

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS

MARKET STUDY

OF

WILLOWBROOK VILLAS

***A Proposed Low Income Housing Tax Credit Development
Application 07-027***

HINESVILLE, GEORGIA

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July 3, 2007

Ms. Christie Cade
Office of Affordable Housing
Georgia Department of Community Affairs
60 Executive Park South , N.E.
Atlanta, GA 30329-2231

Subject: 07-027
Willowbrook Villas
Proposed Family Tax Credit Apartments
Hinesville, Liberty County, Georgia

Dear Ms. Cade:

In accordance with your request, we have prepared a market study for a proposed 96-unit apartment development to be known as Willowbrook Villas, to be located adjacent and to the north of 841 Willowbrook Drive in Hinesville, Georgia.

This study seeks to estimate market rents and determine whether sufficient demand exists for the development which is to be comprised of 85 income-restricted units and 11 market rate units. The development is to consist of four three-story residential buildings and a one-story community building on a 7.16 acre site. The subject site and the subject's market area were inspected on June 5, 2007.

In addition to the inspection of the subject site, we reviewed competitive rental facilities and linkages in the market area and analyzed demographic data of the area. We interviewed municipal government officials, regional economic development personnel, multifamily property owners and managers.

We invite your attention to the market study that documents our descriptions, analyses and conclusions. If you have any questions regarding our descriptions, analyses and conclusions, or require further information about the ensuing report, please contact the undersigned. Please note that this report may be published only upon the express consent of the undersigned.

Respectfully submitted,

MARKET CONSULTING SERVICES, LLC

by: 

Dale R. Mussatti

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EXECUTIVE SUMMARY

CONCLUSIONS

We find that the data and our analysis demonstrate that currently there is not adequate support for the proposed project with its proposed unit mix of income-restricted and market rate units. Our demand and supply analysis indicates capture rates for one, two and three bedroom units at the 60% AMI level and at market rate rents exceed the maximum levels acceptable to the Georgia DCA. Therefore, we believe the subject development as proposed with its current unit mix and set-aside levels is not feasible.

Our findings are based on our demographic analysis that indicates there has been insufficient growth since 2000 in some of the income categories that the proposed subject development is targeting. Since 2000, the market area has had a stagnant or declining population. Also, household growth has occurred at upper income ranges, with an estimated decline in the number of households at lower income ranges.

CAPTURE RATE ANALYSIS

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Median Market Rent (1)	Proposed Rents
1 Bdrm	30% AMI	2	112	0	112	1.8%	9 Months	\$665	\$180
	50% AMI	2	70	4	66	3.0%	9 Months	\$665	\$353
	60% AMI	6	9	2	7	85.7%	9 Months	\$665	\$440
	Market Rate	2	-57	34	-91	-2.2%	9 Months	\$665	\$525
1 Bdrm	TOTAL	12	134	40	94	12.8%	9 Months		
2 Bdrm	30% AMI	3	93	0	93	3.2%	9 Months	\$788	\$207
	50% AMI	9	57	10	47	19.1%	9 Months	\$788	\$415
	60% AMI	52	18	28	-10	-520.0%	9 Months	\$788	\$519
	Market Rate	8	-49	372	-421	-1.9%	9 Months	\$788	\$700
2 Bdrm	TOTAL	72	119	410	-291	-24.7%	9 Months		
3 Bdrm	30% AMI	1	390	0	390	0.3%	9 Months	\$765	\$232
	50% AMI	2	83	3	80	2.5%	9 Months	\$765	\$474
	60% AMI	8	26	17	9	88.9%	9 Months	\$765	\$594
	Market Rate	1	-45	24	-69	-1.4%	9 Months	\$765	\$775
3 Bdrm	TOTAL	12	454	44	410	2.9%	9 Months		

Proposed Project Capture Rate LIHTC Units	10.7%
Proposed Project Capture Rate Market Rate Units	-1.9%
Proposed Project Capture Rate All Units	43.2%
Proposed Project Stabilization Period	9 Months

Notes: Negative capture rates indicates demand is declining and supply exceeds demand.

1. Median market rent is based on adjusted comparable rents.

The economy of the defined market area is significantly affected by Fort Stewart and the recent deployment from Fort Stewart has negatively impacted the local economy and rental housing market. However, recent employment statistics indicate the unemployment in Hinesville is low (3.9%), as is unemployment in surrounding geographies. Overall, we believe the recent deployment from Fort Stewart will have a short-term, negative impact on the market rate rental housing market. As indicated in this report, some market rate properties, especially those within a short distance to Fort Stewart, have significant vacancies. Based on economic conditions alone, we believe development of new multifamily housing in the market area is not advisable in the short-term. However, assuming the Fort Stewart deployment ends within the next 15 months, we believe the basic economic conditions of the market area would be satisfactory for development of new multifamily housing that would be completed after return of the Fort Stewart deployment.

Based on vacancy levels currently indicated for the market area, the waiting lists at the affordable properties in the market area, and assuming there will not be a deployment in 2009, when the proposed subject development is expected to be completed, we conclude use of a stabilized vacancy rate of 7% for the subject appears reasonable for underwriting purposes. Based on similar new affordable family rental developments in comparable Georgia communities, we estimate an absorption rate of 10 units per month or stabilization at 93% occupancy within 10 months of completion. This absorption estimate is based on the assumption that the development is feasible.

Overall, the subject’s proposed unit rents, unit mix and unit sizes appear to be appropriate. The interior and exterior amenities proposed for the subject property, including its appliance package, is appropriate for the market area and is similar to other amenity packages that have been well-received in similar affordable properties.

Pedestrian linkages in the subject’s immediate neighborhood are limited, however, the subject’s immediate neighborhood has good road access to all of the Hinesville metro area with most in-town destinations accessible within a 15-minute drive from the subject site. Overall, with the exception of a limited number of nearby pedestrian destinations, linkages within the subject neighborhood are considered good.

<u>Property Component</u>	<u>Project</u>
Number of Units	96
Number of Income Restricted Units	11
Stabilized Vacancy	7%
Absorption - Units Per Month	10
Months to Reach Stabilized Occupancy (93%)	9

SUMMARY OF FACTS

Location:	Site entrance shared with an adjacent property at 841 Willowbrook Drive, Hinesville, Georgia
Primary Market Area:	Liberty County census tracts 102.01, 102.02, 102.03, 102.04, 103, and 104 in Liberty County, Georgia. The primary market area encompasses the area south of Fort Stewart and includes the City of Hinesville, City of Walthourville, City of Allenhurst, City of Flemington, and outlying unincorporated areas adjacent to these cities.
1990 Market Area Population:	29,520 - Per 1990 Census
2000 Market Area Population:	39,459 - Per 2000 Census
2006 Market Area Population:	39,111 - Per DemographicsNow.com
2011 Market Area Population:	38,758 - Per DemographicsNow.com
Site Size:	7.16 acres
Improvement Description:	Four, to-be-built, three-story, walk-up apartment buildings each with 24 apartment units, a one-story community building, and 172 surface parking spaces.
Common Area Description:	Common areas available to residents include a community building with a kitchen, great room, computer center, exercise room, a common laundry room, and a leasing/management office. Exterior common amenities

include an outdoor swimming pool, walking path with exercise stations, picnic area, and a tot lot.

Unit Description:

The subject will be comprised of 85 income-restricted units and 11 market rate units. The unit mix and income set-aside schedule is as follows:

SUMMARY OF UNIT MIX/INCOME SET-ASIDE

<u>Unit Type</u>	<u>30% AMI</u>	<u>50% AMI</u>	<u>60% AMI</u>	<u>Market</u>	<u>Total</u>
1 BR/1 BA - 764 SF	2	2	6	2	12
2 BR/2 BA - 1,147 SF	3	9	52	8	72
3 BR/2 BA - 1,236 SF	<u>1</u>	<u>2</u>	<u>8</u>	<u>1</u>	<u>12</u>
Total	6	13	66	11	96

Utility Charges:

The owner will pay for water, sewer and refuse collection. Tenants will pay for electric heat (heat pump), air conditioning, electric domestic hot water, electric for cooking and unit electric.

Concluded Rents:

Concluded market rents derived from a rental survey are summarized below:

PROPOSED RENT SCHEDULE AND ESTIMATED MARKET RENTS

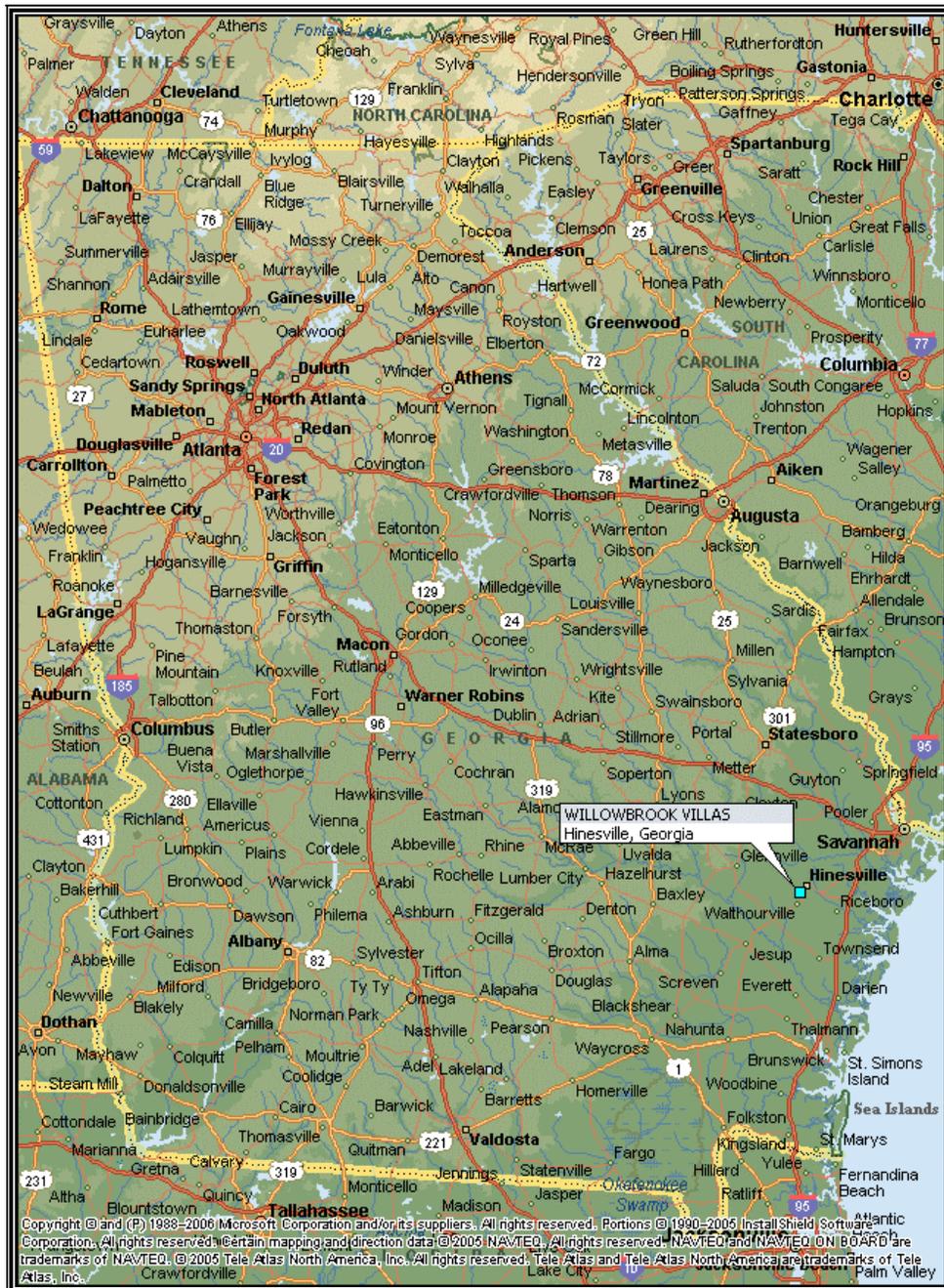
<u>Unit Type</u>	<u>Unit Size</u>	<u>Number Of Units</u>	<u>Proposed Rent</u>	<u>Estimated Market Rent</u>
1 BR/1 BA - 30% AMI	764	2	\$180	\$675
1 BR/1 BA - 50% AMI	764	2	\$353	\$675
1 BR/1 BA - 60% AMI	764	6	\$440	\$675
1 BR/1 BA - Market	764	2	\$525	\$675
2 BR/2 BA - 30% AMI	1,147	3	\$207	\$775
2 BR/2 BA - 50% AMI	1,147	9	\$415	\$775
2 BR/2 BA - 60% AMI	1,147	52	\$519	\$775
2 BR/2 BA - Market	1,147	8	\$700	\$775
3 BR/2 BA - 30% CMI	1,236	1	\$232	\$775
3 BR/2 BA - 50% CMI	1,236	2	\$474	\$775
3 BR/2 BA - 60% CMI	1,236	8	\$594	\$775
3 BR/2 BA - Market	1,236	<u>1</u>	\$775	\$775
Total:		96		

PROJECT DESCRIPTION

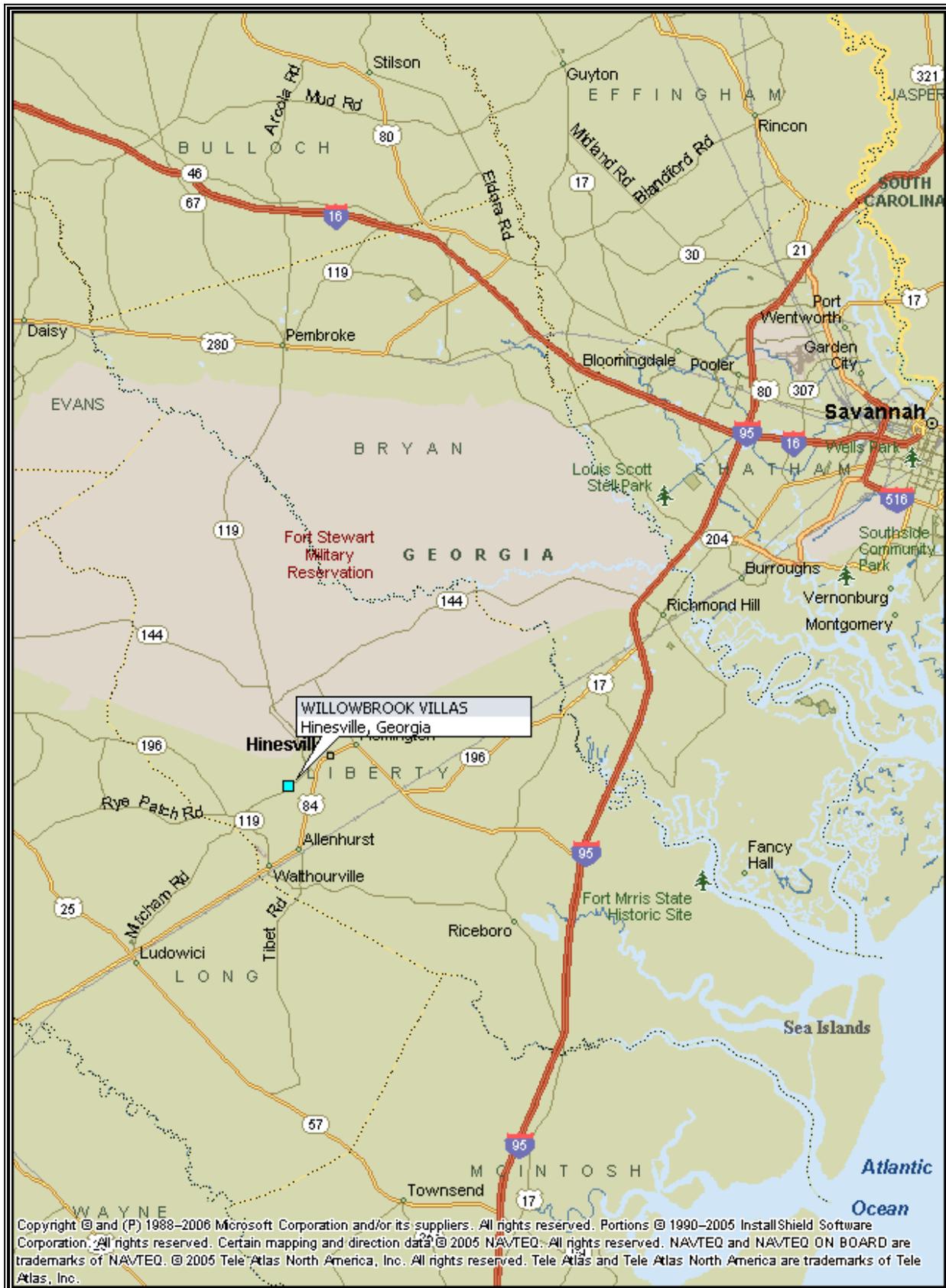
Project Address, Legal Description, and Location

This proposed development currently does not have an address but is located on Willowbrook Drive in Hinesville, Georgia directly west and southwest of the Pines At Willowbrook, a sister apartment property located at 841 Willowbrook Drive. The entrance to the subject site is approximately 1,000 feet northwest of the intersection of Willowbrook Drive and State Highways 119 and 196. We were unable to obtain a legal description for the subject property.

The City of Hinesville is located in southeast Georgia approximately 20 miles southwest of the Savannah metro area. An Area Map is shown below.



Major roadways serving Hinesville include US Highway 84, and State Highways 38, 119, and 196.



Improvement Description

The improvements consist of four proposed (new construction) three-story, walk-up, garden residential buildings for family occupancy, a community building, and a 172 space surface parking lot. The improvements are projected to be placed in service in June 2009.

Common areas available to residents include a community building with a kitchen, great room, computer center, exercise room, a common laundry room, and a leasing/management office. Exterior common amenities include an outdoor swimming pool, walking path with exercise stations, picnic area, and a tot lot.

The subject’s 172 space surface parking lot will result in a parking ratio of 1.8 spaces to each unit and is considered to be adequate for suburban, general occupancy, multifamily residential properties.

Unit Amenities, Unit Mix, Rents and Utility Allowances

Units will be flat-style, will be accessed through private entrances, and the residential buildings will not have any common interior hallways. Units include kitchens with an electric oven/range, refrigerator, dishwasher, microwave oven, and garbage disposal. Each unit will have a washer/dryer hook-up and air conditioning. All units will be carpeted in bedrooms and living rooms and with vinyl flooring in kitchens and bathrooms.

The unit mix will be as follows:

RENT AND UNIT SUMMARY

<u>Unit Type</u>	<u>Size</u>	<u>Count</u>	<u>Proposed Rent</u>	<u>Utility Allowance</u>	<u>Rent And Utility Allowance</u>
1 BR/1 BA - 30% AMI	764	2	\$180	\$81	\$261
1 BR/1 BA - 50% AMI	764	2	\$353	\$81	\$434
1 BR/1 BA - 60% AMI	764	6	\$440	\$81	\$521
1 BR/1 BA - Market	764	2	\$525	\$81	\$606
2 BR/2 BA - 30% AMI	1,147	3	\$207	\$106	\$313
2 BR/2 BA - 50% AMI	1,147	9	\$415	\$106	\$521
2 BR/2 BA - 60% AMI	1,147	52	\$519	\$106	\$625
2 BR/2 BA - Market	1,147	8	\$700	\$106	\$806
3 BR/2 BA - 30% CMI	1,236	1	\$232	\$129	\$361
3 BR/2 BA - 50% CMI	1,236	2	\$474	\$129	\$603
3 BR/2 BA - 60% CMI	1,236	8	\$594	\$129	\$723
3 BR/2 BA - Market	1,236	1	\$775	\$129	\$904
Total Units:		96			

Tenants will pay for electric heat (heat pump), air conditioning, electric domestic hot water, electric for cooking and unit electric. The owner will pay for water, sewer, and refuse collection. The subject will not have project based rental assistance.

Overall, the functional utility of the buildings and units is considered good, and well suited for family, apartment style living. The general design of the units and buildings is consistent with properties that have been well received in other areas of southeast Georgia.

SITE EVALUATION

Date of Inspection

The subject site was inspected on June 5, 2007.

Site Description

This site is a 7.16 acre, irregular-shaped, land parcel. The site will share an entrance drive with the Pines at Willowbrook, a tax credit property constructed in 2003. The entrance has limited frontage and exposure on Willowbrook Drive.

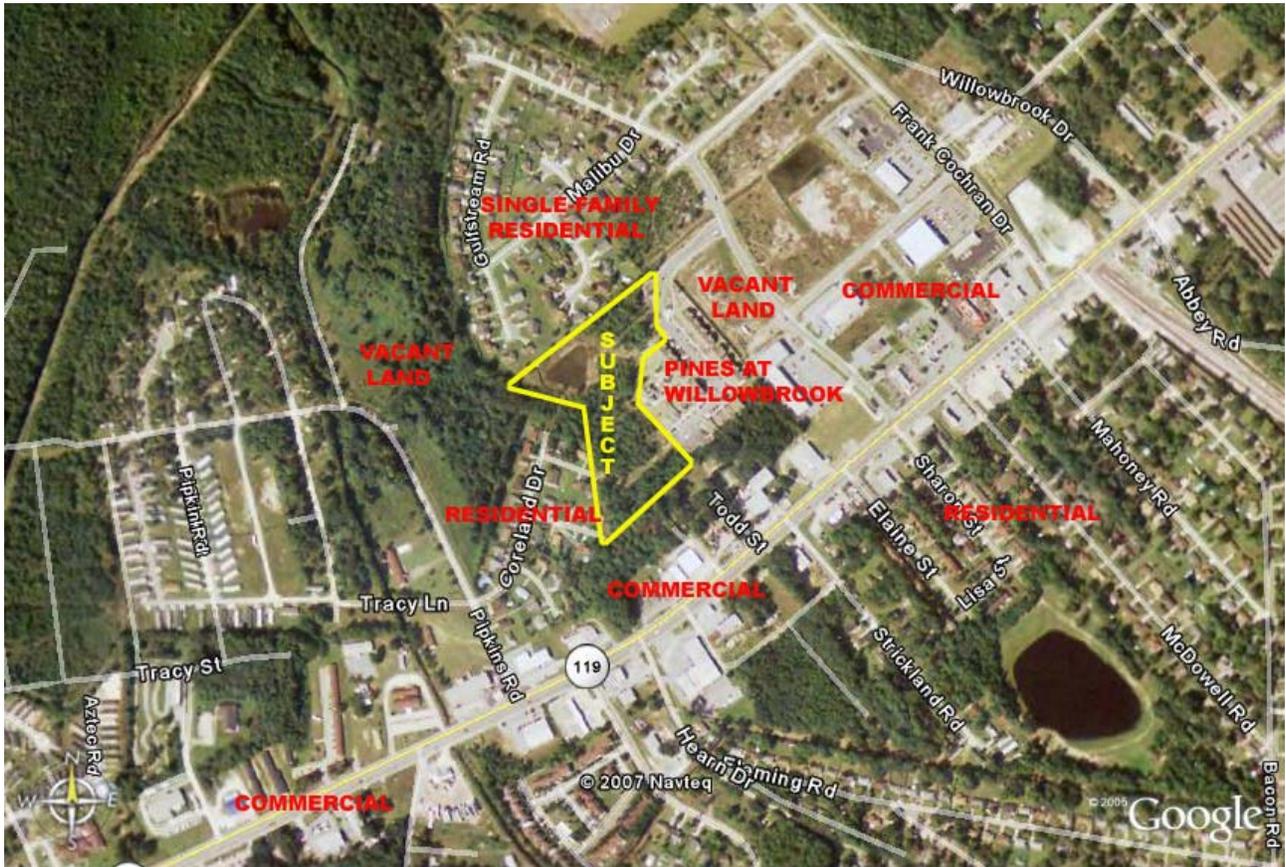
The subject site is level, and is level with parcels adjacent to it. Vehicular access to the subject site will be from its main entrance, at its northern corner, on Willowbrook Drive, and from an extension of a private drive, on the subject site's southeast side, in the Pines at Willowbrook.

Road access is adequate for the site and there were no adverse influences, visible environmental concerns, nuisances, hazards, or easements observed that could have a significant negative impact on the marketability of the subject apartment units. The subject site is situated in an area of generally complementary uses and is typical in comparison to similar projects in terms of size, shape, topography, availability of utilities, setbacks, landscaping, and parking.

Neighborhood Location, Surrounding Land Uses, and Linkages

The subject site is located on Willowbrook Drive in the west-central section of the City of Hinesville. Willowbrook Drive intersects with State Highways 119 and 196 approximately .2 miles southwest of the subject site. State Highways 119 and 196 are major thoroughfares within Hinesville. State Highway 119 provides access to the main gate of Fort Stewart which is accessible via Highway 119 approximately two miles northeast of the subject site. State Highway 196 connects with I-95 approximately 22 miles northeast of the subject site at the southwest fringe of the Savannah metro area. We are not aware of any major infrastructure improvements planned or under construction in the primary market area.

On the following page is an aerial view of the area around the subject site.

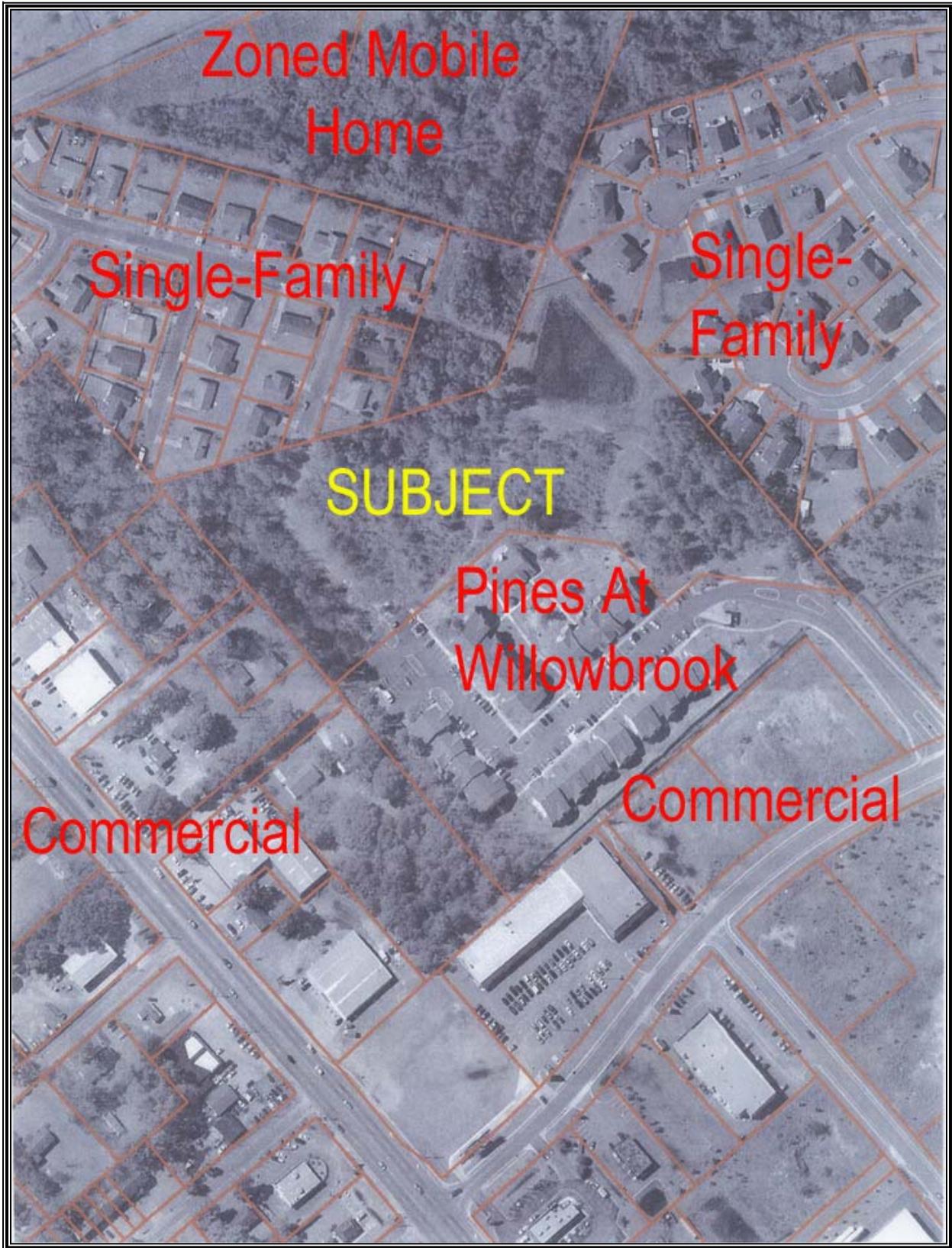


The subject's immediate neighborhood includes a mix of residential, commercial and vacant land uses. Immediately to the north of the subject property is a single-family residential subdivision with homes generally in average-to-good condition and constructed between 1985 and 1995. Also to north of the subject site, near its primary entrance, is a vacant land parcel zoned for multifamily and single-family development. To the east of the subject site is the Pines at Willowbrook, an 80-unit family tax credit property constructed in 2003 by entities related to the developer of the subject development. Also to the east of the subject site at its northeast corner and across from Willowbrook Drive, is vacant land zoned for commercial use. Further east is a commercial district with strip shopping centers, a hotel, restaurants and other commercial buildings. To the south of the subject site are two, older, single-family homes on heavily wooded sites. Further south are commercial properties located along State Highways 119/196. The commercial properties on the north side of Highways 119/196, and immediately near the subject site, are comprised of a used car dealership and some one-story metal buildings with retail and service businesses. To the west of the subject site is an older single-family residential subdivision with homes generally in average condition and constructed primarily in the early 1980's. Also to the west of the subject site is vacant land zoned for single-family manufactured homes.

We are not aware of any major infrastructure or road improvements planned or under construction in the primary market area.

On the following pages are an aerial photo for the area immediately surrounding the subject site, a site plan and photographs of the subject site and the area surrounding it.

AERIAL PHOTOGRAPH OF AREA IMMEDIATELY AROUND SUBJECT SITE





TOP: View Of Entrance Area For Subject Site Looking West At Its Northeast Corner
BOTTOM: View Looking West On Private Drive At Pines At Willowbrook Toward Subject Site In Distance



TOP: View Of Private Drive Providing Access To Pines At Willowbrook With Subject Site On The Right
BOTTOM: View Southeast On Willowbrook Drive With Entrance To Private Drive Providing Access To
The Subject Site On The Right



TOP: View Northwest On Willowbrook Drive With Entrance To Private Drive Providing Access To The Subject Site On The Left

BOTTOM: Homes In Residential Subdivision Located Immediately North Of The Subject Site



TOP: Residential Subdivision Located To The West Of The Subject Site With The Subject Site In The Distance (Wooded Area At The End Of The Street)

BOTTOM: Homes In Residential Subdivision Located To The West Of The Subject Site



TOP: Willowbrook Place Shopping Center Located Approximately One Block East Of The Subject Site
BOTTOM: Fabricare Center Located Approximately One And One-Half Blocks East Of The Subject Site



TOP: Commercial Buildings Located Along Highways 119/196 One-Half Block South Of The Subject Site
BOTTOM: Commercial Buildings And Used Car Dealership Located Along Highways 119/196 One-Half Block South Of The Subject Site

The following linkages exist with respect to the subject site:

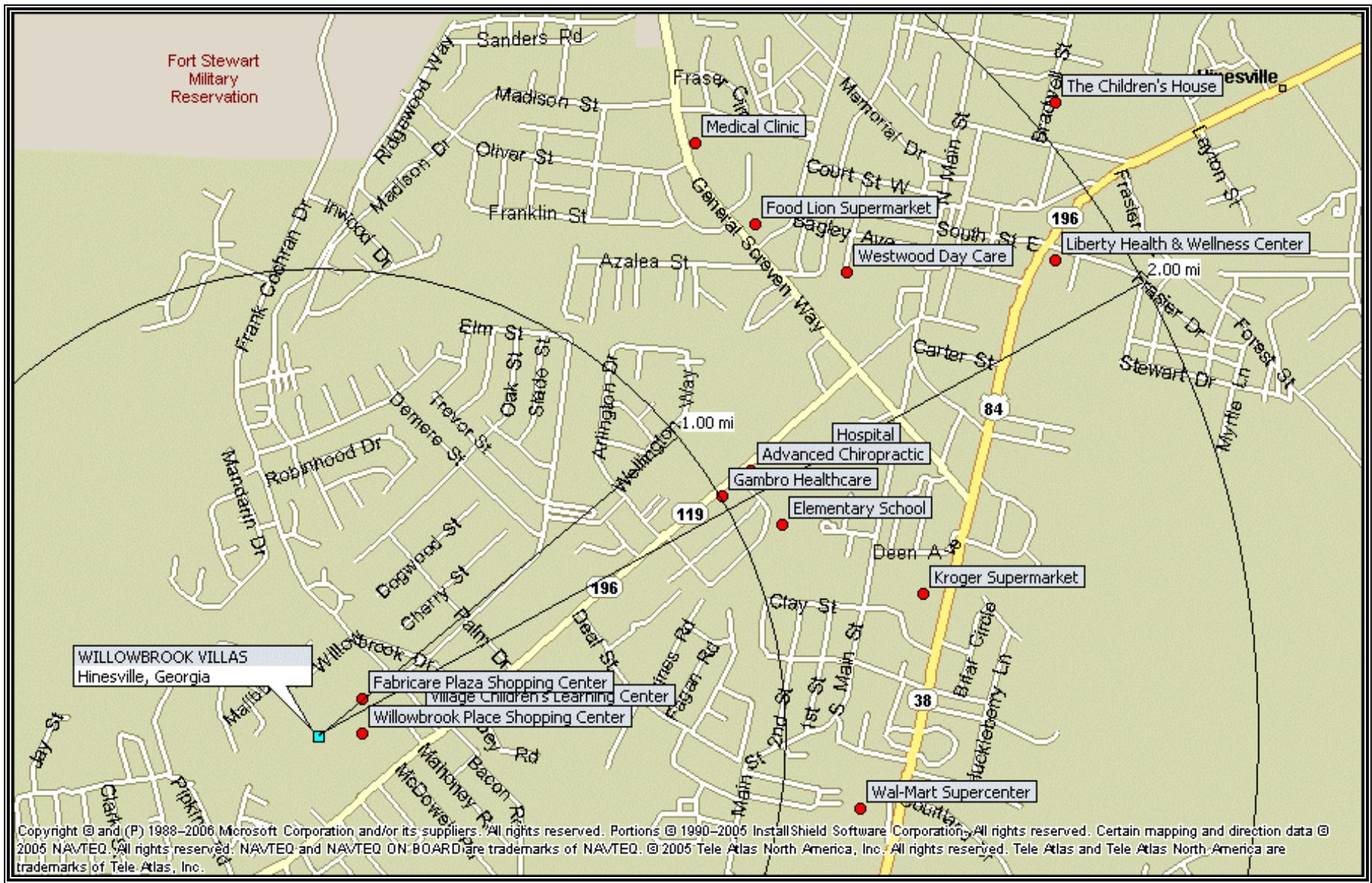
LINKAGES

	Nearest Facility	
	Miles From Subject	Facility Name
Hospital	1.2	Liberty Regional Medical Center
Medical Clinic	1.0	Gambro Healthcare
	1.1	Advanced Chiropractic
	1.5	Best Care Health Center
	1.9	Liberty Health & Wellness Center
Shopping Center	0.1	Willowbrook Place
	0.1	Fabricare Center
	1.2	Wal-Mart Supercenter
Employment Centers	1.2	Wal-Mart Supercenter
	1.3	Fort Stewart
	1.5	Liberty County Court House
Supermarket	1.2	Wal-Mart Supercenter
	1.3	Kroger
	1.4	Food Lion
Public Elementary School	1.1	Jordye Bacon Elementary
Public Middle School	1.5	Lewis Fraiser Middle School
Public High School	4.3	Liberty County High School
Technical College	3.2	Savannah Technical College
Child Daycare Center	0.2	Village Children's Learning Center
	1.5	Westwood Day Care
	2.1	The Children's House

Pedestrian linkages in the subject’s immediate neighborhood are limited, however, the subject’s immediate neighborhood has good road access to all of the Hinesville metro area with most in-town destinations accessible within a 15-minute drive from the subject site. Overall, with the exception of a limited number of nearby pedestrian destinations, linkages within the subject neighborhood are considered good.

A Linkage Map is shown on the following page.

LINKAGE MAP



Low-Income Housing Within The Primary Market Area

The defined market area has a total of 894 low-income rental housing units within twelve properties. Included are 128 family tax credit units in two properties, Ashton Place with 48 units and Pines At Willowbrook with 80 units. Pines at Willowbrook is located adjacent to the subject site and was developed by entities related to the developer of the proposed subject property. The following is a list of the low-income rental housing within the defined market area. Also, on the following pages are maps showing the locations of these properties.

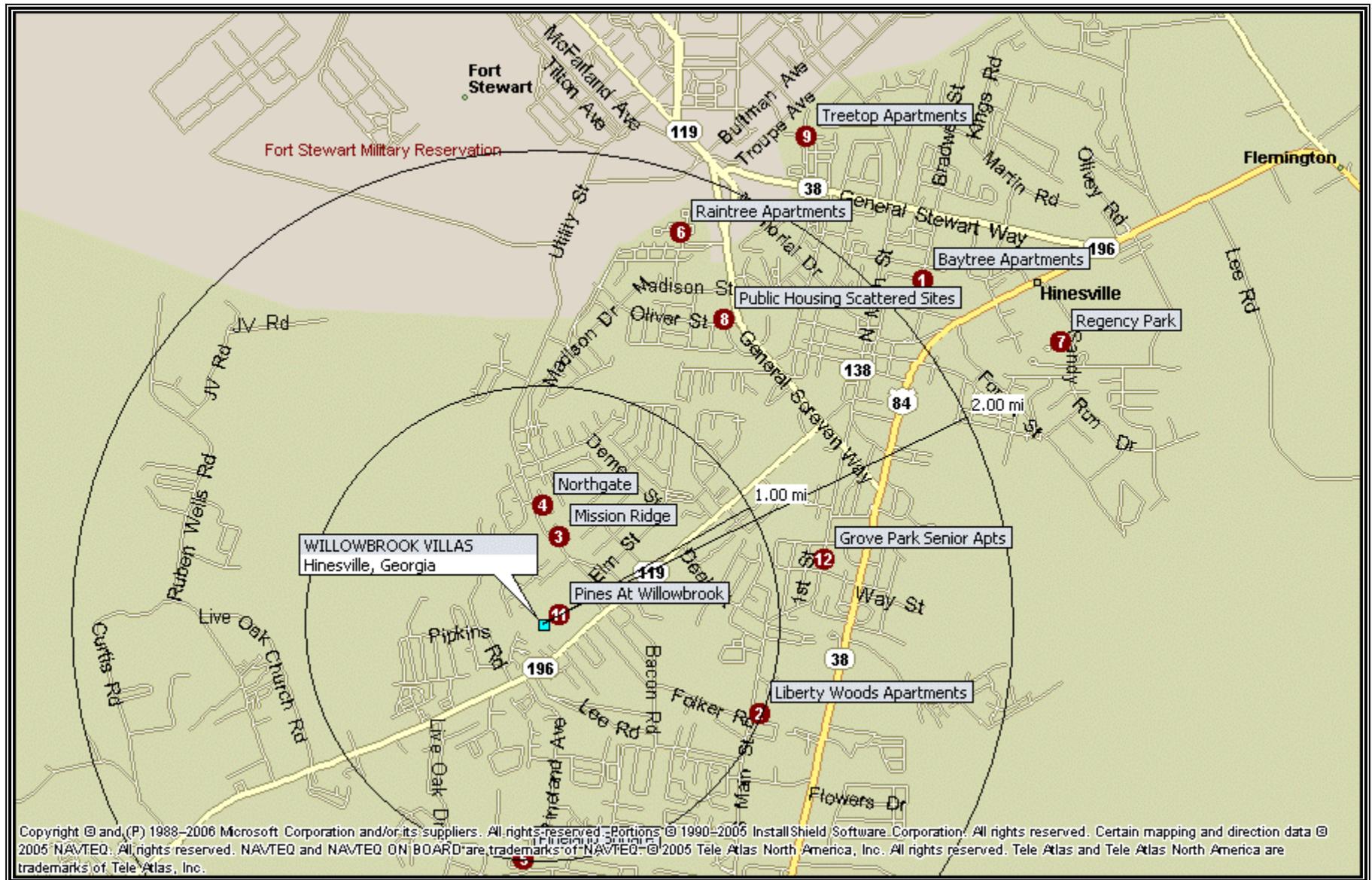
MARKET AREA LOW-INCOME RENTAL HOUSING

<u>No. Property</u>	<u>Address</u>	<u>Year Built</u>	<u>Program</u>	<u>Units</u>	<u>Miles From Subject</u>	
EXISTING PROPERTIES:						
1	Baytree Apartments	217 Bradwell Street, Hinesville	1982	Section 8	60	2.2
2	Liberty Woods Apartments	740 S. Main Street, Hinesville	1980	Section 515	48	1.0
3	Mission Ridge	802 Frank Cochran Drive, Hinesville	1983	Section 515	54	0.4
4	Northgate	804 Frank Cochran Drive, Hinesville	1983	Section 8	80	0.5
5	Pineland Square	1001 Pineland Avenue, Hinesville	1990	Section 8	76	1.0
6	Raintree Apartments	601 Saunders Avenue, Hinesville	1980	Section 8	200	1.7
7	Regency Park	100 Regency Place, Hinesville	1980	LIPH	128	2.5
8	Scattered Sites	Oliver Street, Hinesville	Var.	LIPH	59	1.5
9	Treetop Apartments	600 Taylor Road, Hinesville	1982	Section 8	16	2.3
10	Ashton Place	634 Airport Road, Hinesville	1997	Section 42	48	2.6
11	Pines At Willowbrook	801 Willowbrook Drive, Hinesville	2003	Section 42	80	0.0
12	Grove Park Senior Apts.	550 S. Main Street, Hineville	1997	Section 42	<u>45</u>	1.2
				Total	894	

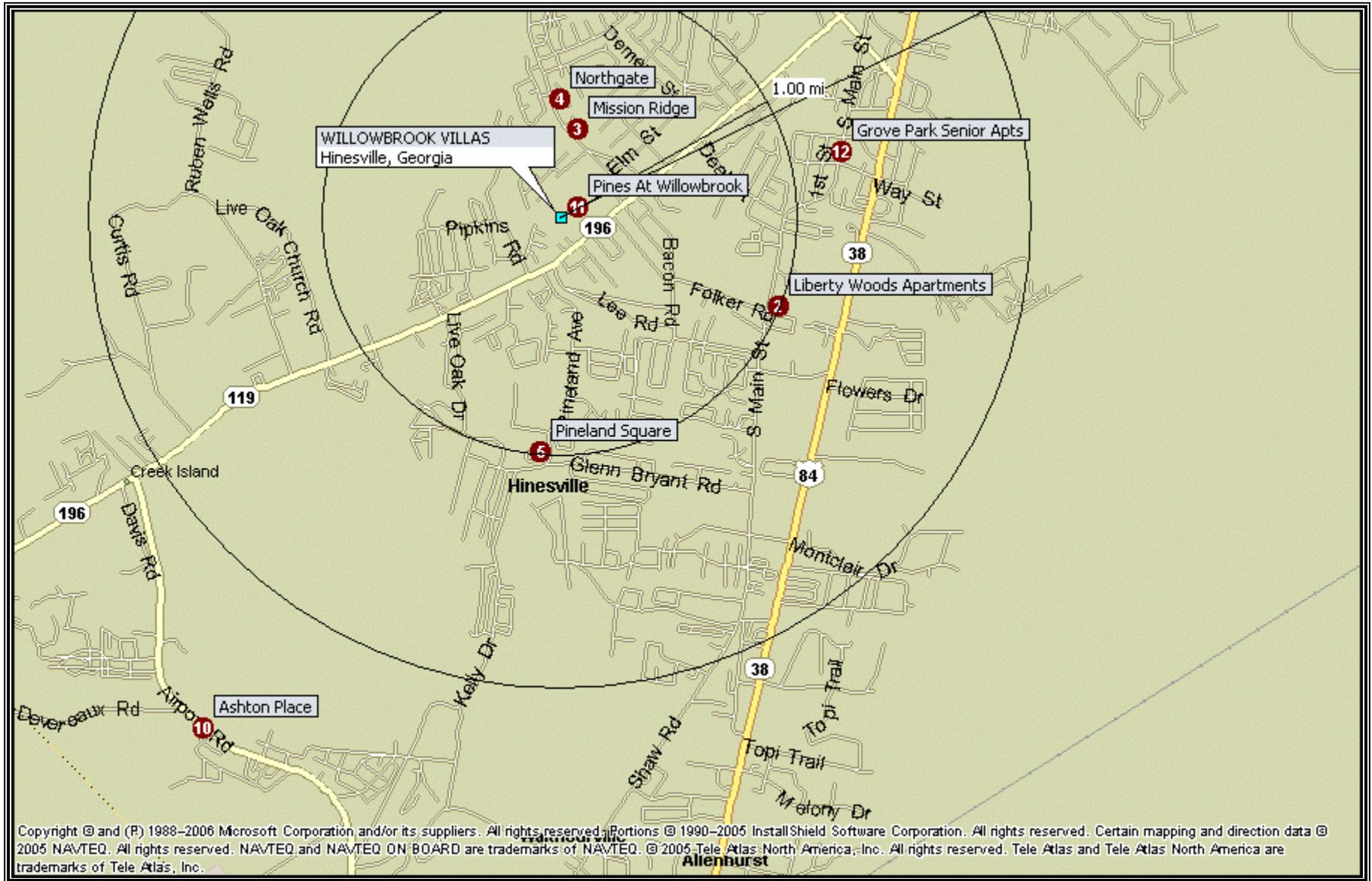
Site Conclusions

The subject site's location, linkages, and surrounding neighborhood are considered well-suited for multifamily housing. Overall, the subject site is considered physically adequate, marketable, and suitable for multifamily residential development.

MARKET AREA LOW-INCOME HOUSING



MARKET AREA LOW-INOCME HOUSING



MARKET AREA

MARKET AREA DEFINITION

The subject's market area is defined by the geographic boundaries from which the subject will attract most of its residents and in which the subject will compete with existing and proposed family multifamily developments. Households within a market area tend to retain residence within that area.

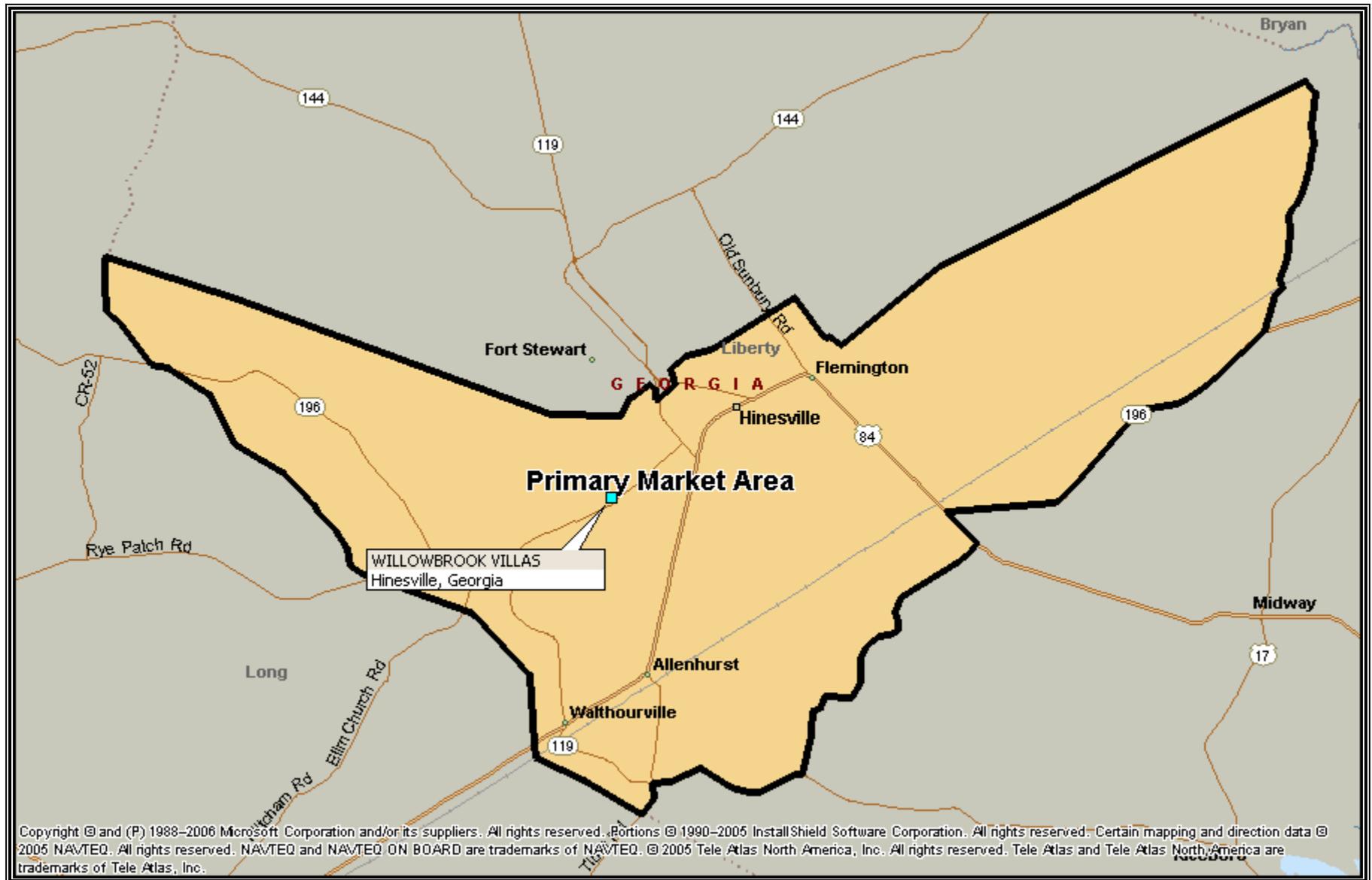
Hinesville is the county seat of Liberty County and serves as the center of economic activity, governmental services, retail shopping, medical services, and education services for Liberty County and its immediate area within Georgia. The City of Hinesville is bordered to the north by Fort Stewart, a United States Army installation with approximately 20,000 military personnel and family members currently residing on the installation.

The subject site is located in the west-central section of the City of Hinesville in a neighborhood with a mix of residential and commercial development. Due to the subject's proposed income restricted units with below market rents, and due to the relatively small geographic size of the Hinesville metro area, we have included in the subject's defined primary market area all of the City of Hinesville and communities adjacent to Hinesville that are integrated into the Hinesville metro area. Our definition of the primary market area is based on geographic proximity, transportation linkages, shopping and service linkages, density of population, and by supply of competitive housing. Therefore, based on these locational and rental market factors, the subject market area is defined as census tracts 102.01, 102.02, 102.03, 102.04, 103, and 104 within Liberty County, Georgia. The primary market area encompasses the general area south of Fort Stewart and includes the City of Hinesville, City of Walthourville, City of Allenhurst, City of Flemington, and outlying unincorporated areas adjacent to these cities.

We have not included Fort Stewart in the defined primary market area as it has its own housing supply that is limited to military personnel.

A Market Area Map is shown on the following page.

MARKET AREA MAP



COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS

The defined primary market area has had strong population growth between 1990 and 2006 with an increase of 32.5%, exceeding the rate of growth for the City of Hinesville (29.6%), Liberty County (18.6%) and the United States (20.4%). State of Georgia population increased by 44.5% for the same time period. However, since 2000, the defined market area and the City of Hinesville have had an estimated population decline. Since 2000 the City of Hinesville has had a slight population decline from 30,393 to a 2006 estimated population of 29,466. The DemographicsNow.com population estimate for the city is consistent with the recent US Census 2005 population estimate of 28,615 for Hinesville. Population estimates for 2011 are provided by DemographicsNow.com and we believe they are fairly reliable. However, we do believe the 2011 population projection for Liberty County may underestimate expected population growth in the eastern portion of the county near I-95 and the coast.

TOTAL POPULATION

	<u>1990 (1)</u>	<u>2000 (1)</u>	<u>2006 (2)</u>	<u>2011 (3)</u>	<u>% Change 1990-2006</u>	<u>% Change 2006-2011</u>
Market Area	29,520	39,459	39,111	38,758	32.5%	-0.9%
City of Hinesville	22,742	30,393	29,466	28,833	29.6%	-2.1%
Liberty County	52,746	61,610	62,571	57,068	18.6%	-8.8%
Hinesville-Ft. Stewart MSA	58,948	71,914	69,875	68,595	18.5%	-1.8%
State of Georgia	6,478,221	8,186,453	9,363,941	9,887,673	44.5%	5.6%
United States	248,710,012	281,421,906	299,398,484	313,518,258	20.4%	4.7%

(1) Source: Census 1990 & 2000

(2) Source: Liberty County, State of Georgia and United States- US Census Quickfacts estimate, Others- SRC, Inc., DemographicsNow.com, *Demographic Detail Summary Report*

(3) Source: SRC, Inc., DemographicsNow.com, *Demographic Detail Summary Report*

Population by age group trends indicate the median age for the defined market area is projected to increase from 26.6 years of age in 2006 to 28.2 years of age in 2011. Nearly all age categories under age 45 are expected to decline in population between 2006 and 2011, while all age categories of 45 and above are projected to increase in population. On the following page is a summary of population by age trends between 1990 and 2011 for the defined market area.

MARKET AREA POPULATION BY AGE

	1990		2000		2006		2011		<u>Percent Change</u>	
	<u>Census</u>		<u>Census</u>		<u>Estimate</u>		<u>Projection</u>		<u>1990 to 2000</u>	<u>2006 to 2011</u>
0 to 4	3,663	12.4%	4,177	10.6%	4,359	11.2%	3,734	9.6%	14.0%	-14.3%
5 to 14	5,064	17.2%	7,251	18.4%	7,785	19.9%	7,870	20.3%	43.2%	1.1%
15 to 19	2,204	7.5%	3,180	8.1%	3,195	8.2%	3,078	7.9%	44.3%	-3.7%
20 to 24	4,106	13.9%	4,364	11.1%	3,108	7.9%	2,639	6.8%	6.3%	-15.1%
25 to 34	6,782	23.0%	7,447	18.9%	6,824	17.4%	6,690	17.3%	9.8%	-2.0%
35 to 44	3,817	12.9%	6,521	16.5%	6,083	15.6%	5,933	15.3%	70.8%	-2.5%
45 to 54	1,924	6.5%	3,513	8.9%	4,307	11.0%	4,751	12.3%	82.6%	10.3%
55 to 64	1,009	3.4%	1,672	4.2%	1,905	4.9%	2,386	6.2%	65.7%	25.3%
65 to 74	607	2.1%	842	2.1%	955	2.4%	1,057	2.7%	38.7%	10.7%
75 to 84	289	1.0%	381	1.0%	450	1.2%	471	1.2%	31.8%	4.7%
85+	<u>56</u>	<u>0.2%</u>	<u>111</u>	<u>0.3%</u>	<u>140</u>	<u>0.4%</u>	<u>149</u>	<u>0.4%</u>	98.2%	6.4%
	29,521	100.0%	39,459	100.0%	39,111	100.0%	38,758	100.0%		
Median Age:										
Total Population	24.7		25.9		26.6		28.2		5.0%	5.9%

Source: SRC, Inc., DemographicsNow.com, *Demographic Detail Summary Report*

HOUSEHOLD TRENDS

Paralleling the projected moderate decline in market area population between 2000 and 2011, the number of households within the defined market area is also projected to decline from 13,657 in 2000 to 13,106 in 2011. Average household size has remained nearly static since 1990 with only a slight projected upward shift. The number of less than age 65 households within the primary market area is estimated to be 12,382 households as of 2006. This number is expected to decrease to 12,029 households by 2011.

MARKET AREA POPULATION AND HOUSEHOLD DATA

	<u>1990</u>	<u>2000</u>	<u>2006</u>	<u>2011</u>
Total Population - Per DemographicsNow.com (1)	29,520	39,459	39,111	38,758
Households - Per DemographicsNow.com (1)	10,289	13,657	13,413	13,106
Average Household Size - Per DemographicsNow.com	2.87	2.89	2.92	2.96
Percentage Change in Population		33.7%	-0.9%	-0.9%
Percentage Change in Households		32.7%	-1.8%	-2.3%
Population - Per DemographicsNow.com (1)				
Under 65	28,568	38,125	37,566	37,081
65 and over	<u>952</u>	<u>1,334</u>	<u>1,545</u>	<u>1,677</u>
Total Population	29,520	39,459	39,111	38,758
Percentage Increase Population <65		33.5%	-1.5%	-1.3%
Percentage Increase Population 65+		40.1%	15.8%	8.5%
Household Income (2)		<u>< 65 Households</u>		
\$0-\$9,999		1,337	1,119	988
\$10,000-\$14,999		673	564	498
\$15,000-\$19,999		966	809	715
\$20,000-\$24,999		968	840	734
\$25,000-\$29,999		1,266	1,098	959
\$30,000-\$34,999		1,170	1,015	887
\$35,000-\$39,999		1,045	906	792
\$40,000-\$59,999		2,911	2,814	2,848
\$60,000-\$74,999		1,224	1,418	1,414
\$75,000-\$99,999		705	1,034	1,252
\$100,000-\$124,999		293	438	498
\$125,000-\$149,999		113	179	234
\$150,000+		<u>112</u>	<u>149</u>	<u>210</u>
Total		12,783	12,382	12,029

(1) Source: DemographicsNow.com; *Demographic Profile Report*

(2) Source: DemographicsNow.com; *Income by Age Summary Report*

Census data shown on the following page for the defined market area indicates a substantial percentage of renters in all income categories. This is consistent with the general nature of employment at the largest employer in Hinesville, Fort Stewart, which has a large transient population that would have a greater tendency to rent than a more permanent population.

MARKET AREA TENURE BY HOUSEHOLD INCOME

<u>Income Range</u>	<u>Total Households</u>	<u>Owner Households</u>	<u>Renter Households</u>	<u>Renter Percentage</u>
Less than \$5,000	883	251	632	71.6%
\$5,000 to \$9,999	673	175	498	74.0%
\$10,000 to \$14,999	785	270	515	65.6%
\$15,000 to \$19,999	988	301	687	69.5%
\$20,000 to \$24,999	1,023	375	648	63.3%
\$25,000 to \$34,999	2,484	1,087	1,397	56.2%
\$35,000 to \$49,999	2,825	1,556	1,269	44.9%
\$50,000 to \$74,999	2,658	1,894	764	28.7%
\$75,000 to \$99,999	787	607	180	22.9%
\$100,000 to \$149,999	438	344	94	21.5%
\$150,000 or more	<u>113</u>	<u>81</u>	<u>32</u>	28.3%
Total	13,657	6,941	6,716	49.2%

Source: 2000 US Census, Tenure By Household Income In 1999, Summary File 4, Table HCT 35

2000 Census data indicates renter percentages are generally between 40% and 60% across all household sizes, with one-person households having the highest renter percentage of 59.2%.

MARKET AREA TENURE BY HOUSEHOLD SIZE

<u>Household Size</u>	<u>Total Households</u>	<u>Owner Households</u>	<u>Renter Households</u>	<u>Renter Percentage</u>
1-person household	2,431	992	1,439	59.2%
2-person household	3,795	1,958	1,837	48.4%
3-person household	3,034	1,504	1,530	50.4%
4-person household	2,647	1,497	1,150	43.4%
5-person household	1,176	671	505	42.9%
6-person household	401	234	167	41.6%
7-or-more person household	<u>173</u>	<u>87</u>	<u>86</u>	49.7%
Total	13,657	6,943	6,714	49.2%

Source: 2000 US Census, Tenure By Household Size, Summary File 1, Table H15

EMPLOYMENT TRENDS

Employment By Industry

Employment by industry statistics from the 2000 Census indicate the civilian labor force in the defined market area has a higher proportion of persons employed in Accommodation and Food Services, Educational Services, Health Care and Social Services, Public Administration, and Retail Trade than the State of Georgia. The market area has a lower proportion of jobs in Construction, Finance and Insurance, Manufacturing, Professional Scientific and Technical Services, and Wholesale Trade than the State of Georgia.

EMPLOYMENT BY INDUSTRY

	<u>Market Area</u>		<u>City of Hinesville</u>		<u>Liberty County</u>		<u>Hinesville- Fort Stewart MSA</u>		<u>State of Georgia</u>
Accommodation and food services	1,002	8.0%	731	7.6%	1,332	7.7%	1,573	7.4%	6.0%
Administrative and support and waste management service	485	3.9%	409	4.2%	623	3.6%	754	3.6%	3.6%
Agriculture forestry fishing and hunting	120	1.0%	79	0.8%	209	1.2%	364	1.7%	1.2%
Arts entertainment and recreation	99	0.8%	76	0.8%	158	0.9%	201	1.0%	1.2%
Construction	759	6.0%	564	5.8%	1,195	6.9%	1,656	7.8%	7.9%
Educational services	1,195	9.5%	907	9.4%	1,656	9.6%	1,928	9.1%	8.2%
Finance and insurance	388	3.1%	308	3.2%	530	3.1%	648	3.1%	4.6%
Health care and social assistance	1,507	12.0%	1,204	12.5%	2,017	11.7%	2,355	11.1%	9.4%
Information	226	1.8%	156	1.6%	316	1.8%	374	1.8%	3.5%
Management of companies and enterprises	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.1%
Manufacturing	1,059	8.4%	798	8.3%	1,688	9.8%	2,096	9.9%	14.8%
Mining	16	0.1%	1	0.0%	16	0.1%	16	0.1%	0.2%
Other services (except public administration)	814	6.5%	645	6.7%	1,090	6.3%	1,267	6.0%	4.7%
Professional scientific and technical services	328	2.6%	292	3.0%	443	2.6%	505	2.4%	5.8%
Public administration	1,660	13.2%	1,266	13.1%	2,052	11.9%	2,551	12.1%	5.0%
Real estate and rental and leasing	294	2.3%	218	2.3%	353	2.0%	409	1.9%	2.0%
Retail trade	1,841	14.6%	1,371	14.2%	2,445	14.1%	2,985	14.1%	12.0%
Transportation and warehousing	578	4.6%	443	4.6%	792	4.6%	986	4.7%	5.0%
Utilities	60	0.5%	44	0.5%	93	0.5%	112	0.5%	1.0%
Wholesale Trade	<u>168</u>	1.3%	<u>132</u>	1.4%	<u>276</u>	1.6%	<u>343</u>	1.6%	3.9%
Total Employed Civilian Labor Force	12,602	69.4%	9,645	68.5%	17,287	58.7%	21,127	62.3%	98.3%
In Armed Forces	<u>5,551</u>	<u>30.6%</u>	<u>4,433</u>	<u>31.5%</u>	<u>12,142</u>	<u>41.3%</u>	<u>12,803</u>	<u>37.7%</u>	<u>1.7%</u>
Total Employed Labor Force	18,153	100.0%	14,078	100.0%	29,429	100.0%	33,930	100.0%	100.0%

Footnote: 1. Source: SRC, Inc., DemographicsNow.com, 2000 US Census Employment Summary Report

Major Employers

The largest employer of persons residing in the defined market area is Fort Stewart, which is not included in the defined market area, but is immediately adjacent to it. We have provided a brief summary of Fort Stewart following this section of the report regarding major employers. The largest employers within the defined primary market area include the following:

LARGEST MARKET AREA EMPLOYERS

<u>Employer</u>	<u>Number of Employees</u>
Fort Stewart Civilian Employees (Government Related)	2,711
Liberty County Board of Education (Public Education-County Total)	1,800
Wal-Mart Super Center (Retail Services)	580
Liberty Regional Medical Center (Medical Services)	520
Liberty County Board of Commissioners (Government)	380
The Heritage Bank (Finance)	318
City of Hinesville (Local Governemnt)	192

Source: Liberty County Development Authority, 2006

Through our market research we are not aware of any anticipated employment expansions or contractions or newly planned employers coming into the defined market area.

Lay-offs and/or plant closings between 2005 and the present within the communities of the defined primary market area, as reported to the State of Georgia Department of Labor, affected only 50 jobs in one business closing.

BUSINESS LAYOFFS AND CLOSINGS

<u>Employer</u>	<u>Employees</u>
Winn Dixie Store, Hinesville, August 2005	50

Source: Georgia Department of Labor, *Business Layoff and Closure Listing*

Fort Stewart

The Hinesville economy is dominated by Fort Stewart, the largest employer in the region. The Largest Market Area Employer table above does not include the number of persons employed on the fort, but shows there are a significant number of Fort Stewart employees in the City of Hinesville.

The defined market area borders Fort Stewart, home of the US Army's Third Infantry Division. Fort Stewart was established in 1940 and currently has approximately 15,000 military personnel assigned to the base. In addition, the base has approximately 2,600 civilian employees (this does not include contract civilian employees which total approximately 1,000 to 2,000 additional persons). The following is a summary of personnel history and projections for Fort Stewart.

FORT STEWART PERSONNEL

<u>Year</u>	<u>Military</u>	<u>Civilian</u>	<u>Total</u>
2000	15,000	1,700	16,700
2001	14,000	1,500	15,500
2002	14,000	1,700	15,700
2003	17,000	2,900	19,900
2004	18,000	2,800	20,800
2005	18,000	3,000	21,000
2006	15,000	2,600	17,600
2007	16,350	NA	NA
2008	16,865	NA	NA
2009	17,476	NA	NA
2010	17,762	NA	NA
2011	17,717	NA	NA

Notes: Source: Fort Stewart Resource Management Office and Directorate of Plans, Training, Mobilization and Security, *Fort Stewart/Hunter AAF Command Data Summary, September 30, 2006*
NA - Not available

Military personnel residing off-base receive a housing allowance that is typically greater than the rents and housing expenses for affordable housing. Therefore, off-base personnel are likely to reside in market rate properties. Our discussion with the managers of two affordable housing developments in Hinesville indicated that they did not have any military personnel in income-restricted units.

FORT STEWART BASIC HOUSING ALLOWANCES

Allowance without dependents	\$774 to \$1,161
Allowance with dependents	\$839 to \$1,362

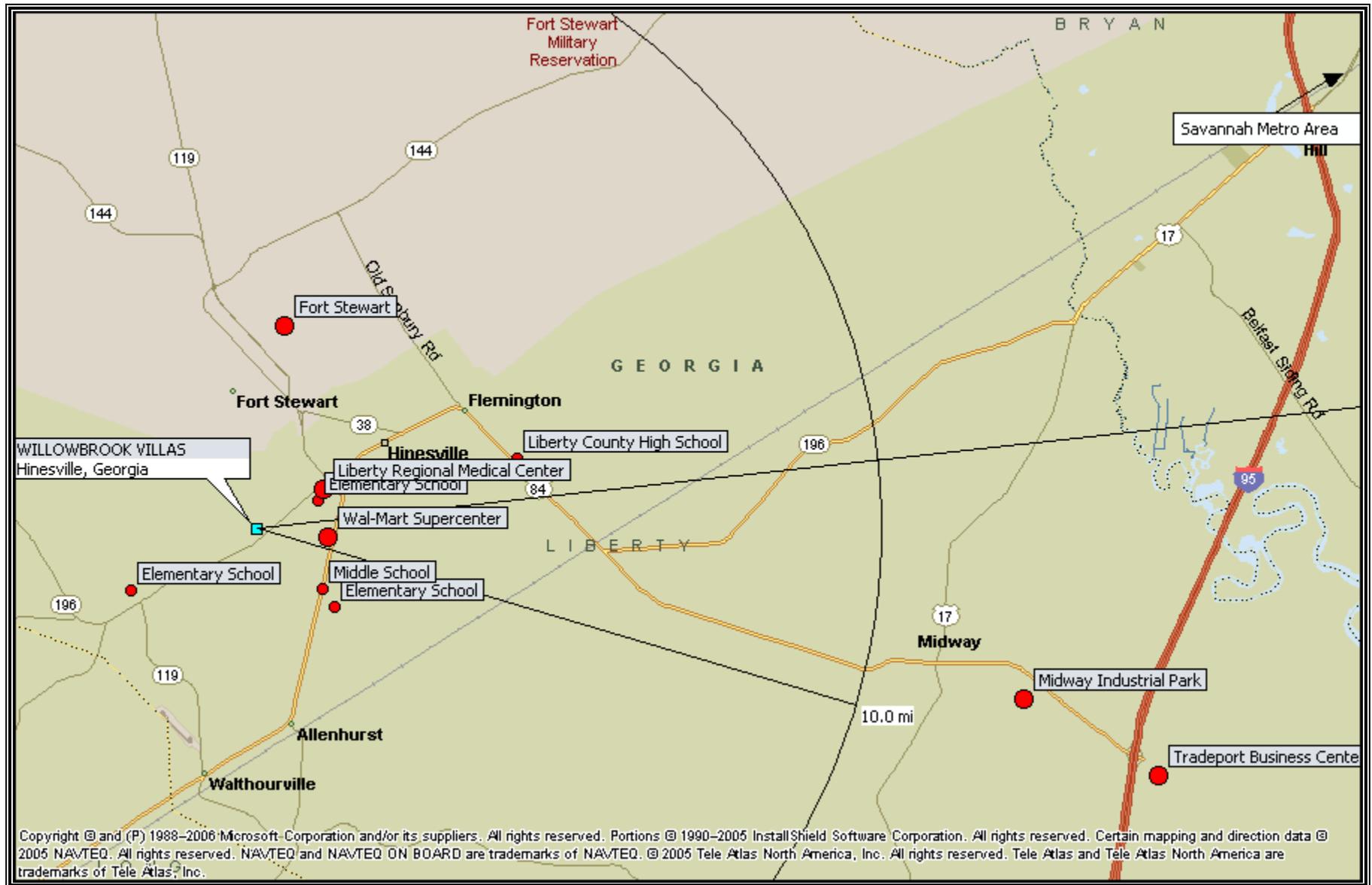
Source: Department of Defense, 2007 Basic Allowance For Housing,
Fort Stewart, Georgia

Currently the Third Infantry Division has approximately 20,000 people on a 15-month deployment in Iraq. Fort Stewart is expected to be back at its peak population in the Fall of 2008, when the current deployment ends. The deployment has significantly impacted occupancy rates in some market area market rate rental properties.

Location Of Large Employers

On the following page is a map of employment centers within the defined market area and areas near it. The Savannah metro area, located approximately 30 miles northeast of the subject site serves as a large employment base within southeast Georgia. Also, within Liberty County are two large business parks situated near I-95: Midway Industrial Park and Tradeport Business Center. These business parks, located approximately 12 to 15 miles from the subject, have been successful in drawing new employers into the area including a Target distribution center, a Hugo Boss distribution center, a Tire Rack distribution center, and a Luhr's Mainship manufacturing facility for large pleasure watercraft.

MAP OF AREA EMPLOYMENT CENTERS



Employment and Unemployment Trends

Current workforce statistics for the defined market area are not available. Employment growth has been very strong in the Hinesville area with employment growth between 1990 and 2006 for the City of Hinesville, Liberty County, and the Hinesville-Fort Stewart MSA of 108.5%, 79.5%, and 90.9%, respectively. Employment growth for the State of Georgia between 1990 and 2006 was 44.5%.

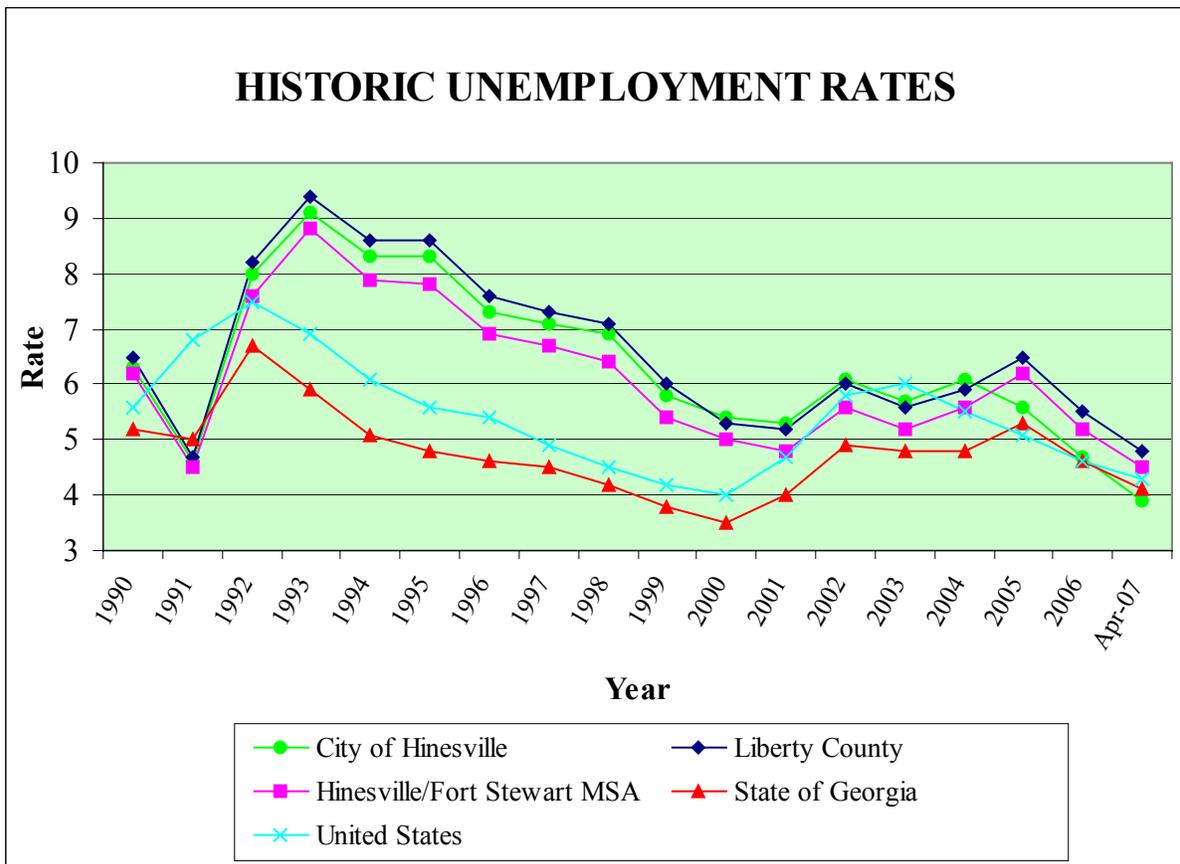
EMPLOYMENT

	<u>1990</u>	<u>2000</u>	<u>Apr-07</u>	<u>1990-Apr-07</u> <u>% Change</u>
Market Area (1)	9,042	12,599	Not Available	
City of Hinesville (2)	6,657	10,657	13,880	108.5%
Liberty County (2)	13,001	18,685	23,341	79.5%
Hinesville-Ft. Stewart MSA (2)	15,352	22,869	29,314	90.9%
State of Georgia (2)	3,129,389	4,095,362	4,610,245	47.3%
United States (2)	115,216,716	138,829,932	149,672,534	29.9%

Notes: 1. Source: SRC, Inc., DemographicsNow.com, *Demographic Detail Summary Report*

2. Source: Georgia Department of Labor, *Yearly Average Labor Force Estimates, Civilian Labor Force Estimates*

Historic unemployment in the area is as follows:



UNEMPLOYMENT RATES*

<u>Year</u>	<u>City of Hinesville</u>	<u>Liberty County</u>	<u>Hinesville/ Fort Stewart MSA</u>	<u>State of Georgia</u>	<u>United States</u>
1990	6.3	6.5	6.2	5.2	5.6
1991	4.6	4.7	4.5	5.0	6.8
1992	8.0	8.2	7.6	6.7	7.5
1993	9.1	9.4	8.8	5.9	6.9
1994	8.3	8.6	7.9	5.1	6.1
1995	8.3	8.6	7.8	4.8	5.6
1996	7.3	7.6	6.9	4.6	5.4
1997	7.1	7.3	6.7	4.5	4.9
1998	6.9	7.1	6.4	4.2	4.5
1999	5.8	6.0	5.4	3.8	4.2
2000	5.4	5.3	5.0	3.5	4.0
2001	5.3	5.2	4.8	4.0	4.7
2002	6.1	6.0	5.6	4.9	5.8
2003	5.7	5.6	5.2	4.8	6.0
2004	6.1	5.9	5.6	4.8	5.5
2005	5.6	6.5	6.2	5.3	5.1
2006	4.7	5.5	5.2	4.6	4.6
Apr-07	3.9	4.8	4.5	4.1	4.3

**Source: Georgia Department of Labor, Yearly Average Labor Force Estimates, Civilian Labor Force Estimates, Not seasonably adjusted*

Between 1992 and 2000 the unemployment rate for the City of Hinesville, Liberty County, and the Hinesville-Fort Stewart MSA had been significantly higher than the unemployment rate for the State of Georgia and the United States. Beginning in approximately 2001 the annual unemployment rate for each of these governmental divisions has tracked more closely with the unemployment rates for the State of Georgia and the United States. As of April 2007, the unemployment rate for the City of Hinesville (3.7%) was lower than the unemployment rate for the State of Georgia (4.1%) and the United States (4.3%).

Conclusions

The economy of the defined market area is significantly affected by Fort Stewart and the recent deployment from Fort Stewart has negatively impacted the local economy and rental housing market. However, recent employment statistics indicate the unemployment in Hinesville is low (3.9%), as is unemployment in surrounding geographies. Overall, we believe the recent deployment from Fort Stewart will have a short-term, negative impact on the market rate rental housing market. As indicated later in this report in our rent comparison analysis, some market rate properties, especially those within a short distance to Fort Stewart, have significant vacancies. Based on economic conditions alone, we believe development of new multifamily housing in the market area is not advisable in the short-term. However, assuming the Fort Stewart deployment ends within the next 15 months, we believe the basic economic conditions of the market area would be satisfactory for development of new multifamily housing that would be completed after return of the Fort Stewart deployment.

DEMAND ANALYSIS

The source of demand for the subject's units consists primarily of its target market. Our demand analysis on the following pages consists of defining the subject's target market and then quantifying it in terms of households.

TARGET MARKET DEFINITION

The subject's target market consists of age and income-qualified households. The subject will serve family households which we define as households with a head of household below the age of 65. Only those households having appropriate income levels will be considered among the pool of potential tenants.

Upper income limits for the subject's proposed income-restricted units are based on 2007 HUD specified income limits for household size categories for Liberty County. Maximum household size for the subject's units is based on 1.5 persons per bedroom. A current upper income limit of \$30,060 has been set as the maximum for the subject's 60% AMI units based on limits imposed by the tax credit program for five person households in Liberty County. The low end of the relevant income ranges were determined by calculating the income required for payment of the subject's rents plus utility allowances while not exceeding 35% of the household's income. A minimum income limit of \$8,950 is calculated for the subject's 30% AMI units based on the proposed \$180 monthly rent for the subject's 30% AMI one bedroom units ((((\$180 rent + \$81 utility allowance) x 12 months) divided by 35%). Given these age and income parameters, the target market consists of family households with incomes between \$8,950 and \$30,060 for the subject's income-restricted units.

Based on the tenure by income data shown previously in this report, and considering the large number of homes and condominiums in the Hinesville area that are rented, we have assumed an upper household income limit of \$75,000 for the subject's market rate units. On the following page is a summary of our calculations for income ranges for each of the subject's unit types and set-aside categories.

ESTIMATED TARGET MARKET INCOME RANGES

Unit Type	<u>30% AMI UNITS</u>			<u>50% AMI UNITS</u>			<u>60% AMI UNITS</u>			<u>MARKET RATE UNITS</u>		
	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom
Maximum Household Size (1)	2 Persons	3 Persons	5 Persons	2 Persons	3 Persons	5 Persons	2 Persons	3 Persons	5 Persons	2 Persons	3 Persons	5 Persons
Maximum Allowed Gross Rent (2)	\$261	\$313	\$361	\$434	\$521	\$603	\$521	\$625	\$723	NA	NA	NA
Utility Allowance (3)	<u>81</u>	<u>106</u>	<u>129</u>	<u>81</u>	<u>106</u>	<u>129</u>	<u>81</u>	<u>106</u>	<u>129</u>	NA	NA	NA
Maximum Allowed Net Rent	\$180	\$207	\$232	\$353	\$415	\$474	\$440	\$519	\$594	NA	NA	NA
Proposed Rent	\$180	\$207	\$232	\$353	\$415	\$474	\$440	\$519	\$594	\$525	\$700	\$775
Utility Allowance Paid By Tenant	<u>81</u>	<u>106</u>	<u>129</u>	<u>81</u>	<u>106</u>	<u>129</u>	<u>81</u>	<u>106</u>	<u>129</u>	<u>81</u>	<u>106</u>	<u>129</u>
Proposed Monthly Housing Expense	\$261	\$313	\$361	\$434	\$521	\$603	\$521	\$625	\$723	\$606	\$806	\$904
Proposed Annual Housing Expense	\$3,132	\$3,756	\$4,332	\$5,208	\$6,252	\$7,236	\$6,252	\$7,500	\$8,676	\$7,272	\$9,672	\$10,848
Maximum. Housing Expense As												
Percent Of Income	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>
Lower Income Limit	\$8,950	\$10,730	\$12,380	\$14,880	\$17,860	\$20,670	\$17,860	\$21,430	\$24,790	\$20,780	\$27,630	\$30,990
Upper Income Limit (4)	\$11,150	\$12,550	\$20,040	\$18,550	\$20,850	\$25,050	\$19,440	\$25,020	\$30,060	\$75,000	\$75,000	\$75,000

- Notes: 1. Based on 1.5 persons per bedroom
2. Georgia DCA maximum specified rent for Hinesville-Fort Stewart MSA
3. Georgia DCA Southern Region utility allowance
4. Income-restricted unit upper income limits are based on 2007 HUD specified income limits for Liberty County. 30% AMI units have 30% AMI rent restrictions and 40% AMI income restrictions.

DEMAND FROM NEW HOUSEHOLDS

Based on projections from SRC, Inc., DemographicsNow.com of the number of market area households, we have extrapolated between 2006 and 2011 household projections to estimate the number of market area households in 2009, the anticipated initial occupancy date for the subject development.

FORECAST OF 2009 HOUSEHOLDS
< 65 Households

<u>Household Income</u>	<u>2000</u>	<u>2006</u>	<u>2011</u>	<u>Change Between 2006 & 2011</u>	<u>Per Year Change</u>	<u>Forecast 2009 Households</u>	<u>Change In Households Since 2000</u>
\$0-\$9,999	1,337	1,119	988	-130	-26	1,041	-296
\$10,000-\$14,999	673	564	498	-66	-13	524	-149
\$15,000-\$19,999	966	809	715	-94	-19	752	-214
\$20,000-\$24,999	968	840	734	-106	-21	776	-192
\$25,000-\$29,999	1,266	1,098	959	-139	-28	1,015	-251
\$30,000-\$34,999	1,170	1,015	887	-128	-26	938	-232
\$35,000-\$39,999	1,045	906	792	-114	-23	838	-207
\$40,000-\$59,999	2,911	2,814	2,848	34	7	2,834	-77
\$60,000-\$74,999	1,224	1,418	1,414	-4	-1	1,416	192
\$75,000-\$99,999	705	1,034	1,252	218	44	1,165	460
\$100,000-\$124,999	293	438	498	60	12	474	181
\$125,000-\$149,999	113	179	234	55	11	212	99
\$150,000+	<u>112</u>	<u>149</u>	<u>210</u>	<u>61</u>	<u>12</u>	<u>186</u>	<u>74</u>
Total	12,783	12,382	12,029	-353	-71	12,171	-613

Source: DemographicsNow.com; Income by Age Summary Report

As shown above, since 2000 the defined market area has a projected decline in households with annual incomes up to \$60,000. Based on the forecasted market area household growth within the above specified income categories, we have estimated new household demand as indicated on the following page.

ESTIMATED NEW HOUSEHOLD DEMAND

Unit Type	<u>30% AMI UNITS</u>			<u>50% AMI UNITS</u>			<u>60% AMI UNITS</u>			<u>MARKET RATE UNITS</u>		
	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom
Lower Income Limit	\$8,950	\$10,730	\$12,380	\$14,880	\$17,860	\$20,670	\$17,680	\$21,430	\$24,790	\$20,780	\$27,630	\$30,990
Upper Income Limit	\$11,150	\$12,550	\$20,040	\$18,550	\$20,850	\$25,050	\$19,440	\$25,020	\$30,060	\$75,000	\$75,000	\$75,000
Set-Aside Lower Income Limit	\$8,950			\$14,880			\$17,680			\$20,780		
Set-Aside Upper Income Limit			\$20,040			\$25,050			\$30,060			\$75,000
New Household Demand Within Income Range Of Set-Aside (1)		-396			-412			-545			-737	
Estimated Renter Percentage (1)		68%			66%			61%			45%	
New Household Demand For Set-Aside (2)		-269			-272			-332			-332	
Total Income Range For Bedroom Type (3)	\$2,200	\$1,820	\$7,660	\$3,670	\$2,990	\$4,380	\$1,760	\$3,590	\$5,270	\$54,220	\$47,370	\$44,010
Allocation Based On Bedroom Type (4)	18.8%	15.6%	65.6%	33.2%	27.1%	39.7%	16.6%	33.8%	49.6%	37.2%	32.5%	30.2%
New Household Demand For Bedroom Type Within Set-Aside	-51	-42	-177	-90	-74	-108	-55	-112	-165	-124	-108	-100

- Notes: 1. Based on set-aside income range
2. New household demand within income range of set-aside multiplied by estimated renter perctage
3. Specific set-aside bedroom type upper income limit minus its lower income limit
4. Percentage based on set-aside bedroom type income range compared to total of income ranges for all bedroom types for each specific set-aside.

DEMAND FROM EXISTING HOUSEHOLDS

Households Living In Substandard Housing

Additional demand for the proposed development is expected to come from households living in substandard housing. Substandard housing includes rental housing that is overcrowded with greater than 1.5 persons per room, and rental housing that lacks complete plumbing.

As summarized below, the market area has 138 rental housing units with more than 1.5 persons per room.

OCCUPANTS PER ROOM IN MARKET AREA RENTAL HOUSING

<u>Occupants Per Room</u>	<u>Occupied Housing Units</u>
0.50 or less	3,103
0.51 to 1.00	3,071
1.01 to 1.50	404
1.51 to 2.00	123
2.01 or more	15

Source: 2000 US Census, Summary File 3, Table H20, *Tenure By Occupants Per Room*

Census data indicates the market area has 66 housing units lacking complete plumbing and occupied by renters (2000 US Census, Summary File 4, Table HCT13, *Tenure By Plumbing Facilities By Occupants Per Room*). Census data also indicates all the housing units without complete plumbing are occupied by households with less than 1.5 persons per room.

Surprisingly, census data indicates a large percentage of renter households in substandard housing have incomes above the poverty level.

SUBSTANDARD HOUSING AND HOUSEHOLD INCOME LEVELS

	<u>Number of Households</u>	<u>Percentage of Households</u>
<u>Rental Housing Units With More Than 1.5 Persons Per room</u>		
Above Poverty Level	78	56.5%
Below Poverty Level	60	43.5%
<u>Rental Housing With Inadequate Plumbing</u>		
Above Poverty Level	25	37.9%
Below Poverty Level	41	62.1%

Source: 2000 US Census, Summary File 4, Table HCT87, *Tenure By Poverty Status In 1999 By Plumbing Facilities By Occupants Per Room*

The 2007 US income poverty line for a five-person household is \$24,130 or at approximately the upper limit of the 50% AMI set-aside level. Based on the data shown above we have allocated a larger percentage of the market area's demand attributed to households in substandard housing to the 30% and 50% AMI set-aside levels than to the 60% set-aside level. Also, we have assumed all demand from households living in substandard housing will be directed towards the subject's income-restricted units. Shown below is a

summary of how we allocated demand attributed to renter households in substandard housing to the subject's proposed income set-aside schedule and unit mix.

**ALLOCATION OF DEMAND FROM HOUSEHOLDS IN
SUBSTANDARD HOUSING BY SET-ASIDE**

Overcrowded Households

<u>Total Demand</u>	<u>Set-Aside</u>	<u>Percent Of Demand Allocated</u>	<u>Demand Allocated (Households)</u>
138	30% AMI	25%	34
	50% AMI	20%	28
	60% AMI	55%	76
	Market Rate	0%	0

Households With Inadequate Plumbing

<u>Total Demand</u>	<u>Set-Aside</u>	<u>Percent Of Demand Allocated</u>	<u>Demand Allocated (Households)</u>
66	30% AMI	35%	23
	50% AMI	30%	20
	60% AMI	35%	23
	Market Rate	0%	0

Total Demand From Households In Substandard Housing

<u>Set-Aside</u>	<u>Total Demand</u>
30% AMI	57
50% AMI	47
60% AMI	99
Market Rate	0

Shown on the following page is estimated demand from households in substandard housing allocated among specific set-aside levels and unit types.

DEMAND FROM HOUSEHOLDS LIVING IN SUBSTANDARD HOUSING

Unit Type	<u>30% AMI UNITS</u>			<u>50% AMI UNITS</u>			<u>60% AMI UNITS</u>			<u>MARKET RATE UNITS</u>		
	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom
Lower Income Limit	\$8,950	\$10,730	\$12,380	\$14,880	\$17,860	\$20,670	\$17,680	\$21,430	\$24,790	\$20,780	\$27,630	\$30,990
Upper Income Limit	\$11,150	\$12,550	\$20,040	\$18,550	\$20,850	\$25,050	\$19,440	\$25,020	\$30,060	\$75,000	\$75,000	\$75,000
Set-Aside Lower Income Limit	\$8,950			\$14,880			\$17,680			\$20,780		
Set-Aside Upper Income Limit			\$20,040			\$25,050			\$30,060			\$75,000
Households In Substandard Housing		57			48			99			0	
Total Income Range For Bedroom Type (1)	\$2,200	\$1,820	\$7,660	\$3,670	\$2,990	\$4,380	\$1,760	\$3,590	\$5,270	\$54,220	\$47,370	\$44,010
Allocation Based On Bedroom Type (2)	18.8%	15.6%	65.6%	33.2%	27.1%	39.7%	16.6%	33.8%	49.6%	37.2%	32.5%	30.2%
Rent Over-burdened Households For Bedroom Type And Set-Aside	11	9	37	16	13	19	16	33	49	0	0	0

Notes: 1. Specific set-aside bedroom type upper income limit minus its lower income limit

2. Percentage based on set-aside bedroom type income range compared to total of income ranges for all bedroom types for each specific set-aside.

Rent Over-burdened Households

An additional source of demand for the proposed development is renter-occupied households paying greater than 35% of their household income for gross rent. The following is a summary of the number of rent over-burdened households within the defined market area.

MARKET AREA HOUSEHOLDS WITH GROSS RENT OF 35% OR MORE OF GROSS INCOME

<u>Household Income</u>	<u>Households</u>
Less than \$10,000	720
\$10,000 to \$19,999	732
\$20,000 to \$34,999	175
\$35,000 to \$49,999	15
\$50,000 to \$99,999	0
\$100,000 or more	0

Source: Renter-occupied housing units, 2000 Census Summary File 3,
Table H73, Household Income In 1999 By Gross Rent As A
Percentage Of Household Income In 1999

On the following page we have allocated among specific set-aside levels and unit types the estimated market area rent over-burdened households.

DEMAND FROM RENT OVER-BURDENED HOUSEHOLDS

Unit Type	<u>30% AMI UNITS</u>			<u>50% AMI UNITS</u>			<u>60% AMI UNITS</u>			<u>MARKET RATE UNITS</u>		
	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom
Lower Income Limit	\$8,950	\$10,730	\$12,380	\$14,880	\$17,860	\$20,670	\$17,680	\$21,430	\$24,790	\$20,780	\$27,630	\$30,990
Upper Income Limit	\$11,150	\$12,550	\$20,040	\$18,550	\$20,850	\$25,050	\$19,440	\$25,020	\$30,060	\$75,000	\$75,000	\$75,000
Set-Aside Lower Income Limit	\$8,950			\$14,880			\$17,680			\$20,780		
Set-Aside Upper Income Limit			\$20,040			\$25,050			\$30,060			\$75,000
Rent Over-Burdened Households (1)		808			434			287			181	
Total Income Range For Bedroom Type (2)	\$2,200	\$1,820	\$7,660	\$3,670	\$2,990	\$4,380	\$1,760	\$3,590	\$5,270	\$54,220	\$47,370	\$44,010
Allocation Based On Bedroom Type (3)	18.8%	15.6%	65.6%	33.2%	27.1%	39.7%	16.6%	33.8%	49.6%	37.2%	32.5%	30.2%
Rent Over-burdened Households For Bedroom Type And Set-Aside	152	126	530	144	118	172	48	97	142	67	59	55

Notes: 1. Based on set-aside income range

2. Specific set-aside bedroom type upper income limit minus its lower income limit

3. Percentage based on set-aside bedroom type income range compared to total of income ranges for all bedroom types for each specific set-aside.

Net Demand, Capture Rate and Stabilization Calculations

Total demand for set-asides and unit types as estimated above is as follows:

TOTAL DEMAND FOR SET-ASIDES AND UNIT TYPES

Unit Type	<u>30% AMI UNITS</u>				<u>50% AMI UNITS</u>				<u>60% AMI UNITS</u>				<u>MARKET RATE UNITS</u>			
	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>Total</u>
New Household Demand	-51	-42	-177	-269	-90	-74	-108	-272	-55	-112	-165	-332	-124	-108	-100	-332
Households In Substandard Housing	11	9	37	57	16	13	19	48	16	33	49	99	0	0	0	0
Rent Over-burdened Households	<u>152</u>	<u>126</u>	<u>530</u>	<u>808</u>	<u>144</u>	<u>118</u>	<u>172</u>	<u>434</u>	<u>48</u>	<u>97</u>	<u>142</u>	<u>287</u>	<u>67</u>	<u>59</u>	<u>55</u>	<u>181</u>
Total Demand For Bedroom Type And Set-Aside	112	93	390	596	70	57	83	210	9	18	26	54	-57	-49	-45	-151

Existing Comparable Supply

Three market area subsidized properties are to be rehabbed on a rolling basis without a large displacement of tenants. These properties, Raintree Apartments (200 units, currently 1.5% vacant), Baytree Apartments (60 units, currently 5% vacant), and Northgate Apartments (80 units, currently 8.8% vacant), are each to have moderate rehabs. Because these properties after rehab will serve the same tenants they currently have, we do not consider them to be comparable supply for the subject property.

One tax credit property and three market rate rental properties have been constructed in the defined market area since 2000. Each of these properties is included as comparable supply.

Proposed Comparable Supply

H.E. “Sonny” Timmerman, Executive Director of the Liberty County Consolidated Planning Commission, stated 264 suite-like, market rate, apartment units are to be constructed in the Independence, a planned community located on the west side of Hinesville directly south of Fort Stewart. The planned apartment development, to be known as Independence Place, is to be marketed to military personnel and will have units similar to student housing with rents for each bedroom within a shared unit. The development is expected to be completed in the spring of 2008. Although this property will not compete directly with conventional rental apartments, it will take some of the renter demand from the market area. Thus, we consider this property to be comparable supply.

Independence is a 2,700 acre planned community to be comprised of a mix of single-family and multifamily residential development, commercial development, and recreational land uses. Currently, Governor’s Quarters, a 305 unit townhouse and condominium development, is being constructed in Independence.

Mr. Timmerman also stated 27 townhouse units are to be constructed on Kristi Street in Hinesville with units to be owner-occupied condominiums and possibly some units may be offered for occupancy by renters.

A limited number of vacant parcels zoned for multifamily development are available in the defined market area with no current proposals made for new rental apartments other than those described above. Overall, Mr. Timmerman stated that the area was somewhat receptive to new multifamily housing development on a case-by-case basis with consideration given to existing zoning and adjacent land-uses.

A summary of supply of comparable developments is presented below:

SUPPLY OF COMPARABLE DEVELOPMENTS

<u>No.</u>	<u>Property</u>	<u>Year Built</u>	<u>Program</u>	<u>30% AMI</u>				<u>50% AMI</u>				<u>60% AMI</u>				<u>Market Rent</u>				<u>Total Units</u>	
				<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>Total</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>Total</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>Total</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>		<u>Total</u>
<u>EXISTING PROPERTIES</u>																					
1	Pines At Willowbrook	2003	Section 42	0	0	0	0	4	10	3	17	2	28	17	47	2	10	4	0	16	80
2	Wyngrove (1)	2004	Market Rate	0	0	0	0	0	0	0	0	0	0	0	0	32	88	20	0	140	140
3	Grand Cameron Apartments	2003	Market Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	24	0	0	24	24
4	1113 Kelly Drive	2007	Market Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0	0	12	12
5	Independence Place (2)	2008	Market Rate	0	0	0	0	0	0	0	0	0	0	0	0	238	0	26	264	264	
	Total			0	0	0	0	4	10	3	17	2	28	17	47	34	372	24	26	456	520

Notes: 1. Unit mix for Wyngrove is based on data in market study by Value Tech Realty Services. The county assessor was unable to provide the unit mix for the property and the owner/manager was uncooperative.

2. We were unable to get a unit mix for the proposed Independence Place development. We are aware that the development will have 500 to 600 beds. Based on similar size developments by the developer, we estimate the development will have approximately 580 beds with 238 two bedroom units and 26 four bedroom units.

Market Area Building Permits

A summary of multifamily building permits issued in the City of Hinesville and Liberty County is provided below:

MULTIFAMILY DEVELOPMENT PERMITS

<u>Year</u>	<u>Units</u>	
	City Of <u>Hinesville</u>	Liberty <u>County</u>
2007	264	264
2006	12	12
2005	0	0

Source: HUD State of the Cities Data System

A building permit for Independence Place, with two-hundred, sixty-four apartment units near Fort Stewart to be marketed toward military personnel was issued in May 2007 and accounts for the 2007 units permitted.

Net Demand

Considering our demand and supply estimates, net demand is estimated as shown on the following page:

NET DEMAND CALCULATION

	HH at 30% AMI (min. income to max. income)	HH at 50% AMI (min. income to max. income)	HH at 60% AMI (min. income to max. income)	HH at > 60% AMI (min. income to max. income)
a) Demand from New Household migration into the market and growth from existing households in the market: age and income appropriate	-269	-272	-332	-332
Plus				
Demand from Existing Renter Households - Substandard Housing	57	48	99	0
Plus				
Demand from Existing Renter Households - Rent Over Burdened Households	808	434	287	181
Plus				
Secondary Market Demand adjustment @ 15%	130	72	58	27
Sub Total	726	282	112	-124
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0
Plus				
Demand from Existing Households - Elderly Homeowner Relocation (Limited to 20% where applicable)	0	0	0	0
Plus				
Demand for Existing HFOP Rental Households (Limited to 10% where applicable)	0	0	0	0
Equals Total Demand	726	282	112	-124
Less				
Supply of directly comparable affordable housing units built/or awarded in the project market between 2000 and the present	0	17	47	456
Equals Net Demand	726	265	65	-580

Capture Rates

Calculated capture rates for the propose subject development are as follows:

CAPTURE RATE ANALYSIS

Unit Size	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Median Market Rent (1)	Proposed Rents
1 Bdrm	30% AMI	2	112	0	112	1.8%	9 Months	\$665	\$180
	50% AMI	2	70	4	66	3.0%	9 Months	\$665	\$353
	60% AMI	6	9	2	7	85.7%	9 Months	\$665	\$440
	Market Rate	2	-57	34	-91	-2.2%	9 Months	\$665	\$525
1 Bdrm	TOTAL	12	134	40	94	12.8%	9 Months		
2 Bdrm	30% AMI	3	93	0	93	3.2%	9 Months	\$788	\$207
	50% AMI	9	57	10	47	19.1%	9 Months	\$788	\$415
	60% AMI	52	18	28	-10	-520.0%	9 Months	\$788	\$519
	Market Rate	8	-49	372	-421	-1.9%	9 Months	\$788	\$700
2 Bdrm	TOTAL	72	119	410	-291	-24.7%	9 Months		
3 Bdrm	30% AMI	1	390	0	390	0.3%	9 Months	\$765	\$232
	50% AMI	2	83	3	80	2.5%	9 Months	\$765	\$474
	60% AMI	8	26	17	9	88.9%	9 Months	\$765	\$594
	Market Rate	1	-45	24	-69	-1.4%	9 Months	\$765	\$775
3 Bdrm	TOTAL	12	454	44	410	2.9%	9 Months		

Proposed Project Capture Rate LIHTC Units	10.7%
Proposed Project Capture Rate Market Rate Units	-1.9%
Proposed Project Capture Rate All Units	43.2%
Proposed Project Stabilization Period	9 Months

Notes: Negative capture rates indicates demand is declining and supply exceeds demand.

1. Median market rent is based on adjusted comparable rents.

Our analysis indicates the capture rates for all the subject's 60% AMI and market rate units exceed the maximum Georgia DCA limits. Therefore, we believe the subject development as proposed with its current unit mix and set-aside levels is not feasible.

Market Vacancy

The current weighted average vacancy rate among the 15 responding, stabilized, surveyed rent comparables with a total of 1,034 family units is 11.1%. The weighted average current vacancy rate among family subsidized developments within the defined market area is 4.9%, and for the market area's stabilized income-restricted tax credit developments is 8.9%. The surveyed market rate properties had a very high weighted-vacancy rate of 27.4%, reflecting the large impact the recent deployment from Fort Stewart has on the local market rate rental housing market.

The manager of Ashton Place stated they have a waiting list of 300 households, and the manager of the Pines at Willowbrook stated they have a waiting list of approximately 130 persons. However, the Pines at Willowbrook had an 18.8% vacancy rate when we surveyed them in June 2007. According to the manager of Pines at Willowbrook, they recently changed on-site managers and they also recently evicted tenants that were in arrears on rent payments. They were in the process of screening applications for vacant units and hoped to be at full occupancy in a few months. Based on vacancy levels currently indicated for the market area, the waiting lists at the affordable properties in the market area, and assuming there will not be a deployment in 2009, when the proposed subject development is expected to be completed, we conclude use of a stabilized vacancy rate of 7% for the subject appears reasonable for underwriting purposes.

MARKET AREA SURVEYED FAMILY RENTAL HOUSING

<u>No.</u>	<u>Property</u>	<u>Address</u>	<u>Year</u> <u>Built</u>	<u>Program</u>	<u>Subsidized</u> <u>Units</u>	<u>Affordable</u> <u>Units</u>	<u>Market Rate</u> <u>Units</u>	<u>Total</u> <u>Units</u>	<u>Vacancy</u>	<u>Waiting</u> <u>List</u>	<u>Contact</u>
EXISTING PROPERTIES:											
1	Baytree Apartments (1)	217 Bradwell Street, Hinesville	1982	Section 8	60	0	0	60	5.0%	Yes	912-369-8255
2	Liberty Woods Apartments	740 S. Main Street, Hinesville	1980	Section 515	48	0	0	48	4.2%	0	912-368-8401
3	Mission Ridge (2)	802 Frank Cochran Drive, Hinesville	1983	Section 515	54	0	0	54	24.1%	13	912-368-5715
4	Northgate	804 Frank Cochran Drive, Hinesville	1983	Section 8	80	0	0	80	8.8%	Yes	912-369-8279
5	Pineland Square	1001 Pineland Avenue, Hinesville	1990	Section 8	76	0	0	76	1.3%	60+/-	912-368-7855
6	Raintree Apartments	601 Saunders Avenue, Hinesville	1980	Section 8	200	0	0	200	1.5%	15	912-876-0906
7	Regency Park (3)	100 Regency Place, Hinesville	1980	LIPH	128	0	0	128	Renov.	50+/-	912-876-6561
8	Scattered Sites (4)	Scattered Sites, Hinesville	Var.	LIPH	59	0	0	59	0.0%	50+/-	912-876-6561
9	Treetop Apartments (5)	600 Taylor Road, Hinesville	1982	Section 8	16	0	0	16	0.0%	20	912-369-8211
10	Ashton Place	634 Airport Road, Hinesville	1997	Section 42	0	48	0	48	0.0%	300	912-876-8762
11	Pines At Willowbrook	801 Willowbrook Drive, Hinesville	2003	Section 42	0	64	16	80	18.8%	130	912-877-2162
12	Wynngrove	942 Grove Point Drive, Hinesville	2004	Market Rate	0	0	140	140	NR	NR	912-368-6105
13	Oak Forest Apartments	111 Sandy Run Drive, Hinesville	1977	Market Rate	0	0	32	32	9.4%	None	912-368-2010
14	Grand Cameron Apartments	101 Hall Street, Hinesville	2003	Market Rate	0	0	24	24	75.0%	None	912-368-3433
15	Green Meadows Apartments	100 Hall Street, Hinesville	1963	Market Rate	0	0	12	12	16.7%	None	912-368-5633
16	1113 Kelly Drive	1113 Kelly Drive, Hinesville	2007	Market Rate	0	0	12	12	Lease-up	None	912-368-2100
17	Stewart Way	302 W. General Stewart Way, Hinesville	1986-7	Market Rate	0	0	191	191	28.3%	None	912-368-3777
18	Link Terrace	110 Florence Link Street, Hinesville	1984	Market Rate	0	0	54	54	14.8%	None	912-368-3555
Total					721	112	481	1,314			

	<u>Subsidized</u> <u>Units</u>	<u>Affordable</u> <u>Units</u>	<u>Market Rate</u> <u>Units</u>	<u>Total</u> <u>Units</u>
Weighted-Average Vacancy	4.9%	8.9%	27.4%	11.1%

Footnotes: NR - No response, NA - Not applicable, LIPH - Low Income Public Housing

1. Baytree currently has vacancy due to turnover and expects to fill its vacant units from its extensive waiting list.
2. Mission Ridge currently has high vacancy due to the recent deployment from Fort Stewart. Mission Ridge's manager stated their waiting list is current and she believes the property will return to a stabilized occupancy level after processing applications.
3. Regency Park currently has 20 vacant units due to some recently completed renovation of stairwells that required moving some second floor tenants. The property shares a waiting list with Welborn Homes of 50+/- households.
4. Shares a waiting list of approximately 50 households with Regency Park.
5. Treetop Apartments also has 60 market units that are not considered comparable to the subject's units because of their age.

Absorption Analysis

Absorption results of newly constructed affordable family apartment properties in comparable Georgia communities.

COMPARABLE FAMILY TAX CREDIT ABSORPTION SUMMARY

<u>Property</u>	<u>2000 City Population</u>	<u>Other Family Tax Credit Units In City</u>	<u>Project Income- Restricted Units</u>	<u>Project Market Rate Units</u>	<u>Total Project Units</u>	<u>Year Project Completed</u>	<u>Project Monthly Absorption</u>
Subject, Hinesville	30,939	128	85	11	96	2009	
Madison Meadows Apartments, Statesboro	22,698	177	96	24	120	2002	9.5
Veranda Village, Rincon	4,376	92	86	10	96	2005	24.0
Heron Lake Apartments, Valdosta ⁽¹⁾	43,724	500	71	17	88	2005	14.7
Kirby Creek Apartments, Cairo ⁽²⁾	9,239	53	44	12	56	2007	18.7
Sunset Point, Jessup	9,279	0	51	13	64	2005	7.1
Nantahala Village Apartments, Blairsville	659	0	56	0	56	2000	14.0

Footnotes: 1. Heron Lake has one, two and three bedroom units. According to the manager, its three bedroom market rate units were the most difficult to rent. The manager stated the 30%, 50%, and 60% AMI units generally rented at an equal pace.

2. Kirby Creek Apartments had applications exceeding its number of units when it opened in May 2007. The manager stated she expects to have all processing done and tenants in all its units by the end of July 2007. This property has very low rents, which may have accelerated its initial absorption.

Considering the absorption comparables shown above relative to the subject development, the waiting lists at Ashton Place and Pines of Willowbrook, and the high vacancy rates among market rate properties in the subject market area, we estimate a monthly absorption of ten (10) units per month for the subject. Based on these estimates, stabilized occupancy of 93% is projected to be reached approximately nine (9) months after completion of the subject improvements. This estimate is made assuming adequate demand is indicated for the subject’s units, proper advanced marketing and assuming new units are ready for renting throughout the lease-up process.

COMPARABLE RENTAL ANALYSIS

A survey of existing rental housing in the market area has been completed. In general, we focused on better quality, and when available, newer or updated family, rental apartment properties in the defined market area. The subject's proposed rents are summarized below while our rental survey is summarized on the following pages; detailed survey data is included in the Appendix.

RENT SUMMARY

Maximum Allowed Tax Credit Rents & Proposed Rents

<u>Unit Type</u>	<u>Size</u>	<u>Count</u>	<u>Maximum Tax Credit Rent (1)</u>	<u>Utility Allowance</u>	<u>Maximum Net Tax Credit Rent</u>	<u>Proposed Rent</u>
1 BR/1 BA - 30% AMI	764	2	\$261	\$81	\$180	\$180
1 BR/1 BA - 50% AMI	764	2	\$434	\$81	\$353	\$353
1 BR/1 BA - 60% AMI	764	6	\$521	\$81	\$440	\$440
1 BR/1 BA - Market	764	2	NA	NA	NA	\$525
2 BR/2 BA - 30% AMI	1,147	3	\$313	\$106	\$207	\$207
2 BR/2 BA - 50% AMI	1,147	9	\$521	\$106	\$415	\$415
2 BR/2 BA - 60% AMI	1,147	52	\$625	\$106	\$519	\$519
2 BR/2 BA - Market	1,147	8	NA	NA	NA	\$700
3 BR/2 BA - 30% CMI	1,236	1	\$361	\$129	\$232	\$232
3 BR/2 BA - 50% CMI	1,236	2	\$603	\$129	\$474	\$474
3 BR/2 BA - 60% CMI	1,236	8	\$723	\$129	\$594	\$594
3 BR/2 BA - Market	1,236	1	NA	NA	NA	\$775
Total Units		96				

Footnotes: 1. Includes utilities

The owner will pay for water, sewer and refuse collection. Tenants will pay for electric heat (heat pump), air conditioning, electric domestic hot water, electric for cooking and unit electric. Rent for each unit will include a surface parking space.

COMPARABLE RENTAL SUMMARY

<u>Rental Project</u>	<u>Units</u>	<u>Year Built</u>	<u>Unit Type</u>	<u>Square Feet</u>	<u>Rent</u>	<u>Rent/S F</u>	<u>Heat</u>	<u>Utilities</u> Domestic Hot Water Water & Sewer Unit Electric	<u>Concession</u>	<u>Unit Amenities</u> Dishwasher Washer/Dryer Patio/Balcony Vaulted Ceiling Fireplace	<u>Vacancy</u>							
Subject Willowbrook Villas Hinesville, GA	96	Proposed 2009	1 BR/1 BA - 30% CMI	764	\$180	\$0.24	T	T	O	T	None	DW	HU					
			1 BR/1 BA - 50% CMI	764	\$353	\$0.46					None	DW	HU					
			1 BR/1 BA - 60% CMI	764	\$440	\$0.58					None	DW	HU					
			1 BR/1 BA - Market	764	\$525	\$0.69					None	DW	HU					
			2 BR/2 BA - 30% CMI	1,147	\$207	\$0.18					None	DW	HU					
			2 BR/2 BA - 50% CMI	1,147	\$415	\$0.36					None	DW	HU					
			2 BR/2 BA - 60% CMI	1,147	\$519	\$0.45					None	DW	HU					
			2 BR/2 BA - Market	1,147	\$700	\$0.61					None	DW	HU					
			3 BR/2 BA - 30% CMI	1,236	\$232	\$0.19					None	DW	HU					
			3 BR/2 BA - 50% CMI	1,236	\$474	\$0.38					None	DW	HU					
3 BR/2 BA - 60% CMI	1,236	\$594	\$0.48					None	DW	HU								
3 BR/2 BA - Market	1,236	\$775	\$0.63					None	DW	HU								

FAMILY TAX CREDIT PROPERTIES

1 Pines At Willowbrook Hinesville, GA	80	2003	1 BR/1 BA - 50% AMI	703	\$355	\$0.50	T	T	O	T	None	DW	HU	PB				18.8%
			1 BR/1 BA - 60% AMI	703	\$445	\$0.63					None	DW	HU	PB				
			1 BR/1 BA - Market	703	\$500	\$0.71					None	DW	HU	PB				
			2 BR/1 BA - 50% AMI	923	\$420	\$0.46					None	DW	HU	PB				
			2 BR/1 BA - Market	923	\$630	\$0.68					None	DW	HU	PB				
			2 BR/2 BA - 60% AMI	960	\$521	\$0.54					None	DW	HU	PB				
			2 BR/2 BA - Market	960	\$670	\$0.70					None	DW	HU	PB				
			3 BR/2 BA - 50% AMI	1,150	\$490	\$0.43					None	DW	HU	PB				
			3 BR/2 BA - 60% AMI	1,150	\$595	\$0.52					None	DW	HU	PB				
3 BR/2 BA - Market	1,150	\$750	\$0.65					None	DW	HU	PB							
2 Ashton Place Hinesville, GA	48	1997	1 BR/1 BA - 30% AMI	708	\$179	\$0.25	T	T	O	T	None	DW	HU	PB				0.0%
			2 BR/2 BA - 50% AMI	912	\$404	\$0.44					None	DW	HU	PB				
			2 BR/2 BA - 60% CMI	912	\$439	\$0.48					None	DW	HU	PB				
			3 BR/2 BA - 50% CMI	1,134	\$474	\$0.42					None	DW	HU	PB				
			3 BR/2 BA - 60% CMI	1,134	\$570	\$0.50					None	DW	HU	PB				

FAMILY MARKET RATE PROPERTIES

3 Wyngrove Apartments Hinesville, GA	140	2004	1 BR/1 BA	750	\$650	\$0.87	T	T	O	T	None	DW	HU	SP				NR
			2 BR/2 BA	1,106	\$725	\$0.66					None	DW	HU	SP				
			3 BR/2 BA	1,318	\$725	\$0.55					None	DW	HU	SP				

COMPARABLE RENTAL SUMMARY

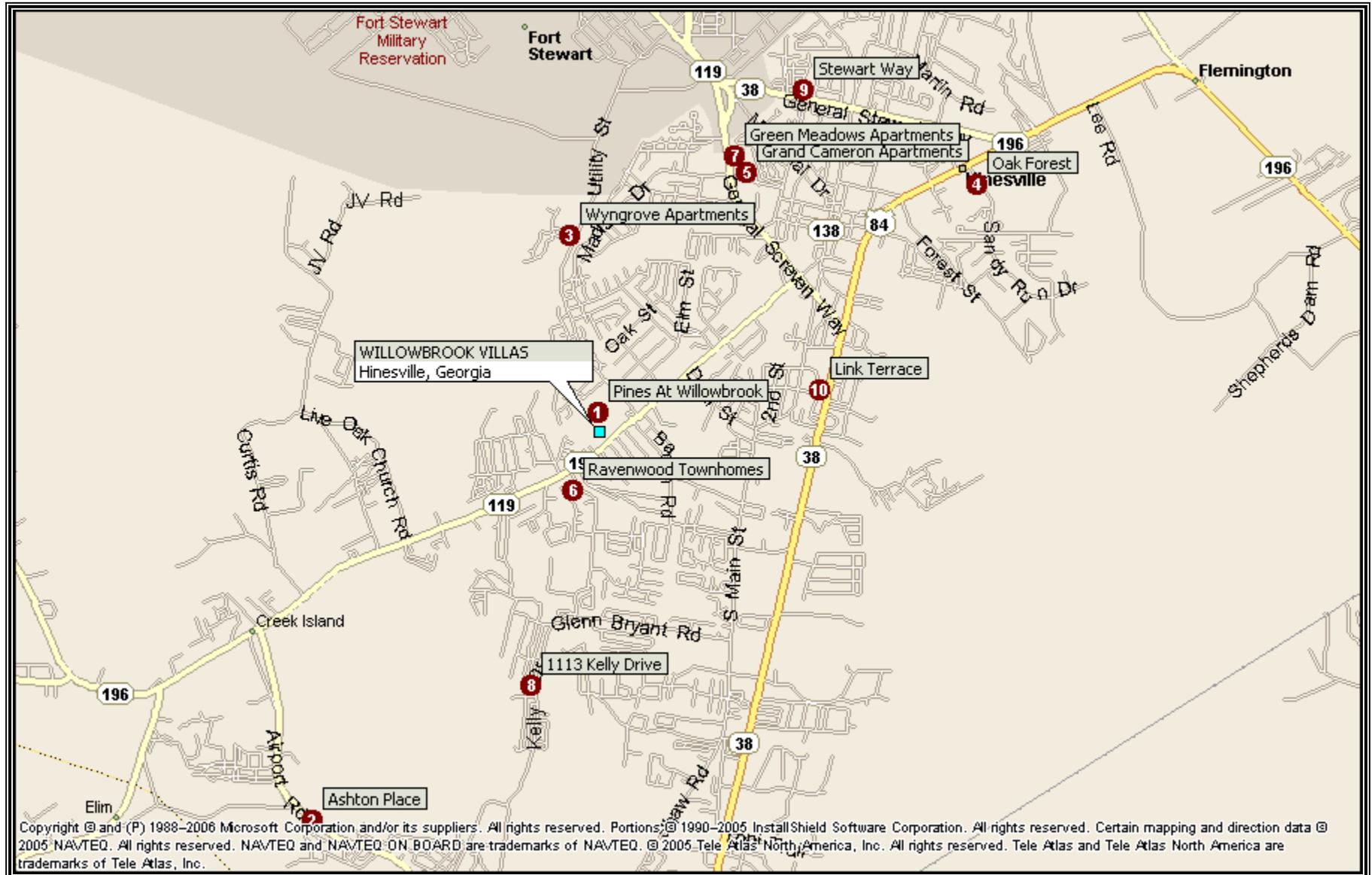
<u>Rental Project</u>	<u>Units</u>	<u>Year Built</u>	<u>Unit Type</u>	<u>Square Feet</u>	<u>Rent</u>	<u>Rent/S F</u>	<u>Utilities</u>				<u>Concession</u>	<u>Unit Amenities</u>				<u>Vacancy</u>	
							<i>Heat</i>	<i>Domestic Hot Water</i>	<i>Water & Sewer</i>	<i>Unit Electric</i>		<i>Dishwasher</i>	<i>Washer/Dryer</i>	<i>Patio/Balcony</i>	<i>Vaulted Ceiling</i>		<i>Fireplace</i>
FAMILY MARKET RATE PROPERTIES																	
4	Oak Forest Apartments Hinesville, GA	32	1977	1 BR/1 BA	800	\$500	\$0.63	T	T	O	T	None	DW	HU			9.4%
				2 BR/1 BA	920	\$575	\$0.63					None	DW	HU			
				2 BR/1 BA, FP	920	\$595	\$0.65					None	DW	HU			FP
5	Grand Cameron Apartments Hinesville, GA	24	2003	2 BR/ 2 BA	1,050	\$795	\$0.76	T	T	T	T	None	DW	HU	PB		75.0%
6	Ravenwood Townhomes Hinesville, GA	62	1984- 1991	3 BR/2.5 BA	1,428	\$695- \$750	\$0.49- \$0.53	T	T	T	T	None	DW	HU	2-PB		6.5%
7	Green Meadows Apartments Hinesville, GA	12	1963,	3 BR/1.5 BA	1,000	\$675	\$0.68	T	T	T	T	None		HU			16.7%
8	1113 Kelly Drive Hinesville, GA	12	2007	2 BR/2 BA	875	\$625	\$0.71	T	T	O	T	None	DW	HU			Lease-up
9	Stewart Way Hinesville, GA	191	1986- 1987	Efficiency-Furnished	288	\$494	\$1.72	T	T	S	T	\$299/Mo.			PB	VC	28.3%
				1 BR/1 BA	576	\$609	\$1.06					\$509/Mo.		HU	PB	VC	
				2 BR/1 BA	864	\$719	\$0.83					\$609/Mo.	DW	HU	PB	VC	
				2 BR/2 BA	864	\$729	\$0.84					\$619/Mo.	DW	HU	PB	VC	
10	Link Terrace Hinesville, GA	54	1984	Efficiency-Furnished	288	\$499	\$1.73	T	T	S	T	None			PB	VC	14.8%
				1 BR/1 BA	576	\$614	\$1.07							HU	PB	VC	
				1 BR/1 BA - Updated	576	\$684	\$1.19						DW	HU	PB	VC	
				2 BR/1 BA	864	\$719	\$0.83						DW	HU	PB	VC	
				2 BR/2 BA	864	\$729	\$0.84						DW	HU	PB	VC	

Key: DW = Dishwasher, IU = In-unit washer/dryer, HU = Washer/dryer hook-up, PB = Patio or balcony, SP = Screened Porch, TH = Townhouse, T= Tenant-paid, O= Owner-paid, S= Tenants pay some, NR = No response

RENT COMPARABLE COMMON AMENITIES

<u>Rental</u>	<u>Project</u>	<u>Units</u>	<u>Year Built</u>	<i>Community Room</i>	<i>Exercise Facility</i>	<i>Common Patio/Gazebo</i>	<i>Business/Computer Center</i>	<i>Resident Storage</i>	<i>Playground</i>	<i>Outdoor Swimming Pool</i>	<i>Laundry Facility</i>	<i>Gated Community</i>
Subject	Willowbrook Villas	96	2009	X	X	X	X		X	X	X	
FAMILY TAX CREDIT PROPERTIES												
1	Pines At Willowbrook	80	2003	X	X	X	X		X		X	
2	Ashton Place	48	1997	X					X		X	
FAMILY MARKET RATE PROPERTIES												
3	Wyn Grove Apartments	140	2004					Fee				X
4	Oak Forest	32	1977					X				
5	Grand Cameron Apts.	24	2003					X				
6	Ravenwood Townhomes	62	1984-1991									
7	Green Meadows Apts.	12	1963, Updated 2003									
8	1113 Kelly Drive	12	2007									
9	Stewart Way	191	1986-1987								X	
10	Link Terrace	54	1984								X	

RENT COMPARABLE MAP



Rent Comparison

Adjustments for differences in locational and physical characteristics were made in order to place the subject's proposed rents in a market context.

The subject will have tenant-paid electric heat (heat pump), air conditioning, electric domestic hot water, electric cooking, and unit electric. Rent Comparable #9, Stewart Way, and Rent Comparable #10, Link Terrace, are each adjusted upward for heat as each has in-wall heating units that are more expensive to operate than heat pumps. The owner will pay for water, sewer and refuse collection. Comparables with specific tenant charges for water and sewer service are adjusted upward by the amount of their respective charges. Rent Comparable #7, Green Meadows Apartments, is adjusted upward \$50 per month for water, sewer, and refuse collection charges.

The subject and each comparable offers surface parking to its residents. Therefore, no adjustment is made for parking.

Comparables offering concessions are adjusted downward by the monthly equivalent of the concession.

Rent Comparable #4, Oak Forest Apartments, is adjusted upward for location as it is situated adjacent to a dump.

The subject is proposed and, upon completion in 2009, will be in new condition. Upward adjustments for age/condition are made to those comparables that will be five or more years old in 2009.

Two bedroom and three bedroom rent comparables are adjusted for differences in bathroom count for the subject on the basis of \$25 per month for half-bathroom differences and \$50 per month for full bathroom differences.

The subject units will include an oven/range, refrigerator, dishwasher, washer/dryer hook-up, and air conditioning. Upward rent adjustments were made to comparables without these amenities. Downward adjustments were made to comparables with patios, balconies or screened porches, fireplaces, and/or vaulted ceilings.

Common areas available to residents include a community building with a kitchen, great room, computer center, exercise room, a common laundry room, and a leasing/management office. Exterior common amenities include an outdoor swimming pool, walking path with exercise stations, picnic area, and a tot lot. Varying adjustments were made to comparables based on the subject's proposed common amenities.

A summary of rental adjustments supporting market rents is provided on the following pages.

RENTAL COMPARISON

<u>Rental Project</u>	<u>Unit Type</u>	<u>Square Feet</u>	<u>Rent</u>	<u>Utilities</u>	<u>Parking</u>	<u>Concessions</u>	<u>Location</u>	<u>Age/Condition</u>	<u>Bathrooms</u>	<u>Dishwasher</u>	<u>Washer/Dryer</u>	<u>Patio/Balcony</u>	<u>Vaulted Ceiling</u>	<u>Fireplace</u>	<u>Common Areas</u>	<u>Adjusted Rent</u>	<u>Adjusted Rent/SF</u>
ONE BEDROOM UNITS																	
1	Pines At Willowbrook	1 BR/1 BA	703	\$500	\$0	\$0	\$0	\$20	\$0	\$0	\$0	(\$15)	\$0	\$0	\$0	\$505	\$0.72
2	Wyngrove Apartments	1 BR/1 BA	750	\$650	\$0	\$0	\$0	\$20	\$0	\$0	\$0	(\$25)	\$0	\$0	\$15	\$660	\$0.88
4	Oak Forest Apartments	1 BR/1 BA	800	\$500	\$0	\$0	\$30	\$120	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$670	\$0.84
9	Stewart Way	1 BR/1 BA	576	\$609	\$31	\$0	(\$100)	\$0	\$80	\$0	\$0	(\$15)	(\$10)	\$0	\$20	\$615	\$1.07
10	Link Terrace	1 BR/1 BA	576	\$614	\$32	\$0	\$0	\$80	\$0	\$0	\$0	(\$15)	(\$10)	\$0	\$20	\$721	\$1.25
10	Link Terrace	1 BR/1 BA - Updated	576	\$684	\$32	\$0	\$0	\$20	\$0	\$0	\$0	(\$15)	(\$10)	\$0	\$20	\$731	\$1.27
Minimum			576	\$500												\$505	\$0.72
Average			664	\$593												\$650	\$1.00
Maximum			800	\$684												\$731	\$1.27

TWO BEDROOM UNITS

1	Pines At Willowbrook	2 BR/1 BA	923	\$630	\$0	\$0	\$0	\$20	\$50	\$0	\$0	(\$15)	\$0	\$0	\$0	\$685	\$0.74
1	Pines At Willowbrook	2 BR/2 BA	960	\$670	\$0	\$0	\$0	\$20	\$0	\$0	\$0	(\$15)	\$0	\$0	\$0	\$675	\$0.70
2	Wyngrove Apartments	2 BR/2 BA	1,106	\$725	\$0	\$0	\$0	\$20	\$0	\$0	\$0	(\$25)	\$0	\$0	\$15	\$735	\$0.66
4	Oak Forest Apartments	2 BR/1 BA	920	\$575	\$0	\$0	\$30	\$120	\$50	\$0	\$0	\$0	\$0	\$0	\$20	\$795	\$0.86
4	Oak Forest Apartments	2 BR/1 BA, FP	920	\$595	\$0	\$0	\$30	\$120	\$50	\$0	\$0	\$0	\$0	(\$10)	\$20	\$805	\$0.88
5	Grand Cameron Apartments	2 BR/2 BA	1,050	\$795	\$40	\$0	\$0	\$20	\$0	\$0	\$0	(\$15)	\$0	\$0	\$20	\$860	\$0.82
8	1113 Kelly Drive	2 BR/2 BA	875	\$625	\$0	\$0	(\$26)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$619	\$0.71
9	Stewart Way	2 BR/1 BA	864	\$719	\$44	\$0	(\$100)	\$0	\$80	\$50	\$0	(\$15)	(\$10)	\$0	\$20	\$788	\$0.91
9	Stewart Way	2 BR/2 BA	864	\$729	\$44	\$0	(\$100)	\$0	\$80	\$0	\$0	(\$15)	(\$10)	\$0	\$20	\$748	\$0.87
10	Link Terrace	2 BR/1 BA	864	\$719	\$44	\$0	\$0	\$80	\$50	\$0	\$0	(\$15)	(\$10)	\$0	\$20	\$888	\$1.03
10	Link Terrace	2 BR/2 BA	864	\$729	\$44	\$0	\$0	\$80	\$0	\$0	\$0	(\$15)	(\$10)	\$0	\$20	\$848	\$0.98
Minimum			864	\$575												\$619	\$0.66
Average			928	\$683												\$768	\$0.83
Maximum			1,106	\$795												\$888	\$1.03

RENTAL COMPARISON

<u>Rental Project</u>	<u>Unit Type</u>	<u>Square Feet</u>	<u>Rent</u>	<i>Utilities</i>	<i>Parking</i>	<i>Concessions</i>	<i>Location</i>	<i>Age/Condition</i>	<i>Bathrooms</i>	<i>Dishwasher</i>	<i>Washer/Dryer</i>	<i>Patio/Balcony</i>	<i>Vaulted Ceiling</i>	<i>Fireplace</i>	<i>Common Areas</i>	<u>Adjusted Rent</u>	<u>Adjusted Rent/SF</u>
THREE BEDROOM UNITS																	
1	Pines At Willowbrook	3 BR/2 BA	1,150	\$750	\$0	\$0	\$0	\$0	\$20	\$0	\$0	(\$15)	\$0	\$0	\$20	\$775	\$0.67
2	Wynngrove Apartments	3 BR/2 BA	1,318	\$725	\$0	\$0	\$0	\$0	\$20	\$0	\$0	(\$25)	\$0	\$0	\$15	\$735	\$0.56
6	Ravenwood Townhomes	3 BR/2.5 BA	1,428	\$725	\$0	\$0	\$0	\$0	\$80	(\$25)	\$0	(\$25)	\$0	\$0	\$20	\$775	\$0.54
7	Green Meadows Apartments	3 BR/1.5 BA	1,000	\$675	\$50	\$0	\$0	\$0	\$40	(\$25)	\$15	\$0	\$0	\$0	\$20	\$775	\$0.78
Minimum			1,000	\$675												\$735	\$0.54
Average			1,224	\$719												\$765	\$0.64
Maximum			1,428	\$750												\$775	\$0.78

Conclusion To Market Rent

One Bedroom Units

Adjusted one bedroom rents range between \$505 and \$731, or \$.72 and \$1.27 per square foot. The average adjusted one bedroom rent is \$650 or \$1.00 per square foot. The subject's one bedroom units have a proposed size of 764 square feet. Considering their proposed size and the adjusted comparable rents, we estimate a market rent of \$675 per month or \$.88 per square foot for the subject's one bedroom units.

Two Bedroom Units

Adjusted two bedroom rents range between \$619 and \$888, or \$.66 and \$1.03 per square foot. The average adjusted two bedroom rent is \$768 or \$.83 per square foot. Considering the adjusted rents of the comparables and the large size of the subject's proposed two bedroom units (1,147 square feet), we estimate a market rent of \$775 per month or \$.68 per square foot for the subject's two bedroom, two bathroom units.

Three Bedroom Units

Adjusted three bedroom rents range between \$730 and \$770, or \$.53 and \$.77 per square foot. The average adjusted comparable three bedroom rent is \$755 or \$.63 per square foot. Our adjusted rent comparable data indicates market rents for three bedroom units are currently similar to rents for two bedroom units. At Wynngrove Apartments, Rent Comparable #3, the asking rent for a 1,106 square foot two bedroom two bath units is the same as the asking rent for a 1,318 square foot three bedroom two bath unit (\$725 per month for each). Considering the size of the subject's proposed three bedroom units (1,236 square feet) and the adjusted rents of the three bedroom comparables, we estimate a market rent of \$775 per month or \$.63 per square foot for the subject's three bedroom units.

30%, 50% and 60% AMI Rents - Based on these conclusions of market rent, we consider the subject's proposed restricted rents at the 30%, 50% AMI and 60% AMI level for the subject's units to be a substantial value in this market. Also, we consider the subject's income-restricted rents to be consistent with existing income-restricted rents for comparable properties in the market area.

The subject's estimated current market rent is summarized below.

PROPOSED RENT SCHEDULE AND ESTIMATED MARKET RENTS

<u>Unit Type</u>	<u>Unit Size</u>	<u>Number Of Units</u>	<u>Proposed Rent</u>	<u>Estimated Market Rent</u>
1 BR/1 BA - 30% AMI	764	2	\$180	\$675
1 BR/1 BA - 50% AMI	764	2	\$353	\$675
1 BR/1 BA - 60% AMI	764	6	\$440	\$675
1 BR/1 BA - Market	764	2	\$525	\$675
2 BR/2 BA - 30% AMI	1,147	3	\$207	\$775
2 BR/2 BA - 50% AMI	1,147	9	\$415	\$775
2 BR/2 BA - 60% AMI	1,147	52	\$519	\$775
2 BR/2 BA - Market	1,147	8	\$700	\$775
3 BR/2 BA - 30% CMI	1,236	1	\$232	\$775
3 BR/2 BA - 50% CMI	1,236	2	\$474	\$775
3 BR/2 BA - 60% CMI	1,236	8	\$594	\$775
3 BR/2 BA - Market	1,236	1	\$775	\$775
Total:		96		

Impact On Existing Assisted Rental Housing In The Market Area

Based upon the high occupancy of subsidized family rental housing developments in the market area and the low capture rates calculated for the subject's 30% AMI units, we believe the subject will not adversely impact the long term occupancy and health of existing assisted rental housing properties in the market area. Also, based on the waiting lists at the existing affordable properties in the market area, we believe the subject's 50% and 60% AMI units will not adversely impact the existing affordable properties. However, because of the estimated decline in target market income-qualified households the capture rate analysis indicates the subject will possibly take households from existing market rate properties in the area, thus resulting in a negative impact to those properties.

INTERVIEWS

The following are interviews we have conducted for this market study:

H.E. Sonny Timmerman, Executive Director, Liberty Consolidated Planning Commission	912-408-2030
Vickie Henson , Manager Pines At Willowbrook	912-877-2162
Laurie, Manager Ashton Place	912-876-8762
Mary, Leasing Person Wyngrove Apartments	912-368-6105
Tiffany, Manager Oak Forest Apartments	912-368-2010
Cheryl, Manager Grand Cameron Apartments	912-368-3433
Norman Realty-Ravenwood Townhomes	912-368-3433
Christina, Manager Green Meadows Apartments	912-368-5633
Tina Dowling, Action Realty- 1113 Kelly Drive	912-368-2100
Dixie, Manager Stewart Way	912-368-3777
Robin, Manager Link Terrace	912-368-3555
Dolores Harper, Ft. Stewart Resource Management Office	912-767-4665
Chris Curry, Ft. Stewart Directorate of Public Works Office	912-767-1350
Sharon Gordon, Public Housing Authority-Regency Park	912-876-6561
Bud Smith, Manager Liberty Woods	912-368-8401

CONCLUSIONS AND RECOMMENDATIONS

We find that the data and our analysis demonstrate that currently there is not adequate support for the proposed project with its proposed unit mix of income-restricted and market rate units. Our demand and supply analysis indicates capture rates for one, two and three bedroom units at the 60% AMI level and at market rate rents exceed the maximum levels acceptable to the Georgia DCA. Therefore, we believe the subject development as proposed with its current unit mix and set-aside levels is not feasible.

Our findings are based on our demographic analysis which indicates there has been insufficient growth since 2000 in some of the income categories that the proposed subject development is targeting. Since 2000, the market area has had a stagnant or declining population. Also, household growth has occurred at upper income ranges, with an estimated decline in the number of households at lower income ranges.

The economy of the defined market area is significantly affected by Fort Stewart and the recent deployment from Fort Stewart has negatively impacted the local economy and rental housing market. However, recent employment statistics indicate the unemployment in Hinesville is low (3.9%), as is unemployment in surrounding geographies. Overall, we believe the recent deployment from Fort Stewart will have a short-term, negative impact on the market rate rental housing market. As indicated in this report, some market rate properties, especially those within a short distance to Fort Stewart, have significant vacancies. Based on economic conditions alone, we believe development of new multifamily housing in the market area is not advisable in the short-term. However, assuming the Fort Stewart deployment ends within the next 15 months, we believe the basic economic conditions of the market area would be satisfactory for development of new multifamily housing that would be completed after return of the Fort Stewart deployment.

Based on vacancy levels currently indicated for the market area, the waiting lists at the affordable properties in the market area, and assuming there will not be a deployment in 2009, when the proposed subject development is expected to be completed, we conclude use of a stabilized vacancy rate of 7% for the subject appears reasonable for underwriting purposes.

Overall, the subject's proposed unit rents, unit mix and unit sizes appear to be appropriate. The interior and exterior amenities proposed for the subject property, including its appliance package, is appropriate for the market area and is similar to other amenity packages that have been well-received in similar affordable properties.

Pedestrian linkages in the subject's immediate neighborhood are limited, however, the subject's immediate neighborhood has good road access to all of the Hinesville metro area with most in-town destinations accessible within a 15-minute drive from the subject site. Overall, with the exception of a limited number of nearby pedestrian destinations, linkages within the subject neighborhood are considered good.

STATEMENT OF LIMITING CONDITIONS

This report is subject to the following conditions as set forth by the Market Consulting Services, LLC:

1. All information regarding the subject property's land/site data, general improvement data, unit data, market data, and amenities was furnished by the proposed developer, the developer's municipality, U.S. Census, SRC, Inc., or obtained through personal interviews and is assumed to be correct.
2. Inferences of market demand which combine census data estimates and parameters generated from market research are always subject to an unknown degree of error due to timing differences in underlying economic conditions and other circumstances.
3. The presentation and analysis of the data in this report has been done in a professional manner, but the results suggested are only intended to provide an evaluation of the existing market conditions and projected future market conditions within the defined market areas. Market Consulting Services, LLC does not guarantee that the projected market conditions, estimates of rental rates, occupancy rates, and/or absorption rates will be realized.
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CERTIFICATION

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market does not support the project as shown in the study. I understand that any misrepresentations 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.



Dale R. Mussatti

APPENDIX 1



Date: 07/01/07

Current Geography Selection: (1 Selected) Census Tracts: 13029920100

Demographic Detail Summary Report

Population Demographics

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
	Count	%	Count	%	Count	%	Count	%	1990 to 2000	2006 to 2011
Total Population	7,890		8,909		10,659		12,061		12.9%	13.2%
Population Density (Pop/Sq Mi)	55.9		63.1		75.5		85.4		12.9%	13.2%
Total Households	2,635		3,147		3,706		4,142		19.4%	11.8%

Population by Gender:

	1990		2000		2006		2011		Percent Change	
	Count	%	Count	%	Count	%	Count	%	1990 to 2000	2006 to 2011
Male	3,871	49.1%	4,401	49.4%	5,284	49.6%	5,994	49.7%	13.7%	13.4%
Female	4,019	50.9%	4,508	50.6%	5,375	50.4%	6,067	50.3%	12.2%	12.9%

Population by Race/Ethnicity

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
	Count	%	Count	%	Count	%	Count	%	1990 to 2000	2006 to 2011
White	6,178	78.3%	6,972	78.3%	8,035	75.4%	8,985	74.5%	12.9%	11.8%
Black	1,661	21.1%	1,767	19.8%	2,367	22.2%	2,888	23.9%	6.4%	22.0%
American Indian or Alaska Native	19	0.2%	21	0.2%	13	0.1%	8	0.1%	10.5%	-38.5%
Asian or Pacific Islander	26	0.3%	27	0.3%	36	0.3%	52	0.4%	3.8%	44.4%
Some Other Race	5	0.1%	14	0.2%	24	0.2%	17	0.1%	180.0%	-29.2%
Two or More Races			108	1.2%	184	1.7%	111	0.9%		-39.7%
Hispanic Ethnicity	38	0.5%	85	1.0%	159	1.5%	221	1.8%	123.7%	39.0%
Not Hispanic or Latino	7,851	99.5%	8,824	99.1%	10,500	98.5%	11,840	98.2%	12.4%	12.8%

Population by Age

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
	Count	%	Count	%	Count	%	Count	%	1990 to 2000	2006 to 2011
0 to 4	709	9.0%	663	7.4%	708	6.6%	781	6.5%	-6.5%	10.3%
5 to 14	1,463	18.5%	1,510	17.0%	1,491	14.0%	1,499	12.4%	3.2%	0.5%
15 to 19	643	8.2%	745	8.4%	854	8.0%	872	7.2%	15.9%	2.1%
20 to 24	572	7.3%	509	5.7%	930	8.7%	1,006	8.3%	-11.0%	8.2%
25 to 34	1,259	16.0%	1,169	13.1%	1,500	14.1%	1,732	14.4%	-7.1%	15.5%
35 to 44	1,179	14.9%	1,447	16.2%	1,389	13.0%	1,372	11.4%	22.7%	-1.2%
45 to 54	744	9.4%	1,271	14.3%	1,592	14.9%	1,787	14.8%	70.8%	12.2%
55 to 64	627	7.9%	788	8.8%	1,165	10.9%	1,608	13.3%	25.7%	38.0%
65 to 74	445	5.6%	505	5.7%	651	6.1%	924	7.7%	13.5%	41.9%
75 to 84	217	2.8%	239	2.7%	295	2.8%	383	3.2%	10.1%	29.8%
85+	34	0.4%	63	0.7%	84	0.8%	97	0.8%	85.3%	15.5%

Median Age:

	1990	2000	2006	2011	Percent Change	
	Count	Count	Count	Count	1990 to 2000	2006 to 2011
Total Population	29.5	33.9	33.9	36.0	15.0%	6.2%

Households by Income

Percent Change

	1990 Census		2000 Census		2006 Estimate		2011 Projection		1990 to 2000	2006 to 2011
\$0 - \$15,000	913	34.7%	706	22.4%	752	20.3%	792	19.1%	-22.7%	5.3%
\$15,000 - \$24,999	479	18.2%	445	14.1%	463	12.5%	484	11.7%	-7.1%	4.5%
\$25,000 - \$34,999	542	20.6%	482	15.3%	515	13.9%	563	13.6%	-11.1%	9.3%
\$35,000 - \$49,999	470	17.8%	482	15.3%	637	17.2%	647	15.6%	2.6%	1.6%
\$50,000 - \$74,999	164	6.2%	542	17.2%	544	14.7%	582	14.1%	489.1%	7.0%
\$75,000 - \$99,999	33	1.3%	277	8.8%	403	10.9%	519	12.5%	739.4%	28.8%
\$100,000 - \$149,999	11	0.4%	174	5.5%	301	8.1%	401	9.7%	1,481.8%	33.2%
\$150,000 +	15	0.6%	39	1.2%	91	2.5%	154	3.7%	160.0%	69.2%
Average Hhld Income	\$26,136		\$42,828		\$46,293		\$49,057		63.9%	6.0%
Median Hhld Income	\$23,449		\$33,667		\$37,473		\$40,497		43.6%	8.1%
Per Capita Income	\$8,728		\$15,128		\$16,513		\$17,363		73.3%	5.1%

Employment and Business

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
									1990 to 2000	2006 to 2011
Age 16 + Population	5,569		6,589		8,380		9,713		18.3%	15.9%
In Labor Force	3,204	57.5%	4,039	61.3%	5,066	60.5%	5,843	60.2%	26.1%	15.3%
Employed	2,991	93.4%	3,825	94.7%	4,777	94.3%	5,503	94.2%	27.9%	15.2%
Unemployed	175	5.5%	177	4.4%	237	4.7%	276	4.7%	1.1%	16.5%
In Armed Forces	40	0.7%	37	0.9%	52	0.6%	64	0.7%	-7.5%	23.1%
Not In Labor Force	2,365	42.5%	2,550	38.7%	3,262	38.9%	3,806	39.2%	7.8%	16.7%
Number of Employees (Daytime Pop)					1,803					
Number of Establishments					267					
Emp in Blue Collar Occupations			2,082	54.4%						
Emp in White Collar Occupations			1,743	45.6%						

Housing Units

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
									1990 to 2000	2006 to 2011
Total Housing Units	2,956		3,413		4,211		4,841		15.5%	15.0%
Owner Occupied	2,097	70.9%	2,561	75.0%	3,005	71.4%	3,351	69.2%	22.1%	11.5%
Renter Occupied	537	18.2%	586	17.2%	701	16.7%	791	16.3%	9.1%	12.8%
Vacant	321	10.9%	266	7.8%	505	12.0%	699	14.4%	-17.1%	38.4%

Vehicles Available

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
									1990 to 2000	2006 to 2011
Average Vehicles Per Hhld	1.80		1.80		2.00		2.20		0.7%	14.6%
0 Vehicles Available	333	12.1%	193	6.1%	175	4.7%	158	3.8%	-42.0%	-9.7%
1 Vehicle Available	708	25.8%	975	31.0%	1,148	31.0%	1,282	31.0%	37.7%	11.7%
2+ Vehicles Available	1,704	62.1%	1,979	62.9%	2,383	64.3%	2,702	65.2%	16.1%	13.4%

Marital Status

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
									1990 to 2000	2006 to 2011
Age 15+ Population	5,720		6,736		8,460		9,781		17.8%	15.6%

Married, Spouse Present	3,583	62.6%	3,732	55.4%	4,688	55.4%	5,419	55.4%	4.2%	15.6%
Married, Spouse Absent	123	2.2%	313	4.7%	397	4.7%	461	4.7%	154.5%	16.1%
Divorced	445	7.8%	776	11.5%	974	11.5%	1,124	11.5%	74.4%	15.4%
Widowed	391	6.8%	390	5.8%	489	5.8%	566	5.8%	-0.3%	15.7%
Never Married	1,178	20.6%	1,525	22.6%	1,912	22.6%	2,212	22.6%	29.5%	15.7%

Educational Attainment

	1990 Census		2000 Census		2006 Estimate		2011 Projection		Percent Change	
									1990 to 2000	2006 to 2011
Age 25+ Population	4,505		5,482		6,676		7,876		21.7%	18.0%
Grade K - 8	1,061	23.6%	476	8.7%	619	9.3%	672	8.5%	-55.1%	8.6%
Grade 9 - 12	1,044	23.2%	1,382	25.2%	1,511	22.6%	1,611	20.5%	32.4%	6.6%
High School Graduate	1,680	37.3%	1,996	36.4%	2,575	38.6%	3,164	40.2%	18.8%	22.9%
Some College, No Degree	432	9.6%	819	14.9%	1,009	15.1%	1,201	15.3%	89.6%	19.0%
Associates Degree	100	2.2%	300	5.5%	439	6.6%	587	7.5%	200.0%	33.7%
Bachelor's Degree	100	2.2%	274	5.0%	348	5.2%	431	5.5%	174.0%	23.9%
Graduate Degree	91	2.0%	149	2.7%	175	2.6%	210	2.7%	63.7%	20.0%
No Schooling Completed			86	1.6%						

Current year data is for the year **2006**, 5 year projected data is for the year **2011**. More About Our Data.
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Date: 07/01/07

Current Geography Selection: (1 Selected) Census Tracts: 13029920100

2000 US Census Employment Summary Report

2000 Occupation & Employment

Not in Labor Force	2,550	38.7%
In Labor Force	4,039	61.3%
Employed	3,825	94.7%
Unemployed	177	4.4%
In Armed Forces	37	0.9%

Means of Transportation to Work

Workers Age 16+	3,862
Bicycle	0.1%
Bus or trolley bus	0.5%
Carpooled	15.7%
Drove alone	78.9%
Ferryboat	0.0%
Motorcycle	0.0%
Other means	2.2%
Railroad	0.0%
Streetcar or trolley car	0.0%
Subway or elevated	0.0%
Taxicab	0.1%
Walked	0.6%
Worked at home	1.9%

Travel Time to Work

Median Travel Time To Work in Minutes	33
0 to 5	2.8%
5 to 9	7.0%
10 to 14	9.5%
15 to 19	5.5%
20 to 24	5.9%
25 to 29	6.6%
30 to 34	20.5%
35 to 39	5.8%
40 to 44	8.4%
45 to 59	18.0%
60 to 89	5.2%
90 or more	2.8%
Worked at home	1.9%

Employment by Industry

Accommodation and food services	7.5%
Administrative and support and waste management service	3.7%
Agriculture forestry fishing and hunting	1.0%
Arts entertainment and recreation	1.0%
Construction	15.5%
Educational services	7.3%
Finance and insurance	2.2%
Health care and social assistance	6.5%
Information	1.3%
Management of companies and enterprises	0.0%
Manufacturing	12.7%
Mining	0.0%
Other services (except public administration)	5.3%
Professional scientific and technical services	1.8%
Public administration	5.5%
Real estate and rental and leasing	1.1%
Retail trade	14.3%
Transportation and warehousing	6.8%
Utilities	1.0%

Occupation

Aircraft and traffic control occupations	0.3%
Architects surveyors cartographers and engineers	0.5%
Arts design entertainment sports and media occupation	1.1%
Building & grounds cleaning & maintenance occupat	4.1%
Business operations specialists	1.8%
Community and social services occupations	0.3%
Computer and mathematical occupations	0.5%
Construction trades workers	9.3%
Drafters engineering and mapping technicians	0.8%
Education training and library occupations	5.4%
Extraction workers	0.5%
Farmers and farm managers	0.0%
Farming fishing and forestry occupations	0.7%
Financial specialists	0.8%
Fire fighting prevention and law enforcement workers	0.7%
Food preparation and serving related occupations	6.0%
Health diagnosing and treating practitioners and tech	2.2%
Health technologists and technicians	1.3%
Healthcare support occupations	1.2%

Wholesale trade	5.4%	Installation maintenance and repair occupations	6.6%
		Personal care and service occupations	1.5%
		Legal occupations	0.4%
		Life physical and social science occupations	0.7%
		Management occupations except farmers and farm manage	5.9%
		Material moving workers	3.1%
		Motor vehicle operators	7.1%
		Office and administrative support occupations	13.8%
		Production	10.4%
		Protective Service Occupations	0.1%
		Rail water and other transportation occupations	0.8%
		Sales and related occupations	9.6%
% in Blue Collar Occupations	54.4%	Supervisors construction and extraction workers	1.4%
% in White Collar Occupations	45.6%	Supervisors transportation and material moving worker	0.3%

Current year data is for the year **2006**, 5 year projected data is for the year **2011**. More About Our Data.
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Date: 07/01/07

Current Geography Selection: (1 Selected) Census Tracts: 13029920100

Income By Age Summary Report

Household Demographics

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to 2006	2006 to 2011
Total Households	3,147		3,706		4,142		17.8%	11.8%
Age 15 - 24	135	4.3%	192	5.2%	191	4.6%	42.2%	-0.5%
Age 25 - 34	536	17.0%	658	17.8%	714	17.2%	22.8%	8.5%
Age 35 - 44	741	23.5%	675	18.2%	622	15.0%	-8.9%	-7.9%
Age 45 - 54	696	22.1%	828	22.3%	869	21.0%	19.0%	5.0%
Age 55 - 64	461	14.6%	648	17.5%	837	20.2%	40.6%	29.2%
Age 65 - 74	353	11.2%	436	11.8%	584	14.1%	23.5%	33.9%
Age 75 +	225	7.2%	269	7.3%	325	7.8%	19.6%	20.8%
Median Age of Head of Household	47.2		49.0		51.4			

Income by Age of Head of Householder

Age 15 - 24 Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to 2006	2006 to 2011
\$ 0 - \$19,999	66	48.9%	68	35.4%	58	30.4%	3.0%	-14.7%
\$ 20,000 - \$39,999	50	37.0%	87	45.3%	84	44.0%	74.0%	-3.4%
\$ 40,000 - \$59,999	3	2.2%	11	5.7%	13	6.8%	266.7%	18.2%
\$ 60,000 - \$74,999	0	0.0%	4	2.1%	4	2.1%	N/A%	0.0%
\$ 75,000 - \$99,999	16	11.9%	18	9.4%	21	11.0%	12.5%	16.7%
\$100,000 - \$124,999	0	0.0%	2	1.0%	4	2.1%	N/A%	100.0%
\$125,000 - \$149,999	0	0.0%	0	0.0%	1	0.5%	N/A%	N/A%
\$150,000 +	0	0.0%	2	1.0%	6	3.1%	N/A%	200.0%

Age 25 - 34 Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to 2006	2006 to 2011
\$ 0 - \$19,999	152	28.4%	167	25.4%	166	23.3%	9.9%	-0.6%
\$ 20,000 - \$39,999	197	36.8%	215	32.7%	217	30.4%	9.1%	0.9%
\$ 40,000 - \$59,999	108	20.2%	134	20.4%	162	22.7%	24.1%	20.9%
\$ 60,000 - \$74,999	39	7.3%	51	7.8%	47	6.6%	30.8%	-7.8%
\$ 75,000 - \$99,999	27	5.0%	54	8.2%	71	9.9%	100.0%	31.5%
\$100,000 - \$124,999	3	0.6%	15	2.3%	22	3.1%	400.0%	46.7%
\$125,000 - \$149,999	6	1.1%	8	1.2%	10	1.4%	33.3%	25.0%
\$150,000 +	4	0.7%	14	2.1%	19	2.7%	250.0%	35.7%

Age 35 - 44 Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to 2006	2006 to 2011

\$ 0 - \$19,999	106	14.3%	96	14.2%	84	13.5%	-9.4%	-12.5%
\$ 20,000 - \$39,999	183	24.7%	151	22.4%	123	19.8%	-17.5%	-18.5%
\$ 40,000 - \$59,999	166	22.4%	142	21.0%	144	23.2%	-14.5%	1.4%
\$ 60,000 - \$74,999	133	17.9%	92	13.6%	64	10.3%	-30.8%	-30.4%
\$ 75,000 - \$99,999	88	11.9%	95	14.1%	98	15.8%	8.0%	3.2%
\$100,000 - \$124,999	47	6.3%	52	7.7%	49	7.9%	10.6%	-5.8%
\$125,000 - \$149,999	12	1.6%	21	3.1%	27	4.3%	75.0%	28.6%
\$150,000 +	6	0.8%	26	3.9%	33	5.3%	333.3%	26.9%

Age 45 - 54 Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to2006	2006 to 2011
\$ 0 - \$19,999	154	22.1%	164	19.8%	158	18.2%	6.5%	-3.7%
\$ 20,000 - \$39,999	181	26.0%	204	24.6%	198	22.8%	12.7%	-2.9%
\$ 40,000 - \$59,999	78	11.2%	105	12.7%	117	13.5%	34.6%	11.4%
\$ 60,000 - \$74,999	110	15.8%	102	12.3%	76	8.7%	-7.3%	-25.5%
\$ 75,000 - \$99,999	111	15.9%	153	18.5%	192	22.1%	37.8%	25.5%
\$100,000 - \$125,999	35	5.0%	61	7.4%	70	8.1%	74.3%	14.8%
\$125,000 - \$149,999	9	1.3%	10	1.2%	11	1.3%	11.1%	10.0%
\$150,000 +	18	2.6%	29	3.5%	47	5.4%	61.1%	62.1%

Age 55 - 64 Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to2006	2006 to 2011
\$ 0 - \$19,999	145	31.5%	177	27.3%	209	25.0%	22.1%	18.1%
\$ 20,000 - \$39,999	116	25.2%	144	22.2%	171	20.4%	24.1%	18.8%
\$ 40,000 - \$59,999	82	17.8%	127	19.6%	171	20.4%	54.9%	34.6%
\$ 60,000 - \$74,999	45	9.8%	53	8.2%	53	6.3%	17.8%	0.0%
\$ 75,000 - \$99,999	31	6.7%	54	8.3%	80	9.6%	74.2%	48.1%
\$100,000 - \$125,999	17	3.7%	46	7.1%	72	8.6%	170.6%	56.5%
\$125,000 - \$149,999	16	3.5%	32	4.9%	50	6.0%	100.0%	56.3%
\$150,000 +	9	2.0%	15	2.3%	31	3.7%	66.7%	106.7%

Age 65 - 74 Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to2006	2006 to 2011
\$ 0 - \$19,999	159	45.0%	166	38.1%	201	34.4%	4.4%	21.1%
\$ 20,000 - \$39,999	121	34.3%	127	29.1%	155	26.5%	5.0%	22.0%
\$ 40,000 - \$59,999	29	8.2%	54	12.4%	80	13.7%	86.2%	48.1%
\$ 60,000 - \$74,999	12	3.4%	22	5.0%	27	4.6%	83.3%	22.7%
\$ 75,000 - \$99,999	4	1.1%	17	3.9%	36	6.2%	325.0%	111.8%
\$100,000 - \$125,999	14	4.0%	26	6.0%	39	6.7%	85.7%	50.0%
\$125,000 - \$149,999	14	4.0%	22	5.0%	35	6.0%	57.1%	59.1%
\$150,000 +	0	0.0%	2	0.5%	11	1.9%	N/A%	450.0%

Age 75 Plus Years

	2000 Census		2006 Estimate		2011 Projection		Percent Change	
							2000 to2006	2006 to 2011
\$ 0 - \$19,999	134	59.6%	138	51.3%	152	46.8%	3.0%	10.1%
\$ 20,000 - \$39,999	62	27.6%	67	24.9%	74	22.8%	8.1%	10.4%
\$ 40,000 - \$59,999	16	7.1%	26	9.7%	39	12.0%	62.5%	50.0%
\$ 60,000 - \$74,999	10	4.4%	17	6.3%	21	6.5%	70.0%	23.5%
\$ 75,000 - \$99,999	0	0.0%	12	4.5%	21	6.5%	N/A%	75.0%

\$100,000 - \$125,999	0	0.0%	4	1.5%	7	2.2%	N/A%	75.0%
\$125,000 - \$149,999	1	0.4%	2	0.7%	4	1.2%	100.0%	100.0%
\$150,000 +	2	0.9%	3	1.1%	7	2.2%	50.0%	133.3%

Current year data is for the year **2006**, 5 year projected data is for the year **2011**. More About Our Data.
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H73. HOUSEHOLD INCOME IN 1999 BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999 [50] - Universe:
 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

NOTE: Data based on a sample except in P3, P4, H3, and H4. For information on confidentiality protection, sampling error, nonsampling

	Census Tract 9201, Bryan County, Georgia
Total:	566
Less than \$10,000:	94
Less than 20 percent	2
20 to 24 percent	0
25 to 29 percent	0
30 to 34 percent	16
35 percent or more	55
Not computed	21
\$10,000 to \$19,999:	141
Less than 20 percent	15
20 to 24 percent	2
25 to 29 percent	20
30 to 34 percent	20
35 percent or more	69
Not computed	15
\$20,000 to \$34,999:	148
Less than 20 percent	76
20 to 24 percent	15
25 to 29 percent	20
30 to 34 percent	13
35 percent or more	7
Not computed	17
\$35,000 to \$49,999:	85
Less than 20 percent	73
20 to 24 percent	2
25 to 29 percent	2
30 to 34 percent	0
35 percent or more	0
Not computed	8
\$50,000 to \$74,999:	58
Less than 20 percent	43
20 to 24 percent	0
25 to 29 percent	0
30 to 34 percent	0
35 percent or more	0
Not computed	15
\$75,000 to \$99,999:	27
Less than 20 percent	14
20 to 24 percent	0
25 to 29 percent	0
30 to 34 percent	0
35 percent or more	0
Not computed	13
\$100,000 or more:	13
Less than 20 percent	13
20 to 24 percent	0
25 to 29 percent	0
30 to 34 percent	0
35 percent or more	0
Not computed	0

H15. TENURE BY HOUSEHOLD SIZE [17] - Universe: Occupied housing units
 Data Set: Census 2000 Summary File 1 (SF 1) 100-Percent Data

NOTE: For information on confidentiality protection, nonsampling error, definitions, and count corrections see <http://factfinder.census.gov/home/en/datanotes/expsf1u.htm>.

□

	Census Tract 9201, Bryan County, Georgia
Total:	3,147
Owner occupied:	2,561
1-person household	453
2-person household	835
3-person household	533
4-person household	435
5-person household	187
6-person household	77
7-or-more person household	41
Renter occupied:	586
1-person household	143
2-person household	142
3-person household	118
4-person household	90
5-person household	57
6-person household	25
7-or-more person household	11

U.S. Census Bureau Census 2000

H20. TENURE BY OCCUPANTS PER ROOM [13] - Universe: Occupied housing units
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data

NOTE: Data based on a sample except in P3, P4, H3, and H4. For information on confidentiality protection, sampling error, nonsampling error,

	Census Tract 9201, Bryan County, Georgia
Total:	3,147
Owner occupied:	2,565
0.50 or less occupants per room	1,618
0.51 to 1.00 occupants per room	848
1.01 to 1.50 occupants per room	76
1.51 to 2.00 occupants per room	21
2.01 or more occupants per room	2
Renter occupied:	582
0.50 or less occupants per room	306
0.51 to 1.00 occupants per room	238
1.01 to 1.50 occupants per room	28
1.51 to 2.00 occupants per room	5
2.01 or more occupants per room	5

U.S. Census Bureau

HCT13. TENURE BY PLUMBING FACILITIES BY OCCUPANTS PER ROOM [19] - Universe: Occupied housing
 Universe: Total population
 Data Set: Census 2000 Summary File 4 (SF 4) - Sample Data

NOTE: Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, definitions, and count corrections see <http://factfinder.census.gov/home/en/datanotes/expsf4.htm>.

□

	Census Tract 9201, Bryan County, Georgia
Total:	3,147
Owner occupied:	2,565
Complete plumbing facilities:	2,553
1.00 or less occupants per room	2,456
1.01 to 1.50 occupants per room	74
1.51 or more occupants per room	23
Lacking complete plumbing facilities:	12
1.00 or less occupants per room	10
1.01 to 1.50 occupants per room	2
1.51 or more occupants per room	0
Renter occupied:	582
Complete plumbing facilities:	580
1.00 or less occupants per room	542
1.01 to 1.50 occupants per room	28
1.51 or more occupants per room	10
Lacking complete plumbing facilities:	2
1.00 or less occupants per room	2
1.01 to 1.50 occupants per room	0
1.51 or more occupants per room	0

HCT35. TENURE BY HOUSEHOLD INCOME IN 1999 [25] -
 Universe: Total population
 Data Set: Census 2000 Summary File 4 (SF 4) - Sample

NOTE: Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, definitions, and count corrections see <http://factfinder.census.gov/home/en/datanotes/expsf4.htm>.

□

	Census Tract 9201, Bryan County, Georgia
Total:	3,147
Owner occupied:	2,565
Less than \$5,000	134
\$5,000 to \$9,999	190
\$10,000 to \$14,999	169
\$15,000 to \$19,999	175
\$20,000 to \$24,999	172
\$25,000 to \$34,999	388
\$35,000 to \$49,999	391
\$50,000 to \$74,999	499
\$75,000 to \$99,999	238
\$100,000 to \$149,999	169
\$150,000 or more	40
Renter occupied:	582
Less than \$5,000	37
\$5,000 to \$9,999	59
\$10,000 to \$14,999	97
\$15,000 to \$19,999	50
\$20,000 to \$24,999	48
\$25,000 to \$34,999	108
\$35,000 to \$49,999	85
\$50,000 to \$74,999	58
\$75,000 to \$99,999	27
\$100,000 to \$149,999	9
\$150,000 or more	4

Census 2000

HCT87. TENURE BY POVERTY STATUS IN 1999 BY PLUMBING FACILITIES BY OCCUPANTS PER ROOM [39] - Universe: Occupied
 Universe: Total population
 Data Set: Census 2000 Summary File 4 (SF 4) - Sample Data

NOTE: Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, definitions, and count

	Census Tract 9201, Bryan County, Georgia
Total:	3,147
Owner occupied:	2,565
Income in 1999 below poverty level:	404
Complete plumbing facilities:	404
1.00 or less occupants per room	374
1.01 to 1.50 occupants per room	17
1.51 or more occupants per room	13
Lacking complete plumbing facilities:	0
1.00 or less occupants per room	0
1.01 to 1.50 occupants per room	0
1.51 or more occupants per room	0
Income in 1999 at or above poverty level:	2,161
Complete plumbing facilities:	2,149
1.00 or less occupants per room	2,082
1.01 to 1.50 occupants per room	57
1.51 or more occupants per room	10
Lacking complete plumbing facilities:	12
1.00 or less occupants per room	10
1.01 to 1.50 occupants per room	2
1.51 or more occupants per room	0
Renter occupied:	582
Income in 1999 below poverty level:	156
Complete plumbing facilities:	155
1.00 or less occupants per room	142
1.01 to 1.50 occupants per room	10
1.51 or more occupants per room	3
Lacking complete plumbing facilities:	1
1.00 or less occupants per room	1
1.01 to 1.50 occupants per room	0
1.51 or more occupants per room	0
Income in 1999 at or above poverty level:	426
Complete plumbing facilities:	425
1.00 or less occupants per room	400
1.01 to 1.50 occupants per room	18
1.51 or more occupants per room	7
Lacking complete plumbing facilities:	1
1.00 or less occupants per room	1
1.01 to 1.50 occupants per room	0
1.51 or more occupants per room	0

U.S. Census Bureau

APPENDIX 2



COMPARABLE RENTAL #1

Savage Creek Villas
Pembroke, Georgia

COMPARABLE RENTAL #1

Project Name: Savage Creek Villas
Location: 22 E. Dubois Street
Pembroke, Georgia
Improvements: Eight two-story, four-unit buildings with direct unit entries and surface parking
Total Units: 32

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/2 BA	980	\$625	T-All	Surface	None

1. T: Tenant-paid

Year Built: 2002-2006
Unit Amenities: Each unit has a direct unit entry, an oven/range, refrigerator, dishwasher, washer/dryer hook-up, blinds, air conditioning, and a patio or balcony.
Project Amenities: None
Utilities: Tenants pay for all utilities including unit electric, electric heat pump, air conditioning, electric domestic hot water, water, sewer and trash pick-up.
Vacancy: 9.4%
Comments: This market rate property is located on the south side of Pembroke adjacent to Highway 119, the primary access point from Pembroke to Fort Stewart. The property is well-maintained and appears to be in good condition. The manager stated the property has military households in approximately one-quarter of its units, and prior to the recent deployment had approximately one-half military households as residents.
Contact: 912-756-4593, Jeanie



COMPARABLE RENTAL #2

Hagan Apartments
Pembroke, Georgia

COMPARABLE RENTAL #2

Project Name: Hagan Apartments
Location: 1050 Harry Hagan Road
Pembroke, Georgia
Improvements: Two-story buildings with private unit entries and surface parking
Total Units: 8 completed, 16 total planned

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/2 BA	1,054	\$700	T-All	Surface	None

1. T: Tenant-paid

Year Built: 2006-2007
Unit Amenities: Each unit has a direct unit entry, an oven/range, refrigerator, dishwasher, washer/dryer hook-up, small patio or balcony, air conditioning, and blinds.
Project Amenities: None
Utilities Included: Tenants pay for all utilities including unit electric, electric heat pump, air conditioning, electric domestic hot water, water, sewer and trash pick-up.
Additional Charges: None
Vacancy: In lease-up, 12.5% for eight completed units
Comments: This market rate property is located on the far north side of Pembroke in a neighborhood comprised of single-family homes, mobile homes and vacant land. Currently two buildings with eight units are completed, a third building with four units is nearing completion, and a fourth building with four units is planned for construction in 2007. Mr. Hagan stated he had several military related households renting until the recent Fort Stewart deployment. The property does not have a sign with a phone number and appears to be under-managed.
Contact: 912-658-3517, Waymon Hagan



COMPARABLE RENTAL #3

College Street Station
Pembroke, Georgia

COMPARABLE RENTAL #3

Project Name: College Street Station
Location: 300 N. College Street
Pembroke, Georgia
Improvements: Two-story buildings with direct unit entries and surface parking
Total Units: 24

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/2 BA - Lower	960	\$660	T-All	Surface	None
2 BR/2 BA - Upper	1,000	\$675	T-All	Surface	None

1. T: Tenant-paid

Year Built: Under construction, completion expected in July 2007
Unit Amenities: Each unit has a direct unit entry, an oven/range, refrigerator, dishwasher, washer/dryer hook-up, air conditioner, and a small patio/balcony.
Project Amenities: None
Utilities Included: Tenants pay for all utilities including unit electric, electric heat pump, air conditioning, electric domestic hot water, water, and sewer. Owner pays for trash pick-up.
Vacancy: Lease-up
Comments: This new market rate property is near completion and according to the manager has one or two units pre-leased.
Contact: 912-354-9217, Diane



COMPARABLE RENTAL #4

Wynngrove Apartments
Hinesville, Georgia

COMPARABLE RENTAL #4

Project Name: Wyngrove Apartments
Location: 942 Grove Point Drive
Hinesville, GA
Improvements: Seven two-story, walk-up buildings with surface parking
Total Units: 140

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
1 BR/1 BA ⁽²⁾	750	\$650	T-Heat, AC	Surface	None
2 BR/2 BA	1,106	\$725	T-Heat, AC	Surface	None
3 BR/2 BA	1,318	\$725	T-Heat, AC	Surface	None

1. T = Tenant-paid
2. Size of one bedroom units is estimated

Year Built: 2004
Unit Amenities: Each unit has a private entrance, oven/range, refrigerator, dishwasher, window blinds, washer/dryer hook-ups, storage room adjacent to apartment and central air conditioning.
Project Amenities: Gated community. Storage lockers available for an additional fee.
Utilities: Water and sewer are owner-paid. Tenant pays unit electric, electric heat, and domestic hot water.
Additional Charges: None
Vacancy: No response
Comments: Wyngrove is a recently constructed market-rate, family property in Hinesville. This gated apartment community is located between a large wooded lot and a single-family subdivision. The manager indicated there were several units available.
Contact: 912-368-6105, Mary



COMPARABLE RENTAL #5

Grand Cameron Apartments
Hinesville, Georgia

COMPARABLE RENTAL #5

Location: Grand Cameron Apartments
101 Hall Street
Hinesville, Georgia

Improvements: Three eight-unit apartment buildings with surface parking

Total Units: 24

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/2 BA	1,050	\$795	T-All	Surface	None

1. T: Tenant-paid

Year Built: 2003

Unit Amenities: All units have an oven/range, refrigerator, dishwasher, washer/dryer hook-up, air-conditioning, and patio or balcony.

Project Amenities: Tenant storage

Utilities: Tenant pays all utilities including unit electric, electric heat pump, air conditioning, electric domestic hot water, and \$40 per month for water and sewer.

Additional Charges: None

Vacancy: 75.0%

Comments: This property is near the main entrance to Fort Stewart from Hinesville. The property currently has significantly high vacancy due to the recent troop deployment from Fort Stewart. The manager stated nearly all the residents of Grand Cameron Apartments are military personnel or their families.

Contact: 912-368-3433, Cheryl



COMPARABLE RENTAL #6

Ravenwood Townhomes
Hinesville, Georgia

COMPARABLE RENTAL #6

Location: Ravenwood Townhomes
912 Pineland Avenue
Hinesville, Georgia

Improvements: Two-story, individually owned townhouse units with surface parking

Total Units: 62

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
3 BR/2.5 BA	1,428	\$695- \$750	T-All	Surface	None

1. T: Tenant-paid

Year Built: 1984-1991

Unit Amenities: Units listed for rent have an oven/range, refrigerator, dishwasher, washer/dryer hook-up, air-conditioning, and a front and back porch.

Project Amenities: None

Utilities: Tenant pays unit electric, electric heat pump, air conditioning, and electric domestic hot water.

Additional Charges: None

Vacancy: Not available

Comments: This condominium property has individually-owned units and is primarily owner-occupied with some units available for rent.

Contact: 912-368-3433, Norman Realty



COMPARABLE RENTAL #7

1113 Kelly Drive
Hinesville, Georgia

COMPARABLE RENTAL #7

Location: 1113 Kelly Drive
Hinesville, Georgia

Improvements: Three four-unit, one-story buildings with surface parking

Total Units: 12

<u>Unit Type</u>	<u>Size (SF)⁽¹⁾</u>	<u>Rent</u>	<u>Utilities⁽²⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/2 BA	875	\$625	T-AC, Heat	Surface	.5 Mo/12 Mo.

- 1. Approximate size based on the square footage of each building
- 2. T: Tenant-paid

Year Built: 2007

Unit Amenities: All units have an oven/range, refrigerator, air conditioner, and washer/dryer hook-up.

Project Amenities: None

Utilities Included: Water, sewer and trash collection are paid by the owner. Tenant pays unit electric, domestic hot water, electric heat pump, and air conditioning.

Additional Charges: None

Vacancy: Lease-up

Comments: This new rental property is located on the south side of Hinesville in a residential neighborhood. Construction of the property is expected to be completed by July 1, 2007 and it is currently in lease-up with no units currently rented. A concession is currently being given during lease-up.

Contact: 912-368-2100, Tina Dowling-Action Realty



COMPARABLE RENTAL #8

Stewart Way
Hinesville, Georgia

COMPARABLE RENTAL #8

Location: Stewart Way
302 W. General Stewart Way
Hinesville, Georgia

Improvements: One-story buildings with surface parking

Total Units: 191

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession⁽²⁾</u>
Efficiency - Furnished	288	\$494	T-AC, Heat	Surface	\$299/Mo.
1 BR/1 BA	576	\$609	T-AC, Heat	Surface	\$509/Mo.
2 BR/1 BA	864	\$719	T-AC, Heat	Surface	\$609/Mo.
2 BR/2 BA	864	\$729	T-AC, Heat	Surface	\$619/Mo.

1. T: Tenant-paid
2. Current reduced rent level due to low occupancy. In addition, the rent increase at the expiration of a lease with reduced rent is guaranteed to be at only 5% from reduced rent level.

Year Built: 1986-1987

Unit Amenities: All units have an oven/range, refrigerator, patio, in-wall heat and air-conditioner unit, vaulted ceiling, and blinds. One and two bedroom units have a washer-dryer hook-up, and two bedroom units have a dishwasher.

Project Amenities: Common laundry

Utilities: Tenants pay unit electric, air conditioning, electric domestic hot water, and electric heat. Tenants also pay a portion of water, sewer and trash pick-up expenses with payments of approximately \$10 per month for efficiency units, \$14 per month for one bedroom units, and \$20 per month for two bedroom units.

Additional Charges: None

Vacancy: 28.3%

Comments: This property is on the northwest side of Hinesville within a few blocks of Fort Stewart. According to the manager, 98% of this property's residents are military related. Due to a recent large deployment to Iraq from Fort Stewart, Stewart Way Apartments has recently had significant vacancies. Prior to the redeployment the property had very low vacancy. The property is well-maintained and is in average condition.

Contact: 912-368-3777, Dixie



COMPARABLE RENTAL #9

Link Terrace
Hinesville, Georgia

COMPARABLE RENTAL #9

Location: Link Terrace
110 Florence Link Street
Hinesville, Georgia

Improvements: One-story buildings with surface parking

Total Units: 54

<u>Unit Type</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
Efficiency - Furnished	288	\$499	T-AC, Heat	Surface	None
1 BR/1 BA	576	\$614	T-AC, Heat	Surface	None
1 BR/1 BA - Updated	576	\$684	T-AC, Heat	Surface	None
2 BR/1 BA	864	\$719	T-AC, Heat	Surface	None
2 BR/2 BA	864	\$729	T-AC, Heat	Surface	None

1. T: Tenant-paid

Year Built: 1984

Unit Amenities: All units have an oven/range, refrigerator, patio, in-wall heat and air-conditioner unit, vaulted ceiling, and blinds. One and two bedroom units have a washer-dryer hook-up. Updated one bedroom and two bedroom units have a dishwasher. Also, updated one bedroom units have newer appliances, newer carpet and tile, and newer kitchen countertops.

Project Amenities: Common laundry

Utilities Included: Tenants pay unit electric and electric heat. Tenants also pay a portion of water, sewer and trash pick-up expenses with payments of approximately \$10 per month for efficiency units, \$15 per month for one bedroom units, and \$20 per month for two bedroom units.

Additional Charges: None

Vacancy: 14.8%

Comments: This property is located on the near south side of Hinesville on a wooded site. The property is well-maintained and is in average condition. According to the manager, this property has increased vacancy to the recent large redeployment to Iraq from Fort Stewart. Prior to the redeployment the property had very low vacancy. Approximately 48% of the property's 46 occupied units are occupied by military households

Contact: 912-368-3555



COMPARABLE RENTAL #10

Westboro Townhouses
Statesboro, Georgia

COMPARABLE RENTAL #10

Project Name: Westboro Townhouses
Location: 4816 Country Club Road
Statesboro, GA
Improvements: Two-story buildings with townhouse units and surface parking
Total Units: 20

<u>Unit Type</u>	<u>Size (SF)⁽¹⁾</u>	<u>Rent</u>	<u>Utilities⁽²⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/1.5 BA	1,000	\$625	T-AC, Heat	Surface	None

- 1. Estimated unit size
- 2. T = Tenant-paid

Year Built: 1996
Unit Amenities: Each unit has an oven/range, refrigerator, dishwasher, central air conditioning, patio, and washer/dryer.
Project Amenities: None
Utilities: Owner pays for water and sewer. Tenants pay for electric heat pump heat, central air conditioning, electric domestic hot water, and unit electric.
Additional Charges: None
Vacancy: No response
Comments: This property is located on the west side of Statesboro and according to the manager is occupied by non-students. Units are two-story townhouse style. The property is located adjacent to Highway 25, the ring road that circles Statesboro.
Contact: Ansley-Lanier Realtors, 912-489-2939



COMPARABLE RENTAL #11

Pines At Willowbrook
Hinesville, Georgia

COMPARABLE RENTAL #11

Project Name: Pines At Willowbrook – Family Tax Credit Property
Location: 841 Willowbrook Drive
Hinesville, Georgia
Improvements: Two-story buildings with direct unit entries and surface parking
Total Units: 80

<u>Unit Type (No. of Units)</u>	<u>Size (SF)</u>	<u>Rent</u>	<u>Utilities⁽¹⁾</u>	<u>Parking</u>	<u>Concession</u>
1 BR/1 BA @ 50% AMI (4)	703	\$355	T-AC, Heat	Surface	None
1 BR/1 BA @ 60% AMI (2)	703	\$445	T-AC, Heat	Surface	None
1 BR/1 BA @ Market (2)	703	\$500	T-AC, Heat	Surface	None
2 BR/1 BA @ 50% AMI (10)	923	\$420	T-AC, Heat	Surface	None
2 BR/1 BA @ Market (7)	923	\$630	T-AC, Heat	Surface	None
2 BR/2 BA @ 60% AMI (28)	960	\$521	T-AC, Heat	Surface	None
2 BR/2 BA @ Market (3)	960	\$670	T-AC, Heat	Surface	None
3 BR/2 BA @ 50% AMI (3)	1,150	\$490	T-AC, Heat	Surface	None
3 BR/2 BA @ 60% AMI (17)	1,150	\$595	T-AC, Heat	Surface	None
3 BR/2 BA @ Market (4)	1,150	\$750	T-AC, Heat	Surface	None

Year Built: 2003

Unit Amenities: Each unit has a direct unit entry, an oven/range, refrigerator, dishwasher, washer/dryer hook-up, blinds, air conditioning, and a patio or balcony.

Project Amenities: Community building with business center, conference center with kitchen, fitness center, common laundry, and a management office. Outdoor common amenities include a playground and a gazebo.

Utilities Included: Owner pays water and sewer. Tenants pay unit electric, gas heat, and gas-fired domestic hot water.

Vacancy: 18.8%

Comments: The manager of this property stated the property currently has a high vacancy level due to on-site management problems (the current manager started in May 2007). The manager reported they have a waiting list of approximately 20 households for one bedroom units, 90 households for two bedroom units, and 20 households for three bedroom units.

Contact: 912-877-2162, Vickie Henson



COMPARABLE RENTAL #12

Madison Meadows Apartments
Statesboro, Georgia

COMPARABLE RENTAL #12

Project Name: Madison Meadows Apartments
Location: 10 Packing House Road
Statesboro, GA
Improvements: Two-story walk-up buildings with surface parking
Total Units: 120, (64 two bedroom units and 56 three bedroom units)

<u>Unit Type</u>	<u>Size (SF)⁽¹⁾</u>	<u>Rent</u>	<u>Utilities⁽²⁾</u>	<u>Parking</u>	<u>Concession</u>
2 BR/2 BA, 50% AMI	999-1,081	\$410	T-All	Surface	None
2 BR/2 BA, 60% AMI	999-1,081	\$514	T-All	Surface	None
2 BR/2 BA, Market	999-1,081	\$589	T-All	Surface	None
3 BR/2 BA, 50% AMI	1,148-1,229	\$466	T-All	Surface	None
3 BR/2 BA, 60% AMI	1,148-1,229	\$559	T-All	Surface	None
3 BR/2 BA, Market	1,148-1,229	\$689	T-All	Surface	None

1. There is not a price variance due to square footage
2. T = Tenant-paid

Year Built: 2002
Unit Amenities: Each unit has an oven/range, refrigerator, dishwasher, garbage disposal, central air conditioning, washer/dryer hook-up, ceiling fan and blinds.
Project Amenities: Gated entry, common entrances, outdoor pool, clubhouse, exercise room, computer lab, laundry room and playground.
Utilities: Tenants pay water, sewer, trash pick-up, unit electricity, electric heat pump, and electric domestic hot water.
Additional Charges: None
Vacancy: 10.0%
Comments: Madison Meadows Apartments is a family, tax credit property located on the northeast side of Statesboro. The property has 96 tax credit units and 24 market-rate units. The property opened in 2002 and took approximately 12 months to become 95% occupied. This property has 64 two bedroom units and 56 three bedroom units.
Contact: 912-489-1001, Sarah

APPENDIX 3

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 the rent comparables.

Signed: _____ Date: _____

A. Executive Summary

Market demand for subject property given the economic conditions of the area	Page 1	_____
Projected Stabilized Occupancy Level and Timeframe	Page 1	_____
Appropriateness of unit mix, rent and unit sizes	Page 2	_____
Appropriateness of interior and exterior amenities including appliances	Page 2	_____
Location and distance of subject in relationship to local amenities	Page 2	_____
Discussion of capture rates in relationship to subject	Page 1	_____
Conclusion regarding the strength of the market for subject	Page 1	_____

B. Project Description

Project address, legal description and location	Page 4	_____
Number of units by unit type	Page 7	_____
Unit size, # of bedrooms and structure type (ie townhouse, garden apartment, etc)	Page 7	_____
Rents and Utility Allowance	Page 7	_____
Existing or proposed project based rental assistance	Page 7	_____
Proposed development amenities (ie washer/dryer hookups, dishwasher etc.)	Page 7	_____
For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of the property	Page	_____
Projected placed in service date	Page 7	_____
Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page 7	_____
Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs	Page 7	_____
Special Population Target (if applicable)	Page	_____

C. Site Evaluation

Date of Inspection of Subject Property by Market Analyst	Page 8	_____
Physical features of Subject Property and Adjacent Uses	Page 8	_____
Subject Photographs (front, rear, and side elevations as well as street scenes)	Page 11	_____
Map identifying location of subject as well as closet shopping centers, schools, medical facilities and other amenities relative to subject	Page 19	_____
Developments in vicinity to subject and proximity in miles (Identify developments surrounding the subject on all sides)	Page 9	_____
Map identifying location of subject and proximity in miles (Identify developments surrounding the	Page 19	_____

subject on all sides)		
Road or infrastructure improvements planned or under construction in the PMA	Page 9	_____
Comment on access, ingress/egress and visibility of subject	Page 8	_____
Any visible environmental or other concerns	Page 8	_____
Overall conclusions of site and their marketability	Page 8	_____

D. Market Area

Map identifying Subject's Location within PMA	Page 22	_____
Map identifying Subject's Location within SMA, If applicable	Page	_____

E. Community Demographic Data

Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post Market Entry	Page 25	_____
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1. Population Trends

a. Total Population	Page 23	_____
b. Population By Age Group	Page 24	_____
c. Number of elderly and non-elderly (for elderly projects)	Page	_____
d. If a special needs is proposed, additional information for this segment	Page	_____

2. Household Trends

Elderly by tenure, if applicable

a. Total number of households and average household size	Page 24	_____
b. Households by tenure (# of owner and renter households)	Page 26	_____
c. Households by Income (Elderly, if applicable, should be allocated separately)	Page 26	_____
d. Renter households by # of persons in the household	Page 26	_____

3. Employment Trend

a. Employment by industry-- #s & % (ie manufacturing: 150,000 (20%))	Page 27	_____
c. Major employers, product or service, total employees, anticipated expansions, contractions in work forces, as well as newly planned employers and impact on employment in the PMA	Page 28	_____
c. Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page 31	_____
d. Map of the site and location of major employment concentrations.	Page 30	_____
e. Overall conclusions	Page 32	_____

F. Project Specific Demand Analysis

Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page 33	_____
Affordability - Delineation of Income Bands	Page 34	_____
Comparison of market rents of competing properties with proposed subject market rent	Page	_____
Comparison of market rents of competing properties with proposed LIHTC rents	Page 48	_____
Demand Analysis Using Projected Service Date (within 2 years)	Page 33	_____
a. New Households Using Growth Rates from Reputable Sources	Page 35	_____
b. Demand from Existing Households	Page 37	_____
c. Elderly Households Converting to Rentership (applicable only to elderly)	Page	_____

d. Elderly Households Relocating to the Market (applicable only to elderly)	Page	_____
e. Deduction of Supply of "Comparable Units"	Page 44	_____
f. Capture Rates for Each Bedroom Type	Page 45	_____
g. Anticipated Absorption period for the property	Page 47	_____

G. Supply Analysis

Comparative chart of subject amenities and competing properties	Page 43	_____
Supply & analysis of competing developments under constructin & pending	Page 43	_____
Comparison of competing developments (occupancy, unit mix and rents)	Page 43	_____
Rent Comparable Map (showing subject and comparables)	Page 53	_____
Rental Assisted Projects in PMA	Page 20	_____
Multi-Family Building Permits issued in PMA in last two years	Page 42	_____

H. Interviews

Names, Title and Telephone # of Individuals Interviewed	Page 63	_____
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I. Conclusions and Recommendations

Conclusion as to Impact of Subject on PMA	Page 64	_____
Recommendations as to Subject's Viability in PMA	Page 64	_____

J. Signed Statement

Signed Statement from Analyst	Page 66	_____
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K. Comparison of Competing Properties

Separate Letter addressing addition of more than one competing property	Page	_____
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APPENDIX 4

QUALIFICATIONS OF
DALE R. MUSSATTI

Professional Position

Proficient in all phases of commercial real estate valuation and evaluation, including market studies, feasibility analysis, appraisal, and investment analysis of market rate and subsidized apartment developments, vacant land, commercial and retail properties. Areas of specialization include performance of market studies for tax credit multifamily developments, independent and assisted living senior housing developments, and condominium developments.

Education

Master of Science - Real Estate Appraisal and Investment Analysis
University of Wisconsin, Madison, 1984.

Master of Business Administration
University of Michigan, Ann Arbor, 1983.

Bachelor of Business Administration - Finance
University of Wisconsin, Whitewater, 1979.

Professional Experience

Professional experience includes commercial real estate valuation and evaluation, commercial real estate mortgage underwriting and brokerage, property acquisitions and investment analysis.

2000 - Present	Appraiser/Consultant, Market Consulting Services, Mequon, Wisconsin
1992 - 2000	Principal, Lexington Realty Services, Wauwatosa, Wisconsin
1990 - 1992	Vice President, John Hancock Real Estate Finance, Chicago, Illinois
1989 - 1990	Senior Investment Analyst, Fifield Realty Investors, Chicago, Illinois
1984 - 1989	Manager, Prudential Mortgage Capital Company, Chicago, Illinois

Authorizations and Certifications

Wisconsin Housing and Economic Development Authority authorized market study provider

Michigan State Housing Development Authority authorized market study provider

HUD authorized MAP market study provider

Certified General Appraiser (CGA), State of Wisconsin

The following is a partial list of market study assignments completed by Mr. Mussatti:

- Glenveagh Apartments, Baraboo, WI - 48 Units
- The Glen Gerry, Shawano, WI - 48 Units
- The Boardwalk, Burlington, WI - 128 Units
- Capitol Hill Senior Apartments, Brookfield, WI - 70 Units
- Craftsman Village of Manitowoc, Manitowoc, WI - 40 Units
- Manitowoc Senior Apartments - Manitowoc, WI - 48 Units
- Wyndham Senior Villas - Marshfield, WI - 48 Units
- Rockford Senior Campus - Rockford, IL - 120 Units
- Briarwood Cottages, Stevens Point, WI - 40 Units
- Craftsman Village of Plover, Plover, WI - 40 Units
- The Berkshire, Waukesha, WI - 78 Units
- River Grove Senior Village, Wisconsin Rapids, WI - 40 Units
- Woodland Ridge, Greenfield, WI - 76 Units
- Wilson Commons Senior Campus, Milwaukee, WI - 244 Units
- Hunter's Ridge Senior Villas, Whitewater, WI - 48 Units
- Killarney Kourt, Sturtevant, WI - 79 Units
- Mission Village of Plover, Plover, WI - 36 Units
- Cedar Creek Senior Apartments, Rothschild, WI - 48 Units
- Craftsman Village of Appleton, Appleton, WI - 64 Units
- Lake Tomah Senior Village, Tomah, WI - 22 Units
- Prairie Hill at Woodland Ridge, Greenfield, WI - 68 Units
- River Grove Senior Village II, Wisconsin Rapids, WI - 40 Units
- Woodland Crossing, Manitowoc, WI - 24 Units
- Wolf River Senior Village, Manawa, WI - 18 Units
- Mission Village of Menasha, Menasha, WI - 38 Units
- Hart Park Square, Wauwatosa, WI - 134 Units
- San Camillo RCAC, Wauwatosa, WI - 45 Units
- New Village West, Milwaukee, WI - 54 Units
- New Village East, Milwaukee, WI - 68 Units
- Dancing Oaks, Menomonie, WI - 38 Units
- King Drive Commons II, Milwaukee, WI - 24 Units
- St. Vincent Lofts, Milwaukee, WI - 24 Units
- Granville Heights, Milwaukee, WI - 60 Units
- Clock Tower Center, Neenah, WI - 60 Units
- Alta Mira Condominiums, Menomonee Falls, WI - 90 Units
- Brodhead Senior Village, Brodhead, WI - 24 Units
- Adams-Friendship Senior Village, Adams, WI - 24 Units
- Lincolnshire, Mount Pleasant, WI - 24 Units
- Toussaint Square, Milwaukee, WI - 23 Units
- Dr. Wesley L. Scott Senior Living Community, Milwaukee, WI - 80 Units
- Villas of Combined Locks, Combined Locks, WI - 24 Units
- Red Pines Senior Housing, Greenfield, WI - 88 Units
- Juneau Senior Housing, Juneau, WI - 24 Units
- Francis Woods Condominiums, Franklin, WI - 50 Units
- Lancaster Senior Village, Lancaster, WI - 24 Units
- Olen Park Senior Village, Clintonville, WI - 24 Units
- Royalton Manor, Superior, WI - 109 Units
- Fond du Lac Center, Milwaukee, WI - 24 Units
- Kenwood Commons, Menasha, WI - 50 Units
- Green Ridge Senior Housing, Greenfield, WI - 38 Units
- Calumet Apartments, Fond du Lac, WI - 33 Units
- Parkway Highlands, Green Bay, WI - 84 Units
- The Courtyard At Willow Woods, Tomah, WI - 72 Units
- Teutonia Gardens, Milwaukee, WI - 24 Units
- Prince Hall Village, Milwaukee, WI - 24 Units
- Morris Park Senior Village, Milwaukee, WI - 22 Units
- Birchwood Highlands, Weston, WI - 71 Units
- Ridgeview Highlands, Appleton, WI - 60 Units