



Woods Research, Inc. *Market Research and Analysis*

**Market Analysis for an
Affordable Apartment Complex
Housing For Older Persons (55+)**

In
**Hartwell, GA
(Juniper Court 07-043)**

Report Date
June 2007

Site work completed in: May 18, 2007

For

**Georgia Department of Community Affairs
Atlanta, GA**

By

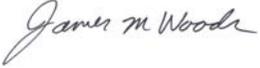
**Woods Research, Inc.
5209 Trenholm Road
Columbia, South Carolina 29206
Tel (803) 782-7700 Fax (803) 782-2007**

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:  Digitally signed by James M. Woods
Date: 2007.06.15 10:08:50 -04'00' Date: June 15, 2007

A. Executive Summary

Market demand for subject property given the economic conditions of the area	Page <u>9</u>
Projected Stabilized Occupancy Level and Timeframe	Page <u>12</u>
Appropriateness of unit mix, rent and unit sizes	Page <u>10</u>
Appropriateness of interior and exterior amenities including appliances	Page <u>10</u>
Location and distance of subject property in relationship to local amenities	Page <u>10</u>
Discussion of capture rates in relationship to subject	Page <u>12</u>
Conclusion regarding the strength of the market for subject	Page <u>12</u>

B. Project Description

Project address, legal description and location	Page <u>17</u>
Numbers of units by unit type	Page <u>18</u>
Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc.)	Page <u>17-18</u>
Rents and Utility Allowance	Page <u>18</u>
Existing or proposed project based rental assistance	Page <u>17</u>
Proposed development amenities (i.e. washer/dryer hookups, dishwasher, etc.)	Page <u>17</u>
For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property	Page <u>n/a</u>
Projected placed in service date	Page <u>17</u>
Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page <u>17</u>
Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs	Page <u>17</u>
Special Population Target (if applicable)	Page <u>n/a</u>

C. Site Evaluation

Date of Inspection of Subject Property by Market Analyst	Page <u>20</u>
Physical features of Subject Property and Adjacent Uses	Page <u>19</u>
Subject Photographs (front, rear, and side elevations as well as street scenes)	Page <u>73-81</u>
Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject	Page <u>22</u>
Developments in vicinity to subject and proximity in miles (Identifying developments surrounding the subject on all sides)	Page <u>19-21</u>
Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject	Page <u>23</u>
Road or infrastructure improvements planned or under construction in the PMA	Page <u>20</u>
Comment on access, ingress/egress and visibility of subject	Page <u>20</u>
Any visible environmental or other concerns	Page <u>20</u>
Overall conclusions of site and their marketability	Page <u>20</u>

D. Market Area

Map identifying Subject’s Location within PMA	Page <u>26</u>
Map identifying Subject’s Location within SMA, if applicable	Page <u>27</u>

E. Community Demographic Data

Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry	Page <u>29</u>
--	----------------

**If using sources other than U.S. Census (I.e., Claritas or other reputable source of data), please include in Addenda – The source of all tables in the market study must be clearly identified.*

1. Population Trends

a. Total Population	Page <u>29</u>
b. Population by Age Group	Page <u>31</u>
c. Number of elderly and non-elderly (for elderly projects)	Page <u>39</u>
d. If a special needs is proposed, additional information for this segment	Page <u>n/a</u>

2. Household Trends

Elderly by tenure, if applicable

a. Total number of households and average household size	Page <u>36</u>
b. Households by tenure (# of owner and renter households)	Page <u>38</u>
c. Households by Income (Elderly, if applicable, should be allocated separately)	Page <u>41-43</u>

d. Renter households by # of persons in the household	Page <u>40</u>
---	----------------

3. Employment Trend

a. Employment by industry-- #s & % (i.e. manufacturing: 150,000 (20%))	Page <u>49</u>
c. Major employers, product or service, total employees, anticipated expansions	Page <u>50-51</u>
d. Contractions inn work forces, as well as newly planned employers and impact on employment in the PMA	Page <u>51</u>
c. Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years	Page <u>47</u>
d. Map of the site and location of major employment concentrations	Page <u>52</u>
e. Overall conclusions	Page <u>51</u>

F. Project Specific Demand Analysis

Income Restrictions – uses applicable incomes and rents in the development’s tax application.	Page <u>53-54</u>
Affordability – Delineation of Income Brands*	Page <u>55</u>
Comparison of market rates of competing properties with proposed subject market rent	Page <u>67-68</u>
Comparison of market rates of competing properties with proposed LIHTC rents	Page <u>67-68</u>
Demand Analysis Using Projected Service Date (within 2 years)	Page <u>56-58</u>
a. New Households Using Growth Rates from Reputable Source	Page <u>59</u>
b. Demand from Existing Households	Page <u>59</u>
c. Elderly Households Converting to Rentership (applicable only to elderly)	Page <u>59</u>
d. Elderly Households Relocating to the Market (applicable only to elderly)	Page <u>59</u>
e. Deduction of Supply of “Comparable Units”	Page <u>59</u>
f. Capture Rates for Each Bedroom Type	Page <u>60</u>
g. Anticipated Absorption period for the property	Page <u>60</u>

G. Supply Analysis

Comparative chart of subject amenities and competing properties	Page <u>86</u>
Supply & analysis of competing developments under construction & pending	Page <u>58</u>
Comparison of competing developments (occupancy, unit mix and rents)	Page <u>67-68</u>
Rent Comparable Map (showing subject and comparables)	Page <u>69</u>
Rental Assisted Projects in PMA*	Page <u>67-68</u>
Multi-Family Building Permits issued in PMA in last two years	Page <u>44-45</u>

*PHA properties are not considered comparable with LIHTC units

H. Interviews

Names, Title, and Telephone # of Individuals Interviewed

Page 70

I. Conclusions and Recommendations

Conclusion as to Impact of Subject on PMA

Page 71

Recommendation as to Subject's Viability in PMA

Page 71

J. Signed Statement

Signed Statement from Analyst

Page 72

K. Comparison of Competing Properties

Separate Letter addressing addition of more than one competing property

TABLE OF CONTENTS

Section

A. Executive Summary	9
<i>Introduction</i>	13
<i>Purpose of the Market Study</i>	13
<i>Scope of the Market Study</i>	14
<i>Data Sources for the Market Study</i>	14
B. Project Description	17
C. Site/Neighborhood Evaluation	19
D. Trade Area Description	24
E. Community Demographic Data	28
1. Population Trends	28
2. Household Trends	32
3. Employment Trends	46
<i>Major Employers</i>	50
<i>Economic Development</i>	50
F. Project-specific Demand Analysis	53
1. Income Restrictions	53
2. Affordability	55
3. Demand	56
4. Net Demand, Capture Rate and Stabilization Calculations	59
G. Comparable Rental Analysis	63
H. Interviews	70
I. Conclusions and Recommendations	71
F. Signed Statement Requirements	72

Appendix

Site Pictures	73
A-Hartwell Apartments – List Report	82
B-Hartwell Apartments – Rent Report	83
C-Hartwell Apartments – Square Foot Report	84
D-Hartwell Apartments – Rent/Square Foot Report	85
E-Hartwell Apartments – Rental Amenities Comparison	86
Detailed Apartment Data/Pictures	87
Certification	93
Resumes	95
Information Sources	102

Tables

1.0	Population Trends	29
2.0	Persons by Age – 2000 & 2012	31
3.1	Housing Stock Characteristics (2000)	33
3.2	Older Person Population and Housing Characteristics (2000)	35
4.0	Population and Household Trends	36
5.0	Household Trends	37
6.1	Household Trends by Tenure	38
6.2	Older Person Household Trends	39
7.0	Number of Renter Households by Household Size (2000)	40
8.1	Older Person Household Incomes (2000)	41
8.2	Older Person Household Incomes (2007)	42
8.3	Older Person Household Incomes (2012)	43
9.0	Housing Additions / C40 Building Permits	44
10.1	Labor Market Data – Hart County	47
10.2	Industry Data (2000) – Hart County	49
11.0	2007 Tax Credit Income / Rent Limits (50% & 60% AMI); 2007 FMR's	54
12.0	Minimum Income Requirements / Affordability	55
13.0	Rental Housing Demand for Older Person Households	59
14.0	Capture Rate Analysis	60
15.0	Summary of Findings of WRI Market Survey	67

Maps

1	Location Map	16
2	Site Map	22
3	Affordable Housing Map	23
4.1	Primary Trade Area Map	26
4.2	Secondary Trade Area Map	27
5	Employment Map	52
6	Market Data Map	69

Graphs

1	Labor Force & Employment	48
2	U.S. vs. State vs. Local Unemployment	48

A. EXECUTIVE SUMMARY

Demand Analysis:

- The demand for rental units for older persons (age 55 and over) in the Hartwell Trade Area at 50 percent of AMI is 142 units. The annual income range used for income-eligible older person households at 50 percent of AMI is \$12,840 and \$18,650 per year. Note: Capture rates are shown in the table at the conclusion of the Executive Summary.
- The demand for rental units for older persons (age 55 and over) in the Hartwell Trade Area at 60 percent of AMI is 164 units. The annual income range used for income-eligible older person households at 60 percent of AMI is \$13,590 and \$22,380 per year.
- The demand for market rate rental units for older persons (age 55 and over) in the Hartwell Trade Area is 409 units. The annual income range used for market rate rental units for older person households is \$14,130 and \$50,000 per year.

Stabilization and Absorption projections:

- Stabilization and absorption projections are shown in the table at the conclusion of the Executive Summary.

Comparable units in the Market Area:

- Only one of the apartment complexes in the survey is conventionally financed. Four of the apartment complexes in the survey are RD 515 financed. None of the apartment complexes in the survey have a Section 42 allocation. Only one complex is designated for the elderly and it is an RD project with full Rental Assistance. There are a limited number of senior units and all of them have deep subsidy, which leaves a void in the market for older persons with income that could afford to pay a reasonable rent.

Proposed Project:

- The proposed apartment complex is projected to have a total of 53 units. All units will have a Section 42 allocation. Twenty-seven of the units will be set aside for HOME tenants, nine units will be set aside for tenants at 60 percent of AMI and 16 units will be set aside for market rate tenants. One unit is designated as a management unit.

- Proposed are 12 one-bedroom units with HOME rents of \$317 per month, two one-bedroom units with 60% rents of \$342 per month, and ten one-bedroom units with market rents of \$360 per month.
- Proposed are 15 two-bedroom units with HOME rents of \$335 per month, seven two-bedroom units with 60% rents of \$360 per month and six two-bedroom units with market rents of \$365 per month.
- The proposed unit mix is appropriate for a rental complex for older person households. The proposed rents are very reasonable for a seniors' complex in this market, given that there is no project-based subsidy. The proposed square-footages (1-BR at 760 sq. ft. and 2-BR at 1062 sq. ft.) make for good-sized units.

Proposed Project Amenities:

- Common amenities are as follows: onsite office with manager, clubhouse/community room with dance floor, furnished exercise room, furnished library, and equipped computer center, picnic area with grills and picnic tables, covered pavilion, playground, play court, walking path and 86 parking spaces. The proposed exterior amenities exceed those of any existing apartment complexes in the market area.
- Interior amenities are as follows: an appliance package that includes refrigerators, stoves, disposals, microwaves, dishwashers, washers and dryers in each unit, carbon monoxide fire suppression systems, ceiling fans, emergency call buttons. The proposed interior amenities exceed those of any existing apartment complexes in the market area.

Proposed Site Location:

- The site is located on Nancy Drive at Ridge Road. The neighborhood is primarily single-family brick homes in good condition. East Orchard Apartments, two RD 515 properties, are located at the intersection of Nancy Drive and Ridge Road.
- Full Service shopping is located at Adams Square and contains Ingles grocery and pharmacy, Belk, Cato and Cingular. (.45 miles from the site)
- Wal-Mart Supercenter is located on the Anderson Highway, US 29. Most of the new retail development is in this area. (1.04 miles from the site)
- Hart County Hospital is located at Gibson and Cade Streets in Hartwell. The hospital is currently undergoing an expansion. There are numerous doctors' offices surrounding the hospital. (2.30 miles from the site)

- The Senior Center is located on Clay Street approximately one mile from the site.
- The site is relatively close to the new commercial development growing out Highway 29 east. Most of the necessary local amenities are within one to two miles of the proposed site. The hospital is less than 2.5 miles from the site.

Market/Trade Area:

- A conservative Trade Area for the proposed project has been defined as Census tracts 9601, 9604, and 9605 in Hart County.

Community Demographics Highlights:

- The population of the Hartwell Trade Area increased by 14.84 percent between 1990 and 2000. It is estimated to have increased by 6.53 percent between 2000 and 2007 and is projected to increase by 4.76 percent between 2007 and 2012.
- The number of households in the Hartwell Trade Area is estimated to have increased by 8.11 percent between 2000 and 2007, and is projected to increase by 5.46 percent between 2007 and 2012.
- The number of older person households in the Hartwell Trade Area is estimated to have increased by 11.29 percent between 2000 and 2007, and is projected to increase by 10.20 percent between 2007 and 2012.

Market Area Economy Highlights:

- The annualized 2006 unemployment rate in Hart County was 6.5 percent. The unemployment rate in Hart County has been historically in the moderate range. Employment in the county increased by 28.55 percent over the last nine years.
- Manufacturing is the highest category of employment by industry at 33.1 percent. While some of the textile jobs have been eliminated, other technical manufacturing jobs have increased in Hart County. Retail and health care are rapidly expanding industries.

Interview Highlights:

- Interviews were conducted with personnel at Chamber of Commerce, the County offices, the City offices, the Housing Authority and apartment owners and managers. The Economic Director at the chamber provided good data on the economic development in Hart County.

Conclusions and Recommendations:

- The proposed project should be awarded Section 42 financing based on: a review of the proposed project, a review of the proposed site relative to services, current occupancy levels at existing comparable apartment complexes, the state of the local economy, and current and projected demographic and household income trends.
- The Hartwell Market Area is strong with increases in older person households coming from those aging in place (in the community) and the area attracting new retirees. The economy of this market area is growing with new manufacturing, new retail and expanding health care. This gives the area a stable economic base.

Capture Rate Analysis Chart

<i>Unit Size</i>	<i>Income Limits</i>	<i>Units Proposed</i>	<i>Total Demand</i>	<i>Supply</i>	<i>Net Demand</i>	<i>Capture Rate</i>	<i>Absorption</i>	<i>Median Market Rent</i>	<i>Proposed Rents</i>
1-BR	30% AMI				-	-			
	50% AMI	12	71	0	71	16.90%	6 months	\$385	\$317
	60% AMI	2	82	0	82	2.44%	3 months	\$385	\$342
	Market Rate	10	204	0	204	4.90%	6 months	\$385	\$360
1-BR	TOTAL	24			357	6.72%	6 months		
2-BR	30% AMI				0	-			
	50% AMI	15	71	0	71	21.13%	6 months	\$435	\$335
	60% AMI	7	82	0	82	8.54%	4 months	\$435	\$360
	Market Rate	6	205	0	205	2.93%	4 months	\$435	\$365
2-BR	TOTAL	28			358	7.82%	6 months		

Proposed Project Capture Rate LIHTC Units	11.8%
Proposed Project Capture Rate Market Rate Units	3.9%
Proposed Project Capture Rate ALL Units	7.3%
Proposed Project Stabilization Period	6 months

Introduction

This market study is for a Section 42 - Low-Income Housing Tax Credit (LIHTC) project in the Hartwell Trade Area/Market Area in Hart County, Georgia.

This market study was prepared in accordance with the Market Study Requirements as outlined in the Georgia Department of Community Affairs.

Information contained within this study is based on data gathered at the time the market study is prepared. Market conditions will fluctuate over time.

Purpose of the Market Study

The purpose of this market analysis is to determine:

- If there is a need for new affordable rental housing for older person households based on the location of the rental housing project (DCA defines Housing for Older Person Households as households who are 55 years and older according to the last Census)
- If there is a need for additional affordable rental housing for older person households in the Trade Area based on the proposed rents and unit mix of the rental housing project
- The demand for additional affordable rental housing for older person households, as defined by the Section 42 - Low Income Housing Tax Credit Regulations
- The capture rate based on renter household and income projections
- The absorption rate based on current market conditions
- The stabilized occupancy rate based on similar properties in the market

Scope of the Market Study

This market analysis includes:

- A physical inspection of the proposed site or subject property
- A physical survey and a telephone survey of existing rental properties in the Trade Area including RD 515, Section 42 properties, HUD and other subsidized properties and market rate properties
- An analysis of historical, current and projected demographic data from the U.S. Census Bureau and other reliable data services
- An analysis of the labor force and economic trends of the Trade Area/County
- An analysis of the income requirements for the proposed project
- Analysis of the current rental market based on the type of project proposed, the existing rental conditions and proposed rental projects in the Trade Area

Data Sources for the Market Study

Data sources for this market analysis include:

- 2000 population, household and income data from the Department of Commerce, Bureau of the Census as released on Summary Table File 1-A and Summary Table File 3-A
- 1990 population, household and income data from the Bureau of the Census for historical purposes only
- Population, household, and income estimates and population, household, and income projections from Claritas, Inc.
- Labor Force, employment, unemployment, and wage data from the Bureau of Labor statistics
- Economic data from Chambers of Commerce, Economic Development Offices, County offices, City Halls and Planning Offices obtained through publications, interviews and websites
- Current rental market conditions obtained from onsite visits, interviews with rental management companies, apartment complex managers, housing authority agencies and local officials
- Income guidelines from the Department Housing and Urban Development

Note: Data on Summary Table File 1-A is based on 100-percent count Census data. Data on Summary Table File 3-A is based on sample Census data. There are discrepancies between these two data sets that are released by the Bureau of the Census.

Project Proposal

The *Subject Proposal* will have a Section 42 tax credit allocation. Under the Section 42 - LIHTC Program, maximum tenant incomes are based on a percentage of HUD very low incomes for the MSA/County. Gross maximum rents are calculated based on 30 percent of a specified percentage (i.e. 100 percent/120 percent) of the HUD very low incomes for the County/MSA, adjusted for bedroom size. These income guidelines and rent maximums are adjusted annually by the Department of Housing and Urban Development.

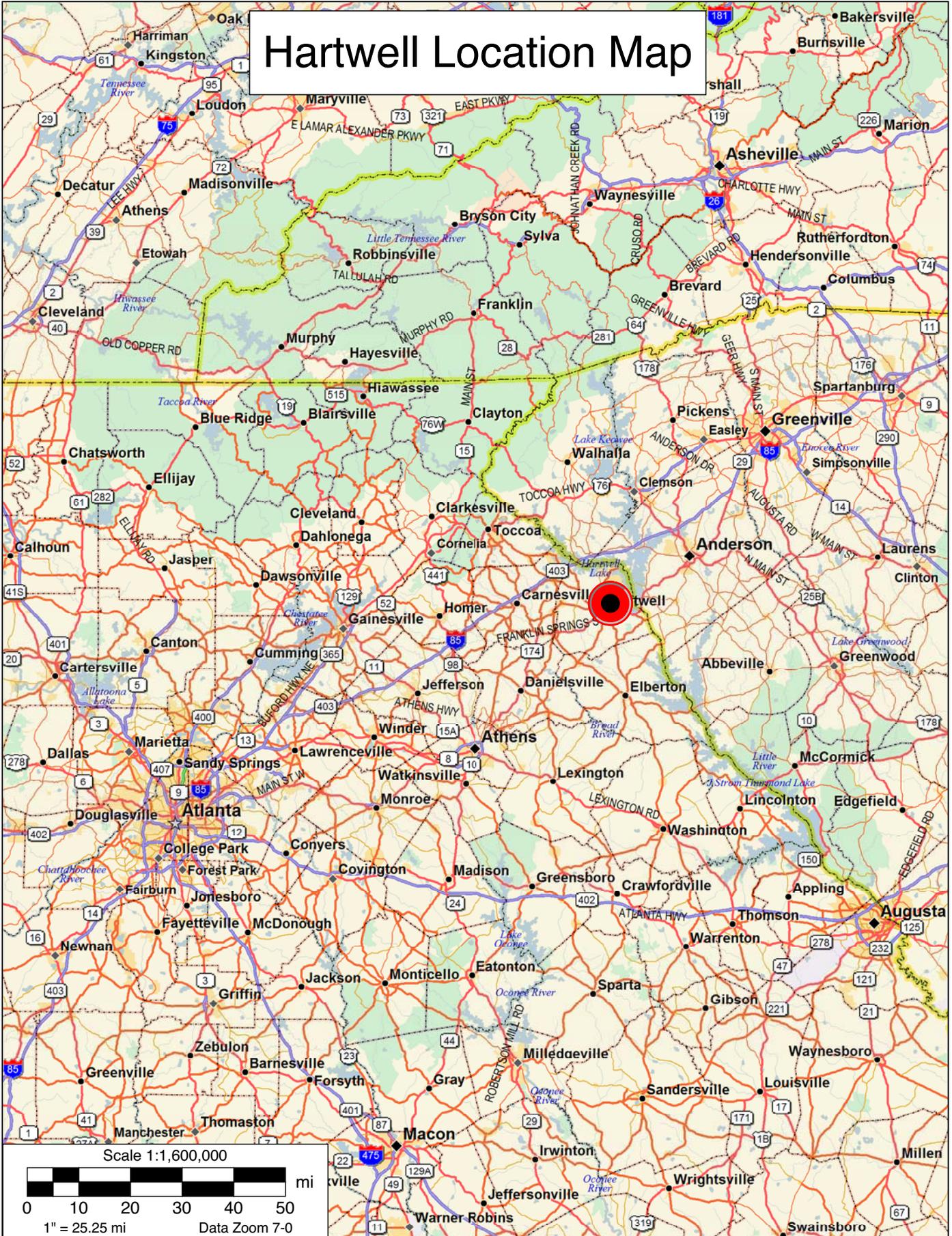
The *Target Market* for the subject proposal includes older person households (age 55 and over) that are income-eligible to reside in rental housing that qualifies under the Section 42 - LIHTC Program.

The *Trade Area* for affordable rental housing for older persons is defined as the geographic area in which families/households (age 55 and over) would be willing to move. It is also based on rental housing availability, quality of rental housing and rent, the availability of services and proximity to jobs.

The *Rental Property* to be developed will be located in the City of Hartwell. The City of Hartwell is located in Hart County, which is located in eastern Georgia. Hart County is bordered by:

- South Carolina State on the northeast
- Elbert County on the south
- Madison County on the southwest (Athens MSA)
- Franklin County on the west

Hartwell Location Map



B. PROJECT DESCRIPTION

The proposed project is for a Section 42 apartment complex for older persons 55 and over with 1-BR and 2-BR units—53 units, including one non-revenue unit. This is a new construction project to be located on Nancy Drive in Hartwell, Hart County. The projected placed in service date is March 2009. No rental assistance/subsidy is proposed.

- 27 units will have HOME funding
- 21 units are designated for tenants at 50 percent of AMI,
- 6 units will have HOME at 60 percent of AMI
- 9 units will have units designated for tenants at 60 percent of AMI
- 16 units are designated for market rate tenants

Construction features will include:

- Brick veneer on at least 40 percent of the exterior
- Three new residential buildings and one 1,949 square foot clubhouse/community room
- An existing 950 square foot brick house will become an employee unit
- Two-story residential buildings with garden style units and an elevator
- Covered porch for exterior gathering area

Common amenities are as follows:

- Onsite office with manager
- Clubhouse/Community room with dance floor, furnished exercise room, furnished library, and equipped computer center
- Picnic area with grills and picnic tables
- Covered pavilion
- Playground
- Playcourt
- Walking path
- 86 parking spaces

Interior amenities are as follows:

- An appliance package
 - Refrigerator
 - Stove
 - Disposal
 - Microwave
 - Dishwasher
- Washers and dryers in each unit
- Carbon Monoxide Fire Suppression System
- Ceiling fans

- o Emergency call buttons

Special target populations

- o Three of the units are targeted for hospice clients of SouthernCare, Inc.
- o Three units will target mobility-impaired tenants
- o Two units will target sight or hearing impaired tenants

Project Unit Mix and Rents

	Type unit	# Units	Baths	Sq. Ft.	Net Rent	Utility Allowance	Gross Rent	Gross Rent Limit
1 BR's	50%/HOME	9	1	760	\$317	\$111	\$428	\$428
1 BR's	60%/HOME	3	1	760	\$317	\$111	\$428	\$428
1 BR's	60%	2	1	760	\$342	\$111	\$453	\$525
1 BR's	Market	10	1	760	\$360	\$0	\$360	-
2 BR's	50%/HOME	12	2	1062	\$335	\$141	\$476	\$476
2 BR's	60%/HOME	3	2	1062	\$335	\$141	\$476	\$476
2 BR's	60%	7	2	1062	\$360	\$141	\$501	\$630
2 BR's	Market	6	2	1062	\$365	\$0	\$365	-
2 BR's	N/A-CS	1	1	950	\$0	\$0	\$0	-
Total		53						

C. SITE-NEIGHBORHOOD EVALUATION

Location

The site is located on Nancy Drive at Ridge Road. The site was previously a cotton field and is flat and cleared of trees. There is a single-family home on the property. The surrounding properties are as follows:

- North – remainder of the undeveloped cotton field
- East – Single-family brick homes
- South – Undeveloped farmland and single-family homes across Nancy Drive
- West – Single-family brick homes
- Nearby – East Orchard Apartments

The neighborhood is primarily single-family brick homes in good condition. East Orchard Apartments, two RD 515 properties, are located at the intersection of Nancy Drive and Ridge Road.

Convenience Shopping

The closest convenience shopping is a BP Food Shop gas and convenience store located on old Highway 29 and the Anderson Highway. An Ingles Gas Express is under construction.

Full-Service Shopping

Full Service shopping is located at Adams Square on the Anderson Highway. This shopping center contains Ingles grocery and pharmacy, Belk, Cato and Cingular. The shopping center is expanding and a new Ingles building is under construction including the Ingles Gas Express.

There is a Mexican restaurant, a vet's office, Tugaloo Home Health Care, Domino's, and the LDS church at the intersection of Anderson Highway and old US 29.

Wal-Mart Supercenter is located on the Anderson Highway, US 29. The shopping center contains the Wal-Mart gas station, Zaxby's and Sonic. Most of the new retail development is in this area.

Across Anderson Highway from the new Wal-Mart are Fred's, Bealls Outlet, Aarons, and Hibbett Sports.

Hartwell Station Shopping Center is located on Anderson Highway and contains Dollar Tree, Rent-A-Center, a physical therapy office, jewelers, Verizon, a nail salon and a game store.

Central Business District

The Central Business District is located North Forest Avenue and East Howell Street. The downtown is currently being re-developed with streetlights, pavers, and landscaping. The CBD contains the Court House, the Post Office, several banks, churches, law offices, antiques stores, local restaurants, and a new CVS pharmacy. The "Haley Building" is under construction. There are some new "For Sale" duplexes and condos under construction near downtown.

Medical Services

Hart County Hospital is located at Gibson and Cade Streets in Hartwell. The hospital is currently undergoing an expansion. There are numerous doctors' offices surrounding the hospital.

The Hartwell Emergency Center is located on Reed Creek Highway.

Schools

Hartwell Elementary School is located at First and College Streets. The Hart County Comprehensive High School is located at Campbell and Fifth Streets.

Other

The Senior Center is located on Clay Street approximately one mile from the site. The Bell Family YMCA is located at Jackson and Opal Street Ext. This is a new facility with an outdoor pool.

Notes and Conclusions

There are no road or infrastructure improvements planned or under construction at this time near the site.

Visibility of the site will be good from several residential streets. Access to the site is good.

No environmental concerns were apparent.

Positive attributes of the site/property are: immediate neighborhood is almost exclusively single-family homes in good condition; the site is relatively close to the new commercial development growing out Highway 29 east.

Market Analyst site visit and date:

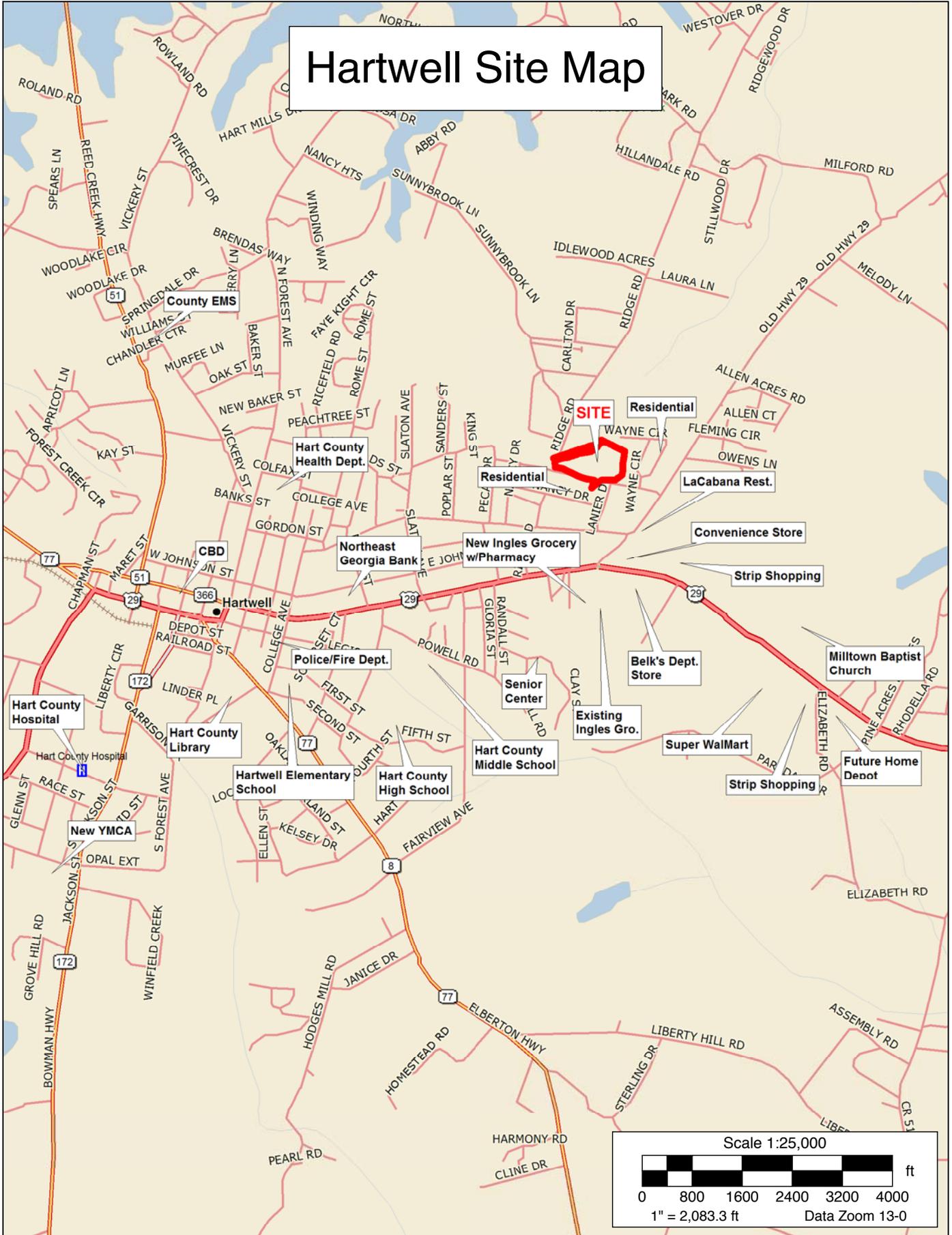
James M. Woods and Catherine G. Woods
May 18, 2007

Distances are shown in the following table.

Type of Business or Service	Name of Business or Service	Distance from site
Convenience/gas	BP gas and Food Shop	0.38
Convenience/gas	Ingles Gas Express	0.45
Grocery	Ingles Grocery	0.45
Pharmacy	CVS in CBD	1.59
Pharmacy	Ingles pharmacy U/C	0.45
Bank	Northeast GA Bank	1.09
Health Department	Hart County	1.12
Hospital/Urgent care	Hart County Hospital	2.30
Doctor	Many adjacent to hospital	2.30
Discount Store	Wal-Mart Supercenter	1.04
Discount Store	Dollar Tree	1.06
General Merchandise	Belk, Cato	0.45
Fire or EMS	Hartwell EMS	1.75
Restaurant	Mexican	0.32
Restaurant	Zaxby's	1.04
Recreation facility	YMCA	2.55
Senior center	Hart County	0.96
Post office	CBD	1.59

The site is in the unincorporated county, which currently does not have zoning.

Hartwell Site Map



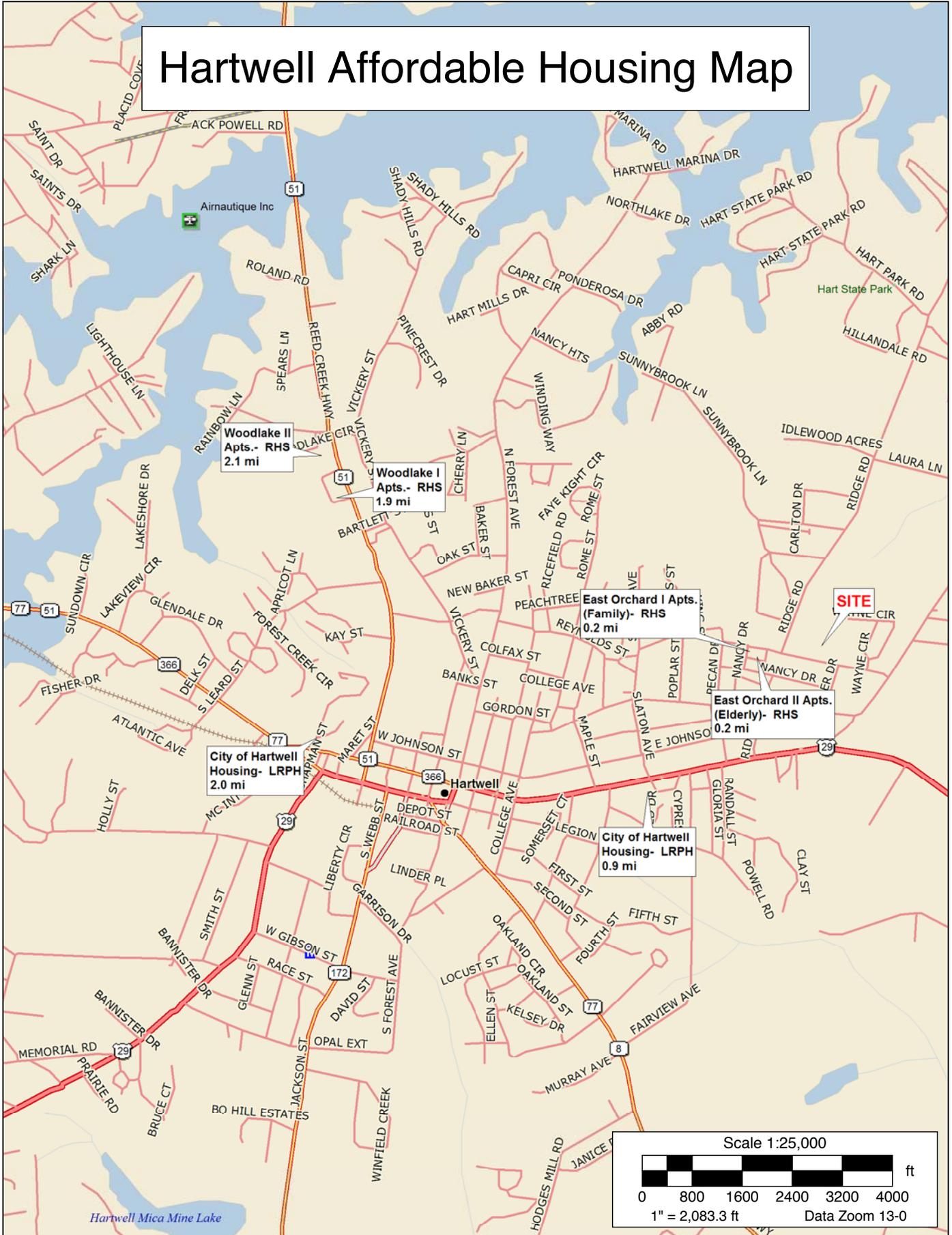
Data use subject to license.

© 2006 DeLorme. Street Atlas USA® 2007 Plus.

www.delorme.com



Hartwell Affordable Housing Map



Data use subject to license.

© 2006 DeLorme. Street Atlas USA® 2007 Plus.

www.delorme.com



D. TRADE AREA DESCRIPTION

A conservative and reasonable trade area for new affordable rental housing for older persons in the Hartwell Trade Area has been defined as:

- Census tracts 9601, 9604, and 9605 in Hart County.

Boundaries for the Hartwell Trade Area are:

- Anderson County, SC on the north and east
- Elbert County, GA on the south
- Bowman Highway to North Beaverdam Creek to Ray Weaver Road to Airline-Goldmine Road to Bethany-Bowersville Road to Union Hill School Road to Bert Moorehead Road to Deer Run Lane to Airline Store Road to Williams Road Airline School Road to Will Bailey Road to Mt Olivet Road to Rock Springs Road to Lakeview Road on the west

The term “trade area” for low- and moderately-priced, multi-family rental housing can be defined as the area one could expect families/households to be willing to move within, solely on the basis of housing availability, while controlling for price and quality.

The determination of a geographic trade area for multi-family rental housing is based on the distance from which the subject property will draw prospective tenants. The gravitational model used in real estate analysis is based on the relative size of the communities in the general area. Using a spatial concept, a larger community will exert stronger drawing power than a smaller community. The larger community will draw prospective tenants from an area more than equidistant from the smaller community. Adjustments are made for natural and man made barriers, such as rivers, lakes and reservoirs, mountain ranges and interstate highways that would limit the movement of potential tenants.

The trade area is defined by using recognized geographic levels. The U.S. Census Bureau collects data at various geographic levels -- county, minor civil division/census county division and census tract level data to create a trade area. The use of these geographic areas allows us to compare data from various years.

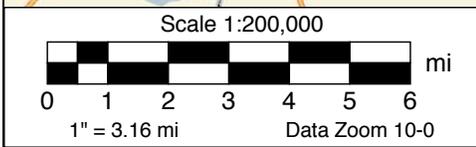
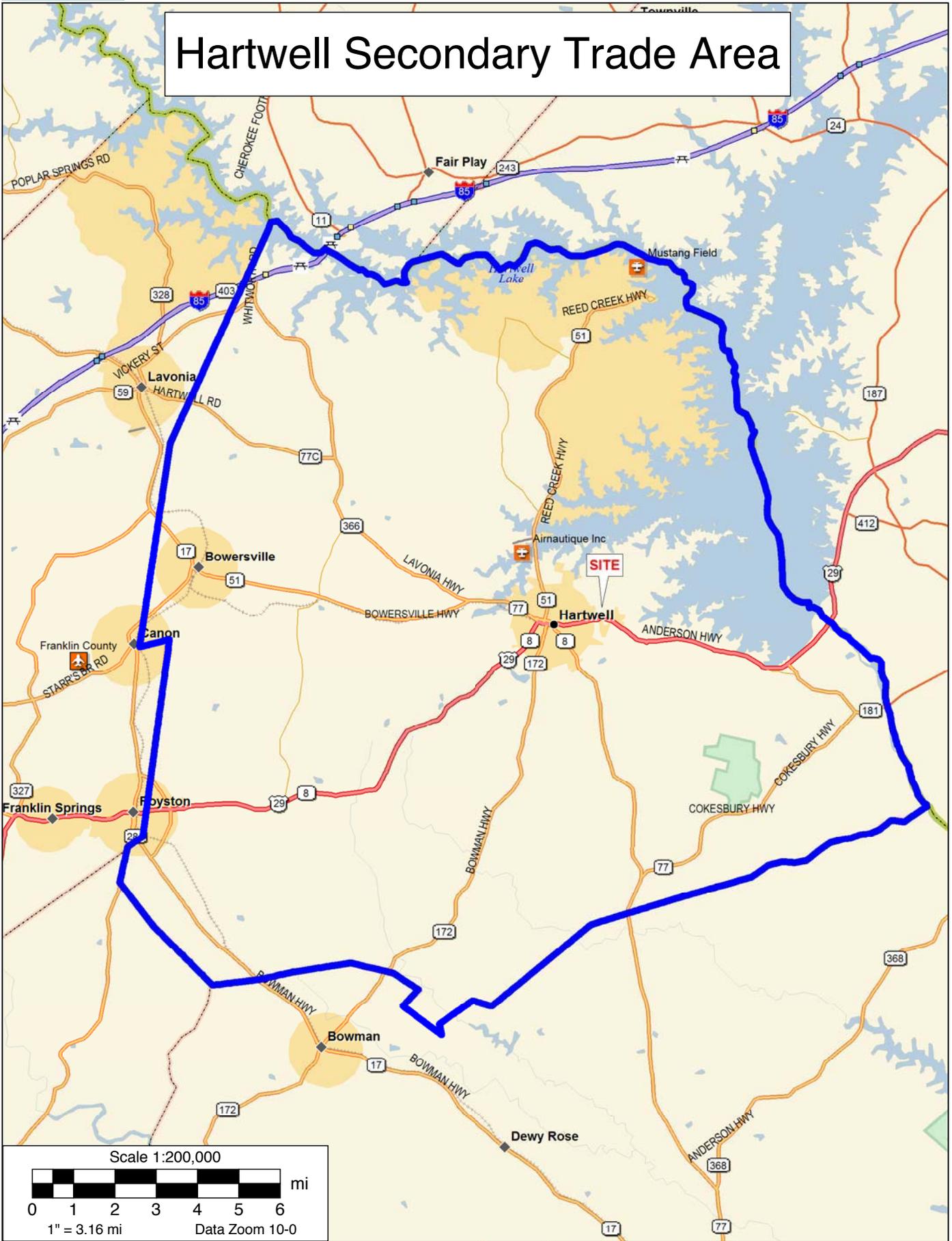
The trade area for the proposed project was determined by first looking at the census tract map for Hart County. We then determined the submarkets that existed within the county. In this case, the proposed project is located in the Hartwell submarket, which includes the eastern portion of Hart County. We then confirmed the trade area/primary market area by reviewing the main highways and commuting patterns, as well as the socioeconomic make-up of the different areas in the areas surrounding the City of Hartwell, that would effect the distance from which the subject property would likely draw prospective tenants. The geographic area encompassing the Hart Trade Area/Primary Market Area is shown as map 3.1.

The secondary trade/market area would be the remaining part of Hart County. This trade area is shown as map 3.2.

Hartwell Primary Trade Area



Hartwell Secondary Trade Area



E. COMMUNITY DEMOGRAPHIC DATA

1. POPULATION CHARACTERISTICS

This report contains 2000 Census data for population and households released by the Bureau of the Census on Summary Tape File 1-A and Summary Tape File 3-A as well as 1990 Census data for population and households from the Census Bureau. Data estimates and projections for 2007 and 2012 population are from Claritas, Inc. Data for 2004 and 2014 are extrapolated from data for 2000, 2007, and 2012.

The Hartwell Trade Area population increased by 14.84 percent between 1990 and 2000. The Trade Area population is estimated to have increased by 3.74 percent between 2000 and 2004 and by 2.79 between 2004 and 2007. Population projections indicate that the Trade Area population will increase by 4.76 percent between 2007 and 2012. Extending the time to 2014, the population is projected to increase by 1.81 between 2012 and 2014.

Table 1.0 - Population Trends

<i>Year</i>	<i>Population</i>	<i>Change</i>	<i>Percent</i>	<i>Annual Change</i>	<i>Annual Percent</i>
Hart County					
1990	19,712	-	-	-	-
2000	22,997	3,285	16.66%	329	1.43%
2004	23,841	844	3.67%	211	0.89%
2007	24,474	633	2.75%	211	0.86%
2012	25,628	1,154	4.72%	231	0.90%
2014	26,090	462	1.80%	231	0.89%
Hartwell Trade Area					
1990	14,901	-	-	-	-
2000	17,113	2,212	14.84%	221	1.29%
2004	17,753	640	3.74%	160	0.90%
2007	18,231	478	2.79%	159	0.87%
2012	19,098	867	4.76%	173	0.91%
2014	19,444	346	1.81%	173	0.89%
City of Hartwell					
1990	4,733	-	-	-	-
2000	4,188	-545	-11.51%	-55	-1.31%
2004	4,228	40	0.96%	10	0.24%
2007	4,257	29	0.69%	10	0.23%
2012	4,358	101	2.37%	20	0.46%
2014	4,398	40	0.92%	20	0.45%

Source: Bureau of the Census; Claritas, Inc.; and calculations by Woods Research, Inc.

Table 2.0 provides population groupings by age for Hart County and the Hartwell Trade Area for 2000 and 2012.

The age groups eligible to move into the proposed apartment complex are the 55 and over age grouping. Persons over the age of 55 generally prefer to live in a senior's complex. Persons over the age of 65 would more likely want to move into a senior's complex.

In Hart County, the 55-64 age group is estimated to increase by 546 persons, which will be a 21.11 percent gain, between 2000 and 2012. The 65 and over age group is estimated to increase by 989 persons, which will be a 26.05 percent gain, between 2000 and 2012.

In the Hartwell Trade Area, the 55-64 age group is estimated to increase by 343 persons, which will be a 17.12 percent gain, between 2000 and 2012. The 65 and over age group is estimated to increase by 769 persons, which will be a 25.47 percent gain, between 2000 and 2012.

Table 2.0 - Persons by Age - 2000 & 2012

<i>Age Category</i>	<i>2000 Census Population</i>	<i>2000 Census % Pop.</i>	<i>2012 Projected Population</i>	<i>2012 Projected % Pop.</i>	<i>2000 - 2012 Pop. Chg.</i>	<i>2000 - 2012 % Chg.</i>
---------------------	-----------------------------------	-------------------------------	--	--------------------------------------	----------------------------------	-------------------------------

Hart County

< 18	5,402	23.49%	5,472	21.35%	70	1.30%
18-24	1,763	7.67%	2,292	8.94%	529	30.01%
25-44	6,280	27.31%	6,438	25.12%	158	2.52%
45-54	3,169	13.78%	3,508	13.69%	339	10.70%
55-64	2,586	11.24%	3,132	12.22%	546	21.11%
65+	3,797	16.51%	4,786	18.67%	989	26.05%
Total	22,997	100.00%	25,628	99.99%	2,631	11.44%

Median Age 39.3 40.8

Hartwell Trade Area

< 18	3,911	22.85%	3,947	20.67%	36	0.92%
18-24	1,235	7.22%	1,668	8.73%	433	35.06%
25-44	4,620	27.00%	4,748	24.86%	128	2.77%
45-54	2,325	13.59%	2,601	13.62%	276	11.87%
55-64	2,003	11.70%	2,346	12.28%	343	17.12%
65+	3,019	17.64%	3,788	19.83%	769	25.47%
Total	17,113	100.00%	19,098	99.99%	1,985	11.60%

Median Age 40.2 41.7

Source: 2000 Census of Population & Housing; Claritas, Inc.

2. HOUSEHOLDS TRENDS

Table 3.1 contains 2000 Census data for population and households released by the Bureau of Census on Summary Tape File 1-A and on Summary Tape File 3-A. Summary Tape File 1-A is data compiled from the 100 percent count short form, while Summary Tape File 3-A data is compiled from the sampling long form. Sometimes data from these two reports do not agree.

The most pertinent data in this table is the detailed housing data, which comes from Summary Tape File 3-A. This data includes: number of households, number of renter-occupied households, number of renter-occupied housing units built before 1939 (old housing units), renter-occupied housing units with one or more persons per room (overcrowded housing units), and other substandard housing occupied by renters. Additional important housing data includes: renter-occupied single-family homes, renter-occupied multi-family homes, and renter-occupied mobile homes.

Based on the 2000 Census data, Hart County contained 9,106 households and 1,747 renter-households (19.19 percent). Of the 6,793 occupied housing units in the Trade Area, 1,298 (19.11 percent) were rental units.

Table 3.1 - Housing Stock Characteristics – 2000

<i>Category</i>	<i>County</i>	<i>Trade Area</i>
Total Persons	22,997	17,113
Persons in Group Quarters	534	534
# Families	6,615	4,890
Total Housing Units	11,111	8,350
Occupied Housing Units	9,106	6,793
Owner Occupied	7,359	5,495
Renter Occupied	1,747	1,298
Vacant Units	2,005	1,557
For occasional use	1,148	911
Average Household size	2.47	2.44
Average Family size	2.92	2.90
Persons per owner unit	2.49	2.47
Persons per renter unit	2.37	2.34
Owner occupied S-F Housing Units	5,488	4,218
Renter occupied S-F Housing Units	734	548
Owner occupied M-F Housing Units	16	16
Renter occupied M-F Housing Units	456	336
Owner occupied Mobile Homes	1,857	1,268
Renter occupied Mobile Homes	555	407
Owner occupied built before 1940	475	283
Renter occupied built before 1940	120	81
Owner-occupied H.U. w>1.01 persons	112	94
Renter-occupied H.U. w>1.01 persons	69	43
Owner lacking complete plumbing	37	37
Renter lacking complete plumbing	24	19
Owner lacking complete kitchen	56	50
Renter lacking complete kitchen	0	0
Rent Overburdened	416	316

Source: 2000 Census of Population & Housing; calculations by Woods Research, Inc.

Table 3.2 contains 2000 Census data for older person population and households recently released by the Bureau of Census on Summary Tape File 1-A and on Summary Tape File 3-A.

The most pertinent data in this table is the detailed housing data for older persons, which comes from Summary Tape File 3-A. This data includes: senior households by age of householder by tenure, seniors living in overcrowded conditions and seniors that are rent-overburdened.

Based on the 2000 Census data, Hart County contained 3,535 senior households and 501 senior renter-households (14.17 percent). Of the 2,800 senior households in the Trade Area, 375 (13.39 percent) were senior renters.

Table 3.2 – Senior Population and Housing Characteristics – 2000

Category	County	Trade Area
In Households	3,535	2,800
In Family Households	2,553	2,002
Householder	1,417	1,123
Spouse	906	719
Parent	105	86
Other Relatives	125	71
Nonrelatives	0	3
In Non-Family Households	982	798
Male Householder	185	176
Living Alone	162	168
Not Living Alone	23	8
Female Householder	773	608
Living Alone	766	600
Not Living Alone	7	8
Non-relatives	24	14
In Group Quarters	228	219
Institutionalized Persons	114	88
Other Persons in Group Quarters	114	131
Householder 55+		
Overcrowded (>1.01 persons/room)	19	10
Rent overburdened (>35%)	141	129
Owner-Occupied 55+	3,455	2,673
Owner 55-64	1,344	1,010
Owner 65-74	1,121	922
Owner 75+	990	741
Renter-Occupied 55+	501	375
Renter 55-59	181	131
Renter 65-74	153	122
Renter 75+	167	122

Source: 2000 Census of Population & Housing; calculations by Woods Research, Inc.

Table 4.0 shows the relationship of population to households for Hart County, the Hartwell Trade Area and the City of Hartwell for 2000 (Census), 2007 (estimates) and 2012 (projections). Group quarters and persons per household are also shown.

Table 4.0 – Population and Household Trends

<i>Year</i>	<i>Total Population</i>	<i>Persons in Group Quarters</i>	<i>Pop. in H/Holds</i>	<i>Total H/holds</i>	<i>PPH</i>
-------------	-------------------------	----------------------------------	------------------------	----------------------	------------

Hart County

2000	22,997	534	22,463	9,106	2.47
2007	24,474	730	23,744	9,859	2.41
2012	25,628	841	24,787	10,405	2.38

Hartwell Trade Area

2000	17,113	534	16,579	6,793	2.44
2007	18,231	730	17,501	7,344	2.38
2012	19,098	841	18,257	7,745	2.36

City of Hartwell

2000	4,188	284	3,904	1,760	2.22
2007	4,257	359	3,898	1,803	2.16
2012	4,358	398	3,960	1,853	2.14

Source: Bureau of the Census; Claritas, Inc.; calculations by Woods Research, Inc.

Table 5.0 shows the household trends for Hart County and the Hartwell Trade Area. Data for 2007 and 2012 is from Claritas, Inc. Data for 2004 and 2014 is extrapolated from the 2000 Census data and the 2007 and 2012 Claritas data. The number of households in the Hartwell Trade Area increased by 4.65 percent between 2000 and 2004 and by 5.46 percent between 2004 and 2007. The number of households is projected to increase by 5.46 percent between 2007 and 2012. By extending the data to 2014, households are projected to increase by 2.02 percent.

Table 5.0 - Household Trends

<i>Year</i>	<i>Total H/holds</i>	<i>H/Holds Change</i>	<i>H/Holds % Change</i>	<i>Annual H/holds Change</i>	<i>Annual H/holds % Change</i>
-------------	----------------------	-----------------------	-------------------------	------------------------------	--------------------------------

Hart County

2000	9,106	-	-	-	-
2004	9,538	432	4.74%	108	1.13%
2007	9,859	321	3.53%	107	1.09%
2012	10,405	546	5.54%	109	1.05%
2014	10,623	218	2.05%	109	1.03%

Hartwell Trade Area

2000	6,793	-	-	-	-
2004	7,109	316	4.65%	79	1.11%
2007	7,344	235	3.46%	78	1.06%
2012	7,745	401	5.46%	80	1.03%
2014	7,905	160	2.02%	80	1.01%

City of Hartwell

2000	1,760	-	-	-	-
2004	1,784	24	1.36%	6	0.34%
2007	1,803	19	1.08%	6	0.33%
2012	1,853	50	2.77%	10	0.54%
2014	1,873	20	1.07%	10	0.53%

Source: Bureau of the Census; Claritas, Inc.; calculations by Woods Research, Inc.

Table 6.1 shows the owner versus renter distribution of households for Hart County and the Hartwell Trade Area.

Table 6.1 - Household Trends by Tenure

<i>Year</i>	<i>Total H/holds</i>	<i>Owner-Occupied H/Holds</i>	<i>% Owner-occupied H/holds</i>	<i>Renter-occupied H/Holds</i>	<i>% Renter-occupied H/Holds</i>
-------------	----------------------	-------------------------------	---------------------------------	--------------------------------	----------------------------------

Hart County

2000	9,106	7,359	80.81%	1,747	19.19%
2007	9,859	8,007	81.22%	1,852	18.78%
2012	10,405	8,473	81.43%	1,932	18.57%

Hartwell Trade Area

2000	6,793	5,495	80.89%	1,298	19.11%
2007	7,344	5,970	81.29%	1,374	18.71%
2012	7,745	6,317	81.56%	1,428	18.44%

City of Hartwell

2000	1,760	1,128	64.09%	632	35.91%
2007	1,803	1,157	64.17%	646	35.83%
2012	1,853	1,193	64.38%	660	35.62%

Source: Bureau of the Census; Claritas, Inc.; calculations by Woods Research, Inc.

Table 6.2 shows the relationship of senior households to all households for the Hartwell Trade Area. Data for 2007 and 2014 are from Claritas. Data for 2004 and 2014 is extrapolated.

The number of older person households in the Hartwell Trade Area increased by 6.45 percent between 2000 and 2004 and by 4.55 between 2004 and 2007. The number of older person households is projected to increase by 10.20 percent between 2007 and 2012. Extending the projections to 2014, older person households will increase by 3.70 between 2012 and 2014.

Table 6.2 – Senior Household Trends

<i>Year</i>	<i>All Households</i>	<i>Seniors Households</i>	<i>% Seniors Households</i>	<i>Change Senior H/Holds</i>	<i>% Change</i>	<i>Annual Change</i>	<i>% Annual Change</i>
-------------	-----------------------	---------------------------	-----------------------------	------------------------------	-----------------	----------------------	------------------------

Hartwell Trade Area

2000	6,793	3,038	44.72%	-	-	-	-
2004	7,109	3,234	45.49%	196	6.45%	49	1.61%
2007	7,344	3,381	46.04%	147	4.55%	49	1.61%
2012	7,745	3,726	48.11%	345	10.20%	69	2.04%
2014	7,905	3,864	48.88%	138	3.70%	69	1.85%

<i>Year</i>	<i>Seniors Households</i>	<i>Senior Owners</i>	<i>% Senior Owners</i>	<i>Senior Renters</i>	<i>% Senior Renters</i>
-------------	---------------------------	----------------------	------------------------	-----------------------	-------------------------

2000	3,038	2,673	88%	375	12%
2004	3,234	2,846	88%	399	12%
2007	3,381	2,975	88%	417	12%
2012	3,726	3,279	88%	460	12%
2014	3,864	3,400	88%	477	12%

Source: Bureau of the Census; Claritas, Inc.; calculations by Woods Research, Inc.

Table 7.0 shows the number of renter households by household size for Hart County and the Hartwell Trade Area for 2000. This data is used to help determine the demand by bedroom mix. Typically, one-bedroom apartments are rented by one- or two-person households; two-bedroom apartments are rented by two-, three-, or four-person households; and three-bedroom units are rented by three-, four-, or more-person households. There is some overlap of bedroom need, which depends on the age/sex make-up of various households.

Table 7.0 - Number of Renter Households by Household Size (2000)

	<i>1 Person H/holds</i>	<i>2 Person H/holds</i>	<i>3 Person H/holds</i>	<i>4 Person H/holds</i>	<i>5 Person H/holds</i>	<i>6 Person H/holds</i>	<i>7+ Person H/holds</i>
--	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	------------------------------

Hart County

Number	631	456	276	244	87	33	20
Percent	36.12%	26.10%	15.80%	13.97%	4.98%	1.89%	1.14%

Hartwell Trade Area

Number	483	345	198	175	61	24	12
Percent	37.21%	26.58%	15.25%	13.48%	4.70%	1.85%	0.92%

City of Hartwell

Number	271	162	95	73	18	11	2
Percent	42.88%	25.63%	15.03%	11.55%	2.85%	1.74%	0.32%

Source: Bureau of the Census; and calculations by Woods Research, Inc.

The Table 8's shows senior household income data for the Hartwell Trade Area. Table 8.1 shows 2000 household income data as a baseline. Senior household income estimates for 2007 (Table 8.2) and senior household income projections for 2012 (Table 8.3) are from the latest release of data by Claritas, Inc.

Table 8.1-Senior Household Incomes (2000)

Hartwell Trade Area

<i>Income by Age of HH - 2000</i>	55-59	60-64	65-69	70-74	75-79	80-84	85+	Total	%
< \$10,000	77	71	54	55	102	77	61	497	16.4%
\$10,000-\$14,999	58	55	37	37	71	51	44	353	11.6%
\$15,000-\$19,999	28	24	59	58	51	41	25	286	9.4%
\$20,000-\$24,999	39	35	42	41	17	11	6	191	6.3%
\$25,000-\$29,999	49	42	67	62	23	13	11	267	8.8%
\$30,000-\$34,999	32	28	33	31	36	22	16	198	6.5%
\$35,000-\$39,999	35	36	19	18	8	4	4	124	4.1%
\$40,000-\$44,999	22	23	37	35	21	13	8	159	5.2%
\$45,000-\$49,999	25	20	31	30	4	2	1	113	3.7%
\$50,000-\$59,999	72	63	51	44	30	18	9	287	9.5%
\$60,000-\$74,999	62	48	40	32	14	7	4	207	6.8%
\$75,000-\$99,999	77	63	27	21	19	11	5	223	7.3%
\$100,000-\$124,999	24	20	12	11	4	2	1	74	2.4%
\$125,000-\$149,999	10	9	0	0	3	2	2	26	0.9%
\$150,000-\$199,999	5	5	0	0	0	0	0	10	0.3%
\$200,000-\$249,999	3	2	2	2	3	1	1	14	0.5%
\$250,000-\$499,999	2	1	2	1	1	1	0	8	0.3%
>\$500,000	0	0	0	1	0	0	0	1	0.0%
Total	620	545	513	479	407	276	198	3,038	100%

2000 Summary

<\$10,000	77	71	54	55	102	77	61	497	16.4%
\$10,000-\$19,999	86	79	96	95	122	92	69	639	21.0%
\$20,000-\$34,999	120	105	142	134	76	46	33	656	21.6%
\$35,000-\$49,999	82	79	87	83	33	19	13	396	13.0%
>\$50,000	255	211	134	112	74	42	22	850	28.0%
Total	620	545	513	479	407	276	198	3,038	100%

Source: Bureau of the Census; Claritas, Inc.; and calculations by Woods Research, Inc.

Table 8.2-Senior Household Incomes (2007)**Hartwell Trade Area**

<i>Income by Age of HH - 2007</i>	55-59	60-64	65-69	70-74	75-79	80-84	85+	Total	%
< \$10,000	78	77	51	54	92	72	51	475	14.1%
\$10,000-\$14,999	58	53	39	39	62	46	34	331	9.8%
\$15,000-\$19,999	43	36	52	51	54	41	26	303	9.0%
\$20,000-\$24,999	30	30	53	62	33	25	12	245	7.3%
\$25,000-\$29,999	39	40	46	41	21	11	15	213	6.3%
\$30,000-\$34,999	46	39	65	57	24	15	8	254	7.5%
\$35,000-\$39,999	32	27	26	26	34	20	13	178	5.3%
\$40,000-\$44,999	29	36	21	22	6	9	6	129	3.8%
\$45,000-\$49,999	28	25	26	36	18	11	13	157	4.6%
\$50,000-\$59,999	49	45	58	58	22	11	4	247	7.3%
\$60,000-\$74,999	81	75	63	51	31	22	6	329	9.7%
\$75,000-\$99,999	79	71	39	41	18	11	5	264	7.8%
\$100,000-\$124,999	45	33	15	17	12	6	8	136	4.0%
\$125,000-\$149,999	20	14	14	7	4	3	2	64	1.9%
\$150,000-\$199,999	8	12	0	0	3	1	2	26	0.8%
\$200,000-\$249,999	3	4	0	0	2	0	0	9	0.3%
\$250,000-\$499,999	3	2	2	4	5	1	0	17	0.5%
>\$500,000	0	0	0	3	0	1	0	4	0.1%
Total	671	619	570	569	441	306	205	3,381	100%

2007 Summary

<\$10,000	78	77	51	54	92	72	51	475	14.0%
\$10,000-\$19,999	101	89	91	90	116	87	60	634	18.8%
\$20,000-\$34,999	115	109	164	160	78	51	35	712	21.1%
\$35,000-\$49,999	89	88	73	84	58	40	32	464	13.7%
>\$50,000	288	256	191	181	97	56	27	1,096	32.4%
Total	671	619	570	569	441	306	205	3,381	100%

Source: Bureau of the Census; Claritas, Inc.; and calculations by Woods Research, Inc.

Table 8.3-Senior Household Incomes (2012)**Hartwell Trade Area**

<i>Income by Age of HH - 2012</i>	55-59	60-64	65-69	70-74	75-79	80-84	85+	Total	%
< \$10,000	65	81	62	57	86	67	59	477	12.8%
\$10,000-\$14,999	54	52	41	40	55	40	42	324	8.7%
\$15,000-\$19,999	44	46	53	50	57	38	35	323	8.7%
\$20,000-\$24,999	33	27	65	61	36	31	18	271	7.3%
\$25,000-\$29,999	32	38	56	48	22	24	15	235	6.3%
\$30,000-\$34,999	42	42	65	48	21	13	17	248	6.7%
\$35,000-\$39,999	38	30	57	43	24	19	9	220	5.9%
\$40,000-\$44,999	27	30	27	28	23	8	16	159	4.3%
\$45,000-\$49,999	24	32	24	22	8	11	10	131	3.5%
\$50,000-\$59,999	49	54	59	65	23	20	13	283	7.6%
\$60,000-\$74,999	74	68	84	63	27	22	7	345	9.3%
\$75,000-\$99,999	81	85	66	54	29	17	8	340	9.1%
\$100,000-\$124,999	48	45	24	26	15	5	10	173	4.6%
\$125,000-\$149,999	28	18	14	13	11	2	8	94	2.5%
\$150,000-\$199,999	19	16	5	10	2	3	3	58	1.6%
\$200,000-\$249,999	4	8	0	0	3	2	0	17	0.5%
\$250,000-\$499,999	3	1	3	4	6	3	0	20	0.5%
>\$500,000	0	0	0	5	0	3	0	8	0.2%
Total	665	673	705	637	448	328	270	3,726	100%

2012 Summary

<\$10,000	65	81	62	57	86	67	59	477	12.8%
\$10,000-\$19,999	98	98	94	90	112	78	77	647	17.4%
\$20,000-\$34,999	107	107	186	157	79	68	50	754	20.2%
\$35,000-\$49,999	89	92	108	93	55	38	35	510	13.7%
>\$50,000	306	295	255	240	116	77	49	1,338	35.9%
Total	665	673	705	637	448	328	270	3,726	100%

Source: Bureau of the Census; Claritas, Inc.; and calculations by Woods Research, Inc.

Table 9.0 is a summary of new housing units from the C-40 Construction Reports, prepared by the Bureau of the Census from 1999 through December 2007. This data is generally not available at the Trade Area level. Multi-family housing units can include condominiums as well as apartments.

Table 9.0 - Housing Additions - Building Permits

<i>County Total</i>	<i>Total</i>	<i>Single-family units</i>	<i>% S-F units</i>	<i>Multi-family units</i>	<i>% M-F units</i>
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	140	140	100.00%	0	0.00%
2004	165	165	100.00%	0	0.00%
2005	238	238	100.00%	0	0.00%
2006/12	-	-	-	-	-
Total	543	543	100.00%	0	0.00%

*Data not reported for all of county prior to 2003.

<i>Unincorporated Portion of the County</i>	<i>Total</i>	<i>Single-family units</i>	<i>% S-F units</i>	<i>Multi-family units</i>	<i>% M-F units</i>
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	127	127	100.00%	0	0.00%
2004	145	145	100.00%	0	0.00%
2005	196	196	100.00%	0	0.00%
2006/12	-	-	-	-	-
Total	468	468	100.00%	0	0.00%

*Data not reported for unincorporated county prior to 2003.

Source: Bureau of the Census; Claritas, Inc.; calculations by Woods Research, Inc.

Table 9.0 - Housing Additions - Building Permits (Continued)

<i>City of Hartwell</i>	<i>Total</i>	<i>Single-family units</i>	<i>% S-F units</i>	<i>Multi-family units</i>	<i>% M-F units</i>
2000	15	15	100.00%	0	0.00%
2001	11	11	100.00%	0	0.00%
2002	12	12	100.00%	0	0.00%
2003	13	13	100.00%	0	0.00%
2004	20	20	100.00%	0	0.00%
2005	42	42	100.00%	0	0.00%
2006/12	-	-	-	-	-
Total	113	113	100.00%	0	0.00%

Source: Bureau of the Census; Claritas, Inc.; calculations by Woods Research, Inc.

3. EMPLOYMENT TRENDS

Table 10.1 shows the Labor Market Data for Hart County. Data for all years are annualized averages, except for 2007, which is March.

The 2006 annualized unemployment rate for Hart County was 6.5 percent while the 2005 unemployment rate for the County was 6.9 percent. Hart County experienced moderate unemployment since 2000. The 2006 employment level was 97 persons higher than the 2005 annual average and 2,304 persons higher than the 1997 annual average. The average annual increase was 256 persons per year. The lowest level of employment was 8,068 persons in 1997 and the highest level of employment was 10,974 persons in 2000. The March 2007 unemployment rate was 6.4 percent and the employment level was 10,468 persons.

Table 10.1 - Labor Market Data - Hart County**Civilian Labor Force and Employment Data**

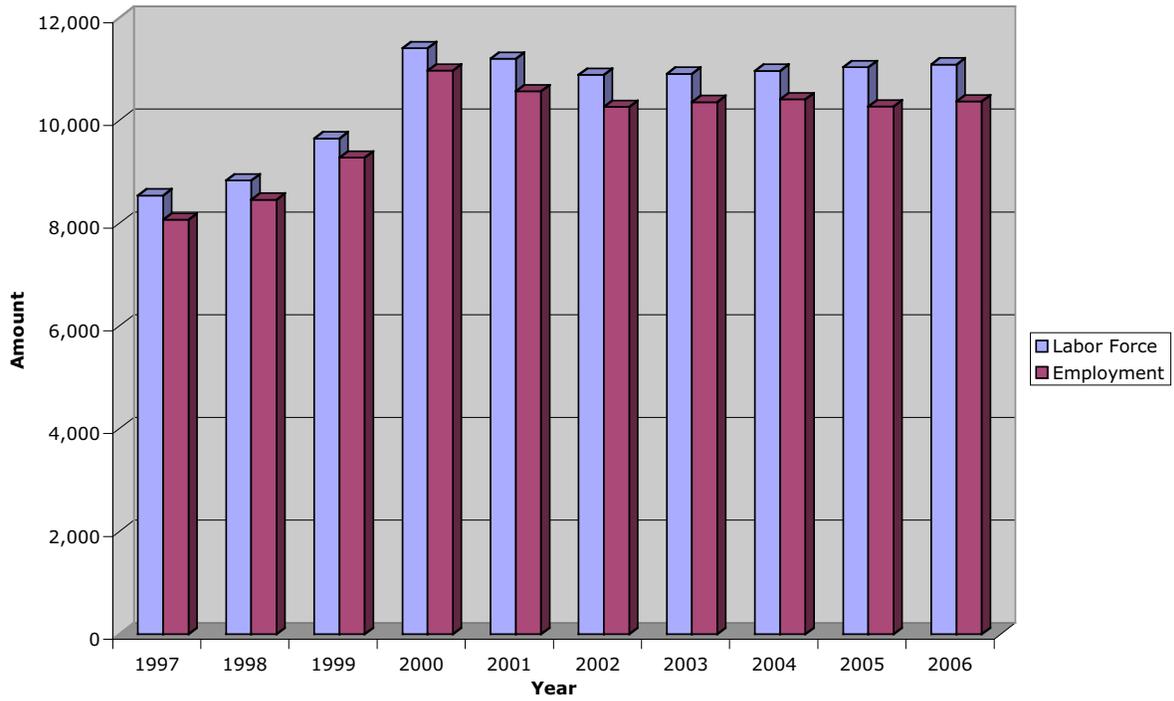
<i>Year</i>	<i>Labor Force</i>	<i>Labor Force Change</i>	<i>LF Percent Change</i>	<i>Employ.</i>	<i>Emp. Change</i>	<i>Emp. Percent Change</i>
1997	8,541	-	-	8,068	-	-
1998	8,832	291	3.4%	8,461	393	4.9%
1999	9,652	820	9.3%	9,276	815	9.6%
2000	11,410	1,758	18.2%	10,974	1,698	18.3%
2001	11,202	-208	-1.8%	10,568	-406	-3.7%
2002	10,892	-310	-2.8%	10,266	-302	-2.9%
2003	10,910	18	0.2%	10,359	93	0.9%
2004	10,969	59	0.5%	10,414	55	0.5%
2005	11,037	68	0.6%	10,275	-139	-1.3%
2006	11,091	54	0.5%	10,372	97	0.9%
2007/03	11,184	93	0.8%	10,468	96	0.9%

Unemployment Data and Unemployment Rates

<i>Year</i>	<i>Unemp.</i>	<i>Unemp. Change</i>	<i>Local Unemp. Rate</i>	<i>State Unemp. Rate</i>	<i>U.S. Unemp. Rate</i>
1997	473	-	5.5	4.5	5.4
1998	371	-102	4.2	4.2	4.9
1999	297	-74	3.1	3.8	4.5
2000	436	139	3.8	3.5	4.2
2001	634	198	5.7	4.0	4.0
2002	626	-8	5.7	4.8	4.7
2003	551	-75	5.1	4.8	5.8
2004	555	4	5.1	4.7	6.0
2005	762	207	6.9	5.2	5.5
2006	719	-43	6.5	4.6	5.1
2007/03	716	-3	6.4	-	-

Source: U.S. Bureau of Labor Statistics.

Labor Force vs. Employment



U.S. vs. State vs. Local Unemployment Rate

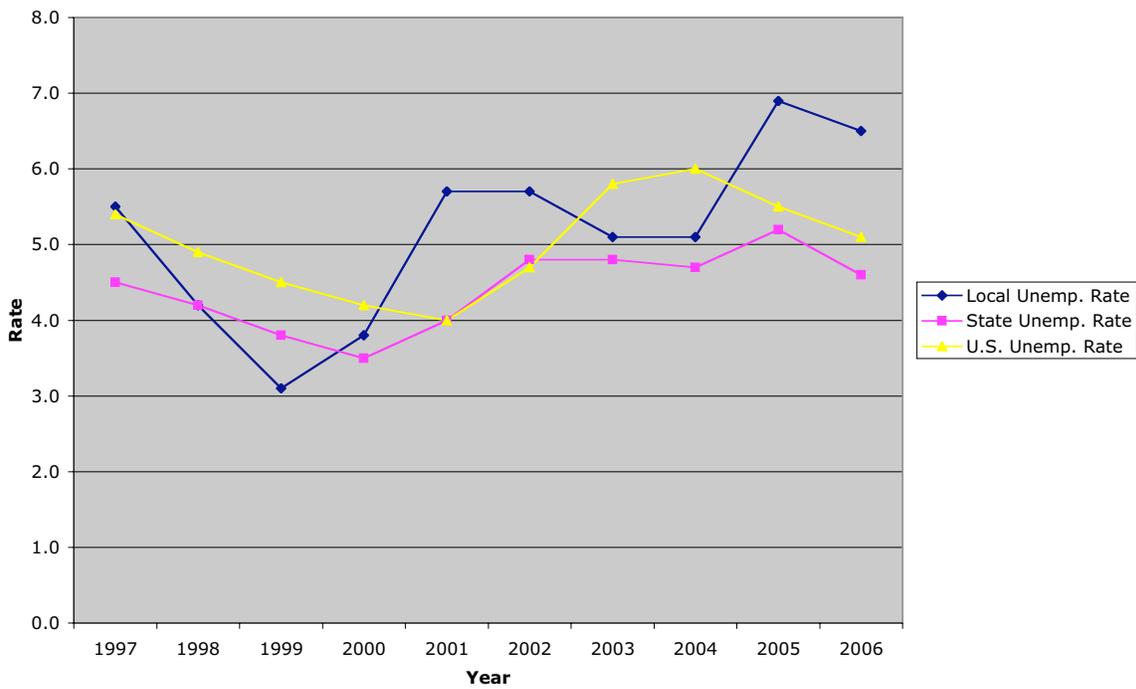


Table 10.2 shows employment by industry for Hart County from the 2000 Census. The Census Bureau has expanded the industry classifications since the 1990 Census. The largest category is manufacturing. Education, health and social services is second and retail trade is third.

Table 10.2 – Industry Data (2000) – Hart County

<i>Industry</i>	<i>Number</i>	<i>Percentage</i>
Agriculture, forestry, fish., hunt., mining	461	4.8%
Construction	35	0.4%
Manufacturing	3,179	33.1%
Wholesale Trade	220	2.3%
Retail Trade	1,098	11.4%
Transportation, warehousing, utilities	480	5.0%
Information	188	2.0%
FIRE, rental and leasing	352	3.7%
Professional, scientific, management, admin.	394	4.1%
Educational, health and social services	1,719	17.9%
Arts, entertainment, recreation, accom. and food	576	6.0%
Other services	552	5.7%
Public Administration	355	3.7%
Total	9,609	100%

Source: Bureau of the Census; and calculations by Woods Research, Inc.

Major Employers in the Hartwell Area

<u>Employer</u>	<u>Type</u>	<u>Employees</u>
Tenneco Automotive Inc.	Shock Absorbers	350
Springs Industries, Inc.	Towels, washcloths	270
Royston LLC	Sheet metal work	250
Pharma Tech Industries	Talcum powder	177
Gips Manufacturing Co.	Men's', Boys', Ladies' slacks	160
Hartwell Classic Apparel	Jackets, golf apparel	130
TI Automotive	Plastic gas tanks	111
Milliken & Co., Newton Plant	Woven Fabric	91
RTS Packaging LLC	Fiberboard pads, partitions	65
BASF	Wet Ground Mica	60
ASP Corporation	Electronic Control Panels	55
Quality Industries	Material handling equipment	40
Top Threads Sportswear	Embroidery, screen printing	40
Fabritex Inc.	Welded Wire Mesh	30
Hart County Hospital	Healthcare	200+
Hart County Schools	Education	-
Hart County	Government	125
City of Hartwell	Government	-
Wal-Mart Associates	Retail	-

Note: Hart County Chamber of Commerce did not have data on non-manufacturing major employers.

Source: Hart County Chamber of Commerce.

Economic Development

In 2005, TI Automotive has constructed a large facility in Gateway Industrial Park creating 100 new jobs and a \$30M dollar investment. This company is planning an expansion that would double their workforce between 2008 and 2011.

In 2005, Pharma Tech Industries acquired a manufacturing facility in Royston from Johnson & Johnson Consumer Companies, Inc. As part of the acquisition, PTI is a third party manufacturer to Johnson & Johnson for a variety of consumer-based products.

In February 2007, Fenner-Dunlop, a manufacturer of reinforced polymers industrial products, announced final plans for a \$50M new industrial plant in Gateway Industrial Park. This will be a 300,000 square-foot facility and will employ between 150 and 180 people beginning in early 2008.

In February 2007, Hart County announced the purchase an additional 120 acres of land adjacent to Gateway. It now owns one mile of I-85 road frontage. This new acreage will be for industrial and commercial use,

In February 2007, Zymark Industries announced that they have chosen Hart County for their small high tech operation in the Highway 29 Industrial Park near the City of Hartwell. This company employs about 15 people.

Country Boy Meat Stix, a manufacturer of beef jerky, is moving into an existing facility and will be hiring by August 2007. They will employ approximately 50 people.

Home Depot announced that they would begin building a 100,000 square foot retail store in Hartwell. Construction is expected to start in the summer of 2007.

Super Ingles grocery store is under construction and expects to open in July of 2007.

Gips Manufacturing, a sewing plant, will be closing in August 2007.

Other economic development news is the increasing tourism to Hart County.

Expansions 2005-2006

Quality Industries Equipment Expansion created seven new jobs and invested \$2.2 M In Hart County.

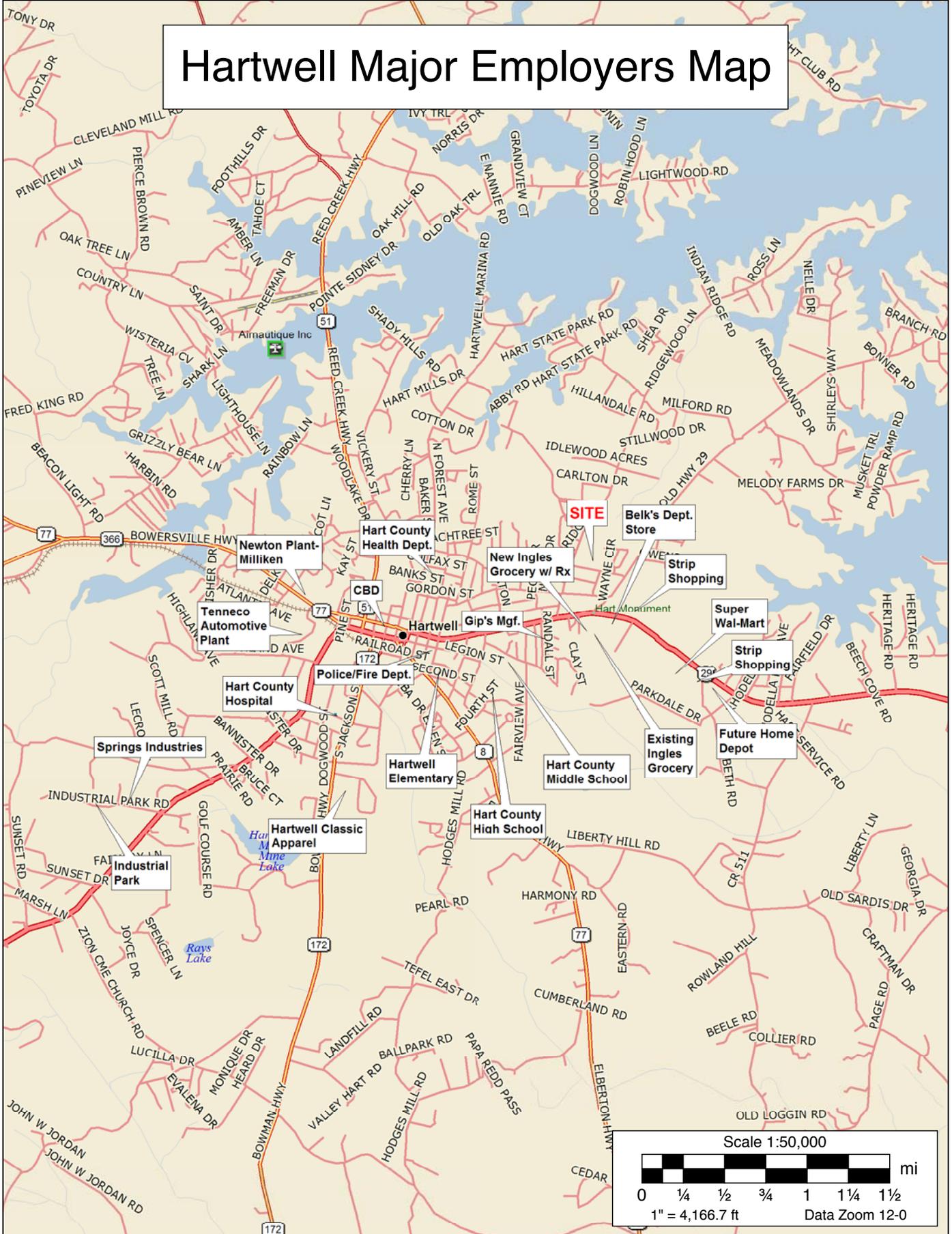
Major Layoffs 2005-2006

Springs industries Inc., 340 jobs – is phasing out US operations, moving to Brazil
Tenneco Automotives, 78 jobs – has re-hired the majority of these jobs
Winn Dixie Store #1023, 51 jobs – this store closed

Conclusions

Manufacturing is the highest category of employment by industry at 33.1 percent. While some of the textile jobs have been eliminated, other technical manufacturing jobs have increased in Hart County. Retail and health care are rapidly expanding industries.

Hartwell Major Employers Map



Data use subject to license.

© 2006 DeLorme. Street Atlas USA® 2007 Plus.

www.delorme.com



F. PROJECT SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

The proposed complex will serve low-income households, as defined by the Section 42 - Low Income Housing Tax Credit Regulations, utilizing a LIHTC allocation. The Tax Credit allocation is either nine percent or four percent of the *qualified basis* of the property depending on the funding sources. The *qualified basis* is the portion of the *eligible basis* attributable to the low-income rental units. Expenses included in the *eligible basis* are construction, engineering, architectural, market studies and appraisals, relocation, certain legal and accounting, construction period interest, taxes, general contractor, and developer fees. Land costs, title recording fees, financing costs (points), tax credit fees, and syndication fees are not included in the *eligible basis*.

Tax Credits are issued annually for a ten-year period. Assuming the apartment complex remains Tax Credit eligible, either 90 percent or 40 percent of the development cost will be returned in the form of Tax Credits. When a Tax Credit allocation is issued for an apartment complex, rental rates are restricted and household incomes are restricted based on HUD Very Low Income for the MSA/County, adjusted for household size.

Under the Section 42 - LIHTC Program, maximum household incomes are restricted to 120 percent and/or 100 percent of the HUD Very Low Income for the MSA/County, adjusted for household size. While maximum household incomes are based on the number of persons in the household, the maximum rents are based on the number of bedrooms. Rent ceilings are based on 30 percent of 120 percent/100 percent of the HUD Very Low Income for the County/MSA, adjusted for bedroom size. This is the gross rent. To obtain net rents, gross rents then must be adjusted based on the HUD estimated utility allowance or local utility company estimates.

Table 11.0 shows the maximum incomes by household size and maximum gross rents by number of bedrooms. Gross rents include rent + utility allowance. Also included are HUD Fair Market Rents. The maximum incomes for the proposed project are \$18,650 for the 50 percent units and \$22,380 for the 60 percent units. There is no maximum income for the market rate units; however we have capped it at \$50,000.

Table 11.0 –Income/Rent Limits-Hart County

HUD 2006 Median Family Income	\$45,100
--------------------------------------	----------

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Very Low Income	\$16,350	\$18,650	\$21,000	\$23,350	\$25,200	\$27,050
120% of Very Low	\$19,620	\$22,380	\$25,200	\$28,020	\$30,240	\$32,460

	Eff.	1 BR	2 BR	3 BR	4 BR
50% Rent Ceiling	\$408	\$437	\$525	\$606	\$676
60% Rent Ceiling	\$490	\$525	\$630	\$728	\$811

Fair Market Rent	\$396	\$428	\$476	\$568	\$834
-------------------------	-------	-------	-------	-------	-------

Source: 2007 Income Limits for Low-Income and Very Low Income Families and 2007 Fair Market Rents, Department of Housing and Urban Development and calculations by Woods Research, Inc.

Table 12.0 shows the minimum income requirements by unit type and bedroom size. These minimum incomes are based on recognized affordability standards. A senior household should not pay more than 40 percent of their household income on rent plus utilities. Utilities generally include electricity, gas, water and sewer, but not cable-TV and broadband internet connection. For the proposed project the tenant will pay electricity, water and sewer. Gas is not required for heat or cooking. The minimum incomes for the proposed project are \$12,840 for the 50 percent units and \$13,590 for the 60 percent units, and \$14,130 for the market rate units.

Table 12.0 –Minimum Income Requirements/Affordability

Minimum Income Requirements		
50 % Units	1 BR	2 BR
Proposed Rent	\$317	\$335
Estimated Utility Allowance	\$111	\$141
Total Housing Cost	\$428	\$476
Minimum Income Required at 50%	\$12,840	\$14,280
60 % Units	1 BR	2 BR
Proposed Rent	\$342	\$360
Estimated Utility Allowance	\$111	\$141
Total Housing Cost	\$453	\$501
Minimum Income Required at 60%	\$13,590	\$15,030
Market Rate Units	1 BR	2 BR
Proposed Rent	\$360	\$365
Estimated Utility Allowance	\$111	\$141
Total Housing Cost	\$471	\$506
Minimum Income Required for MR	\$14,130	\$15,180

3. DEMAND ANALYSIS

This market study is for the development of a senior's Section 42 project. A Section 42 complex for seniors has several income restrictions. An income band(s) defines the income eligible group(s). The *income band* is based on the household income of senior households required to afford the proposed rents and the maximum income allowed for the County/MSA. Income-eligible handicapped/disabled persons are also able to live in Section 42 senior's housing.

Effective Demand Factors

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

- net household formation (normal growth),
- existing senior renters who are living in substandard housing,
- existing renters who choose to move to another unit, typically based on affordability (rent overburdened) and project location and features, and
- current homeowners who elect to become renters, typically based on changing physical and financial circumstances and yield to the difficulty in maintaining a home.

Demand from New Older Person Renter Households (Growth)

For the trade area, forecasted housing demand through household formation (age 55+) totals 59 renter-occupied households over the 2000 to 2009 forecast period.

Based on 2007 income estimates, eight new renter households (age 55+) are in the 50% AMI target income segment and nine are in the 60% AMI target income segment of the proposed subject property. An additional 23 new renter households would be market rate.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census. Substandard housing in this market study is based on more than one occupant per room and lack of plumbing facilities, respectively. In 2000, 10 households were living in renter-occupied dwelling units without complete plumbing facilities in the trade area. Based on a field analysis of the Hartwell Trade Area it is estimated that there are approximately ten renter households (age 55+) in substandard housing conditions in the trade area.

It is estimated that there were 10 renter households (age 55+) in overcrowded conditions in 2000. The 2000 estimate was kept constant and projected forward to 2009.

Based on 2009 income forecasts, 1 substandard renter household falls into the 50% segment, two substandard renter households fall into the 60% AMI the target income segment and four substandard renter households fall into the market rate segment of the proposed subject property.

Demand from Existing Renters

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included within the estimated demand of this segment of the analysis.

In the trade area it is estimated that 18 existing renter households (age 55+) fall into the 50% AMI target income segment, 21 fall into the 60% AMI target income segment and 51 fall into the market rate segment of the proposed subject property.

Secondary Market Demand Adjustment

The 2007 GA-DCA Market Study Guidelines allow for a 15% upward adjustment to accommodate for the secondary market area. The 15% adjustment factor is applied to all of the *combined* senior demand estimates (regardless of tenure) as detailed in the overall demand methodology.

The secondary market demand adjustment is 15% of the overall senior renter housing demand. This is four units for the 50% of AMI segment, five units for the 60% of AMI segment and 12 units for the market rate segment.

Senior Homeowner Tenure Conversion

An additional source of potential tenants includes senior householders who currently own a home, but who may prefer to reside in a rental unit. This tendency is divergent for non-elderly and elderly households, and is usually the result of changes in circumstances in the households – the financial ability to pay maintenance costs and property taxes, the physical ability to maintain a larger, detached house, or an increased need for security and proximity of neighbors. In most cases, the need is strongest among single-person households, primarily female, but is becoming more common among older couples as well. Frequently, pressure comes from the householders' family to make the decision to move.

Surveys of new affordable housing for seniors have indicated that an average of 15% to 30% of a typical, senior apartment project's tenants were former homeowners. In order to remain conservative this demand factor was capped at 20% of the number of elderly households within each target income segment.

After income segmentation, this results in 98 senior households (age 55+) added to the target demand pool at 50% AMI, 112 units at 60% AMI and 281 units at the market rate.

HFOP Adjustment

An adjustment of 10 percent of the rental demand is allowed to account for Housing for Older Persons. This is 13 units for the 50% of AMI segment, 15 units for the 60% of AMI segment and 37 units for the market rate segment.

Total Demand

The demand from these sources indicates total demand of 142 households/units at 50% AMI, 164 households/units at 60% AMI and 409 households/units at the market rate segment. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from. These estimates of demand were adjusted for the introduction of new like-kind supply into the trade area since 2000.

The final segmentation process of the demand methodology was to subtract like-kind competition/supply in the trade area built since 2000. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/Home elderly developments, USDA-RD Section 515 elderly developments and HUD 221 (d4) elderly developments. No like-kind housing has been constructed since 2000.

Table 13.0 – Rental Housing Demand for Older Person Households

<i>Hartwell</i>	<i>HH at 50% AMI (\$12,840 to \$18,650)</i>	<i>HH at 60% AMI (\$13,590 to \$22,380)</i>	<i>HH at >60% AMI (\$14,130 to \$50,000)</i>
a) Demand from New Household migration into the market and growth from existing households in the market: age and income appropriate	8	9	24
Plus	+	+	+
Demand from Existing Renter Households - Substandard Housing	1	2	4
Plus	+	+	+
Demand from Existing Renter Households - Rent overburdened households	18	21	51
Plus	+	+	+
Secondary Market Demand adjustment @ 15%	4	5	12
Sub Total	31	37	91
Demand from Existing Households - Senior Homeowner Turnover (limited to 20% where applicable)	98	112	281
Plus	+	+	+
Demand for Existing Households - Senior Homeowner Relocation (Limited to 20% where applicable)	0	0	0
Plus	+	+	+
Demand for Existing HFOP Rental Households (Limited to 10% where applicable)	13	15	37
Equals Total Demand	142	164	409
Less	-	-	-
Supply of directly comparable affordable housing units built and/or awarded in the project market between 2000 and the present	0	0	0
Equals Net Demand	142	164	409

See explanation of income distributions and capture rates on the following page.

Source: Calculations by Woods Research, Inc.

Table 14.0 – Capture Rate Analysis

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Median Market Rent	Proposed Rents
1-BR	30% AMI				-	-			
	50% AMI	12	71	0	71	16.90%	6 months	\$385	\$317
	60% AMI	2	82	0	82	2.44%	3 months	\$385	\$342
	Market Rate	10	204	0	204	4.90%	6 months	\$385	\$360
1-BR	TOTAL	24			357	6.72%	6 months		
2-BR	30% AMI				0	-			
	50% AMI	15	71	0	71	21.13%	6 months	\$435	\$335
	60% AMI	7	82	0	82	8.54%	4 months	\$435	\$360
	Market Rate	6	205	0	205	2.93%	4 months	\$435	\$365
2-BR	TOTAL	28			358	7.82%	6 months		

Proposed Project Capture Rate LIHTC Units	11.8%
Proposed Project Capture Rate Market Rate Units	3.9%
Proposed Project Capture Rate ALL Units	7.3%
Proposed Project Stabilization Period	6 months

Subsidy: Any renter household earning less than \$12,840 per year would be classified as Section 42 income eligible but not earning enough to afford the proposed rents without some form of subsidy or assistance.

50% AMI with Subsidy: Any renter household earning between \$12,840 and \$18,650 per year would be classified as Section 42 income eligible and earning less than 50 percent of the HUD Median Family Income.

60%: Any renter household earning between \$13,590 and \$22,380 per year would be classified as Section 42 income eligible and earning less than 60 percent of the HUD Median Family Income.

Ineligible: Any renter household earning more than \$22,380 would be ineligible for Section 42 Housing.

Market Rate: Renter households earning at least \$14,130 would qualify for market rate units. The income for market rate units is capped at \$50,000.

- The demand for rental units for senior households that qualify for the units designated at 50 percent of AMI is 142 units.
- The demand for rental units for senior households that qualify for the units designated at 60 percent of AMI is 164 units.
- The demand for rental units for senior households that qualify for market rate units is 409 units

- The one-bedroom **50 percent** units would require an overall **capture rate of 16.90 percent** of the income-eligible renter market.
- The two-bedroom **50 percent** units would require an overall **capture rate of 21.13 percent** of the income-eligible renter market.

- The one-bedroom **60 percent** units would require an overall **capture rate of 2.44 percent** of the income-eligible renter market.
- The two-bedroom **60 percent** units would require an overall **capture rate of 8.54 percent** of the income-eligible renter market.

- The one-bedroom **market rate** units would require an overall **capture rate of 4.90 percent** of the income-eligible renter market.
- The two-bedroom **market rate** units would require an overall **capture rate of 2.93 percent** of the income-eligible renter market.

- The overall one-bedroom capture rate is 6.72 percent
- The overall two-bedroom capture rate is 7.82 percent.

- These are reasonable capture rates and would not adversely impact any existing rental housing in the area.

- The complex should experience an **absorption rate of approximately 10 to 15** units per month, depending on the time of year the complex opens.
- **The absorption time period would be three to five months.**
- Based on the current apartment occupancy trends in the Trade Area, the proposed apartment complex should achieve an **average stabilized occupancy of 98 percent.**

The absorption rate is dependent upon many criteria only some of which the developer/management has control over. These are:

1. The location of the development relative to services, i.e. shopping, restaurants, schools, medical care.
2. The location of the development relative to undesirable features of the neighborhood, i.e. road noise, traffic speed, visual aspects of surrounding properties, unoccupied or abandoned homes/commercial properties, etc. (Before a LIHTC complex is completed, changes can occur in the neighborhood that may have a negative impact)
3. The location of the development relative to desirable features of the neighborhood, i.e. new shopping centers and other services, removal and renovation of neighborhood properties, new employers, etc. (Before an LIHTC complex is completed, changes can occur in the neighborhood that may have a positive impact)
4. The design of the development.
5. The overall appeal of the development including landscaping, buffers, entrance and exit capabilities, etc.
6. Amenities offered in the individual units and for the common areas.
7. The opening data of the development, i.e. spring, summer, fall or winter.
8. The overall economy of the surrounding area. (Before a LIHTC complex is completed, changes can occur in the employment that may impact lease-up)
9. Advertising, management availability for information and pre-leasing.
10. Marketing and management of the development. The first tenants can affect the image for a development.
11. Competing properties including other LIHTC properties in the area relative to the rents.
12. Similar properties being developed in the area.
13. Availability of HUD Section 8 certificates/vouchers.

G. COMPARABLE RENT ANALYSIS

Woods Research, Inc. completed an on-site survey/interview of all of the apartment complexes in the Trade Area in late May 2007. This on-site survey was complemented by a follow-up telephone survey/interview. Most of the managers of the apartment complexes answered all of the questions relating to occupancy. Data was cross-referenced with information provided in various publications.

Included in the survey and analysis are all of the decent rental housing units in the Trade Area. Data for the complexes with similar rent and amenity packages to the subject property provides the most valuable information for this analysis.

Findings of the Woods Research, Inc. Market Survey

- A total of six apartment complexes are included in the Trade Area report.
- **Glenda Wiley, Field Operations Manager, Georgia Department of Community Affairs, Housing Choice Voucher Program, Athens Regional Office.** Ms. Wiley provided Section 8 Voucher information for the county. Currently, there are 14 vouchers under contract in Hart County. There is also an additional household that received a voucher in April, but they are still looking for suitable housing. Until recently, the agency has been unable issue new Section 8 Vouchers since 2001. However, the waiting list was opened to all the rural counties in January 2007. The agency planned for about 50 applicants per county, but received far less. In the case of Hart County, every applicant who took all the necessary steps to complete his or her application received a voucher. There is no waiting list. Ms. Wiley is concerned that there is not enough information getting into the communities that vouchers are available, since they were unable to issue them for so long. She stated that historically, there has been a much greater demand for housing vouchers. Some of the staff are planning on making visits to local social service agencies to help increase public awareness about the availability of housing assistance.
- The rental housing market for apartments in the Trade Area is currently strong. The market is experiencing 98.6 percent occupancy. Based on the very high occupancy level of existing projects and the lack of affordable properties designated for older persons the proposed project should not have any problems in rent up and should not adversely impact existing properties.

- The site is in unincorporated Hart County, which has no zoning. There is vacant land behind the site that could be developed. Most of the other surrounding properties are developed with single-family housing.
- The Housing Authority reports occupancy of 100 percent.
- The six apartment complexes contain a total of 296 rental units.
- Only one of the apartment complexes in the survey is conventionally financed.
- Four of the apartment complexes in the survey are RD 515 financed.
- None of the apartment complexes in the survey have a Section 42 allocation.
- Only one complex is designated for the elderly and it is an RD project with full Rental Assistance.
- There are a limited number of senior units and all of them have deep subsidy, which leaves a void in the market for older persons with income that could afford to pay a reasonable rent.
- No apartment complexes within the Trade Area are proposed or under construction at this time.
- None of the apartment complexes contained in the analysis were offering rent concessions.
- The proposed apartment complex is projected to have a total of 53 units. All units will have a Section 42 allocation. Twenty-seven of the units will be set aside for HOME tenants, nine units will be set aside for tenants at 60 percent of AMI and 16 units will be set aside for market rate tenants. One unit is designated as a management unit.
- Proposed are 12 one-bedroom units with HOME rents of \$317 per month. This rent is:
 - below the HOME and the Section 42 maximum rent ceilings
 - there are no one-bedroom conventional units to compare
 - there are no Section 42 rental units to compare
 - comparable to the RHS basic rents
 - 32 percent lower than the RHS market rents
 - 5 percent lower than the elderly RHS basic rents
 - 34 percent lower than the elderly RHS market rents
 - 26 percent lower than the current Fair Market Rents

- Proposed are two one-bedroom units with 60% rents of \$342 per month. This rent is:
 - below the Section 42 maximum rent ceilings
 - there are no one-bedroom conventional units to compare
 - there are no Section 42 rental units to compare
 - 7 percent higher than the RHS basic rents
 - 27 percent lower than the RHS market rents
 - 2 percent higher than the elderly RHS basic rents
 - 29 percent lower than the elderly RHS market rents
 - 20 percent lower than the current Fair Market Rents

- Proposed are ten one-bedroom units with market rents of \$360 per month. This rent is:
 - below the Section 42 maximum rent ceilings
 - there are no one-bedroom conventional units to compare
 - there are no Section 42 rental units to compare
 - 13 percent higher than the RHS basic rents
 - 23 percent lower than the RHS market rents
 - 7 percent higher than the elderly RHS basic rents
 - 25 percent lower than the elderly RHS market rents
 - 16 percent lower than the current Fair Market Rents

- Proposed are 15 two-bedroom units with HOME rents of \$335 per month. This rent is:
 - below the HOME and the Section 42 maximum rent ceilings
 - 36 percent lower than the conventional rents
 - there are no Section 42 rental units to compare
 - comparable to the RHS basic rents
 - 34 percent lower than the RHS market rents
 - there are no two-bedroom elderly RHS units to compare
 - 29 percent lower than the current Fair Market Rents

- Proposed are seven two-bedroom units with 60% rents of \$360 per month. This rent is:
 - below the Section 42 maximum rent ceilings
 - 31 percent lower than the conventional rents
 - there are no Section 42 rental units to compare
 - 7 percent higher than the RHS basic rents
 - 29 percent lower than the RHS market rents
 - there are no two-bedroom elderly RHS units to compare
 - 24 percent lower than the current Fair Market Rents

- Proposed are six two-bedroom units with market rents of \$365 per month. This rent is:
 - below the Section 42 maximum rent ceilings
 - 30 percent lower than the conventional rents
 - there are no Section 42 rental units to compare
 - 8 percent higher than the RHS basic rents
 - 28 percent lower than the RHS market rents
 - there are no two-bedroom elderly RHS units to compare
 - 23 percent lower than the current Fair Market Rents

Selected data on each apartment is shown on Tables 5.1, 5.2, 5.3 and 5.4 with detailed data and a picture of each comparable complex included in the appendix.

Table 15.0-Summary of Findings of WRI Market Survey

	1 BR	2 BR	3 BR	Total
<i>Subject Property (50%/60% AMI HOME)</i>				
Total # of Units	12	15	0	27
Total % of Units	44%	56%	0%	100%
Proposed HOME Rents	\$317	\$335	-	
Average Rent per Square Foot	\$0.42	\$0.31	-	-

<i>Subject Property (60% AMI)</i>				
Total # of Units	2	7	0	9
Total % of Units	22%	78%	0%	100%
Proposed 60% Rents	\$342	\$360	-	
Average Rent per Square Foot	\$0.45	\$0.34	-	-

<i>Subject Property (Market Rate)</i>				
Total # of Units	10	6	0	16
Total % of Units	63%	38%	0%	100%
Proposed 60% Rents	\$360	\$365	-	
Average Rent per Square Foot	\$0.47	\$0.34	-	-

There is one non-revenue management unit.

All Complexes

# of Properties	6.0			
Total # of Units	154	98	44	296
Total % of Units	52%	33%	15%	100%
Avg. Rent	\$384	\$435	\$449	-
Occupancy				98.6%

All Conventional Complexes

# of Properties	1.0			
Total # of Units	0	14	0	14
Total % of Units	0%	100%	0%	100%
Avg. Rent	-	\$525	-	-
Occupancy				86.0%

Table 15.0-Summary of Findings of WRI Market Survey

	1 BR	2 BR	3 BR	Total
<i>RD 515 Complexes</i>				
# of Properties	4.0			
Total # of Units	66	40	2	108
Total % of Units	61%	37%	2%	100%
Avg. Basic Rent	\$318	\$336	\$371	-
Avg. Market Rent	\$470	\$507	\$549	-
Occupancy				98.2%

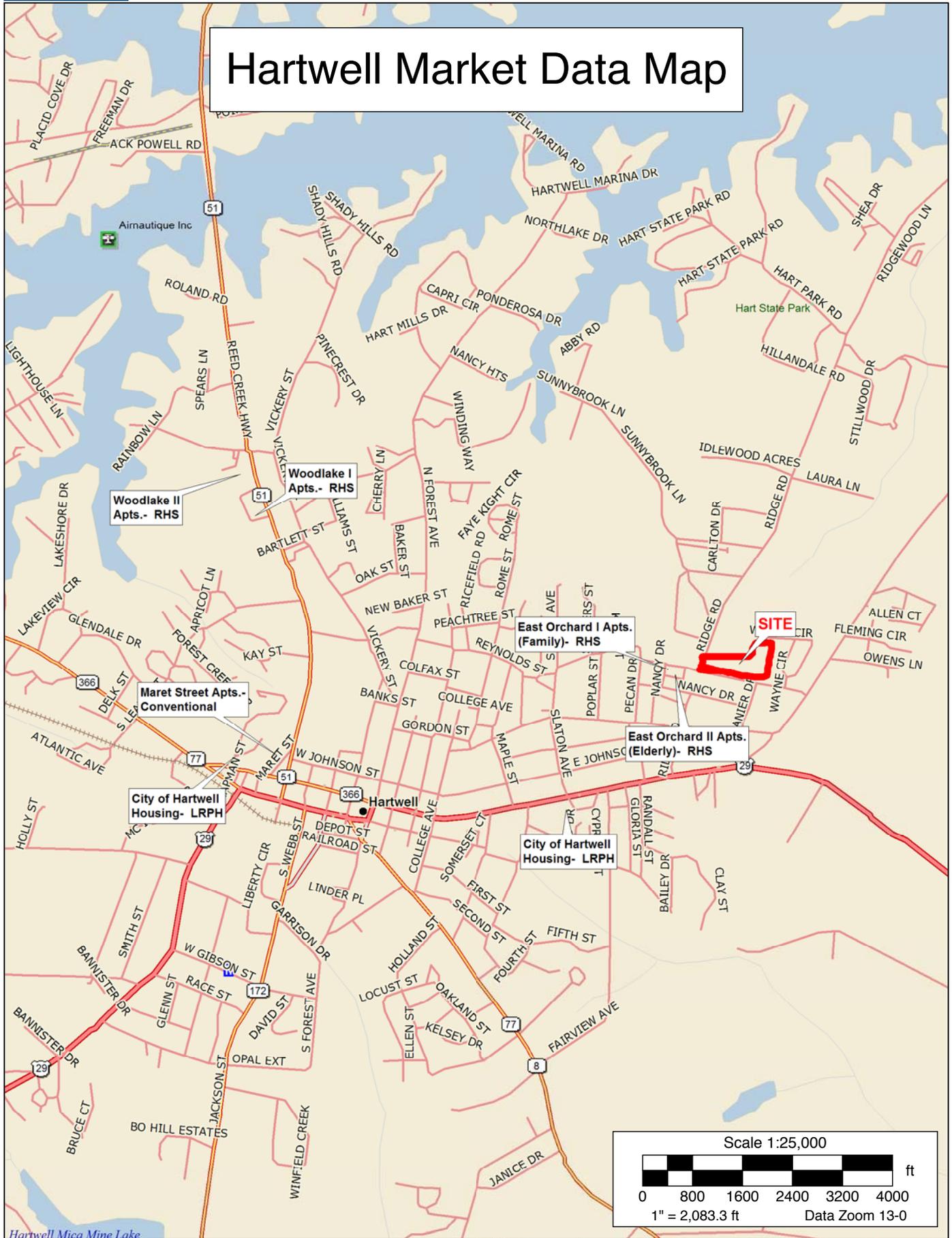
RD 515 Senior Complexes

# of Properties	1.0			
Total # of Units	24	0	0	24
Total % of Units	100%	0%	0%	100%
Avg. Basic Rent	\$336	-	-	-
Avg. Market Rent	\$485	-	-	-
Occupancy				100.0%

Housing Authority Properties

# of Properties	1.0			
Total # of Units	88	44	42	174
Total % of Units	51%	25%	24%	100%
Occupancy				100.0%

Hartwell Market Data Map

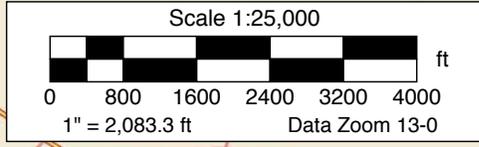
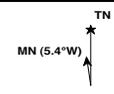


Hartwell Mica Mine Lake

Data use subject to license.

© 2006 DeLorme. Street Atlas USA® 2007 Plus.

www.delorme.com



H. INTERVIEWS

Dwayne Dye, Economic Development Director, Hart County Chamber of Commerce, (706) 376-8590. Mr. Dye provided additional information on major employers, new industries, expansions and closures. He confirmed the information on TI Automotive, Fenner-Dunlop, Zymark Industries, Quality Industries, Springs Industries, Tenneco Automotive, and the Winn Dixie store. He provided information on Super Ingles Grocery, Country Boy Meat Stix, Home Depot and Gips Manufacturing. The chamber does not have data on non-manufacturing employers.

Betty, Hart County Board of Commissioners office, (706) 376-2024. She did not have any information on the non-manufacturing major employers other than for Hart County, but not the Board of Education.

Joe Parks, Apartment Owner and Manager, (706) 377-4306. Mr. Parks is co-owner of the apartments (14 units) on Maret Street. He provided the information on the units listed on the apartment record in the appendix. During the interview, Mr. Parks was questioned regarding a couple other small, unnamed apartment complexes nearby on Johnson Street & near Vickery Street. He stated that when he first purchased the units he now owns, he used to contact the other owners to determine market rents, but had not felt the need to do so over the past several years, so was no longer sure who the current owners were.

Glenda Wiley, Field Operations Manager, Georgia Department of Community Affairs, Housing Choice Voucher Program, Athens Regional Office (706) 369-5798. Ms. Wiley provided Section 8 Voucher information for the county. Currently, there are 14 vouchers under contract in Hart County. There is also an additional household that received a voucher in April, but they are still looking for suitable housing. Until recently, the agency has been unable issue new Section 8 Vouchers since 2001. However, the waiting list was opened to all the rural counties in January 2007. The agency planned for about 50 applicants per county, but received far less. In the case of Hart County, every applicant who took all the necessary steps to complete his or her application received a voucher. There is no waiting list. Ms. Wiley is concerned that there is not enough information getting into the communities that vouchers are available, since they were unable to issue them for so long. She stated that historically, there has been a much greater demand for housing vouchers. Some of the staff are planning on making visits to local social service agencies to help increase public awareness about the availability of housing assistance.

I. CONCLUSIONS AND RECOMMENDATIONS

The proposed project should be awarded an Allocation of Section 42 Low Income Housing Tax Credits based on the following:

- A review of the proposed project
- A review of the proposed site relative to services
- The current occupancy levels at existing comparable apartment complexes
- The state of the local economy
- Current and projected demographic trends
- Current and projected household income trends

The Executive Summary highlights and supports all of the above items.

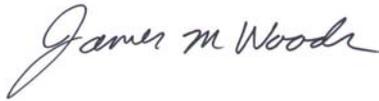
The proposed project, Juniper Court, should proceed as planned—there is a lack of affordable properties designated for older persons in the market/trade area, other than RD and LRPH properties, which are subsidized. Senior RD and LRPH projects are for persons age 62 and over, not age 55 and over.

The proposed rents should be achievable in this market and are very competitive with the existing (non-subsidized) apartment complex rents.

The proposed project, Juniper Court, will not adversely impact current rental housing in the Trade Area. The only housing projects for older persons are RD and LRPH properties.

J. SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that the 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 on this project being funded.



Digitally signed by James M.
Woods
Date: 2007.06.15 10:12:31 -04'00'

James M. Woods
President



Site, From Nancy Drive



Site, Looking NE, single-family homes in background



Site, Looking SW, from where Wayne Circle dead-end's



Site, Looking NE, from Ridge Road



Adjacent property, Single-family home at the southeast corner of the site



Adjacent property, Single-family home on Wayne Circle



Adjacent property, Single-family home on Ridge Road



East Orchard Apartments, corner of Nancy Drive and Ridge Road



Convenience Shopping, BP Food Shop



Full Service Shopping, Adams Square, new Ingles grocery store w/ pharmacy



Full Service Shopping, Adams Square, the addition to Ingles



Full Service Shopping, Adams Square, Belk and Cato



Shopping Center, Wal-Mart Supercenter



Shopping Center, Hartwell Station



Central Business District, Town Square



Hospital, addition to the Hospital



EMS



YMCA

Table 5.1 - Unit Report
Hartwell, GA

	Studio	1BR	2BR	3BR	4BR	TOTAL	Occ %	# Occ	Condition	Age	Fin	Asst
01 East Orchard I Apts (Family)	0	6	16	2	0	24	92%	22	Fair	1990	RHS	9 RA
02 East Orchard II Apts (Elderly)	0	24	0	0	0	24	100%	24	Fair	1991	RHS	23 RA
03 WoodlakeApts.	0	18	12	0	0	30	100%	30	Fair	1990	RHS	None
04 Woodlake II Apts.	0	18	12	0	0	30	100%	30	Fair	1990	RHS	12 RA
05 City of Hartwell Housing	0	88	44	35	7	174	100%	174	Fair	1952/1965	LRPH	100%
06 Maret Street Apts.	0	0	14	0	0	14	86%	12	Fair	1980/1990's	Conv.	None
	0	154	98	37	7	296		292				

Table 5.2 - Rent Report

Hartwell, GA

	Studio		1 BR		2 BR		3 BR		4 BR		Tenant	Age	Fin	
	Low	High	Low	High	Low	High	Low	High	Low	High				Occ %
01 East Orchard I Apts (Family)			\$327	\$483	\$349	\$516	\$371	\$549			92%	GenOcc	1990	RHS
02 East Orchard II Apts (Elderly)			\$336	\$485							100%	Elderly 62+	1991	RHS
03 WoodlakeApts.			\$305	\$455	\$340	\$510					100%	GenOcc	1990	RHS
04 Woodlake II Apts.			\$305	\$455	\$320	\$495					100%	GenOcc	1990	RHS
05 City of Hartwell Housing Authority			\$221		\$260		\$326		\$365		100%	GenOcc	1952/1965	LRPH
06 Maret Street Apts.					\$525	\$525					86%	GenOcc	1980/1990's	Conv.
			\$299	\$470	\$359	\$512	\$349	\$549	\$365					

Table 5.3 - Sq. Ft. Report

Hartwell, GA

	Studio		1 BR		2 BR		3 BR		4 BR		Occ %	Condition	Age	Fin
	Low	High	Low	High	Low	High	Low	High	Low	High				
01 East Orchard I Apts (Family)			665	665	816	940	962	962			92%	Fair	1990	RHS
02 East Orchard II Apts (Elderly)			680	680							100%	Fair	1991	RHS
03 WoodlakeApts.			675	675	850	850					100%	Fair	1990	RHS
04 Woodlake II Apts.			675	675	850	850					100%	Fair	1990	RHS
05 City of Hartwell Housing Authority			534		700		918		1,092		100%	Fair	1952/1965	LRPH
06 Maret Street Apts.					850	900					86%	Fair	1980/1990's	Conv.

Table 5.4 - Rent per Sq. Ft. Report
Hartwell, GA

	Studio		1 BR		2 BR		3 BR		4 BR		Age	Fin	
	Low	High	Low	High	Low	High	Low	High	Low	High			Occ
01 East Orchard I Apts (Family)			\$0.49	\$0.73	\$0.43	\$0.55	\$0.39	\$0.57			92%	1990	RHS
02 East Orchard II Apts (Elderly)			\$0.49	\$0.71							100%	1991	RHS
03 WoodlakeApts.			\$0.45	\$0.67	\$0.40	\$0.60					100%	1990	RHS
04 Woodlake II Apts.			\$0.45	\$0.67	\$0.38	\$0.58					100%	1990	RHS
05 City of Hartwell Housing Authority			\$0.41		\$0.37		\$0.36		\$0.33		100%	1952/1965	LRPH
06 Maret Street Apts.					\$0.62	\$0.58					86%	1980/1990's	Conv.
			\$0.46	\$0.70	\$0.44	\$0.58	\$0.38	\$0.57	\$0.33				

Comparison of Hartwell Rental Amenities

Community Amenities	Juniper Court (Subject)	East Orchard I (Family)	East Orchard II (Elderly)	Woodlake	Woodlake II	City of Hartwell HA	Maret Street
On-site office	X	X	X	X	X		
Clubhouse	X						
Community room	X		X				
Covered porch (on comm bldg)	X						
Library	X						
Dance floor	X						
Fitness center	X						
Computer Center	X						
Picnic area	X		X				
Grills	X						
Pavilion	X						
Play Court	X						
Playground	X		X	X	X		
Walking path	X						
Laundry room							
Elevator	X						
Unit Amenities							
Patio/Balcony		X	X				X
Disposal	X						
Dishwasher	X						
Microwave	X						
Ceiling fans	X						
W/D in unit	X						
W/D hookup		X	X	X	X	X	X
Fire suppression system	X						
Emergency call buttons	X						



Apt. Name East Orchard I Apts (Family)
Apt. Address 750 Nancy Drive
Phone 706-376-4347
Manager Lynn Propes
Age 1990
Condition Fair
Location Code 01
Occupancy 92%
Occupied Units 22
Financing RHS 515
Assistance 9 RA
Tenant Type Gen Occ
Total Units 24
Pets/Fee No
Sec. Deposit Basic rent
Tenant Paid W/S Yes

Amenities
 Patio/balcony, W/D hookups

	Units	SqFt	Rent	\$/SqFt
Studio	0			
1BR	6	665	\$327	\$0.49
		665	\$483	\$0.73
2BR	16	816	\$349	\$0.43
		940	\$516	\$0.55
3BR	2	962	\$371	\$0.39
		962	\$549	\$0.57
4BR	0			

24 Total Units

▲ High range ▼ Low range

Surveyed 5/30/07. One and two story brick and wood RHS complex that is also LIHTC. Low rent is basic, high rent is market. 9 units have rental assistance, and one of the 3-BR units is a non-revenue unit for the site manager. Complex has relatively low turnover, with move-outs generally happening in clusters. There is currently one 1-BR and one 2-BR available, but manager expects them to be filled from the waiting list. There are 3 households on the WL for 1-BR units, and 1 household on the WL for 2-BR. One tenant has a section 8 voucher. Tenants pay their own water and sewer.



Apt. Name East Orchard II Apts (Elderly)
Apt. Address 750 Nancy Drive
Phone 706-376-4347
Manager Lynn Propes
Age 1991
Condition Fair
Location Code 02
Occupancy 100%
Occupied Units 24
Financing RHS 515
Assistance 23 RA
Tenant Type Elderly 62+
Total Units 24
Pets/Fee No
Sec. Deposit Basic rent
Tenant Paid W/S No

Amenities
 Patio/balcony, W/D hookups, Community room,
 Playground, Picnic area

	Units	SqFt	Rent	\$/SqFt
Studio	0			
1BR	24	680	\$336	\$0.49
		680	\$485	\$0.71
2BR	0			
3BR	0			
4BR	0			

24 Total Units ▲ High range ▼ Low range

Surveyed 5/30/07. One story brick and vinyl RHS complex that is also LIHTC. Low rent is basic, high rent is market. All units but one have rental assistance. Complex has low turnover. Units generally only come open when a resident passes away, but there were recently a couple move-outs, so there is currently no one on the waiting list. Rents include water, sewer, and trash. No tenants with section 8 vouchers.



Apt. Name WoodlakeApts.
Apt. Address 111 Wood Lake Drive
Phone 706-376-4862
Manager Beverly
Age 1990
Condition Fair
Location Code 03
Occupancy 100%
Occupied Units 30
Financing RHS 515
Assistance None
Tenant Type Gen Occ
Total Units 30
Pets/Fee No
Sec. Deposit Same as rent
Tenant Paid W/S No

Amenities
 W/D hookups, Playground

	Units	SqFt	Rent	\$/SqFt
Studio	0			
1BR	18	675	\$305	\$0.45
		675	\$455	\$0.67
2BR	12	850	\$340	\$0.40
		850	\$510	\$0.60
3BR	0			
4BR	0			

30 Total Units

▲ High range ▼ Low range

Surveyed 5/16/07 & 5/25/07.. One story brick and vinyl fourplexes. Managed with Woodlake II Apartments. Low rent is basic; high rent is market. The only vacancy is normal turnover. Complex generally stays full with a small waiting list. Usually very low turnover, though it has been a little higher this past year (a couple residents passed away). Rents include water, sewer, and trash. Two tenants with Section 8 Vouchers.



Apt. Name Woodlake II Apts.
Apt. Address 111 Wood Lake Drive
Phone 706-376-4862
Manager Beverly
Age 1990
Condition Fair
Location Code 04
Occupancy 100%
Occupied Units 30
Financing RHS 515
Assistance 12 RA
Tenant Type Gen Occ
Total Units 30
Pets/Fee No
Sec. Deposit Same as rent
Tenant Paid W/S No

Amenities
 W/D hookups, Playground

	Units	SqFt	Rent	\$/SqFt
Studio	0			
1BR	18	675	\$305	\$0.45
		675	\$455	\$0.67
2BR	12	850	\$320	\$0.38
		850	\$495	\$0.58
3BR	0			
4BR	0			

30 Total Units
 ▲ High range ▼ Low range

Surveyed 5/16/07 & 5/25/07. One and two-story brick and wood fourplexes and townhouses. Managed with Woodlake Apartments. Most of the units are garden-style, but there are 8 2-BR townhouses. 2-BR garden-style unit rents are: \$345/\$495 (Market). The 2-BR townhouse unit rents are: \$320/\$470. Low rent is basic; high rent is market. The only vacancy is normal turnover. Usually very low turnover, though it has been a little higher this past year (a couple residents passed away). Rent includes water, sewer, and trash. Five tenants with Section 8 Vouchers.



Apt. Name City of Hartwell Housing Authority
Apt. Address Scattered sites
Phone 706-376-3153
Manager William Spears, Exec. Dir.
Age 1952/1965
Condition Fair
Location Code 05
Occupancy 100%
Occupied Units 174
Financing LRPB
Assistance 100% Sec 8
Tenant Type Gen Occ
Total Units 174
Pets/Fee
Sec. Deposit \$100
Tenant Paid W/S No

Amenities
 Washer hookups; Installing dryer hookups in elderly units.

	Units	SqFt	Rent	\$/SqFt
Studio	0			
1BR	88	534	\$221	\$0.41
2BR	44	700	\$260	\$0.37
3BR	35	918	\$326	\$0.36
4BR	7	1,092	\$365	\$0.33

174 Total Units

▲ High range ▼ Low range

Surveyed 5/25/07. 80 units are designated elderly. Listed square footage is average, and listed rents are ceiling rents. Various sites and types of construction. Housing authority does not track turnover rate or vacancy factors. There are 10 households on the waiting list. Rent includes water, sewer, and gas. Tenants pay electric and any gas overage. Elderly tenants are allowed pets with a \$300 pet fee.



Apt. Name Maret Street Apts.
Apt. Address Maret Street
Phone 706-377-4306
Manager Joe Parks, co-owner
Age 1980/1990's
Condition Fair
Location Code 06
Occupancy 86%
Occupied Units 12
Financing Conv.
Assistance None
Tenant Type Gen Occ
Total Units 14
Pets/Fee No
Sec. Deposit \$500
Tenant Paid W/S Yes

Amenities
 W/D hookups, Patio/balcony

	Units	SqFt	Rent	\$/SqFt
Studio	0			
1BR	0			
2BR	14	850	\$525	\$0.62
		900	\$525	\$0.58
3BR	0			
4BR	0			

14 Total Units

▲ High range ▼ Low range

Surveyed 5/29/07. Un-named apartment complex built in stages on Maret Street. There are 10 townhouses and 4 garden-style units. Limited amenities. Complex has very low turnover. Owner stated current vacancies are the first he has had in two years. One unit has been vacant a couple of weeks, the other just came open this past weekend and will not be ready to rent for about 10 days. No tenants with Section 8

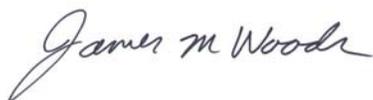
CERTIFICATION

I/we affirm that I/we have made a physical inspection of the market area and that the information obtained has been used in the full assessment of the need and demand for new rental units. (Someone that is employed in a regular and going capacity by Woods Research, Inc. has made a physical inspection of the community.)

I/we certify that the conclusions drawn in this market study are an accurate analysis of the information that was available at the time this report was prepared. I/we do not assume responsibility for the accurateness of the information sources used. This report may not be used for any purpose other than as supporting documentation for the proposed activities that are addressed.

I/we further certify that there is no identity of interest between myself/ourselves, or the firm of Woods Research, Inc., and the client for which the market demand analysis has been prepared. No payments are contingent on the development/construction of the proposed project, and I/we will have no direct financial interest in the project if it is constructed.

Due to our consulting work with state housing agencies, lenders, and syndicators we may, from time to time, be involved in later phases of a project on which we prepared a market study. Examples of such work are follow-up market analyses, compliance monitoring for the Low-Income Housing Tax Credit Program, and ongoing property inspections of existing properties.



Digitally signed by James M. Woods
Date: 2007.06.15 10:12:53 -04'00'

James M. Woods, President

Woods Research, Inc.
5209 Trenholm Road
Columbia, SC 29206

Tel (803) 782-7700
Fax (803) 782-2007
Email WoodsResearch@AOL.com

Assumptions and Limited Conditions

The demand estimate expressed in this report is predicted upon certain general and specific conditions and assumptions, which may or may not have any effect upon the demand for the proposed subject property.

1. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be good and marketable. Normal utility easements are assumed to exist.
2. Certain information in this market analysis has been furnished by others. The sources and information are considered to be reliable, but cannot be guaranteed,
3. The market analyst is not obligated to give testimony of any kind nor appear in any court as a result of having completed this market analysis, unless arrangements to that effect were made prior to the initiation of the market analysis assignment.
4. The market analyst is not qualified to determine the existence of any potentially hazardous materials on or in the site.
5. The demand estimate expressed herein assumes competent and aggressive management and marketing of the subject property. The contents of this market analysis are for limited private use only. It is assumed that the client has provided to WRI accurate information concerning the proposed project.
6. The market analysis is predicated upon the completion of the subject in accordance with the original plans and specifications, with quality materials and in a timely and workmanlike manner.
7. The demand is subject to change with market changes over time. Such changes are highly related to supply and demand. The demand estimate considers the productivity and relative attractiveness of the property in the marketplace. The market is dynamic and may naturally change over time.
8. Liability of the WRI and its employees is limited to the fee collected for preparation of this market analysis. There is no accountability or liability to any third party. The fee for this market analysis is for the service rendered and not for the time spent on the physical report. Acceptance of, and /or use of, this market analysis constitute acceptance of the above conditions.

Woods Research, Inc.
5209 Trenholm Road
Columbia, SC 29206

Tel (803) 782-7700
Fax (803) 782-2007
Email WoodsResearch@AOL.com

WOODS RESEARCH, INC.

Woods Research, Inc. was founded in 1981 by James M. Woods to serve clients in the area of real estate development. The company specializes in preparing market studies for multi-family housing proposals, which include but is not limited to, Section 42 LIHTC, tax exempt bond issue, HUD 221 d4, HOPE VI, RHS 515, seniors housing, market rate projects, condominiums and "for sale" housing. WRI prepares market studies for new construction, acquisition/rehab, and historic rehab. The market studies provide supporting documentation for federal grants and loans, private lender financing, public and private placement syndications, and in-house decision making.

Clients include real estate development corporations and partnerships, financial institutions, syndication firms, government agencies, real estate agencies and appraisers, colleges, hospitals, and churches. Client references are available upon request.

Woods Property Inspection Division has been providing property inspections of residential properties since 1991. Our major emphasis is due diligence asset management inspections for Section 42 properties.

MEMBERSHIPS

National Council for State Housing Agencies
National Housing & Rehabilitation Association
National Council of Affordable Housing Market Analysis
Council for Affordable and Rural Housing
Carolina's Council for Affordable and Rural Housing

Woods Research, Inc.
5209 Trenholm Road
Columbia, SC 29206

Tel (803) 788-0397
Fax (803) 788-0205
WoodsResearch@AOL.com

JAMES M. WOODS

EXPERIENCE

1981-present Woods Research, Inc. Columbia, SC

President

- Founded Woods Research, Inc. in 1981
- Supervises all the operations of the company including site and field surveys, primary and secondary data analyses, market/trade area definitions and demand methodologies
- Assists clients with project proposals
- Prepares company bid proposals
- Performs site and field surveys to supplement field staff
- Markets the company at state, regional and national meetings
- Supervises the operation of Woods Property Inspection Division

1978-1981 Catawba Regional Planning Council Rock Hill, SC

Director of Rural Development

- Supervised planning personnel
- Assisted local governments with planning and grant proposals
- Met with business community leaders, citizens groups and government officials concerning grant proposals and project planning
- Developed a regional social services transportation program under a federal grant
- Administered the rural planning development grant program

1975-1978 Richland County Columbia, SC

Community Development Director

- Supervised the county Community Development Block Grant program
- Prepared grants for Richland County (population 250,000)
- Assisted with economic, health and art programs for the county

1969-1972 United States Navy Norfolk, VA

- Tours aboard the USS America in Vietnam and Europe

EDUCATION

University of South Carolina Columbia, SC

- Master of Public Administration, 1977
- B.A. in Public Administration, 1975

APPRAISAL COURSES

Appraisal Institute

- 110 Appraisal Principals, December 1994
- 120 Appraisal Procedures, December 1994
- 410 Standards of Professional Practice Part A, December 1994
- 310 Basic Income Capitalization, October 1995
- 520 Highest and Best Use and Market Analysis, October 1995

SEMINARS

- Spectrum STAR Management Certification
- Spectrum LIHTC Seminar
- Spectrum ADA and Section 504 Seminar
- HUD Multi-Family Accelerated Processing Seminar
- HomeTech Inspection Seminar
- TheoPRO Seminar
- Housing Credit Certified Professional exam administered by the National Association of Home Builders

5209 TRENHOLM ROAD ● COLUMBIA, SC 29206 ● PHONE (803) 782-7700

FAX (803) 782-2007 ● E-MAIL WOODSRESEARCH@AOL.COM

CATHERINE G. WOODS

EXPERIENCE

1988-present Woods Research, Inc. Columbia, SC

Vice President

- Plans and coordinates the preparation of market studies
- Analyzes demographic and field data
- Prepares market study reports
- Performs site and field surveys to supplement field staff
- Performs budget and accounting functions
- Develops automated systems for data collection and reporting

1981-1987 SCANA/SCE&G Columbia, SC

Supervisor Internal Projects

- Supervised programmer analysts in planning, designing and implementing computer application systems
- Developed departmental plans and budgets

Senior Program Analyst

- Designed and implemented computer application systems
- Installed and implemented vendor software applications
- Wrote instructional manuals for end users

1979-1980 J.P. Stevens and Company Charlotte, NC

Computer Programmer Analyst

- Developed program specifications
- Supervised program and systems testing

1975-1978 SCE&G Columbia, SC

Computer Programmer

- Developed and tested computer applications systems

EDUCATION

University of South Carolina Columbia, SC

- B.S. in Computer Science, 1975
- Graduate courses in Business Administration, 1978-1980

SEMINARS

- Spectrum STAR Management Certification
- Spectrum LIHTC Seminar
- Fair Housing/ ADA/ Section 504 Seminar
- HUD Multi-Family Accelerated Processing Seminar
- HomeTech Inspection Seminar
- TheoPRO Seminar
- Housing Credit Certified Professional exam administered by the National Association of Home Builders

MEMBERSHIPS

- Historic Columbia Foundation
- Learning Disabilities Association
- Phi Beta Kappa

5209 TRENHOLM ROAD ● COLUMBIA, SC 29206 ● PHONE (803) 782-7700

FAX (803) 782-2007 ● E-MAIL WOODSRESEARCH@AOL.COM

C. JENNINGS WOODS

EXPERIENCE

1997-present Woods Research, Inc. Columbia, SC

Site Analyst

- Performs site analyses and apartment surveys
- Meets/interviews local government, chamber of commerce, economic development personnel and apartment managers
- Obtains research materials from libraries, websites and data services
- Archives market study reports for offsite backup

2000-2002 College of Charleston Charleston, SC

Internship

- Set up an archive retrieval database for photographs of the Hunley submarine archeological project
- Assisted lead archeologist on the Hunley project
- Assisted photographers and journalists documenting the Hunley project
- Assisted students with research at the college library

EDUCATION

College of Charleston Charleston, SC

- B.S. in Anthropology, 2002, with minors in African Studies and African-American Studies

University of South Carolina Columbia, SC

- M.S. in Journalism and Mass Communications, 2004

SEMINARS

- LIHTC Seminar
- TheoPRO Seminar
- Housing Credit Certified Professional exam administered by the National Association of Home Builders

5209 TRENHOLM ROAD ● COLUMBIA, SC 29206 ● PHONE (803) 782-7700

FAX (803) 782-2007 ● E-MAIL WOODSRESEARCH@AOL.COM

ANITA C. ERVIN

EXPERIENCE

2003-Present Woods Research, Inc. Columbia, SC

Project Manager

- Coordinate and schedule field surveys and property inspection trips
- Research and survey apartment data
- Research state, county, and community data
- Research census and labor statistical data
- Prepare market study components
- Prepare property inspection/tenant compliance components
- Performs accounts receivable duties

2002-2003 American Red Cross Camden, SC

Program Services Coordinator

- Oversee Red Cross service delivery within Kershaw County and ensure that it meets that National Red Cross standard
- Schedule, set up, and ensure the quality of health & safety training for local businesses and the community
- Oversee volunteer recruitment, training, and performance
- Maintain all volunteer, emergency response, and training records
- Participate in disaster response, military casework, and instruct health and safety classes
- Coordinate Red Cross services with other community agencies in order to maximize community resources

1999-2000 Law Offices of Broome & Broome Columbia, SC

Office Assistant

- Generate client bills from attorney logs
- File, answer phones, other miscellaneous clerical tasks as needed.

EDUCATION

University of South Carolina Columbia, SC

- B.S. in Exercise Science, School of Public Health, completed 2002

5209 TRENHOLM ROAD ● COLUMBIA, SC 29206 ● PHONE (803) 782-7700

FAX (803) 782-2007 ● E-MAIL WOODSRESEARCH@AOL.COM

INFORMATION SOURCES

2000 Census of Population and Housing, Summary Tape File 1A/3A, U.S. Department of Commerce, Bureau of the Census.

Housing Units Authorized by Building Permits and Public Contracts: Annual 1999-2005, (C-40 Construction Reports), U.S. Department of Commerce, Bureau of the Census.

The Sourcebook of County Demographics, 14th Edition, CACI Marketing Systems.

2006 Income Limits for Low-Income and Very Low-Income Families, Housing Act of 1937, U.S. Department of Housing and Urban Development.

2006 Fair Market Rents for Housing Choice Voucher Program and Moderate Rehab SRO Fiscal Year 2006, U.S. Department of Housing and Urban Development.

Labor and wage data, Bureau of Labor Statistics Data, U.S. Department of Labor.

Selected Reports from Catalyst Connect, Claritas.

DeLorme Mapping System.

Site America, CACI and Tactician Corporation.

Various publications from the Chamber of Commerce, Economic Development Office, County Office, City Hall and Planning Offices.

Interviews with personnel from the Chamber of Commerce, Economic Development Office, the County Office, City Hall and Planning Offices.

U.S. Census Bureau, U.S. Department of Labor, HUD, Chamber of Commerce, Economic Development and Community-related web sites.

Apartment Managers, Management Companies, and Housing Authority offices.

State Employment Office.

Woods Research, Inc.
5209 Trenholm Road
Columbia, SC 29206

Tel (803) 782-7700
Fax (803) 782-2007
WoodsResearch@AOL.com