

PROFESSIONAL MARKET STUDY
FOR THE SHEPPARD STATION APARTMENTS
APPLICATION # - 2007-020
A PROPOSED LIHTC ELDERLY DEVELOPMENT

LOCATED IN:
POOLER, CHATHAM COUNTY, GA

PREPARED FOR:
GEORGIA DEPARTMENT of COMMUNITY AFFAIRS
OFFICE of AFFORDABLE HOUSING
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INTRODUCTION

The proposed mixed income multi-family development will target LIHTC eligible and Market Rate elderly households (age 55 and over - **Housing for Older Persons**) in the Pooler area of Chatham County, Georgia.

The market study assignment was to ascertain market demand for a proposed multi-family elderly development to be known as the **Sheppard Station Apartments**, for the Georgia Department of Community Affairs (GA-DCA), under the following scenario:

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	33	831	Na
2BR/2b	32	1099	Na
Total	65		

Project Rents:

The proposed development will target approximately 75% of the units at 50% or below of area median income (AMI); 5% at 60% AMI; and 20% at Market. Rent excludes all utilities, yet will include trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	22	\$350	\$129	\$479
1BR/1b	3	\$350	\$139	\$489
2BR/1b	22	\$375	\$150	\$525
2BR/1b	2	\$375	\$159	\$534

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	1	\$360	\$130	\$490
2BR/1b	2	\$385	\$150	\$535

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
1BR/1b	7	\$400	\$130	\$530
2BR/1b	6	\$450	\$150	\$600

*Provided by applicant.

In addition, there are several terms that will be used throughout the study, which have very specific meanings within the program assisted framework, but which may have other meanings in other contexts. Two sets of terms in particular are identified here to avoid confusion in the study.

Type of Project Rent Structure:

- Conventional - also referred to as "market rate", reflects projects which are developed without any program funding from public or private sources, using equity and conventional finance. Rents are established by the owner, typically without regulatory constraints.
- Assisted - projects that use some form of program financing designed to make rents more affordable. The financing may include federal and state grant, loan or loan guarantee programs; the Low Income Housing Tax Credit program, direct rental assistance and in some cases private grants or preferential loans.
- Subsidized - projects that have direct rental assistance, which allows tenants to pay only an affordable proportion of their income for rent, with the balance paid by another agency (usually governmental). These subsidies are project-based; that is, the subsidies are attached to the units. Tenant-based subsidies are carried by the tenants, who may use them in assisted or conventional projects. Note: all subsidized projects are also assisted projects, but not all assisted projects are subsidized.

Rent Inclusions:

- Gross Rent - refers to the total rent payment, including utilities. (Cable and telephone utilities are excluded from this definition.) Gross rents are usually identified as a monthly rent. Gross rents are used in the study for program usage such as LIHTC maximum rents or HUD Fair Market Rents.
- Net Rent - sometimes known as "street rent", involves the rent paid to the landlord, and usually excludes some or all utilities. Net rents are used in comparisons with conventional projects, and are also usually identified as a monthly rent.

- Utility Allowance - is the amount of the Gross Rent not included in the Net Rent, and reflects the estimated amount a tenant will have to pay out-of-pocket for utilities.

As a final terminology note, capture rate and penetration rate are used interchangeably in this study. They refer to the proportion of a defined total pool of tenants that a specific project must capture (or the degree to which the project must penetrate the total pool) in order to be fully occupied. Different capture rates will be calculated for different market pools - for example, the capture rate applied to the total income-qualified renter base will be different from the capture rate applied to a annual target demand pool. Both are used in this study.

The analyst performed an in-depth, on-site analysis in the market area, surrounding neighborhoods, and the site. Personal interviews were conducted with local area real estate professionals and other persons knowledgeable in the local area housing market.

Among sources utilized and cited throughout the study are the U.S. Census of Population and Housing, the Georgia Department of Labor, the Savannah Area Chamber of Commerce, the Savannah Economic Development Authority, the City of Pooler, the US Department of Housing and Urban Development and pertinent information and materials collected from local professional real estate sources and subject related service providers.

Other, specific elements of the methodology are discussed in the text of the study.

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS

1. The consultant declares that he does not have, and will not have the future, any material interest in the proposed project, and that there is no identity between him and the client of the study. Further, the consultant declares that the payment of the study fee is in no way contingent upon a favorable study conclusion, nor upon approval of the project by any agency before or after the fact. The analyst certifies that no attempt was made to contact the applicant directly for any information in the market study.
2. The information on which this analysis of conditions in Pooler and Chatham County has been obtained from the most pertinent and current available sources, and every reasonable effort has been made to insure its accuracy and reliability. However, the consultant assumes no responsibility for inaccuracies in reporting by any of the Federal, State, or Municipal agencies cited, nor for any data withheld or erroneously reported by private sources cited during the normal course of a thorough investigation. The consultant reserves the right to alter conclusions on the basis of any discovered inaccuracies.
3. No opinion of a legal or engineering nature is intentionally expressed or implied.
4. The fee charged for this study does not include payment for testimony nor further consultation.
5. This analysis assumes a free and fair real estate market place, with no constraints imposed by any market element based on race, age or gender, except for age / handicapped eligibility established by law for units designated by elderly households and the handicapped.
6. The consultant affirms that a member of the firm made a physical inspection of the site and market area, and that information has been used in the full assessment of the need and demand for new rental units.

**Jerry M. Koontz, Principal
Koontz and Salinger**

SECTION A
EXECUTIVE SUMMARY

1. Market Area and Site Description:

- The Primary Market Area (PMA) for the proposed multi-family development consists of the following census tracts in the western and northern portions of Chatham County:

105.01, 106.03, 107,
108.01, 108.02, and 108.03.

- The overall character of the neighborhood within the immediate vicinity of the site can be defined primarily single-family residential with nearby vacant tracts. Currently, the site is zoned for multi-family development.
- The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. All major services and facilities are located within a 2.5 mile radius.

2. Appropriateness of Project Parameters

- Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.
- In the area of unit size, by bedroom type, the subject will offer a very competitive unit size, based on the proposed floor plans.
- The subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding proposed net rents by bedroom type.
- The proposed subject LIHTC 1BR/1b net rents are below the comparable/competitive 1BR/1b net rent by approximately 45% at both 50% and 60% AMI.
- The proposed subject LIHTC 2BR/1b net rents are below the comparable/competitive 2BR/1b net rent by approximately 45% at both 50% and 60% AMI.

- The proposed subject Market Rate 1BR/1b net rent is below the comparable/competitive 1BR/1b net rent by approximately 38%.
- The proposed subject Market Rate 2BR/1b net rent is below the comparable/competitive 2BR/1b net rent by approximately 36%.
- The subject bedroom mix is considered to be appropriate. At present, the market is in need of larger bedroom sizes, as stated by most of the interviewed existing elderly LIHTC apartment managers in Savannah, both in terms of square footage and number of bedrooms.

3. Market Demand:

- The capture rates by income segment and bedroom mix are considered to be positive indicator of demand support for the proposed 65-unit subject elderly development, given the GA-DCA capture rate threshold parameters. The overall project capture rate is 27.5% for the LIHTC component and 4.5% for the Market Rate component of the proposed development.
- At present there are no like-kind direct comparable elderly LIHTC complex located within the PMA.

Capture Rates by Bedroom Type & Income Targeting							
Unit Size	Income Limits	Units Proposed	Net Demand	Capture Rate	Absorption	Avg Mkt Net Rent	Proposed Net Rent
1BR	50% AMI	25	72	34.7%	9 mos.	\$650	\$350
	60% AMI	1	22	4.6%	1 mo.	\$650	\$360
	Market	7	133	5.3%	3 mos.	\$650	\$400
1BR	Total	33	227	14.5%	9 mos.		
2BR	50% AMI	24	73	32.9%	9 mos.	\$700	\$375
	60% AMI	2	22	9.1%	1 mo.	\$700	\$385
	Market	6	133	4.5%	3 mos.	\$700	\$450
2BR	Total	32	228	14.0%	9 mos.		

- Present indicators point to the fact that the introduction of the proposed 65-unit development will have little to **no long term** negative impact on the like-kind program assisted apartment market within the City of Savannah and Chatham County.
- The absorption rates identified above are a function of the proposed subject rents, building design, amenity package, and professional management and development team. It is forecasted that a stabilized occupancy level of 93%+ can be achieved within a 9 month (or less) to 5 month period for the proposed subject property.

4. Recommendation & Conclusion:

- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**
-

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT DESCRIPTION

The proposed mixed income Low Income Housing Tax Credit (LIHTC) and Market Rate multi-family development will target elderly households, age 55 and over in Pooler and Chatham County, Georgia. The subject property is located off Brighton Woods Drive, within the Pooler city limits.

The market study assignment was to ascertain market demand for a proposed multi-family elderly development to be known as the **Sheppard Station Apartments**, for the Georgia Department of Community Affairs (GA-DCA), under the following scenario:

Project Description

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	33	831	Na
2BR/1b	32	1099	Na
Total	65		

The proposed new construction project design will comprise 2 three-story buildings with elevators and 4 one story units. The project will include a separate building comprising a managers office and community room. The project will provide 110-parking spaces.

The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).

Project Rents:

The proposed development will target approximately 75% of the units at 50% or below of area median income (AMI); 5% at 60% AMI; and 20% at Market. Rent excludes all utilities, yet will include trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
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1BR/1b	7	\$400	\$130	\$530
2BR/1b	6	\$450	\$150	\$600

*Provided by applicant.

The proposed development will not have any project base rental assistant, nor private rental assistance.

Amenity Package

The development will include the following amenity package:

Unit Amenities

- range
- disposal
- central air
- smoke alarms
- carpet
- patio/balcony
- refrigerator
- dish washer
- cable ready
- washer/dryer units
- mini-blinds
- microwave

Development Amenities

- on-site management
- horse shoe pit
- elevators (2)
- community garden
- equipped play court
- furnished library
- community area
- picnic/grill area w/pavilion
- equipped exercise/fitness center
- equipped computer center
- equipped walking path

Supportive Services Package*

- 5% of units (4-units) will be set aside for Targeted Population
- Service Provider is Union Mission

The estimated projected year that Sheppard Station will be placed in service is 2009.

SECTION C

**SITE & NEIGHBORHOOD
EVALUATION**

The site of the proposed elderly LIHTC/Market Rate apartment development is located off Brighton Woods Drive, approximately .3 miles south of US Highway 80. The site is located in the western portion of Pooler, within the city limits. Specifically, the

site is located in Census Tract 108.03, Census Block Group 3, Census Block 3002, and Zip Code 31322. See Site Map, page 9.

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers and area churches. All major facilities in the city can be accessed within a 5 to 10 minute drive. At the time of the market study, no significant infrastructure development was in progress within the immediate vicinity of the site.

Site Characteristics

The approximately 6.9-acre, polygon shaped tract is relatively flat and mostly wooded. At present, there are no physical structures on the tract. The site is considered to be marketable and buildable. However, this assessment is subject to both environmental and engineering studies. All public utility services are available to the tract and excess capacity exists.

About 15% of the site is located within a 100-year flood plain and approximately 30% of the site comprises wetlands. This portion of the site will not be developed upon. (Source: Site Plan) At the time of the survey the subject site was zoned R-3A, Multi-family. The surrounding land uses and zoning designations around the site are detailed below:

Direction	Existing Land Use	Current Zoning
North	Single-Family Subdivision & Vacant	R1A
East	New Single-Family development	R1A
South	Vacant	R1A
West	Highway	R4

Zoning Key: R4 - Townhouse & Condominiums
 R1A - Single-Family Residential

Source: City of Pooler, Official Zoning Map

Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined as predominantly single-family development on two sides of the subject property and vacant on two sides.

Directly north of the site is an established single-family subdivision known as Brighton Woods. At the time of the survey most of the homes were of various designs, in good condition and occupied. The estimated age of most of the homes is around 20 to 25 years.

Directly south of the site is wooded vacant land.

Directly west of the tract is the Pooler Parkway, followed by vacant land.

Directly east of the tract is a new single-family development known as The Grove. At present the 65-lot development has 19 lots built upon of which 6 homes have been sold. The price range of the homes is from the \$220's to \$300,000. The development will have a swimming pool, upon completion. Source: Ms. Carolyn Norman, Realtor, Sunrise Realty, (912) 756-4344.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.



(1) - Site entrance off Brighton Woods Drive.



(2) - Northern boundary of site. Site to the left, east to west.



(3) - New home in The Grove. Site is located behind this lot.



(4) - From site down Brighton Woods Drive, south to north.



(5) - From site into The Grove single-family development, west to east.



(6) - Site east to west from The Grove subdivision.



(7) - Typical home in the Brighton Woods subdivision.

Access to Services

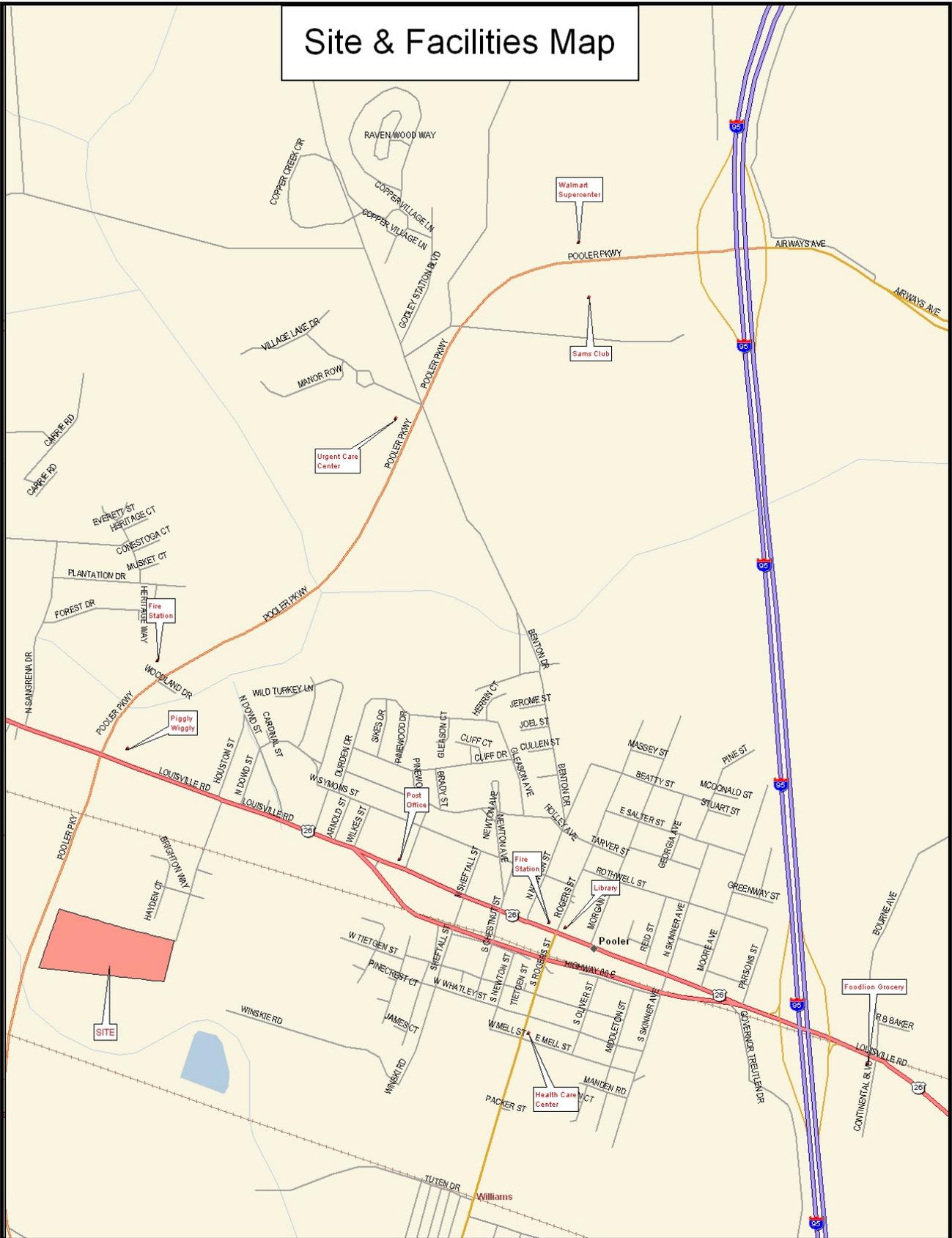
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Subject
Access to US Highway 80	.3
Piggly Wiggly Grocery	.5
Access to Pooler Parkway	.6
Post Office	.7
Bloomington city limits	.9
Fire Station	1.0
Library	1.2
Moss Oaks Health Care Center	1.5
Urgent Care Center	1.5
Access to I-95	1.8
Walmart Supercenter	2.0
Sams Club	2.0
Foodlion Grocery	2.1
Access to I-16	3.0

Note: Distance from subject is in tenths of miles and are approximated.

Site & Facilities Map



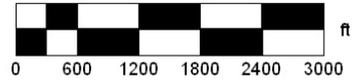
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Data Zoom 13-6

Program Assisted LIHTC-elderly Apartments in Chatham County

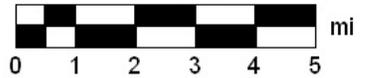
At present, there are four existing LIHTC elderly apartment complexes in Chatham County. Note: All four of the properties are located within the City of Savannah. None of the four complexes are located within the PMA. A map (on the next page) exhibits the LIHTC elderly properties within Savannah/Chatham County in relation to the site (in Pooler).

Project Name	Street Address	Program Type	Number of Units	Distance from Site
Veranda @ Midtown	1414 Anderson	LIHTC/MR	100	10+ miles
Sisters Court	222 E 37 th St	LIHTC	78	10+ miles
Telfair Arms	11 E Park Ave	LIHTC	53	10+ miles
Rose of Sharon	322 E Taylor	HUD/LIHTC	206	10+ miles

LIHTC Elderly Properties



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Data Zoom 10-1

SUMMARY

The field visits for the site and surrounding market area were on June 13 and 14, 2007. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

The overall character of the neighborhood within the immediate vicinity of the site can be defined as predominantly single-family development on two sides of the subject property and vacant on two sides. The site is located in the western portion of Pooler, within the city limits. The site is zoned R-3A, Multi-family.

Access to the site is available off Brighton Woods Drive. Brighton Woods Drive is a short residential connector that links the site with US Highway 80, .3 miles to the north. It is a low density traveled road, with a speed limit of 25 miles per hour in the immediate vicinity of the site. Also, the location of the site off Brighton Woods Drive does not present problems of egress and ingress to the site.

The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities (including noxious odors, close proximity to cemeteries, high tension power lines, rail lines and junk yards).

The site in relation to the subject and the surrounding roads is agreeable to signage, in particular to passing traffic along the Pooler Parkway, and Brighton Woods Drive.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered appropriate as an elderly multi-family development.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, and health care	
Good linkages to area road system	
Nearby road speed and noise is acceptable	
Surrounding land uses are acceptable	

<p>SECTION D</p> <p>MARKET AREA DESCRIPTION</p>

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly

considers the **location** and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Pooler and a 5 to 10 mile area, along with an assessment of: the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family elderly development consists of the western and northern portions of Chatham County.

Specifically the PMA encompassed the following census tracts (concentrated predominantly in Pooler, Bloomingdale and Port Wentworth):

105.01, 106.03, 107, 108.01, 108.02, and 108.03.

(See Market Area Map)

The PMA is bounded as follows:

North	Effingham County and South Carolina
East	Garden City and Savannah
South	Bryan County, southern portion of Chatham County (Georgetown area)
West	Effingham County

Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area. Demand for the development from the SMA is considered to be good to very good. Typically, 5% to 25% of program assisted elderly apartment complexes are occupied by tenants from outside the PMA. It is estimated that the subject will attract 10% to 15% of its tenant base from outside the PMA. Note: The demand methodology in this market study utilized a GA-DCA market study guideline factor of 15%.

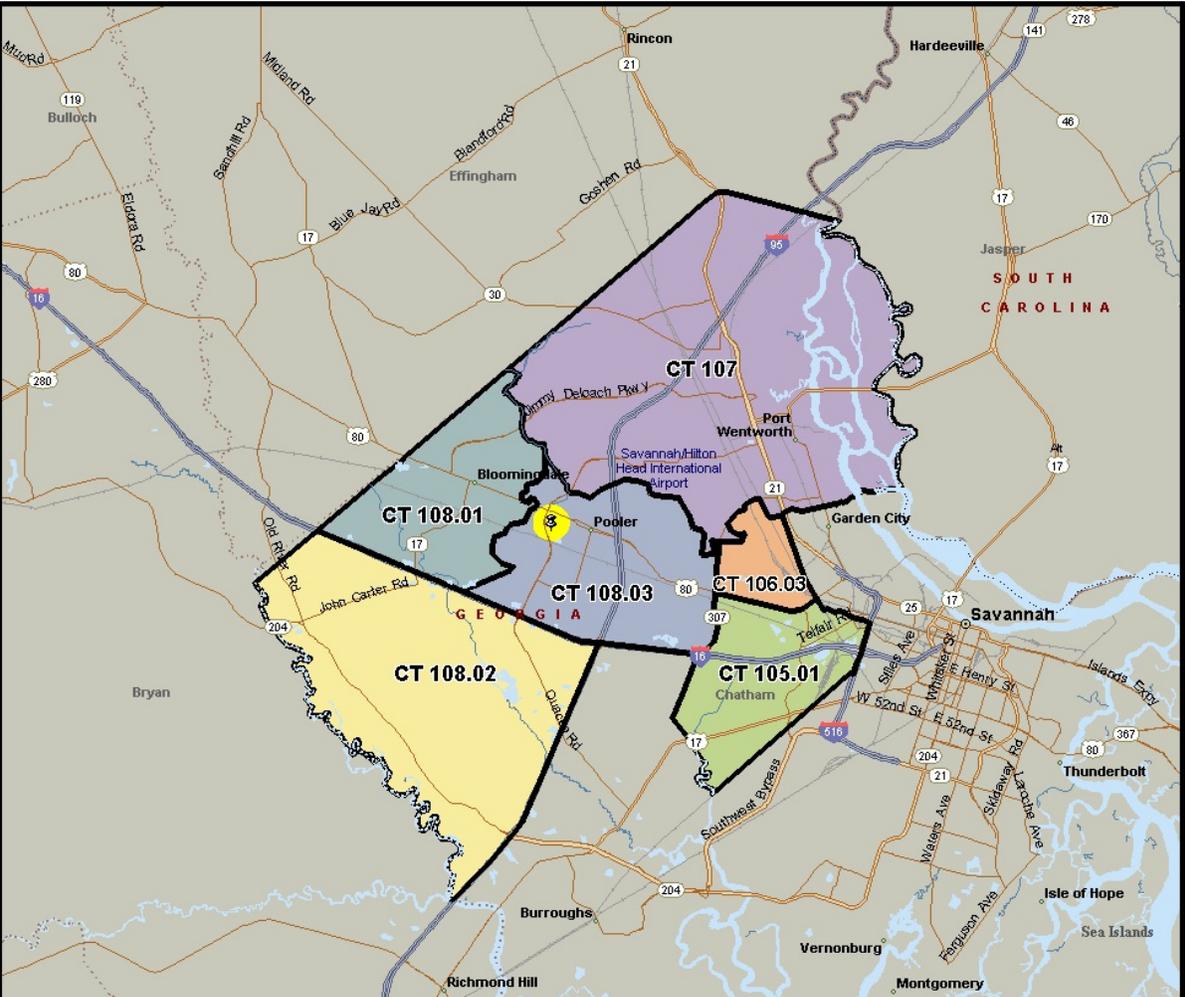
Demand for the subject will predominantly be from: (1) existing renter-occupied elderly households, (2) elderly homeowners who "move down" from an owner position to a renter and (3) new elderly renter household formations. Another source of demand will be from non tenured households currently residing with others, primarily relatives, including grown children and not presently located within a group quarters setting.



Pushpins
 Site

Pooler PMA

- CT 105.01
- CT 106.03
- CT 107
- CT 108.01
- CT 108.02
- CT 108.03



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SECTION E
COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 11 exhibit indicators of trends in total population and household growth, as well as for population and households and 55 and 62 and older.

Population Trends

Table 1, exhibits the change in **total** population in Pooler, the Pooler PMA, and Chatham County between 1990 and 2011. Table 3, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), as well as for population age 62 and over, in Pooler and the Pooler PMA between 1990 and 2011. The year 2009 is estimated to be the first year of availability for occupancy of the subject property. The year 2000 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure in accordance with the 2007 GA-DCA Market Study Guidelines.

The PMA exhibited moderate to significant total population gains during the 1990's, at approximately 1% per year. Population gains over the next several years (2006-2009) are forecasted for the PMA at an increased rate of growth, represented by a rate of change ranging between 2% to 3% per year.

A significant minority of the population in the PMA is located within the City of Pooler. It is estimated that approximately 38% of the PMA population is located within the City of Pooler.

The PMA exhibited moderate to significant population gains for population age 55+ during the 1990's, at almost 1% per year. Population gains over the next several years are forecasted for the PMA for the 55 and over age group at a continuing significant rate of increase, with a forecasted rate of growth at between 3.5% to 4% per year.

The PMA exhibited moderate population gains for population age 62+ during the 1990's, at around .55% per year. Population gains over the next several years are forecasted for the PMA for the 62 and over age group at a very significant rate of increase with a forecasted rate of growth at between 3.75% to 4% per year.

Population gains are forecasted in both the 55 and 62 and over age groups for the year 2011 and beyond. The projected increase is not owing to a significant increase in elderly in-migration into the PMA, but instead owing to significant age in-place as the "war baby generation (1940-1945)" and the beginning of the "baby boom generation (1946 to 1950)" begin to enter into the empty nester and retirement population segments in large numbers.

Population Projection Methodology:

The forecasts for both total and elderly were interpolated (between 2006 and 2011) for a 2009 estimate.

The Ribbon Demographics HISTA data was used in the forecast of elderly household population, by persons per household, tenure and income. In addition, the Georgia Office of Planning & Budget 2015 forecast and the ESRI data were used as a cross check to the HISTA forecasts, but not in lieu of. Note: The forecasts for the City of Pooler are subject to local annexation policy and were not estimated beyond the 2005 census estimate.

Sources: (1) 1990 and 2000 US Census, and 2001 - 2005 US Census estimates.

(2) Georgia 2010-2015 Residential Population Project of Georgia Counties, Source: Georgia Governor's Office of Planning and Budget (as of December, 2004).

(3) ESRI 2005/2006 and 2010/2011 Projections, 17th & 18th Editions.

(4) Claritas 2006 and 2011 HISTA Projections, Ribbon Demographics.

Table 1					
Total Population Trends and Projections: Pooler, the Pooler PMA, and Chatham County					
Pooler					
Year	Population	Total Change	Percent	Annual Change	Percent
1990	4,453	-----	-----	-----	-----
2000	6,239	+1,786	+ 40.11	+ 179	+ 4.01
2005	10,019	+3,780	+ 60.59	+ 756	+12.12
Pooler PMA					
1990	19,792	-----	-----	-----	-----
2000	21,889	+2,097	+ 10.60	+ 210	+ 1.06
2006	26,174	+4,285	+ 19.58	+ 714	+ 3.26
2009*	28,185	+2,011	+ 7.68	+ 670	+ 2.56
2011	29,526	+1,341	+ 4.76	+ 671	+ 2.38
Chatham County					
1990	216,935	-----	-----	-----	-----
2000	232,048	+15,113	+ 6.97	+1,511	+ 0.70
2006	241,396	+ 9,348	+ 4.03	+1,558	+ 0.67
2009*	246,725	+ 5,329	+ 2.21	+1,776	+ 0.74
2011	250,275	+ 3,550	+ 1.44	+1,775	+ 0.72

* 2009 - Estimated year that project is placed in service.

Calculations - Koontz and Salinger. June, 2007.

Table 2 exhibits the change in population by age group in the Pooler PMA between 1990 and 2000.

Table 2						
Population by Age Groups: Pooler PMA, 1990 - 2000						
	1990 Number	1990 Percent	2000 Number	2000 Percent	Change Number	Change Percent
Age Group						
0 - 4	1,452	7.34	1,390	6.35	- 62	- 4.27
5 - 17	3,647	18.43	3,815	17.43	+ 168	+ 4.61
18 - 24	2,005	10.13	2,376	10.85	+ 371	+18.50
25 - 44	6,978	35.26	7,547	34.48	+ 569	+ 8.15
45 - 54	2,034	10.28	2,779	12.70	+ 745	+36.63
55 - 64	1,667	8.42	1,776	8.11	+ 109	+ 6.54
65 +	2,009	10.15	2,206	10.08	+ 197	+ 9.81

Sources: 1990 & 2000 Census of Population, Georgia.
Koontz and Salinger. June, 2007.

Table 2 revealed that population increased in all of the displayed age groups in the PMA between 1990 and 2000, with the exception of a slight decline in the 0 to 4 age group. The increase was moderate in the primary renter age group: of 55 and over, at around 8%. Overall, a significant portion of the total PMA population is in the target property age eligible group of 55 and over, representing a little over 18% of the total population.

Between 2006 and 2011 total population is projected to increase in the PMA at 2.5% per year. This is considered to be a very significant rate of growth and will lead to additional residential and commercial development within the PMA. The figure to the right presents a graphic display of the numeric change in population in the PMA between 1990 and 2011.

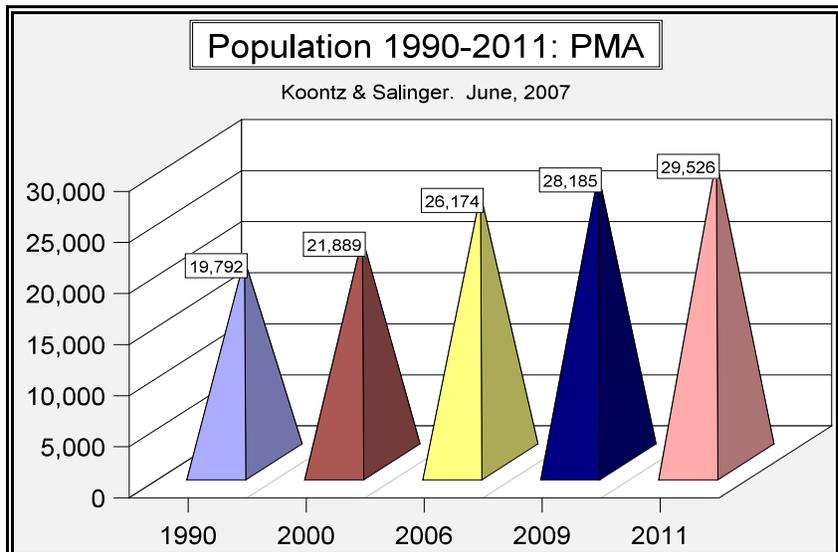


Table 3, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), as well as for population age 62 and over, in Pooler and the Pooler PMA between 1990 and 2011.

Table 3					
Elderly Population (Age 55+ & Age 62+) Trends and Projections: Pooler and the Pooler PMA					
Pooler (Age 55+)					
Year	Population	Total Change	Percent	Annual Change	Percent
1990	754	-----	-----	-----	-----
2000	1,133	+ 379	+ 50.27	+ 38	+ 5.03
Pooler (Age 62+)					
1990	549	-----	-----	-----	-----
2000	727	+ 178	+ 32.42	+ 18	+ 3.24
Pooler PMA (Age 55+)					
1990	3,676	-----	-----	-----	-----
2000	3,982	+ 306	+ 8.32	+ 31	+ 0.83
2006	4,999	+1,017	+ 25.54	+ 170	+ 4.26
2009*	5,610	+ 611	+ 12.22	+ 204	+ 4.07
2011	6,014	+ 404	+ 7.20	+ 202	+ 3.60
Pooler PMA (Age 62+)					
1990	2,520	-----	-----	-----	-----
2000	2,662	+ 142	+ 5.63	+ 14	+ 0.56
2006	3,283	+ 621	+ 23.33	+ 104	+ 3.89
2009*	3,690	+ 407	+ 12.40	+ 136	+ 4.13
2011	3,966	+ 276	+ 7.48	+ 138	+ 3.74

* 2009 - Estimated year that project is placed in service.

Calculations - Koontz and Salinger. June, 2007.

HOUSEHOLD TRENDS & CHARACTERISTICS

Tables 4 exhibits the change in elderly households (age 55 and over and age 62 and over) in the Pooler PMA between 2000 and 2011. The significant increase in household formations age 55+ and 62+ in the PMA has continued over a 10 year period and reflects the recent population trends and near term forecasts.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters' supply since the 2000 census was taken. Note: It was reported by local officials that there have been no significant additions to group quarters since the last census, nor is any in the pipeline for upcoming development.

Table 4					
Household Formations Age 55+ & 62+: 2000 to 2011					
Pooler PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household¹	Total Households²
(Age 55+)					
2000	3,982	159	3,823	1.5141	2,525
2006	4,999	185	4,814	1.6313	2,951
2009	5,610	200	5,410	1.6424	3,294
2011	6,014	215	5,799	1.6460	3,523
(Age 62+)					
2000	2,662	159	2,503	1.4890	1,681
2006	3,283	185	3,098	1.5822	1,958
2009	3,690	200	3,490	1.6017	2,179
2011	3,966	215	3,751	1.6126	2,326

Sources: Claritas based 2006 and 2011 HISTA Projections, Ribbon Demographics.
 _____ 2000 Census of Population, Georgia. _____

Calculations: Data was interpolated between 2006 and 2011 and estimated for 2009.
 Koontz & Salinger. June, 2007.

¹Continuation of the 1990 to 2000 persons per household rate of change.

²Population in Households divided by persons per unit count.

Table 5
Households Age 55 and Over, by Tenure, by Person Per Household
Pooler PMA, 2000 - 2011

Households	Owner				Renter			
	2000	2011	Change	% 2011	2000	2011	Change	% 2011
1 Person	621	815	+ 194	28.59%	212	391	+ 179	58.18%
2 Person	1,082	1,420	+ 338	49.81%	123	150	+ 27	22.32%
3 Person	241	370	+ 129	12.98%	62	61	- 1	9.08%
4 Person	79	166	+ 87	5.82%	36	40	+ 4	5.95%
5 + Person	53	80	+ 27	2.81%	16	30	+ 14	4.46%
Total	2,076	2,851	+ 775	100%	449	672	+ 223	100%

Sources: 2000 Census of Population, Georgia.
Claritas based 2011 HISTA Projection, Ribbon Demographics.
Koontz and Salinger. June, 2007.

Table 5 indicates that in 2011 approximately 81% of the renter-occupied households age 55 and over in the PMA contain 1 to 2 persons (the target group by household size).

Table 5 indicates that in 2011 approximately 78% of the owner-occupied households age 55 and over in the PMA contain 1 and 2 persons (the target group by household size).

A significant increase in renter-occupied households by size was exhibited by 1 person households. A moderate increase in renter-occupied households by size was exhibited by 2 and 5 person households. One person elderly households are typically attracted to both 1 and 2 bedroom rental units and 2 person elderly households are typically attracted to two bedroom units, and to a much lesser degree three bedroom units.

Tables 6A and 6B exhibit households age 55 and over and age 62 and over, respectively, in the Pooler PMA by owner-occupied and renter-occupied tenure.

The 2000 to 2011 tenure trend revealed an increase in renter-occupied tenure in the PMA for both 55+ and 62+.

Table 6A					
Households by Tenure: Age 55+ Pooler PMA					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	2,525	2,076	82.22	449	17.78
2006	2,951	2,403	81.43	548	18.57
2009	3,294	2,672	81.12	622	18.88
2011	3,523	2,851	80.93	672	19.07

Table 6B					
Households by Tenure: Age 62+ Pooler PMA					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	1,681	1,421	84.53	260	15.47
2006	1,958	1,625	82.99	333	17.01
2009	2,179	1,797	82.47	382	17.53
2011	2,326	1,912	82.20	414	17.80

Sources: 2000 Census of Population, Georgia.
Claritas based 2006 and 2011 HISTA Projections, Ribbon Demographics.
Koontz and Salinger. June, 2007.

Table 7 exhibits building permit data between 2000 and 2007. The permit data is for the City of Pooler.

Between 2000 and 2007, 3,492 permits were issued in Pooler, of which, 848 or approximately 24% were multi-family units.

Table 7 New Housing Units Permitted: City of Pooler, 2000-2007¹			
Year	Net Total ²	Single-Family Units	Multi-Family Units
2000	276	276	--
2001	230	230	--
2002	405	245	160
2003	404	324	80
2004	391	304	87
2005	733	380	353
2006	749	629	120
2007/04	304	256	48
Total	3,492	2,644	848

¹Source: New Privately Owned Housing Units Authorized In Permit Issuing Places, U.S. Department of Commerce, C-40 Construction Reports. U.S. Census Bureau.

Censtats - US Census web page.

²Net total equals new SF and MF dwellings units.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those elderly households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households age 55+ and 62+ must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD Median Income Guidelines for two person households (the maximum household size allowable for the estimation of elderly in the GA-DCA Market Study Guidelines) in Chatham County, Georgia at 50% and 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income.

Tables 8A and 8B exhibit owner-occupied households, by age 55+, and by income group, in the Pooler PMA in 2000, forecasted to 2006 and 2011. Tables 9A and 9B exhibit renter-occupied households, by age 55+, and by income group, in the Pooler PMA in 2000, forecasted to 2006 and 2011.

Tables 10A and 10B exhibit owner-occupied households, by age 62+, and by income group, in the Pooler PMA in 2000, forecasted to 2006 and 2011. Tables 11A and 11B exhibit renter-occupied households, by age 62+, and by income group, in the Pooler in 2000, forecasted to 2006 and 2011.

The projection methodology is based on Claritas forecasts for households, by tenure, by age and by income group for the year 2006 and 2011, with a base year data set of 2000 (US Census). A 2009 estimate was interpolated based on the trend between the 2006 and 2011 data sets and utilized within the quantitative demand methodology. Note: The data set used in Tables 8 thru 11 is from Claritas and Ribbon Demographics.

Tables 8A and 8B exhibit owner-occupied households age 55+, by income in the Pooler PMA in 2000, estimated to 2006, and projected to 2011.

Table 8A				
Pooler PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2000 Number	2000 Percent	2006 Number	206 Percent
Under \$10,000	277	13.34	288	11.99
10,000 - 20,000	376	18.11	337	14.02
20,000 - 30,000	385	18.55	365	15.19
30,000 - 40,000	201	9.68	209	8.70
40,000 - 50,000	308	14.84	286	11.90
50,000 - 60,000	117	5.64	292	12.15
\$60,000 and over	412	19.85	626	26.05
Total	2,076	100%	2,403	100%

Table 8B				
Pooler PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2006 Number	2006 Percent	2011 Number	2011 Percent
Under \$10,000	288	11.99	309	10.84
10,000 - 20,000	337	14.02	355	12.45
20,000 - 30,000	365	15.19	359	12.59
30,000 - 40,000	209	8.70	241	8.45
40,000 - 50,000	286	11.90	300	10.52
50,000 - 60,000	292	12.15	343	12.03
\$60,000 and over	626	26.05	944	33.11
Total	2,403	100%	2,851	100%

Sources: 2000 Census of Population, Georgia.
 Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. June, 2007.

Tables 9A and 9B exhibit renter-occupied households age 55+, by income in the Pooler PMA in 2000, estimated to 2006, and projected to 2011.

Table 9A				
Pooler PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2000 Number	2000 Percent	2006 Number	2006 Percent
Under \$10,000	60	13.36	75	13.69
10,000 - 20,000	97	21.60	105	19.16
20,000 - 30,000	69	15.37	79	14.42
30,000 - 40,000	89	19.82	76	13.87
40,000 - 50,000	33	7.35	57	10.40
50,000 - 60,000	17	3.79	35	6.39
60,000 +	84	18.71	121	22.08
Total	449	100%	548	100%

Table 9B				
Pooler PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2006 Number	2006 Percent	2011 Number	2011 Percent
Under \$10,000	75	13.69	92	13.69
10,000 - 20,000	105	19.16	112	16.67
20,000 - 30,000	79	14.42	88	13.10
30,000 - 40,000	76	13.87	93	13.84
40,000 - 50,000	57	10.40	74	11.01
50,000 - 60,000	35	6.39	34	5.06
60,000 +	121	22.08	179	26.64
Total	548	100%	672	100%

Sources: 2000 Census of Population, Georgia.
 Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. June, 2007.

Tables 10A and 10B exhibit owner-occupied households age 62+, by income in the Pooler PMA in 2000, estimated to 2006, and projected to 2011.

Table 10A				
Pooler PMA: Owner-Occupied Households Age 62+, by Income Groups				
Households by Income	2000 Number	2000 Percent	2006 Number	2006 Percent
Under \$10,000	211	14.85	206	12.68
10,000 - 20,000	331	23.29	289	17.78
20,000 - 30,000	304	21.39	287	17.66
30,000 - 40,000	144	10.13	158	9.72
40,000 - 50,000	170	11.96	201	12.37
50,000 - 60,000	57	4.01	192	11.82
\$60,000 and over	204	14.36	292	17.97
Total	1,421	100%	1,625	100%

Table 10B				
Pooler PMA: Owner-Occupied Households Age 62+, by Income Groups				
Households by Income	2006 Number	2006 Percent	2011 Number	2011 Percent
Under \$10,000	206	12.68	226	11.82
10,000 - 20,000	289	17.78	304	15.90
20,000 - 30,000	287	17.66	283	14.80
30,000 - 40,000	158	9.72	183	9.57
40,000 - 50,000	201	12.37	201	10.51
50,000 - 60,000	192	11.82	242	12.66
\$60,000 and over	292	17.97	473	24.74
Total	1,625	100%	1,912	100%

Sources: 2000 Census of Population, Georgia.
 Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. June, 2007.

Tables 11A and 11B exhibit renter-occupied households age 62+, by income in the Pooler PMA in 2000, estimated to 2006, and projected to 2011.

Table 11A				
Pooler PMA: Renter-Occupied Household Age 62+, by Income Groups				
Households by Income	2000 Number	2000 Percent	2006 Number	2006 Percent
Under \$10,000	52	20.00	65	19.52
10,000 - 20,000	66	25.38	63	18.92
20,000 - 30,000	58	22.31	74	22.22
30,000 - 40,000	53	20.38	54	16.22
40,000 - 50,000	13	5.00	37	11.11
50,000 - 60,000	7	2.69	27	8.11
60,000 +	11	4.23	13	3.90
Total	260	100%	333	100%

Table 11B				
Pooler PMA: Renter-Occupied Household Age 62+, by Income Groups				
Households by Income	2006 Number	2006 Percent	2011 Number	2011 Percent
Under \$10,000	65	19.52	84	20.29
10,000 - 20,000	63	18.92	71	17.15
20,000 - 30,000	74	22.22	82	19.81
30,000 - 40,000	54	16.22	73	17.63
40,000 - 50,000	37	11.11	51	12.32
50,000 - 60,000	27	8.11	29	7.00
60,000 +	13	3.90	24	5.80
Total	333	100%	414	100%

Sources: 2000 Census of Population, Georgia.
 Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. June, 2007.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies and one bedrooms, 1 person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom. (Note that estimated rents must be net of utility allowances.)
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2007 HUD Income Guidelines were used.
- (5) - 20% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 33 one and 32 two-bedroom units. The recommended maximum number of people per unit (for elderly designation) is:

1BR - 1 and 2 persons
2BR - 2 persons

Analyst Note: As long as the unit in demand is income qualified there is no minimum number of people per unit. It is assumed that the target group for the proposed elderly development (by household size) will be one and two persons. Given the intended subject targeting by age, only household sizes of 1 and 2 persons were utilized in the determination of the income ranges, by AMI.

The proposed development will target 75% of the units at 50% or below of area median income (AMI); 5% of the units at 60% or below AMI; and 20% of the units at Market.

The lower portion of the target income range is set by the proposed subject 1BR and 2BR rents at 50% and 60% AMI, and at Market for the market area.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. GA-DCA has set the estimate for elderly applications at 40%.

The proposed 1BR net rent at 50% AMI is \$350. The estimated utility costs is \$129. (Source: Applicant) The proposed 1BR gross rent is \$479. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$14,370.

The proposed 1BR net rent at 60% AMI is \$360. The estimated utility costs is \$130. (Source: Applicant) The proposed 1BR gross rent is \$490. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$14,700.

The proposed 1BR net rent at Market is \$400. The estimated utility costs is \$130. (Source: Applicant) The proposed 1BR gross rent at Market is \$530. The lower income limit at Market was established at \$15,900.

The AMI at 50% and 60% for 1 and 2 person households in Chatham County follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$20,150	\$24,180
2 Person -	\$23,050	\$27,660

Source: 2007 HUD Median Income Guidelines.

The overall income range for the targeting of income eligible households at 50% AMI is \$14,370 to \$23,050.

The overall income range for the targeting of income eligible households at 60% AMI is \$14,700 to \$27,660.

The overall income range for the targeting of elderly households at Market is \$15,900 to a capped upper income limit of \$50,000.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$14,370 to \$23,050.

It is projected that in 2009 approximately **17%** of the elderly owner-occupied households age 62+ in the PMA were in the subject property 50% AMI LIHTC target income group of \$14,370 to \$23,050.

It is projected that in 2009 approximately **18%** of the elderly renter-occupied households age 62+ in the PMA were in the subject property 50% AMI LIHTC target income group of \$14,370 to \$23,050.

60% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$14,700 to \$27,660.

It is projected that in 2009 approximately **21%** of the elderly owner-occupied households age 62+ in the PMA were in the subject property 60% AMI LIHTC target income group of \$14,700 to \$27,660.

It is projected that in 2009 approximately **25.5%** of the elderly renter-occupied households age 62+ in the PMA were in the subject property 60% AMI LIHTC target income group of \$14,700 to \$27,660.

Adjustments

In order to adjust for income overlap between the two income segments several adjustments were made resulting in the following discrete estimates/percentages of household age 62+, within the 50% and 60% AMI income ranges:

	<u>Owner-Occupied</u>	<u>Renter-Occupied</u>
50% AMI	15.0%	20.0%
60% AMI	6.0%	5.5%

Market Rate* (Adjusted for overlap with LIHTC segment)

The overall **Target Income Range** for the proposed subject property targeting households at Market is \$15,900 to \$50,000.

It is projected that in 2009 approximately **35%** of the elderly owner-occupied households age 62+ in the PMA were in the subject property 60% AMI LIHTC target income group of \$15,900 to \$50,000.

It is projected that in 2009 approximately **35%** of the elderly renter-occupied households age 62+ in the PMA were in the subject property 60% AMI LIHTC target income group of \$15,900 to \$50,000.

ECONOMIC & EMPLOYMENT TRENDS

The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net immigration.

Tables 12 through 17 exhibit labor force trends by employment, changes in employment sectors and changes in average annual weekly wages for Chatham County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 12			
Civilian Labor Force and Employment Trends, Chatham County: 2000, 2005 and 2006			
	2000	2005	2006
Civilian Labor Force	112,074	126,261	130,632
Employment	108,158	120,415	125,385
Unemployment	3,916	5,846	5,247
Rate of Unemployment	3.5%	4.6%	4.0%

Table 13				
Change in Employment, Chatham County				
Years	# Total	# Annual*	% Total	% Annual*
2000 - 2005	+12,257	+2,043	+11.33	+ 1.89
2005 - 2006	+ 4,970	Na	+ 4.13	Na

* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2000 - 2006. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. June, 2007.

Employment Trends

Table 14

Employment Change and Rates of Unemployment, Chatham County

Year	Number Employed	Change Over Previous Year	Unemployment Rate
2000	108,158	-----	3.5
2001	107,881	- 277	3.6
2002	109,418	+ 1,537	4.2
2003	109,608	+ 190	4.3
2004	113,898	+ 4,290	4.2
2005	120,415	+ 6,517	4.6
2006	125,385	+ 4,970	4.0
2007 (01)	127,289	-----	4.1
2007 (02)	127,181	- 108	3.7
2007 (03)	128,794	+ 1,613	3.4
2007 (04)	128,002	- 792	3.5

Table 15							
Average Monthly Covered Employment by Sector, Chatham County, 2005 and 2006							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2005	131344	7,333	11,715	22,111	6,135	16,077	3,194
2006	135056	7,941	12,456	21,565	5,598	16,518	3,127
05-06 # Ch.	+3,712	+ 608	+ 741	- 546	- 537	+ 441	+ 21
05-06 % Ch.	+ 2.8	+ 8.3	+ 6.3	- 2.5	- 8.8	+ 2.7	+0.1

% Ch. 2005 to 2006 = % Increase/Decrease

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade; FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and Social Services; G - Federal, State & Local Government

Sources: Georgia Labor Force Estimates, 2000 - 2007. Georgia Department of Labor, Workforce Information Analysis.

Koontz and Salinger. June, 2007.

Table 16, exhibits average annual weekly wages in 2005 and 2006 in the major employment sectors in Chatham County. The rate of change in wages has for the most part matched or exceeded the recent rate of inflation, as measured by the consumer price index (CPI) for most of the employment sectors and has slowed or stabilized for the remainder. It is estimated that the majority of workers in the service and trade sectors in 2007 will have average weekly wages between \$350 and \$700.

Table 16				
Average Annual Wages, 2005 and 2006				
Chatham County				
Employment Sector	2005	2006	% Numerical Change	Annual Rate of Change
Total	\$ 663	\$ 695	+ 32	+ 4.8
Construction	\$ 704	\$ 717	+ 13	+ 1.9
Manufacturing	\$1076	\$1124	+ 48	+ 4.5
Wholesale Trade	\$ 986	\$1075	+ 89	+ 9.0
Retail Trade	\$ 440	\$ 467	+ 27	+ 6.1
Transportation & Warehouse	\$ 659	\$ 704	+ 45	+ 6.8
Finance	\$ 825	\$ 935	+ 110	+13.3
Real Estate Leasing	\$ 541	\$ 584	+ 43	+ 8.0
Health Care Services	\$ 823	\$ 827	+ 4	+ 0.5
Hospitality	\$ 262	\$ 270	+ 8	+ 3.0
Federal Government	\$1116	\$1154	+ 38	+ 3.4
State Government	\$ 705	\$ 746	+ 41	+ 5.8
Local Government	\$ 673	\$ 704	+ 31	+ 4.6

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2005 and 2006.

Koontz and Salinger. June, 2007.

Major Employers

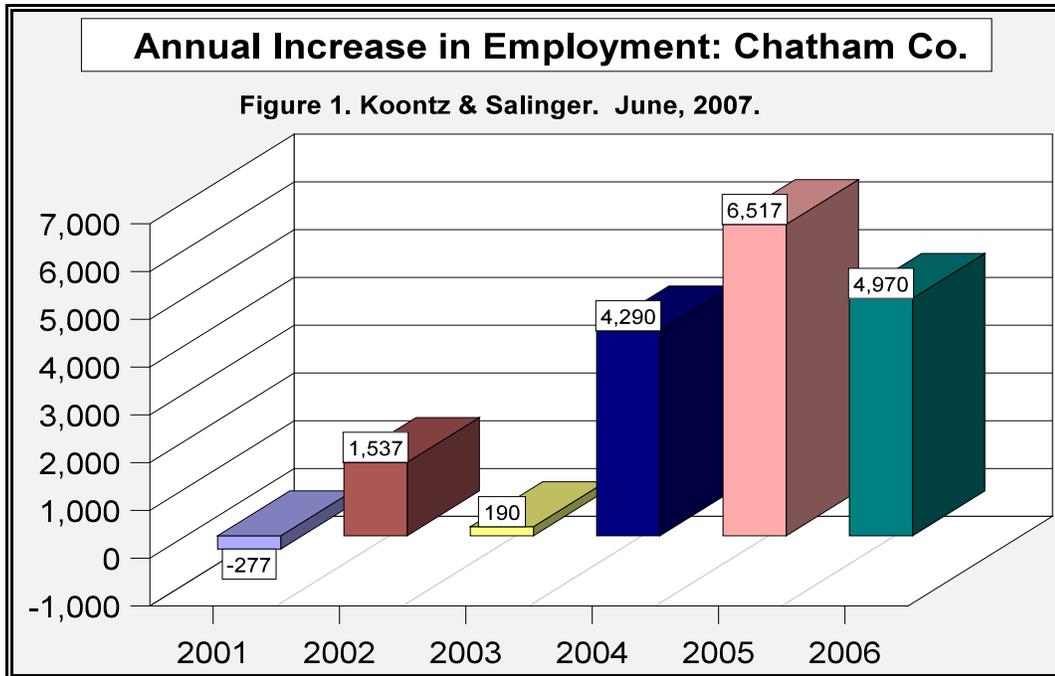
The major employers in Pooler and Chatham County are listed in Table 17.

Table 17			
Major Employers			
Firm	Product/Service	Employees	Year Built
Industrial			
Gulfstream Aerospace	Jet Aircraft	5,000	1958
Amcom Project	Military Equipment	400	1960
Chatham Ind.	Workshop	300	1980
Georgia Pacific	Plywood	1,461	1950
Great Dane	Trailers	675	1900
International Paper	Paper	970	1936
Tronox	Pigments	470	1955
Roger Wood Foods	Meat Processing	250	1935
Southeastern Newspaper	Publishing	420	1850
Crystal Diamond	Sugar	211	1986
Derst Baking	Breads	475	
JCB Inc.	Backhoe Loaders	345	
Non Industrial			
Memorial Health	Hospital	4,583	
St. Joseph's	Hospital	3,400	
Savannah-Chatham	School System	4,781	
Ft Stewart/Hunter Army Air	Military-Civilian	1,900	
City of Savannah	Government	1,900	
Chatham County	Government	1,218	
Armstrong Atlantic State Un.	Education	1,115	
Savannah College of Art	Education	1,200	
GA Ports Authority	Ship Terminal Operator	781	
US Army Corps of Engineers	Civil Engineering	649	
Savannah State Un.	Education	450	

Sources: Savannah Area Chamber of Commerce
2007 Georgia Manufacturers Directory, Harris Infosource

SUMMARY

The economic situation for Chatham County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 12-15, Chatham County has experienced employment gains thus far in each year of the new decade. Over the last year the increase in employment in the Chatham County was very significant.



As represented in Figure 1 (and Table 13), between 2000 and 2005, the average increase in employment was approximately 2,050 workers or almost 2% per year. The rate of employment gain between 2005 and 2006, was extremely significant at approximately 4%, representing a net increase of almost 5,000 workers.

The Pooler, Savannah - Chatham County local economy is very well diversified, with the major sectors of economy comprised of: (1) the Port of Savannah and a closely related industrial sector, (2) the Hunter Army Airfield, (3) tourism, (4) education and (5) a large service and trade sector.

Port of Savannah

"The Georgia Ports Authority operates two deepwater terminals at Savannah: the Garden City and Ocean terminals. The Port of Savannah is the fifth largest container port in the United States. In fiscal year 2005 it broke a record by moving more than 16 million tons of cargo across its docks, more tonnage than at any time in its 60-year history. An economic impact study found that the Port of Savannah is truly an economic powerhouse for the state. The Georgia Ports supported more than 275,000 total and indirect jobs in Georgia in 2003, when the study was conducted, or more than seven percent of the state's

employment. Today, the Port of Savannah is expanding. When the CB-8 expansion is complete, it will provide shippers more than 9,800 feet in linear berthing space, enlarging a single terminal container facility that is already the largest on the US coast from Maine to Texas. This expansion is projected to create 10,800 new direct and indirect jobs." Source: Savannah Chamber of Commerce and the University of Georgia, Terry College of Business.

Based on Port Authority data in 2006, the Port of Savannah is poised to pass the Port of Charleston and become the fourth largest container port in the Country. The primary reason for the significant growth is due to an increase in market share at 15.3% from the growing Asian market, second on the east coast to the Port of New Jersey/New York. Source: Savannah Morning News, 5/23/06.

The announcement of several new shipping services at the Port of Savannah, including a 20-year agreement with Maersk Line and a 15-year agreement with CMA CGM, enhance the prospects for future growth. Source: 2007 Forecast and 2006 Economic Trends, Savannah Area Chamber of Commerce.

Manufacturing/Industrial

As exhibited in Table 12, overall the manufacturing sector in Chatham County continues to grow, which is a stark contrast to many areas in the State and the Nation. A major reason for this growth is the location of the Port of Savannah, as well as the location of two nearby interstate highways, I-95 and I-16. Both of the large paper manufacturing companies (Weyerhaeuser and International Paper) in Savannah are reporting an increase in capital investment in their local facilities. JCB, a manufacturer of earth moving equipment will soon be increasing employment by 100-jobs as a result of a new contract with the US Army.

The largest manufacturer in Savannah is Gulfstream. The company has reported a strong new plane order backlog and as a result production rates in 2006 are expected to increase. In May of 2006, Gulfstream opened its new 100,300 sf research and development center in Pooler. The new center is expected to generate 1,100 new jobs, of which up to 700 will be aeronautical engineers. Source: Savannah Economic Development Authority and the Savannah Morning News, 5/20/06.

Military

The 2005 BRAC commission was very beneficial to both Fort Stewart in nearby Hinesville and Hunter Army Airfield in Savannah. Together the two bases are a \$1.5 billion economic powerhouse for the Metro Area. Hunter Army Airfield is forecasted to grow by 20% in uniformed personnel and by over 70 additional combat helicopters. Source: Savannah Chamber of Commerce.

Tourism

"The city is a premier destination for national conventions and trade shows, thus convention business will be one of the areas's fastest-growing economic sections." Source: 2007 Forecast and 2006 Economic Trends, Savannah Area Chamber of Commerce.

Tourism is a major component of the Savannah Metro Area economy. Savannah attracts more than 6 million visitors a year, generating \$1.7 billion for the local economy. It is estimated that a total of 16,000 people work in the Savannah tourism industry. The US Department of Labor estimates that more than 22,000 local jobs are supported by tourism. Since 2000, significant growth has been exhibited in all of the typical measures of tourism impact on a local economy. For example: (1) the number of lodging rooms increased by almost 13%, (2) the number of overnight stays increased by over 10%, (3) the number of paid accommodation stays increased by almost 9%, (4) direct spending increased by over 11% and (5) room tax revenue increased by over 25%. Source: Savannah Convention and Visitors Bureau. The forecast for this sector of the economy in 2006 and 2007 is strong. Accommodations are forecasted to increase by 5%, with 3.5% growth in room rate and 1.5% growth in room occupancy. Air travel is forecasted to increase as is auto travel into the area. Business travel and conventions/meetings are expected to remain stable.

Education

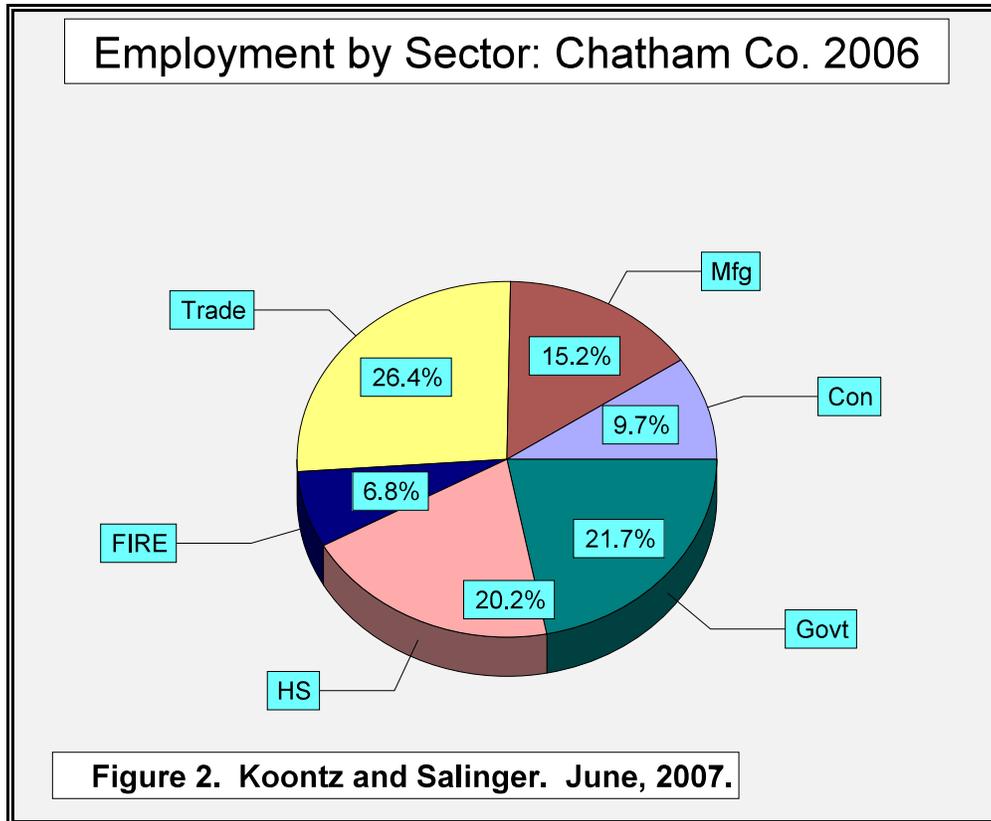
_____ Employment based on education is a major component of the area economic engine. Not only is the public education a major employer in Savannah/Chatham County with almost 5,000 employees, but the area schools of higher education are major employers as well. The Savannah College of Art and Design is a major employer in the downtown area with over 1,000 workers. More importantly its 7,000 students have a significant impact on the downtown economy, as well as a significant impact on the downtown area rental housing market. Other major education base employers in the market are Savannah State University, Savannah Technical College and Armstrong Atlantic State University.

Service & Trade

_____ The service and trade sectors of local economy are very strong and very large, owing to the fact that Savannah commands a large regional market. Over the last few years health service employment has increased by about 5% annually, government employment by about 2% and trade sector employment by around 3%. The local real estate market is still strong, but has been exhibiting signs of decline, owing primarily to recent increases in interest rates. Still the local office market remains strong and is the commercial real estate market. The City is has several new hotels in the pipeline for development, as well as several new condominium projects. In addition, the Pooler service/trade sector has exhibited significant growth around the I-95 and Pooler Parkway interchange, as well as along Pooler Parkway towards US 80.

Figure 2 exhibits employment by sector in Chatham County in 2006. The top employment sectors in the County are: manufacturing, trade,

government and service. The forecast for 2007, is for the manufacturing sector to stabilize. The forecast for the service, trade and government sectors is for an increase in employment.



Local Economy - Relative to Subject & Impact on Housing Demand

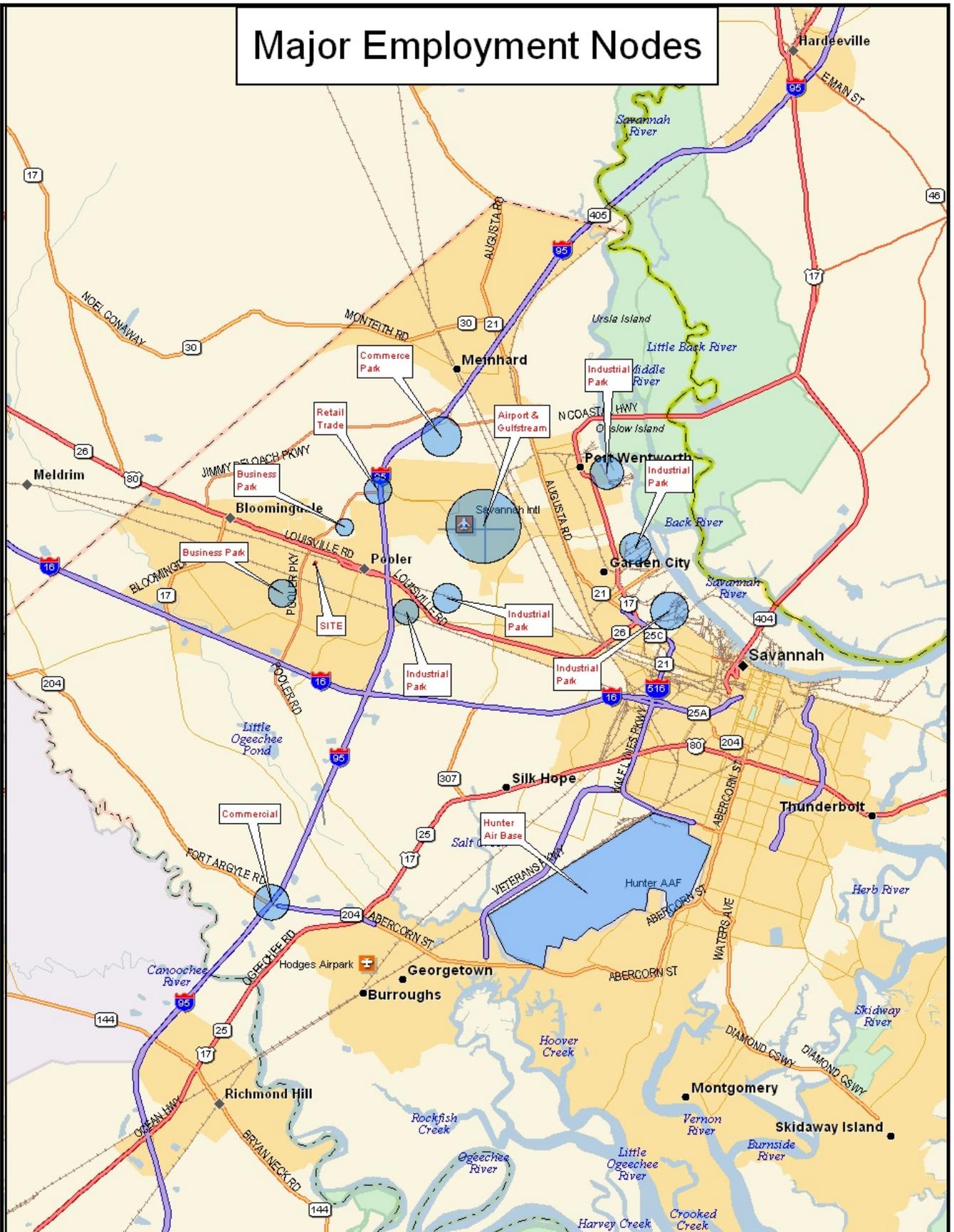
In summary, recent economic indicators are more supportive of an expanding local economy in Pooler, Savannah and Chatham over the next year, with a worst case scenario of a stable economy. A stable to growing economy helps to strengthen the overall demand for rentals by younger and new immigrant households and to give support for local landlords to increase rents on an annual basis as overall supply versus demand tightens. In addition, an expanding economy makes for a more suitable environment for elderly households to sell homes.

The forecast for the Savannah MSA is that employment in 2007 will increase at a rate twice that of the State. Employment in 2007 will rise by 2.7 percent (or by 4,200 jobs), which is the third largest percent gain predicted for any of the states's metropolitan areas, behind only Columbus and Brunswick.

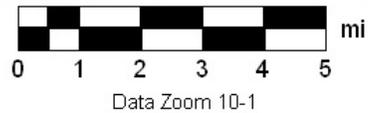
The Selig Center for Economic Growth (Terry College of Business, University of Georgia) forecasts an annual positive growth rate with net employment gains of 1.8% per year between 2006 and 2011 for Chatham County.

A map of the major employment concentrations in the PMA is exhibited on the next page.

Major Employment Nodes



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SECTION F

**PROJECT-SPECIFIC
DEMAND ANALYSIS**

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from existing elderly renter households already in the Pooler market.

Note: All elements of the demand methodology will be segmented by age (elderly 62 and over) and income, owing to the availability of detailed age 62+ income by tenure data.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units.

In this section, the effective project size is 65-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 10 and 11 from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered in the context of the current market conditions. This assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like-kind competitive supply. In this case, demand is discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted elderly apartment projects in the market area.

Effective Demand Pool

In this methodology, there are five basic sources of demand for an apartment project to acquire potential elderly tenants:

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

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

- (1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2007 to 2009 forecast period,
- (2) taking into consideration like-kind competition introduced into the market between 2000 and 2007,
- (3) for population age 55 to 61 or age 55 to 64 (a 10% adjustment factor), and
- (4) for secondary market area demand (a 15% adjustment factor).

The age 55 to 61 and secondary market area adjustment factors are pre determined and specified in the most current GA-DCA Market Study Guideline instructions.

Demand from New Elderly Renter Households (Growth)

For the PMA, forecast housing demand through household formation (age 62+) totals 122 renter-occupied households over the 2000 to 2009 forecast period.

Based on 2009 income forecasts, 24 new renter households (age 62+) fall into the 50% AMI target income segment of the proposed subject property, 7 new renter households (age 62+) fall into the 60% AMI target income segment, and 43 into the Market Rate target income segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. In 2000, 9 households were living in renter-occupied dwelling units without complete plumbing facilities in the PMA. Based on a field analysis of Pooler and Chatham County, along with an examination of the trends in substandard data, by age, between the 1990 and 2000 censuses, it is estimated that in 2009 there are 7 renter households (age 65+) in substandard housing conditions in the PMA.

It is estimated that there are 0 renter households (age 62+) in overcrowded conditions in 2000. (Note: The 55 to 64 age group was pro rated in order to adjust for that segment between 62 and 64.) The 2000 estimate was kept constant and projected forward to 2009.

Overall, it is estimated that there are 5 elderly renters in substandard housing.

Based on 2009 income forecasts, 1 substandard renter household falls into the 50% and 60% AMI the target income segments of the proposed subject property, and 2 into the Market Rate target income segment.

Demand from Existing Renters

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

In the PMA it is estimated that 75 existing renter households (age 62+) fall into the 50% AMI target income segment of the proposed subject property. In the PMA it is estimated that 21 existing renter households (age 62+) fall into the 60% AMI target income segment of the proposed subject property. In the PMA it is estimated that 131 existing renter households (age 62+) fall into the Market Rate target income segment of the proposed subject property.

Age 55 to 61 / 55 to 64 Adjustment (10% factor)

_____The following is stated in the 2007 GA-DCA Market Study Guidelines: "Housing for Older Persons Rental Demand will be calculated at 10% of the Elderly Qualified Rental Households demand for the primary market area." The 10% adjustment factor is applied to the **combined** elderly renter demand estimates as detailed on the previous page. In this case the adjustment factor is applied to the residual age group of 55 to 61 for new growth and existing renters and to 55 to 64 for the estimate of demand from substandard elderly renter housing.

The age adjustment factor increased demand by 10 households at 50% AMI, 3 households at 60% AMI, and by 18 households at Market Rate.

Demand from Existing Owners that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. In 2000, 14 households were living in owner-occupied dwelling units without complete plumbing facilities in the PMA. Based on a field analysis of Pooler and Chatham County, along with an examination of the trends in substandard data, by age, between the 1990 and 2000 censuses, it is estimated that in 2009 there are 11 owner households (age 65+) in substandard housing conditions in the PMA.

It is estimated that there are 7 owner households (age 62+) in overcrowded conditions in 2000. (Note: The 55 to 64 age group was pro rated in order to adjust for that segment between 62 and 64.) The 2000 estimate was kept constant and projected forward to 2009.

Overall, it is estimated that there are 18 elderly owners in substandard housing.

Based on 2009 income forecasts, 3 substandard owner households fall into the 50% AMI target income segment of the proposed subject property, 1 substandard owner household falls into the 60% AMI target income segment, and 6 into the Market Rate target income segment.

Elderly Homeowner Tenure Conversion

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

Recent surveys of new assisted housing for the elderly have indicated that an average of 15% to 30% of a typical, elderly apartment project's tenants were former homeowners. In order to remain conservative this demand factor was capped at **10%** in rural and **5%** semi-rural and urban markets.

After income segmentation, this results in 13 elderly households (age 62+) added to the target demand pool at 50% AMI, 5 at 60% AMI, and 31 at Market Rate.

Note: This element of the demand methodology does not allow for

more than 20% of the overall demand estimate (up to this portion of the demand methodology) to be derived from owner-occupied tenure. (This is to ensure that there is no over weighting of demand from this portion of the demand methodology.)

After adjusting for the 20% Rule, this results in 13 elderly households (age 62+) added to the target demand pool at 50% AMI, 5 at 60% AMI, and 31 at Market Rate.

Secondary Market Area Adjustment (15% factor)

_____The following is in the 2007 GA-DCA Market Study Guidelines: "To accommodate for the secondary market area, the Demand from Existing Qualified Households within the primary market area will be multiplied by 115% to account for demand from the secondary market area." The 15% adjustment factor is applied to all of the **combined** elderly demand estimates (regardless of tenure) as detailed in the overall demand methodology.

The secondary market area adjustment factor increased demand by 19 elderly households at 50% AMI, 6 at 60% AMI, and by 35 elderly households at Market Rate.

Total Effective Tenant Pool

The potential demand from these sources (in the methodology) total 145 households/units at 50% AMI and 44 households/units at 60% AMI. The potential demand from these sources (in the methodology) total 266 households/units at Market Rate. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA. These estimates of demand were adjusted for the introduction of new like-kind supply into the PMA since 2000. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

The final segmentation process of the demand methodology was to subject out like-kind competition/supply in the PMA built since 2000. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/Home elderly developments, USDA-RD Section 515 elderly developments and HUD 221 (d4) elderly developments. Note: Since 2000, no like-kind competitive elderly apartment developments have been introduced into the Pooler PMA.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. According to local sources, **no other like-kind** multi-family apartment development supply is under construction or in the pipeline for development, within the PMA. At present there is a new market rate property under construction, Courtney Square (200-units), as well as some market rate duplexes in Pooler. Neither development will specifically target the elderly population. Source: City of Pooler, City Planner. In addition, Merrit at Godley Station and Carrington Square are in the process of Phase II expansions.

A review of the 2000 to 2007 list of awards made by the Georgia Department of Community Affairs revealed that in the last seven rounds no awards were made for a LIHTC elderly development in the PMA.

The segmented, effective demand pool for the LIHTC segment of the proposed development is summarized in Table 18.

The segmented, effective demand pool for the Market Rate segment of the proposed development is summarized in Table 19.

Table 18

LIHTC Quantitative Demand Estimate: Pooler PMA

	AMI	AMI
● <u>Demand from New Growth - Elderly Renter Households (62+)</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2009)	382	382
Less: Current Number of Households (2000)	<u>260</u>	<u>260</u>
Change in Total Renter Households	+ 122	+ 122
% of Renter Households in Target Income Range	<u>20%</u>	<u>5.5%</u>
Total Demand from New Growth	24	7
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2000)	7	7
Number of Households in Substandard Housing(2009)	7	7
% of Substandard Households in Target Income Range	<u>20%</u>	<u>5.5%</u>
Number of Income Qualified Renter Households	1	1
● <u>Demand from Existing Elderly Renter Households</u>		
Number of Renter Households (2009)	382	382
Minus Number of Substandard Renter Household	<u>- 7</u>	<u>- 7</u>
Total in Eligible Demand Pool	375	375
% of Households in Target Income Range	<u>20%</u>	<u>5.5%</u>
Number of Income Qualified Renter Households	75	21
● <u>Age 55 to 61 / 55 to 64 Adjustment</u>		
Total Demand from Elderly Renters age 62+/65+	100	29
Adjustment Factor of 10%	<u>10%</u>	<u>10%</u>
Demand from Age Adjustment	10	3
● <u>Total Demand From Elderly Renters</u>	110	32
● <u>Demand from Substandard Housing with Owner Households</u>		
Number of Households in Substandard Housing(2000)	18	18
Number of Households in Substandard Housing(2009)	18	18
% of Substandard Households in Target Income Range	<u>15%</u>	<u>6%</u>
Number of Income Qualified Owner Households	3	1
● <u>Demand from Existing Elderly Owner Households (62+)</u>		
Number of Owner Households (2009)	1,797	1,797
Minus Number of Substandard Owner Household	<u>- 18</u>	<u>- 18</u>
Total in Eligible Demand Pool	1,779	1,779
% of Households in Target Income Range	<u>15%</u>	<u>6%</u>

Number of Income Qualified Owner Households	267	107
Proportion Income Qualified (likely to Re-locate)	<u>5%</u>	<u>5%</u>
Total	13	5
20% Rule Adjustment	<u>- 0</u>	<u>- 0</u>
Net (after adjustment)	13	5
● <u>Total Demand From Elderly Owners</u>	16	6
● <u>Net Total Demand (Renter & Owner)</u>	126	38
● <u>Secondary Market Area Adjustment</u>		
Net Total Demand	126	38
Adjustment Factor of 15%	<u>15%</u>	<u>15%</u>
Demand from SMA Adjustment	19	6
● <u>Gross Total Demand (Renter, Owner, and SMA)</u>	145	44
Minus New Supply of Competitive Units (2000-2007)	<u>0</u>	<u>0</u>
● <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	145	44

Capture Rate Analysis - LIHTC Segment

Total Number of Households Income Qualified = 189. For the subject 52 LIHTC units this equates to an overall LIHTC Capture Rate of **27.5%**.

● <u>Capture Rate</u> (LIHTC Segment)	50% <u>AMI</u>	60% <u>AMI</u>
Number of Units in LIHTC Segment	49	3
Number of Income Qualified Households	145	44
Required Capture Rate	33.8%	6.8%

Table 19

Market Rate Quantitative Demand Estimate: Pooler PMA

	Market Rate
● <u>Demand from New Growth - Elderly Renter Households (62+)</u>	
Total Projected Number of Households (2009)	382
Less: Current Number of Households (2000)	<u>260</u>
Change in Total Renter Households	+ 122
% of Renter Households in Target Income Range	<u>35%</u>
Total Demand from New Growth	43
● <u>Demand from Substandard Housing with Renter Households</u>	
Number of Households in Substandard Housing(2000)	7
Number of Households in Substandard Housing(2009)	7
% of Substandard Households in Target Income Range	<u>35%</u>
Number of Income Qualified Renter Households	2
● <u>Demand from Existing Elderly Renter Households</u>	
Number of Renter Households (2009)	382
Minus Number of Substandard Renter Household	<u>- 7</u>
Total in Eligible Demand Pool	375
% of Households in Target Income Range	<u>35%</u>
Number of Income Qualified Renter Households	131
● <u>Age 55 to 61 / 55 to 64 Adjustment</u>	
Total Demand from Elderly Renters age 62+/65+	176
Adjustment Factor of 10%	<u>10%</u>
Demand from Age Adjustment	18
● <u>Total Demand From Elderly Renters</u>	194
● <u>Demand from Substandard Housing with Owner Households</u>	
Number of Households in Substandard Housing(2000)	18
Number of Households in Substandard Housing(2009)	18
% of Substandard Households in Target Income Range	<u>35%</u>
Number of Income Qualified Owner Households	6
● <u>Demand from Existing Elderly Owner Households</u>	
Number of Owner Households (2009)	1,797
Minus Number of Substandard Owner Household	<u>- 18</u>

Total in Eligible Demand Pool	1,779
% of Households in Target Income Range	<u>35%</u>
Number of Income Qualified Renter Households	623
Proportion Income Qualified (likely to Re-locate)	<u>5%</u>
Total	31
20% Rule Adjustment	<u>- 0</u>
Net (after adjustment)	31
• <u>Total Demand From Elderly Owners</u>	37
• <u>Net Total Demand (Renter and Owner)</u>	231
• <u>Secondary Market Area Adjustment</u>	
Net Total Demand	231
Adjustment Factor of 15%	<u>15%</u>
Demand from SMA Adjustment	35
• <u>Gross Total Demand (Renter, Owner and SMA)</u>	266
Minus New Supply of Competitive Units (2000-2007)	<u>0</u>
• <u>Gross Total Demand (Renter, Owner, Non Tenure & SMA)</u>	266

Capture Rate Analysis - Market Rate Segment

Total Number of Households in the Market Rate income range = 266. For the subject 13 Market Rate units this equates to an overall Market Rate Capture Rate of 4.9%.

• <u>Capture Rate</u> (Market Rate Segment)	<u>Market Rate</u>
Number of Units in Market Rate Segment	13
Number of Income Qualified Households	266
Required Capture Rate	4.9%

- Total Demand by Bedroom Mix

Approximately 45% of the 55 and over population in the PMA is in the 55 to 64 age group. Also, of the PMA elderly population age 62+ that comprises 1 and 2 person households (both owners and renters), approximately 45% are 1 person and 55% are 2 person (see Table 5). In addition, the size of the households age 62+ approximates 1.6 and in turn suggests demand more support for 2BR units.

Based on these data it is assumed that 50% of the target group will demand a 1BR unit and 50% a 2BR unit.

Total Demand by Bedroom Type **(at 50% AMI)**

1BR - 72
 2BR - 73
 Total - 145

	<u>Total Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	72	25	34.7%
2BR	73	24	32.9%

Total Demand by Bedroom Type **(at 60% AMI)**

1BR - 22
 2BR - 22
 Total - 44

	<u>Total Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	22	1	4.6%
2BR	22	2	9.1%

Total Demand by Bedroom Type **(at Market)**

1BR - 133
 2BR - 133
 Total - 266

	<u>Total Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	133	7	5.3%
2BR	133	6	4.5%

Absorption Rate Analysis

Given the strength (or lack of strength) of the demand estimated in Tables 18 and 19, the worst case scenario for 93% to 100% rent-up is estimated to be nine months (at 7 to 8-units per month on average). The most likely/best case rent-up scenario suggests a 5-month rent-up time period (an average of 13-units per month).

Note: The absorption of the project is contingent upon an attractive product, professional management, and a strong marketing and pre-leasing program.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher.

Overall Impact to the Rental Market

Given the current rental market vacancy rate and the forecasted strength of demand for the expected entry of the subject in 2009, it is estimated that the introduction of the proposed development will probably have little to no long term negative impact on the PMA program assisted apartment market (including those properties located within the City of Savannah), particularly given the fact that the PMA is absent of any existing program assisted elderly apartment housing. Any imbalance caused by initial tenant turnover is expected to be temporary, i.e., less than 1 year. (**Note:** This expectation is contingent upon neither catastrophic natural nor economic forces effecting the Chatham County apartment market and local economy in 2009.)

SECTION G

**COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS**

This section of the report evaluates the general rental housing market conditions in the PMA, for both program assisted properties and market rate properties. Part I of the survey focused upon a sample of market rate properties within and adjacent to the PMA. Part II consisted of a survey of existing LIHTC

elderly program assisted properties in Chatham County. The analysis includes individual summaries and pictures of properties as well as an overall summary rent reconciliation analysis.

The Pooler apartment market is representative of a semi-urban apartment market, greatly influenced by the much larger and nearby Savannah apartment market. At present, Pooler has a limited supply of program assisted apartment properties and no program assisted elderly apartment supply. The Pooler apartment market does contain several large conventional market rate multi-family properties, several of which have been built recently in the 2000's.

Survey of the Competitive Environment
Part I - Sample Survey of Market Rate Apartments

Seven market rate properties, representing 1,472 units, were surveyed in the subjects competitive environment, in detail. Several key factors in the local conventional apartment market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was approximately 7%. Sixty percent of the vacant units were at one property, Alta Towne Lake. At present the 330-unit Alta Towne Lake apartment property was in the process of rent-up. Taking this property into consideration result in an overall estimated vacancy rate of approximately 4%.
- * The bedroom mix of the surveyed market rate apartment properties is 28% 1BR, 55% 2BR, and 17% 3BR.
- * A survey of the conventional apartment market exhibited the following median and range of net rents, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$744	\$715	\$595-\$840
2BR/1b	\$703	\$710	\$650-\$745
2BR/2b	\$906	\$855	\$650-\$1100
3BR/2b	\$968	\$835	\$725-\$1100

Source: Koontz & Salinger. June, 2007

* A survey of the conventional apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Unit Size			
BR/Rent	Average	Median	Range
1BR/1b	777	770	658-815
2BR/1b	981	940	940-1033
2BR/2b	1121	1077	924-1254
3BR/2b	1306	1295	1115-1431

Source: Koontz & Salinger. June, 2007

* In the area of unit size, by bedroom type, the subject will offer very competitive unit sizes, by floor plan, with the existing market rate properties.

Part II - Survey of the LIHTC Elderly Apartment Market

At present there are four LIHTC elderly properties located within Chatham County, all in the City of Savannah. There are no LIHTC elderly properties located outside of the city, within Chatham County, and in particular within the City of Pooler. Two of the properties are historic rehab developments, one is an acquisition/rehab development of a HUD 236 property and the other is a new construction development presently in the process of rent-up.

* Veranda @ Midtown opened on May 1, 2007. At the time of the survey the 100-unit development had 56-units leased. Management forecasts that the development will be 100% occupied by the end of June, 2007.

* The two historic rehab properties (Sisters Court and Telfair Arms) together comprise 131-units. At the time of the survey 6-units were vacant (a 5% vacancy rate). Management reported that the typical occupancy rate at these two properties is 99%.

* The Rose of Sharon is a HUD Section 236 property that received tax credits several months ago. At the time of the survey the 12-story property was in the process of renovation. Two floors at a time are being renovated resulting in 40-vacant units during each segment of the renovation process. In addition, about 19-units have become vacant owing to tenants relocating to Veranda @ Midtown. Management reported that once the property is fully rehabed it is expected that the overall occupancy rate will once again be 100% on a consistent basis. The high occupancy rate is expected given the properties downtown location in the historic district and the fact that it has 43-units of PBRA and 100-units of Section 8 vouchers (from the local housing authority).

HUD Section 8 Voucher Program

At present, the Savannah Housing Authority manages the HUD Section 8 program for the City and all of Chatham County. Currently, the program has 2,519 Section 8 vouchers in its portfolio, of which, 1,900 are in use and the remaining 529 have yet to be issued. The waiting list for a voucher is very long, with approximately 4,100 applicants. At present, the list is closed with the exception of applicants age 62 and over. Over 90% of the applicants on the waiting list are very low income and are classified as 30% or below of AMI. In addition, about 75% to 80% are families with children, many of which are single-mothers with children. Less than 5% of those on the list are age 62 and over. Source: Ms. Lynn Coleman, Section 8 Coordinator, Savannah Housing Authority, (919) 235-5844, ext. 109. Interview date: 6/22/07

Fair Market Rents

The 2007 Fair Market Rents for the Savannah, GA metropolitan area (which includes Chatham County) are as follows:

Efficiency	= \$ 583
1 BR Unit	= \$ 631
2 BR Unit	= \$ 703
3 BR Unit	= \$ 933
4 BR Unit	= \$ 963

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.org

Note: The proposed subject property LIHTC one and two-bedroom gross rents are set below the maximum Fair Market Rent for a one and two-bedroom unit. Thus, the subject property LIHTC 1BR and 2BR units will be readily marketable to Section 8 voucher holders in Chatham County.

Table 20, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed apartment properties in the Pooler PMA competitive environment.

Table 20											
SURVEY OF POOLER PMA APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	65	33	32	--	Na	\$350-\$400	\$375-\$450	--	831	1099	--
Alta Towne Lake	330	74	204	52	64**	\$595-\$755	\$650-\$855	\$1100	658-792	924-1254	1413
Arbor Terrace	106	--	70	36	1	--	\$745-\$750	\$835	--	1033-1106	1295
Carrington Square	128	60	56	12	8	\$835-\$845	\$935-\$980	\$1100	815	1044-1077	1272
Kessler Point	120	40	48	32	1	\$610-\$650	\$660-\$750	\$755-\$805	770	940-985	1115
Merrit at Godley St	312	108	156	48	17	\$770-\$790	\$960	\$1035	763-812	1205	1348
Preserve at Godley St	332	92	192	48	16	\$760-\$785	\$955-\$1000	\$1080-\$1100	787-805	1163-1187	1367-1431
Wyndmere	144	32	88	24	0	\$607-\$640	\$650-\$695	\$755	770	940-985	1115
Total*	1,472	406	814	252	107						

* - Excludes the subject property

** Alta Towne Lake is in process of rent-up

Source: Koontz and Salinger. June, 2007.

Table 21, exhibits the key amenities of the subject and the surveyed apartment properties. Overall, the subject is competitive to very competitive with all of the existing program assisted apartment properties in the market regarding the unit and development amenity package.

Table 21													
SURVEY OF POOLER PMA APARTMENT COMPLEXES													
UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Alta Towne Lake	x	x	x		x	x	x	x	x	x	x	x	x
Arbor Terrace	x	x	x	x	x	x	x	x	x	x	x	x	x
Carrington Square	x	x	x		x	x	x	x	x	x	x	x	x
Kessler Point	x	x	x		x	x	x	x	x	x	x	x	x
Merrit at Godley St	x	x	x		x	x	x	x	x	x	x	x	x
Preserve at Godley St	x	x	x		x	x	x	x	x	x	x	x	x
Wyndmere	x	x	x	x	x	x	x	x	x	x	x	x	x

Source: Koontz and Salinger. June, 2007.

Key: A - On-Site Mgmt B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Reconciliation of Net Rents

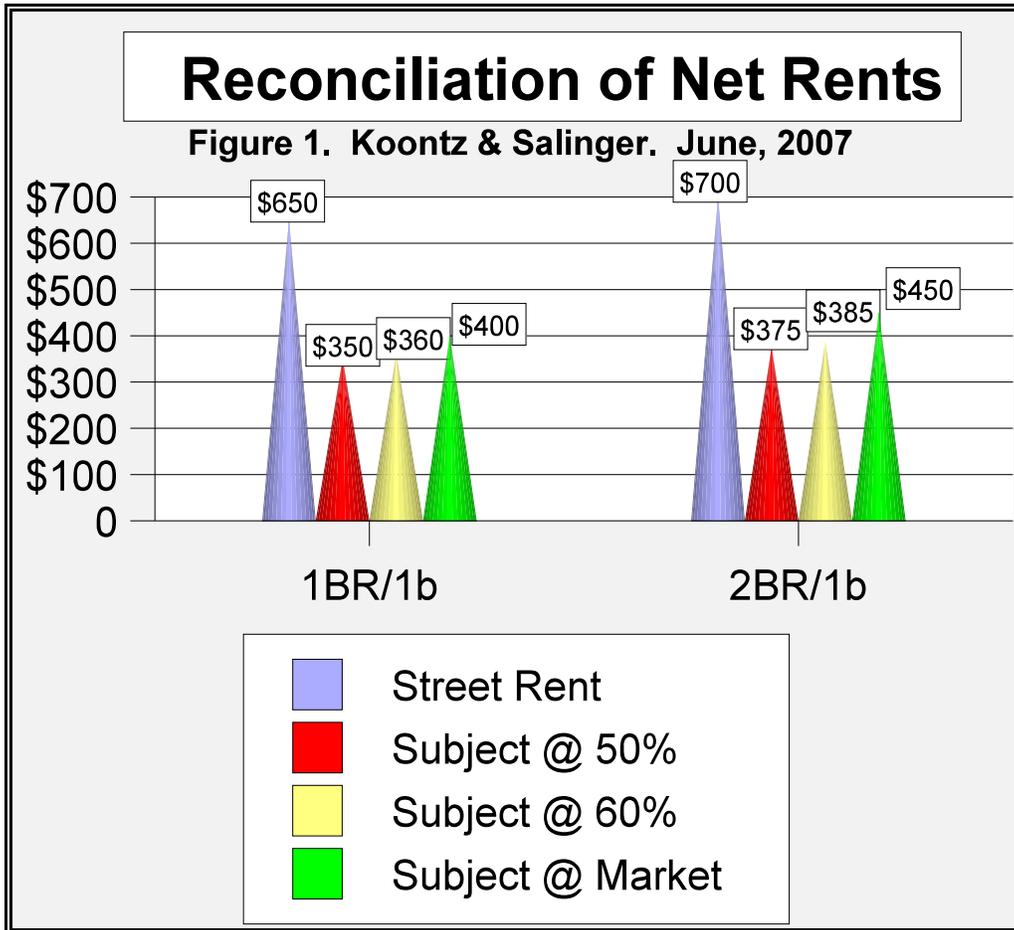
The survey of the competitive environment (which included local real estate professionals) revealed the following market based findings regarding net rents. Figure 1 below exhibits the estimated median conventional (street) net rents by bedroom type in relation to the proposed subject property net rents at 50% AMI, 60% AMI, and Market.

Data Set

Bedroom Type	Street Rent*	Subject Rents at		
		50% AMI	60% AMI	Market
1BR/1b	\$650	\$350	\$360	\$400
2BR/1b	\$700	\$375	\$385	\$450

* net rent - for comparable units

Figure 1, reveals that the proposed subject 1BR/1b net rents at 50% and 60% AMI are approximately 45% less than the comparable/competitive 1BR/1b net rents. The proposed subject 2BR/1b net rents at 50% and 60% AMI are approximately 45% less than the comparable/competitive 2BR/1b net rents. The proposed 1BR market net rent is approximately 38% less and the proposed 2BR/1b market net rent is approximately 36% less than the comparable/competitive 1BR and 2BR/1b net rents.



The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the surveyed market rate properties is provided on page 74. A map showing the location of the surveyed LIHTC elderly properties is provided on page 13.

Survey of the Competitive Environment - Market Rate

1. Alta Towne Lake, 385 Godley Station Blvd, Pooler (912) 330-0323

Contact: Ashely, Lsg Consultant (6/4/07) **Type:** MR & Tax Exempt Bond
Date Built: 2006; finished 3/07 **Condition:** Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Market Rent</u>	<u>60% AMI Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	38	\$715	\$595	658	11
1BR/1b	36	\$755	\$595	792	0
2BR/2b	96	\$940	\$650	1254	12
2BR/2b	108	\$855	\$650	924	14
3BR/2b	52	\$1100	\$725	1413	27
Total	330				64

Typical Occupancy Rate: In rent-up **Waiting List:** Na
Security Deposit: \$200 **Concessions:** Yes
Utilities Included: None **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Picnic Area	Yes

Design: 3 story walk-up

Remarks: the absorption rate has been approximately 30-units per month; concession of ½ free month rent for as 12 month lease



2. Arbor Terrace, 4035 Kessler Ave, Garden City (912) 964-8787

Contact: Jennifer, Lsg Consultant (6/1/07) **Type:** Market Rate
Date Built: 1990 **Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
2BR/1b	44	\$745	1033	\$.72	1
2BR/2b	26	\$750	1106	\$.68	0
3BR/2b	36	\$835	1295	\$.64	0
Total	106				1

Typical Occupancy Rate: 96% **Waiting List:** No
Security Deposit: \$350-\$500 **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Tennis Courts	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Car Wash Area	Yes

Design: 1 story



3. Carrington Square, 280 Blue Moon Crossing, Pooler (866) 469-3407

Contact: Dora, Lsg Consultant (6/1/07)
Date Built: 2006 (2nd Phase uc in 2007)

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	60	\$835-\$845	815	\$1.02-\$1.04	5
2BR/2b	44	\$935	1044	\$.90	3
2BR/2b	12	\$980	1077	\$.91	0
3BR/2b	12	\$1100	1272	\$.86	0
Total	128				8

Typical Occupancy Rate: 92%-94%
Security Deposit: varies
Utilities Included: trash

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Car Wash Area	Yes

Design: 2 & 3-story walk-up (gated entry)

Remarks: a 2nd phase is presently under construction; management reported that the property receives a lot of calls from seniors and those age 55 and over



4. Kessler Point, 901 Kessler Pt, Garden City (912) 964-4452

Contact: Cindy, Lsg Consultant (6/4/07)
Date Built: 1989

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	40	\$610-\$650	770	\$.79-\$.84	0
2BR/1b	32	\$660-\$710	940	\$.70-\$.76	0
2BR/2b	16	\$700-\$750	985	\$.71-\$.76	0
3BR/2b	32	\$755-\$805	1115	\$.68-\$.72	1
Total	120				1

Typical Occupancy Rate: 96%-99%
Security Deposit: \$500
Utilities Included: sewer, trash

Waiting List: Yes (5-2BR)
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Community Room	No
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: 2-story walk-up



5. Merrit at Godley Station, 1515 Benton Blvd, Pooler (912) 748-7518

Contact: Tammy, Assistant Mgr (6/6/07)
Date Built: 2004/05

Type: Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	60	\$770	763	\$1.01	0
1BR/1b	48	\$790	812	\$.97	0
2BR/2b	156	\$960	1205	\$.80	13
3BR/2b	48	\$1035	1348	\$.77	4
Total	312				17

Typical Occupancy Rate: 97%
Security Deposit: varies
Utilities Included: None

Waiting List: No
Concessions: Yes
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Car Wash Area	Yes

Design: 3-story walk-up; gated entry

Remarks: detached garages - \$85 premium; presently offering a concession of 1 free month rent with a 13 month lease; in process of building a 2nd phase, should be available by the end of 2007



6. Preserve at Godley Station, 1265 Benton Blvd, Pooler (912) 748-9130

Contact: Christine, Lsg Consultant (6/1/07) **Type:** Market Rate
Date Built: 2003/04 **Condition:** Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	24	\$760	787	\$.97	0
1BR/1b	68	\$785	805	\$.98	0
2BR/2b	72	\$955	1163	\$.82	2
2BR/2b	120	\$980-\$1000	1187	\$.83-\$.84	14
3BR/2b	32	\$1080	1367	\$.79	0
3BR/2b	16	\$1100	1431	\$.77	0
Total	380				16

Typical Occupancy Rate: 92% **Waiting List:** No
Security Deposit: varies **Concessions:** Yes
Utilities Included: trash **Turnover:** Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Clubhouse	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Car Wash Area	Yes

Design: 3-story walk-up; gated entry

Remarks: detached garages - \$85 premium; presently offering a concession of 1 free month rent with a 13 month lease



7. Wyndmere Apartments, 1 Wyndmere Pl, Garden City (912) 964-9211

Contact: Pat, Lsg Consultant (6/1/07)
Date Built: 1987

Type: Market Rate
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent per SF</u>	<u>Vacant</u>
1BR/1b	32	\$607-\$640	770	\$.79-\$.83	0
2BR/1b	24	\$650	940	\$.69	0
2BR/2b	64	\$695	985	\$.71	0
3BR/2b	24	\$755	1115	\$.68	0
Total	144				0

Typical Occupancy Rate: 95%-97%
Security Deposit: \$90-\$500
Utilities Included: trash

Waiting List: Yes (1)
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis Court	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Car Wash Area	Yes

Design: 2-story walk-up



Survey of the Competitive Environment: LIHTC-Elderly

1. Veranda at Midtown Apartments, 1414 E Anderson St (912) 236-0683

Contact: Ms. Eason (6/12/07)
Date Built: 2007
Contact Type: In person interview

Type: LIHTC/Market Rate
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u> 60%	<u>MR</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	84	\$637	\$650	Na	Na	*
2BR/1b	16	\$710		Na	Na	*
Total	100 -	89	11			In process of rent-up

Typical Occupancy Rate: Na
Security Deposit: \$165
Utilities Included: Trash removal

Waiting List: Na
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	No
Storage	No	Picnic Area	Yes

Design: 4 story mid rise w/elevator

Remarks: 89-units have PBRA; all 11 market rate units are occupied; at present 56-units are leased; project opened May 1, 2007; management forecasts 100% occupancy by the end of June, 2007



2. Sisters Court Apartments, 222 E 37th St (912) 447-4714

Contact: Sheila Streetman (6/12/07)
Date Built: historic rehab - 1998
Contact Type: In person interview

Type: LIHTC/50% & 60% AMI
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>		<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
		50%	60%			
1BR/1b	73	\$380	\$390	Na	Na	3
2BR/1b	5	\$425	\$455	Na	Na	0
Total	78					3

Typical Occupancy Rate: 99%
Security Deposit: \$200
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 3 story mid rise w/elevator

Remarks: 11-units have Section 8 vouchers; recent vacancies are owing to deaths and Veranda at Midtown opening; age targeting is 62+



3. Telfair Arms Apartments, 11 E Park Ave (912) 238-9899

Contact: Sheila Streetman (6/12/07)
Date Built: historic rehab - 1998
Contact Type: In person interview

Type: LIHTC/50% AMI
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
0BR/1b	10	\$506	\$ 47	Na	0
1BR/1b	40	\$527	\$ 79	Na	3
2BR/1b	3	\$549	\$112	Na	0
Total	53				3

Typical Occupancy Rate: 99%
Security Deposit: based on income
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: "low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: rehab of an old hospital

Remarks: 11-units have Section 8 vouchers; recent vacancies are owing to deaths and Veranda at Midtown opening; age targeting is 62+



4. Rose of Sharon Apartments, 322 E Taylor St (912) 234-5417

Contact: Ms Elke Teague, Mgr (6/13/07)
Date Built: 1972
Contact Type: Telephone interview

Type: HUD 236 & LIHTC/Market
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>			<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
		CR*	60%	MR			
0BR/1b	44	\$495	\$604	\$576	Na	Na	*
1BR/1b	162	\$567	\$648	\$660	Na	Na	*
Total	206						In process of rehab

CR - Contract Rent

Typical Occupancy Rate: Na
Security Deposit: based on income
Utilities Included: All

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

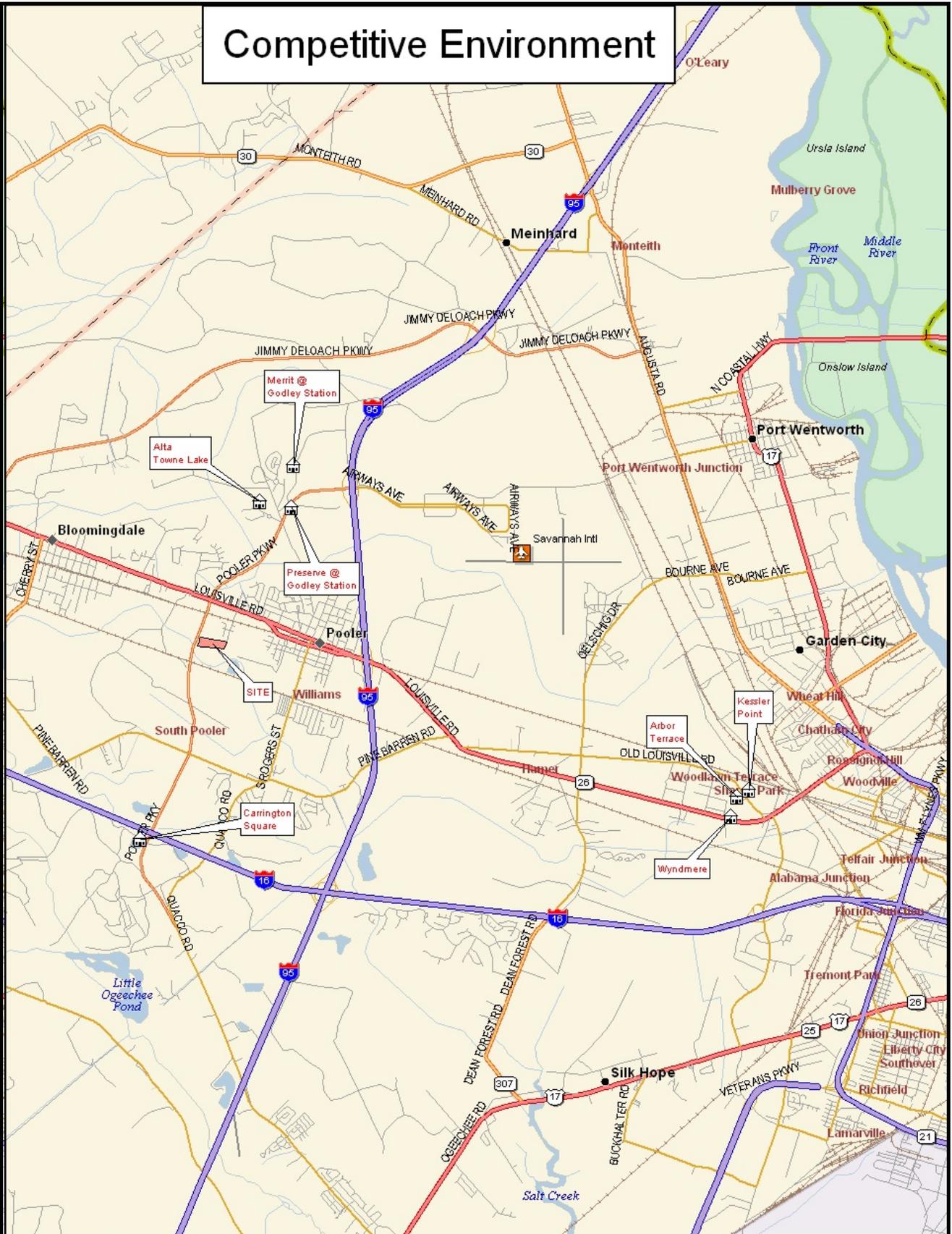
On-Site Mgmt	Yes	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 12-story w/elevator

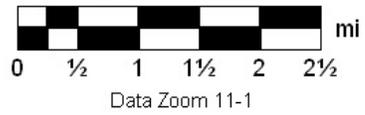
Remarks: 43-units have PBRA; 100-units will have Section 8 vouchers; at present 2 stories at a time are in the process of rehab; 60-units are vacant (40 owing to renovation and 20 owing to Veranda at Midtown); age targeting is 62+



Competitive Environment



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SECTION H

INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process.

In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site location or place location (in this case the City of Pooler in western Chatham County), project size, bedroom mix, income targeting/primary funding source and net rents. The following statements/comments were made:

(1) - Mr. Robert H. Byrd, Jr., City Planner and Assistant City Manager for Pooler was interviewed, (912)748-7261. At the time of the interview Mr. Byrd expressed a positive opinion regarding the proposed LIHTC elderly development in Pooler. Mr. Byrd stated that "the city is very aware of the proposed application and will attempt to be helpful and of assistance in support of the application and potential development". In closing, Mr. Byrd stated that the proposed location of the subject development was in his opinion a good location for affordable elderly housing.

(2) - The Leasing Consultants of the Carrington Square and the Alta Towne Lake (market rate) Apartments in Pooler were interviewed. At the time of the interview both expressed a very positive opinion regarding the proposed LIHTC elderly development in Pooler. Both stated there "there is need" for apartment housing, targeting all income levels of elderly households in Pooler. At present, their properties get a lot of traffic from elderly tenants age 55 and over. Given the proposed subject rents the proposed development fill quickly.

(3) - Ms. Sheila Streetman, property manager for the Sisters Court and Telfair Arms (LIHTC-elderly) Apartments in the City of Savannah was interviewed, (912) 447-4714. Ms. Streetman stated that "there is an ongoing need" for additional LIHTC elderly apartment housing in Savannah, as well as elsewhere in Chatham County. She stated that the proposed net rents of the subject property were very affordable and that without even knowing where the site is located the subject property should rent-up very quickly, given the proposed net rents. In summary, Ms Streetman stated that the proposed development in Pooler would **not** negatively impact her two properties.

(4) - Ms. Sheri Ricks and Ms. Eason, Managers of the new Veranda at Midtown (LIHTC-elderly) Apartments in Savannah was interviewed , (912) 236-0683. Both managers stated that "there is a need" for additional LIHTC elderly housing in Savannah and Chatham County. Neither were all that familiar with Pooler or the Pooler market. However, both thought

that the proposed net rents for the subject were very affordable and that the subject should have no problem in filling-up quickly. In summary, Ms Ricks and Eason stated that the proposed development in Pooler would **not** negatively impact her two properties.

(5) - Ms. Elke Teague, Manager of the Rose of Sharon (LIHTC/HUD) Apartments was interviewed, (912) 234-5417. She stated that "there is a need" for additional elderly affordable housing in Savannah, as well as elsewhere in Chatham County. Ms. Teague thought that an elderly development located in the western portion of the county would do very well, particularly if the site located was near shopping and healthcare providers. She stated that the proposed net rents for the subject property in Pooler were very affordable and that the subject should have no problem in filling-up quickly, based primarily on the positioning of the proposed net rents. In summary, Ms Teague stated that the proposed development in Pooler would **not** negatively impact The Rose of Sharon, given her location, management team and retention of longtime tenants

SECTION I
**CONCLUSIONS &
RECOMMENDATION**

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that the Sheppard Station Apartments (a proposed mixed income elderly LIHTC/Market Rate property) proceed forward with the development process.

Detailed Support of Recommendation

1. Product Mix - The target group is large enough to absorb the proposed product development of **65** units.
2. Assessment of rents - The proposed net rents will be very competitive in the PMA.
3. The current apartment market is **not** representative of an over saturated market, for well maintained, well amenitized and professionally managed properties.
4. The proposed complex unit amenity package is considered to be competitive in the PMA.
5. Stabilized occupancy, subsequent to initial lease-up, is forecasted to be 93% or higher.
6. The site location is considered to be marketable.
7. The proposed development will not negatively impact the existing supply of program assisted elderly properties in the market.

SECTION J
ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental

agencies.

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PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC

1983-1985, Market Research Staff Consultant, Stephens Associates, an consulting firm in real estate development and planning. Raleigh, NC

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF

EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 24+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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Market Analyst Certification and Checklist

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

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

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

Signed: _____ Date: _____

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