



**A RENTAL HOUSING  
MARKET FEASIBILITY ANALYSIS  
FOR  
FORT VALLEY, GEORGIA**

*Magnolia Terrace II*

*Project Number 07-034*

**June 26, 2007**

*Prepared for:*

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**SIGNED STATEMENT REQUIREMENTS**

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

**CERTIFICATE OF ACCURACY AND RELIABILITY**

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data. This report was written according to DCA market study requirements. The information included is accurate and can be relied upon by DCA as a true assessment of the low-income housing rental market.



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Steven R. Shaw  
**SHAW RESEARCH & CONSULTING**

Date: June 26, 2007

## I. INTRODUCTION

Shaw Research & Consulting has prepared the following report to examine and analyze the Fort Valley area as it pertains to the market feasibility of Magnolia Terrace II, a proposed 36-unit affordable rental housing targeted for low and moderate-income single and family households. The subject proposal is to be located within the southwestern portion of the city of Fort Valley, along the west side of Green Street less than ¼ mile south of Camellia Boulevard (Highway 49). Furthermore, the proposed development is situated roughly one-third mile north of Fort Valley State University and ¾ mile west of downtown Fort Valley. The subject proposal is the second phase to an existing LIHTC development, Magnolia Terrace I. The first phase consists of 50 units (40 tax credit and ten market rate) constructed in 2004 and is presently 100 percent occupied with a lengthy waiting list.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, fieldwork and site visit, and a demand forecast for the proposed development within the Fort Valley primary market area (PMA). All fieldwork and community data collection was conducted on June 13, 2007 by Steven Shaw. A phone survey of existing rental developments identified within the primary market area (PMA), as well as site visits to those properties deemed most comparable to the subject, was also reviewed and analyzed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from HUD and Georgia Department of Community Affairs (DCA). As a result, the proposed Magnolia Terrace II will feature a total of 36 units (4 one-bedroom, 16 two-bedroom, and 16 three-bedroom units) targeted at a variety of income levels: 22 units (61 percent of all units) will be restricted at 50 percent of the area median income (AMI), six units (17 percent) will be restricted at 60 percent AMI, and the remaining eight units (22 percent) will be unrestricted (market rate). None of the units will contain any project bases rental assistance.

## II. EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal within the Fort Valley market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) Based on U.S. Census figures, demographic patterns throughout the Fort Valley area have been quite positive. The overall population within the PMA increased by five percent between 1990 and 2000, representing an additional 735 residents during the decade. Furthermore, future projections indicate these increases to accelerate, with a gain of nearly ten percent (roughly 1,425 persons) anticipated between 2000 and 2012. These trends clearly provide an indication for the need of adequate housing to compensate for this future growth.
- 2) Current economic conditions for the Fort Valley area are relatively stable, although unemployment rates are slightly above both state and national averages. Overall, the number of jobs within Peach County has increased by more than 1,400 jobs since 1995 (15 percent increase). According to the most recent employment data, the unemployment rate for Peach County was 4.8 percent for April 2007, remaining slightly above the state average of 4.1 percent. However, this figure represented more than 260 new jobs and a decrease from an unemployment rate of 5.5 percent from April 2006 levels.
- 3) The absorption rate is conservatively calculated at approximately three to four units per month for LIHTC units and two to three units per month for market rate units. As such, the overall stabilization period is estimated at five to seven months to reach 93 percent occupancy. Additionally, the projected stabilized occupancy level is estimated at 95 percent. As such, evidence presented within the market study suggests a normal lease-up period should be anticipated based on project characteristics as proposed.
- 4) The subject's competitive unit sizes and the inclusion of numerous modern amenities (many of which are lacking from most developments throughout the local market) demonstrate the true affordability of the proposal. As such, the proposed unit mix and targeting, affordable rental rates, and relatively larger unit sizes are appropriate for the Fort Valley rental market.
- 5) The proposed rental rates within the subject are competitive and compare favorably with Magnolia Terrace I. As can be seen in the following figure, the proposed rental rates at Magnolia Terrace II (for both tax credit and market rate) are lower than 50 percent AMI and 60 percent AMI rents at phase I for each bedroom size. Overall, the proposed rental rates are competitive to market averages, while having somewhat larger units sizes.

LIHTC RENTS				
	Subject	Magnolia Terrace I	Marvin Gardens I	Marvin Gardens II
One-Bedroom Units	\$375	\$229-\$375-\$400		
Two-Bedroom Units	\$440	\$269-\$420-\$450	\$350-\$395	\$350-\$395
Three-Bedroom Units	\$475	\$302-\$520-\$588	\$390-\$480	\$390-\$450
MARKET RENTS				
	Subject	Magnolia Terrace I	Marvin Gardens I	Marvin Gardens II
One-Bedroom Units	\$435	\$450		
Two-Bedroom Units	\$475	\$525		
Three-Bedroom Units	\$500	\$600-\$625		
UNIT SIZES				
	Subject	Magnolia Terrace I	Marvin Gardens I	Marvin Gardens II
One-Bedroom Units	878	NA		
Two-Bedroom Units	1,065	NA	900-950	900-950
Three-Bedroom Units	1,242	NA	1,000-1,100	1,000-1,100

Note: Rent ranges for Magnolia Terrace I reflect 30%, 50%, and 60% AMI rental rates.

- 6) The amenity package within the proposal is extremely competitive, and in most cases clearly superior, to other developments throughout Fort Valley. Key amenities include central air, dishwasher, garbage disposal, microwave, laundry hook-up, clubhouse, library, and high-speed internet access – giving the subject a competitive advantage over nearly every local property.
- 7) The location of the project is generally positive. The subject property is situated less than ¼ mile south of Camellia Boulevard (Highway 49) and ¾ mile southwest of downtown Fort Valley. As such, much of the area’s retail, medical, recreation, schools, and other necessary services are just a short drive away. Several neighborhood convenience stores are within walking distance of the subject property, while larger shopping centers can be found within 1¼ miles.
- 8) While mostly positive, the site does contain some negative attributes. Negative site attributes include an active railroad adjacent to the south. Although noise from this active track will be reduced somewhat by a buffer and/or noise barrier that will be constructed between the site and tracks, it is possible that the presence of the railroad could potentially adversely affect the marketability and/or absorption of the subject property. However, it should be noted that the railroad tracks without a noise barrier in place have not had a significant adverse impact on Magnolia Terrace I. Furthermore, while the site is situated within a somewhat economically challenged and deteriorated neighborhood (south of the railroad tracks), the development of the proposal will continue to help the revitalization of the area, and Fort Valley as a whole, by creating modern rental housing alternatives.

- 9) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Fort Valley PMA. Approximately 32 percent of all renter households are income-qualified for the tax credit portion of the project, resulting in an overall capture rate of just nine percent. Additionally, capture rates range between 0.6 percent and 7.8 percent for each individual unit size and income type, all clearly within DCA accepted thresholds
- 10) Occupancy rates for rental housing appear relatively positive throughout the market area. An overall occupancy rate of 97 percent was calculated from a June 2007 survey of 12 rental developments identified and contacted within the PMA. Additionally, nine of the properties had an occupancy rate of 95 percent or greater, and six were 98 to 100 percent occupied. The most comparable property to the subject, Magnolia Terrace I, reported an occupancy rate of 100 percent with an extensive waiting list, clearly demonstrating the strength of the local rental market for affordable rental units.
- 11) Considering the subject's location, proposed amenities, rental rates, and relative strength of the overall rental market, the development of Magnolia Terrace II should prove successful. Positive occupancy levels within the overall rental market (at 97 percent), a highly successful first phase of Magnolia Terrace (100 percent occupied with a long waiting list), strong (and improving) demographic patterns, a modern product with numerous amenities and features, and a sufficient statistical demand all support the introduction of a newly constructed rental alternative targeted for a broad range of households with low and moderate incomes.
- 12) Also taking into consideration that the development will upgrade the existing rental stock, the facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

Capture Rate Analysis Chart

Unit Type	Income Targeting	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Estimated Absorption	Avg. Market Rent	Proposed Rents
One-Bedroom Units	50% AMI	2	207	4	203	1.0%	2 months	\$395	\$375
One-Bedroom Units	Market Rate	2	323	3	320	0.6%	3 months	\$400	\$435
One-Bedroom Units	<b>Total LIHTC</b>	<b>2</b>	<b>207</b>	<b>4</b>	<b>203</b>	<b>1.0%</b>	<b>2-3 months</b>		
Two-Bedroom Units	50% AMI	10	144	16	128	7.8%	5-6 months	\$421	\$440
Two-Bedroom Units	60% AMI	3	195	7	188	1.6%	3 months	\$421	\$440
Two-Bedroom Units	Market Rate	3	297	4	293	1.0%	3 months	\$483	\$475
Two-Bedroom Units	<b>Total LIHTC</b>	<b>13</b>	<b>195</b>	<b>23</b>	<b>172</b>	<b>7.6%</b>	<b>5-6 months</b>		
Three-Bedroom Units	50% AMI	10	143	7	136	7.3%	5-7 months	\$465	\$475
Three-Bedroom Units	60% AMI	3	194	1	193	1.6%	3 months	\$465	\$475
Three-Bedroom Units	Market Rate	3	287	3	284	1.1%	3 months	\$588	\$500
Three-Bedroom Units	<b>Total LIHTC</b>	<b>13</b>	<b>194</b>	<b>8</b>	<b>186</b>	<b>7.0%</b>	<b>5-7 months</b>		
<b>Proposed Project Capture Rate - LIHTC Units</b>			<b>8.5%</b>						
<b>Proposed Project Capture Rate - Market Rate Units</b>			<b>3.3%</b>						
<b>Proposed Capture Rate - ALL Units</b>			<b>8.8%</b>						
<b>Proposed Project Stabilization Period</b>				<b>5-7 months</b>					

### III. PROJECT DESCRIPTION

Based on project information supplied by DCA, the analysis presented within this report is based on the following development configuration and assumptions:

#### Project Description:

Development Location.....	Fort Valley, Georgia
.....	Green Street
Construction Type.....	New construction
Occupancy Type .....	Family ( <i>open</i> )
Special Population Group .....	3 units will be set aside for special categories
Number of Units/Bedrooms .....	See below
Structure Type.....	See below
Rents and Utility Allowance.....	See following page
Proposed Rental Assistance .....	None
Proposed Amenities .....	See following page
Projected Placed-In-Service Date .....	December 31, 2008
Current Occupancy Level .....	N/A ( <i>Magnolia Terrace I is 100% occupied</i> )
Target Income Group.....	\$15,600 to \$35,600 ( <i>up to \$50,000 for market units</i> )

#### Project Size:

Total Development Size.....	36 units
Number of Affordable Units.....	28 units
Number of Market Rate Units.....	8 units
Number of PBRA Units .....	0 units

#### Development Characteristics:

Number of Total Buildings .....	4 buildings
Number of Residential Buildings.....	3 buildings
Number of Non-Residential Buildings .....	1 building
Total Area of Site.....	2.26 acres
Number of Mobility Impaired Units .....	3 units
Number of Sight/Hearing Impaired Units.....	1 unit
Number of Residential Parking Spaces.....	56 spaces

#### Income Targeting/Project Mix:

	<u>Total</u>	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>	<u>Market</u> <u>Rate</u>
One-bedroom/one-bath units .....	4 units	2	0	2
Two-bedroom/two-bath units.....	16 units	10	3	3
Three-bedroom/two-bath units.....	16 units	10	3	3
<b>Total Units .....</b>	<b>148 units</b>	<b>22</b>	<b>6</b>	<b>8</b>

**Square Feet:**

One-bedroom units.....	878 square feet
Two-bedroom units.....	1,065 square feet
Three-bedroom units.....	1,242 square feet

**Rental Rates: (Proposed contract rents net of utility allowance)**

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>	<u>Market</u> <u>Rate</u>
One-bedroom units.....	\$375.....	N/A.....	\$435
Two-bedroom units.....	\$440.....	\$440.....	\$475
Three-bedroom units.....	\$475.....	\$475.....	\$500

**Unit Amenities:**

- Refrigerator
- Oven/Range
- Garbage Disposal
- Dishwasher
- Microwave
- Central HVAC System
- Carbon Monoxide Fire Suppression
- Washer and Dryer Hook-up
- High-Speed Internet Access

**Development Amenities:**

- Community Building
- Equipped Computer Center
- Equipped Playground/Tot Lot
- Furnished Library
- Furnished Children’s Activity Area
- Community Covered Porch
- Covered Pavilion
- Picnic and Barbeque Facilities
- Central On-Site Laundry

**Additional Assumptions:**

- Water, sewer, and trash removal will be included in the rent. Electricity (including electric heat pump), cable television, and telephone charges will be paid by the tenant;
- Market entry is scheduled for December 1, 2008
- On-site management/staffing, including a professional management company with experience in similar rental housing alternatives will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

**A. Proposed Unit Configuration Structure**

<b>Project Name: Magnolia Terrace II</b>									
<b>Location: Green Street, Fort Valley, GA</b>									
<b>County: Peach County</b>									
<b>Total Units: 36</b>									
<b>Occupancy Type: Family</b>									
<b>Construction Type: New Construction</b>									
<b>Income Targeting*:</b>									
Overall - \$15,600 - \$50,000									
50% AMI - \$15,600 - \$29,700									
60% AMI - \$18,583 - \$35,600									
Market Rate - \$15,600 - \$50,000									
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allowance	Gross Rent	Max. LIHTC Rent*	Includes PBRA
<b>One-Bedroom Units</b>									
<b>4</b>									
50% of Area Median Income	2	Apt.	1.0	878	<b>\$375</b>	\$80	\$455	\$515	No
Market Rate	2	Apt.	1.0	878	<b>\$435</b>	---	---	---	---
<b>Two-Bedroom Units</b>									
<b>16</b>									
50% of Area Median Income	10	Apt.	2.0	1,065	<b>\$440</b>	\$102	\$542	\$618	No
60% of Area Median Income	3	Apt.	2.0	1,065	<b>\$440</b>	\$102	\$542	\$742	No
Market Rate	3	Apt.	2.0	1,065	<b>\$475</b>	---	---	---	---
<b>Three-Bedroom Units</b>									
<b>16</b>									
50% of Area Median Income	10	Apt.	2.0	1,242	<b>\$475</b>	\$126	\$601	\$715	No
60% of Area Median Income	3	Apt.	2.0	1,242	<b>\$475</b>	\$126	\$601	\$858	No
Market Rate	3	Apt.	2.0	1,242	<b>\$500</b>	---	---	---	---

\***Maximum Rents** based on 2007 Program Maximum Gross Rent Tables for Peach County obtained from Georgia DCA website; **Maximum Income Limits** based on HUD Area Median Incomes published 3/20/2007, as listed on HUDUSER website.

#### IV. SITE EVALUATION AND CHARACTERISTICS

The proposed site of Magnolia Terrace II is located in the southwestern portion of the city of Fort Valley, along the west side of Green Street adjacent to Magnolia Terrace phase I, and is less than ¼ mile south of Camellia Boulevard (Highway 49). Primary access to the site will be from Green Street, although the property can be accessed through phase I. Additionally, the subject property is located approximately ¾ mile from downtown Fort Valley and within one mile from all three of the area's key roadways (Highway, 49, Highway 96, and U.S. 341). The immediate area along Green Street is a combination of multi-family and single-family homes, as well as a church directly across the street to the east of the site. Adjacent to the north and west of the subject property is Magnolia Terrace I, while a railroad track is adjacent to the south – it should be noted that the sponsor of the proposal intends on creating a noise barrier/buffer adjacent to the railroad to minimize noise from the trains.

The immediate neighborhood is predominantly residential and consists of modest homes in a wide variety of condition and upkeep. Green Street represents a relatively lightly-traveled two-lane secondary street consisting of a combination of single-family homes and multi-family rental units north of the site – most of which are in good condition. However, Green Street turns into Walker Street south of the railroad tracks, which consists primarily of single-family homes in fair to poor condition. The site is situated mid-way between Camellia Boulevard to the north and State University Drive to the south, both providing a route to downtown as well as much of the area's retail, medical, employment, and other necessary services required by local residents.

The site is approximately 2.26 acres and is located in Census Tract 403.02 (a Qualified Census Tract) with current zoning acceptable for multi-family development. Surrounding land usages consist of a combination of multi-family housing (north and south), a church, and vacant, undeveloped property. As such, current zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. Adjacent land usage is as follows:

- North:** Multi-family units (Magnolia Terrace I)
- South:** Railroad Tracks/vacant, undeveloped property
- East:** Greet Street/church
- West:** Multi-family units (Magnolia Terrace I)

Overall, the immediate neighborhood features three separate multi-family rental complexes – Magnolia Terrace I (50 units), Davis Properties (24 units), and Rose Lane Apartments (8 units) – most of which can be characterized as in generally good condition. While much of the retail opportunities nearest in proximity to the subject are just small convenience stores, larger shopping centers can be found in downtown Fort Valley and along Highway 96 just north of downtown. Because of the small-town characteristics of the community, common locales such as schools, retail opportunities, parks, medical services, and employment are all situated within a short distance of the site. Furthermore, the Peach County Transit Authority has an “on call” bus system for the residents of Peach County, providing transportation for hospital or doctor visits, educational purposes, or occupational reasons anywhere in the county.

Although several small convenience/party stores are situated within ½ mile of the site, the nearest larger retail concentration can be found approximately ¾ mile to the northeast in downtown Fort Valley – consisting of a variety of clothing and electronic stores, the Austin Theater, restaurants, and other services. Additional nearby retail centers can be found along Orange Street (Highway 96) north of downtown, as well as scattered throughout the city. As such, most necessary services are relatively close to the site, with a grocery, pharmacy, numerous convenience stores, schools, medical facilities, and other various services all within 2½ miles.

Based on a site visit conducted June 13, 2007, overall site characteristics can be viewed as mostly positive, with the most obvious visible nuance being the railroad situated adjacent to the site to the site. Although noise from this active track will be reduced somewhat by a buffer and/or noise barrier that will be constructed between the site and tracks, it is possible that the presence of the railroad could have a potential adverse affect the marketability and/or absorption of the subject property. However, it should be noted that the railroad tracks have not had a significant impact on Magnolia Terrace I, even without a noise barrier in place. Furthermore, while the site is situated within a somewhat economically challenged and deteriorated neighborhood (south of the railroad tracks), the development of the proposal will continue to help the revitalization of the area, and Fort Valley as a whole, by creating modern rental housing.

The following identifies pertinent locations and features within the Fort Valley market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

### **Retail**

1. Fort Valley Shopping Center .....2¼ miles north  
(w/ Food Depot grocery, MaxWay, Peking Gourmet Chinese Restaurant, Elva's Hair Salon, BJ Nails)
2. Harvey's Supermarket .....>1¼ miles northeast
3. CVS/Pharmacy.....>1¼ miles northeast
4. Family Dollar .....<1 mile north
5. Westview Pharmacy.....<1 mile north
6. Dollar General.....2¼ miles northeast
7. Heritage Village shopping center.....2½ miles northeast  
(Brand new retail center w/ New China Buffet, Dr. Osh & Associates Foot and Leg Clinic)
8. Movie Gallery .....1 mile northeast
9. Fred's .....1 mile northeast
10. Various convenience/party stores .....within 1 mile of site
11. Neighbor's Foot Market.....1 mile east
12. Ogletree Hardware .....¼ mile north
13. Badcock Home Furnishings.....<½ mile east
14. Fort Valley Downtown Business District (*shaded area*).....¾ mile northeast  
(w/ CitiTrends, Austin Theater, Cory's Men's Wear, Rent-A-Center, Radio Shack, Ace Hardware, Papa's Pizza, Urban Trends, and several restaurants and services)

### **Medical**

15. Peach Regional Medical Center.....1¾ miles northeast
16. Valley Medical Offices.....2 miles northeast
17. Robins Medical Associates.....2 miles northeast
18. Early Family Practice.....2 miles northeast
19. Fort Valley Chiropractic Clinic .....<1¼ miles northeast
20. Pediatric First Medical.....<1¼ miles east

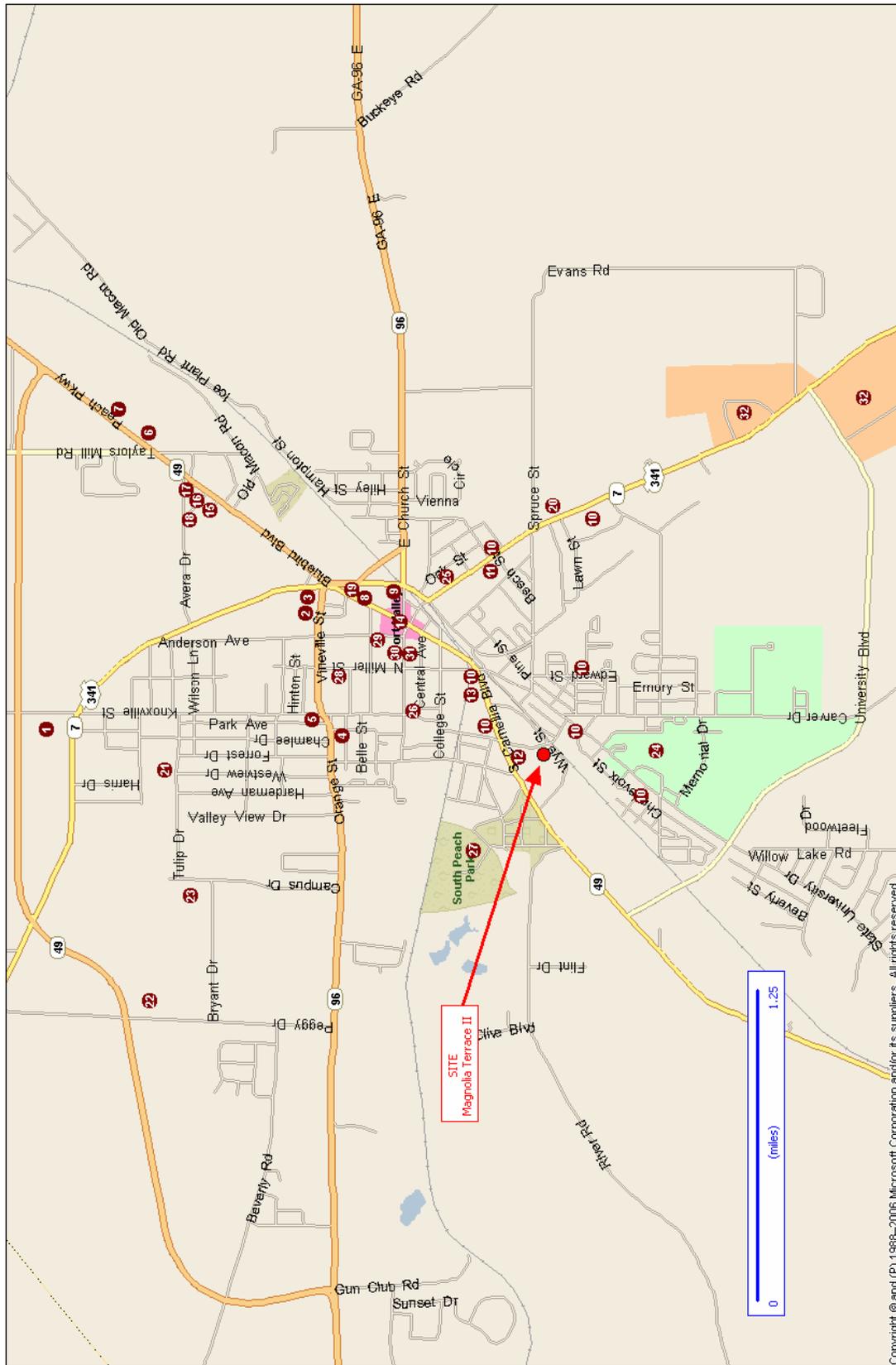
### **Education**

21. Hunt Elementary School.....1¾ miles north
22. Fort Valley Middle School.....3 miles northwest
23. Peach County High School.....2 ¼ miles north
24. Fort Valley State University (*shaded area*).....one-third mile south

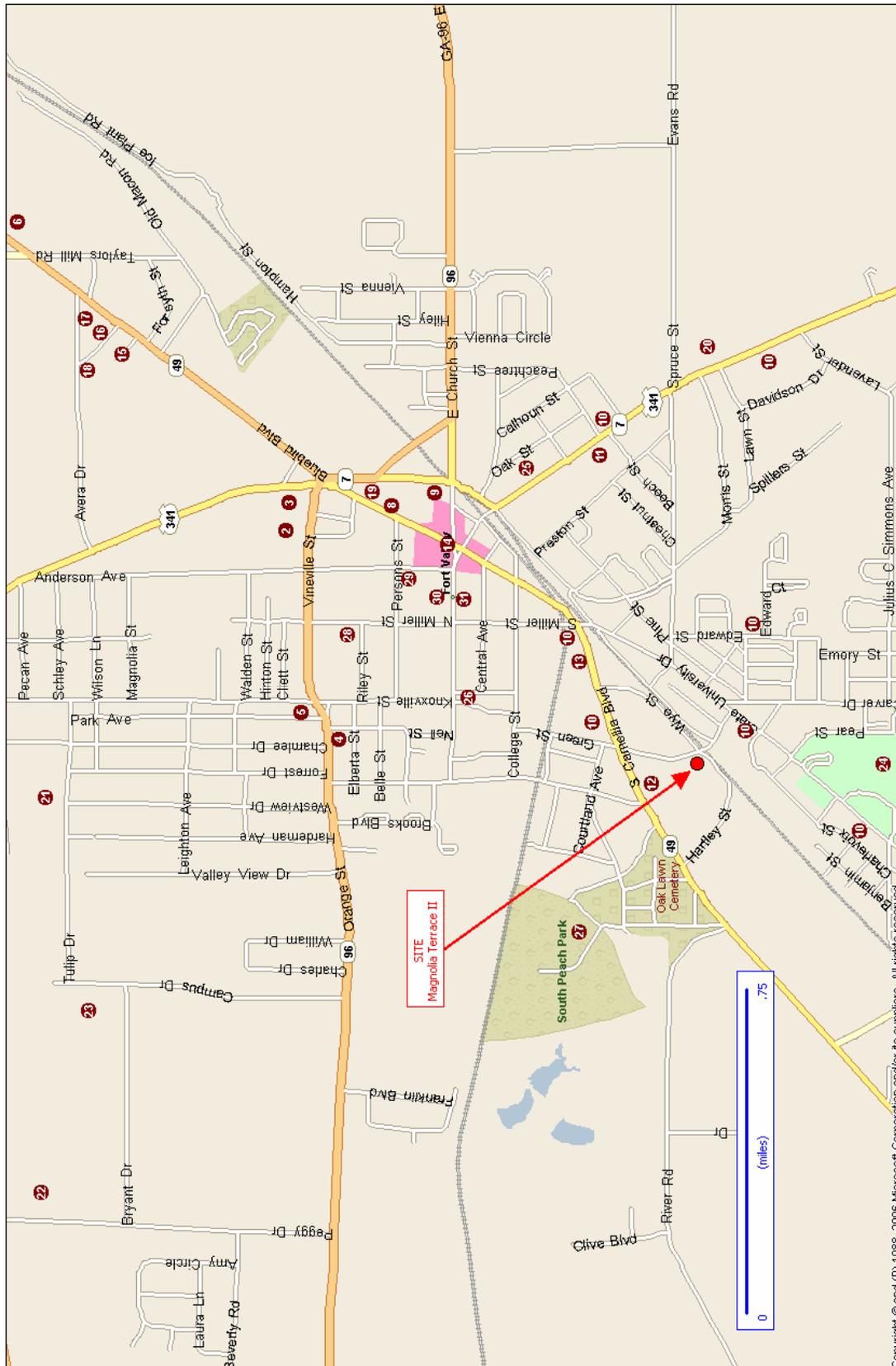
### **Recreation/Other**

25. Thomas Public Library .....1 mile east
26. Everett Square Park.....½ mile north
27. South Peach Park .....¾ mile northwest
28. Boys & Girls Club of Peach County.....1 mile northeast
29. U.S. Post Office. ....<1 mile northeast
30. Fort Valley City Hall .....>¾ mile northeast
31. Peach County Courthouse.....>¾ mile northeast
32. South Peach Industrial Park (*shaded area*) .....2 miles southeast

Map 1: Local Features/Amenities



Map 2: Local Features/Amenities – Local View



A. Site/Neighborhood Photos



Site – Magnolia Terrace II  
Facing north from railroad tracks  
Magnolia Terrace I in background  
Fort Valley, GA



Site – Magnolia Terrace II  
Facing west from Green Street  
Railroad tracks on left, site on right



Site – Magnolia Terrace II  
Facing south from site  
Railroad tracks and vacant property



Site – Magnolia Terrace II  
Facing east from site  
Green Street and church



Site – Magnolia Terrace II  
Facing east along Wye Street  
View from Green Street



Site – Magnolia Terrace II  
Facing north from corner of Wye  
Street and Green Street  
Site to left



Site – Magnolia Terrace II  
Facing west from Green Street  
Magnolia Terrace I to right



Magnolia Terrace I Apartments  
Adjacent to site to north and west



Davis Properties Apartments  
Located just north of the site along  
Green Street  
Facing west from Green Street



Rose Land Apartments  
Located just north of the site along  
Green Street  
Facing west from Green Street

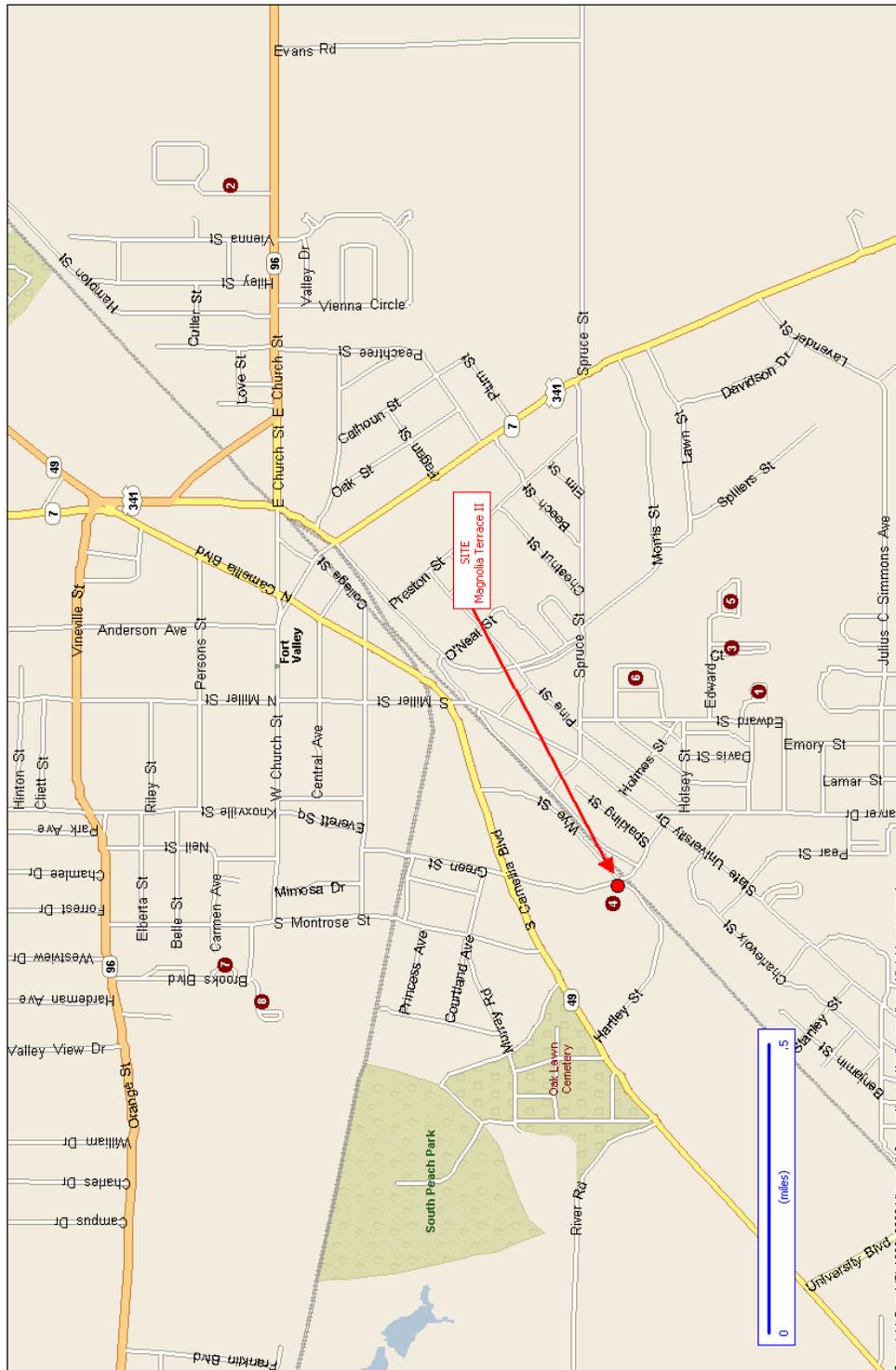


Single-family home in neighborhood north of site



Single-family home in neighborhood south of site

Map 3: Existing Low-Income Housing Properties



- |                                      |                                    |                                     |
|--------------------------------------|------------------------------------|-------------------------------------|
| 1. College Square – HUD              | 2. Indian Oaks - HUD               | 3. Lakeview Apts – HUD              |
| <b>4. Magnolia Terrace I – LIHTC</b> | <b>5. Marvin Gardens I - LIHTC</b> | <b>6. Marvin Gardens II – LIHTC</b> |
| 7. Valley Pines - RHS                | 8. Westside Apts - RHS             | 9.                                  |

NOTE: Bold indicates LIHTC property

## V. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is defined as the geographic area from which a property (either proposed or existing) is expected to draw the majority of its residents. For the purpose of this report, the Fort Valley PMA consists of the western two-thirds of Peach County. More specifically, the market area consists of four census tracts and is bound by Taylor County to the west, Crawford County to the north, and Macon and Houston Counties to the south. The eastern edge of the PMA is delineated by a river and/or stream mid-way between Fort Valley and Byron. In general terms, the PMA area reaches approximately three to seven miles from the site, and represents the area from which the majority of potential residents for the proposed development currently reside, and includes the following census tracts (all within Peach County):

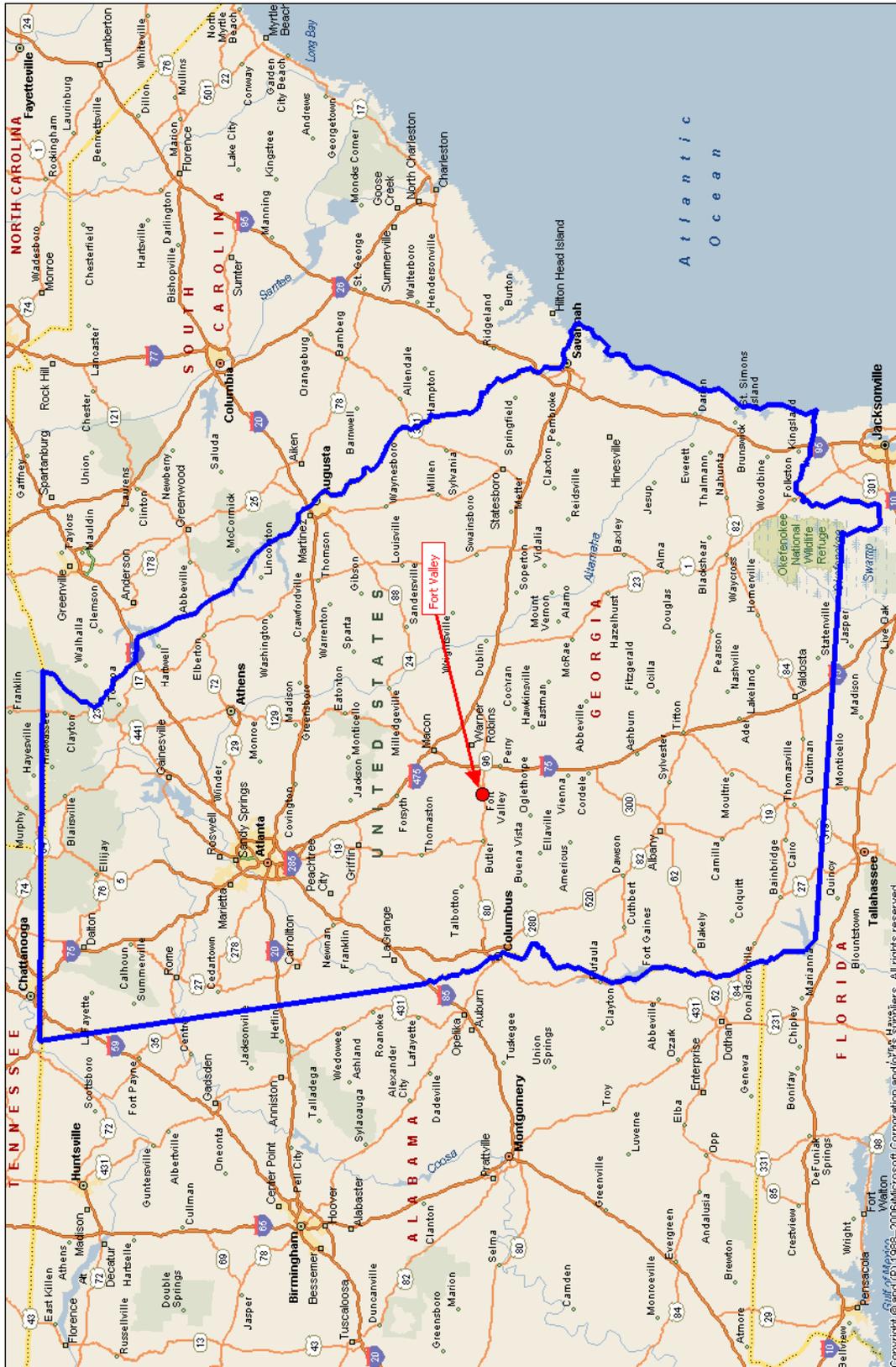
- ✓ Census Tract 402
- ✓ Census Tract 403.01
- ✓ Census Tract 403.02
- ✓ Census Tract 404

While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing throughout the remainder of Peach County (including Byron), and also includes the communities of Perry, Marshallville, and Warner Robins.

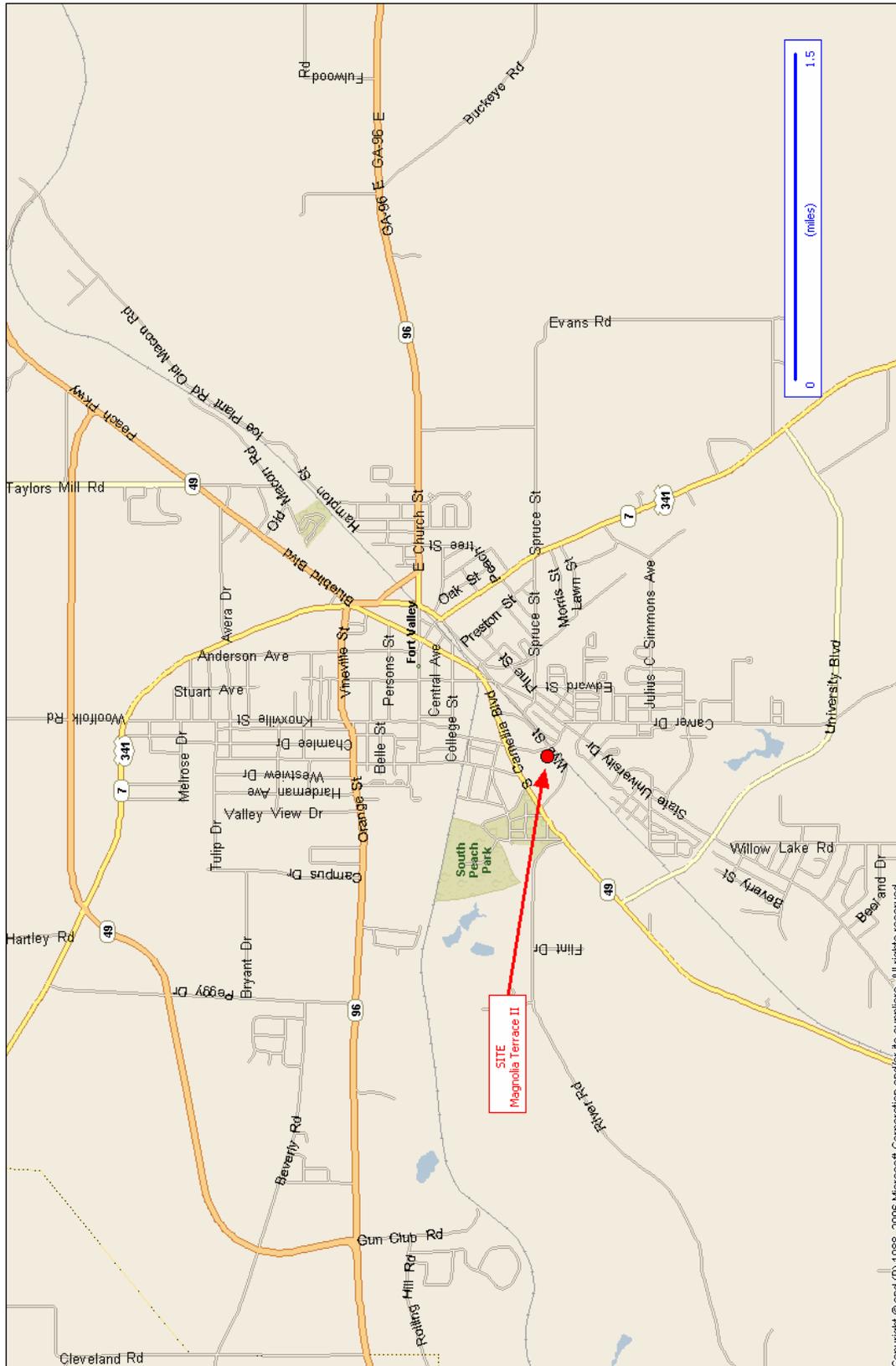
Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, school district boundaries, physical boundaries, and personal observations and interviews were utilized when defining the primary and secondary market areas. As such, several key transportation routes located near the subject property make the site convenient for persons currently residing both inside and outside of the immediate area. Providing this convenience are three prominent roadways intersecting the PMA – including U.S. 341, Highway 49, and Highway 96. In addition, Interstate 75 is located approximately eight miles east of Fort Valley, offering access to other communities and metropolitan areas throughout the region.

A visual representation of the PMA can be found in the maps on the following pages. The defined market area represents a realistic area from which the majority of potential residents for the subject development currently reside. The following demographic and economic information, comparable properties, and demand analyses are based on the PMA as defined above and highlighted in the following maps. Furthermore, the city of Fort Valley and Peach County as a whole have also been used throughout the analysis for local and regional comparisons.

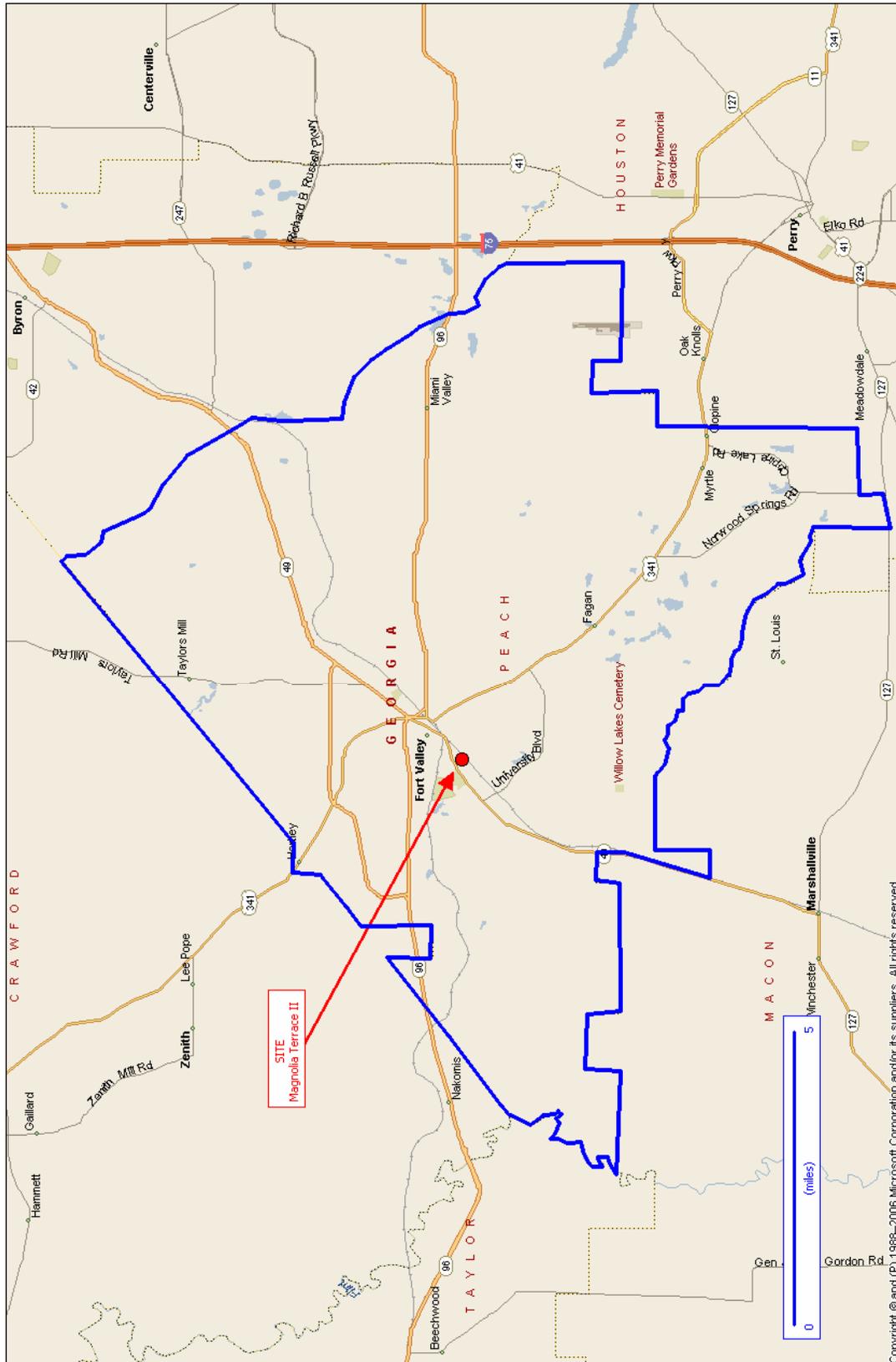
Map 4: State of Georgia



Map 5: Fort Valley Area



Map 6: Fort Valley Primary Market Area



## VI. COMMUNITY DEMOGRAPHIC DATA

### A. Population Trends

Although population figures for the city of Fort Valley decreased slightly between 1990 and 2000, the Fort Valley PMA has exhibited continued growth since 1990. According to U.S. Census data, the PMA had a population of 14,763 persons in 2000, representing a five percent increase from 1990 (a gain of roughly 750 persons), while Peach County as a whole increased by 12 percent during the same time span. In contrast, the city of Fort Valley decreased by approximately 200 persons during the decade (two percent) to 8,005 persons.

Despite this slight decline during the 1990's for Fort Valley proper, future trends indicate population will increase within all three geographic levels through 2012. As such, the PMA is anticipated to increase by approximately 1,430 persons between 2000 and 2012 (an increase of nearly ten percent), while the city is projected to increase by nine percent (720 persons). In comparison, Peach County is expected to increase by 15 percent during this same time span.

**Table 1: Population Trends (1990 to 2012)**

	<u>1990</u>	<u>2000</u>	<u>2007</u>	<u>2009</u>	<u>2012</u>
<b>City of Fort Valley</b>	8,198	8,005	8,426	8,546	8,726
<b>Fort Valley PMA</b>	14,027	14,763	15,599	15,838	16,196
<b>Peach County</b>	21,189	23,668	25,796	26,404	27,316
		<b>1990-2000</b>	<b>2000-2007</b>	<b>2000-2009</b>	<b>2000-2012</b>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
<b>City of Fort Valley</b>		-2.4%	5.3%	6.8%	9.0%
<b>Fort Valley PMA</b>		5.2%	5.7%	7.3%	9.7%
<b>Peach County</b>		11.7%	9.0%	11.6%	15.4%

Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

The largest population group for the PMA in 2000 consisted of persons between the ages of 20 and 44 years, representing 39 percent of all persons and similar to both the city and county percentages. Persons under 20 also accounted for a major portion of the population in each area. As such, 30 percent of the total population in the PMA was under 20 years in 2000, while representing 31 percent of the overall city population. When reviewing distribution patterns between 1990 and 2012, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 45 has steadily declined since 1990, and is expected to decrease further through 2012. In contrast, the fastest growing age segment within the PMA is the 45 to 64 age cohort, which represented 18 percent of the population in 1990 and is expected to increase to 24 percent by 2012 – clearly demonstrating the aging of the baby boom generation. As such, this aging trend can also be seen in Fort Valley and throughout Peach County.

The steady percentage of population below the age of 45 seen throughout the PMA (69 percent of all persons in 2000) and city (70 percent) signify positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 2: Age Distribution (1990 to 2012)

	City of Fort Valley				Fort Valley PMA				Peach County			
	2000 Number	1990 Percent	2000 Percent	2012 Percent	2000 Number	1990 Percent	2000 Percent	2012 Percent	2000 Number	1990 Percent	2000 Percent	2012 Percent
Under 20 years	2,474	32.4%	30.9%	27.2%	4,479	33.2%	30.3%	27.4%	7,183	32.5%	30.3%	27.2%
20 to 24 years	1,071	9.8%	13.4%	10.0%	2,049	11.7%	13.9%	11.6%	2,508	9.9%	10.6%	9.1%
25 to 34 years	1,092	15.0%	13.6%	14.9%	1,848	13.8%	12.5%	14.5%	3,120	15.4%	13.2%	13.4%
35 to 44 years	988	12.3%	12.3%	11.9%	1,850	12.5%	12.5%	11.5%	3,379	13.6%	14.3%	13.0%
45 to 54 years	882	8.7%	11.0%	12.9%	1,764	9.6%	11.9%	12.3%	3,016	10.3%	12.7%	14.0%
55 to 59 years	315	4.0%	3.9%	6.4%	678	4.2%	4.6%	6.2%	1,139	4.4%	4.8%	6.5%
60 to 64 years	268	4.1%	3.3%	4.9%	561	4.0%	3.8%	5.0%	992	3.9%	4.2%	5.3%
65 to 74 years	465	7.9%	5.8%	6.6%	855	6.4%	5.8%	6.7%	1,381	6.0%	5.8%	6.9%
75 to 84 years	342	4.8%	4.3%	3.3%	509	3.8%	3.4%	3.3%	730	3.2%	3.1%	3.3%
85 years and older	108	1.2%	1.3%	1.9%	170	0.8%	1.2%	1.6%	220	0.8%	0.9%	1.3%
Under 20 years	2,474	32.4%	30.9%	27.2%	4,479	33.2%	30.3%	27.4%	7,183	32.5%	30.3%	27.2%
20 to 44 years	3,151	37.0%	39.3%	36.7%	5,747	38.0%	38.9%	37.5%	9,007	38.9%	38.1%	35.6%
45 to 64 years	1,465	16.8%	18.2%	24.2%	3,003	17.7%	20.3%	23.5%	5,147	18.6%	21.7%	25.8%
65 years and older	915	13.8%	11.4%	11.9%	1,534	11.1%	10.4%	11.6%	2,331	10.0%	9.8%	11.5%
55 years and older	1,498	21.9%	18.6%	23.2%	2,773	19.2%	18.8%	22.8%	4,462	18.3%	18.8%	23.3%
75 years and older	450	5.9%	5.6%	5.2%	679	4.7%	4.6%	4.9%	950	4.0%	4.0%	4.6%

Source: U.S. Census of Population and Housing (SF 1) - 1990 and 2000; ESRI Business Analyst; Shaw Research & Consulting

Average household sizes throughout the Fort Valley area indicate a continuing trend of declining family sizes throughout the area – another likely effect of the aging of the baby boomers and generally consistent with regional and national trends. For the PMA, the average household size was 2.65 persons in 2000, representing a decrease of four percent from 1990's average of 2.77 persons. These trends are expected to continue through the year 2012, albeit at a somewhat slower rate as compared to previous decades. Based on estimates obtained from ESRI Business Analyst, average household sizes for the PMA are forecast to decrease an additional two percent between 2000 and 2012, to 2.60 persons per household.

Overall, the PMA contains somewhat larger household sizes than the Fort Valley proper, and more in line with Peach County as a whole. In comparison to the PMA average of 2.65 persons per household in 2000, Fort Valley had an average household size of 2.57 persons, while the county had an average of 2.68 persons per household.

**Table 3: Average Household Size (1990 to 2012)**

	<u>1990</u>	<u>2000</u>	<u>2007</u>	<u>2009</u>	<u>2012</u>
<b>City of Fort Valley</b>	2.70	2.57	2.54	2.53	2.52
<b>Fort Valley PMA</b>	2.77	2.65	2.62	2.61	2.60
<b>Peach County</b>	2.79	2.68	2.64	2.63	2.62
		<b>1990-2000</b>	<b>2000-2007</b>	<b>2000-2009</b>	<b>2000-2012</b>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
<b>City of Fort Valley</b>		-5.2%	-1.1%	-1.4%	-1.8%
<b>Fort Valley PMA</b>		-4.2%	-1.1%	-1.4%	-1.8%
<b>Peach County</b>		-4.1%	-1.3%	-1.6%	-2.1%

Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

**B. Household Trends**

Similar to population trends, the Fort Valley PMA experienced positive gains in the number of households since 1990. However, although the population within Fort Valley itself declined slightly between 1990 and 2000, the city reported modest gains during the decade. As such, occupied households within the PMA increased to a total of 5,163 households in 2000, representing a gain of 12 percent during the 1990s and an increase of approximately 540 units. ESRI forecasts through 2012 indicates the number of households within the PMA will increase at an accelerated pace – increasing by nearly 13 percent (approximately 650 additional households) between 2000 and 2012.

In comparison, the number of households within Fort Valley increased by three percent (81 housing units) between 1990 and 2000, despite decreasing by nearly 200 persons during the decade. As with the PMA, future projections indicate accelerated growth through 2012 for the city, within an increase of 11 percent. This strong growth for both the city and PMA follow the same general patterns for Peach County, which is expected to increase by 19 percent between 2000 and 2012, demonstrating strong demographic patterns throughout the region.

**Table 4: Household Trends (1990 to 2012)**

	<u>1990</u>	<u>2000</u>	<u>2007</u>	<u>2009</u>	<u>2012</u>
<b>City of Fort Valley</b>	2,969	3,050	3,250	3,307	3,393
<b>Fort Valley PMA</b>	4,623	5,163	5,539	5,647	5,808
<b>Peach County</b>	7,142	8,436	9,352	9,614	10,007
		<b>1990-2000</b>	<b>2000-2007</b>	<b>2000-2009</b>	<b>2000-2012</b>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
<b>City of Fort Valley</b>		2.7%	6.6%	8.4%	11.2%
<b>Fort Valley PMA</b>		11.7%	7.3%	9.4%	12.5%
<b>Peach County</b>		18.1%	10.9%	14.0%	18.6%

Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

Renter-occupied households throughout the Fort Valley market area have exhibited quite strong increases as compared to overall households over the past decade. A total of 2,071 renter-occupied households were recorded within the PMA in 2000, representing an increase of nearly 19 percent from 1990 figures (a gain of nearly 325 rental units). Similarly, the number of renter households increased by 265 units (19 percent) for the city during the decade, while the county increased by 21 percent (roughly 465 new units). As can be seen the majority of rental growth for Peach County has occurred within the market area, with most new renter units within Fort Valley itself.

Overall, the Fort Valley market area contains a moderate percentage of renter households, although the city contains generally greater propensities of renters as compared to the market area. For the PMA, 40 percent of all households were renter-occupied in 2000 – representing an increase from 38 percent renters in 1990. In comparison, renters occupied 54 percent of all households in the city, and 32 percent of households within the county. It should be noted that renter propensities for the city and county also increased somewhat from a decade earlier.

**Table 5: Renter Household Trends (1990 to 2000)**

	<u>1990</u>	<u>2000</u>	<u>2007</u>	<u>1990-2000</u> <u>Change</u>	<u>2000-2007</u> <u>Change</u>
City of Fort Valley	1,392	1,657	1,559	19.0%	-5.9%
Fort Valley PMA	1,748	2,071	2,194	18.5%	5.9%
Peach County	2,205	2,669	2,899	21.0%	8.6%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>		
	<u>1990</u>	<u>2000</u>	<u>2007</u>		
City of Fort Valley	46.9%	54.3%	48.0%		
Fort Valley PMA	37.8%	40.1%	39.6%		
Peach County	30.9%	31.6%	31.0%		

Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

**C. Housing Stock Composition**

Overall, Peach County has a quite diverse housing stock, with a mixture of single-family homes, multi-family units, and a relatively sizeable percentage of mobile homes. Within the PMA, approximately 68 percent of all households were single-family dwellings, 21 percent were in multi-family structures (apartments or condominiums), and 12 percent were mobile homes. In comparison, Fort Valley proper contains a higher percentage of multi-family units, and a lesser concentration of mobile homes than the PMA.

**Table 6: Housing Stock Composition (2000)**

	<b>City of Fort Valley</b>	<b>Fort Valley PMA</b>	<b>Peach County</b>
<b>Single-Family</b>	<b>1,965</b>	<b>3,493</b>	<b>5,639</b>
Percent of total units	65.1%	67.7%	66.8%
<b>Multi-Family</b>	<b>999</b>	<b>1,063</b>	<b>1,194</b>
Percent of total units	33.1%	20.6%	14.2%
<b>2 to 4 units</b>	<b>540</b>	<b>588</b>	<b>668</b>
Percent of total units	17.9%	11.4%	7.9%
<b>5 or more units</b>	<b>459</b>	<b>475</b>	<b>526</b>
Percent of total units	15.2%	9.2%	6.2%
<b>Mobile Homes - Total</b>	<b>53</b>	<b>607</b>	<b>1,602</b>
Percent of total units	1.8%	11.8%	19.0%
<b>Other</b>	<b>0</b>	<b>0</b>	<b>1</b>
Percent of total units	0.0%	0.0%	0.0%
Source: U.S. Census of Population and Housing (SF 3) - 2000			

**D. Median Gross Rent and Unit Size**

The median gross rent within the Fort Valley PMA increased from \$274 in 1990 to \$395 in 2000, representing an increase of 44 percent and an average annual increase of 3.7 percent from 1990 levels. In comparison, the PMA's 2000 median gross rent was eight percent greater than the city, but four percent below that recorded for the county. The city's gross rent figure of \$367 represented an average annual increase of 3.1 percent from 1990 (an overall increase of 35 percent), while the county had a similar average annual increase of 3.1 percent during the same time span – both slightly lower than that recorded for the PMA. As such, these figures represent steady gains within each area from a decade earlier, and are representative of a reasonably healthy rental sector.

**Table 7: Median Gross Rent (1990 to 2000)**

	<u>1990</u>	<u>2000</u>	<u>1990-2000</u> <u>Change</u>	<u>1990-2000</u> <u>Annual</u>
<b>City of Fort Valley</b>	\$271	\$367	35.4%	3.1%
<b>Fort Valley PMA</b>	\$274	\$395	44.2%	3.7%
<b>Peach County</b>	\$303	\$412	36.0%	3.1%

Source: U.S. Census of Population and Housing (SF 3) - 1990 and 2000

Renter household sizes for all three geographic levels were quite similar. As such, one-person households within the PMA accounted for 29 percent of all rental households in 2000, while two-persons represented 27 percent. Three- and four-person households represented 32 percent of all units, and those renter households with five or more persons accounted for 13 percent of the PMA's rental housing stock in 2000.

The PMA's average rental unit size of 2.65 persons in 2000 represents a similar ratio as 1990 (2.77 persons per rental unit). In all, rental unit sizes are extremely diverse as demonstrated by sizeable percentages of one, two, and three/four person renter households within the PMA, as well as throughout the city.

**Table 8: Rental Unit Size Distribution (2000)**

	<u>One Person</u>	<u>Two Persons</u>	<u>3 or 4 Persons</u>	<u>5 or More Persons</u>	<u>Median Persons Per Rental Unit</u>	
					<u>1990</u>	<u>2000</u>
City of Fort Valley	483	444	527	203	2.75	2.62
Fort Valley PMA	590	560	658	263	2.77	2.65
Peach County	754	701	889	325	2.77	2.65

	<u>One Person</u>	<u>Two Person</u>	<u>3-4 Person</u>	<u>5+ Person</u>	<u>Median Change</u>
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	
City of Fort Valley	29.1%	26.8%	31.8%	12.3%	-4.7%
Fort Valley PMA	28.5%	27.0%	31.8%	12.7%	-4.0%
Peach County	28.3%	26.3%	33.3%	12.2%	-4.3%

Source: U.S. Census of Population and Housing (SF 1) - 1990 and 2000

### E. Economic and Employment Characteristics

Overall, the economy throughout Fort Valley and Peach County is comprised largely of manufacturing and services employment. According to U.S. Census data, 40 percent of all employed persons within the PMA were employed in the services industry in 2000 and represented the largest employment segment by far, followed by the manufacturing sector at 19 percent. In addition, retail trade also represented a sizeable portion of the market area's economy at 11 percent of the employment base.

Based on a comparison of employment by industry from the 1990 and 2000 Census', the services industry experienced the largest gains over the past decade, increasing by 14 percent. In contrast, the retail trade sector exhibited sizeable decreases (19 percent) during the same time frame, while the manufacturing industry employed declined by two percent.

**Table 9: Employment by Industry (2000)**

	Fort Valley PMA		City of Fort Valley	Peach County
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
<b>Agriculture</b>	147	<b>2.7%</b>	2.6%	2.1%
<b>Construction</b>	403	<b>7.5%</b>	5.9%	7.8%
<b>Manufacturing</b>	1,023	<b>19.1%</b>	17.6%	17.2%
<b>Transportation and Public Utilities</b>	163	<b>3.0%</b>	2.9%	4.6%
<b>Wholesale Trade</b>	149	<b>2.8%</b>	1.6%	2.7%
<b>Retail Trade</b>	582	<b>10.8%</b>	10.8%	12.3%
<b>Finance, Insurance, and Real Estate</b>	177	<b>3.3%</b>	3.2%	4.3%
<b>Services</b>	2,146	<b>40.0%</b>	42.9%	36.8%
<b>Public Administration</b>	578	<b>10.8%</b>	12.6%	12.2%

Source: U.S. Census of Population and Housing (SF 3) - 2000

Additional analysis of Census employment data demonstrates a mix of white-collar and blue-collar employment opportunities throughout the area. According to 2000 data, service and sales employment not surprisingly represented the largest segment of the labor force within the PMA (42 percent), followed by managerial and professional occupations (23 percent) and production, transportation, and material moving positions (20 percent).

**Table 10: Employment by Occupation (2000)**

	Fort Valley PMA		City of Fort Valley	Peach County
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
<b>Managerial and Professional</b>	1,264	<b>23.2%</b>	21.8%	26.1%
<b>Service and Sales</b>	2,263	<b>41.6%</b>	43.8%	40.9%
<b>Farming and Forestry</b>	78	<b>1.4%</b>	2.2%	1.0%
<b>Construction, Extraction, and Maintenance</b>	740	<b>13.6%</b>	13.0%	14.9%
<b>Production, Transportation, and Material Moving</b>	1,101	<b>20.2%</b>	19.1%	17.1%

Source: U.S. Census of Population and Housing (SF 3) - 2000

Based on place of employment, approximately 58 percent of PMA residents are employed within Peach County, while 42 percent are employed outside of the county. According to the 2006 Peach County Area Labor Profile, the largest percentage of county residents (24 percent) commute to Macon and Bibb County, while an additional 20 percent commute to Perry and Houston County.

**Table 11: Place of Employment (2000)**

	Fort Valley PMA		City of Fort Valley	Peach County
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
<b>Place of Work within County</b>	3,158	<b>58.3%</b>	61.6%	42.5%
<b>Place of Work Outside of County</b>	2,230	<b>41.2%</b>	38.4%	56.8%
<b>Place of Work Outside of State</b>	26	<b>0.5%</b>	0.0%	0.7%

Source: U.S. Census of Population and Housing (SF 3) - 2000

Below is a chart depicting the largest employers within Fort Valley, according to information supplied by the Peach County Chamber of Commerce. As can be seen, the largest employer is the Blue Bird Body Company, while Fort Valley State University and the Peach County School Systems also employ a large number of residents. Additional large employers locally include Peach Regional Medical Center and the Fort Valley and Peach County governments. Furthermore, Robins Air Force Base in nearby Houston County, is Georgia's largest employer. With more than 25,000 personnel, the base attracts many residents from Peach County.

<b>Employer</b>	<b>Industry</b>	<b>Number of Employees</b>
Blue Bird Body Company	Bus Manufacturing	1,400
Fort Valley State University	Education	654
Peach County School System	Education	582
Pyrotechnics		180
Step 2 Manufacturing Company	Manufacturing	96

No noteworthy closures and/or reductions have been reported within Peach County since July 2005, according to information from the Georgia Department of Labor's WARN System (Worker Adjustment and Retraining Notification). In addition, the only closures/reductions that have occurred over the past two years within the surrounding counties include the following:

<b>Company</b>	<b>Location</b>	<b>Persons Affected</b>	<b>Type</b>	<b>Date</b>
First Data Resources	Bibb County (Macon)	293	Closure	2/13/2006
LAT Sportswear	Crawford County (Roberton)	51	Closure	9/16/2005
Tamsco, inc.	Houston County (Warner-Robbins)	137	Layoff	10/31/2005
Guardsmark	Bibb County (Macon)	30	Layoff	7/7/2005

Overall, the county's employment distribution and prevailing average incomes are reflective of the relatively rural characteristics of the area and the need for affordable housing. The continued growth in the number of new jobs throughout Peach County since 1990, coupled with a generally declining unemployment rate since 2004 are clearly indicative of healthy economic conditions locally. Most positions available within rural-type communities such as Fort Valley are typically in the lower paying categories, further emphasizing the importance of affordable housing alternatives.

Overall, economic conditions have been relatively positive throughout Peach County with sustained job creation since 1990 (in 12 of the past 16 years). Information obtained from the Georgia Department of Labor is presented in the following figures and illustrates these employment patterns throughout the county. More than 2,100 jobs (a 24 percent increase) have been added to the county since 1990, with roughly 1,400 of these added since 1995 (an increase of 15 percent). Although employment levels dropped twice since 2000, it is important to note that more than 725 new jobs have been added to the county's workforce between 2000 and 2006 – representing an increase of seven percent.

Furthermore, the latest annual figures reported Peach County had an unemployment rate of 5.9 percent in 2006 – which was somewhat higher than both the state and national averages (4.6 percent). As of April 2007, the unemployment rate for the county further decreased to 4.8 percent, remaining slightly higher than the state (4.1 percent) and national levels (4.3 percent). In addition, the county's latest monthly figure represented an increase of 260 new jobs over April 2006 levels, along with a decrease in the unemployment rate of 5.5 percent from a year ago, both indicative of a stable and improving economy.

Figure 1: Employment Growth

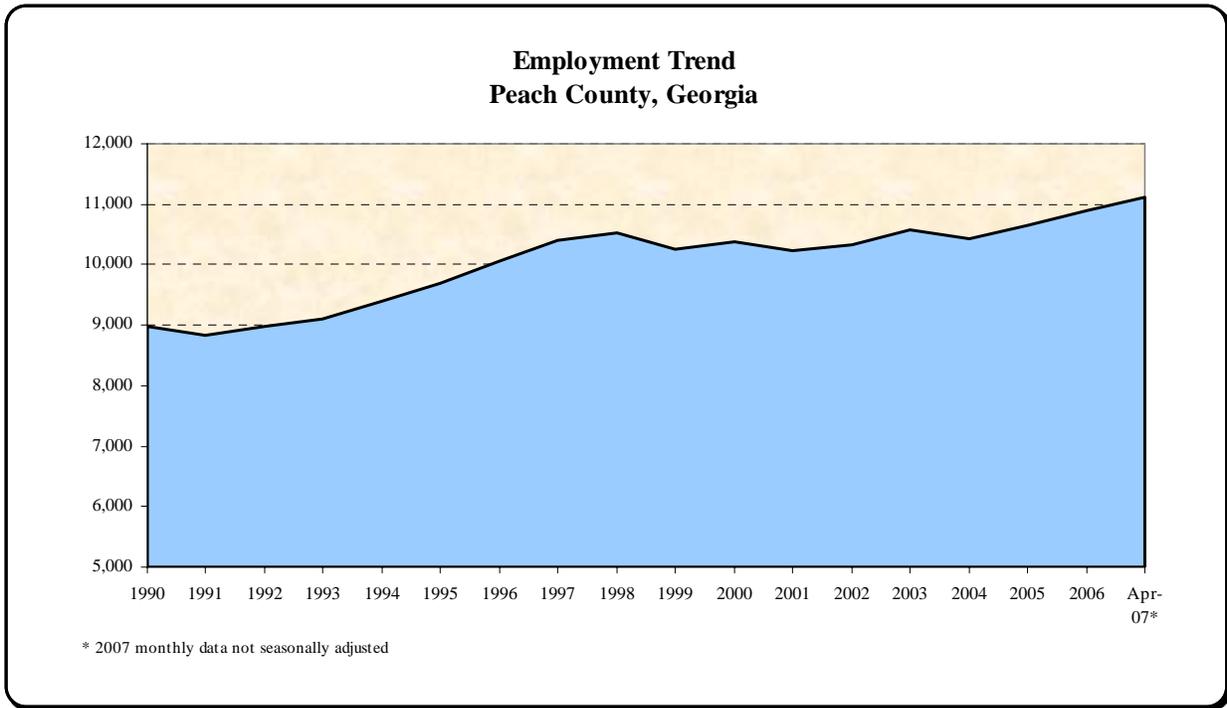


Figure 2: Historical Unemployment Rate

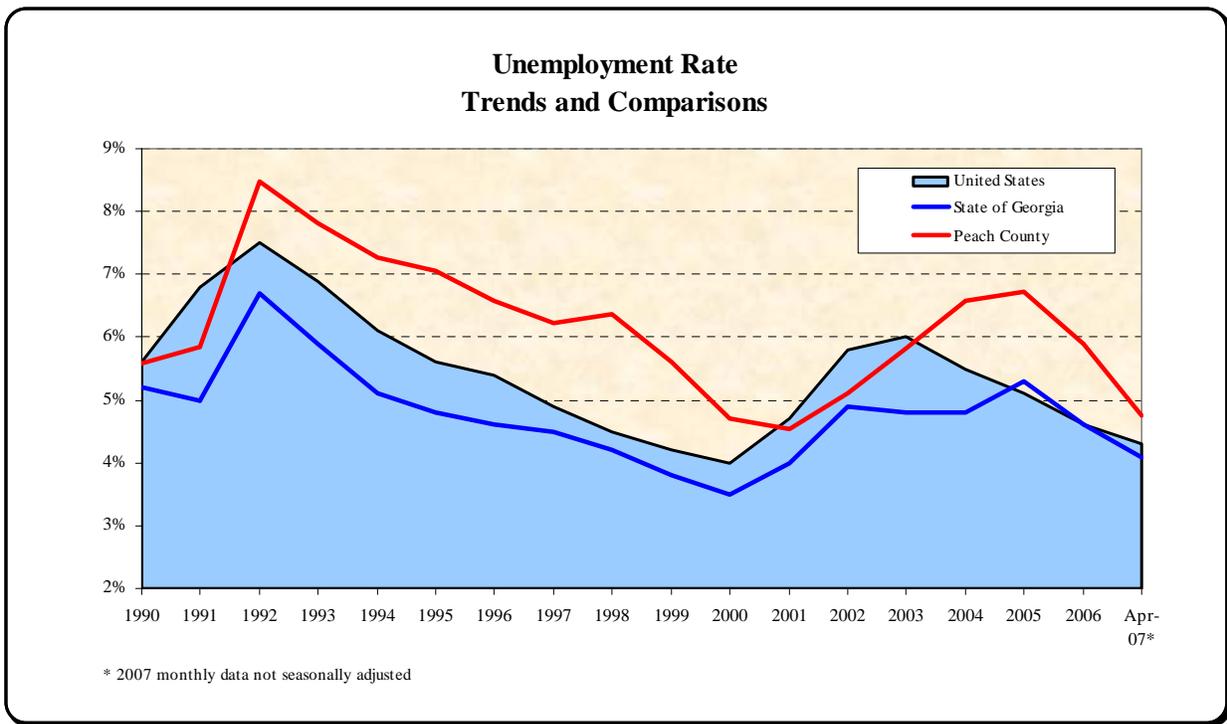


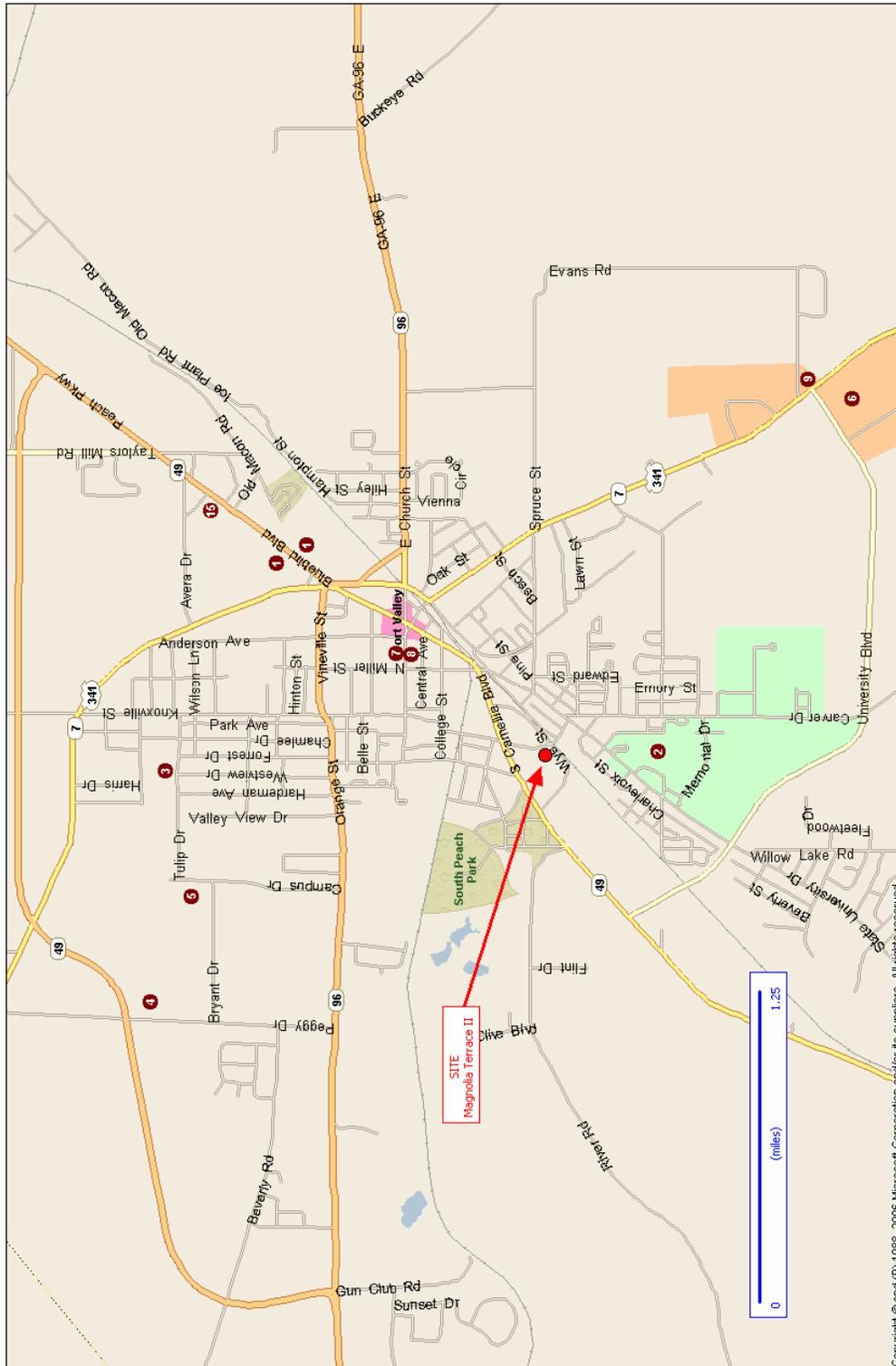
Table 12: Historical Employment Trends

Year	Peach County				State of Georgia	United States
	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
1990	9,503	8,972	--	5.6%	5.2%	5.6%
1991	9,377	8,829	(143)	5.8%	5.0%	6.8%
1992	9,811	8,979	150	8.5%	6.7%	7.5%
1993	9,864	9,093	114	7.8%	5.9%	6.9%
1994	10,135	9,398	305	7.3%	5.1%	6.1%
1995	10,436	9,699	301	7.1%	4.8%	5.6%
1996	10,775	10,067	368	6.6%	4.6%	5.4%
1997	11,086	10,395	328	6.2%	4.5%	4.9%
1998	11,249	10,532	137	6.4%	4.2%	4.5%
1999	10,865	10,256	(276)	5.6%	3.8%	4.2%
2000	10,882	10,371	115	4.7%	3.5%	4.0%
2001	10,717	10,230	(141)	4.5%	4.0%	4.7%
2002	10,900	10,342	112	5.1%	4.9%	5.8%
2003	11,217	10,564	222	5.8%	4.8%	6.0%
2004	11,155	10,420	(144)	6.6%	4.8%	5.5%
2005	11,418	10,650	230	6.7%	5.3%	5.1%
2006	11,578	10,895	245	5.9%	4.6%	4.6%
Apr-06*	11,476	10,840	--	5.5%	4.3%	4.5%
Apr-07*	11,658	11,104	264	4.8%	4.1%	4.3%

	<u>Number</u>	<u>Percent</u>	<u>Avg. Annual</u>
Change (1990-Present):	<b>2,132</b>	<b>23.8%</b>	<b>1.4%</b>
Change (1995-Present):	<b>1,405</b>	<b>14.5%</b>	<b>1.2%</b>
Change (2000-Present):	<b>733</b>	<b>7.1%</b>	<b>1.0%</b>
Change (2005.-Present):	<b>454</b>	<b>4.3%</b>	<b>2.1%</b>
Change (1990-1995):	<b>727</b>	<b>8.1%</b>	<b>1.6%</b>
Change (1995-2000):	<b>672</b>	<b>6.9%</b>	<b>1.4%</b>
Change (2000-2005):	<b>279</b>	<b>2.7%</b>	<b>0.5%</b>

\*Monthly data not seasonally adjusted

Map 7: Major Employers – Fort Valley Area



- |                              |                             |                                |
|------------------------------|-----------------------------|--------------------------------|
| 1. Blue Bird Body Company    | 2. Fort Valley State Univ.  | 3. Hunt Elementary School      |
| 4. Fort Valley Middle School | 5. Peach County High School | 6. Step 2 Manufacturing        |
| 7. City Hall                 | 8. County Building          | 9. South Peach Industrial Park |

**F. Median Household Income**

Income levels throughout the Fort Valley area have experienced steady gains over the past decade. Overall, median income figures for the PMA are somewhat lower than that recorded for the county as a whole. In 1999, the median household income was calculated at \$27,400 for the PMA, which was 40 percent greater than that of Fort Valley proper (\$19,646), but roughly 21 percent lower than Peach County (\$34,453). Furthermore, the PMA figure represents an increase of 34 percent during the decade (an average annual increase of 3.0 percent), while the city and county increased at similar rates (3.3 percent and 3.0 percent, respectively) between 1989 and 1999.

According to ESRI data, the rate of income growth is forecast to slow somewhat (albeit slightly) through 2012 for the market area, but accelerate for Fort Valley. As such, it is projected that the PMA will increase by 2.4 percent annually between 2000 and 2012, as compared to 4.5 percent for the city during this time.

**Table 13: Median Household Incomes (1989 to 2012)**

	<u>1989</u>	<u>1999</u>	<u>2007</u>	<u>2009</u>	<u>2012</u>
City of Fort Valley	\$14,201	\$19,646	\$27,558	\$29,819	\$33,210
Fort Valley PMA	\$20,397	\$27,400	\$32,719	\$34,239	\$36,518
Peach County	\$25,604	\$34,453	\$41,742	\$43,825	\$46,949
		<u>1989-1999</u>	<u>1999-2007</u>	<u>1999-2009</u>	<u>1999-2012</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Fort Valley		38.3%	40.3%	51.8%	69.0%
Fort Valley PMA		34.3%	19.4%	25.0%	33.3%
Peach County		34.6%	21.2%	27.2%	36.3%
		<u>1989-1999</u>	<u>1999-2007</u>	<u>1999-2009</u>	<u>1999-2012</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Fort Valley		3.3%	5.0%	4.7%	4.5%
Fort Valley PMA		3.0%	2.6%	2.5%	2.4%
Peach County		3.0%	2.8%	2.7%	2.6%

Source: U.S. Census of Population and Housing (SF 3) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

**G. Overall Household Income Distribution**

According to the U.S. Census Bureau, more than 60 percent of all households within the Fort Valley PMA had an annual income of less than \$35,000 in 1999 – the portion of the population with the greatest need for affordable housing options. In comparison, 74 percent of households within Fort Valley itself, and 51 percent of households county-wide had incomes within this range.

**Table 14: Overall Household Income Distribution - 1999**

	City of Fort Valley		Fort Valley PMA		Peach County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<b>Less than \$10,000</b>	843	27.7%	1,037	20.1%	1,331	15.8%
<b>\$10,000 to \$14,999</b>	434	14.3%	555	10.8%	681	8.1%
<b>\$15,000 to \$19,999</b>	261	8.6%	412	8.0%	514	6.1%
<b>\$20,000 to \$24,999</b>	268	8.8%	427	8.3%	661	7.9%
<b>\$25,000 to \$29,999</b>	261	8.6%	379	7.4%	610	7.2%
<b>\$30,000 to \$34,999</b>	179	5.9%	302	5.9%	457	5.4%
<b>\$35,000 to \$39,999</b>	166	5.5%	340	6.6%	495	5.9%
<b>\$40,000 to \$44,999</b>	92	3.0%	212	4.1%	416	4.9%
<b>\$45,000 to \$49,999</b>	94	3.1%	202	3.9%	382	4.5%
<b>\$50,000 to \$59,999</b>	100	3.3%	321	6.2%	717	8.5%
<b>\$60,000 to \$74,999</b>	115	3.8%	345	6.7%	766	9.1%
<b>\$75,000 to \$99,999</b>	145	4.8%	360	7.0%	815	9.7%
<b>\$100,000 to \$124,999</b>	53	1.7%	138	2.7%	298	3.5%
<b>\$125,000 to \$149,999</b>	13	0.4%	64	1.2%	134	1.6%
<b>\$150,000 to \$199,999</b>	6	0.2%	42	0.8%	78	0.9%
<b>\$200,000 and Over</b>	10	0.3%	20	0.4%	59	0.7%
<b>TOTAL</b>	<b>3,040</b>	<b>100.0%</b>	<b>5,156</b>	<b>100.0%</b>	<b>8,414</b>	<b>100.0%</b>
<b>Median Income</b>	<b>\$19,646</b>		<b>\$27,400</b>		<b>\$34,453</b>	
<b>Less than \$34,999</b>	2,246	73.9%	3,112	60.4%	4,254	50.6%
<b>\$35,000 to \$49,999</b>	352	11.6%	754	14.6%	1,293	15.4%
<b>\$50,000 to \$74,999</b>	215	7.1%	666	12.9%	1,483	17.6%
<b>\$75,000 to \$99,000</b>	145	4.8%	360	7.0%	815	9.7%
<b>\$100,000 and Over</b>	82	2.7%	264	5.1%	569	6.8%

Source: U.S. Census of Population and Housing (SF 3) - 2000

### H. Income-Qualified Households

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$15,600 to \$50,000 (in current dollars). Utilizing 2000 Census information available on household income by tenure, dollar values from 1999 were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic's website. Based on this data, the targeted income range accounts for a sizable number of low and moderate-income households throughout the area. As such, roughly 37 percent of the PMA's total owner-occupied household number, and 44 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for approximately two out of every five households (at 40 percent) within the PMA. Considering the relative density of the PMA, this equates to nearly 2,250 potential income-qualified households for the proposed development, including nearly 1,000 income-qualified renter households.

Considering only the LIHTC qualified income range (\$15,600 to \$35,600), approximately 26 percent of all households are income-qualified, numbering almost 1,500 total households and 725 renter-occupied households.

**Table 15: Household Income by Tenure – Fort Valley PMA (2009)**

	Number of 2009 Households			Percent of 2009 Households		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$5,962	453	123	330	8.1%	3.6%	14.8%
\$5,963 to \$11,924	688	304	384	12.2%	8.9%	17.2%
\$11,925 to \$17,887	584	180	405	10.4%	5.3%	18.1%
\$17,888 to \$23,849	452	221	230	8.0%	6.5%	10.3%
\$23,850 to \$29,812	447	259	188	7.9%	7.6%	8.4%
\$29,813 to \$41,737	740	430	310	13.1%	12.6%	13.9%
\$41,738 to \$59,625	838	630	208	14.8%	18.5%	9.3%
\$59,626 to \$89,438	726	592	134	12.8%	17.3%	6.0%
\$88,439 and Over	<u>719</u>	<u>672</u>	<u>47</u>	<u>12.6%</u>	<u>19.7%</u>	<u>2.1%</u>
<b>Total</b>	<b>5,647</b>	<b>3,411</b>	<b>2,236</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing (SF 3) - 2000; BLS CPI Calculator; Shaw Research & Consulting

**I. Rent Overburdened Households**

The 2000 Census shows that 44 percent of all renter households within the PMA that have incomes between \$10,000 and \$20,000 are overburdened; that is, they pay more than 35 percent of their incomes on rent. Additionally, roughly 11 percent of renter households having incomes between \$20,000 and \$35,000 are rent overburdened. This data suggests that the need for affordable housing is apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this problem.

Table 16: Rent Overburdened Households (2000)

	City of Fort Valley	Fort Valley PMA	Peach County
<b>HH Income less than \$10,000</b>	<b>562</b>	<b>660</b>	<b>760</b>
Less than 35 percent for housing	117	117	152
35 percent or more for housing	342	402	449
Not computed	103	141	159
Percent paying more than 35 percent	74.5%	77.5%	74.7%
<b>HH Income \$10,000 to \$19,999</b>	<b>489</b>	<b>574</b>	<b>641</b>
Less than 35 percent for housing	265	298	324
35 percent or more for housing	207	237	265
Not computed	17	39	52
Percent paying more than 35 percent	43.9%	44.3%	45.0%
<b>HH Income \$20,000 to \$34,999</b>	<b>332</b>	<b>454</b>	<b>600</b>
Less than 35 percent for housing	268	376	496
35 percent or more for housing	40	46	64
Not computed	24	32	40
Percent paying more than 35 percent	13.0%	10.9%	11.4%
<b>HH Income \$35,000 to \$49,999</b>	<b>130</b>	<b>192</b>	<b>299</b>
Less than 35 percent for housing	101	157	243
35 percent or more for housing	7	7	9
Not computed	22	28	47
Percent paying more than 35 percent	6.5%	4.3%	3.6%
<b>HH Income \$50,000 to \$74,999</b>	<b>58</b>	<b>124</b>	<b>254</b>
Less than 35 percent for housing	50	107	219
35 percent or more for housing	0	0	0
Not computed	8	17	35
Percent paying more than 35 percent	0.0%	0.0%	0.0%
<b>HH Income \$75,000 to \$99,999</b>	<b>36</b>	<b>36</b>	<b>61</b>
Less than 35 percent for housing	29	29	54
35 percent or more for housing	0	0	0
Not computed	7	7	7
Percent paying more than 35 percent	0.0%	0.0%	0.0%
<b>HH Income \$100,000 or More</b>	<b>7</b>	<b>7</b>	<b>11</b>
Less than 35 percent for housing	7	7	11
35 percent or more for housing	0	0	0
Not computed	0	0	0
Percent paying more than 35 percent	0.0%	0.0%	0.0%

Source: U.S. Census of Population and Housing (SF 3) - 2000

## VII. DEMAND ANALYSIS

### A. Demand for Tax Credit and Market Rate Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing Georgia DCA requirements, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions based on information as published by DCA and HUD. For the subject proposal, demand estimates will be calculated for units designated at 50 percent AMI, 60 percent AMI, and units with market rents. As such, tax credit calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and an income ceiling of \$35,600 (the 5-person income limit at 60 percent AMI for Peach County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
<b>50 percent of AMI</b> .....	\$15,600 .....	\$29,700
<b>60 percent of AMI</b> .....	\$18,583 .....	\$35,600
<b>Market Rate</b> .....	\$17,400 .....	\$50,000
<b>Overall</b> .....	<b>\$15,600</b> .....	<b>\$50,000</b>

By applying the income-qualified range and 2009 household forecasts to the current-year household income distribution by tenure (adjusted from 2000 data based on the Labor Statistics' Consumer Price Index), the number of income-qualified households can be calculated. As a result, 32 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 26 percent of all renter households are income-qualified for units at 50 percent of AMI and 24 percent are qualified for units at 60 percent AMI. In addition, 38 percent of all renter households within the PMA are income-qualified for the market-rate portion of the proposal.

Based on U.S. Census data and projections from ESRI, approximately 165 additional renter households are anticipated in 2009 as compared to 2000. By applying the income-qualified percentage to the overall eligible figure, a demand for 53 LIHTC units and 63 market rate units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately 14 percent of all renter households within the Fort Valley PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the appropriate renter propensity and income-qualified percentage, to the number of households currently present in 2000 (the base year utilized within the demand calculations), a total tax credit demand resulting from substandard units is calculated at 92 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on 2000 Census data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using the subject proposal's beginning rental rate and utilizing the above-mentioned affordability range, the percentage of renter households within this overburdened range is estimated at nine percent. Applying this rate to the estimated number of renter households in 2009 yields a total demand of 41 additional units as a result of rent-overburden.

Comparable LIHTC properties within the Fort Valley PMA which have received an LIHTC allocation since 2000 includes Magnolia Terrace (the first phase to the subject proposal). As such, 35 of the 40 tax credit and all 10 market rate units need to be deducted from the three factors listed previously. Combining these factors (and including a 15 percent allowance for potential demand arising from secondary market sources) results in an overall demand of 366 LIHTC units and 255 market rate units in 2009.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that ample demand exists for each of the unit types proposed. It is worth noting at this time that these demand calculations do not consider that the construction of a new rental facility typically generates interest above movership ratios typically observed. In this case, a new rental housing option for low and moderate-income households should receive a

positive response due to the need for additional affordable rental options, as well as the relatively high occupancy levels within most existing local developments.

**Table 17: Demand Calculation – by Income Targeting (2009)**

<b>2000 Total Occupied Households</b>	<b>5,163</b>				
<b>2000 Owner-Occupied Households</b>	<b>3,092</b>				
<b>2000 Renter-Occupied Households</b>	<b>2,071</b>				
		<b>50%</b>	<b>60%</b>	<b>Total</b>	<b>Market</b>
		<b>AMI</b>	<b>AMI</b>	<b>LIHTC</b>	<b>Rate</b>
<b>QUALIFIED-INCOME RANGE</b> ( <i>unduplicated</i> )					
Minimum Annual Income		\$15,600	\$18,583	\$15,600	\$17,400
Maximum Annual Income		\$29,700	\$35,600	\$35,600	\$50,000
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>					
Renter Household Growth, 2000-2009	165	165	165	165	165
Percent Income Qualified Renter Households	25.5%	24.3%	32.4%	38.4%	38.4%
<b>Total Demand From New Households</b>	<b>42</b>	<b>40</b>	<b>53</b>	<b>63</b>	
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>					
Percent of Renters in Substandard Housing	13.7%	13.7%	13.7%	13.7%	13.7%
Percent Income Qualified Renter Households	25.5%	24.3%	32.4%	38.4%	38.4%
<b>Total Demand From Substandard Renter Households</b>	<b>73</b>	<b>69</b>	<b>92</b>	<b>109</b>	
Percent of Renters Rent-Overburdened	8.0%	5.3%	8.7%	7.3%	7.3%
<b>Total Demand From Overburdened Renter Households</b>	<b>165</b>	<b>110</b>	<b>179</b>	<b>58</b>	
<b>Total Demand From Existing Households</b>	<b>237</b>	<b>179</b>	<b>271</b>	<b>167</b>	
<b>DEMAND FROM SECONDARY MARKET SOURCES (15%)</b>	<b>36</b>	<b>27</b>	<b>41</b>	<b>25</b>	
<b>TOTAL DEMAND</b>	<b>315</b>	<b>246</b>	<b>366</b>	<b>255</b>	
<b>LESS: Total Comparable Units Constructed Since 2000</b>	27	8	35	10	
<b>LESS: Total Comparable Units Proposed/Under Construction</b>	0	0	0	0	
<b>TOTAL NET DEMAND</b>	<b>288</b>	<b>238</b>	<b>331</b>	<b>245</b>	
<b>PROPOSED NUMBER OF UNITS</b>	<b>22</b>	<b>6</b>	<b>28</b>	<b>8</b>	
<b>CAPTURE RATE</b>	<b>7.6%</b>	<b>2.5%</b>	<b>8.5%</b>	<b>3.3%</b>	
Note: Totals may not sum due to rounding					
Source: U.S. Census of Population and Housing - 2000; U.S. Department of Housing and Urban Development; ESRI Business Analyst					



**B. Capture and Absorption Rates**

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of less than nine percent was determined based on the demand calculation (including renter household growth, existing renter households, substandard units, secondary market sources, and excluding any comparable rental activity since 2000), providing an indication of the subject proposal’s market depth within the Fort Valley PMA. More specifically, the capture rate for the subsidized units restricted at 50 percent AMI was calculated at eight percent, while units at 60 percent AMI were at just three percent. Furthermore, the market rate portion of the proposal had a capture rate of three percent. As such, the capture rate provides a positive indication of the subject’s marketability and is well below DCA thresholds, and should be considered as a positive factor.

Taking into consideration the overall occupancy rate for the Fort Valley PMA, extremely positive demographic patterns, a generally stable economy, and the ongoing success of Magnolia Terrace I, an estimate of the overall absorption rate can be calculated as follows:

	<u>Number</u>	<u>Estimated Units Per Month</u>		<u>Absorption Range (in months)</u>	
<b>50 Percent of AMI</b>	<b>22</b>	3	4	6	7
<b>60 Percent of AMI</b>	<b>6</b>	3	4	2	2
<b>Market Rate</b>	<b>8</b>	2	3	3	4
<b>Total Units</b>	<b>36</b>			<b>6</b>	<b>7</b>
<b>Total Units (93 percent occupancy)</b>	<b>33</b>			<b>5</b>	<b>7</b>

As such, the resulting absorption period to reach 93 percent occupancy is *conservatively* estimated at five to seven months. This estimate is based on an approximate market entry in late 2008; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. It is also worth noting this is a relatively conservative estimate considering the existing waiting list at Magnolia Terrace I, which will likely be used during pre-leasing efforts.

Taking into account the positive occupancy levels within local rental developments (especially among Magnolia Terrace I), coupled with ongoing positive demographic and economic patterns, no market-related concerns are present. Further, considering the overall occupancy rate for the market (at 97 percent), a extremely successful first phase (100 percent occupied with a long waiting list), along with a newly constructed facility with modern amenities and broad income targeting, absorption of the subject to 93 percent occupancy should not be an issue into the foreseeable future.

## VIII. COMPARABLE RENTAL ANALYSIS

### A. Fort Valley Rental Market Characteristics

As part of the Fort Valley rental analysis, a survey of existing rental projects within the Fort Valley primary market area was completed by Shaw Research & Consulting in June 2007. Excluding senior-only rental developments, a total of 12 apartment properties within the Fort Valley area were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Although not specifically situated within the PMA, two rental properties were included from nearby Marshallville. Results from the survey provide an indication of overall market conditions throughout the Fort Valley area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 670 units were reported with the majority containing two bedrooms. Among the properties providing a specific unit breakdown, 21 percent of all units contained one bedroom, 46 percent had two bedrooms, and 26 percent of units contained three bedrooms. Few efficiency/studio and four-bedroom units were reported in the survey – representing just two percent and five percent of all units, respectively. The average age of the rental properties was 18 years old (with an average build date of 1989), with three properties built before 1980, four during the 1980s, and seven since 1990 (with three of these developed since 2000). The most recent rental property is Rose Lane Apartments, a small eight unit development constructed in 2004 less than one-eighth mile north of the subject property. Nearly all of the rental developments have some sort of income eligibility requirements – there are four RHS 515 facilities (with various levels of Rental Assistance available), three HUD projects (two Section 8 and one Section 236), and three LIHTC facilities (Magnolia Terrace, Marvin Gardens I, and Marvin Gardens II). Furthermore, just two developments in our survey were reported to be conventionally-financed market-rate projects.

Overall conditions for the Fort Valley rental market appear quite strong. Among the 12 properties included in the survey in the Fort Valley market area, the overall occupancy rate was calculated at 97 percent, with five developments over 98 percent occupancy (three were 100 percent occupied). Considering that the majority of local developments reported an occupancy rate of 95 percent or greater (8 of 11 properties), current conditions clearly reflect generally

positive conditions within the Fort Valley rental market

It should be mentioned that two of the area's tax credit properties (Marvin Gardens I and II) have had occupancy problems in recent years likely due in a large part to limited amenities and features available at the facility (no dishwasher, disposal, coin-operated laundry, or community room among others). Although the leasing manager indicated that each facility is typically between 93 and 96 percent occupied, the developments have been prone to occasional fluctuations where rates drop into the 86 to 90 percent range such as it is now. Therefore, perhaps the greatest indication of LIHTC market depth is the on-going success of Magnolia Terrace Apartments, which opened in 2002. The leasing manager reported no vacancies at the present time and that they are maintaining a lengthy waiting list (with a minimum of 25 persons), providing additional indications of the need for modern affordable rental housing such as the subject proposal.

Detailed results from our survey of area rental developments are illustrated in the tables on the following pages. The average rent for a one-bedroom unit was calculated at \$393 per month with an average size of 759 square feet – the resulting average rent per square foot ratio is \$0.52. The average rent for a two-bedroom unit was \$420 with an average size of 954 square feet (an average rent per square foot ratio of \$0.44), while three-bedroom units averaged \$465 and 1,107 square feet (\$0.42 per square foot). As can be seen, the proposed rental rates and unit sizes at the subject proposal are quite competitive to the area's newer rental properties. Overall, the rental stock throughout the Fort Valley area appears quite affordable. Furthermore, the subject proposal's rental rates compare favorably to Magnolia Terrace I Apartments (the only true comparable to the subject), as well as to market rate averages, and can be considered appropriate for the market area.

Amenities and features offered at the majority of the rental developments are relatively limited. The most common amenities found within the market include mini-blinds (100 percent of all properties), central air conditioning (91 percent), patio/balcony (73 percent), playground (73 percent), and laundry hook-up (55 percent). While the subject property will contain the majority of these more common features, a number of additional amenities will be found within

the subject that are not as prevalent throughout the area. These include dishwasher, garbage disposal, microwave, clubhouse/community room, coin-operated laundry, library, and children’s activity program. Combined with the proposal’s income-targeting, affordable rental rates and competitive unit sizes, the generous amenity package undoubtedly gives a competitive advantage over nearly every rental property within the market area.

Proposed rental rates within the subject are competitive and compare favorably with Magnolia Terrace I, which is currently 100 percent occupied and maintains a long waiting list. As can be seen in the following figure, the proposed rental rates at the proposed Magnolia Terrace II (both tax credit and market rate) are lower for each bedroom size as compared to Magnolia Terrace I. Considering the competitive unit sizes as well as the modern amenities to be included (with clubhouse, dishwasher, disposal, microwave, and library), the proposal’s relative value becomes even more apparent.

**Figure 3: LIHTC Comparison**

<b>LIHTC RENTS</b>				
	<u>Subject</u>	<u>Magnolia Terrace I</u>	<u>Marvin Gardens I</u>	<u>Marvin Gardens II</u>
One-Bedroom Units	<b>\$375</b>	\$229-\$375-\$400		
Two-Bedroom Units	<b>\$440</b>	\$269-\$420-\$450	\$350-\$395	\$350-\$395
Three-Bedroom Units	<b>\$475</b>	\$302-\$520-\$588	\$390-\$480	\$390-\$450
<b>MARKET RENTS</b>				
	<u>Subject</u>	<u>Magnolia Terrace I</u>	<u>Marvin Gardens I</u>	<u>Marvin Gardens II</u>
One-Bedroom Units	<b>\$435</b>	\$450		
Two-Bedroom Units	<b>\$475</b>	\$525		
Three-Bedroom Units	<b>\$500</b>	\$600-\$625		
<b>UNIT SIZES</b>				
	<u>Subject</u>	<u>Magnolia Terrace I</u>	<u>Marvin Gardens I</u>	<u>Marvin Gardens II</u>
One-Bedroom Units	<b>878</b>	NA		
Two-Bedroom Units	<b>1,065</b>	NA	900-950	900-950
Three-Bedroom Units	<b>1,242</b>	NA	1,000-1,100	1,000-1,100

Note: Rent ranges for Magnolia Terrace I reflect 30%, 50%, and 60% AMI rental rates.

From a market standpoint, it is evident that sufficient demand is present for the development of additional rental units within the Fort Valley market. However, based on prevailing rental rates and income levels, the rent structure is crucial for the viability of any new rental development. As such, the proposed rental rates within the subject are well-suited for the Fort Valley marketplace by providing a modern rental option with numerous amenities at a relatively affordable price. In light of an occupancy rate calculated at 97 percent for the overall market, coupled with the proposal's generous amenities and unit sizes, the subject should be absorbed into the local rental market within a normal period of time with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Additionally, the local rental market appears to be relatively stable, with nine of the 12 facilities surveyed at 95 percent occupancy or greater, as well as no widespread rent concessions reported. As such, based on the proposed unit sizes and amenities to be offered, the facility will be competitive with other local available rental alternatives.

According to local government and DCA information, no directly comparable multi-family activity was reported within the PMA. The only activity identified (outside of the subject proposal), is the rehabilitation of College Square Apartments. As such, due to the deep targeting of this property (which is entirely subsidized), minimal adversely affect between the two developments will likely occur, should both be pursued simultaneously.

Table 19: Rental Housing Survey

Project Name	Year Built	Total Units	Studio/ Eff.	One- bedroom	Two- bedroom	Three- bedroom	Four- bedroom	Heat Included	Heat Type	Electric Included	Occupancy Rate	Senior Only Facility
College Square Apts	1972	60	0	12	36	12	0	Yes	GAS	No	100%	No
Davis Properties	2000	24	0	12	12	0	0	No	ELE	No	96%	No
Indian Oaks Apts	1979	150	0	57	38	39	16	Yes	GAS	Yes	96%	No
Lakeview Aptss	1972	96	10	14	34	26	12	Yes	ELE	Yes	99%	No
Magnolia Terrace	2002	50	0	8	30	12	0	No	ELE	No	100%	No
Marshall Lane Apts	1991	18	0	4	11	3	0	No	ELE	No	89%	No
Marshall Village Apts	1991	24	0	0	0	0	0	No	ELE	No	100%	No
Marvin Gardens I	1996	30	0	0	6	22	2	No	ELE	No	87%	No
Marvin Gardens II	1997	50	0	0	16	30	4	No	ELE	No	92%	No
Rose Lane Apts	2004	8	0	0	0	8	0	No	ELE	No	100%	No
Valley Pines Apts	1981	116	0	16	87	13	0	No	ELE	No	98%	No
Westside Apts	1985	44	0	14	30	0	0	No	ELE	No	95%	No
<b>Totals and Averages</b> <i>Unit Distribution</i>	<b>1989</b>	<b>670</b>	<b>10</b> <b>2%</b>	<b>137</b> <b>21%</b>	<b>300</b> <b>46%</b>	<b>165</b> <b>26%</b>	<b>34</b> <b>5%</b>				<b>96.7%</b>	
<b>SUBJECT PROJECT</b>												
MAGNOLIA TERRACE II	2008	36	0	4	16	16	0	No	ELE	No	NA	No
<b>SUMMARY</b>												
	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Avg. Occ.			
Total Developments	12	1989	670	10	137	300	165	34	96.7%			
Market Rate Only	2	2002	32	0	12	12	8	0	97.0%			
LIHTC Only	3	1998	130	0	8	52	64	6	93.9%			
Other Affordalbe	5	1984	262	0	46	164	28	0	97.5%			
Subsidized Only	2	1976	246	10	71	72	65	28	97.2%			

**Table 20: Rent Range for 1 & 2 Bedrooms**

Project Name	Subsidized	1BR Rent LOW	1BR Rent HIGH	1BR Sq. Ft. LOW	1BR Sq. Ft. HIGH	Rent per Square Foot Range		2BR Rent LOW	2BR Rent HIGH	2BR Sq. Ft. LOW	2BR Sq. Ft. HIGH	Rent per Square Foot Range	
College Square Apts	Yes	\$398		700		\$0.57		\$440		950		\$0.46	
Davis Properties	No	\$330			912		\$0.36	\$430		1,215		\$0.35	
Indian Oaks Apts	Yes				513					748			
Lakeview Aptss	Yes				625					805			
Magnolia Terrace	No	\$229	\$450	975	975	\$0.23	\$0.46	\$269	\$525	1,175	1,175	\$0.23	\$0.45
Marshall Lane Apts	No	\$415	\$552					\$435	\$562				
Marshall Village Apts	No	\$375	\$501					\$400	\$564				
Marvin Gardens I	No							\$350	\$395	900	950	\$0.39	\$0.42
Marvin Gardens II	No							\$350	\$395	900	950	\$0.39	\$0.42
Rose Lane Apts	No												
Valley Pines Apts	No	\$355			672	\$0.53		\$385	\$460	824	915	\$0.47	\$0.50
Westside Apts	No	\$325			700	\$0.46		\$345		900		\$0.38	
<b>Totals and Averages</b>			<b>\$393</b>		<b>759</b>	<b>\$0.52</b>			<b>\$420</b>		<b>954</b>	<b>\$0.44</b>	
<b>SUBJECT PROPERTY</b>													
MAGNOLIA TERRACE II	No	\$375	\$435	878	878	\$0.43	\$0.50	\$440	\$475	1,065	1,065	\$0.41	\$0.45
<b>SUMMARY</b>													
Overall			\$393		759	\$0.52			\$420		954	\$0.44	
Market Rate Only			\$390		944	\$0.41			\$478		1,195	\$0.40	
LIHTC Only			\$335		975	\$0.34			\$376		975	\$0.39	
Other Affordable Only			\$417		691	\$0.60			\$449		897	\$0.50	
Subsidized Only			NA		569	NA			NA		777	NA	

**Table 21: Rent Range for 3 & 4 Bedrooms**

Project Name	Program	3BR Rent LOW	3BR Rent HIGH	3BR Ft. LOW	Sq. 3BR Ft. HIGH	Sq. Ft. HIGH	Rent per Square Foot Range	4BR Rent LOW	4BR Rent HIGH	4BR Ft. LOW	Sq. 4BR Ft. HIGH	Sq. Ft. HIGH	Rent per Square Foot Range
College Square Apts	236/SEC.8				1,150								
Davis Properties													
Indian Oaks Apts	HUD				972						1,123		
Lakeview Aptss	HUD				963						1,125		
Magnolia Terrace	LIHTC	\$302	\$625	1,350	1,350		\$0.22 \$0.46						
Marshall Lane Apts	RHS	\$445	\$572										
Marshall Village Apts	RHS												
Marvin Gardens I	LIHTC	\$390	\$480	1,000	1,100		\$0.39 \$0.44	\$430	\$530	1,250			\$0.34
Marvin Gardens II	LIHTC	\$390	\$480	1,000	1,100		\$0.39 \$0.44	\$430	\$530	1,250			\$0.34
Rose Lane Apts		\$550											
Valley Pines Apts	RHS	\$415		1,085			\$0.38						
Westside Apts	RHS												
<b>Totals and Averages</b>			<b>\$465</b>		<b>1,107</b>		<b>\$0.42</b>		<b>\$480</b>		<b>1,187</b>		<b>\$0.40</b>
<b>SUBJECT PROPERTY</b>													
<b>MAGNOLIA TERRACE II</b>	<b>LIHTC</b>	<b>\$475</b>	<b>\$500</b>	<b>1,242</b>	<b>1,242</b>		<b>\$0.38 \$0.40</b>						
<b>SUMMARY</b>													
Overall			<b>\$465</b>		<b>1,107</b>		<b>\$0.42</b>		<b>\$480</b>		<b>1,187</b>		<b>\$0.40</b>
Market Rate Only			<b>\$588</b>		<b>1,350</b>		<b>\$0.44</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>
LIHTC Only			<b>\$408</b>		<b>1,110</b>		<b>\$0.37</b>		<b>\$480</b>		<b>1,250</b>		<b>\$0.38</b>
Other Affordable Only			<b>\$477</b>		<b>1,118</b>		<b>\$0.43</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>
Subsidized Only			<b>NA</b>		<b>968</b>		<b>NA</b>		<b>NA</b>		<b>1,124</b>		<b>NA</b>

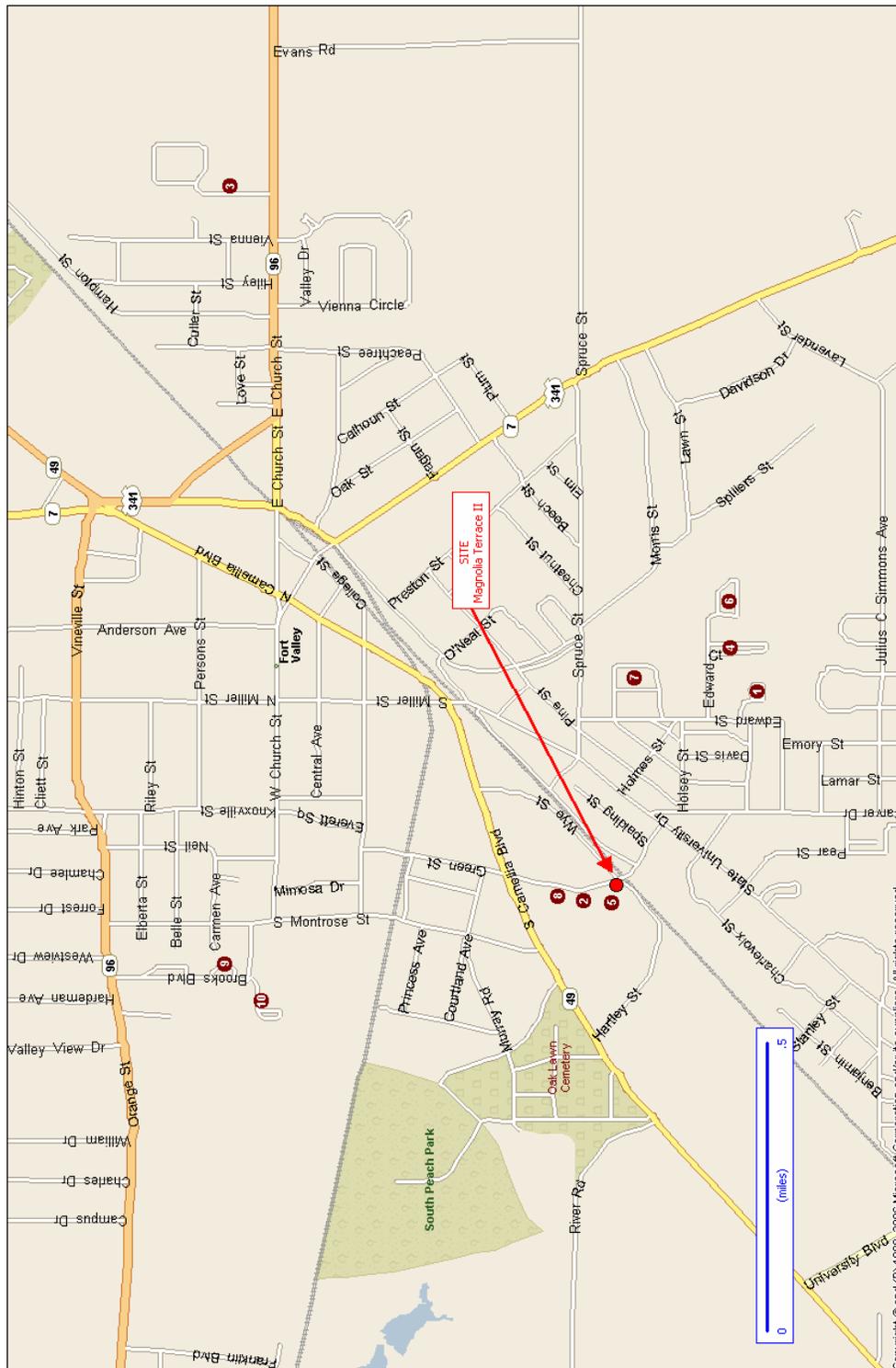
**Table 22: Project Amenities**

Project Name	Activities	Central Air	Club House	Coin Op Laundry	Comm. Room	Dish Washer	Exercise Room	Garbage Disposal	Laundry Hookup	Library	Micro-wave	Mini Blinds	Patio/Balcony	Play-ground	Pool
College Square Apts	No	Yes	No	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	No
Davis Properties	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes	No	No
Indian Oaks Apts	No	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	No	Yes	No
Lakeview Aptss	No	Yes	No	Yes	No	No	No	No	No	No	No	Yes	No	Yes	No
Magnolia Terrace	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Marshall Lane Apts	No	Yes	No	No	No	No	No	No	Yes	No	No	Yes	No	No	No
Marshall Village Apts	No	Yes	No	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No
Marvin Gardens I	No	Yes	No	No	Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	No
Marvin Gardens II	No	Yes	No	No	Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	No
Rose Lane Apts	No	Yes	No	No	No	Yes	No	Yes	Yes	No	Y	Yes	Yes	No	No
Valley Pines Apts	No	Yes	No	Yes	No	No	No	No	Yes	No	No	Yes	Yes	Yes	No
Westside Apts	No	Yes	No	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	No
<b>Totals and Averages</b>	<b>0%</b>	<b>92%</b>	<b>17%</b>	<b>42%</b>	<b>25%</b>	<b>17%</b>	<b>8%</b>	<b>17%</b>	<b>58%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>75%</b>	<b>67%</b>	<b>0%</b>
<b>SUBJECT PROJECT</b>															
<b>MAGNOLIA TERRACE II</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>NA</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>SUMMARY</b>															
<b>Overall</b>	<b>0%</b>	<b>92%</b>	<b>17%</b>	<b>42%</b>	<b>25%</b>	<b>17%</b>	<b>8%</b>	<b>17%</b>	<b>58%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>75%</b>	<b>67%</b>	<b>0%</b>
<b>Market Rate Only</b>	<b>0%</b>	<b>50%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>50%</b>	<b>0%</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
<b>LIHTC Only</b>	<b>0%</b>	<b>100%</b>	<b>33%</b>	<b>0%</b>	<b>67%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Other Affordable Only</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>60%</b>	<b>20%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>60%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>80%</b>	<b>60%</b>	<b>0%</b>
<b>Subsidized Only</b>	<b>0%</b>	<b>100%</b>	<b>50%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>

**B. Comparable/Nearby Rental Projects –Fort Valley PMA**

The following map includes all rental developments within the city of Fort Valley. However, just one (Magnolia Terrace I) can be considered as directly comparable to the subject property. As such, additional information on this facility presented in the following section provides a more realistic indication of the market conditions facing the development of the proposal. In addition, photographs are included of other rental properties within the immediate area.

Map 8: Local Rental Developments



- |                        |                            |                      |
|------------------------|----------------------------|----------------------|
| 1. College Square Apts | 2. Davis Properties        | 3. Indian Oaks Apts  |
| 4. Lakeview Apts       | <b>5. Magnolia Terrace</b> | 6. Marvin Gardens I  |
| 7. Marvin Gardens II   | 8. Rose Lane Apts          | 9. Valley Pines Apts |
| 10. Westside Apts      |                            |                      |



COMPARABLE PROJECT INFORMATION					
<b>Project Name:</b>	MAGNOLIA TERRACE APTS	<b>Year Built:</b>	2002		
<b>Address:</b>	714 Green Street	<b>City/State:</b>	Fort Valley, GA		
<b>Phone:</b>	(478) 825-1478	<b>Zip Code:</b>	31030		
<b>Program:</b>	LIHTC	<b>Floors:</b>	1		
<b>Number of PBRA*:</b>	0	<b>Percent Senior:</b>	NA		
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy					
UNIT CONFIGURATION/RENTAL RATES					
<u>Unit Type</u>	<u>Number</u>	<u>Vacancies</u>	<u>Square Feet</u>	<u>Contract Rents</u>	<u>Occupancy Rate</u>
1 Bedroom	8	0	NA	\$229-\$375-\$400-\$450	100%
2 Bedroom	30	0	NA	\$269-\$420-\$450-\$525	100%
3 Bedroom	<u>12</u>	<u>0</u>	NA	\$302-\$520-\$588-\$625	<u>100%</u>
<b>TOTAL</b>	<b>50</b>	<b>0</b>			<b>100%</b>
AMENITIES					
<b>APPLIANCES</b>		<b>UNIT</b>		<b>DEVELOPMENT</b>	
Dishwasher	<input checked="" type="checkbox"/>	Draperies	<input type="checkbox"/>	Clubhouse	<input checked="" type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	Fireplace	<input type="checkbox"/>	Community Room	<input type="checkbox"/>
Microwave	<input type="checkbox"/>	Individ. Entry	<input checked="" type="checkbox"/>	Playground	<input checked="" type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	Mini-Blinds	<input checked="" type="checkbox"/>	Swimming Pool	<input type="checkbox"/>
Stove/Range	<input checked="" type="checkbox"/>	Patio/Balcony	<input checked="" type="checkbox"/>	Basketball Court	<input checked="" type="checkbox"/>
Central A/C	<input checked="" type="checkbox"/>	Storage	<input type="checkbox"/>	Tennis Court	<input type="checkbox"/>
Wall A/C Unit	<input type="checkbox"/>	Walk-in Closet	<input type="checkbox"/>	Volleyball Court	<input type="checkbox"/>
<b>LAUNDRY</b>		<b>PARKING</b>		<b>OTHER</b>	
Coin-Op	<input checked="" type="checkbox"/>	Carport	<input type="checkbox"/>	Heat Included	<input type="checkbox"/>
Hook-Up	<input checked="" type="checkbox"/>	Garage	<input type="checkbox"/>	Elect. Included	<input type="checkbox"/>
In-Unit	<input type="checkbox"/>	Surface Lot Only	<input type="checkbox"/>	Heat Type	ELE

**Magnolia Terrace Apartments** is adjacent to the subject property and represents the most comparable development to the subject. The proposal is the second phase to Magnolia Terrace I, which is a 50-unit LIHTC project originally constructed in 2002 consisting of one, two, and three-bedroom units at a variety of income ranges (30% AMI, 50% AMI, 60% AMI, and Market Rate). Unit sizes were not known, but both the LIHTC and market rents are slightly higher than those proposed. The development is 100 percent occupied with a lengthy waiting list of more than 25 persons. The property is in very good condition. Based on a phone interview, the facility is normally at or near 100 percent occupancy with generally low turnover. Additional amenities include exercise/fitness room, picnic area, pavilion, and on-site management.

## IX. INTERVIEWS

Throughout the course of performing this analysis of the Fort Valley rental market, many individuals were contacted. Based on discussions with local government officials, no directly comparable multi-family rental development is presently under construction or proposed. The only activity mentioned, outside of the subject proposal, was the rehabilitation of College Square Apartments.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Fort Valley rental market as part of Shaw Research and Consulting's survey of existing rental housing to collect more specific data of the local rental market. The results of these interviews are presented within the supply section of the market study. It is also worth noting that leasing agents throughout the local rental market did not express any negative feelings regarding the strength or stability of the rental market, and in most cases, expressed comments noting the generally poor conditions of existing rental properties with few amenities and features to satisfy tenants.

According to the Eastman Middle Georgia Regional Office, there are 180 Section 8 Vouchers for Peach County. However, it was mentioned that the waiting list has been depleted and was recently re-opened.

## **X. CONCLUSIONS/RECOMMENDATIONS**

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject proposal within the Fort Valley PMA. Positive occupancy levels within the overall rental market (at 97 percent), a highly successful first phase of Magnolia Terrace (100 percent occupied with a long waiting list), strong demographic patterns, a modern product with numerous amenities and features, and a sufficient statistical demand all support the introduction of a newly constructed rental alternative targeted for a broad range of households with low and moderate incomes. Also taking into consideration the development will upgrade the existing rental stock, the facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

## XI. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market area and the subject property on June 13, 2007, and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent upon this project being funded.



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Steven R. Shaw  
**SHAW RESEARCH AND CONSULTING**

Date: June 26, 2007

## **XII. COMPARISON OF COMPETING PROJECTS**

Based on information supplied by DCA, one additional LIHTC project is proposed within the Fort Valley market area. A letter outlining these two proposals is attached under separate cover.

### **XIII. SOURCES**

1990 U.S. Census of Population and Housing - U.S. Census Bureau

2000 U.S. Census of Population and Housing - U.S. Census Bureau

2007/2012 Demographic Forecasts, ESRI Business Analyst Online

ESRI ArcView, Version 3.3

Microsoft Streets and Trips 2007

Area Labor Statistics, 1990 – Present, U.S. Bureau of Labor Statistics and Georgia Department of Labor

Peach County Area Labor Profile – Georgia Department of Labor

Economic and Employer Information – Peach County – Peach County Chamber of Commerce

Interviews with managers and leasing specialists at local rental developments

Interviews with community planning officials

## **XIV. RESUME**

### **STEVEN R. SHAW SHAW RESEARCH & CONSULTING**

Mr. Shaw is a principal at Shaw Research and Consulting. With over sixteen years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in more than 350 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.

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### *Market Analyst Certification and Checklist*

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

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed:  \_\_\_\_\_

Date: June 26, 2007

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