49	1.1%	140	2.5%	29	1.0%
\$150,000 or more	17,850	1.5%	45	1.0%	69	1.2%	0	0.0%

Source: 2005-2009 5yr ACS (Census)

The percent of renter households in the appropriate income ranges will be applied to the renter household growth figures to determine the number of new renter households that will be income qualified to move into each of the different unit types the subject will offer.

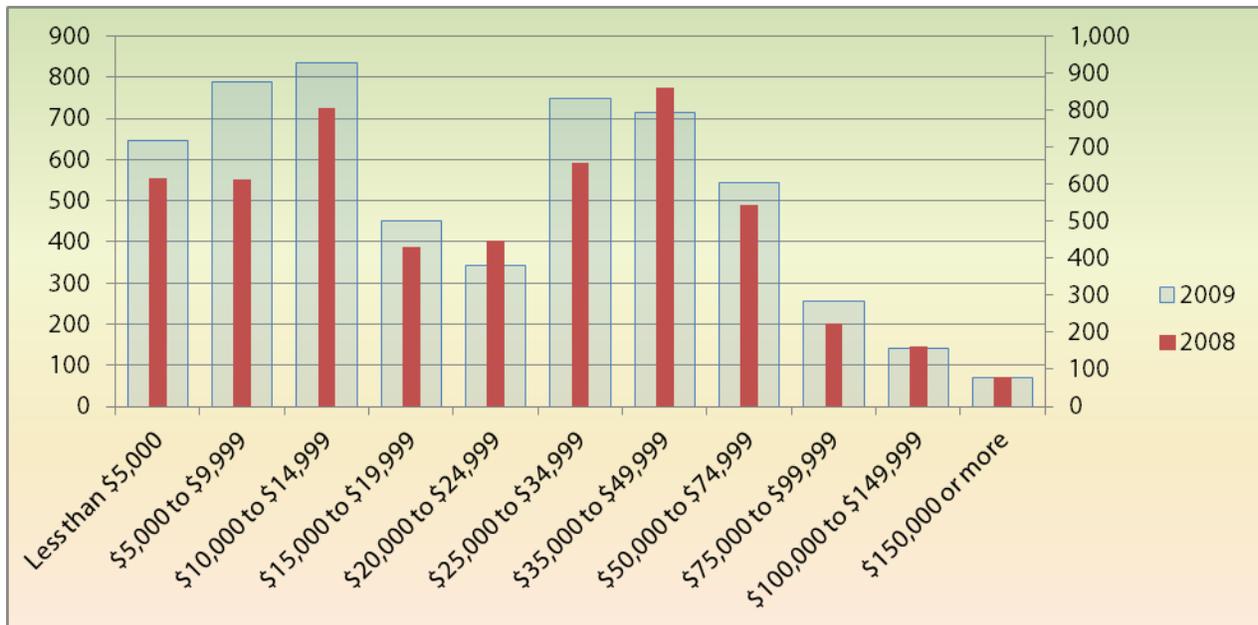
Percent of Renter Households in Appropriate Income Ranges for the Market Area

AMI		50%		60%		Tx. Cr.	
Lower Limit			15,740		18,890		15,740
Upper Limit			27,300		32,760		32,760
	Mkt. Area						
	Households	%	#	%	#	%	#
Renter occupied:							
Less than \$5,000	646	—	0	—	0	—	0
\$5,000 to \$9,999	789	—	0	—	0	—	0
\$10,000 to \$14,999	835	—	0	—	0	—	0
\$15,000 to \$19,999	452	0.85	385	0.22	100	0.85	385
\$20,000 to \$24,999	341	1.00	341	1.00	341	1.00	341
\$25,000 to \$34,999	748	0.23	172	0.78	581	0.78	581
\$35,000 to \$49,999	715	—	0	—	0	—	0
\$50,000 to \$74,999	545	—	0	—	0	—	0
\$75,000 to \$99,999	255	—	0	—	0	—	0
\$100,000 to \$149,999	140	—	0	—	0	—	0
\$150,000 or more	69	—	0	—	0	—	0
Total	5,535		898		1,022		1,307
Percent in Range			16.2%		18.5%		23.6%

Source: John Wall and Associates from figures above

The table above shows how many renter households are in each income range. The number and percent are given in the last two rows (e.g., 898, or 16.2% of the renter households in the market area are in the 50% range.)

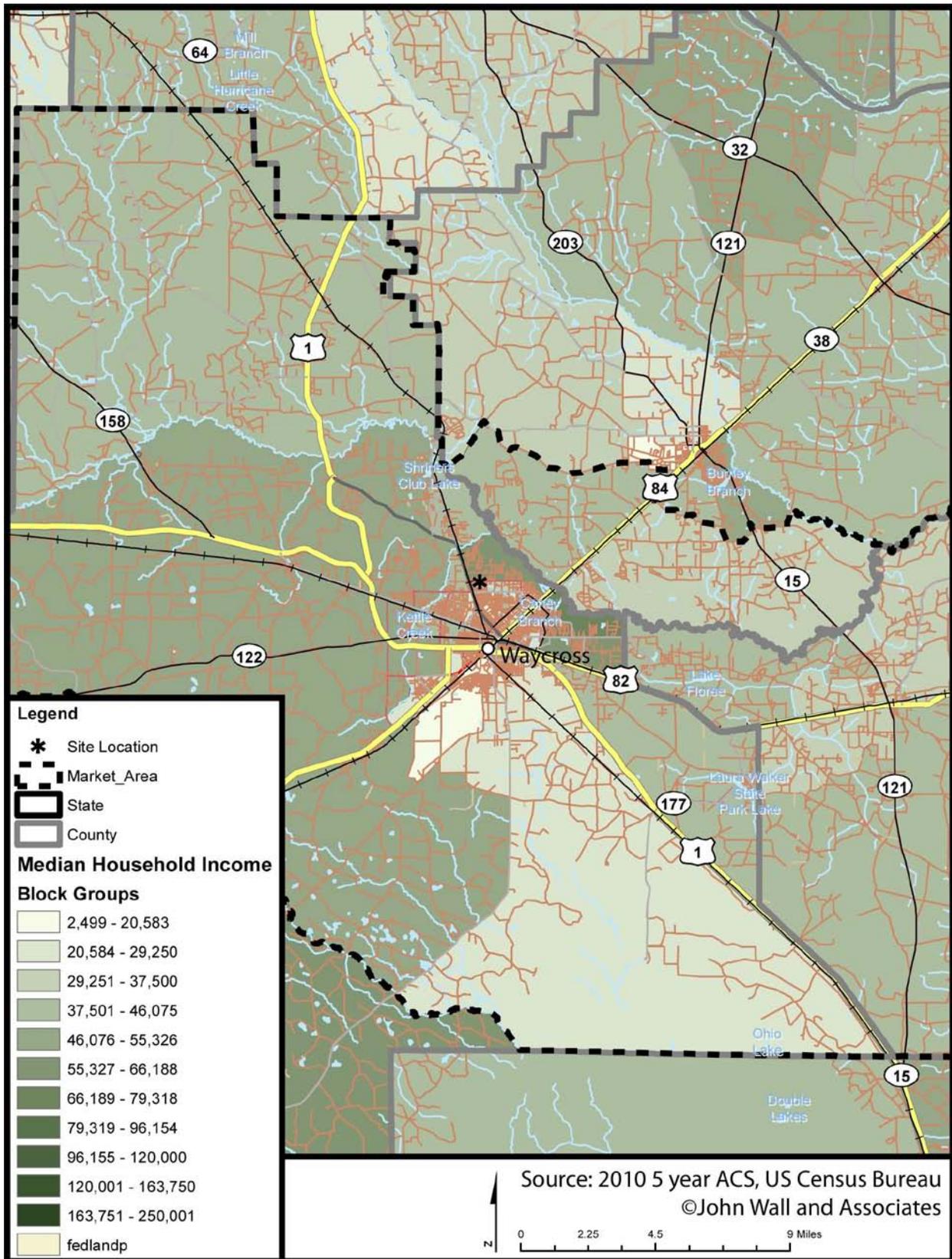
Change in Renter Household Income



Sources: 2010 and 2011-5yr ACS (Census)

The above table shows the change in renter households in various income ranges. The more current data is reflected on the left axis.

MEDIAN HOUSEHOLD INCOME MAP



G.3 DEMAND

G.3.1 DEMAND FROM NEW HOUSEHOLDS

G.3.1.1 NEW HOUSEHOLDS

It was shown in the Household Trends section of this study that 592 new housing units will be needed by the year of completion. It was shown in the Tenure section that the area ratio of rental units to total units is 31.1%. Therefore, 81 of these new units will need to be rental.

The table "Percent of Renter Households in Appropriate Income Ranges for the Market Area" shows the percentage of renter households in various income ranges. These percentages are applied to the total number of new rental units needed to arrive at the *number* of new rental units needed in the relevant income categories:

New Renter Households in Each Income Range for the Market Area

	<u>New Renter Households</u>	<u>Percent Income Qualified</u>	<u>Demand due to new Households</u>
50% AMI: \$15,740 to \$27,300	81	16.2%	13
60% AMI: \$18,890 to \$32,760	81	18.5%	15
Overall Tax Credit: \$15,740 to \$32,760	81	23.6%	19

Source: John Wall and Associates from figures above

G.3.2 DEMAND FROM EXISTING HOUSEHOLDS

G.3.2.1 DEMAND FROM RENT OVERBURDEN HOUSEHOLDS

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

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

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

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

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

	<u>State</u>		<u>County</u>		<u>Market Area</u>		<u>City</u>	
Less than \$10,000:	190,971		1,018		1,435		821	
30.0% to 34.9%	4,618	2.4%	23	2.3%	47	3.3%	23	2.8%
35.0% or more	125,483	65.7%	626	61.5%	811	56.5%	556	67.7%
\$10,000 to \$19,999:	211,255		1,125		1,287		674	
30.0% to 34.9%	12,078	5.7%	117	10.4%	115	8.9%	56	8.3%
35.0% or more	160,859	76.1%	756	67.2%	823	63.9%	489	72.6%
\$20,000 to \$34,999:	266,127		866		1,089		587	
30.0% to 34.9%	43,588	16.4%	167	19.3%	170	15.6%	148	25.2%
35.0% or more	132,225	49.7%	157	18.1%	189	17.4%	99	16.9%
\$35,000 to \$49,999:	184,654		617		715		384	
30.0% to 34.9%	28,113	15.2%	38	6.2%	38	5.3%	9	2.3%
35.0% or more	28,063	15.2%	33	5.3%	33	4.6%	33	8.6%
\$50,000 to \$74,999:	171,087		452		545		266	
30.0% to 34.9%	8,716	5.1%	12	2.7%	12	2.2%	12	4.5%
35.0% or more	6,443	3.8%	0	0.0%	0	0.0%	0	0.0%
\$75,000 to \$99,999:	72,422		217		255		138	
30.0% to 34.9%	962	1.3%	0	0.0%	0	0.0%	0	0.0%
35.0% or more	734	1.0%	0	0.0%	0	0.0%	0	0.0%
\$100,000 or more:	61,553		94		209		29	
30.0% to 34.9%	401	0.7%	0	0.0%	0	0.0%	0	0.0%
35.0% or more	339	0.6%	0	0.0%	0	0.0%	0	0.0%

Source: 2011-5yr ACS (Census)

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

Rent Overburdened Households in Each Income Range for the Market Area

35%+ Overburden AMI	50%		60%		Tx. Cr.		
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	
	15,740	27,300	18,890	32,760	15,740	32,760	
	<u>Mkt. Area</u>						
	<u>Households</u>	%	#	%	#	%	#
Less than \$10,000:	811	—	0	—	0	—	0
\$10,000 to \$19,999:	823	0.43	351	0.11	91	0.43	351
\$20,000 to \$34,999:	189	0.49	92	0.85	161	0.85	161
\$35,000 to \$49,999:	33	—	0	—	0	—	0
\$50,000 to \$74,999:	0	—	0	—	0	—	0
\$75,000 to \$99,999:	0	—	0	—	0	—	0
\$100,000 or more:	0	—	0	—	0	—	0
Column Total	1,856		443		252		511

Source: John Wall and Associates from figures above

G.3.2.2 DEMAND FROM SUBSTANDARD CONDITIONS

The Bureau of the Census defines substandard conditions as 1) lacking plumbing, or 2) 1.01 or more persons per room.

Substandard Occupied Units

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	2,332,685		8,702		12,827		3,079	
Complete plumbing:	2,323,576	100%	8,702	100%	12,827	100%	3,079	100%
1.00 or less	2,294,862	98%	8,522	98%	12,530	98%	3,079	100%
1.01 to 1.50	23,739	1%	107	1%	204	2%	0	0%
1.51 or more	4,975	0%	73	1%	94	1%	0	0%
Lacking plumbing:	9,109	0%	0	0%	0	0%	0	0%
1.00 or less	9,048	0%	0	0%	0	0%	0	0%
1.01 to 1.50	35	0%	0	0%	0	0%	0	0%
1.51 or more	26	0%	0	0%	0	0%	0	0%
Renter occupied:	1,158,069		4,389		5,535		2,899	
Complete plumbing:	1,148,344	99%	4,375	100%	5,521	100%	2,885	100%
1.00 or less	1,093,504	94%	4,192	96%	5,305	96%	2,798	97%
1.01 to 1.50	40,897	4%	183	4%	199	4%	87	3%
1.51 or more	13,943	1%	0	0%	16	0%	0	0%
Lacking plumbing:	9,725	1%	14	0%	14	0%	14	0%
1.00 or less	8,900	1%	14	0%	14	0%	14	0%
1.01 to 1.50	420	0%	0	0%	0	0%	0	0%
1.51 or more	405	0%	0	0%	0	0%	0	0%
Total Renter Substandard					229			

Source: 2011-5yr ACS (Census)

From these tables, the need from substandard rental units can be drawn. There are 229 substandard rental units in the market area.

From the figures above the number of substandard units in each appropriate income range can be estimated in the table below.

Substandard Conditions in Each Income Range for the Market Area

	<u>Total</u> <u>Substandard</u> <u>Units</u>	<u>Percent</u> <u>Income</u> <u>Qualified</u>	<u>Demand</u> <u>due to</u> <u>Substandard</u>
50% AMI: \$15,740 to \$27,300	229	16.2%	37
60% AMI: \$18,890 to \$32,760	229	18.5%	42
Overall Tax Credit: \$15,740 to \$32,760	229	23.6%	54

Source: John Wall and Associates from figures above

G.4 DEMAND FOR NEW UNITS

The demand components shown in the previous section are summarized below.

	50% AMI: \$15,740 to \$27,300	60% AMI: \$18,890 to \$32,760	Overall Tax Credit: \$15,740 to \$32,760
New Housing Units Required	13	15	19
Rent Overburden Households	443	252	511
Substandard Units	37	42	54
Demand	493	309	584
Less New Supply	0	0	0
NET DEMAND	493	309	584

* Numbers may not add due to rounding.

G.5 CAPTURE RATE ANALYSIS CHART

Capture Rate by Unit Size (Bedrooms) and Targeting

		<u>Units</u>	<u>Total</u>	<u>Supply</u>	<u>Net</u>	<u>Capture</u>	<u>Absorption</u>	<u>Average</u>	<u>Mkt. Rent</u>	<u>Proposed</u>	<u>Rents</u>
		<u>Proposed</u>	<u>Demand</u>		<u>Demand</u>	<u>Rate</u>		<u>Mkt. Rent</u>	<u>Range</u>		
50% AMI	1 BR	9	148	0	148	6.1%	—	—	—	295	—
	2 BR	4	247	0	247	1.6%	—	—	—	341	—
	3 BR	2	99	0	99	2.0%	—	—	—	381	—
	4 BR	0	0	0	0	—	—	—	—	—	—
60% AMI	1 BR	5	93	0	93	5.4%	—	—	—	387	—
	2 BR	27	155	0	155	17.4%	—	—	—	451	—
	3 BR	12	62	0	62	19.4%	—	—	—	508	—
	4 BR	0	0	0	0	—	—	—	—	—	—
TOTAL for Project	50% AMI	15	493	0	493	3.0%	—	—	—	—	—
	60% AMI	44	309	0	309	14.2%	—	—	—	—	—
	All TC	59	584	0	584	10.1%	—	—	—	—	—
	Overall	59	584	0	584	10.1%	—	—	—	—	—

* Numbers may not add due to rounding.

The capture rate is not intended to be used in isolation. A low capture rate does not guarantee a successful project, nor does a high capture rate assure failure; the capture rate should be considered in the context of all the other indicators presented in the study. It is one of many factors considered in reaching a conclusion.

H. COMPETITIVE ANALYSIS (EXISTING COMPETITIVE RENTAL ENVIRONMENT)

This section contains a review of statistical data on rental property in the market area and an analysis of the data collected in the field survey of apartments in the area.

H.1 SURVEY OF APARTMENTS

John Wall and Associates conducted a survey of apartments in the area. All of the apartments of interest are surveyed. Some of them are included because they are close to the site, or because they help in understanding the context of the segment where the subject will compete. The full details of the survey are contained in the apartment photo sheets later in this report. A summary of the data focusing on rents is shown in the apartment inventory, also later in this report. A summary of vacancies sorted by rent is presented in the schedule of rents, units, and vacancies.

List of Apartments Surveyed

<u>Name</u>	<u>Units</u>	<u>Vacancy Rate</u>	<u>Type</u>	<u>Comments</u>
Central Park	100	3.0%	Conventional; Sec 8=12	
Cherokee Villa	20	—	Conventional	Refused to participate in survey
Hatcher Way	64	0.0%	Conventional; Sec 8=2	
Holly Ross	36	—	Conventional	Refused to participate in survey
Ocean Breeze Park	48	0.0%	TC(50%, 60%); Sec 8=13	
Peachwood Place	72	0.0%	TC (50%,60%); PBRA=0; Sec 8=several	
Sandy Creek	80	5.0%	Conventional; Sec 8=Not accepted	
Spanish Village	39	—	Conventional	Refused to participate in survey

H.1.1 COMPARABLES

The apartments in the market most comparable to the subject are listed below:

Comparison of Comparables to Subject

<u>Project Name</u>	<u>Approximate Distance</u>	<u>Reason for Comparability</u>	<u>Degree of Comparability</u>
Ocean Breeze Park	2 ½ miles	LIHTC	Moderate (single family homes)
Peachwood Place	2 ½ miles	LIHTC	Low (old)

The two LIHTC properties in Waycross were selected as the most comparable units because they both have income restrictions. All of the conventional apartments in Waycross are old.

H.1.2 APARTMENT INVENTORY

The apartment inventory follows this page. Summary information is shown for each apartment surveyed and detailed information is provided on individual property photo sheets.

APARTMENT INVENTORY

Waycross, Georgia (PCN: 14-077)

ID#	Apartment Name	Year Built vac%	Efficiency/Studio (e) One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom			COMMENTS
			Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	
	14-077 SUBJECT Wellington Way East Waring Street, Walter Street, and Monroe Street Waycross	Proposed	9 5	P P	295 387	4 28	P P	341 451	2 12	P P	381 508				TC (50%, 60%) Note there is one two bedroom staff unit.
	Central Park 1000 Central Ave. Waycross Yvette (5-7-14) 912-283-7131	1975 3%	64	1	375-400	28	1	425-475	8	1	575-600				Special=Half off the 1st month WL=a few Conventional; Sec 8=12
	Cherokee Villa 1302 Coral Rd. Waycross (5-7-14) 912-288-6298 (Coley Properties)	Prior to 1990				20	1	525							Refused to participate
	Hatcher Way 127 Havanna Ave. Waycross Lauren (5-7-14) 912-283-4940	1987 0%	e 6 46	0 0	419 479	12	0	579							WL=0 Conventional; Sec 8=2
	Holly Ross Central Ave. Waycross (2-3-14) 912-285-4517	1996	4 6	0 0		20	0		6	0					Refused to participate
	Ocean Breeze Park 2001 Ocean Breeze Cir. Waycross Emily (5-7-14) 912-548-0791	2010 0%				5 15	0 0	405 430	11 17	0 0	455 470				WL=40 TC(50%, 60%); Sec 8=13 Funded 2008; *Shuffleboard, herb garden, picnic area with grills, library, and computer lab; **Storage
	Peachwood Place 801 Naomi St. Waycross Tracy (5-12-14) 912-285-2199	2000 0%				6 10	0 0	400 475	12 20	0 0	450 530	12 12	0 0	500 575	WL=3 TC (50%,60%); PBRA=0; Sec 8=several Funded 1997; *Basketball court
	Sandy Creek 600 Summit St. Waycross (5-27-14) 912-285-1852	1975 5%	20	1	500	32 12	1 1	550 600	16	1	650				WL=0 Conventional; Sec 8=Not accepted
	Spanish Village 512 Bay St. Waycross Mr. Tobias (5-7-14) (Owner) 912-285-3802	Prior to 1980	e 6* 17	0 0	N/A 540+	14	0	650-725+	2	0	N/A				Conventional Owner refused to participate

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	9	1	P	817	295
1 BR vacancy rate	5	1	P	817	387
Two-Bedroom					
	4	1	P	1093	341
2 BR vacancy rate	28	1	P	1093	451
Three-Bedroom					
	2	2	P	1228	381
3 BR vacancy rate	12	2	P	1228	508
Four-Bedroom					
4 BR vacancy rate					
TOTALS	60		0		

Complex:

14-077 SUBJECT
 Wellington Way
 East Waring Street, Walter Street, and Monroe Street
 Waycross

Map Number:

Year Built:

Proposed

Last Rent Increase

Specials

Waiting List

Subsidies

TC (50%, 60%)

Amenities

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

Appliances

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

Unit Features

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

Comments: Note there is one two bedroom staff unit.



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	64	1	1	770-852	375-400
1 BR vacancy rate	1.6%				
Two-Bedroom					
2 BR vacancy rate	3.6%				
Three-Bedroom					
3 BR vacancy rate	12.5%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	3.0%	100	3		

Complex:
 Central Park
 1000 Central Ave.
 Waycross
 Yvette (5-7-14)
 912-283-7131

Map Number:

Year Built:
 1975

Last Rent Increase

Specials
 Special=Half off the 1st month

Waiting List
 WL=a few

Subsidies
 Conventional; Sec 8=12

Amenities

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

Appliances

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

Unit Features

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

Comments:



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate	20	1	1		525
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	20		1		

Complex:

Cherokee Villa
 1302 Coral Rd.
 Waycross
 (5-7-14)
 912-288-6298 (Coley Properties)

Map Number:

Year Built:
 Prior to 1990

Last Rent Increase

Specials

Waiting List

Subsidies

Amenities

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

Appliances

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

Unit Features

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

Comments: Refused to participate



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio	6	1	0	288	419
One-Bedroom	46	1	0	586	479
1 BR vacancy rate	0.0%				
Two-Bedroom	12	1-2	0	864	579
2 BR vacancy rate	0.0%				
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	64	0		

Complex:
 Hatcher Way
 127 Havanna Ave.
 Waycross
 Lauren (5-7-14)
 912-283-4940

Map Number:

Year Built:
 1987

Last Rent Increase

Specials

Waiting List
 WL=0

Subsidies
 Conventional; Sec 8=2

Amenities

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

Appliances

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

Unit Features

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

Comments:



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	4	1	0		
1 BR vacancy rate	6	1	0		
Two-Bedroom					
2 BR vacancy rate	20	1	0		
Three-Bedroom					
3 BR vacancy rate	6	1	0		
Four-Bedroom					
4 BR vacancy rate					
TOTALS	36		0		

Complex:
 Holly Ross
 Central Ave.
 Waycross
 (2-3-14)
 912-285-4517

Map Number:

Year Built:
 1996

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

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

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

Last Rent Increase

Specials

Waiting List

Subsidies

Comments: Refused to participate



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate	0.0%	5	2	0	1000
		15	2	0	1000
					405
					430
Three-Bedroom					
3 BR vacancy rate	0.0%	11	2	0	1100
		17	2	0	1100
					455
					470
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	48	0		

Complex:

Ocean Breeze Park
 2001 Ocean Breeze Cir.
 Waycross
 Emily (5-7-14)
 912-548-0791

Map Number:

Year Built:

2010

Last Rent Increase

Specials

Waiting List

WL=40

Subsidies

TC(50%, 60%); Sec 8=13

Amenities

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

Appliances

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

Unit Features

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

Comments: Funded 2008; *Shuffleboard, herb garden, picnic area with grills, library, and computer lab; **Storage



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate	0.0%	6	1	0	874
		10	1	0	874
Three-Bedroom					
3 BR vacancy rate	0.0%	12	2	0	1344
		20	2	0	1344
Four-Bedroom					
4 BR vacancy rate	0.0%	12	2	0	1260
		12	2	0	1260
TOTALS	0.0%	72	0		

Complex:
 Peachwood Place
 801 Naomi St.
 Waycross
 Tracy (5-12-14)
 912-285-2199

Map Number:

Year Built:
 2000

Last Rent Increase

Specials

Waiting List
 WL=3

Subsidies
 TC (50%,60%); PBRA=0; Sec
 8=several

Amenities

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

Appliances

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

Unit Features

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

Comments: Funded 1997; *Basketball court



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	20	1	1	724	500
1 BR vacancy rate	5.0%				
Two-Bedroom					
2 BR vacancy rate	4.5%	12	2	1016	600
Three-Bedroom					
3 BR vacancy rate	6.3%	16	2	1229	650
Four-Bedroom					
4 BR vacancy rate					
TOTALS	5.0%	80	4		

Complex:
 Sandy Creek
 600 Summit St.
 Waycross
 (5-27-14)
 912-285-1852

Map Number:

Year Built:
 1975

Last Rent Increase

Specials

Waiting List
 WL=0

Subsidies
 Conventional; Sec 8=Not
 accepted

Amenities

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

Appliances

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

Unit Features

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

Comments:



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio	6*	1	0	400	N/A
One-Bedroom 1 BR vacancy rate	17	1	0	800	540+
Two-Bedroom 2 BR vacancy rate	14	1	0	1200	650-725+
Three-Bedroom 3 BR vacancy rate	2	1	0	1400	N/A
Four-Bedroom 4 BR vacancy rate					
TOTALS	39		0		

Complex:

Spanish Village
512 Bay St.
Waycross
Mr. Tobias (5-7-14)(Owner)
912-285-3802

Map Number:

Year Built:

Prior to 1980

Last Rent Increase

Specials

Waiting List

Subsidies

Conventional

Amenities

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

Appliances

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

Unit Features

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

Comments: Owner refused to participate

H.1.3 SCHEDULE OF PRESENT RENTS, UNITS, AND VACANCIES

The present housing situation is examined in this section. The rents, number of units, and vacancies of the apartments listed in the apartment inventory (shown separately later) are summarized in the tables below. Rents, units, and vacancies are tabulated separately for the various bedroom sizes, a necessary step in making bedroom mix recommendations.

The table below shows surveyed apartment complexes *without* rent subsidy in or near the market area. The *pro forma* rents, as given by the developer, are shown in orange in the table below. These rents will be compared to the other apartments in the area, and especially the comparable apartments to determine if they are reasonable. In addition to seeing how the *pro forma* rents compare in terms of absolute rents in the following table, it will be important to consider the amenities and locations of the other apartments.

Schedule of Rents, Number of Units, and Vacancies for Unassisted Apartment Units

Efficiency Units			1-Bedroom Units			2-Bedroom Units			3-Bedroom Units		
Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies
419	6	0	295	9	Subj. 50%	341	4	Subj. 50%	381	2	Subj. 50%
N/A	6	0	387	5	Subj. 60%	400*	6	0	450*	12	0
			388	64	1	405*	5	0	455*	11	0
			479	46	0	430**	15	0	470**	17	0
			500	20	1	450	28	1	508	12	Subj. 60%
			540	17	0	451	27	Subj. 60%	530**	20	0
						475**	10	0	588	8	1
						525	20	1	650	16	1
						550	32	1	N/A	2	0
						579	12	0			
						600	12	1			
						688	14	0			
									4-Bedroom Units		
									Rents	Units	Vacancies
									500*	12	0
									575**	12	0

Orange = Subject
 Green = Tax Credit
 Median
 * = 50% AMI
 ** = 60% AMI

	Efficiency	1-Bedroom	2-Bedrooms	3-Bedrooms	4-Bedrooms	TOTAL
Vacant Units	0	2	4	2	0	8
Total Units	6	147	154	84	24	415
Vacancy Rate	0.0%	1.4%	2.6%	2.4%	0.0%	1.9%
Median Rent	\$419	\$479	\$525	\$530	\$500,\$575	

E=Elderly/Older Persons; b = basic rent; *italics* = average rent; UR = under rehabilitation; UC = under construction; RU= in rent up; PL = planned; N/A = information unavailable
 Source: John Wall and Associates

A vacancy rate of 5.0% is considered normal. The overall vacancy rate in the market is 1.9%.
 The overall tax credit vacancy rate is 0.0%.

H.2 ADDITIONAL INFORMATION ON COMPETITIVE ENVIRONMENT

- **Vouchers and certificates available in the market area:**
 Not applicable because the subject has no PBRA and does not rely on voucher support.
- **Lease up history of competitive developments:**
 No information is available.
- **Tenant profiles of existing phase:**
 Not applicable.
- **Additional information for rural areas lacking sufficient comps:**
 Not applicable.

H.4 AMENITY ANALYSIS

DEVELOPMENT AMENITIES:

Laundry room, clubhouse, and playground

UNIT AMENITIES:

Refrigerator, stove, microwave, dishwasher, washer/dryer connections, ceiling fan, HVAC, blinds, and pre-wired telephone/cable

UTILITIES INCLUDED:

None

The subject’s amenities, on average, are pretty comparable to those of other properties in the market area. Four of the apartments surveyed have swimming pools, but the subject does not. The subject has washer/dryer connections, which only three of the apartments have, and the subject has a playground, which only two of the apartments have.

H.5 SELECTION OF COMPS

See H1 and H7

H.6 LONG TERM IMPACT OF THE SUBJECT ON EXISTING TAX CREDIT UNITS

There would not be a long term impact of the subject on existing tax credit units; there is strong demand and no vacancies in the existing LIHTC properties.

H.7 NEW “SUPPLY”

DCA requires comparable units built since the base year to be deducted from demand. Only comparable units within comparable complexes will be deducted from demand, as indicated by the asterisks.

Apartment Units Built or Proposed Since the Base Year

<u>Project Name</u>	<u>Year Built</u>	<u>Units With Rental Assistance</u>	<u>30% AMI, No Rental Assistance</u>	<u>50% AMI, No Rental Assistance</u>	<u>60% AMI, No Rental Assistance</u>	<u>Above Moderate Income</u>	<u>TOTAL</u>
---------------------	-------------------	-------------------------------------	--------------------------------------	--------------------------------------	--------------------------------------	------------------------------	--------------

NONE

* Units that will be deducted from demand; parenthetical numbers indicate partial comparability. I.e., 100(50*) indicates that there are 100 new units of which only half are comparable.

There are no units to deduct.

H.8 AVERAGE MARKET RENT

See the apartment inventory, amenities chart, and community photo sheets previously for in depth comparisons of the subject to each complex surveyed. Total units, mix, rents, occupancy and other relevant details are shown in full on the apartment inventory.

Average Rent Calculation

	<u>Rent</u>	<u>Units</u>	<u>Weight</u>
One Bedroom	388	64	24832
	479	46	22034
	<u>500</u>	<u>20</u>	<u>10000</u>
total		130	56866
average	437		

	<u>Rent</u>	<u>Units</u>	<u>Weight</u>
Two Bedroom	400	6	2400
	405	5	2025
	430	15	6450
	450	28	12600
	475	10	4750
	525	20	10500
	550	32	17600
	579	12	6948
	<u>600</u>	<u>12</u>	<u>7200</u>
total		140	70473
average	503		

	<u>Rent</u>	<u>Units</u>	<u>Weight</u>
Three Bedroom	450	12	5400
	455	11	5005
	470	17	7990
	530	20	10600
	588	8	4704
	650	16	10400
	<u>688</u>	<u>14</u>	<u>9632</u>
total		98	53731
average	548		

The following table gives the proposed rents in comparison to the rental range for competitive projects within the market area, and an average market rent for each of the proposed unit types. Rent advantage is calculated as follows: (average market rent – proposed rent) / proposed rent.

Market Advantage Calculation

	<u>Bedrooms</u>	<u>Number of Units</u>	<u>Net Rent</u>	<u>Market Rent</u>	<u>Market Advantage</u>
50%	1	9	295	437	32.5%
50%	2	4	341	503	32.2%
50%	3	2	381	548	30.5%
60%	1	5	387	437	11.4%
60%	2	27	451	503	10.3%
60%	3	12	508	548	7.3%

H.9 INFORMATION ON OTHER DCA PROPERTIES

See the Schedule of Rents Units and Vacancies along with the Apartment Inventory and the Photo Sheets.

H.10 RENTAL TRENDS IN THE MARKET AREA

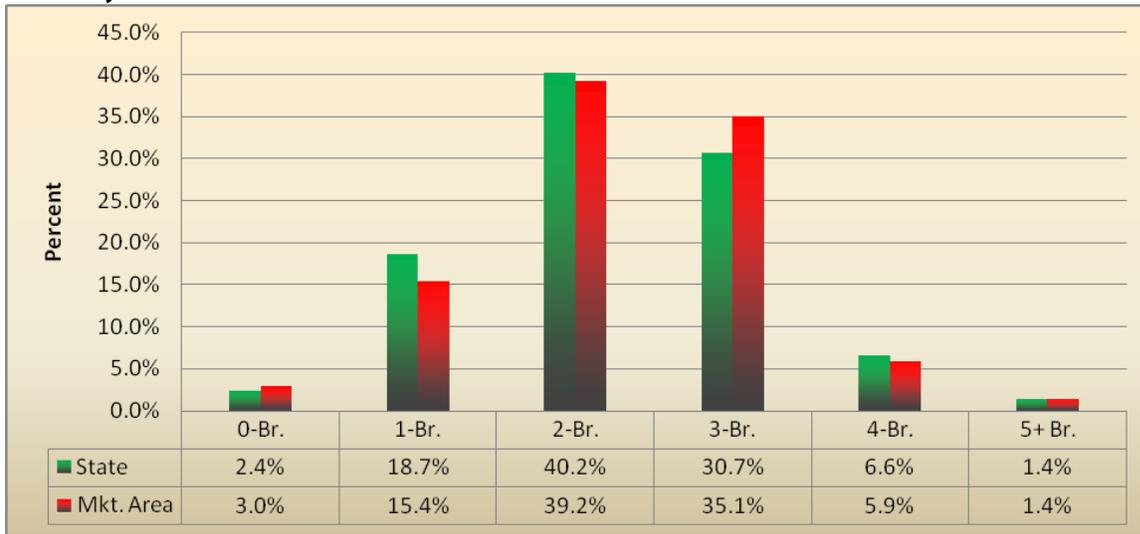
H.10.1 TENURE

Tenure by Bedrooms

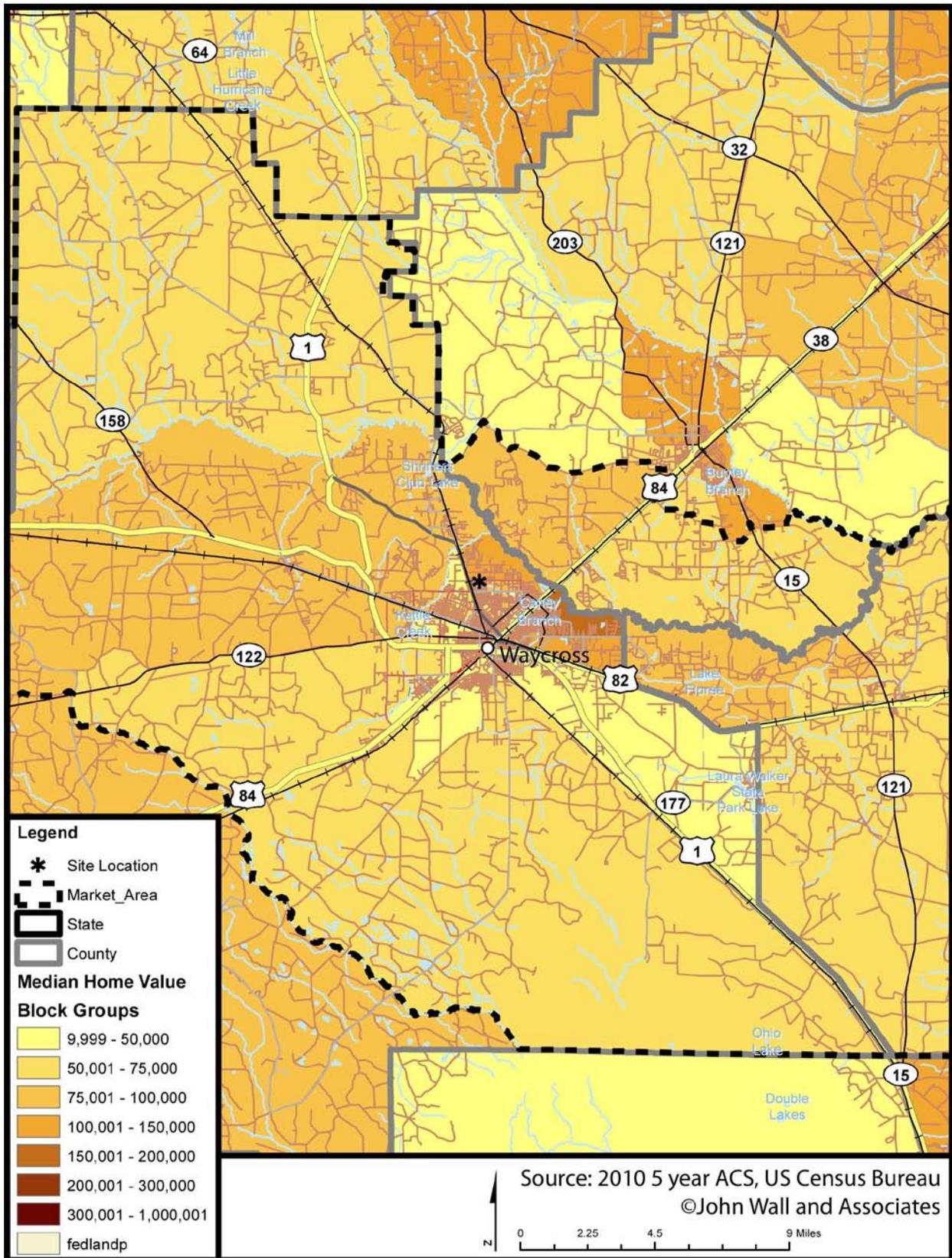
	State	%	County	%	Market Area	%	City	%
Owner occupied:	2,332,685		8,702		12,827		3,079	
No bedroom	4,417	0.2%	0	0.0%	1	0.0%	0	0.0%
1 bedroom	26,411	1.1%	58	0.7%	74	0.6%	34	1.1%
2 bedrooms	287,996	12.3%	1,968	22.6%	2,667	20.8%	899	29.2%
3 bedrooms	1,222,483	52.4%	5,372	61.7%	8,079	63.0%	1,720	55.9%
4 bedrooms	583,405	25.0%	1,106	12.7%	1,743	13.6%	327	10.6%
5 or more bedrooms	207,973	8.9%	198	2.3%	263	2.1%	99	3.2%
Renter occupied:	1,158,069		4,389		5,535		2,899	
No bedroom	27,595	2.4%	154	3.5%	165	3.0%	141	4.9%
1 bedroom	216,637	18.7%	596	13.6%	851	15.4%	484	16.7%
2 bedrooms	465,282	40.2%	1,738	39.6%	2,172	39.2%	1,221	42.1%
3 bedrooms	355,507	30.7%	1,551	35.3%	1,943	35.1%	829	28.6%
4 bedrooms	76,955	6.6%	270	6.2%	324	5.9%	158	5.5%
5 or more bedrooms	16,093	1.4%	80	1.8%	80	1.4%	66	2.3%

Source: 2011-5yr ACS (Census)

Tenure by Bedrooms for the State and Market Area



MEDIAN HOME VALUE MAP



H.11 IMPACT OF FORECLOSED, ABANDONED, ETC. PROPERTIES

There is no evidence of any adverse impact due to foreclosure or abandonment.

H.12 PRIMARY HOUSING VOIDS

There is only one other recent LIHTC family property in Waycross.

H.13 ADVERSE IMPACTS ON OCCUPANCY

See H6.

H.14 BUILDING PERMITS ISSUED

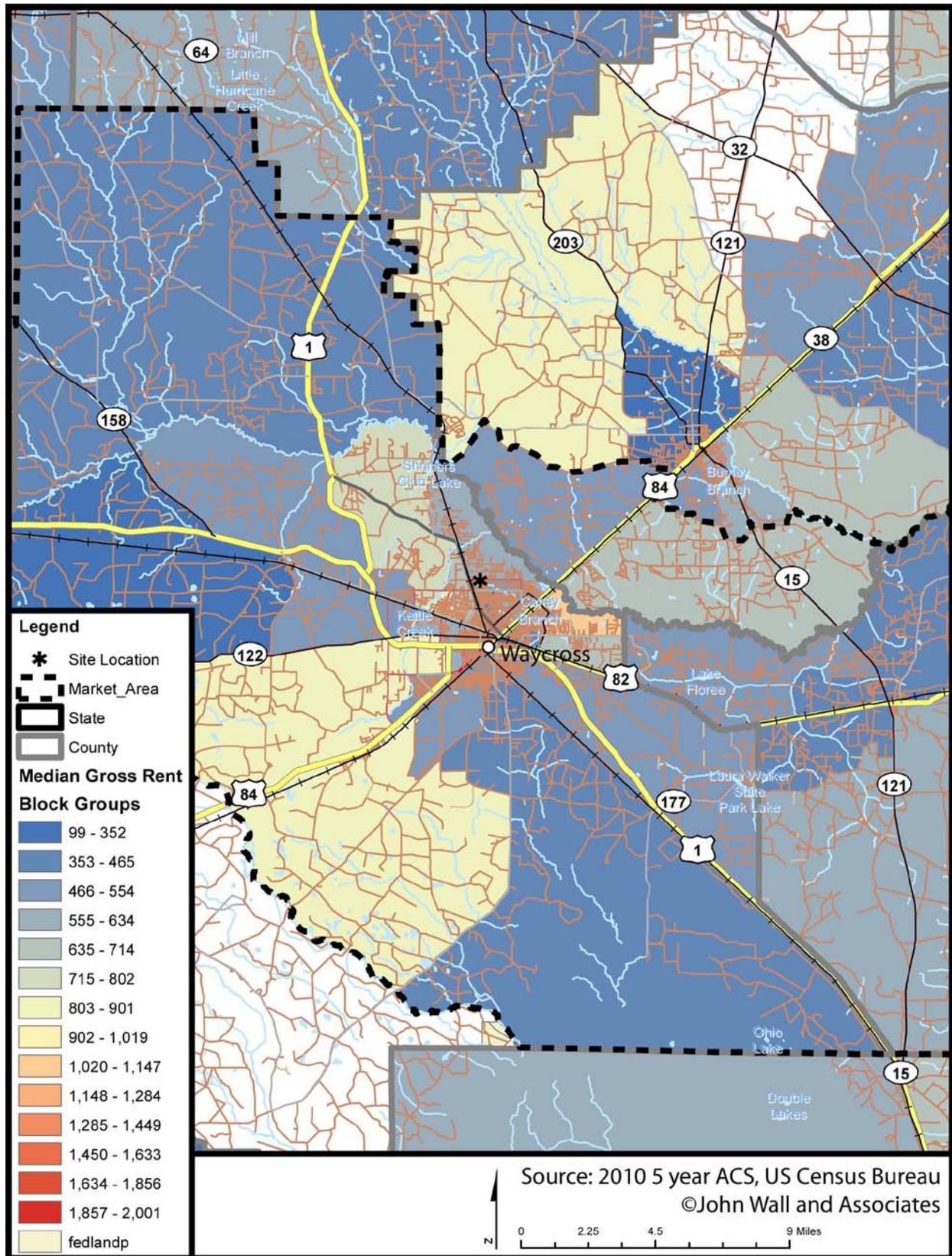
Building permits are an indicator of the economic strength and activity of a community. While permits are never issued for a market area, the multi-family permits issued for the county and town are an indicator of apartments recently added to the supply:

Building Permits Issued

<u>Year</u>	<u>County</u>			<u>City</u>		
	<u>Total</u>	<u>Single Family</u>	<u>Multi- Family</u>	<u>Total</u>	<u>Single Family</u>	<u>Multi- Family</u>
2000	67	67	0	12	12	0
2001	101	89	12	22	14	8
2002	148	147	0	49	49	0
2003	93	93	0	15	15	0
2004	112	112	0	12	12	0
2005	126	126	0	14	14	0
2006	120	120	0	13	13	0
2007	76	76	0	10	10	0
2008	62	60	2	7	5	2
2009	44	42	2	7	5	2
2010	76	76	0	1	1	0
2011	75	75	0	1	1	0
2012	77	77	0	0	0	0
2013	91	91	0	0	0	0

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

MEDIAN GROSS RENT MAP



I. ABSORPTION & STABILIZATION RATES

Given reasonable marketing and management, the project should be able to rent up to 93% occupancy within 8 months — a few months longer if the project is completed in November, December, or January. The absorption rate determination considers such factors as the overall estimate of new household growth, the available supply of competitive units, observed trends in absorption of comparable units, and the availability of subsidies and rent specials. The absorption period is considered to start as soon as the first units are released for occupancy.

J. INTERVIEWS

The following interviews were conducted regarding demand for the subject.

J.1 APARTMENT MANAGERS

Christina, apartment manager of Central Park (Conventional), said she is not familiar with the proposed location. She said the unit mix is good and that one bedroom units are popular. She said the rents are very reasonable. She said the amenities are nice. Overall, she said the proposed subject would do well.

Marla, apartment manager of Ware Hotel (Tax Credit Elderly), said the proposed location is good because it is a nice residential area for families. She said the unit mix is great and there is a demand for three bedroom units. She said the rents are fantastic. She said the amenities are good. Overall, she said the proposed subject would do very well.

J.2 ECONOMIC DEVELOPMENT

According to Bob Hereford with Ware County Economic Development, Satilla Regional Medical Center integrated with Mayo Clinic in 2012 making Satilla the first Mayo Clinic Health System location in Georgia. The Darden Company is currently planning to expand its Olive Garden operation in the previously dual-branded Olive Garden/Red Lobster location. The employees that were with Red Lobster will be cross-trained so few to no new jobs are expected to be created. Bob also mentioned that Clayton Homes may be expanding in the near future.

According to the Georgia Department of Labor, there have been no businesses to close or to have layoffs since January 2013 in Ware County.

K. CONCLUSIONS AND RECOMMENDATIONS

The subject, as proposed, should be successful. See also Executive Summary.

L. SIGNED STATEMENT REQUIREMENTS

See signed statement in front matter.

M. MARKET STUDY REPRESENTATION

DCA may rely on the representations made in the market study to be true and accurate to the best knowledge of John Wall and Associates. DCA may assign the market study to other lenders who are parties to the DCA loan transaction.

N. NCHMA MARKET STUDY INDEX/CHECKLIST

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 and 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 page number of each component is noted below. Each component is fully discussed on that page or pages. 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 'V' (variation) with a comment explaining the conflict. (More detailed notations or explanations also acceptable)

C. Checklist:

1. Executive Summary	8	31. Existing rental housing discussion	56
2. Concise description of the site and adjacent parcels	12	32. Area building permits	64
3. Project summary	18	33. Comparable property discussion	*
4. Precise statement of key conclusions	67	34. Comparable property profiles	*
5. Recommendations and/or modification to project discussion	14	35. Area vacancy rates, including rates for Tax Credit and government-subsidized	60
6. Market strengths and weaknesses impacting project	14	36. Comparable property photos	*
7. Lease-up projection with issues impacting performance	16	37. Identification of waiting lists	*
8. Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	18	38. Narrative of subject property compared to comparable properties	V
9. Utilities (and utility sources) included rent and paid by landlord or tenant?	18	39. Discussion of other affordable housing options including homeownership	NA
10. Project design description	18	40. Discussion of subject property on existing housing	65
11. Unit and project amenities; parking	18	41. Map of comparable properties	59
12. Public programs included	18	42. Description of overall rental market including share of market-rate and affordable properties	60
13. Date of construction/preliminary completion	19	43. List of existing and proposed LIHTC properties	57, V
14. Reference to review/status of project plans	NA	44. Interviews with area housing stakeholders	67
15. Target population description	18	45. Availability of Housing Choice Vouchers	67
16. Market area/secondary market area description	32	46. Income levels required to live at subject site	48
17. Description of site characteristics	20	47. Market rent and programmatic rent for subject	NA, 48
18. Site photos/maps	26	48. Capture rate for property	17
19. Map of community services	59	49. Penetration rate for area properties	56V
20. Visibility and accessibility evaluation	20	50. Absorption rate discussion	16
21. Crime information	NA	51. Discussion of future changes in housing population	33
22. Population and household counts	33	52. Discussion of risks or other mitigating circumstances impacting project projection	14
23. Households by tenure	35	53. Preparation date of report	2
24. Distribution of income	37	54. Date of field work	20
25. Employment by industry	40	55. Certification	8
26. Area major employers	44	56. Statement of qualifications	16
27. Historical unemployment rate	42	57. Sources of data	**
28. Five-year employment growth	42	58. Utility allowance schedule	18
29. Typical wages by occupation	42		
30. Discussion of commuting patterns of area workers	32		

* Information on comparable properties, including profiles, and photographs, appear on the unnumbered photosheets, following page 59.

38(V): Some textual comparison is made on page 57, while numeric comparisons are made on page 60 and on the apartment inventory.

43(V) The page referenced shows proposed and newly constructed properties. Other existing properties are identified on the unnumbered inventory.

49(V) The client market study guide defines capture rate the way NCHMA defines penetration rate.

** Data are sourced where they are used throughout the study.

O. BUSINESS REFERENCES

Ms. Laura Nicholson
SC State Housing Finance & Development Authority
Attn: Housing Development
300-C Outlet Pointe Boulevard
Columbia, South Carolina 29210
803/896-9194

Mr. Wayne Rogers, Director
Multi-Family Housing
USDA Rural Development
355 East Hancock Avenue
Athens, Georgia 30601
706/546-2164

Mr. Nathan Mize
Mize and Mize
124 Early Parkway Drive, SE
Smyrna, Georgia 30082
770/815-4779

Mr. Scott Farmer
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina 37609
919/877-5700

Mr. Bill Rea, President
Rea Ventures Group, LLC
2964 Peachtree Road NW
Suite 640
Atlanta, Ga. 30305
404/273-1892

Ms. Laurel Hart
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329
404/679-1590

P. RÉSUMÉS

JOHN WALL

EXPERIENCE

PRESIDENT

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

JWA, Inc. is an information services company providing demographic and other types of data, as well as geographic information system services, mapping, and research to market analysts and other clients.

PRESIDENT

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

John Wall & Associates is a planning and analysis firm specializing in real estate market analysis and land development consultation. Initially, the firm concentrated on work in the southeastern portion of the United States. In 1990, the work was expanded to the entire United States. John Wall & Associates (Anderson, South Carolina office) has completed over 2,500 market analyses, the majority of these being for apartment projects (both government and conventional). The firm has also done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis, and GIS projects. Clients have included private developers, governments, syndicators, and lending institutions.

CHURCHILL STATESIDE GROUP INVESTMENT COMMITTEE, (March 2011 to Present)

MIDLAND MORTGAGE INVESTMENT COMMITTEE, MMI (October, 1992 to November, 2001)

MIDLAND ADVISORY SERVICES COMMITTEE, MAS (October, 1992 to November, 2001)

MIDLAND EQUITY COMMITTEE, MEC (March, 1995 to November, 2001)

VISITING PROFESSOR OF SITE PLANNING (PART-TIME)

Clemson University College of Architecture, Planning Dept., Clemson, South Carolina (1985 & 1986)

PLANNING DIRECTOR

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

PLANNER

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

CARTOGRAPHER

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

ASSISTANT ENGINEER

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

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA) Member Delegate (2002-Present)

PUBLICATIONS

Conducting Market Studies in Rural Area, NCHMA Publications

EDUCATION

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

Continuing Education, National Council of Housing Market Analysts (2002-Present)

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

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

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

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

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

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

MILITARY

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

BOB ROGERS

EXPERIENCE

SENIOR MARKET ANALYST

John Wall and Associates, Anderson, South Carolina (1992 to Present)

Responsibilities include: development of housing demand methodology; development of computer systems and technologies; analysis of demographic trends; creation and production of analytic maps and graphics; CRA compliance; courtroom presentation graphics.

MANAGER

Institute for Electronic Data Analysis, Knoxville, Tennessee (1990 to 1992)

Responsibilities included marketing, training new employees and users of US Bureau of the Census data products, and custom research.

CONSULTANT

Sea Ray Boats, Inc., Knoxville, Tennessee (1991)

Project included using various statistical techniques to create customer profiles that the senior management team used to create a marketing strategy.

CONSULTANT

Central Transport, High Point, North Carolina (1990)

Project included research and analysis in the area of driver retention and how to improve the company's turnover ratio.

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA)

Executive Committee Member (2004-2010)

Standards Committee Co-Chair (2006-2010)

Standards Committee Vice Chair (2004-2006)

Member delegate (2002-Present)

PUBLICATIONS

Field Work for Market Studies, NCHMA White Paper, 2011

Ten Things Developers Should Know About Market Studies, Affordable Housing Finance Magazine, 2007

Selecting Comparable Properties (best practices), NCHMA publication 2006

EDUCATION

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

Continuing education, National Council of Housing Market Analysts (2002 to present)

MBA Transportation and Logistics, The University of Tennessee, Knoxville, Tennessee (1991)

BS Business Logistics, Penn State, University Park, Pennsylvania (1989)

JOE BURRISS

EXPERIENCE

SENIOR MARKET ANALYST AND RESEARCHER

John Wall & Associates, Anderson, South Carolina (1999 to present)

Responsibilities include: Author of numerous apartment market studies; make, review and evaluate recommendations regarding student housing analysis; collect and analyze multifamily rental housing information (both field and census); conduct site and location analysis.

MARKETING DIRECTOR

John Wall & Associates, Anderson, South Carolina (2003 to present)

Responsibilities include: Design marketing plans and strategies; client development.

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA)

FHA Lender and Underwriting (MAP) Committee (2012-Present)

Member Delegate (2002-Present)

EDUCATION

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

Continuing Education, National Council of Housing Market Analysts (2002-Present)

BS Marketing, Clemson University, Clemson, South Carolina (2002)