



**A MARKET CONDITIONS AND PROJECT  
EVALUATION SUMMARY OF**

**OCEAN BREEZE PARK  
SW Corner of Carswell Ave and Augusta Ave  
Waycross, Ware County, Georgia**

**DCA Project Number-08-047**

**Effective Date: May 12, 2008**

**Report Date: May 28, 2008**

*Prepared For*

**Ms. Laurel Hart  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329**

*Prepared By*

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**NOVOGRADAC  
& COMPANY LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

May 28, 2008

Ms. Laurel Hart  
Georgia Department of Community Affairs  
60 Executive Park South, NE  
Atlanta, Georgia 30329

**Re: Market Study for Ocean Breeze Park in Waycross, Georgia**

Dear Ms. Hart:

At your request, Novogradac & Company LLP performed a market study of the multifamily rental market in the Waycross, Ware County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Ocean Breeze Park, a proposed multifamily development consisting of 48 units. Units will be restricted to households earning 30, 50, and 60 percent of the AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



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H. Blair Kincer, MAI  
Partner



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Michalena M. Sukenik  
Manager



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Julia Buckmaster  
Real Estate Analyst

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the

author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

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## **A. EXECUTIVE SUMMARY AND CONCLUSION**

**EXECUTIVE SUMMARY AND CONCLUSIONS**

**Subject Property**

**Overview:**

The Subject (Ocean Breeze Park) is a proposed multifamily development to be located along the southwestern corner of the intersection of Carswell and Augusta Avenues in Waycross, Ware County, Georgia. The Subject will consist of 48 single family rental homes restricted to households earning 30, 50, and 60 percent of the AMI, or less.

**Proposed Rents, Unit Mix,**

**Utility Allowance:**

The following table details the proposed rents for the Subject's units.

**PROPOSED RENTS**

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>30% AMI</i>						
2BR/2BA	3	\$126	\$187	\$313	\$312	\$518
<i>50% AMI</i>						
2BR/2BA	5	\$334	\$187	\$521	\$521	\$518
3BR/2BA	11	\$381	\$220	\$601	\$603	\$664
<i>60% AMI</i>						
2BR/2BA	12	\$360	\$187	\$547	\$625	\$518
3BR/2BA	17	\$401	\$220	\$621	\$723	\$664
<b>Total</b>	<b>48</b>					

Notes (1) Source of Utility Allowance Provided by the Developer.

It should be noted that the developer's two-bedroom 30 percent AMI rent appears to be \$1 above the maximum allowable level. We assume that the rent is at the maximum allowable level for the purposes of this study and that the developer will lower this rent to comply with LIHTC guidelines.

**Market Demand**

**Conclusions:**

Both the population and number of households in the PMA and MSA have experienced growth from 2000 to 2007, and this trend is expected to continue into 2012. The majority of the Subject's units will target households earning between \$17,863 and \$30,060 annually. Approximately 20 percent of households in the PMA earn incomes within these income cohorts compared to 19 percent in the SMA and 13 percent nationally. This also bodes well for the Subject.

As the regional economic center for Ware County, the Waycross area economy includes a mix of industries including manufacturing, retail and healthcare. Total employment increased in four out of the past eight years, with growth in 2006 and 2007 but a small decline in 2008 to date. As of the beginning of the year, three companies have reported that they will be moving to or expanding in the Waycross area. These three companies are expected to add over 385 new jobs to the area. Overall, the local economy appears to be in a transitional period but it appears to be rebounding.

**Stabilization and Projected Absorption Period:**

None of the managers at the comparable properties were able to provide absorption information. Capture rates for the Subject illustrate adequate demand. Additionally, vacancy at LIHTC properties is low at 4.9 percent with both properties reporting waiting lists. Vacancy is highest at Peachwood Place (6.9 percent), the one family LIHTC property in Waycross. However, management indicated that the property is operating off a waiting list with approximately two-households waiting for two-bedroom units, 12 households waiting for three-bedroom units, and two-households waiting for four-bedroom units. Therefore, the vacancy at the property appears to be attributable to turnover rather than a lack of demand for LIHTC housing in the market. The Subject will offer the superior single-family home design which will provide the Subject with a marketing advantage. Additionally, the Subject will offer a competitive location, amenities, and unit sizes. Therefore, we have conservatively estimated that the Subject will absorb five to eight units per month. At this pace, the Subject will stabilize at 93 percent (per DCA guidelines) in six to nine months. With a similar number of two- and three-bedroom units, we anticipate that the Subject's two- and three-bedroom units will be absorbed at a similar pace.

**Comparable Properties:**

Vacancy rates in the market range from zero to ten percent, averaging 5.1 percent. Additionally, vacancy at LIHTC properties is low at 4.9 percent with both properties reporting waiting lists. Of the two LIHTC properties, vacancy is highest at Peachwood Place (6.9 percent), the one family LIHTC property in Waycross. However, management at Peachwood Place indicated that the property is operating off a waiting list with approximately two-households waiting for two-bedroom units, 12 households waiting for three-bedroom units, and two-households waiting for four-bedroom units. Therefore, the vacancy at the property appears to be attributable to turnover rather than a lack of demand for LIHTC housing in the market. Sandy Creek reported the highest vacancy

in the market at ten percent. Management attributed the high vacancy to a change in property managers. Additionally, the property no longer accepts Housing Choice Vouchers. Although management did not indicate that recent rent growth may also be a contributing factor to the property’s high vacancy, rents at the property have increased by 14 to 20 percent in the past year. This is considered significant and may, at least partially, explain the higher vacancy at Sandy Creek compared to other properties in the market. Overall, vacancy in the market is considered low and we estimate that the Subject should maintain a vacancy rate of five percent or less.

**Appropriateness of Unit Mix/Rents/Size:**

The Subject will offer a single family home design. Both of the LIHTC comparables and all of the market rate comparables are garden-style communities. The Subject’s unit design will provide the Subject with a significant marketing advantage. While the Subject’s three-bedroom units will be smaller than the surveyed average, we expect the appeal of the Subject’s single-family home design to mitigate this weakness. Overall the Subject’s proposed unit mix, rents, and sizes will be competitive in the market.

**Amenity Conclusions:**

With the exception of the lack of a swimming pool, the Subject’s unit and common area amenities will be superior to what is currently offered in the market. The Subject offers a plethora of common area amenities offered by few properties in the market including, but not limited to, a computer center, exercise facility, community room, shuffleboard court, walking trail, garages, and a library. Overall, the Subject’s amenities package was found to be competitive with amenities offered at the surveyed properties.

**Proximity to Local Services:**

The following table details the Subject’s distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table is provided later in this report.

**Locational Amenities**

Map #	Amenity	Type of Service	Distance from Subject
1	Harvey's Supermarket	Grocer	1.8 miles
2	Okenfenokee Regional Library	Library	2.4 miles
3	Waycross Police Department	Police	2.0 miles
4	Pearce Drug Store	Pharmacy	1.8 miles
5	Waycross Fire Department	Fire	1.0 miles
6	Satilla Regional Medical Center	Hospital	3.0 miles
7	Williams Heights Elementary	Elementary School	2.7 miles
8	Waycross Middle	Middle School	3.1 miles
9	Ware County High School	High School	1.7 miles

**Capture Rates:**

Per DCA guidelines, units with rents set more than 30 percent below the average market rent for the same bedroom type in any income segment have been excluded from the above analysis, particularly if they comprise a small percentage of the total unit mix. These units are assumed to be leaseable in the market. Including these units would widen the income band and therefore artificially lower the overall capture rates. To limit this effect, we have excluded the Subject's 30 percent units from the demand analysis as the rents for these units are more than 30 percent below the average market rents and comprise only six percent of the total units offered by the proposed Subject. Therefore, the following analysis reflects only the 45 units at the 50 and 60 percent AMI levels as well as the unrestricted units.

The Subject's capture rates at the 50 percent AMI level range from 8.9 to 31.6 percent with an overall capture rate of 17.6 percent. Capture rates at the 60 percent AMI level range from 12.1 to 27.6 percent, with an overall capture rate of 18.0 percent.

DCA thresholds are 35 percent for one- and two-bedroom units, 40 percent for three-bedroom units, and 50 percent for four-bedroom units. While the Subject's overall two-bedroom capture rate is below the DCA threshold, the overall three-bedroom capture rate of 50 percent, does not meet DCA threshold requirements. Despite being over the threshold, we still believe that there is adequate demand in the market to support the Subject for the following reasons:

1. Overall vacancy in the market is low at 5.1 percent.
2. Vacancy at LIHTC properties is also low at 4.9 percent with both properties reporting waiting lists.
3. Lack of competition: There is only one family LIHTC property in Waycross.
4. Additions to Supply: We have conservatively estimated demand by deducting units at Estes Park, a LIHTC property on the border of the PMA approximately 44.4 miles from the Subject site. This property has been stabilized for several years and is currently 2.8 percent vacant with a waiting list. Capture rates for the Subject when not removing these 72 units at Estes Park are below DCA thresholds at 14.0 percent for two-bedroom units, 38.9 percent for three-bedroom units, and 23.3 percent overall.

**Market Strengths:** Market strengths include relatively low vacancy and multiple waiting lists. The five vacant units in the Waycross LIHTC market will presumably be filled with households currently on the waiting list. Additionally, three of the five comparable properties in Waycross reported rent growth of up to 20 percent within the past year.

**Market Study Conclusion:** Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include the single-family home design, amenities, multiple AMI levels targeting a wide range of incomes, and the Subject’s new construction. The primary weakness will be the Subject’s smaller than average three-bedroom units and the lack of a swimming pool. With an average vacancy of 5.1 percent at all comparables and 4.9 percent at LIHTC comparables, and both LIHTC comparables reporting waiting lists, we believe there is adequate demand for the Subject.

The following tables are required by DCA and summarize our overall market conclusions.

**DCA Conclusion Table**

Unit Size	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate	Absorption (93%)	Proposed Net Rent	Median Market Rent
2 Bedroom at 30%	N/Ap	N/Ap	N/Ap	3	N/Ap	5 - 9 months	\$126	\$528
2 Bedroom at 50%	58	21	56	5	8.9%	5 - 9 months	\$334	\$528
2 Bedroom at 60%	112	13	99	12	12.1%	5 - 9 months	\$360	\$528
3 Bedroom at 50%	46	11	35	11	31.6%	5 - 9 months	\$381	\$552
3 Bedroom at 60%	67	5	62	17	27.6%	5 - 9 months	\$401	\$552
<b>2 Bedroom Overall *</b>	<b>121</b>	<b>36</b>	<b>85</b>	<b>17</b>	<b>19.9%</b>	<b>5 - 9 months</b>	<b>--</b>	<b>\$528</b>
<b>3 Bedroom Overall*</b>	<b>72</b>	<b>16</b>	<b>56</b>	<b>28</b>	<b>50.0%</b>	<b>5 - 9 months</b>	<b>--</b>	<b>\$552</b>
<b>Overall *</b>	<b>193</b>	<b>52</b>	<b>141</b>	<b>45</b>	<b>31.8%</b>	<b>5 - 9 months</b>	<b>--</b>	<b>--</b>

\*Per DCA guidelines, this analysis does not include units in which the proposed rents are more than 30 percent below the market average for that unit type. The Subject's 30 percent units fall within this range and have therefore been excluded from the demand analysis.

**OVERALL DEMAND-ALL UNITS**

Proposed Project Capture Rate 30% AMI Units	N/Ap
Proposed Project Capture Rate 50% AMI Units	17.6%
Proposed Project Capture Rate 60% AMI Units	18.0%
Proposed Project Capture Rate ALL Units	31.8%
Proposed Project Stabilization Period	5 - 9 months

## **B. PROJECT DESCRIPTION**

**PROJECT DESCRIPTION**

Our description of the improvements is based on information provided by the developer in the GA DCA 2008 Funding Application.

**Project Address and Development Location:**

The Subject will be located along the southwestern corner of the intersection of Carswell and Augusta Avenues in Waycross, Ware County, Georgia.

**Construction Type:**

All buildings will be brick with decorative gables.

**Occupancy Type:**

Families.

**Target Income Group:**

The Subject will consist of 48 units restricted to households earning 30, 50, and 60 percent of the AMI, or less. The minimum income for the Subject’s units will be \$12,510. The maximum income for the Subject will be \$30,060.

**Special Population Target:**

None.

**Proposed Rents, Unit Mix, Utility Allowance:**

The following table details the proposed rents for the Subject's units.

**PROPOSED RENTS**

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>30% AMI</i>						
2BR/2BA	3	\$126	\$187	\$313	\$312	\$518
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2BR/2BA	12	\$360	\$187	\$547	\$625	\$518
3BR/2BA	17	\$401	\$220	\$621	\$723	\$664
<b>Total</b>	<b>48</b>					

Notes (1) Source of Utility Allowance Provided by the Developer.

It should be noted that the developer’s two-bedroom 30 percent AMI rent appears to be \$1 above the maximum allowable level. We assume that the rent is at the maximum allowable level for the purposes of this study and that the developer will lower this rent to comply with LIHTC guidelines.

**Unit Size:** The following table details the unit mix and unit sizes for the Subject’s units.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Gross Area
2BR/2BA	20	1,000	20,000
3BR/2BA	28	1,100	30,800
<b>Total</b>	<b>48</b>		<b>50,800</b>

**Structure Type:** The Subject will consist of 48 single-story single family homes and one single-story community building.

**Existing or Proposed Project Based Rental Assistance:** None.

**Unit Amenities:** Units at the Subject will be equipped with a range/oven, refrigerator, dishwasher, garbage disposal, microwave, central heating and air-conditioning, patio/balcony, exterior storage, attached garages, washer/dryer connections, ceiling fans, and blinds/carpeting.

**Community Amenities:** The Subject will offer a community building with a community room, exercise facility, computer center, on-site management office, and a central laundry facility. Additionally, the Subject will offer a covered pavilion as a picnic area as well as a playground, library, retention pond/fountain, shuffleboard court, and walking path.

**Parking:** Each unit will offer a one-car attached garage and driveway.

**Placed in Service Date:** A construction timeline was not provided. For the purposes of this market study, we have utilized June 2010 as the anticipated date for market entry.

**Conclusion:** The Subject appears to have an adequate unit mix for the targeted population group. We believe that the unit amenities and the proposed community amenities are adequate and will attract residents to the property.

## **C. SITE EVALUATION**

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

- Date of Site Visit:** The Subject site was inspected on May 12, 2008.
- Name of Site Inspector:** Julia Buckmaster.
- Frontage:** The Subject will have frontage along Carswell and Augusta Avenues.
- Topography:** The Subject site is wooded and appears to be generally level.
- Visibility/Views:** The Subject site is located along the southwestern intersection of Carswell and Augusta Avenues. The immediate neighborhood consists of both residential and small scale commercial uses. Large scale retail is located less than one mile south along US Highway 23/US Highway 1 and two miles east in downtown Waycross.
- North:* Immediately north of the Subject site is a Petro gas station with a convenience store and vacant adjacent lot. Also located north of the Subject site is the sales office for Waycross Wholesale Mobile Home Center. Further north are automobile mechanic shops as well as single family homes. Homes located north of the Subject site are in poor to fair condition and appear to be at least 40 years old.
- South:* Immediately south of the Subject site is a tattoo parlor. Further south is a storage unit facility and several small restaurants. A fire station is located southeast of the site and several churches are located southwest of the Subject site. Also located southeast of the site are two parcels which are in the early stages of development. The land has been cleared, but construction has not yet begun. No additional information on the proposed uses for these sites was available. Retail uses including gas stations, restaurants, and Dollar General are located less than one mile south of the Subject site along US Highway 23/US Highway 1. Additionally, Waycross College is located 0.4 miles south of the Subject site at the intersection of Augusta Avenue and US Highway 23.
- East:* Immediately east of the Subject site are single family homes ranging in condition from average to good. Homes

appear to have been built since the 1960s and approximately 90 to 95 percent of the homes in the neighborhood appeared to be occupied. A mobile home park is also located east of the Subject site. Mobile homes range in condition from average to good and the majority appeared occupied. Further east is Westport Village, a LIHTC property for older persons (55 and up) built in 2007. The property is currently 86 percent occupied and is in excellent overall condition.

*West:* Immediately west of the Subject site is wooded land. Further west are several single family homes and churches. Homes are in poor to good condition and appear to be at least 40 years old.

Retail is located less than one mile south of the Subject site along US Highway 23/US Highway 1. Additional retail is located less than two miles east of the Subject site in downtown Waycross. Retail uses in downtown Waycross appeared to be between 70 and 80 percent occupied.



Subject Site



Subject Site



Subject Site



Subject Site



View of Carswell Avenue Heading West



View of Carswell Avenue Heading East



View of Augusta Avenue Heading North



View of Augusta Avenue Heading South



North – Petro Gas & Convenience Store



North – Vacant Lot Adjacent Petro Gar



North – Waycross Wholesale Home Center Sales Office



North – Single Family Home



South – Tattoo Parlor



South – Storage Units



South – Church



South – Retail



East – Mobile Home Park



East – Mobile Home Park



East – Single Family Home



East – Single Family Home



East – Single Family Home



East – Westport Village (HFOP LIHTC)



West – Single Family Home



West – Single Family Home



West – Single Family Home



West – Single Family Home

**Access and Traffic Flow:**

The Subject site is accessible from Carswell Avenue which is a two lane road with moderate traffic. Carswell Avenue provides access to downtown Waycross less than two miles east of the Subject site. Augusta Avenue intersects with US

Highway 23/US Highway 1 approximately 0.4 miles south of the Subject site. US Highway 23/US Highway 1 provides access to Interstate 16 (93 miles) to the north and US Highway 1 provides access to Jacksonville, Florida (80 miles) to the south. Interstate 16 provides access to Savannah, Georgia to the east and Macon, GA to the west. Overall, access and traffic flow are considered good.

**Layout and Curb Appeal:**

The proposed Subject will have an open layout and, as new construction, will have above-average curb appeal.

**Zoning of Surrounding Area:**

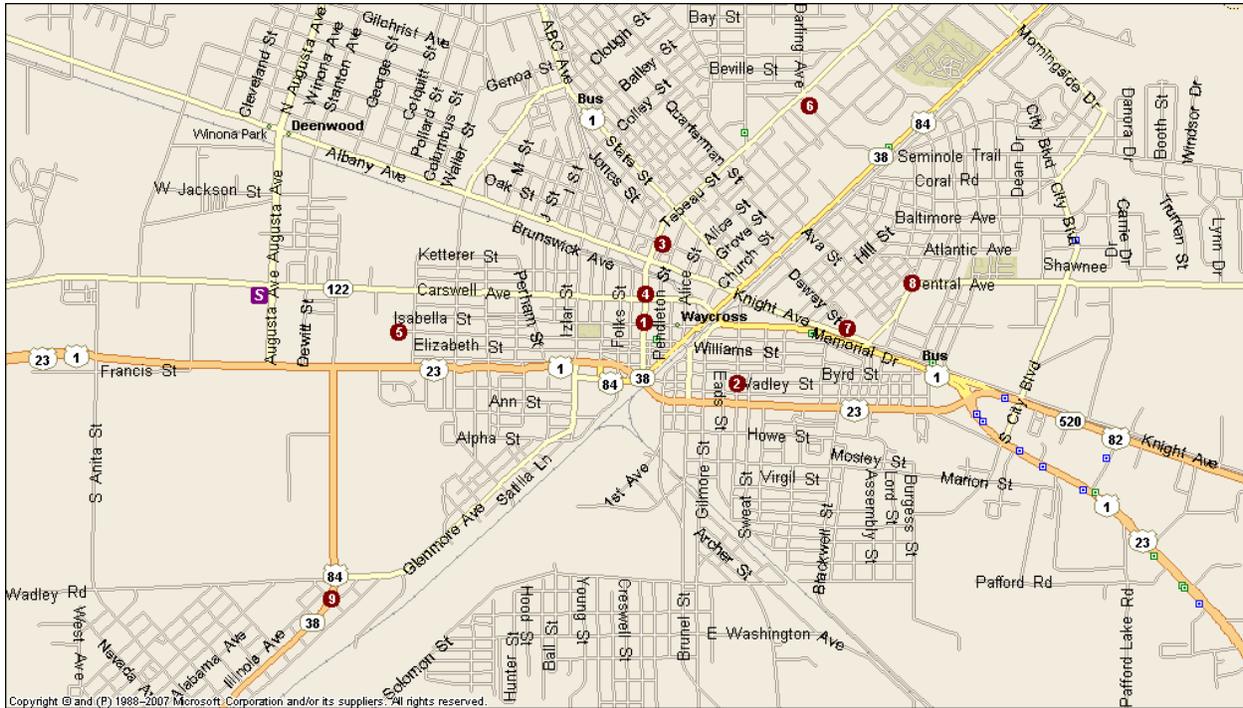
According to James Shubert (912-287-4379), GIS Coordinator from the Ware County Planning & Zoning Department, the Subject site is zoned R-75, Residential. Permitted uses are single family homes, duplexes, and multifamily units. Minimum lot sizes are as follows: 9,000 square feet for single family units, 5,500 square feet for duplex units, and 2,900 square feet per unit for multifamily housing. The Subject site consists of 16.94 acres, and the proposed development appears to be a legal conforming use.

**Road/Infrastructure  
Proposed Improvements:**

Less than one mile southeast of the Subject site, two parcels are being cleared. Construction has not begun and there is currently no signage indicating the proposed uses. Additionally, Pine Street, which runs east/west less than 0.5 miles from Subject site, currently connects Dewitt and George Streets, which are parallel to Augusta Avenue. It appears that Pine Street will be extended from Dewitt Street west to connect to Augusta Avenue approximately 0.2 miles south of the Subject site. Pine Street is a two-lane residential road with minimal traffic.

**Proximity to Local Services:**

The following table details the Subject's distance from key locational amenities.



**Locational Amenities**

Map #	Amenity	Type of Service	Distance from Subject
1	Harvey's Supermarket	Grocer	1.8 miles
2	Okenfenokee Regional Library	Library	2.4 miles
3	Waycross Police Department	Police	2.0 miles
4	Pearce Drug Store	Pharmacy	1.8 miles
5	Waycross Fire Department	Fire	1.0 miles
6	Satilla Regional Medical Center	Hospital	3.0 miles
7	Williams Heights Elementary	Elementary School	2.7 miles
8	Waycross Middle	Middle School	3.1 miles
9	Ware County High School	High School	1.7 miles

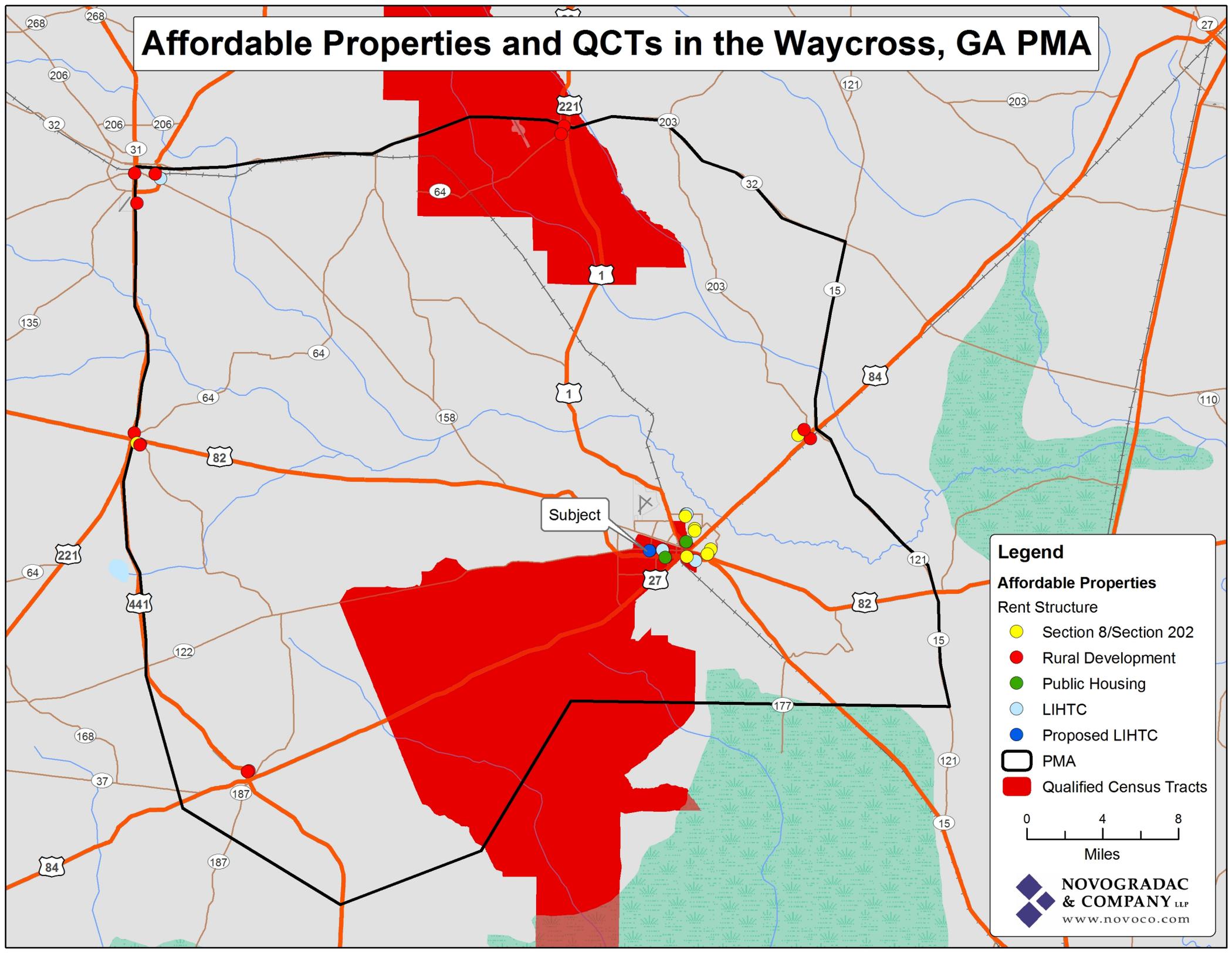
**Subsidized Property Map:**

The following table identifies all subsidized properties in the PMA that are existing, proposed, and under construction. A corresponding map is located on the following page.

SUBSIDIZED PROPERTIES IN THE PMA

Name	Type	Tenancy	Map Color	Included/Excluded	Reason for Exclusion
Garlington Heights	Public Housing	Mixed	Green	Excluded	Tenants pay 30% of income
Bailey Heights	Public Housing	Mixed	Green	Excluded	Tenants pay 30% of income
Central Walnut Village	Section 8	N/Av	Yellow	Excluded	Tenants pay 30% of income
Satilla Solutions	Section 8	N/Av	Yellow	Excluded	Tenants pay 30% of income
Waycross II VOA Housing	Section 8	N/Av	Yellow	Excluded	Tenants pay 30% of income
Waycross VOA Housing Inc.	Section 8	N/Av	Yellow	Excluded	Tenants pay 30% of income
Ware Manor Apartments	Section 8 (LIHTC)	Family	Yellow	Excluded	Tenants pay 30% of income
Aesthetic Housing I (Lamdin House)	Section 8	Disabled	Yellow	Excluded	Tenants pay 30% of income and tenancy not comparable
Heritage Village I	Section 8	Elderly	Yellow	Excluded	Tenants pay 30% of income and tenancy not comparable
Ware Terrace (Terrace Garden Apartments)	Section 8	Elderly	Yellow	Excluded	Tenants pay 30% of income and tenancy not comparable
Windover Manor	RD (LIHTC)	Elderly	Red	Excluded	Tenants pay 30% of income and tenancy not comparable
Whispering Pines	RD (LIHTC)	Elderly	Red	Excluded	Tenants pay 30% of income and tenancy not comparable
Quail Hollow	RD	Elderly	Red	Excluded	Tenants pay 30% of income and tenancy not comparable
Hunter's Run	RD	Elderly	Red	Excluded	Tenants pay 30% of income and tenancy not comparable
Country Manor Apts	RD	Family	Red	Excluded	Tenants pay 30% of income
Azalea Court Apartments	RD (LIHTC)	Family	Red	Excluded	Tenants pay 30% of income
Cypresswood Apartments	Section 8 (LIHTC)	Family	Red	Excluded	Tenants pay 30% of income
Carlisle Apts	RD (LIHTC)	Family	Red	Excluded	Tenants pay 30% of income
Evergreen	RD	Family	Red	Excluded	Tenants pay 30% of income
Brookwood I-III	RD	Family	Red	Excluded	Tenants pay 30% of income
Quail Hollow II	RD	Family	Red	Excluded	Tenants pay 30% of income
Colonial Homes	RD	Family	Red	Excluded	Tenants pay 30% of income
Heritage Villas of Alma	RD	Family	Red	Excluded	Tenants pay 30% of income
Amberwood	RD	Family	Red	Excluded	Tenants pay 30% of income
Deerfield I and II	RD	Family	Red	Excluded	Tenants pay 30% of income
Westport Village	LIHTC	HFOP	Cyan	Excluded	Tenancy not comparable
Waring Apartments	LIHTC	Elderly	Cyan	Excluded	Tenancy not comparable
Waring Apartments II	LIHTC	HFOP	Cyan	Excluded	Tenancy not comparable
Estes Park	LIHTC	Family	Cyan	Included	N/Ap
Peachwood Place	LIHTC	Family	Cyan	Included	N/Ap
Ocean Breeze	LIHTC	Family	Blue	SUBJECT	N/Ap

# Affordable Properties and QCTs in the Waycross, GA PMA



**Legend**

**Affordable Properties**

Rent Structure

- Section 8/Section 202
- Rural Development
- Public Housing
- LIHTC
- Proposed LIHTC

PMA

Qualified Census Tracts

0 4 8  
Miles

**NOVOGRADAC & COMPANY** LLP  
www.novoco.com

**Detrimental Influences:** None visible upon site inspection.

**Environmental Concerns:** None visible upon site inspection.

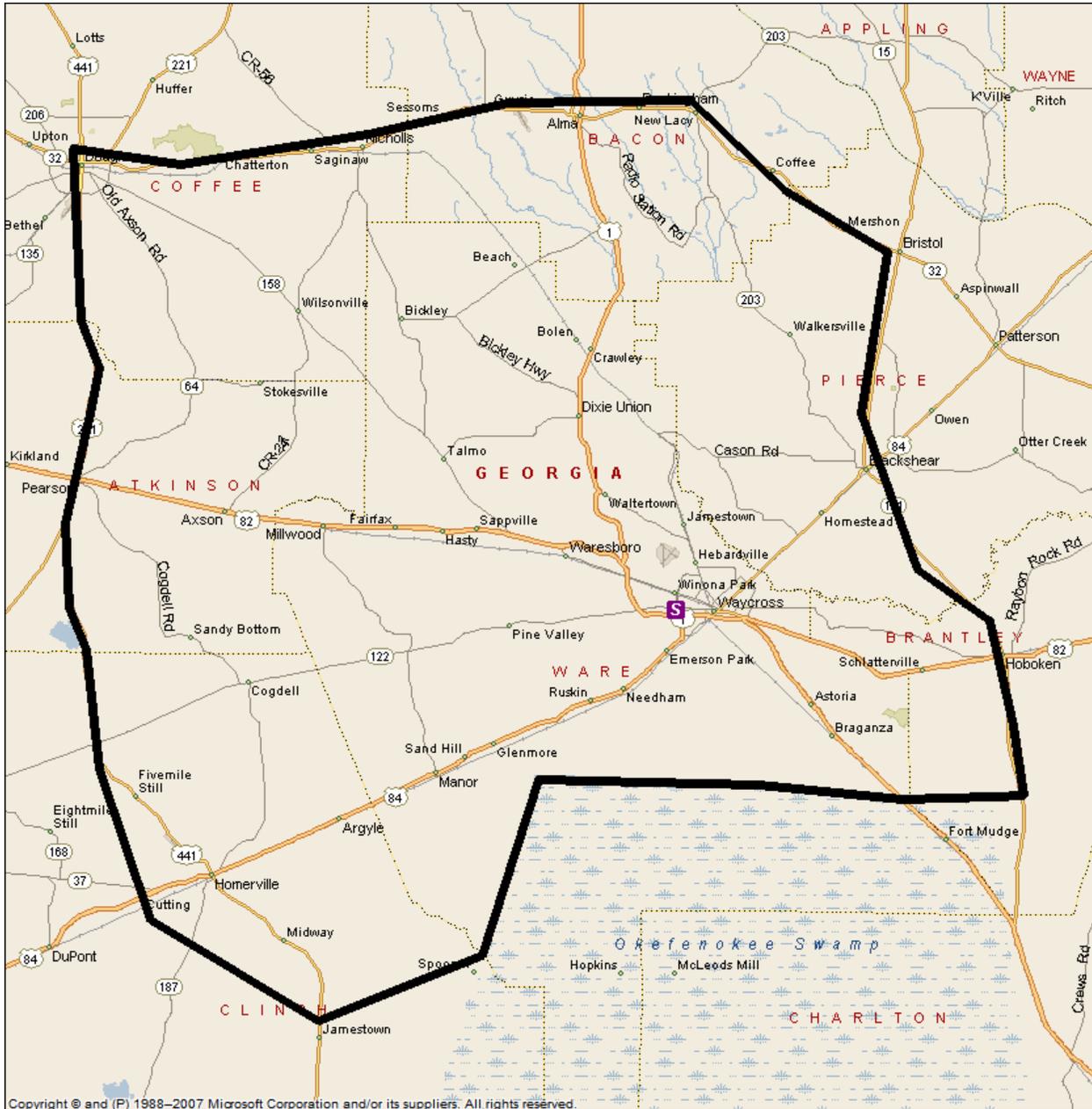
**Conclusion:** As proposed, the Subject will provide good quality, affordable family housing units that are in strong demand in the area. The site is located in western Waycross, Georgia, in a mixed use neighborhood consisting of both residential and commercial uses. The Subject will positively impact the neighborhood, which is well suited for this type of housing.

## **D. MARKET AREA**

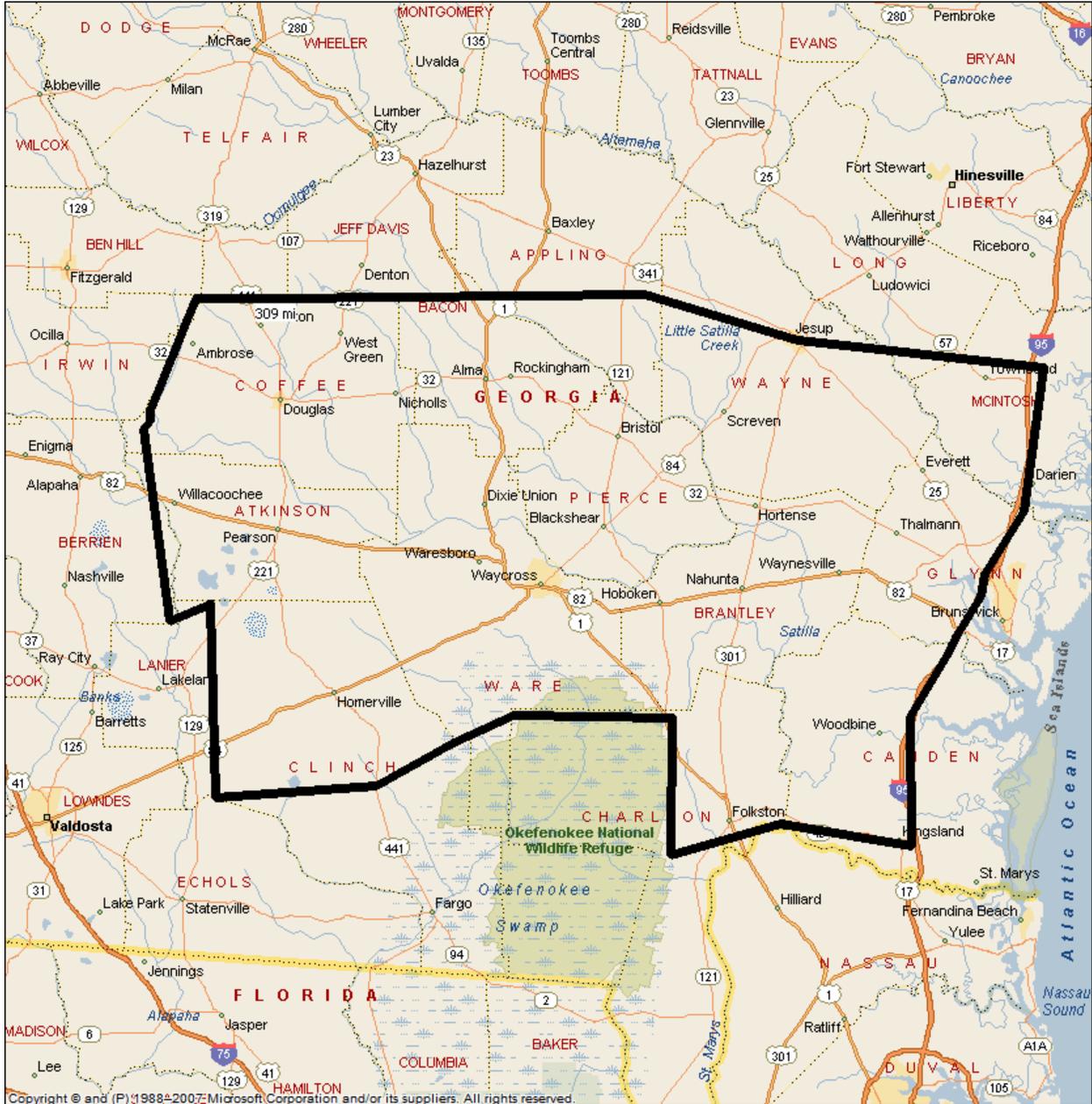
**PRIMARY MARKET AREA**

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

**Primary Market Area Map**



### Secondary Market Area Map



The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction.

The PMA is defined by SR-32 to the north, SR-121 to the east, the Okefenokee Swamp border to the south, and US-441 to the west. This area includes the southeastern portion of Coffee County, the eastern portion of Atkinson County, the northeastern portion of Clinch County, the majority of Ware County, a portion of Brantley County, the western portion of Pierce County, and the

southern portion of Bacon County. The area was defined based on interviews with the local housing authority and property managers at comparable properties. The property manager at the sole LIHTC family property in Waycross stated that tenants typically come from counties to the west of Ware. Several are from Douglas, and some come from Homerville, Blackshear, and Alma. The Peachwood Place property manager also indicated that tenants come from Jacksonville, Florida and New York. The SMA is largely determined by property managers at market comparables. These property managers stated that tenants also come from Jesup, Hortense, Nahunta, Folkston, and even as far as Brunswick. The SMA is defined by US Highway 341 and the Coffee-Jessup and Coffee-Telfair County borders to the north, the Okefenokee National Wildlife Refuge and the Georgia-Florida State line the south, Interstate 95 to the east, and Clinch-Lanier, Atkinson-Berrien, and Coffee-Irwin County borders to the west. We have adjusted for 15 percent leakage from outside of the PMA.

## **E. COMMUNITY DEMOGRAPHIC DATA**

**COMMUNITY DEMOGRAPHIC DATA**

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 1990, 2000, 2007 and 2012. Data has also been projected for 2010, the year in which the Subject is expected to enter the market.

**General Population**

The table below illustrates general population trends in the SMA, PMA, and nation from 1990 through 2012.

POPULATION						
Year	SMA		PMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	144,108	-	65,089	-	248,709,873	-
2000	169,423	1.76%	70,828	0.88%	281,421,906	1.32%
2007	181,137	0.95%	71,612	0.15%	306,348,230	1.22%
Projected Mkt Entry:						
June 2010	187,338	0.98%	72,663	0.42%	319,772,948	1.25%
2012	189,995	0.98%	73,113	0.42%	325,526,398	1.25%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

As the tables above illustrates, from 2000 to 2007 both the SMA and PMA experienced population growth, although at a slower pace than the nation. Population growth is expected to slightly increase for both the SMA and PMA into 2012, which is a positive indicator for a rural area such as the PMA. This bodes well for the Subject development.

**Population by Age Group**

The following table illustrates the population of the SMA and PMA by age cohort.

**POPULATION BY AGE AT PROJECT MARKET ENTRY DATE:  
JUNE 2010**

Age Cohort	SMA		PMA	
	Number	Percentage	Number	Percentage
0-4	13,453	7.18%	5,220	7.18%
5-9	12,694	6.78%	4,930	6.79%
10-14	12,820	6.84%	4,946	6.81%
15-19	12,227	6.53%	4,603	6.33%
20-24	12,089	6.45%	4,623	6.36%
25-29	12,527	6.69%	4,763	6.55%
30-34	12,633	6.74%	4,801	6.61%
35-39	12,839	6.85%	4,835	6.65%
40-44	13,468	7.19%	5,003	6.89%
45-49	13,730	7.33%	5,154	7.09%
50-54	13,060	6.97%	4,957	6.82%
55-59	12,500	6.67%	4,858	6.69%
60-64	10,191	5.44%	4,071	5.60%
65-69	7,645	4.08%	3,048	4.19%
70-74	5,596	2.99%	2,357	3.24%
75-79	4,118	2.20%	1,822	2.51%
80-84	2,842	1.52%	1,289	1.77%
85+	2,907	1.55%	1,384	1.90%
<b>Total</b>	<b>187,338</b>	<b>100%</b>	<b>72,663</b>	<b>100%</b>

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

The SMA and the PMA have a similar percentage of persons aged 20 to 50 years old at 41.25 percent and 40.15 percent, respectively.

**General Household Trends**

The following table is a summary of the total households in the SMA, PMA, and nation from 1990 to 2012.

**HOUSEHOLDS**

Year	SMA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	51,440	-	23,736	-	91,947,410	-
2000	61,697	1.99%	26,727	1.26%	105,480,101	1.47%
2007	67,103	1.21%	27,803	0.56%	115,337,039	1.29%
Projected Mkt Entry:						
June 2010	69,828	1.16%	28,374	0.59%	120,582,577	1.30%
2012	70,996	1.16%	28,619	0.59%	122,830,665	1.30%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

Similar to population, household growth in both the SMA and PMA is increasing, although at a slower rate than the nation. This is a positive indicator for the Subject property.

### Average Household Size

The following table is a summary of the average household size in the SMA, PMA, and nation from 1990 to 2012.

#### AVERAGE HOUSEHOLD SIZE

Year	SMA		PMA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
1990	2.74	-	2.66	-	2.63	-
2000	2.62	-0.44%	2.54	-0.45%	2.59	-0.15%
2007	2.59	-0.16%	2.50	-0.22%	2.59	0.00%
Projected Mkt Entry:						
June 2010	2.58	-0.15%	2.49	-0.16%	2.58	-0.08%
2012	2.57	-0.15%	2.48	-0.16%	2.58	-0.08%

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

The average household size in the PMA is smaller when compared to the SMA and the nation. The Subject will offer two and three-bedroom units.

### Household Income

The table below illustrates household income in the PMA, the SMA, and the nation.

#### HOUSEHOLD INCOME PMA

Income Cohort	2007		PMA Prj Mkt Entry June 2010		2012		Annual Change 2007 to 2012	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$10,000	4,324	15.55%	3,957	13.94%	3,799	13.27%	-184	-4.25%
\$10,000-\$14,999	1,919	6.90%	1,885	6.64%	1,870	6.53%	-17	-0.89%
\$15,000-\$19,999	2,246	8.08%	1,962	6.91%	1,840	6.43%	-142	-6.33%
\$20,000-\$24,999	2,055	7.39%	2,143	7.55%	2,180	7.62%	44	2.13%
\$25,000-\$29,999	1,841	6.62%	1,700	5.99%	1,640	5.73%	-70	-3.82%
\$30,000-\$34,999	1,769	6.36%	1,775	6.26%	1,778	6.21%	3	0.18%
\$35,000-\$39,999	1,882	6.77%	1,643	5.79%	1,541	5.38%	-119	-6.34%
\$40,000-\$44,999	1,605	5.77%	1,721	6.06%	1,770	6.18%	58	3.60%
\$45,000-\$49,999	1,175	4.23%	1,386	4.89%	1,477	5.16%	106	9.00%
\$50,000-\$59,999	2,388	8.59%	2,164	7.63%	2,068	7.23%	-112	-4.69%
\$60,000-\$74,999	2,447	8.80%	2,824	9.95%	2,986	10.43%	189	7.71%
\$75,000-\$99,999	2,259	8.13%	2,618	9.23%	2,772	9.69%	180	7.95%
\$100,000-\$124,999	1,007	3.62%	1,302	4.59%	1,429	4.99%	148	14.67%
\$125,000-\$149,999	337	1.21%	560	1.97%	656	2.29%	112	33.13%
\$150,000-\$199,999	279	1.00%	358	1.26%	392	1.37%	40	14.18%
\$200,000-\$249,999	121	0.44%	174	0.61%	197	0.69%	27	21.98%
\$250,000-\$499,999	124	0.45%	153	0.54%	165	0.58%	14	11.57%
\$500,000+	25	0.09%	49	0.17%	59	0.21%	12	47.60%
<b>Total</b>	<b>27,803</b>	<b>100%</b>	<b>28,374</b>	<b>100%</b>	<b>28,619</b>	<b>100%</b>		

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - May 2008

#### HOUSEHOLD INCOME SMA

Income Cohort	2007		SMA Prj Mkt Entry June 2010		2012		Annual Change 2007 to 2008	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$10,000	9,221	13.74%	8576	12.28%	8,299	11.69%	-323	-3.50%
\$10,000-\$14,999	4,025	6.00%	4103	5.88%	4,136	5.83%	39	0.97%
\$15,000-\$19,999	5,000	7.45%	4351	6.23%	4,073	5.74%	-324	-6.49%
\$20,000-\$24,999	4,806	7.16%	4979	7.13%	5,053	7.12%	86	1.80%
\$25,000-\$29,999	4,245	6.33%	4107	5.88%	4,048	5.70%	-69	-1.62%
\$30,000-\$34,999	4,483	6.68%	4299	6.16%	4,220	5.94%	-92	-2.05%
\$35,000-\$39,999	4,547	6.78%	4187	6.00%	4,033	5.68%	-180	-3.96%
\$40,000-\$44,999	3,741	5.58%	4292	6.15%	4,528	6.38%	275	7.36%
\$45,000-\$49,999	2,982	4.44%	3340	4.78%	3,493	4.92%	179	6.00%
\$50,000-\$59,999	5,969	8.90%	5572	7.98%	5,402	7.61%	-198	-3.32%
\$60,000-\$74,999	6,502	9.69%	7283	10.43%	7,618	10.73%	391	6.01%
\$75,000-\$99,999	5,991	8.93%	7161	10.26%	7,663	10.79%	585	9.77%
\$100,000-\$124,999	2,878	4.29%	3629	5.20%	3,951	5.57%	376	13.05%
\$125,000-\$149,999	1,105	1.65%	1741	2.49%	2,013	2.84%	318	28.76%
\$150,000-\$199,999	778	1.16%	1080	1.55%	1,209	1.70%	151	19.39%
\$200,000-\$249,999	362	0.54%	500	0.72%	559	0.79%	69	19.05%
\$250,000-\$499,999	378	0.56%	476	0.68%	518	0.73%	49	12.96%
\$500,000+	89	0.13%	153	0.22%	180	0.25%	32	35.79%
<b>Total</b>	<b>67,102</b>	<b>100%</b>	<b>69,828</b>	<b>100%</b>	<b>70,996</b>	<b>100%</b>		

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - May 2008

HOUSEHOLD INCOME USA

Income Cohort	2007		USA Prj Mkt Entry June 2010		2012		Annual Change 2007 to 2008	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<\$10,000	8,854,631	7.68%	8,308,306	6.89%	8,074,166	6.57%	-273,163	-3.08%
\$10,000-\$14,999	4,947,743	4.29%	4,514,620	3.74%	4,328,996	3.52%	-216,561	-4.38%
\$15,000-\$19,999	5,731,862	4.97%	5,037,901	4.18%	4,740,489	3.86%	-346,981	-6.05%
\$20,000-\$24,999	5,730,430	4.97%	5,442,494	4.51%	5,319,093	4.33%	-143,968	-2.51%
\$25,000-\$29,999	5,990,289	5.19%	5,410,091	4.49%	5,161,435	4.20%	-290,099	-4.84%
\$30,000-\$34,999	5,869,193	5.09%	5,599,798	4.64%	5,484,343	4.46%	-134,698	-2.29%
\$35,000-\$39,999	5,862,297	5.08%	5,515,077	4.57%	5,366,268	4.37%	-173,610	-2.96%
\$40,000-\$44,999	5,736,161	4.97%	5,463,898	4.53%	5,347,214	4.35%	-136,131	-2.37%
\$45,000-\$49,999	5,404,406	4.69%	5,218,045	4.33%	5,138,176	4.18%	-93,181	-1.72%
\$50,000-\$59,999	9,960,136	8.64%	9,872,046	8.19%	9,834,293	8.01%	-44,045	-0.44%
\$60,000-\$74,999	12,562,018	10.89%	12,911,410	10.71%	13,061,150	10.63%	174,696	1.39%
\$75,000-\$99,999	14,755,519	12.79%	15,690,055	13.01%	16,090,570	13.10%	467,268	3.17%
\$100,000-\$124,999	9,227,780	8.00%	11,081,718	9.19%	11,876,263	9.67%	926,969	10.05%
\$125,000-\$149,999	5,015,168	4.35%	6,922,953	5.74%	7,740,575	6.30%	953,892	19.02%
\$150,000-\$199,999	4,847,065	4.20%	6,293,723	5.22%	6,913,719	5.63%	723,329	14.92%
\$200,000-\$249,999	1,896,870	1.64%	3,159,513	2.62%	3,700,646	3.01%	631,322	33.28%
\$250,000-\$499,999	2,282,843	1.98%	2,940,809	2.44%	3,222,795	2.62%	328,983	14.41%
\$500,000+	661,431	0.57%	1,198,925	0.99%	1,429,279	1.16%	268,747	40.63%
<b>Total</b>	<b>115,335,842</b>	<b>100%</b>	<b>120,581,382</b>	<b>100%</b>	<b>122,830,665</b>	<b>100%</b>		

Source: ESRI Business Demographics 2007; Novogradac & Company LLP - May 2008

The Subject will target households earning up to \$30,060. There are approximately 44 percent of households in the PMA earning less than \$30,000 compared to 40 percent in the SMA and 27 percent in the nation. The PMA has the largest concentration of households earning less than \$15,000.

**Renter Households by Number of Persons in the Household**

The following table illustrates household size for households in June 2010.

**Renter Households by Number of Persons - PMA**

Number of Persons per Renter Household	Projected Mkt Entry: June 2010	
	Number	Percentage
With 1 Person	2,662	35.8%
With 2 Persons	1,772	23.8%
With 3 Persons	1,248	16.8%
With 4 Persons	982	13.2%
With 5 Persons	454	6.1%
With 6 Persons	200	2.7%
With 7+ Persons	117	1.6%
<b>Total Renter Households</b>	<b>7,434</b>	<b>100.0%</b>

To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households. As previously stated, approximately 26 percent of all households in the PMA are renter households. The majority of households at the point of market entry will be one- and two- person households; however, there will also be a large number of three- and four-person households.

**Employment Trends**

Waycross is the county seat of Ware County. The population was 15,333 at the 2000 census. Waycross was originally the hub of stagecoach and pioneer trails in the 1820s. Over time, Waycross developed as a sawmill, turpentine, and farming community. The city’s name signifies its location at the junction of roads and rail lines. The local economy is dependent on the tobacco and light industries as well as manufacturing centers for wood and paper products.

We contacted Ms. Regina Morgan with the Okefenokee Development Authority (912-283-2112) regarding new job expansion and contraction within the Waycross area. Ms Morgan stated that several companies are expanding in the Waycross area. Additionally, Ms. Morgan noted the Enhanced Recovery Corp. (ERC), a national debt collections service provider, will invest \$5.5 million renovating an existing facility for its use in Waycross. The company will open a call center that will provide collection services for customers in the credit card, telecom, and retail industries. ERC is expected to add at least 300 new employment opportunities to the Waycross area. Other businesses that are expanding include GTAX and a fuel pellet company. Combined, these expansions are expected to add over 85 new jobs to the area. In terms of recent business contraction, Ms. Morgan stated that she was unaware of any businesses closing or leaving the area.

**Employment by Industry**

The following table illustrates the distribution of employment sectors by industry within the PMA in 2007.

**2007 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	1,411	4.97%	1,774,070	1.25%
Mining	5	0.02%	671,442	0.47%
Construction	2,052	7.22%	11,262,097	7.95%
Manufacturing	3,755	13.22%	15,206,943	10.74%
Wholesale Trade	741	2.61%	4,873,192	3.44%
Retail Trade	4,091	14.40%	16,371,759	11.56%
Transportation/Warehousing	1,822	6.42%	5,861,365	4.14%
Utilities	261	0.92%	1,098,693	0.78%
Information	252	0.89%	3,320,532	2.35%
Finance/Insurance	745	2.62%	7,343,565	5.19%
Real Estate/Rental/Leasing	424	1.49%	3,155,166	2.23%
Prof/Scientific/Tech Services	637	2.24%	8,601,934	6.08%
Mgmt of Companies/Enterprises	0	0.00%	169,626	0.12%
Admin/Support/Waste Mgmt Svcs	702	2.47%	5,230,795	3.69%
Educational Services	2,562	9.02%	13,292,886	9.39%
Health Care/Social Assistance	3,503	12.33%	17,777,386	12.56%
Arts/Entertainment/Recreation	208	0.73%	2,630,954	1.86%
Accommodation/Food Services	1,562	5.50%	9,107,844	6.43%
Other Services (excl Publ Adm)	1,618	5.70%	6,980,409	4.93%
Public Administration	2,051	7.22%	6,859,574	4.84%
<b>Total Employment</b>	<b>28,402</b>	<b>100.00%</b>	<b>141,590,232</b>	<b>100.00%</b>

Source: ESRI Business Demographics, 2007; Novogradac & Company LLP, May 2008

The previous table reflects the workforce for the PMA. As illustrated, the largest industries in the PMA are retail trade, manufacturing, and healthcare/social assistance, accounting for

approximately 40 percent of employment in the PMA. The PMA also has a substantially greater percentage of persons employed in the agriculture/forestry/fishing/hunting and public administration industries when compared to the national average. The large number of individuals employed in these industries is not surprising given the area’s major employers. Seven of the ten largest employers represent the healthcare, manufacturing, and retail industries. Combined, these seven employers employ over 3,000 people. Conversely, the PMA has a smaller percentage of individuals employed in the finance and insurance, real estate/rental/leasing, and professional/scientific/technical industries than the nation.

**Major Employers**

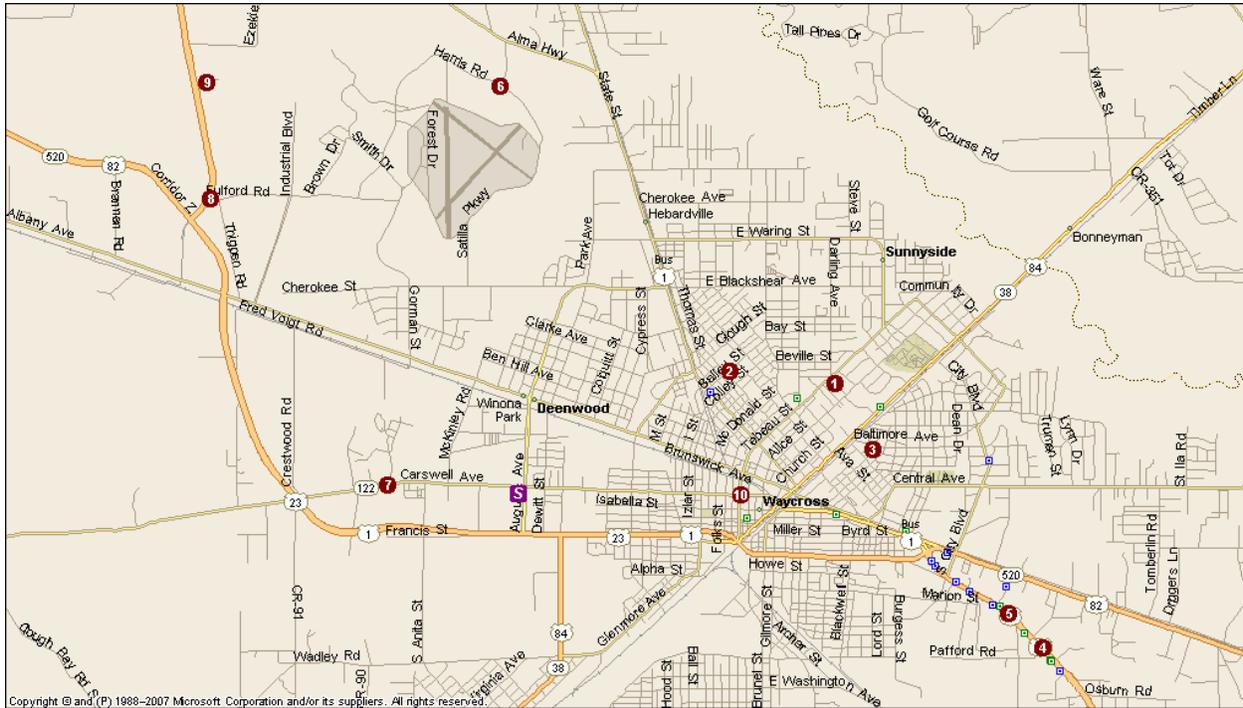
The diversification of the Waycross economic base is indicated by the following list of Ware County’s ten largest employers.

**Major Employers in Ware County Georgia**

#	Employer	Industry	Number of Employees
1	Satilla Regional Medical Center	Healthcare	1,200
2	Ware County School System	Education	1,100
3	CSX	Transportation	950
4	Wal-Mart	Retail	488
5	The Mall at Waycross	Retail	450
6	Ware State Prison	Government	388
7	Baptist Village	Healthcare	360
8	Carolina Skiff	Manufacturing	250
9	Simmons	Manufacturing	232
10	Scotbuilt	Manufacturing	190
<b>TOTAL</b>			<b>5,608</b>
<b>County Total Employment</b>			<b>14,512</b>
<b>Major employers as percent of County Employment</b>			<b>38.64%</b>

The top ten employers comprise approximately 38 percent of employment in the county, which indicates that the area’s economy relies on the success of these ten employers. However, in times of economic recession, the medical, government, and education sectors are likely to remain the most stable, which account for approximately 54 percent of persons employed by major employers. Further, almost all of the major employers have maintained the same number of employees or have grown in size since 2005. Overall, the county’s economy appears to be stable.

The following map details the largest employers in Ware County.



**Total Employment**

The following tables detail employment and unemployment in Ware County over the past 17 years and three months.

**EMPLOYMENT & UNEMPLOYMENT TRENDS**

Year	Ware County		Ware County		USA
	Total Employment	% Change	Unemployment Rate	% Change	Unemployment Rate
1990	13,972	-	5.8%	-	5.7%
1991	13,886	-0.6%	5.6%	-0.2%	6.9%
1992	13,825	-0.4%	7.4%	1.8%	7.6%
1993	14,095	1.9%	6.8%	-0.6%	7.0%
1994	14,618	3.6%	5.5%	-1.3%	6.2%
1995	14,596	-0.2%	5.7%	0.2%	5.7%
1996	14,705	0.7%	5.4%	-0.3%	5.5%
1997	14,978	1.8%	5.1%	-0.3%	5.0%
1998	15,240	1.7%	4.6%	-0.5%	4.6%
1999	14,680	-3.8%	5.0%	0.4%	4.3%
2000	14,520	-1.1%	5.0%	0.0%	4.0%
2001	14,096	-3.0%	5.3%	0.3%	4.8%
2002	14,030	-0.5%	5.2%	-0.1%	5.8%
2003	14,404	2.6%	5.1%	-0.1%	6.0%
2004	13,899	-3.6%	5.2%	0.1%	5.6%
2005	14,073	1.2%	5.5%	0.3%	5.2%
2006	14,408	2.3%	4.9%	-0.6%	4.7%
2007	14,673	1.8%	4.7%	-0.2%	4.9%
2008 YTD	14,512	-1.1%	5.4%	0.7%	5.1%

Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University.

\* 2008 data is through March

Total employment has fluctuated over the past 17 years. Overall, total employment in Ware County has increased by approximately 3.7 percent since 1990. From 2001 to 2003, while the national economy was declining due to the recession, the county also saw decreases in total employment. The unemployment rate in the county has generally been consistent with national levels historically. In 2007 unemployment had decreased by 0.2 percent over the previous year. Additionally, during this time frame, approximately 265 new jobs were added to the local economy. As of year-to-date 2008, total employment has decreased by 1.1 percent and unemployment rates have increased by 0.7 percent. The 2008 data is preliminary and, as indicated by historical data and information regarding new business expansions in the area, we anticipate that once seasonally adjusted, employment will illustrate a larger increase in employment when compared to 2007 data.

### **Conclusion**

Both the population and number of households in the PMA and MSA have experienced growth from 2000 to 2007, and this trend is expected to continue into 2012. The majority of the Subject's units will target households earning between \$17,863 and \$30,060 annually. Approximately 20 percent of households in the PMA earn incomes within these income cohorts compared to 19 percent in the SMA and 13 percent nationally. This also bodes well for the Subject.

As the regional economic center for Ware County, the Waycross area economy includes a mix of industries including manufacturing, retail and healthcare. Total employment increased in four out of the past eight years, with growth in 2006 and 2007 but a small decline in 2008 to date. As of the beginning of the year, three companies have reported that they will be moving to or expanding in the Waycross area. These three companies are expected to add over 385 new jobs to the area. Overall, the local economy appears to be in a transitional period but it appears to be rebounding.

# **PROJECT-SPECIFIC DEMAND ANALYSIS**

## **DEMAND ANALYSIS**

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA. It should be noted that per DCA guidelines, units with rents set more than 30 percent below the average market rent for the same bedroom type in any income segment, have been excluded from the above analysis particularly if they comprise a small percentage of the total unit mix, as these units are assumed to be leaseable in the market. Including these units would widen the income band and therefore artificially lower the overall capture rates. To limit this effect, we have excluded the Subject's 30 percent units from the demand analysis as the rents for these units are more than 30 percent below the average market rents and comprise only six percent of the total units offered by the proposed Subject. Therefore, the following analysis reflects only the 45 units at the 50 and 60 percent AMI levels.

## **INCOME RESTRICTIONS**

LIHTC rents are based upon a percentage of the Area Median Gross Income ("AMI"), adjusted for household size and utilities. The Georgia Department of Community Affairs ("DCA") will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a senior household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

## **AFFORDABILITY**

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis. The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

## **DEMAND**

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

### **1. DEMAND FROM NEW HOUSEHOLDS**

The number of new households entering the market is the first level of demand calculated. We have utilized 2010, the anticipated date of market entry, as the base year for the analysis.

Therefore, 2007 household population estimates are inflated to 2010 by interpolation of the difference between 2007 estimates and 2012 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2010. This number takes the overall growth from 2000 to 2010 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

## **2. DEMAND FROM EXISTING HOUSEHOLDS**

Demand for existing households is estimated by summing three sources of potential tenants. The first source (**2a.**) is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This data is interpolated using CHAS data based on appropriate income levels.

The second source (**2b.**) is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source (**2c.**) is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA.

In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

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.

## **ADDITIONS TO SUPPLY**

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply allocated since 2000 to present and those that will be constructed in 2008 that are considered directly competitive. Only one comparable property has received allocations in this period, Estes Park. This property is located on the border of the PMA (approximately 44.4 miles northwest) in Douglas, Coffee County. Despite its distance, we have identified this property as a comparable development. Therefore, to provide a conservative estimate of demand, we have removed comparable units at this property from the demand analysis. The following table illustrates the unit mix and AMI restrictions at Estes Park.

Estes Park - Allocated 2002

Unit Mix	# of Units	Rent	Restriction
1BR/1BA	3	\$115	@30%
1BR/1BA	12	\$291	@50%
1BR/1BA	5	\$675	@60%
2BR/2BA	2	\$136	@30%
2BR/2BA	21	\$345	@50%
2BR/2BA	13	\$395	@60%
3BR/2BA	11	\$385	@50%
3BR/2BA	5	\$415	@60%
<b>Total</b>	<b>72</b>		

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables.

Household Income Distribution 2000 to Projected Market Entry June 2010							
Ocean Breeze							
PMA							
	2000		2007		Prj Mrkt Entry June 2010		Percent Growth
	#	%	#	%	#	%	
< \$10,000	4,711	17.63%	4,324	15.55%	3,957	13.94%	-9.3%
\$10,000-\$14,999	2,631	9.84%	1,919	6.90%	1,885	6.64%	-1.8%
\$15,000-\$19,999	2,305	8.62%	2,246	8.08%	1,962	6.91%	-14.5%
\$20,000-\$24,999	2,441	9.13%	2,055	7.39%	2,143	7.55%	4.1%
\$25,000-\$29,999	1,936	7.24%	1,841	6.62%	1,700	5.99%	-8.3%
\$30,000-\$34,999	2,015	7.54%	1,769	6.36%	1,775	6.26%	0.4%
\$35,000-\$39,999	1,693	6.33%	1,882	6.77%	1,643	5.79%	-14.5%
\$40,000-\$44,999	1,455	5.44%	1,605	5.77%	1,721	6.06%	6.7%
\$45,000-\$49,999	1,210	4.53%	1,175	4.23%	1,386	4.89%	15.2%
\$50,000-\$59,999	2,060	7.71%	2,388	8.59%	2,164	7.63%	-10.4%
\$60,000-\$74,999	1,993	7.46%	2,447	8.80%	2,824	9.95%	13.4%
\$75,000-\$99,999	1,339	5.01%	2,259	8.13%	2,618	9.23%	13.7%
\$100,000+	938	3.51%	1,893	6.81%	2,597	9.15%	27.1%
Total	26,727	100.00%	27,803	100.00%	28,374	100.00%	2.0%

Household Income Distribution Projected Market Entry June 2010			
Ocean Breeze			
PMA			
	Prj Mrkt Entry June 2010		Change 2000 to Prj Mrkt Entry June 2010
	#	%	#
< \$10,000	3,957	13.94%	230
\$10,000-\$14,999	1,885	6.64%	109
\$15,000-\$19,999	1,962	6.91%	114
\$20,000-\$24,999	2,143	7.55%	124
\$25,000-\$29,999	1,700	5.99%	99
\$30,000-\$34,999	1,775	6.26%	103
\$35,000-\$39,999	1,643	5.79%	95
\$40,000-\$44,999	1,721	6.06%	100
\$45,000-\$49,999	1,386	4.89%	80
\$50,000-\$59,999	2,164	7.63%	126
\$60,000-\$74,999	2,824	9.95%	164
\$75,000-\$99,999	2,618	9.23%	152
\$100,000+	2,597	9.15%	151
Total	28,374	100.00%	1,647

Tenure Prj Mrkt Entry June 2010	
Renter	26.20%
Owner	73.80%
Total	100.00%

Household Size for Prj Mrkt Entry June 2010		
Size	Number	Percentage
1	7,229	25.48%
2	9,115	32.12%
3	5,163	18.20%
4	4,140	14.59%
5	1,738	6.12%
6	628	2.21%
7+	318	1.12%
Total	28,374	100.00%

Household Size for 2000		
Size	Number	Percentage
1	6,809	25.48%
2	8,586	32.12%
3	4,863	18.20%
4	3,900	14.59%
5	1,637	6.12%
6	592	2.21%
7+	300	1.12%
Total	26,727	100.00%

50% AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		50%			
Minimum Income Limit		\$17,863			
Maximum Income Limit		\$25,050 5 Persons			
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
< \$10,000	230	13.94%		0%	0
\$10,000-\$14,999	109	6.64%		0%	0
\$15,000-\$19,999	114	6.91%	2,136	43%	49
\$20,000-\$24,999	124	7.55%	4,999	100%	124
\$25,000-\$29,999	99	5.99%	50	1%	1
\$30,000-\$34,999	103	6.26%		0%	0
\$35,000-\$39,999	95	5.79%		0%	0
\$40,000-\$44,999	100	6.06%		0%	0
\$45,000-\$49,999	80	4.89%		0%	0
\$50,000-\$59,999	126	7.63%		0%	0
\$60,000-\$74,999	164	9.95%		0%	0
\$75,000-\$99,999	152	9.23%		0%	0
\$100,000+	151	9.15%		0%	0
	1,647	100.00%			174
Percent of households within limits versus total number of households					10.57%

Calculation of New Household Demand by Income Cohort by % of AMI

Percent of AMI Level		50%			
Minimum Income Limit		\$17,863			
Maximum Income Limit		\$25,050 5 Persons			
Income Category	Total Households PMA Prj Mrkt Entry June 2010		Income Brackets	Percent within Cohort	Households within Bracket
	Count	Percentage			
< \$10,000	3,957	13.94%	0	0%	0
\$10,000-\$14,999	1,885	6.64%	0	0%	0
\$15,000-\$19,999	1,962	6.91%	2,136	43%	838
\$20,000-\$24,999	2,143	7.55%	4,999	100%	2,143
\$25,000-\$29,999	1,700	5.99%	50	1%	17
\$30,000-\$34,999	1,775	6.26%	0	0%	0
\$35,000-\$39,999	1,643	5.79%	0	0%	0
\$40,000-\$44,999	1,721	6.06%	0	0%	0
\$45,000-\$49,999	1,386	4.89%	0	0%	0
\$50,000-\$59,999	2,164	7.63%	0	0%	0
\$60,000-\$74,999	2,824	9.95%	0	0%	0
\$75,000-\$99,999	2,618	9.23%	0	0%	0
\$100,000+	2,597	9.15%	0	0%	0
	28,374	100.00%			2,998
Percent of households within limits versus total number of households					10.57%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry June 2010 Median Income

Change from 2000 to Prj Mrkt Entry June 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$28,108		
\$37,417		
\$9,309		
33.1%		
5.5%	Two year adjustment	1.0000
\$25,050		
\$25,050		
5 Persons		
50%		
\$521		
\$521.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	Excluded	Total
1	0%	90%	10%	X	X	0%	100%
2	0%	20%	80%	X	X	0%	100%
3	X	0%	60%	40%	X	0%	100%
4	X	X	0%	80%	20%	0%	100%
5	X	X	X	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry June 2010

Income Target Population	50%
New Households PMA	1,647
Percent Income Qualified	10.6%
Income Qualified Households	174
Percent Renter	26.2%
New Renter Income Qualified Households	46

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	28,374
Income Qualified	10.6%
Percent Renter	26.2%
Income Qualified Renter Households	785
Percent Rent Overburdened Prj Mrkt Entry June 2010	15%
Rent Overburdened Households	118

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	785
Percent Living in Substandard Housing	1.8%
Households Living in Substandard Housing	14

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households		132
Adjustment Factor - Leakage from SMA	115%	20
Adjusted Demand from Existing Households		152
Total New Demand		46
Total Demand (New Plus Existing Households)		197

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	25.48%	50
Two Persons	32.12%	63
Three Persons	18.20%	36
Four Persons	14.59%	29
Five Persons	6.12%	12
Six Persons	2.21%	4
Seven Plus Persons	1.12%	2
Total	100.00%	197

<u>To place Person Demand into Bedroom Type Units</u>		
Of one person households in one-bedroom units	90%	45
Of two person households in one-bedroom units	20%	13
Of one person households in two-bedroom units	10%	5
Of two person households in two-bedroom units	80%	51
Of three person households in two-bedroom units	60%	22
Of three person households in three-bedroom units	40%	14
Of four person households in three-bedroom units	80%	23
Of five person households in three-bedroom units	70%	8
Of four person households in four-bedroom units	20%	6
Of five person households in four-bedroom units	30%	4
Of six person households in four-bedroom units	100%	4
Of seven plus person households in four-bedroom units	100%	2
<b>Total Demand</b>		<b>197</b>
Check		OK
<u>Total Demand by Bedroom</u>		<u>50%</u>
One Bedroom		58
Two Bedroom		77
Three Bedroom		46
Four Bedroom		16
<b>Total Demand</b>		<b>197</b>
<u>Additions To Supply 2000 to Prj Mrkt Entry June 2010</u>		<u>50%</u>
One Bedroom		12
Two Bedroom		21
Three Bedroom		11
Four Bedroom		0
<b>Total</b>		<b>44</b>
<u>Net Demand</u>		<u>50%</u>
One Bedroom		0
Two Bedroom		56
Three Bedroom		35
Four Bedroom		0
<b>Total</b>		<b>91</b>
<u>Developer's Unit Mix</u>		<u>50%</u>
One Bedroom		0
Two Bedroom		5
Three Bedroom		11
Four Bedroom		0
<b>Total</b>		<b>16</b>
<u>Capture Rate Analysis</u>		<u>50.0%</u>
One Bedroom		--
Two Bedroom		8.9%
Three Bedroom		31.6%
Four Bedroom		--
<b>Total</b>		<b>17.6%</b>

60% AMI

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$18,754		
Maximum Income Limit			\$30,060 5 Persons		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2010		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	230	13.94%		0%	0
\$10,000-\$14,999	109	6.64%		0%	0
\$15,000-\$19,999	114	6.91%	1,245	25%	28
\$20,000-\$24,999	124	7.55%	4,999	100%	124
\$25,000-\$29,999	99	5.99%	4,999	100%	99
\$30,000-\$34,999	103	6.26%	60	1%	1
\$35,000-\$39,999	95	5.79%		0%	0
\$40,000-\$44,999	100	6.06%		0%	0
\$45,000-\$49,999	80	4.89%		0%	0
\$50,000-\$59,999	126	7.63%		0%	0
\$60,000-\$74,999	164	9.95%		0%	0
\$75,000-\$99,999	152	9.23%		0%	0
\$100,000+	151	9.15%		0%	0
	1,647	100.00%			253
Percent of households within limits versus total number of households					15.34%

Calculation of New Household Demand by Income Cohort by % of AMI

Percent of AMI Level			60%		
Minimum Income Limit			\$18,754		
Maximum Income Limit			\$30,060 5 Persons		
Income Category	Total Households PMA Prj Mrkt Entry June 2010		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	3,957	13.94%	0	0%	0
\$10,000-\$14,999	1,885	6.64%	0	0%	0
\$15,000-\$19,999	1,962	6.91%	1,245	25%	488
\$20,000-\$24,999	2,143	7.55%	4,999	100%	2,143
\$25,000-\$29,999	1,700	5.99%	4,999	100%	1,700
\$30,000-\$34,999	1,775	6.26%	60	1%	21
\$35,000-\$39,999	1,643	5.79%	0	0%	0
\$40,000-\$44,999	1,721	6.06%	0	0%	0
\$45,000-\$49,999	1,386	4.89%	0	0%	0
\$50,000-\$59,999	2,164	7.63%	0	0%	0
\$60,000-\$74,999	2,824	9.95%	0	0%	0
\$75,000-\$99,999	2,618	9.23%	0	0%	0
\$100,000+	2,597	9.15%	0	0%	0
	28,374	100.00%			4,353
Percent of households within limits versus total number of households					15.34%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry June 2010 Median Income

Change from 2000 to Prj Mrkt Entry June 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$28,108		
\$37,417		
\$9,309		
33.1%		
5.5%		
5.5%	Two year adjustment	1.0000
\$30,060		
\$30,060		
5 Persons		
60%		
\$547		
\$547.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	Excluded	Total
1	0%	90%	10%	X	X	0%	100%
2	0%	20%	80%	X	X	0%	100%
3	X	0%	60%	40%	X	0%	100%
4	X	X	0%	80%	20%	0%	100%
5	X	X	X	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry June 2010

Income Target Population		60%
New Households PMA		1,647
Percent Income Qualified		15.3%
Income Qualified Households		253
Percent Renter		26.2%
New Renter Income Qualified Households		66

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		28,374
Income Qualified		15.3%
Percent Renter		26.2%
Income Qualified Renter Households		1140
Percent Rent Overburdened Prj Mrkt Entry June 2010		15%
Rent Overburdened Households		171

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		1140
Percent Living in Substandard Housing		1.8%
Households Living in Substandard Housing		21

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		192
Adjustment Factor - Leakage from SMA	115%	29
Adjusted Demand from Existing Households		220
Total New Demand		66
Total Demand (New Plus Existing Households)		287

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	25.48%	73
Two Persons	32.12%	92
Three Persons	18.20%	52
Four Persons	14.59%	42
Five Persons	6.12%	18
Six Persons	2.21%	6
Seven Plus Persons	1.12%	3
Total	100.00%	287

<b>To place Person Demand into Bedroom Type Units</b>		
Of one person households in one-bedroom units	90%	66
Of two person households in one-bedroom units	20%	18
Of one person households in two-bedroom units	10%	7
Of two person households in two-bedroom units	80%	74
Of three person households in two-bedroom units	60%	31
Of three person households in three-bedroom units	40%	21
Of four person households in three-bedroom units	80%	34
Of five person households in three-bedroom units	70%	12
Of four person households in four-bedroom units	20%	8
Of five person households in four-bedroom units	30%	5
Of six person households in four-bedroom units	100%	6
Of seven plus person households in four-bedroom units	100%	3
<b>Total Demand</b>		<b>287</b>
Check		OK
<b>Total Demand by Bedroom</b>		
One Bedroom		84
Two Bedroom		112
Three Bedroom		67
Four Bedroom		23
<b>Total Demand</b>		<b>287</b>
<b>Additions To Supply 2000 to Prj Mrkt Entry June 2010</b>		
One Bedroom		5
Two Bedroom		13
Three Bedroom		5
Four Bedroom		0
<b>Total</b>		<b>23</b>
<b>Net Demand</b>		
One Bedroom		0
Two Bedroom		99
Three Bedroom		62
Four Bedroom		0
<b>Total</b>		<b>161</b>
<b>Developer's Unit Mix</b>		
One Bedroom		0
Two Bedroom		12
Three Bedroom		17
Four Bedroom		0
<b>Total</b>		<b>29</b>
<b>Capture Rate Analysis</b>		
One Bedroom		--
Two Bedroom		12.1%
Three Bedroom		27.6%
Four Bedroom		--
<b>Total</b>		<b>18.0%</b>

Overall

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$17,863		
Maximum Income Limit			\$30,060 5 Persons		
Income Category	New Households - Total Change in Households PMA 2000 to Prj Mrkt Entry June 2010		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	230	13.94%		0%	0
\$10,000-\$14,999	109	6.64%		0%	0
\$15,000-\$19,999	114	6.91%	2,136	43%	49
\$20,000-\$24,999	124	7.55%	4,999	100%	124
\$25,000-\$29,999	99	5.99%	4,999	100%	99
\$30,000-\$34,999	103	6.26%	60	1%	1
\$35,000-\$39,999	95	5.79%		0%	0
\$40,000-\$44,999	100	6.06%		0%	0
\$45,000-\$49,999	80	4.89%		0%	0
\$50,000-\$59,999	126	7.63%		0%	0
\$60,000-\$74,999	164	9.95%		0%	0
\$75,000-\$99,999	152	9.23%		0%	0
\$100,000+	151	9.15%		0%	0
	1,647	100.00%			273
Percent of households within limits versus total number of households					16.57%

Calculation of New Household Demand by Income Cohort by % of AMI

Percent of AMI Level			Overall		
Minimum Income Limit			\$17,863		
Maximum Income Limit			\$30,060 5 Persons		
Income Category	Total Households PMA Prj Mrkt Entry June 2010		Income Brackets	Percent within Cohort	Households within Bracket
< \$10,000	3,957	13.94%	0	0%	0
\$10,000-\$14,999	1,885	6.64%	0	0%	0
\$15,000-\$19,999	1,962	6.91%	2,136	43%	838
\$20,000-\$24,999	2,143	7.55%	4,999	100%	2,143
\$25,000-\$29,999	1,700	5.99%	4,999	100%	1,700
\$30,000-\$34,999	1,775	6.26%	60	1%	21
\$35,000-\$39,999	1,643	5.79%	0	0%	0
\$40,000-\$44,999	1,721	6.06%	0	0%	0
\$45,000-\$49,999	1,386	4.89%	0	0%	0
\$50,000-\$59,999	2,164	7.63%	0	0%	0
\$60,000-\$74,999	2,824	9.95%	0	0%	0
\$75,000-\$99,999	2,618	9.23%	0	0%	0
\$100,000+	2,597	9.15%	0	0%	0
	28,374	100.00%			4,702
Percent of households within limits versus total number of households					16.57%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

Prj Mrkt Entry June 2010 Median Income

Change from 2000 to Prj Mrkt Entry June 2010

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No			
Family			
Rural			
35%			
\$28,108			
\$37,417			
\$9,309			
33.1%			
5.5%			
5.5%	Two year adjustment		1.0000
\$30,060			
\$30,060			
5 Persons			
Overall			
\$521			
\$521.00			

Persons in Household	0BR	1BR	2BR	3BR	4BR	Excluded	Total
1	0%	90%	10%	X	X	0%	100%
2	0%	20%	80%	X	X	0%	100%
3	X	0%	60%	40%	X	0%	100%
4	X	X	0%	80%	20%	0%	100%
5	X	X	X	70%	30%	0%	100%
6	X	X	X	0%	100%	0%	100%
7+	X	X	X	X	100%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Households 2000 to Prj Mrkt Entry June 2010

Income Target Population	Overall
New Households PMA	1,647
Percent Income Qualified	16.6%
Income Qualified Households	273
Percent Renter	26.2%
New Renter Income Qualified Households	72

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2000

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	28,374
Income Qualified	16.6%
Percent Renter	26.2%
Income Qualified Renter Households	1232
Percent Rent Overburdened Prj Mrkt Entry June 2010	15%
Rent Overburdened Households	185

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	1232
Percent Living in Substandard Housing	1.8%
Households Living in Substandard Housing	22

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	207
Adjustment Factor - Leakage from SMA	115%
Adjusted Demand from Existing Households	238
Total New Demand	72
Total Demand (New Plus Existing Households)	310

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	25.48%	79
Two Persons	32.12%	100
Three Persons	18.20%	56
Four Persons	14.59%	45
Five Persons	6.12%	19
Six Persons	2.21%	7
Seven Plus Persons	1.12%	3
Total	100.00%	310

<u>To place Person Demand into Bedroom Type Units</u>		
Of one person households in one-bedroom units	90%	71
Of two person households in one-bedroom units	20%	20
Of one person households in two-bedroom units	10%	8
Of two person households in two-bedroom units	80%	80
Of three person households in two-bedroom units	60%	34
Of three person households in three-bedroom units	40%	23
Of four person households in three-bedroom units	80%	36
Of five person households in three-bedroom units	70%	13
Of four person households in four-bedroom units	20%	9
Of five person households in four-bedroom units	30%	6
Of six person households in four-bedroom units	100%	7
Of seven plus person households in four-bedroom units	100%	3
<b>Total Demand</b>		<b>310</b>
Check		OK
<u>Total Demand by Bedroom</u>		<u>Overall</u>
One Bedroom		91
Two Bedroom		121
Three Bedroom		72
Four Bedroom		25
<b>Total Demand</b>		<b>310</b>
<u>Additions To Supply 2000 to Prj Mrkt Entry June 2010</u>		<u>Overall</u>
One Bedroom		20
Two Bedroom		36
Three Bedroom		16
Four Bedroom		0
<b>Total</b>		<b>72</b>
<u>Net Demand</u>		<u>Overall</u>
One Bedroom		0
Two Bedroom		85
Three Bedroom		56
Four Bedroom		0
<b>Total</b>		<b>141</b>
<u>Developer's Unit Mix</u>		<u>Overall</u>
One Bedroom		0
Two Bedroom		17
Three Bedroom		28
Four Bedroom		0
<b>Total</b>		<b>45</b>
<u>Capture Rate Analysis</u>		<u>Overall</u>
One Bedroom		--
Two Bedroom		19.9%
Three Bedroom		50.0%
Four Bedroom		--
<b>Total</b>		<b>31.8%</b>

**Conclusions**

We have conducted an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase by 0.59 percent between 2007 and 2010.
- This demand analysis does not fully measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

**DCA Capture Rates**

Unit Size	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
2 Bedroom at 30%	N/Ap	N/Ap	N/Ap	3	N/Ap
2 Bedroom at 50%	58	21	56	5	8.9%
2 Bedroom at 60%	112	13	99	12	12.1%
3 Bedroom at 50%	46	11	35	11	31.6%
3 Bedroom at 60%	67	5	62	17	27.6%
<b>2 Bedroom Overall *</b>	<b>121</b>	<b>36</b>	<b>85</b>	<b>17</b>	<b>19.9%</b>
<b>3 Bedroom Overall*</b>	<b>72</b>	<b>16</b>	<b>56</b>	<b>28</b>	<b>50.0%</b>
<b>Overall *</b>	<b>193</b>	<b>52</b>	<b>141</b>	<b>45</b>	<b>31.8%</b>

\*Per DCA guidelines, this analysis does not include units in which the proposed rents are more than 30 percent below the market average for that unit type. The Subject’s 30 percent units fall within this range and have therefore been excluded from the demand analysis.

Per DCA guidelines, units with rents set more than 30 percent below the average market rent for the same bedroom type in any income segment have been excluded from the above analysis, particularly if they comprise a small percentage of the total unit mix. These units are assumed to be leaseable in the market. Including these units would widen the income band and therefore artificially lower the overall capture rates. To limit this effect, we have excluded the Subject’s 30 percent units from the demand analysis as the rents for these units are more than 30 percent below the average market rents and comprise only six percent of the total units offered by the proposed Subject. Therefore, the following analysis reflects only the 45 units at the 50 and 60 percent AMI levels as well as the unrestricted units.

The Subject’s capture rates at the 50 percent AMI level range from 8.9 to 31.6 percent with an overall capture rate of 17.6 percent. Capture rates at the 60 percent AMI level range from 12.1 to 27.6 percent, with an overall capture rate of 18.0 percent.

DCA thresholds are 35 percent for one- and two-bedroom units, 40 percent for three-bedroom units, and 50 percent for four-bedroom units. While the Subject’s overall two-bedroom capture rate is below the DCA threshold, the overall three-bedroom capture rate of 50 percent does not meet DCA threshold requirements. Despite being over the threshold, we still believe that there is adequate demand in the market to support the Subject for the following reasons:

1. Overall vacancy in the market is low at 5.1 percent.
2. Vacancy at LIHTC properties is also low at 4.9 percent with both properties reporting waiting lists.
3. Lack of competition: There is only one family LIHTC property in Waycross.
4. Additions to Supply: We have conservatively estimated demand by deducting units at Estes Park, a LIHTC property on the border of the PMA approximately 44.4 miles from the Subject site. This property has been stabilized for several years and is currently 2.8 percent vacant with a waiting list. Capture rates for the Subject when not removing these 72 units at Estes Park are below DCA thresholds at 14.0 percent for two-bedroom units, 38.9 percent for three-bedroom units, and 23.3 percent overall.

### **Absorption Rate**

None of the managers at the comparable properties were able to provide absorption information. Capture rates for the Subject illustrate adequate demand. Additionally, vacancy at LIHTC properties is low at 4.9 percent with both properties reporting waiting lists. Vacancy is highest at Peachwood Place (6.9 percent), the one family LIHTC property in Waycross. However, management indicated that the property is operating off a waiting list with approximately two-households waiting for two-bedroom units, 12 households waiting for three-bedroom units, and two-households waiting for four-bedroom units. Therefore, the vacancy at the property appears to be attributable to turnover rather than a lack of demand for LIHTC housing in the market. The Subject will offer the superior single-family home design which will provide the Subject with a marketing advantage. Additionally, the Subject will offer a competitive location, amenities, and unit sizes. Therefore, we have conservatively estimated that the Subject will absorb five to eight units per month. At this pace, the Subject will stabilize at 93 percent occupancy (per DCA guidelines) in six to nine months. With a similar number of two- and three-bedroom units, we anticipate that the Subject's two- and three-bedroom units will be absorbed at a similar pace.

## **G. SUPPLY ANALYSIS**

**Building Permit Activity**

The following table depicts building activity from 1997 through March 2008 for Ware County, Georgia.

**BUILDING PERMITS: Ware County, GA - 1997 to March 2008**

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
1997	90	7	0	97
1998	96	6	112	214
1999	72	4	0	76
2000	67	0	0	67
2001	93	8	0	101
2002	148	0	0	148
2003	93	0	0	93
2004	112	0	0	112
2005	126	0	0	126
2006	120	0	0	120
2007	76	0	0	76
2008*	0	0	0	0
<b>Total</b>	<b>1,017</b>	<b>25</b>	<b>112</b>	<b>1,230</b>
<b>Average**</b>	<b>99</b>	<b>2</b>	<b>10</b>	<b>112</b>

\*Only includes through March 2008 \*\* Does not include 2008 permits

The table above depicts the building permit activity for Ware County, GA. As illustrated, 83 percent of permits have been issued for single-family development from 1997 to March 2008. The total number of single-family permits being issued by Ware County has remained constant over this time period. The lack of any multifamily permits having been issued within the past nine years demonstrates a need for multifamily housing in the region.

**Characteristics of Existing Projects, Projects Under Construction and Projects in Planning**

Each year the Georgia Department of Community Affairs accepts bids for LIHTC tax credit projects. We obtained a listing of such projects in Ware, Pierce, Bacon, Coffee, Atkinson, and Clinch counties. The following table details the list of projects that have received tax credit allocations in Ware, Pierce, Bacon, Coffee, Atkinson, and Clinch counties that are located within the PMA.

**LIHTC ALLOCATIONS IN PMA**

Year Allocated	Property	Type	Tenancy	Number of Units
1997	Waring Apartments	LIHTC	Elderly	40
1998	Peachwood Place	LIHTC	Family	72
2001	Waring Apartments II	LIHTC	HFOP	36
2001	Ware Manor Apartments	Section 8 (LIHTC)	Family	N/Av
2002	Estes Park	LIHTC, HOME	Family	72
2002	Bailey Heights Apartments	Public Housing (LIHTC)	Mixed	N/Av
2005	Westport Village	LIHTC	HFOP	64

As shown in the previous table, there are several properties that received LIHTC allocation in the PMA. The two family properties that do not offer rental assistance, Peachwood Place and Estes Park, were included as comparable properties in this report. Bailey Heights Apartments has been condemned and is scheduled to be demolished by the end of 2008 according to the Waycross

Housing Authority. According to Sharon Haugabook from the Waycross Housing Authority, details on new development to replace the public housing units have yet to be determined.

### **Survey of Comparable Projects**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes six “true” comparable properties containing 428 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

Overall, the availability of LIHTC and market rate data is considered adequate. We have included the one family LIHTC property (Peachwood Place) in Waycross that does not operate with an additional rental assistance subsidy. The property manager at Peachwood Place indicated that the property attracts tenants from Douglas which is approximately 45 miles northwest of Waycross. Therefore, we have also included the one family LIHTC property in Douglas (Estes Park) that does not operate with an additional rental assistance subsidy. We have also included the four closest and most comparable market rate properties all of which are located in Waycross within five miles of the Subject site.

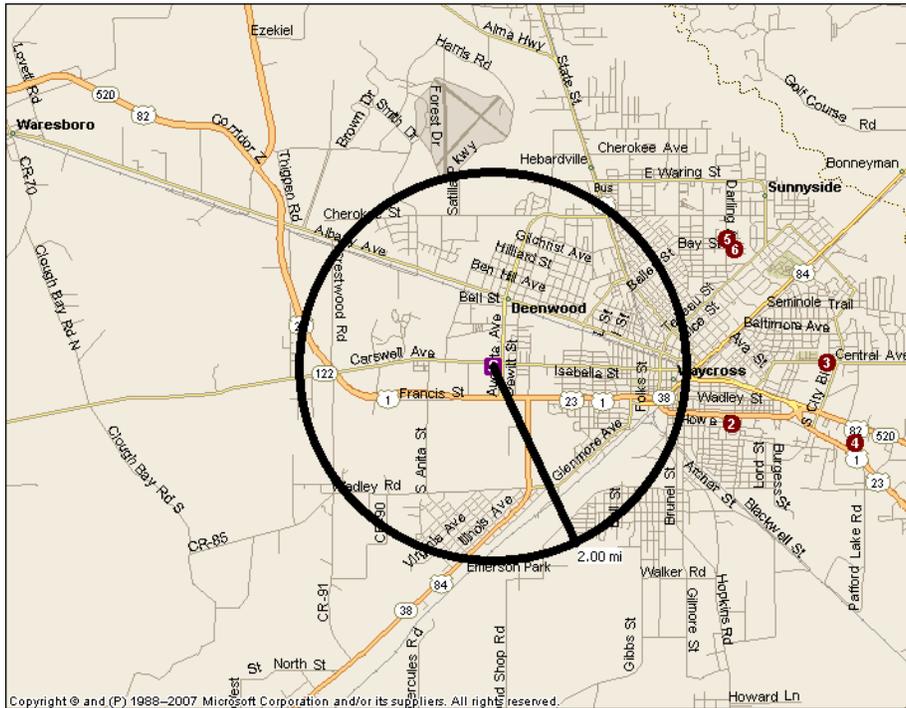
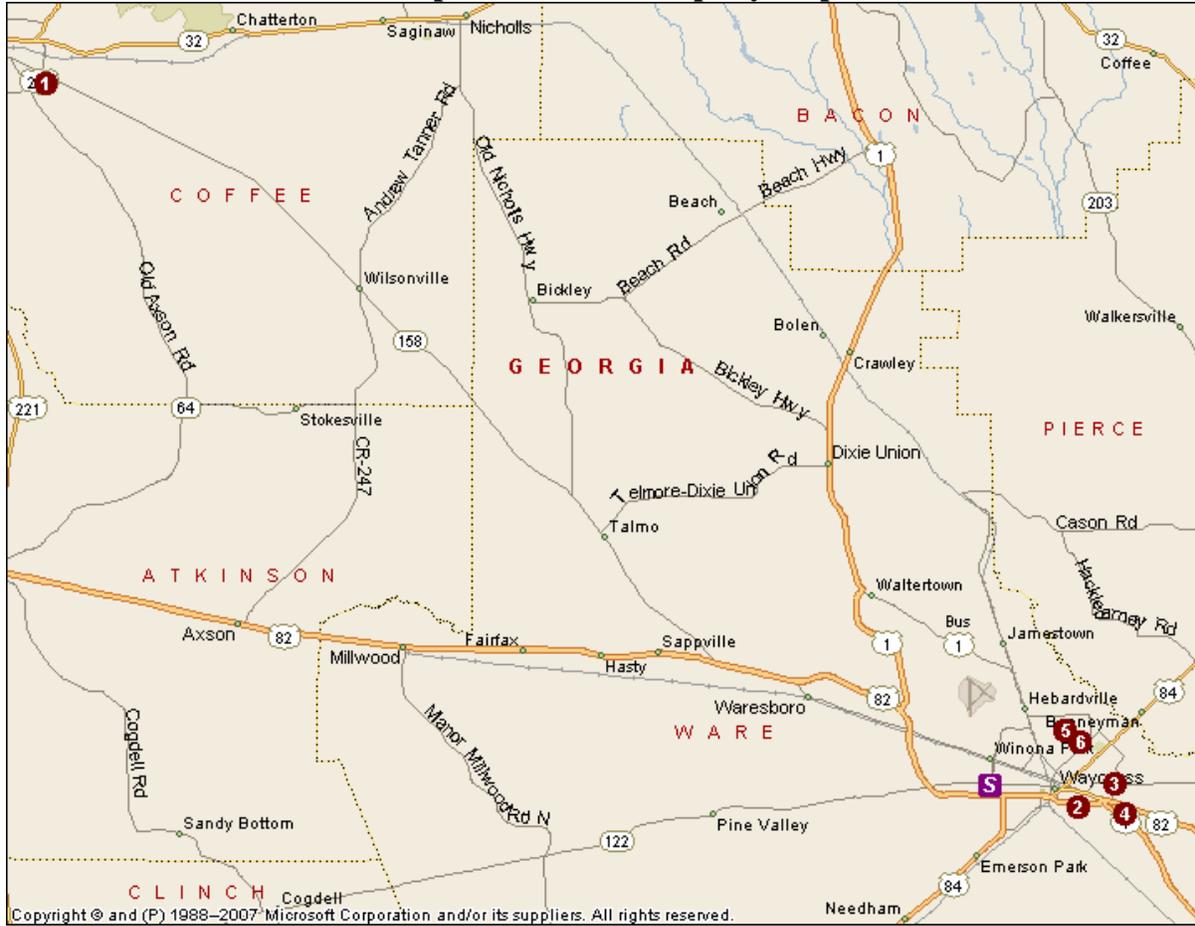
The following properties have been excluded from the supply analysis.

**EXCLUDED PROPERTIES**

Name	Type	Tenancy	Reason for Exclusion
Central Walnut Village	Section 8	N/Av	Tenants pay 30% of income
Satilla Solutions	Section 8	N/Av	Tenants pay 30% of income
Waycross II VOA Housing	Section 8	N/Av	Tenants pay 30% of income
Waycross VOA Housing Inc.	Section 8	N/Av	Tenants pay 30% of income
Ware Manor Apartments	Section 8 (LIHTC)	Family	Tenants pay 30% of income
Aesthetic Housing I (Lamdin House)	Section 8	Disabled	Tenants pay 30% of income and tenancy not comparable
Heritage Village I	Section 8	Elderly	Tenants pay 30% of income and tenancy not comparable
Ware Terrace (Terrace Garden Apartments)	Section 8	Elderly	Tenants pay 30% of income and tenancy not comparable
Windover Manor	RD (LIHTC)	Elderly	Tenants pay 30% of income and tenancy not comparable
Whispering Pines	RD (LIHTC)	Elderly	Tenants pay 30% of income and tenancy not comparable
Quail Hollow	RD	Elderly	Tenants pay 30% of income and tenancy not comparable
Hunter's Run	RD	Elderly	Tenants pay 30% of income and tenancy not comparable
Country Manor Apts	RD	Family	Tenants pay 30% of income
Azalea Court Apartments	RD (LIHTC)	Family	Tenants pay 30% of income
Cypresswood Apartments	Section 8 (LIHTC)	Family	Tenants pay 30% of income
Carlisle Apts	RD (LIHTC)	Family	Tenants pay 30% of income
Evergreen	RD	Family	Tenants pay 30% of income
Brookwood I-III	RD	Family	Tenants pay 30% of income
Quail Hollow II	RD	Family	Tenants pay 30% of income
Colonial Homes	RD	Family	Tenants pay 30% of income
Heritage Villas of Alma	RD	Family	Tenants pay 30% of income
Amberwood	RD	Family	Tenants pay 30% of income
Deerfield I and II	RD	Family	Tenants pay 30% of income
Magnolia Court	N/Av	N/Av	Management not available
Westport Village	LIHTC	HFOP	Tenancy not comparable
Waring Apartments	LIHTC	Elderly	Tenancy not comparable
Waring Apartments II	LIHTC	HFOP	Tenancy not comparable

Westport Village is an HFOP development located less than one mile east of the Subject site. The property was built in 2007 and is currently 84 percent occupied. Waring Apartments I & II were built in 1999 and 2003, respectively and are in good to excellent condition. The properties are 97 and 100 percent occupied with waiting lists. These properties target seniors at the 50 percent AMI level and are single-story units which may explain the lower occupancy at Westport Village which is a two-story (elevator-serviced) garden-style property. These properties were excluded as they target a different tenancy than the proposed Subject.

### Comparable Rental Property Map



**COMPARABLE PROPERTIES**

<b>#</b>	<b>Property Name</b>	<b>City</b>	<b>Type</b>	<b>Distance</b>
1	Estes Park Apartments	Douglas	LIHTC	44.4 miles
2	Peachwood Place Apartments	Waycross	LIHTC	3.0 miles
3	Central Park Apartments	Waycross	Market	4.2 miles
4	Hatcher Way Apartments	Waycross	Market	4.1 miles
5	Sandy Creek Apartments	Waycross	Market	3.4 miles
6	Spanish Village Apartments	Waycross	Market	3.3 miles

# Summary Matrix

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Ocean Breeze Park Carswell Avenue Waycross, GA 31502 Ware County		Single Family 2010	LIHTC	2BR / 2BA	3	6.20%	@30%	\$126	1,000	yes		N/A	N/A
					2BR / 2BA	5	10.40%	@50%	\$334	1,000	yes		N/A	N/A
					2BR / 2BA	12	25.00%	@60%	\$360	1,000	no		N/A	N/A
					3BR / 2BA	11	22.90%	@50%	\$381	1,100	yes		N/A	N/A
					3BR / 2BA	17	35.40%	@60%	\$401	1,100	no		N/A	N/A
					48	100%							N/A	N/A
1	Estes Park Apartments 122 Bowens Mill Road SE Douglas, GA 31533 Coffee County	44.4 miles	Garden (2 stories) 2004	LIHTC	1BR / 1BA	3	4.20%	@30%	\$115	750	yes	Yes	0	0.00%
					1BR / 1BA	12	16.70%	@50%	\$291	750	yes	Yes	N/A	N/A
					1BR / 1BA	5	6.90%	@60%	\$375	750	no	Yes	N/A	N/A
					2BR / 2BA	2	2.80%	@30%	\$136	900	yes	Yes	0	0.00%
					2BR / 2BA	21	29.20%	@50%	\$345	900	yes	Yes	N/A	N/A
					2BR / 2BA	13	18.10%	@60%	\$395	900	no	Yes	N/A	N/A
					3BR / 2BA	11	15.30%	@50%	\$385	1,100	yes	Yes	N/A	N/A
					3BR / 2BA	5	6.90%	@60%	\$415	1,100	no	Yes	N/A	N/A
					72	100%							2	2.80%
2	Peachwood Place Apartments 801 Naomi St Waycross, GA 31501 Ware County	3 miles	Various 2000	LIHTC	2BR / 1BA (Garden)	6	8.30%	@50%	\$309	874	no	2BR: 2 HH	1	16.70%
					2BR / 1BA (Garden)	10	13.90%	@60%	\$384	874	no	2BR: 2 HH	1	10.00%
					3BR / 2BA (Townhouse)	12	16.70%	@50%	\$353	1,344	no	3BR: 12 HH	0	0.00%
					3BR / 2BA (Townhouse)	20	27.80%	@60%	\$433	1,344	no	3BR: 12 HH	1	5.00%
					4BR / 2BA (Garden)	12	16.70%	@50%	\$364	1,260	no	2BR: 2 HH	2	16.70%
					4BR / 2BA (Garden)	12	16.70%	@60%	\$449	1,260	no	2BR: 2 HH	0	0.00%
										72	100%			
3	Central Park Apartments 1000 Central Ave Waycross, GA 31501 Ware County	4.2 miles	Garden 1970s	Market	1BR / 1BA	24	24.00%	Market	\$339	770	n/a	None	4	16.70%
					2BR / 1BA	40	40.00%	Market	\$354	852	n/a	None	0	0.00%
					2BR / 1BA	16	16.00%	Market	\$369	928	n/a	None	0	0.00%
					2BR / 2BA	12	12.00%	Market	\$409	1,072	n/a	None	0	0.00%
					3BR / 2BA	4	4.00%	Market	\$473	1,333	n/a	3BR: 3 HH	0	0.00%
					3BR / 3BA	4	4.00%	Market	\$513	1,333	n/a	3BR: 3 HH	0	0.00%
										100	100%			
4	Hatcher Way Apartments 127 Havanna Ave Waycross, GA 31501 Ware County	4.1 miles	One-story 1985 / 2002	Market	Studio / 1BA	9	14.10%	Market	\$419	288	n/a	None	0	0.00%
					1BR / 1BA	46	71.90%	Market	\$479	576	n/a	None	0	0.00%
					2BR / 1BA	6	9.40%	Market	\$579	864	n/a	None	0	0.00%
					2BR / 2BA	3	4.70%	Market	\$589	864	n/a	None	0	0.00%
										64	100%			
5	Sandy Creek Apartments 600 Summit St Waycross, GA 31501 Ware County	3.4 miles	Garden 1970s	Market	1BR / 1BA	20	25.00%	Market	\$395	724	n/a	None	2	10.00%
					2BR / 1BA	43	53.80%	Market	\$453	872	n/a	None	5	11.60%
					2BR / 2BA	1	1.30%	Market	\$467	1,016	n/a	None	1	100.00%
					3BR / 2BA	16	20.00%	Market	\$552	1,229	n/a	None	0	0.00%
										80	100%			
6	Spanish Village Apartments 512 Bay St Waycross, GA 31501 Ware County	3.3 miles	Various (2 stories) 1970s-1980s	Market	1BR / 1BA (Garden)	7	17.50%	Market	\$439	700	n/a	None	0	0.00%
					1BR / 1BA (Garden)	8	20.00%	Market	\$439	750	n/a	None	1	12.50%
					1BR / 1BA (Garden)	8	20.00%	Market	\$449	800	n/a	None	1	12.50%
					2BR / 1.5BA (Townhouse)	5	12.50%	Market	\$534	1,000	n/a	None	0	0.00%
					2BR / 2BA (Garden)	5	12.50%	Market	\$634	1,200	n/a	None	1	20.00%
					3BR / 2BA (Garden)	7	17.50%	Market	\$678	1,350	n/a	None	0	0.00%
										40	100%			

# Unit Matrix Report

	Ocean Breeze Park	Estes Park Apartments	Peachwood Place Apartments	Central Park Apartments	Hatcher Way Apartments	Sandy Creek Apartments	Spanish Village Apartments
<b>2BR / 2BA</b>							
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	44.4 miles	3 miles	4.2 miles	4.1 miles	3.4 miles	3.3 miles
<b>Unit Types</b>							
<b>Market</b>							
Bath/Bedroom	--	--	--	2BR / 2BA	2BR / 2BA	2BR / 2BA	2BR / 2BA
Base Rent/Month	--	--	--	\$450	\$589	\$530	\$675
Unit GLA (SF)	--	--	--	1,072	864	1,016	1,200
Adjusted Utility Base Rent	--	--	--	\$409	\$589	\$467	\$634
<b>@50%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 2BA	2BR / 1BA	--	--	--	--
Base Rent/Month	\$334	\$345	\$350	--	--	--	--
Unit GLA (SF)	1,000	900	874	--	--	--	--
Adjusted Utility Base Rent	\$334	\$345	\$309	--	--	--	--
<b>@60%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 2BA	2BR / 1BA	--	--	--	--
Base Rent/Month	\$360	\$395	\$425	--	--	--	--
Unit GLA (SF)	1,000	900	874	--	--	--	--
Adjusted Utility Base Rent	\$360	\$395	\$384	--	--	--	--
<b>@30%</b>							
Bath/Bedroom	2BR / 2BA	2BR / 2BA	--	--	--	--	--
Base Rent/Month	\$126	\$136	--	--	--	--	--
Unit GLA (SF)	1,000	900	--	--	--	--	--
Adjusted Utility Base Rent	\$126	\$136	--	--	--	--	--
<b>Property Information</b>							
Property Type	Single Family	Garden (2 stories)	Various	Garden	One-story	Garden	Various (2 stories)
Year Built	2010	2004	2000	1970s	1985 / 2002	1970s	1970s-1980s
Market (Conv./)Subsidy Type	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market
<b>Unit Information</b>							
Total Units	20	36	16	12	3	1	5
Vacant	N/A	N/A	2	0	0	1	1
Vacancy Rate	N/A	N/A	12.50%	0.00%	0.00%	100.00%	20.00%
<b>Utilities</b>							
A/C	central tenant	central tenant	central tenant	central tenant	wall tenant	central tenant	central tenant
Cooking	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Other Electric	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	tenant	tenant	landlord	landlord	tenant	landlord	landlord
Sewer	tenant	tenant	landlord	landlord	tenant	landlord	landlord
Trash Collection	tenant	tenant	landlord	landlord	tenant	landlord	landlord
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	yes	yes	yes	yes	no
Ceiling Fan	yes	no	yes	yes	yes	no	no
Garbage Disposal	yes	yes	yes	no	yes	no	no
Microwave	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	yes	no	no
Walk-In Closet	no	no	yes	yes	no	yes	no
Washer/Dryer	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	yes	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	no	no	no
Exercise Facility	yes	yes	no	no	no	no	no
Garage	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no
Picnic Area	yes	yes	no	no	no	no	no
Playground	yes	yes	no	yes	no	yes	no
Recreation Areas	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
Patrol	no	no	yes	no	no	no	no
Perimeter Fencing	yes	no	no	no	no	no	no
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	Shuffleboard, library, walking path, pond/fountain	n/a	n/a	n/a	n/a	n/a	n/a

# Unit Matrix Report

	Ocean Breeze Park	Estes Park Apartments	Peachwood Place Apartments	Central Park Apartments	Hatcher Way Apartments	Sandy Creek Apartments	Spanish Village Apartments
<b>3BR / 2BA</b>							
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	44.4 miles	3 miles	4.2 miles	4.1 miles	3.4 miles	3.3 miles
<b>Unit Types</b>							
<b>Market</b>							
Bath/Bedroom	--	--	--	3BR / 2BA	--	3BR / 2BA	3BR / 2BA
Base Rent/Month	--	--	--	\$520	--	\$625	\$725
Unit GLA (SF)	--	--	--	1,333	--	1,229	1,350
Adjusted Utility Base Rent	--	--	--	\$473	--	\$552	\$678
<b>@50%</b>							
Bath/Bedroom	3BR / 2BA	3BR / 2BA	3BR / 2BA	--	--	--	--
Base Rent/Month	\$381	\$385	\$400	--	--	--	--
Unit GLA (SF)	1,100	1,100	1,344	--	--	--	--
Adjusted Utility Base Rent	\$381	\$385	\$353	--	--	--	--
<b>@60%</b>							
Bath/Bedroom	3BR / 2BA	3BR / 2BA	3BR / 2BA	--	--	--	--
Base Rent/Month	\$401	\$415	\$480	--	--	--	--
Unit GLA (SF)	1,100	1,100	1,344	--	--	--	--
Adjusted Utility Base Rent	\$401	\$415	\$433	--	--	--	--
<b>@30%</b>							
Bath/Bedroom							
Base Rent/Month							
Unit GLA (SF)							
Adjusted Utility Base Rent							
<b>Property Information</b>							
Property Type	Single Family	Garden (2 stories)	Various	Garden	One-story	Garden	Various (2 stories)
Year Built	2010	2004	2000	1970s	1985 / 2002	1970s	1970s-1980s
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market
<b>Unit Information</b>							
Total Units	28	16	32	4	0	16	7
Vacant	N/A	N/A	1	0	0	0	0
Vacancy Rate	N/A	N/A	3.10%	0.00%	N/A	0.00%	0.00%
<b>Utilities</b>							
A/C	central tenant	central tenant	central tenant	central tenant	wall tenant	central tenant	central tenant
Cooking	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Water Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Heat	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant	electric tenant
Other Electric	tenant	tenant	tenant	tenant	tenant	tenant	tenant
Water	tenant	tenant	landlord	landlord	landlord	landlord	landlord
Sewer	tenant	tenant	landlord	landlord	tenant	landlord	landlord
Trash Collection	tenant	tenant	landlord	landlord	tenant	landlord	landlord
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	yes	yes	yes	yes	no
Ceiling Fan	yes	no	yes	yes	yes	no	no
Garbage Disposal	yes	yes	yes	no	yes	no	no
Microwave	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	yes	no	no
Walk-In Closet	no	no	yes	yes	no	yes	no
Washer/Dryer	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	yes	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	no	no	no
Exercise Facility	yes	yes	no	no	no	no	no
Garage	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no
Picnic Area	yes	yes	no	no	no	no	no
Playground	yes	yes	no	yes	no	yes	no
Recreation Areas	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
Patrol	no	no	yes	no	no	no	no
Perimeter Fencing	yes	no	no	no	no	no	no
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	Shuffleboard, library, walking path, pond/fountain	n/a	n/a	n/a	n/a	n/a	n/a

**Rent and Square Footage Ranking -- All rents adjusted for utilities and concessions extracted from the market.**

Effective Rent Date:	May-08	Units Surveyed:	428	Weighted Occupancy:	94.90%
		Market Rate	284	Market Rate	94.70%
		Tax Credit	144	Tax Credit	95.10%

		Two bedrooms Two Bath		Three bedrooms Two Bath		--	
	Property	Average	Property	Average	Property	Average	
<b>RENT</b>	Spanish Village Apartments	\$634	Spanish Village Apartments	\$678			
	Hatcher Way Apartments	\$589	Sandy Creek Apartments	\$552			
	Sandy Creek Apartments	\$467	Central Park Apartments	\$473			
	Central Park Apartments	\$409	Peachwood Place Apartments* (60%)	\$433			
	Estes Park Apartments* (60%)	\$395	Estes Park Apartments* (60%)	\$415			
	Peachwood Place Apartments* (1BA 60%)	\$384	<b>Ocean Breeze Park* (60%)</b>	<b>\$401</b>			
	<b>Ocean Breeze Park* (60%)</b>	<b>\$360</b>	Estes Park Apartments* (50%)	\$385			
	Estes Park Apartments* (50%)	\$345	<b>Ocean Breeze Park* (50%)</b>	<b>\$381</b>			
	<b>Ocean Breeze Park* (50%)</b>	<b>\$334</b>	Peachwood Place Apartments* (50%)	\$353			
	Peachwood Place Apartments* (1BA 50%)	\$309					
	Estes Park Apartments* (30%)	\$136					
	<b>Ocean Breeze Park* (30%)</b>	<b>\$126</b>					
<b>SQUARE FOOTAGE</b>	Spanish Village Apartments	1,200	Spanish Village Apartments	1,350			
	Central Park Apartments	1,072	Peachwood Place Apartments* (50%)	1,344			
	Sandy Creek Apartments	1,016	Peachwood Place Apartments* (60%)	1,344			
	<b>Ocean Breeze Park* (30%)</b>	<b>1,000</b>	Central Park Apartments	1,333			
	<b>Ocean Breeze Park* (50%)</b>	<b>1,000</b>	Sandy Creek Apartments	1,229			
	<b>Ocean Breeze Park* (60%)</b>	<b>1,000</b>	Estes Park Apartments* (50%)	1,100			
	Estes Park Apartments* (30%)	900	Estes Park Apartments* (60%)	1,100			
	Estes Park Apartments* (50%)	900	<b>Ocean Breeze Park* (50%)</b>	<b>1,100</b>			
	Estes Park Apartments* (60%)	900	<b>Ocean Breeze Park* (60%)</b>	<b>1,100</b>			
	Peachwood Place Apartments* (1BA 50%)	874					
	Peachwood Place Apartments* (1BA 60%)	874					
	Hatcher Way Apartments	864					
<b>RENT PER SQUARE FOOT</b>	Hatcher Way Apartments	\$0.68	Spanish Village Apartments	\$0.50			
	Spanish Village Apartments	\$0.53	Sandy Creek Apartments	\$0.45			
	Sandy Creek Apartments	\$0.46	Estes Park Apartments* (60%)	\$0.38			
	Peachwood Place Apartments* (1BA 60%)	\$0.44	<b>Ocean Breeze Park* (60%)</b>	<b>\$0.36</b>			
	Estes Park Apartments* (60%)	\$0.44	Central Park Apartments	\$0.35			
	Estes Park Apartments* (50%)	\$0.38	Estes Park Apartments* (50%)	\$0.35			
	Central Park Apartments	\$0.38	<b>Ocean Breeze Park* (50%)</b>	<b>\$0.35</b>			
	<b>Ocean Breeze Park* (60%)</b>	<b>\$0.36</b>	Peachwood Place Apartments* (60%)	\$0.32			
	Peachwood Place Apartments* (1BA 50%)	\$0.35	Peachwood Place Apartments* (50%)	\$0.26			
	<b>Ocean Breeze Park* (50%)</b>	<b>\$0.33</b>					
	Estes Park Apartments* (30%)	\$0.15					
	<b>Ocean Breeze Park* (30%)</b>	<b>\$0.13</b>					

# PROPERTY PROFILE REPORT

## Estes Park Apartments

**Effective Rent Date** 3/03/2008  
**Location** 122 Bowens Mill Road SE  
 Douglas, GA 31533  
 Coffee County  
**Distance** 44.4 miles  
**Units** 72  
**Vacant Units** 2  
**Vacancy Rate** 2.8%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 2004 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None  
**Tenant Characteristics** Mixture From Douglas; 5 percent are seniors  
**Contact Name** Anita Rice  
**Phone** 912.383.0908



### Market Information

**Program** @30% (HOME), @50% (HOME), @60%  
**Annual Turnover Rate** 17%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 15%  
**Leasing Pace** 1-2 weeks  
**Annual Chg. in Rent** Decreased 23% to increased 15%  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	750	\$115	\$0	@30% (HOME)	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	12	750	\$291	\$0	@50% (HOME)	Yes	N/A	N/A	yes	None
1	1	Garden (2 stories)	5	750	\$375	\$0	@60%	Yes	N/A	N/A	no	None
2	2	Garden (2 stories)	2	900	\$136	\$0	@30% (HOME)	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	21	900	\$345	\$0	@50% (HOME)	Yes	N/A	N/A	yes	None
2	2	Garden (2 stories)	13	900	\$395	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	11	1,100	\$385	\$0	@50% (HOME)	Yes	N/A	N/A	yes	None
3	2	Garden (2 stories)	5	1,100	\$415	\$0	@60%	Yes	N/A	N/A	no	None

## Estes Park Apartments, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$115	\$0	\$115	\$0	\$115	1BR / 1BA	\$291	\$0	\$291	\$0	\$291
2BR / 2BA	\$136	\$0	\$136	\$0	\$136	2BR / 2BA	\$345	\$0	\$345	\$0	\$345
						3BR / 2BA	\$385	\$0	\$385	\$0	\$385

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$375	\$0	\$375	\$0	\$375
2BR / 2BA	\$395	\$0	\$395	\$0	\$395
3BR / 2BA	\$415	\$0	\$415	\$0	\$415

### Amenities

#### In-Unit

Balcony/Patio	Blinds	Cable/Satellite/Intern
Carpeting	Central A/C	Coat Closet
Dishwasher	Exterior Storage	Garbage Disposal
Oven	Refrigerator	Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Business	Clubhouse/Meeting	Exercise Facility
Central Laundry	Off-Street Parking	On-Site Management
Picnic Area	Playground	

#### Premium

None

#### Other

None

### Comments

The contact attributed the change in rents in 2007 to a change in the utility allowance. The rents at 30 percent AMI decreased while the rents at 60 percent AMI increased since the last interview in April 2007. The change in rents for units at 50 percent AMI varied by unit type. The one-bedroom units decreased by three percent while the two- and three-bedroom units increased one and 12 percent, respectively. The contact reported that the property typically maintains an occupancy rate ranging from 95 to 100 percent and that the current occupancy is 98 percent. The contact stated that there would be more demand for a senior LIHTC property than for a family property.

# Estes Park Apartments, continued

## Trend Report

### Vacancy Rates

4Q06	1Q08	2Q08
1.4%	2.8%	2.8%

### Trend: @30%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$150	\$0	\$150	\$150
2008	1	0.0%	\$115	\$0	\$115	\$115
2008	2	0.0%	\$115	\$0	\$115	\$115

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$163	\$0	\$163	\$163
2008	1	0.0%	\$136	\$0	\$136	\$136
2008	2	0.0%	\$136	\$0	\$136	\$136

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$300	\$0	\$300	\$300
2008	1	N/A	\$291	\$0	\$291	\$291
2008	2	N/A	\$291	\$0	\$291	\$291

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$340	\$0	\$340	\$340
2008	1	N/A	\$345	\$0	\$345	\$345
2008	2	N/A	\$345	\$0	\$345	\$345

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$355	\$0	\$355	\$355
2008	1	N/A	\$385	\$0	\$385	\$385
2008	2	N/A	\$385	\$0	\$385	\$385

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	20.0%	\$325	\$0	\$325	\$325
2008	1	N/A	\$375	\$0	\$375	\$375
2008	2	N/A	\$375	\$0	\$375	\$375

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$355	\$0	\$355	\$355
2008	1	N/A	\$395	\$0	\$395	\$395
2008	2	N/A	\$395	\$0	\$395	\$395

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$370	\$0	N/A	N/A
2008	1	N/A	\$415	\$0	\$415	\$415
2008	2	N/A	\$415	\$0	\$415	\$415

## Estes Park Apartments, continued

### Trend: Comments

- 4Q06** Estes Park Apartments is a LIHTC/HOME property offering one, two, and three-bedroom units. The property is 98.6 percent occupied and does not maintain a waiting list. The property is not offering rent concessions. The majority of tenants are from Douglas and approximately five percent are seniors. Rents have increased between five and eight percent since the property opened in 2004. Because management was not able to provide detailed information regarding rent growth within the past year, the total rent growth since opening in 2004 was divided by three to get average annual rent growth and is listed as the change in rents over past year.
- 1Q08** The contact reported that rents are not at the maximum allowable and attributed the change in rents in 2007 to a change in the utility allowance. The rents at 30 percent AMI decreased while the rents at 60 percent AMI increased since the last interview in April 2007. The change in rents for units at 50 percent AMI varied by unit type. The one-bedroom units decreased by three percent while the two- and three-bedroom units increased one and 12 percent, respectively. The contact reported that the property typically maintains an occupancy rate ranging from 95 to 100 percent and that the current occupancy is 98 percent. The contact stated that there would be more demand for a senior LIHTC property than for a family property.
- 2Q08** The contact attributed the change in rents in 2007 to a change in the utility allowance. The rents at 30 percent AMI decreased while the rents at 60 percent AMI increased since the last interview in April 2007. The change in rents for units at 50 percent AMI varied by unit type. The one-bedroom units decreased by three percent while the two- and three-bedroom units increased one and 12 percent, respectively. The contact reported that the property typically maintains an occupancy rate ranging from 95 to 100 percent and that the current occupancy is 98 percent. The contact stated that there would be more demand for a senior LIHTC property than for a family property.

# PROPERTY PROFILE REPORT

## Peachwood Place Apartments

**Effective Rent Date** 5/07/2008

**Location** 801 Naomi St  
Waycross, GA 31501  
Ware County

**Distance** 3 miles

**Units** 72

**Vacant Units** 5

**Vacancy Rate** 6.9%

**Type** Various

**Year Built/Renovated** 2000 / N/A

**Marketing Began** N/A

**Leasing Began** N/A

**Last Unit Leased** N/A

**Major Competitors** Sandy Creek, Central Park, Hatcher Way

**Tenant Characteristics** Tenants come typically from western counties;  
Several from Douglas, Homerville, Blackshear, Alma; Some from Jacksonville, FL and NY

**Contact Name** Carlton Hunt

**Phone** (912) 285-2199



### Market Information

**Program** @50%, @60%

**Annual Turnover Rate** 35%

**Units/Month Absorbed** N/A

**HCV Tenants** 42%

**Leasing Pace** 3-4 weeks

**Annual Chg. in Rent** None

**Concession** None

### Utilities

**A/C** not included -- central

**Cooking** not included -- electric

**Water Heat** not included -- electric

**Heat** not included -- electric

**Other Electric** not included

**Water** included

**Sewer** included

**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden	6	874	\$350	\$0	@50%	2 HH	1	16.7%	yes	None
2	1	Garden	10	874	\$425	\$0	@60%	2 HH	1	10.0%	no	None
3	2	Townhouse	12	1,344	\$400	\$0	@50%	12 HH	0	0.0%	yes	None
3	2	Townhouse	20	1,344	\$480	\$0	@60%	12 HH	1	5.0%	no	None
4	2	Garden	12	1,260	\$420	\$0	@50%	2HH	2	16.7%	yes	None
4	2	Garden	12	1,260	\$505	\$0	@60%	2 HH	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$350	\$0	\$350	-\$41	\$309	2BR / 1BA	\$425	\$0	\$425	-\$41	\$384
3BR / 2BA	\$400	\$0	\$400	-\$47	\$353	3BR / 2BA	\$480	\$0	\$480	-\$47	\$433
4BR / 2BA	\$420	\$0	\$420	-\$56	\$364	4BR / 2BA	\$505	\$0	\$505	-\$56	\$449

## Peachwood Place Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Central A/C  
Exterior Storage  
Oven  
Washer/Dryer hookup

Blinds  
Coat Closet  
Ceiling Fan  
Refrigerator

Carpeting  
Dishwasher  
Garbage Disposal  
Walk-In Closet

**Security**

Patrol

**Services**

None

**Property**

Clubhouse/Meeting  
On-Site Management

Central Laundry  
Recreation Areas

Off-Street Parking  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

The contact reported that there is demand for both LIHTC and unrestricted units as management encounters several prospective tenants that overqualify. The contact also reported that demand is strong and the market could support another LIHTC property with 50 to 75 units. The clubhouse/community room may be reserved for special events for a fee of \$50.

# PROPERTY PROFILE REPORT

## Central Park Apartments

<b>Effective Rent Date</b>	5/08/2008
<b>Location</b>	1000 Central Ave Waycross, GA 31501 Ware County
<b>Distance</b>	4.2 miles
<b>Units</b>	100
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	4.0%
<b>Type</b>	Garden
<b>Year Built/Renovated</b>	1970s / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Sandy Creek, Peachwood Place
<b>Tenant Characteristics</b>	80% Ware Cty; Some from Folkston, Jesup, Homerville, Hoboken, Hortense
<b>Contact Name</b>	Leasing agent
<b>Phone</b>	(912) 283-7131



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	14%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	8%
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	Increased 2-6%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	24	770	\$375	\$0	Market	None	4	16.7%	N/A	None
2	1	Garden	40	852	\$395	\$0	Market	None	0	0.0%	N/A	None
2	1	Garden	16	928	\$410	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden	12	1,072	\$450	\$0	Market	None	0	0.0%	N/A	None
3	2	Garden	4	1,333	\$520	\$0	Market	3BR: 3 HH	0	0.0%	N/A	None
3	3	Garden	4	1,333	\$560	\$0	Market	3BR: 3 HH	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$375	\$0	\$375	-\$36	\$339
2BR / 1BA	\$395 - \$410	\$0	\$395 - \$410	-\$41	\$354 - \$369
2BR / 2BA	\$450	\$0	\$450	-\$41	\$409
3BR / 2BA	\$520	\$0	\$520	-\$47	\$473
3BR / 3BA	\$560	\$0	\$560	-\$47	\$513

## Central Park Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio	Blinds	Carpeting
Central A/C	Coat Closet	Dishwasher
Exterior Storage	Ceiling Fan	Oven
Refrigerator	Walk-In Closet	Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Central Laundry	Off-Street Parking	On-Site Management
Playground	Swimming Pool	

**Premium**

None

**Other**

None

### Comments

The contact reported that there is likely demand for affordable housing in the area due to the declining state of the economy. Only the three-bedroom units offer walk-in closets and washer/dryer connections.

# PROPERTY PROFILE REPORT

## Hatcher Way Apartments

<b>Effective Rent Date</b>	5/08/2008
<b>Location</b>	127 Havanna Ave Waycross, GA 31501 Ware County
<b>Distance</b>	4.1 miles
<b>Units</b>	64
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	One-story
<b>Year Built/Renovated</b>	1985 / 2002
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	Tenants come from Waycross, Blackshear, Nahunta; Tenants employed by CSX and hospital
<b>Contact Name</b>	Patsy
<b>Phone</b>	(912) 283-4940



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	38%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	5%
<b>Leasing Pace</b>	1 week-1 month
<b>Annual Chg. in Rent</b>	Increased 1%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- wall
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	One-story	9	288	\$419	\$0	Market	None	0	0.0%	N/A	None
1	1	One-story	46	576	\$479	\$0	Market	None	0	0.0%	N/A	None
2	1	One-story	6	864	\$579	\$0	Market	None	0	0.0%	N/A	None
2	2	One-story	3	864	\$589	\$0	Market	None	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$419	\$0	\$419	\$0	\$419
1BR / 1BA	\$479	\$0	\$479	\$0	\$479
2BR / 1BA	\$579	\$0	\$579	\$0	\$579
2BR / 2BA	\$589	\$0	\$589	\$0	\$589

## Hatcher Way Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio

Blinds

Carpeting

**Security**

None

**Services**

None

Coat Closet

Dishwasher

Exterior Storage

Ceiling Fan

Garbage Disposal

Oven

Refrigerator

Vaulted Ceilings

Washer/Dryer hookup

**Property**

Central Laundry

Off-Street Parking

On-Site Management

**Premium**

None

**Other**

None

### Comments

The contact reported that the property typically remains 100 percent occupied and that the rental increase occurred in 2008. The one- and two-bedroom units offer washer/dryer connections.

# PROPERTY PROFILE REPORT

## Sandy Creek Apartments

**Effective Rent Date** 5/19/2008  
**Location** 600 Summit St  
 Waycross, GA 31501  
 Ware County  
**Distance** 3.4 miles  
**Units** 80  
**Vacant Units** 8  
**Vacancy Rate** 10.0%  
**Type** Garden  
**Year Built/Renovated** 1970s / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Central Park  
**Tenant Characteristics** Employed in retail; Some from Brunswick, few college students  
**Contact Name** Linda  
**Phone** (912) 285-1852



### Market Information

**Program** Market  
**Annual Turnover Rate** 8%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Less than 1 week  
**Annual Chg. in Rent** Increased 14-20%  
**Concession** Free rent until June 1, 2008

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	20	724	\$450	\$19	Market	None	2	10.0%	N/A	None
2	1	Garden	43	872	\$515	\$21	Market	None	5	11.6%	N/A	None
2	2	Garden	1	1,016	\$530	\$22	Market	None	1	100.0%	N/A	None
3	2	Garden	16	1,229	\$625	\$26	Market	None	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$450	\$19	\$431	-\$36	\$395
2BR / 1BA	\$515	\$21	\$494	-\$41	\$453
2BR / 2BA	\$530	\$22	\$508	-\$41	\$467
3BR / 2BA	\$625	\$26	\$599	-\$47	\$552

## Sandy Creek Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Central A/C  
Exterior Storage  
Walk-In Closet

Blinds  
Coat Closet  
Oven  
Washer/Dryer hookup

Carpeting  
Dishwasher  
Refrigerator

**Security**

None

**Services**

None

**Property**

Central Laundry  
Playground

Off-Street Parking  
Swimming Pool

On-Site Management

**Premium**

None

**Other**

None

### Comments

Only the three-bedroom units offer walk-in closets and washer/dryer connections. The contact reported that a new manager took over the property and management is working to increase the occupancy. Management also no longer accepts Housing Choice Vouchers. The contact stated that the rents currently offered are probably the maximum that tenants are willing to pay or can afford.

# PROPERTY PROFILE REPORT

## Spanish Village Apartments

**Effective Rent Date** 5/09/2008  
**Location** 512 Bay St  
 Waycross, GA 31501  
 Ware County  
**Distance** 3.3 miles  
**Units** 40  
**Vacant Units** 3  
**Vacancy Rate** 7.5%  
**Type** Various (2 stories)  
**Year Built/Renovated** 1970s-1980s / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** N/A  
**Tenant Characteristics** Tenants are employed at the hospital  
**Contact Name** Tom Dibias - Owner  
**Phone** (912) 285-3802



### Market Information

**Program** Market  
**Annual Turnover Rate** N/A  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** N/A  
**Annual Chg. in Rent** N/A  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	7	700	\$475	\$0	Market	None	0	0.0%	N/A	None
1	1	Garden (2 stories)	8	750	\$475	\$0	Market	None	1	12.5%	N/A	None
1	1	Garden (2 stories)	8	800	\$485	\$0	Market	None	1	12.5%	N/A	None
2	1.5	Townhouse (2 stories)	5	1,000	\$575	\$0	Market	None	0	0.0%	N/A	None
2	2	Garden (2 stories)	5	1,200	\$675	\$0	Market	None	1	20.0%	N/A	None
3	2	Garden (2 stories)	7	1,350	\$725	\$0	Market	None	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$475 - \$485	\$0	\$475 - \$485	-\$36	\$439 - \$449
2BR / 1.5BA	\$575	\$0	\$575	-\$41	\$534
2BR / 2BA	\$675	\$0	\$675	-\$41	\$634
3BR / 2BA	\$725	\$0	\$725	-\$47	\$678

## Spanish Village Apartments, continued

### Amenities

**In-Unit**

Blinds	Carpeting	Central A/C
Coat Closet	Dishwasher	Oven
Refrigerator	Washer/Dryer	Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Central Laundry	Off-Street Parking	Swimming Pool
Tennis Court		

**Premium**

None

**Other**

None

### Comments

The contact reported that the three-bedroom units rarely become available. Only the two-bedroom units offer washer/dryers.

**PROPERTY INTERVIEWS**

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. The following text is a summary of the property descriptions, which describe vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

**Location**

The Subject site is located in western Waycross in a mixed use neighborhood. With the exception of Estes Park, all of the comparables are located in Waycross. Comparables are located on the northern and eastern borders of the city in similar neighborhood locations when compared to that of the Subject. Estes Park is located approximately 44.4 miles northwest of the Subject site in Douglas. The following table compares Waycross to Douglas with regards to the total number of households, median household income, and median rent.

**LOCATION COMPARISON**

<b>City/Town</b>	<b>Number of HH</b>	<b>Median HH Income</b>	<b>Percent Differential Median HH Income</b>	<b>Median Rent</b>	<b>Percent Differential Median Gross Rent</b>
Waycross, GA (Subject)	7,534	\$23,399	-	\$396	--
Douglas, GA	3,977	\$27,946	19.4%	\$400	1.0%

Source: 2000 Census.

As the above table illustrates, Waycross is a larger town when compared to Douglas, but has a slightly lower median household income and a similar median rent. Therefore, Douglas and Waycross are considered fairly similar. Further, Estes Park is located on the outskirts of Douglas in a mixed use neighborhood. Similarly, the Subject is located on the outskirts of Waycross in a mixed use neighborhood. Therefore, the Subject’s location is considered similar to that of Estes Park. Overall, the Subject’s location is considered similar to that of all of the comparables.

**Age and Condition**

The LIHTC properties were built between 2000 (Peachwood Place) and 2004 (Estes Park). They are in good to excellent condition. All of the market rate comparables were built prior to 1990. Hatcher Way is the only property that reported major renovations. However, despite reports of renovations, the property remains in average overall condition. Similarly, other market rate properties (Sandy Creek and Central Park) are in average condition. Spanish Village is in good condition. Overall, the Subject’s new construction will be similar to that of Estes Park and superior to all remaining comparables with regards to age and condition.

**Unit Mix**

The following table illustrates the unit mix at the Subject and the comparable properties.

**Unit Mix**

<b>Unit Type</b>	<b>Total Units (Subject)</b>	<b>Percent (Subject)</b>	<b>Total Units (Comps)</b>	<b>Percent (Comps)</b>
0 BR	0	0%	9	2%
1 BR	0	0%	133	31%
2 BR	20	42%	183	43%
3 BR	28	58%	79	18%
4 BR	0	0%	24	6%
<b>Total</b>	<b>48</b>	<b>100%</b>	<b>428</b>	<b>100%</b>

As illustrated, the Subject’s market area consists primarily of one- and two-bedroom units. Conversely, the Subject will offer predominantly two- and three-bedroom units. It should be noted that the Subject will be the first single family home rental community in Waycross. The following table illustrates vacancy by unit type (excluding 72 units at Estes Park for which management was unable to provide vacancy by unit type). Vacancy by unit type is highest in the four-bedroom units followed by one-bedroom units and then two-bedroom units. Vacancy by unit type is lowest in the studio and three-bedroom units. This is a positive indicator for the Subject which will offer primarily three-bedroom units (58 percent).

**Weighted Vacancy**

<b>Unit Type</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Percent Vacant</b>
0 BR	9	0	0.0%
1 BR	113	8	7.1%
2 BR	147	9	6.1%
3 BR	63	1	1.6%
4 BR	24	2	8.3%
<b>Total</b>	<b>356</b>	<b>20</b>	<b>5.6%</b>

**Unit Size**

We attempted to compare the Subject’s unit sizes to similar unit types. Several of the market rate properties offer various floor plans ranging greatly in size. The table below depicts the square footage of the Subject and comparable properties in the market.

**Unit Size Comparison**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>	<b>Advantage/ Disadvantage</b>
2 BR	1,000	852	1,200	904	10%
3 BR	1,100	1,100	1,350	1,271	-16%

The unit sizes at the Subject are within the range for all unit types. While the two-bedroom units will have an advantage over the market average, the three-bedroom units will be smaller than the surveyed average and will be some of the smallest three-bedroom units in the market. While the smaller than average three-bedroom unit size may present the Subject with a disadvantage in the market, we expect the Subject’s single family home design to negate the unit size disadvantage. Overall, the Subject’s units will be competitive in the market.

**Total Number of Baths per Unit**

All of the Subject’s units will offer two bathrooms. With the exception of Peachwood Place, the only LIHTC property in Waycross, all of the comparables offer two bathrooms in the two-bedroom units. Peachwood Place offers only one bathroom in the two-bedroom units. Similar to the Subject, all comparables offer two bathrooms in the three-bedroom units. The Subject will be similar to all comparables (except Peachwood Place) and have a competitive advantage over Peachwood Place with regards to the number of baths per unit.

**Amenities**

The following table illustrates amenities that will be offered at the Subject as well as those currently offered by the comparable properties.

	Ocean Breeze Park	Estes Park Apartments	Peachwood Place Apartments	Central Park Apartments	Hatcher Way Apartments	Sandy Creek Apartments	Spanish Village Apartments
Comp #	Subject	1	2	3	4	5	6
Distance from Subject	n/a	44.4 miles	3 miles	4.2 miles	4.1 miles	3.4 miles	3.3 miles
<b>In-Unit Amenities</b>							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	yes	yes	yes	yes	no
Ceiling Fan	yes	no	yes	yes	yes	no	no
Garbage Disposal	yes	yes	yes	no	yes	no	no
Microwave	yes	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	yes	no	no
Walk-In Closet	no	no	yes	yes	no	yes	no
Washer/Dryer	no	no	no	no	no	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes
<b>Property Amenities</b>							
Business Center/Computer Lab	yes	yes	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	no	no	no	no
Exercise Facility	yes	yes	no	no	no	no	no
Garage	yes	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	no
Picnic Area	yes	yes	no	no	no	no	no
Playground	yes	yes	no	yes	no	yes	no
Recreation Areas	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	yes
<b>Services</b>							
<b>Security</b>							
Patrol	no	no	yes	no	no	no	no
Perimeter Fencing	yes	no	no	no	no	no	no
<b>Premium Amenities</b>							
<b>Other Amenities</b>							
Other	Shuffleboard, library, walking path, pond/fountain	n/a	n/a	n/a	n/a	n/a	n/a

As the above table illustrates, the Subject's greatest weakness will be the lack of a swimming pool which is offered by four of the six comparables. Conversely, the Subject's greatest strength will be the community amenities offered at the property which will include a computer center, exercise facility, shuffleboard court, walking path, library, and community all of which are offered by no more than two comparables.

### **Security Features**

The Subject will offer perimeter fencing. One of the comparables offers a courtesy patrol. Overall, security features do not appear to be necessary in the market and we expect the Subject to be competitive.

### **Utility Structure**

The Subject will include water, sewer, and garbage removal in the rental rates. Comparable properties with differing utility allowances have been adjusted to the Subject's utility convention. Adjustments are made using Utility Allowances from the Georgia Department of Community Affairs which provide utility estimates for Ware County.

### **Parking**

The Subject will offer a one-car garage and driveway for each unit. This equates to two off-street parking spaces per unit. Additionally, on-street parking will be available throughout the site. This appears reasonable and we expect the Subject to be competitive in the market with regards to parking.

### **Tenant Makeup**

The property manager at the sole LIHTC family property in Waycross stated that tenants typically come from counties to the west of Ware. Several are from Douglas, and some come from Homerville, Blackshear, and Alma. The Peachwood Place property manager also indicated that tenants come from Jacksonville, Florida and New York. Property managers at market rate properties reported that tenants come from surrounding towns including Folkston, Jesup, Homerville, Hoboken, Hortense, Blackshear, Nahunta, and Brunswick. All of these towns are included in either the PMA or SMA. Property managers at properties in Waycross indicated a mixed tenancy of single parents, students, seniors, and military personnel.

### **Housing Choice Vouchers**

The following table illustrates the percentage of tenants utilizing housing choice vouchers at each of the comparable properties. It should be noted that management at Spanish Village was unable to provide information regarding the number of residents utilizing housing choice vouchers.

**Tenants with Vouchers**

Property name	Rent Structure	Location	Housing Choice Vouchers Tenants
Estes Park Apartments	LIHTC	Douglas	15%
Peachwood Place Apartments	LIHTC	Waycross	42%
Central Park Apartments	Market	Waycross	8%
Hatcher Way Apartments	Market	Waycross	5%
Sandy Creek Apartments	Market	Waycross	0%
Spanish Village Apartments	Market	Waycross	N/Av

As illustrated in the table above, properties reported a wide range of voucher tenants ranging from zero to 42 percent. LIHTC properties reported a similarly wide range from 15 to 42 percent with an average of 29 percent. The largest percentage of voucher tenants was reported by the one LIHTC property in Waycross. Therefore, we anticipate that approximately 30 to 40 percent of the Subject’s tenants will utilize housing choice vouchers. The Subject’s proposed rents are below the current payment standards which will enable persons with vouchers to reside at the proposed Subject.

**Concessions**

Only one of the comparable properties is currently offering a concession. Sandy Creek is offering two weeks free which equates to a monthly savings of \$19 to \$26 per month. Overall, concessions do not appear to be common in the market, particularly amongst LIHTC properties.

**Waiting Lists**

The following table illustrates the waiting lists at each of the comparable properties.

**Waiting List**

Property name	Rent Structure	Location	Waiting List
Estes Park Apartments	LIHTC	Douglas	Yes
Peachwood Place Apartments	LIHTC	Waycross	2BR: 2HH; 3BR: 12 HH; 4BR: 2HH
Central Park Apartments	Market	Waycross	3BR: 3HH
Hatcher Way Apartments	Market	Waycross	None
Sandy Creek Apartments	Market	Waycross	None
Spanish Village Apartments	Market	Waycross	None

Three of the comparables currently have waiting lists including both LIHTC properties. Two of the three properties with waiting lists reported that the majority of the households on the list are waiting for three-bedroom units. Approximately 58 percent of the Subject’s units will be three-bedroom units. This bodes well for the Subject.

**Historical Rent Increases**

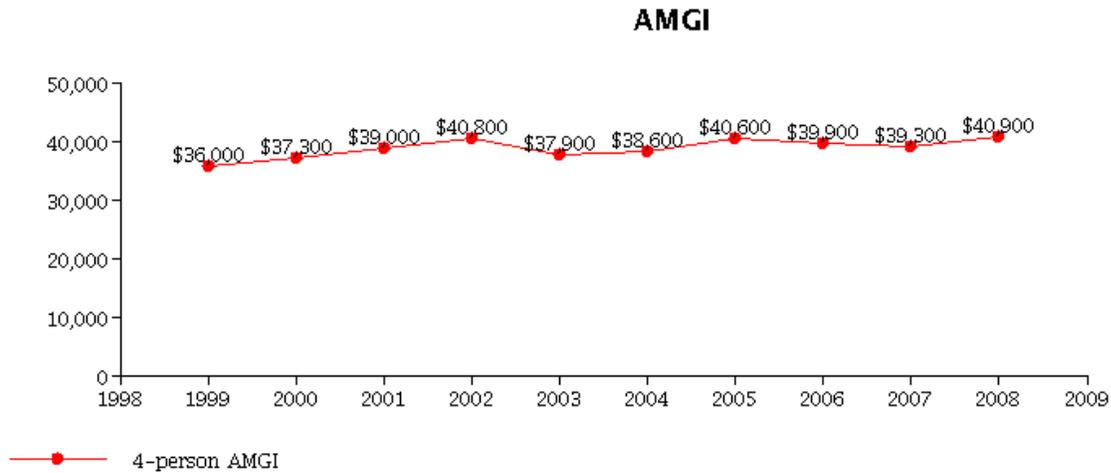
One way to determine if the apartment market is healthy is to look to the historical rent increases, or lack of them. If rents are stable or increasing in the area, the market may be in a state of expansion. Conversely, if the market begins to offer concessions, the market may be declining. The table below illustrates reported changes in rents in the market. Management at Spanish Village was unable to provide information regarding changed in rents in the past year.

**Rent Growth**

Property name	Rent Structure	Location	Rent Growth
Estes Park Apartments	LIHTC	Douglas	Decreased 23% to Increased 15%
Peachwood Place Apartments	LIHTC	Waycross	None
Central Park Apartments	Market	Waycross	Increased 2-6%
Hatcher Way Apartments	Market	Waycross	Increased 1%
Sandy Creek Apartments	Market	Waycross	Increased 14-20%
Spanish Village Apartments	Market	Waycross	N/Av

Of the six comparable properties, four properties reported rent adjustments in the past year including one property reporting a rent decrease. One LIHTC property reported decreases and increases in the rental rates depending on unit size and AMI level. These adjustments were attributed to a change in the utility allowance. Three of the four market rate comparables reported rent growth ranging from one to 20 percent. The largest rent growth was reported by management at Sandy Creek. This property also reported the highest vacancy rate indicating that the 14 to 20 percent rental rate increases may have been aggressive. Nevertheless, rent growth in the market is indicative of a healthy market and bodes well for the Subject.

The following graph depicts AMGI growth in the county from 1999 to 2008.



As the above table illustrates, the median income in Ware County rose steadily from 1999 to 2002 and again from 2003 to 2005. Since 1999, Ware County has experienced a total average AMI increase of 1.4 percent each year. The system and underlying data sources that HUD uses to establish income limits have changed by shifting to data from the American Community Survey (ACS), which has replaced previous census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. Therefore, the recent AMI decrease may be due to this methodology change rather than actual incomes decreasing. Despite the decreases in AMI in 2006 and 2007, the increase in AMI for 2008 indicates that the region is recovering from the methodology adjustment. Overall, the 2008 AMI estimate is slightly above the 2005 AMI. The Subject’s proposed rents are at the maximum allowable rent level for the 30 and 50 percent AMI levels and below the maximum allowable rent level at the 60

percent AMI level. Therefore, changes in the AMI will primarily impact potential rent growth at the Subject’s 30 and 50 percent AMI units.

**Affect of Subject on Other Affordable Units in Market**

Average vacancy at LIHTC comparables is low at 4.9 percent. Of the two LIHTC comparables, only one (Peachwood Place) is located in Waycross. Management at Peachwood Place reported demand in the market for affordable housing indicating that the addition of a second LIHTC property in Waycross would not impact the property’s ability to maintain high occupancy. The longest waiting list in the market is at Peachwood Place and the majority of households on this property’s waiting list are waiting for three-bedroom units. With 58 percent of its units as three-bedroom units, the Subject will help to fill this need. Overall, we do not believe that the Subject will have a negative affect on other affordable units in the market.

**Vacancy**

The following table illustrates the vacancy rates in the market.

**Overall Vacancy**

<b>Property name</b>	<b>Rent Structure</b>	<b>Location</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy Rate</b>
Estes Park Apartments	LIHTC	Douglas	72	2	2.8%
Peachwood Place Apartments	LIHTC	Waycross	72	5	6.9%
Central Park Apartments	Market	Waycross	100	4	4.0%
Hatcher Way Apartments	Market	Waycross	64	0	0.0%
Sandy Creek Apartments	Market	Waycross	80	8	10.0%
Spanish Village Apartments	Market	Waycross	40	3	7.5%
<b>Total</b>			<b>428</b>	<b>22</b>	<b>5.1%</b>
<b>Total LIHTC</b>			<b>144</b>	<b>7</b>	<b>4.9%</b>

As illustrated, vacancy rates in the market range from zero to ten percent, averaging 5.1 percent. Additionally, vacancy at LIHTC properties is low at 4.9 percent with both properties reporting waiting lists. Of the two LIHTC properties, vacancy is highest at Peachwood Place (6.9 percent), the one family LIHTC property in Waycross. However, management at Peachwood Place indicated that the property is operating off a waiting list with approximately two-households waiting for two-bedroom units, 12 households waiting for three-bedroom units, and two-households waiting for four-bedroom units. Therefore, the vacancy at the property appears to be attributable to turnover rather than a lack of demand for LIHTC housing in the market. Sandy Creek reported the highest vacancy in the market at ten percent. Management attributed the high vacancy to a change in property managers. Additionally, the property no longer accepts Housing Choice Vouchers. Although management did not indicate that recent rent growth may also be a contributing factor to the property’s high vacancy, rents at the property have increased by 14 to 20 percent in the past year. This is considered significant and may, at least partially, explain the higher vacancy at Sandy Creek compared to other properties in the market. Overall, vacancy in the market is considered low and we estimate that the Subject should maintain a vacancy rate of five percent or less.

**Historical Vacancy**

Historical vacancy was not available for properties in Waycross. Estes Park reported a vacancy rate of 1.4 percent in the fourth quarter of 2006 which is slightly below the current vacancy rate of 2.8 percent.

**Reasonability of Rents**

The table below illustrates the net and gross rents at the Subject, as well as the maximum allowable rents. DCA requires that LIHTC properties are at or below DCA’s Maximum Allowable Rent per the Rent and Income Guidelines. An analysis of achievable LIHTC rents is beyond the scope of the GA DCA guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject’s proposed LIHTC rents. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

**LIHTC Units at 30% AMI**

Unit Type	Number of Units	Net Rent	Estimated Utility Allowance	Gross Rent	Maximum Allowable Gross Rents	HUD FMR	% Rental Advantage over HUD FMR
2BR/2BA	3	\$126	\$187	\$313	\$312	\$518	65%

**LIHTC Units at 50% AMI**

Unit Type	Number of Units	Net Rent	Estimated Utility Allowance	Gross Rent	Maximum Allowable Gross Rents	HUD FMR	% Rental Advantage over HUD FMR
2BR/2BA	5	\$334	\$187	\$521	\$521	\$518	-1%
3BR/2BA	11	\$381	\$220	\$601	\$603	\$664	10%

**LIHTC Units at 60% AMI**

Unit Type	Number of Units	Net Rent	Estimated Utility Allowance	Gross Rent	Maximum Allowable Gross Rents	HUD FMR	% Rental Advantage over HUD FMR
2BR/2BA	12	\$360	\$187	\$547	\$625	\$518	-5%
3BR/2BA	17	\$401	\$220	\$621	\$723	\$664	7%

With the exception of the two-bedroom 50 and 60 percent AMI rents, all of the Subject’s proposed gross rents are below the HUD FMR. The two-bedroom 50 and 60 percent AMI rents are one and ten percent above the HUD FMR. Current payment standards are set at 110 percent of FMR and all of the Subject’s proposed rents are below the current payment standards. This indicates that voucher holders will likely be able to afford to live at the property. The rental rates at the LIHTC properties are compared to the Subject’s proposed 30, 50, and 60 percent AMI rents in the following table. It should be noted that the developer’s two-bedroom 30 percent AMI rent appears to be \$1 above the maximum allowable level. For the purposes of this study, we assume that the rent will be set at the maximum allowable level in accordance with the LIHTC program and guidelines.

**LIHTC RENT COMPARISON - @30%**

Property Name	Location	2BR
Ocean Breeze Park (SUBJECT)	Waycross	\$126
<b>LIHTC Maximum (Net)*</b>	--	<b>\$125</b>
Estes Park Apartments <sup>(1)</sup>	Douglas	\$136
<b>Average (excluding SUBJECT)</b>	--	<b>\$136</b>

\*Maximum allowable rents are identical for properties in Waycross and Douglas.

<sup>(1)</sup> Reportedly at the maximum allowable rent.

**LIHTC RENT COMPARISON - @50%**

<b>Property Name</b>	<b>Location</b>	<b>2BR</b>	<b>3BR</b>
Ocean Breeze Park (SUBJECT)	Waycross	\$334	\$381
<b>LIHTC Maximum (Net)*</b>	--	<b>\$334</b>	<b>\$383</b>
Peachwood Place Apartments	Waycross	\$309	\$353
Estes Park Apartments <sup>(1)</sup>	Douglas	\$345	\$385
<b>Average (excluding SUBJECT)</b>	--	<b>\$327</b>	<b>\$369</b>

\*Maximum allowable rents are identical for properties in Waycross and Douglas.

<sup>(1)</sup> Reportedly at the maximum allowable rent.

**LIHTC RENT COMPARISON - @60%**

<b>Property Name</b>	<b>Location</b>	<b>2BR</b>	<b>3BR</b>
Ocean Breeze Park (SUBJECT)	Waycross	\$360	\$401
<b>LIHTC Maximum (Net)*</b>	--	<b>\$438</b>	<b>\$503</b>
Peachwood Place Apartments	Waycross	\$384	\$433
Estes Park Apartments	Douglas	\$395	\$415
<b>Average (excluding SUBJECT)</b>	-	<b>\$390</b>	<b>\$424</b>

\*Maximum allowable rents are identical for properties in Waycross and Douglas.

The Subject’s proposed 30 and 50 percent rents are set at the maximum allowable levels. Management at Estes Park indicated that the 30 and 50 percent rents are set at the maximum allowable levels. Neither LIHTC comparable is achieving rents at the 60 percent AMI maximum allowable levels. The Subject will offer the single family home design which typically commands a rent premium in the market. With a competitive location, age/condition, unit sizes, baths per unit, and amenities, it is reasonable to assume that the Subject should achieve rents above those at existing LIHTC properties in the market both of which are garden-style communities. While the Subject’s proposed 50 percent rents are slightly above those being achieved at Peachwood Place, the only LIHTC comparable in Waycross, the Subject’s proposed 60 percent rents are below rents being achieved at Peachwood Place. Therefore, the Subject’s proposed rents appear reasonable and the Subject will have a rent advantage in the market.

The overall average and the maximum and minimum adjusted rents for the market properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

**SUBJECT RENT COMPARISON TO MARKET RENTS**

<b>Unit Type</b>	<b>Subject</b>	<b>Surveyed Min</b>	<b>Surveyed Max</b>	<b>Surveyed Average</b>
		<i>Subject at 30%</i>		
2 BR	\$126	\$354	\$634	\$427
		<i>Subject at 50%</i>		
2 BR	\$334	\$354	\$634	\$427
3 BR	\$381	\$473	\$678	\$565
		<i>Subject at 60%</i>		
2 BR	\$360	\$354	\$634	\$427
3 BR	\$401	\$473	\$678	\$565

As illustrated, all of the Subject’s proposed LIHTC rents are below the surveyed average market rents. The Subject will be superior to existing market rate properties with regards to

age/condition, unit design, and amenities. Because the Subject will offer the single-family home design, we also researched local classified listings of three-bedroom single family home rentals as illustrated in the following table.

**Classifieds**

<b>Unit Type</b>	<b>Rent</b>
3BR/1BA	\$725
3BR/2BA	\$850
3BR/1BA	\$600
3BR/1BA	\$650
3BR/1.5BA	\$769
<b>Average</b>	<b>\$719</b>

Source: Bennett Rental Properties & Waycross Journal-Herald

The Subject’s proposed rents are well below those being achieved at three-bedroom single family homes in the market. Overall, the Subject’s proposed rents appear reasonable.

**Conclusions**

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include the single-family home design, amenities, multiple AMI levels targeting a wide range of incomes, and the Subject’s new construction. The primary weakness will be the Subject’s smaller than average three-bedroom units and the lack of a swimming pool. With an average vacancy of 5.1 at all comparables and 4.9 percent at LIHTC comparables, and both LIHTC comparables reporting waiting lists, we believe there is adequate demand for the Subject.

## **H. INTERVIEWS**

**Waycross Regional Housing Authority  
 Could not contact 912-285-6280**

We contacted the Waycross Regional Housing Authority on numerous occasions, however, none of our phone calls were returned. The Waycross Regional Housing Authority manages rental assistance in 50 counties in southeast Georgia. According to DCA’s website, the Waycross waiting list is currently open to individuals aged 62 years and older. According to the website, the waiting list will close June 4, 2008. The City of Waycross housing authority also manages approximately 506 low income units according to HUD’s website. The current payment standards for Waycross can be found in the following table.

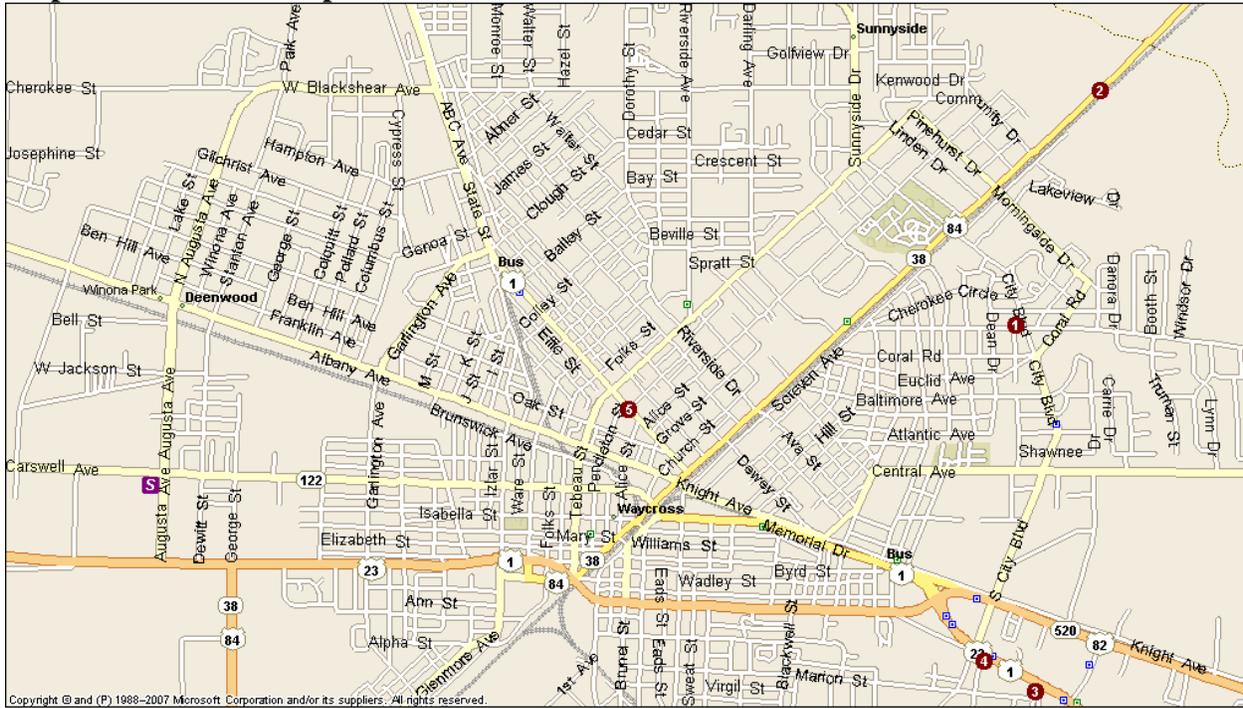
<b>PAYMENT STANDARDS</b>		
<b>Number of Bedrooms</b>	<b>Payment Standard</b>	<b>Subject's Gross Rents</b>
1BR	\$509	N/A
2BR	\$569	\$313 - \$547
3BR	\$730	\$601 - \$621
4BR	\$765	N/Ap

Payment standards for the county are 110 percent of FMR. The Subject’s gross rents at 30, 50, 60 percent AMI, are below the payment standard.

**Planning/New Supply Discussion  
 Jonathan Lynn, 912-287-2944**

We spoke with Jonathan Lynn, Planner, from the City of Waycross Community Improvement Department. Mr. Lynn stated there is no new multifamily housing that is currently under construction. Mr. Lynn stated Cherokee Heights Condominiums recently completed construction. This property is located on Seminole Trail, approximately 3.8 miles northeast of the Subject site. Mr. Lynn stated these condominiums are currently selling for \$175,000. According to Mr. Lynn, there is a new single family subdivision in the planning process. The development will be located off of Highway 84 near Pierce County. The development will consist of single family homes and townhouses. According to Mr. Lynn all units will be available for purchase. In terms of retail development Mr. Lynn noted there is new construction along Memorial Drive, which includes a Verizon Wireless store, a new FedEx store, and a couple of restaurants. Finally, the Enhanced Recovery Corp. (ERC), a national debt collections service provider, will invest \$5.5 million renovating an existing Winn Dixie in Waycross. A map of the planned developments follows.

Map of Planned Developments



Map Number	Planned Development	Location	Type	Distance from Subject	Description
1	Cherokee Heights Condominiums	1223 Seminole Trail	Residential	3.8 miles	Condominiums for purchase starting at \$175,000
2	Single Family PUD Development	US Highway 84	Residential	4.5 miles	Single family homes in beginning of planning process
3	Verizon Wireless	Memorial Drive	Commercial	3.8 miles	Under Construction to open late 2008
4	FedEx	Memorial Drive	Commercial	3.9 miles	Under Construction to open late 2008
5	ERC	State Street	Commercial	2.2 miles	Renovation of old Winn Dixie

## **I. CONCLUSIONS AND RECOMMENDATIONS**

## CONCLUSIONS

- Both the population and number of households in the PMA and MSA have experienced growth from 2000 to 2007, and this trend is expected to continue into 2012. The majority of the Subject's units will target households earning between \$17,863 and \$30,060 annually. Approximately 20 percent of households in the PMA earn incomes within these income cohorts compared to 19 percent in the SMA and 13 percent nationally. This also bodes well for the Subject.
- As the regional economic center for Ware County, the Waycross area economy includes a mix of industries including manufacturing, retail and healthcare. Total employment increased in four out of the past eight years, with growth in 2006 and 2007 but a small decline in 2008 to date. As of the beginning of the year, three companies have reported that they will be moving to or expanding in the Waycross area. These three companies are expected to add over 385 new jobs to the area. Overall, the local economy appears to be in a transitional period but it appears to be rebounding.
- Per DCA guidelines, units with rents set more than 30 percent below the average market rent for the same bedroom type in any income segment have been excluded from the above analysis, particularly if they comprise a small percentage of the total unit mix. These units are assumed to be leaseable in the market. Including these units would widen the income band and therefore artificially lower the overall capture rates. To limit this effect, we have excluded the Subject's 30 percent units from the demand analysis as the rents for these units are more than 30 percent below the average market rents and comprise only six percent of the total units offered by the proposed Subject. Therefore, the following analysis reflects only the 45 units at the 50 and 60 percent AMI levels as well as the unrestricted units.

The Subject's capture rates at the 50 percent AMI level range from 8.9 to 31.6 percent with an overall capture rate of 17.6 percent. Capture rates at the 60 percent AMI level range from 12.1 to 27.6 percent, with an overall capture rate of 18.0 percent.

DCA thresholds are 35 percent for one- and two-bedroom units, 40 percent for three-bedroom units, and 50 percent for four-bedroom units. While the Subject's overall two-bedroom capture rate is below the DCA threshold, the overall three-bedroom capture rate of 50 percent, does not meet DCA threshold requirements. Despite being over the threshold, we still believe that there is adequate demand in the market to support the Subject for the following reasons:

1. Overall vacancy in the market is low at 5.1 percent.
2. Vacancy at LIHTC properties is also low at 4.9 percent with both properties reporting waiting lists.
3. Lack of competition: There is only one family LIHTC property in Waycross.

4. Additions to Supply: We have conservatively estimated demand by deducting units at Estes Park, a LIHTC property on the border of the PMA approximately 44.4 miles from the Subject site. This property has been stabilized for several years and is currently 2.8 percent vacant with a waiting list. Capture rates for the Subject when not removing these 72 units at Estes Park are below DCA thresholds at 14.0 percent for two-bedroom units, 38.9 percent for three-bedroom units, and 23.3 percent overall.
- None of the managers at the comparable properties were able to provide absorption information. Capture rates for the Subject illustrate adequate demand. Additionally, vacancy at LIHTC properties is low at 4.9 percent with both properties reporting waiting lists. Vacancy is highest at Peachwood Place (6.9 percent), the one family LIHTC property in Waycross. However, management indicated that the property is operating off a waiting list with approximately two-households waiting for two-bedroom units, 12 households waiting for three-bedroom units, and two-households waiting for four-bedroom units. Therefore, the vacancy at the property appears to be attributable to turnover rather than a lack of demand for LIHTC housing in the market. The Subject will offer the superior single-family home design which will provide the Subject with a marketing advantage. Additionally, the Subject will offer a competitive location, amenities, and unit sizes. Therefore, we have conservatively estimated that the Subject will absorb five to eight units per month. At this pace, the Subject will stabilize at 93 percent occupancy (per DCA guidelines) in six to nine months. With a similar number of two- and three-bedroom units, we anticipate that the Subject's two- and three-bedroom units will be absorbed at a similar pace.
  - Vacancy rates in the market range from zero to ten percent, averaging 5.1 percent. Additionally, vacancy at LIHTC properties is low at 4.9 percent with both properties reporting waiting lists. Of the two LIHTC properties, vacancy is highest at Peachwood Place (6.9 percent), the one family LIHTC property in Waycross. However, management at Peachwood Place indicated that the property is operating off a waiting list with approximately two-households waiting for two-bedroom units, 12 households waiting for three-bedroom units, and two-households waiting for four-bedroom units. Therefore, the vacancy at the property appears to be attributable to turnover rather than a lack of demand for LIHTC housing in the market. Sandy Creek reported the highest vacancy in the market at ten percent. Management attributed the high vacancy to a change in property managers. Additionally, the property no longer accepts Housing Choice Vouchers. Although management did not indicate that recent rent growth may also be a contributing factor to the property's high vacancy, rents at the property have increased by 14 to 20 percent in the past year. This is considered significant and may, at least partially, explain the higher vacancy at Sandy Creek compared to other properties in the market. Overall, vacancy in the market is considered low and we estimate that the Subject should maintain a vacancy rate of five percent or less.
  - Average vacancy at LIHTC comparables is low at 4.9 percent. Of the two LIHTC comparables, only one (Peachwood Place) is located in Waycross. Management at Peachwood Place reported demand in the market for affordable housing indicating that the addition of a second LIHTC property in Waycross would not impact the property's

ability to maintain high occupancy. The longest waiting list in the market is at Peachwood Place and the majority of households on this property's waiting list are waiting for three-bedroom units. With 58 percent of its units as three-bedroom units, the Subject will help to fill this need. Overall, we do not believe that the Subject will have a negative affect on other affordable units in the market.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include the single-family home design, amenities, multiple AMI levels targeting a wide range of incomes, and the Subject's new construction. The primary weakness will be the Subject's smaller than average three-bedroom units and the lack of a swimming pool. With an average vacancy of 5.1 at all comparables and 4.9 percent at LIHTC comparables, and both LIHTC comparables reporting waiting lists, we believe there is adequate demand for the Subject.

### **Recommendations**

- We recommend the project as proposed.

## **J. SIGNED STATEMENT REQUIREMENTS**

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



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H. Blair Kincer, MAI  
Partner

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5-28-2008  
Date



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Michalena M. Sukenik  
Manager

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5-28-2008  
Date



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Julia Buckmaster  
Real Estate Analyst

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5-28-2008  
Date

## **K. ANALYST QUALIFICATIONS**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## H. BLAIR KINCER, MAI

### I. Education

Duquesne University, Pittsburgh, Pennsylvania  
Masters in Business Administration  
Graduated Suma Cum Laude

West Virginia University, Morgantown, West Virginia  
Bachelor of Science in Business Administration  
Graduated Magna Cum Laude

### II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)  
Past Member Frostburg Housing Authority  
Certified General Real Estate Appraiser – State of Connecticut  
Certified General Real Estate Appraiser – State of Maryland  
Certified General Real Estate Appraiser – State of Michigan  
Certified General Real Estate Appraiser – State of Mississippi  
Certified General Real Estate Appraiser – State of New York  
Certified General Real Estate Appraiser – Commonwealth of Pennsylvania  
Certified General Real Estate Appraiser – State of South Carolina  
Certified General Real Estate Appraiser – State of Tennessee  
Certified General Real Estate Appraiser – Commonwealth of Virginia  
Certified General Real Estate Appraiser – State of Washington  
Certified General Real Estate Appraiser – State of West Virginia

### III. Professional Experience

*Partner*, Novogradac & Company LLP  
*Vice President*, Capital Realty Advisors, Inc.  
*Vice President - Acquisitions*, The Community Partners Development Group, LLC  
*Commercial Loan Officer/Work-Out Specialist*, First Federal Savings Bank of Western MD  
*Manager* - Real Estate Valuation Services, Ernst & Young LLP  
*Senior Associate*, Joseph J. Blake and Associates, Inc.  
*Senior Appraiser*, Chevy Chase, F.S.B.  
*Senior Consultant*, Pannell Kerr Forster

### IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since.

**V. Real Estate Assignments – Examples**

- In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988. Since 1995 have focused on the affordable housing industry.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **MICHALENA M. SUKENIK**

### **I. Education**

Union College, Schenectady, New York  
Bachelor of Arts in Cultural Anthropology  
Union College Study Abroad, St. Lucy, Barbados

### **II. Professional Experience**

Manager, Novogradac & Company LLP  
Dallas / Fort Worth and Atlanta Research Manager, CoStar Group, Inc.  
Senior Research Analyst / Newswire Editor, CoStar Group, Inc.

### **III. Professional Training and Continuing Education**

Member, National Council of Affordable Housing Market Analysts (NCAHMA)  
Attended HUD Community Development Block Grant (CDBG) 30<sup>th</sup> Anniversary Conference, September 13-14, 2004, Washington, DC  
Successfully completed "Introduction to Commercial Real Estate Analysis" and "Financial Analysis for Commercial Real Estate Investment".

### **IV. Real Estate Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.

- Conducted market studies for senior projects in Virginia Beach, Virginia; Hampton Roads, Virginia; Goshen, New York; Calumet City, Illinois; Pontiac, Illinois; Galesburg, Illinois; San Antonio, Texas; Salt Lake City, Utah; Ogden, Utah; Philadelphia, Pennsylvania; Thibodaux, Louisiana; Jennings, Louisiana; Rio Rico, Arizona; Twin Falls, Idaho; Sheridan, Wyoming; Cheyenne, Wyoming; Detroit, Michigan; Springfield, Missouri; Jackson, Mississippi; Los Banos, California; Oregon, Wisconsin; Milwaukee, Wisconsin, and Racine Wisconsin.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **JULIA BUCKMASTER**

### **I. Education**

American University, Washington, DC  
Bachelor of Arts

### **II. Professional Experience**

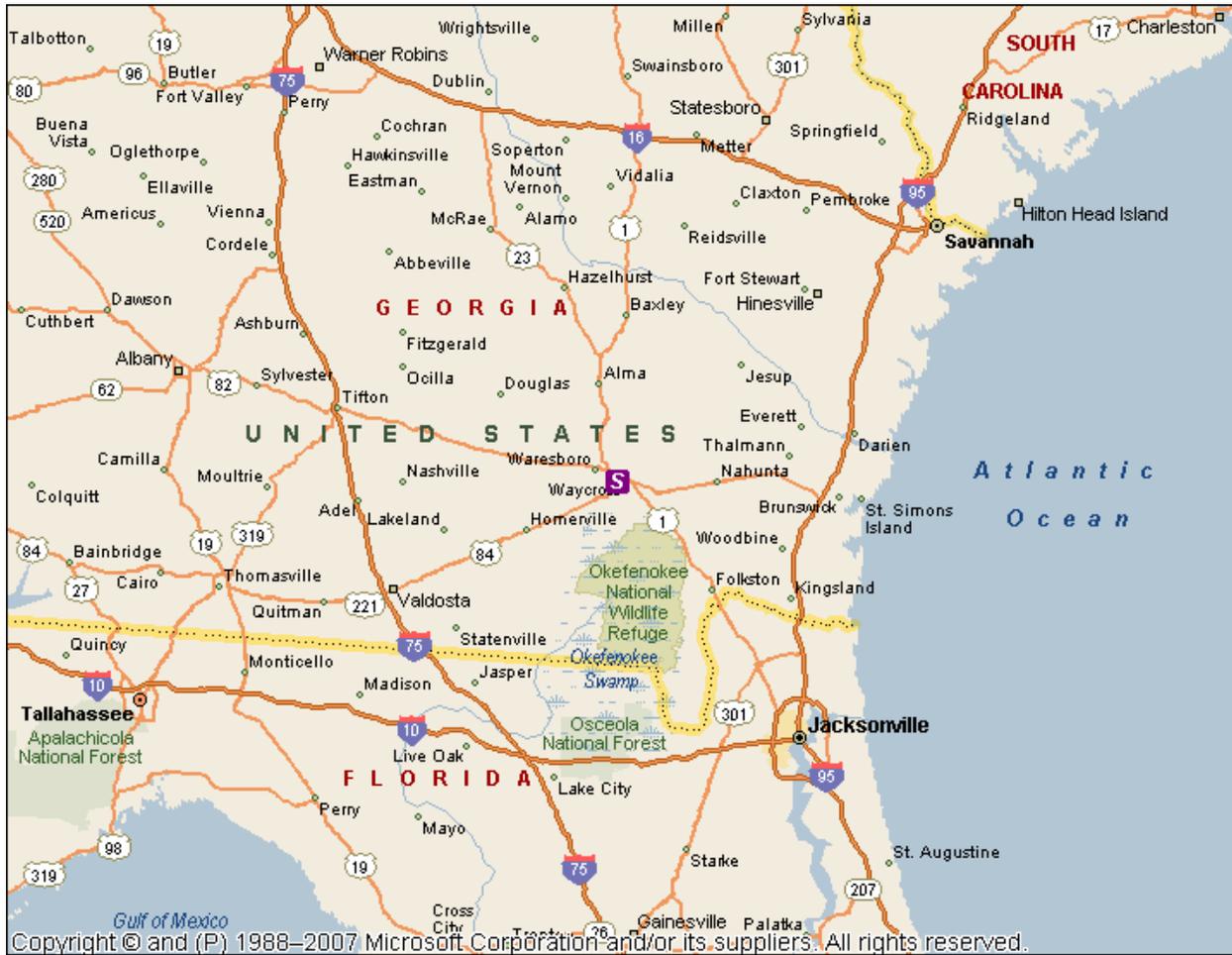
Research Analyst, Novogradac & Company LLP  
Legal Secretary, Bergen & Bergen Law Firm  
Research Assistant, Chr. Michelson Institute

### **III. Research Assignments**

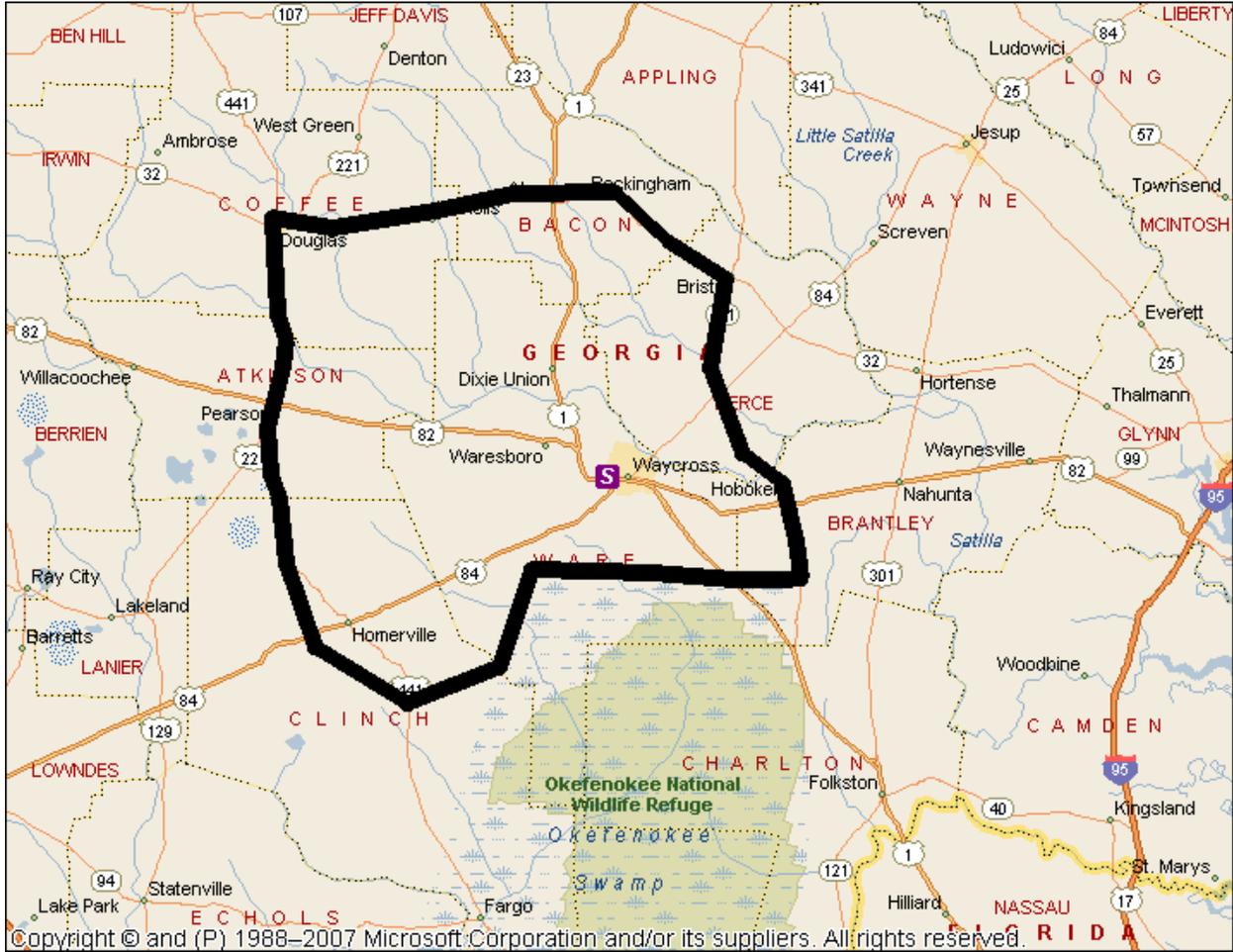
- Assisted with market studies of proposed new construction and existing Low-Income Housing Tax Credit (LIHTC) properties. Market analysis includes preliminary property screenings, market analysis, comparable rent surveys, and demand analysis.
- Assisted in appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.

MAPS

Regional Map



PMA Map



Neighborhood Map

