



**A RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
HAWKINSVILLE, GEORGIA**

Cotton Mill Lofts

Project Number 07-004

June 27, 2007

Prepared for:

Georgia Department of Community Affairs
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SIGNED STATEMENT REQUIREMENTS

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

CERTIFICATE OF ACCURACY AND RELIABILITY

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



Steven R. Shaw
SHAW RESEARCH & CONSULTING

Date: June 27, 2007

I. INTRODUCTION

Shaw Research & Consulting has prepared the following report to examine and analyze the Hawkinsville area as it pertains to the market feasibility of Cotton Mill Lofts, a proposed 65-unit affordable rental housing development targeted for low-income single and family households. The subject proposal is to be located at the eastern edge of the city along the Ocmulgee River, at the southeast corner of Broad Street (U.S. 341) and South Houston Street. Situated just blocks from downtown Hawkinsville, the subject property currently consists of several structures (in fair condition) of the now defunct Hawkinsville Cotton Mill, which was built in multiple phases between 1904 and 1973 and closed in 2001. According to documentation provided by DCA, several buildings on the site will be demolished, while the interior of two two-story structures will be gutted to construct the proposed rental property. It should also be noted that the northern portion of the site with frontage along Broad Street is planned for retail usage, including a city market.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, fieldwork and site visit, and a demand forecast for the proposed development within the Hawkinsville primary market area (PMA). All fieldwork and community data collection was conducted on June 14, 2007 by Steven Shaw. A phone survey of existing rental developments identified within the primary market area (PMA), as well as site visits to those properties deemed most comparable to the subject, was also reviewed and analyzed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from HUD and Georgia Department of Community Affairs (DCA). As a result, the proposed Cotton Mill Lofts will feature a total of 65 units (12 one-bedroom, 32 two-bedroom, and 21 three-bedroom units) restricted to households earning between 50 percent and 60 percent of the area median income (AMI)

II. EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence can NOT be introduced for the successful introduction and absorption of the subject proposal, as described, within the Hawkinsville market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) Based on U.S. Census figures, demographic patterns throughout the Hawkinsville PMA have been generally positive since 1990. Although population decreased for Hawkinsville proper between 1990 and 2000 (by seven percent), the overall population within the PMA increased by 18 percent, representing 1,480 additional persons during the decade. Future projections indicate continued increases through 2012, albeit at a much more modest pace. As such, the PMA is anticipated to increase by two percent (roughly 215 persons) between 2000 and 2012.
- 2) Overall economic conditions for the Hawkinsville area are improving, with unemployment rates typically below both state and national averages since 2003. More than 1,050 new jobs have been created within Pulaski County since 1990, representing an increase of 31 percent.. Although employment levels dropped between 1998 and 2002, it is important to note that more than 500 new jobs were added to the county's workforce between 2002 and 2006 (representing an increase of 13 percent over the four years – or 3.3 percent annually). As of April 2007, the unemployment rate for the county further decreased to 3.7 percent, remaining below the state and national levels and representing a decrease from an unemployment rate of 4.2 percent a year ago, both indicative of a stable and improving economy.
- 3) The subject's larger unit sizes and the inclusion of numerous modern amenities (many of which are lacking from most developments throughout the local market) demonstrate the true affordability of the proposal. As such, the proposed unit mix and targeting, affordable rental rates, and unit sizes are appropriate for the Hawkinsville rental market.
- 4) The proposed rental rates within the subject compare favorably with the PMA's only market-rate development, Lakeshore Landing. Considering the larger unit sizes as well as the number of additional amenities to be included (with clubhouse, dishwasher, disposal, microwave, exercise room, mini-blinds, and library, among others), the proposal's relative value becomes even more apparent.

- 5) Due to the relative age of the existing rental communities as well as the level of subsidy available, amenities and features are extremely limited throughout the Hawkinsville rental market. The subject property will contain a number of additional amenities that are not as prevalent (or not found at all) throughout the area, including clubhouse, coin-operated laundry, dishwasher, exercise/fitness room, garbage disposal, microwave, mini-blinds, library, and playground. Coupled with the proposal's income targeting, affordable rental rates and large unit sizes, the generous amenity package undoubtedly gives the subject proposal a competitive advantage over every rental property within the market area.
- 6) The location and site characteristics of the project are generally positive, with no significant visible nuances that can potentially affect the marketability or absorption of the subject property adversely. While the poor condition of the existing homes adjacent to the south of the site, as well as the industrial property directly across Houston Street to the west, can be considered as minor nuances, the site schematic indicates a wooded buffer to reduce any potential negative effect.
- 7) The subject property is situated just blocks from downtown Hawkinsville. With its location along Broad Street (U.S. 341) and one block south of Commerce Street, most retail, schools, medical, and employment locales are a short drive from the site.
- 8) Occupancy rates for rental housing appear relatively positive throughout the market area. Although an overall occupancy rate of 91 percent was calculated from a June 2007 survey of six rental developments identified and contacted within the PMA, this figure was skewed down by the poor performance of local PHA projects. Excluding PHA properties, an adjusted occupancy rate of 97 percent was determined, clearly demonstrating the strength of the local rental market for affordable rental units.
- 9) Demand estimates for the proposed development show insufficient statistical support for the introduction and absorption of 65 tax credit rental units within the Hawkinsville PMA. Although 32 percent of all renter households are income-qualified for the project, the resulting capture rate is 82 percent for the overall project. Additionally, capture rates of 57 percent and 43 percent were calculated for two and three-bedroom units, respectively, all falling outside of DCA accepted thresholds
- 10) Based largely on the inflated capture rates, the absorption/stabilization period is estimated at approximately 11 to 13 months for the project to reach an occupancy of 93 percent. Additionally, the projected stabilized occupancy level is estimated at 85 to 88 percent.
- 11) Although most characteristics of the proposal are quite positive (including income targeting, affordable rental rates, unit sizes, and amenity package), the overall number of tax credit units is the most significant drawback. While the

revitalization of a local landmark to fill a clear void in the local rental market would be a noteworthy accomplishment for the community, a property struggling to maintain an acceptable occupancy threshold could have potential negative ramifications for the neighborhood. Considering the proposal as currently configured, it is estimated that the absorption period to 93 percent occupancy is between 11 and 13 months, and more importantly, the ability to maintain at least a 93 percent occupancy rate into the foreseeable future will likely be problematic.

Capture Rate Analysis Chart

| Unit Type | Income Targeting | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Estimated Absorption | Avg. Market Rent | Proposed Rents |
|--|--------------------|----------------|--------------|----------|------------|--------------|----------------------|------------------|----------------|
| One-Bedroom Units | 50% AMI | 5 | 44 | 0 | 44 | 11.3% | 4 months | \$351 | \$350 |
| One-Bedroom Units | 60% AMI | 7 | 59 | 0 | 59 | 11.8% | 5 months | \$351 | \$400 |
| One-Bedroom Units | Total LIHTC | 12 | 71 | 0 | 71 | 17.0% | 4-5 months | | |
| Two-Bedroom Units | 50% AMI | 9 | 49 | 0 | 49 | 18.5% | 6-8 months | \$425 | \$400 |
| Two-Bedroom Units | 60% AMI | 23 | 43 | 0 | 43 | 53.0% | 11-13 months | \$425 | \$450 |
| Two-Bedroom Units | Total LIHTC | 32 | 57 | 0 | 57 | 56.5% | 11-13 months | | |
| Three-Bedroom Units | 50% AMI | 9 | 44 | 0 | 44 | 20.5% | 6-8 months | NA | \$425 |
| Three-Bedroom Units | 60% AMI | 12 | 35 | 0 | 35 | 34.2% | 9-11 months | NA | \$475 |
| Three-Bedroom Units | Total LIHTC | 21 | 49 | 0 | 49 | 42.7% | 9-11 months | | |
| Proposed Project Capture Rate - LIHTC Units | | | 82% | | | | | | |
| Proposed Project Capture Rate - Market Rate Units | | | NA | | | | | | |
| Proposed Capture Rate - ALL Units | | | 82% | | | | | | |
| Proposed Project Stabilization Period | | | 11-13 months | | | | | | |

III. PROJECT DESCRIPTION

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

Project Description:

| | |
|--|--|
| Development Location..... | Hawkinsville, Georgia |
| | 100 South Houston Street |
| Construction Type..... | Adaptive Reuse |
| Occupancy Type | Family (<i>open</i>) |
| Special Population Group | 5 units will be set aside for special categories |
| Number of Units/Bedrooms | See below |
| Structure Type..... | See below |
| Rents and Utility Allowance..... | See following page |
| Proposed Rental Assistance | 3 PBRA units |
| Proposed Amenities | See following page |
| Projected Placed-In-Service Date | December 31, 2009 |
| Current Occupancy Level | NA |
| Target Income Group..... | \$14,777 to \$33,631 |

Project Size:

| | |
|----------------------------------|----------|
| Total Development Size..... | 65 units |
| Number of Affordable Units..... | 65 units |
| Number of Market Rate Units..... | 0 units |
| Number of PBRA Units | 3 units |

Development Characteristics:

| | |
|---|-------------|
| Number of Total Buildings | 6 buildings |
| Number of Residential Buildings..... | 2 buildings |
| Number of Non-Residential Buildings | 4 building |
| Total Area of Site..... | 5.6 acres |
| Number of Mobility Impaired Units | 6 units |
| Number of Sight/Hearing Impaired Units..... | 2 units |
| Number of Residential Parking Spaces..... | 130 spaces |

Income Targeting/Project Mix:

| | <u>Total</u> | <u>50% AMI</u> | <u>60% AMI</u> |
|-----------------------------------|----------------------|--------------------|--------------------|
| One-bedroom/one-bath units | 12 units | 5..... | 7 |
| Two-bedroom/two-bath units..... | 32 units | 9..... | 23 |
| Three-bedroom/two-bath units..... | 21 units | 9..... | 12 |
| Total Units | 65 units..... | 23..... | 42 |

Square Feet:

| | |
|--------------------------|-------------------|
| One-bedroom units..... | 900 square feet |
| Two-bedroom units..... | 1,150 square feet |
| Three-bedroom units..... | 1,350 square feet |

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

| | 50% | 60% |
|--------------------------|-------------------|-------------------|
| | <u>AMI</u> | <u>AMI</u> |
| One-bedroom units..... | \$350..... | \$400 |
| Two-bedroom units..... | \$400..... | \$450 |
| Three-bedroom units..... | \$425..... | \$475 |

Unit Amenities:

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

Development Amenities:

- | | |
|-------------------------------------|----------------------------------|
| ➤ Community Room | ➤ Central On-Site Laundry |
| ➤ Equipped Computer Center | ➤ Covered Pavilion |
| ➤ Equipped Fitness Center | ➤ Picnic and Barbeque Facilities |
| ➤ Walking Path w/ Exercise Stations | ➤ Gazebo |
| ➤ Furnished Library | ➤ Fenced Community Gardens |

Additional Assumptions:

- Water, sewer, and trash removal will be included in the rent. Electricity (including electric heat pump), cable television, and telephone charges will be paid by the tenant;
- Market entry is scheduled for December 31, 2009;
- On-site full-time management/staffing, including a professional management company with experience in similar rental housing alternatives will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

A. Proposed Unit Configuration Structure

| Project Name: Cotton Mill Lofts Location: 100 S. Houston Street, Hawkinsville, GA County: Pulaski Total Units: 65 Occupancy Type: Family Construction Type: Adaptive Reuse Income Targeting*: Overall - \$14,777 - \$33,631 50% AMI - \$14,777 - \$28,026 60% AMI - \$16,491 - \$33,631 | | | | | | | | | |
|--|-----------------|-----------|-----------------|-------------|---------------|-------------------|------------|------------------|---------------|
| Targeting/Mix | Number of Units | Unit Type | Number of Baths | Square Feet | Contract Rent | Utility Allowance | Gross Rent | Max. LIHTC Rent* | Includes PBRA |
| One-Bedroom Units | | | | | | | | | |
| | 12 | | | | | | | | |
| 50% of Area Median Income | 5 | Apt. | 1.0 | 900 | \$350 | \$81 | \$431 | \$486 | No |
| 60% of Area Median Income | 7 | Apt. | 1.0 | 900 | \$400 | \$81 | \$481 | \$583 | No |
| Two-Bedroom Units | | | | | | | | | |
| | 32 | | | | | | | | |
| 50% of Area Median Income | 2 | Apt. | 2.0 | 1,150 | \$400 | \$106 | \$506 | \$583 | Yes |
| 50% of Area Median Income | 7 | Apt. | 2.0 | 1,150 | \$400 | \$106 | \$506 | \$583 | No |
| 60% of Area Median Income | 23 | Apt. | 2.0 | 1,150 | \$450 | \$106 | \$556 | \$700 | No |
| Three-Bedroom Units | | | | | | | | | |
| | 21 | | | | | | | | |
| 50% of Area Median Income | 1 | Apt. | 2.0 | 1,350 | \$425 | \$129 | \$554 | \$675 | Yes |
| 50% of Area Median Income | 8 | Apt. | 2.0 | 1,350 | \$425 | \$129 | \$554 | \$675 | No |
| 60% of Area Median Income | 12 | Apt. | 2.0 | 1,350 | \$475 | \$129 | \$604 | \$810 | No |

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

IV. SITE EVALUATION AND CHARACTERISTICS

The proposed site of Cotton Mill Lofts is located at the eastern edge of the city of Hawkinsville, at the southeast corner of Broad Street and Houston Street along the western bank of the Ocmulgee River. The physical address of the subject is 100 South Houston Street, and currently consists of several structures in fair condition of the now defunct Hawkinsville Cotton Mill, which was built in multiple phases between 1904 and 1973. Located just two blocks east of downtown Hawkinsville, several buildings will be demolished and the interior of two two-story structures will be gutted to construct the proposed rental property. Access to the property will be from Houston Street. It should also be noted that the northern portion of the site with frontage along Broad Street is planned for retail usage, including a city market.

Houston Street represents a relatively lightly-traveled two-lane secondary street approximately ¼ mile in length (south of Broad Street), and consists primarily of single-family homes in fair to poor condition. With the exception of a church and home at the south end of the street (where it ends) which are in good condition, most homes along Houston Street are quite dilapidated and/or vacant. Adjacent to the north of the site is Broad Street (U.S. 341), a moderately-traveled roadway containing numerous retail and commercial properties, as well as restaurants. The majority of the area near the site south of Broad Street is residential (most of which is in good condition west of Jackson Street), while north of Broad Street is mostly retail and commercial. The subject's proximity to Broad and Commerce Streets provide relatively convenient access to much of the area's retail, medical, employment, and other necessary services required by local residents.

As previously mentioned, the immediate neighborhood along South Houston Street is in fair to poor condition, including homes adjacent to the site along Liberty Street. The site is approximately 5.6 acres and is located in Census Tract 9502 with current zoning acceptable for multi-family development. Surrounding land usages consist of single-family, industrial, and commercial. As such, current zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. Adjacent land usage is as follows:

North: Broad Street/commercial/Veteran's Memorial Park
South: Single-family homes
East: Ocmulgee River
West: Houston Street/industrial

Overall, the immediate neighborhood is quite mixed, featuring single-family homes to the south, industrial property to the west, the Veteran's Memorial Park and commercial properties to the north. In addition, the subject property is within walking distance of downtown Hawkinsville, which contains several convenience stores and other retail, restaurants, city and county buildings, library, post office, and other services. Because of the small-town characteristics of the community, most local retail opportunities, schools, parks, medical services, and employment locales are all situated within a short distance of the site. Furthermore, the Pulaski County Rural Public Transportation Program provides "on-call" bus services for the residents of Pulaski County, providing transportation seven days a week for doctor visits, shopping, social needs, or any other worthwhile purpose.

Outside of the downtown business district, other retail concentrations can be found scattered throughout the area. The community's only full-service grocery store is situated approximately 1¼ miles northwest of the site along Progress Avenue (Business U.S. 341). Additional nearby retail locales can be found along Broad Street and Commerce Street west of downtown. As such, most necessary services are relatively close to the site, with a grocery, pharmacy, numerous convenience stores, schools, medical facilities, and other necessary services all within two miles.

Based on a site visit conducted June 14, 2007, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can potentially affect the marketability or absorption of the subject property adversely. While existing homes adjacent to the south of the site, as well as the industrial property directly across Houston Street to the west, can be considered as minor nuances, the site schematic indicates a wooded buffer to reduce any potential negative effect. Furthermore, several structures on the subject property will be demolished, and along with the subsequent re-development of the two main buildings (which is an historical local landmark), the immediate area will undoubtedly be enhanced. While the area

south of site is a somewhat economically challenged and deteriorated neighborhood, the development of the subject proposal along with a proposed riverwalk along the Ocmulgee River adjacent to the site, will obviously play a key role in the revitalization of the area.

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

Retail

- 1. Surrey Plaza shopping center.....>1¼ miles northwest
(w/ Harvey’s Supermarket, Papa’s Pizza, Movie Gallery, Rite-Aid Pharmacy, Ace Hardware)
- 2. Dollar General.....>1 mile northwest
- 3. American Jack’s Neighborhood Market¾ mile east
- 4. Fred’s>½ mile west
- 5. Family Dollar<½ mile west
- 6. Farmer’s Furnitureone-third mile west
- 7. Broad Street Square shopping center.....one-third mile west
(w/ Advance Auto Parts, Chinese Super Buffet, Pretty Nails)
- 8. Various convenience/party storeswithin ½ mile of site
- 9. Hawkinsville Downtown Business District (*shaded area*).....<2 blocks west

Medical

- 10. Taylor Regional Hospital.....1¾ miles northwest
- 11. Professional Medical Building.....1¾ miles northwest
- 12. Taylor Rehabilitation and Wellness Center1¾ miles northwest
- 13. Maddock Cancer Treatment Center1¾ miles northwest

Education

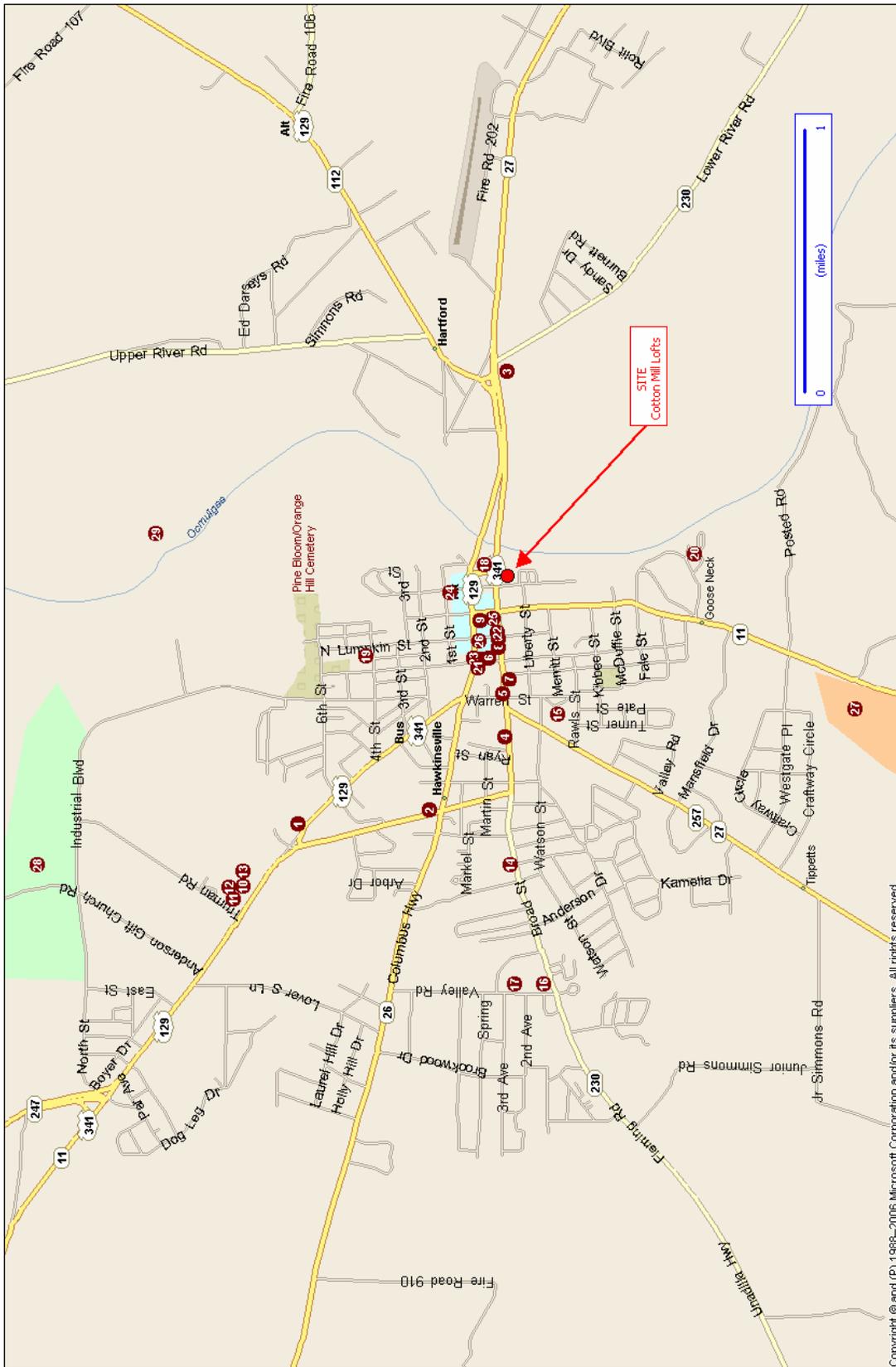
- 14. Pulaski County Elementary School>1 mile west
- 15. Pulaski County Alternative School.....½ mile west
- 16. Pulaski County Middle School1½ miles west
- 17. Hawkinsville High School1¾ miles west

Recreation/Other

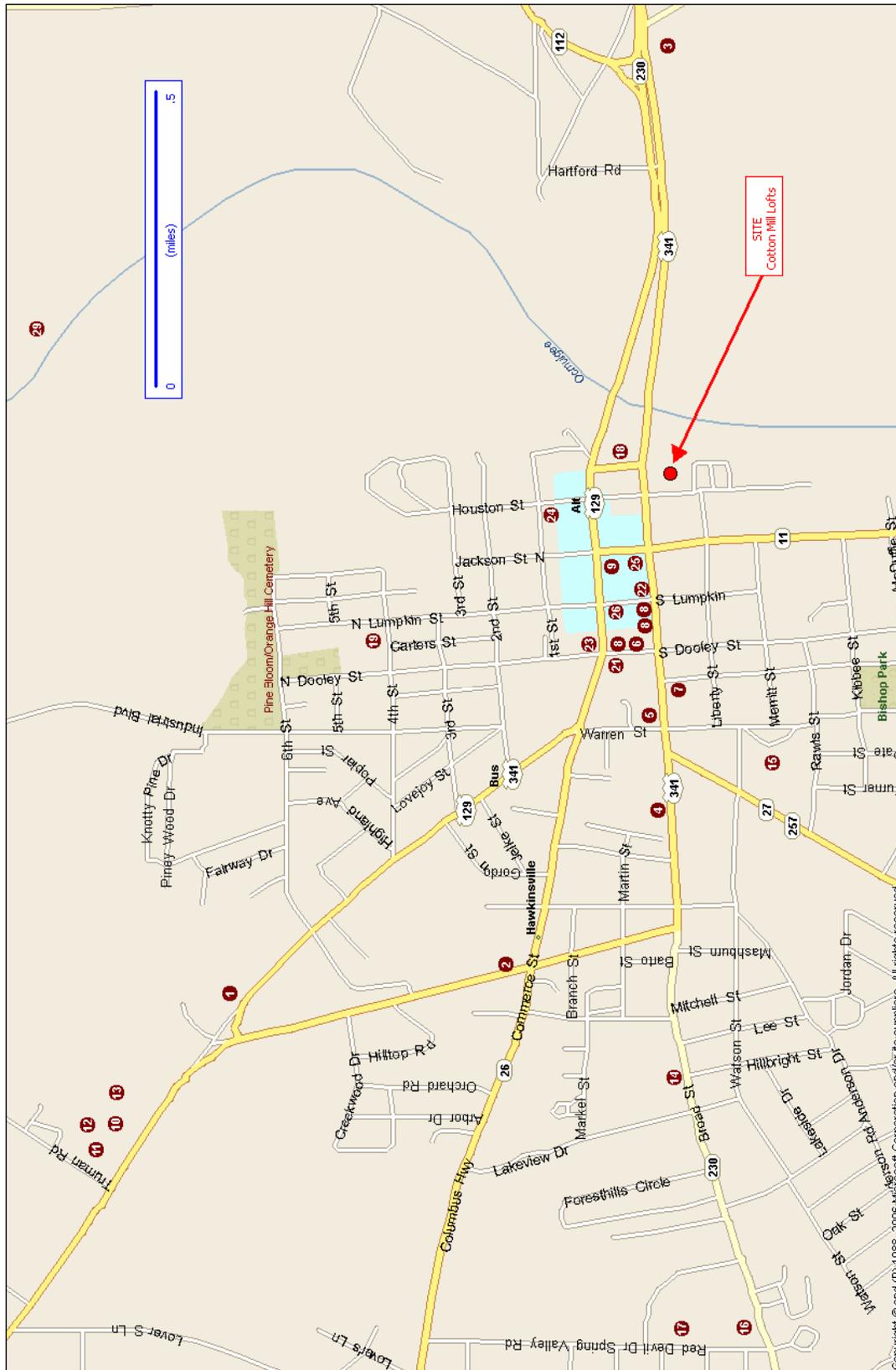
- 18. Veterans Memorial ParkAdjacent to north of site
- 19. Hawkinsville Park/Ballfield.....¾ mile north
- 20. State Park/Boat Landing1 mile south
- 21. Roden Library<½ mile west
- 22. Opera House.....<¼ mile west
- 23. Hawkinsville Post Office<½ mile west
- 24. Fire/Police/Sheriff’s Department<¼ mile north
- 25. City Hall.....1½ blocks west
- 26. Pulaski County Building/Courthouse¼ mile west

- 27. Lawrence Bennett Harness Horse Racing Facility1½ miles south
- 28. Industrial Park.....2 miles northwest
- 29. Pulaski State Prison.....2¾ miles northeast

Map 1: Local Features/Amenities



Map 2: Local Features/Amenities – Local View



A. Site/Neighborhood Photos



Site – Cotton Mill Lofts
Facing east from Houston Street
Hawkinsville, GA



Site – Cotton Mill Lofts
Facing south from Liberty Street
Hawkinsville, GA



Site – Cotton Mill Lofts
Facing southeast from parking lot
Hawkinsville. GA



Site – Cotton Mill Lofts
Facing south along South Street
From site/Liberty Street



Single-family home adjacent to site
Facing south from Liberty Street



Industrial building across from site
Facing west from site





Facing east along Broad Street
Site on right



Northeast corner of Broad and
Houston Streets
Directly across from site



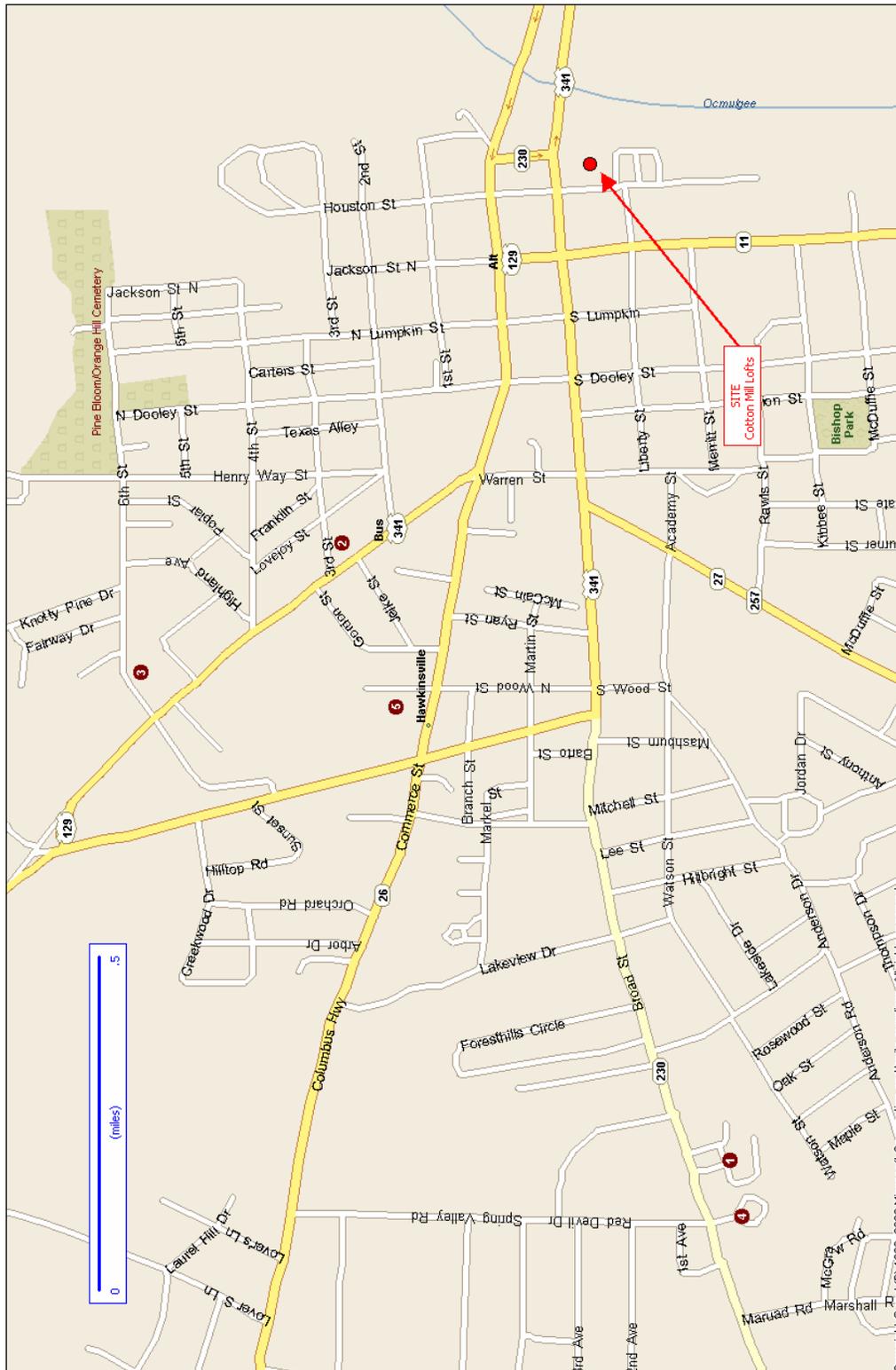


Single-family home along Houston Street, south of the site



Single-family home along Houston Street, south of the site

Map 3: Existing Low-Income Housing Properties



- 1. Arrowhead Apts – RHS
- 2. Georgia Wallace Apts – PHA
- 3. Henry Way Apts – PHA
- 4. Lakeside Villas – RHS
- 5. Mooney Apts – PHA
- 6.

V. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is defined as the geographic area from which a property (either proposed or existing) is expected to draw the majority of its residents. For the purpose of this report, the Hawkinsville PMA consists of Pulaski County in its entirety. In general terms, the PMA area reaches approximately five to eleven miles from the site, and represents the area from which the majority of potential residents for the subject development currently reside, and includes the following census tracts (all within Pulaski County):

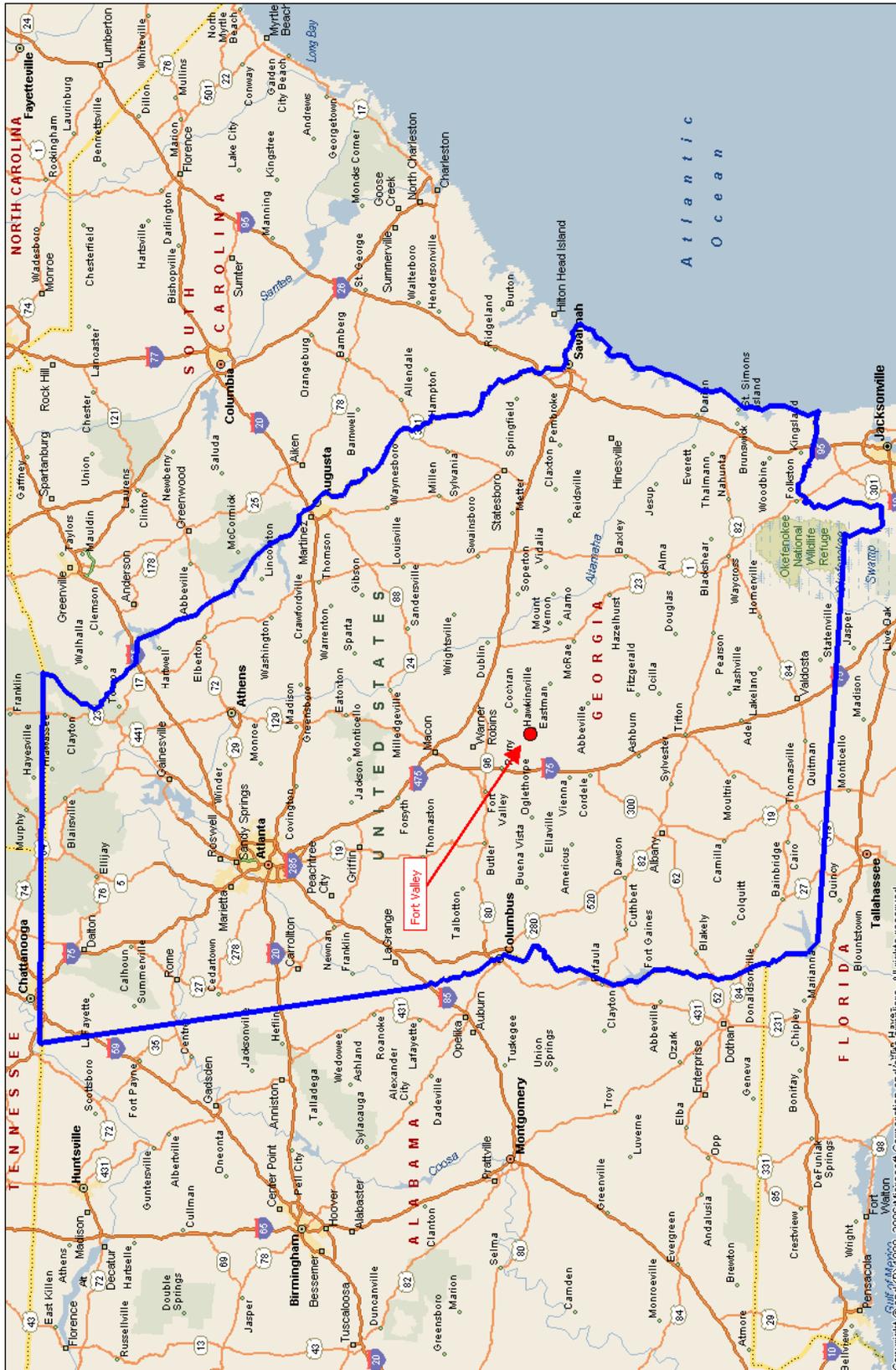
- ✓ Census Tract 9501
- ✓ Census Tract 9502
- ✓ Census Tract 9503

While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing within the communities of Perry, Cochran, Eastman, and Unadilla, as well as other communities throughout the region.

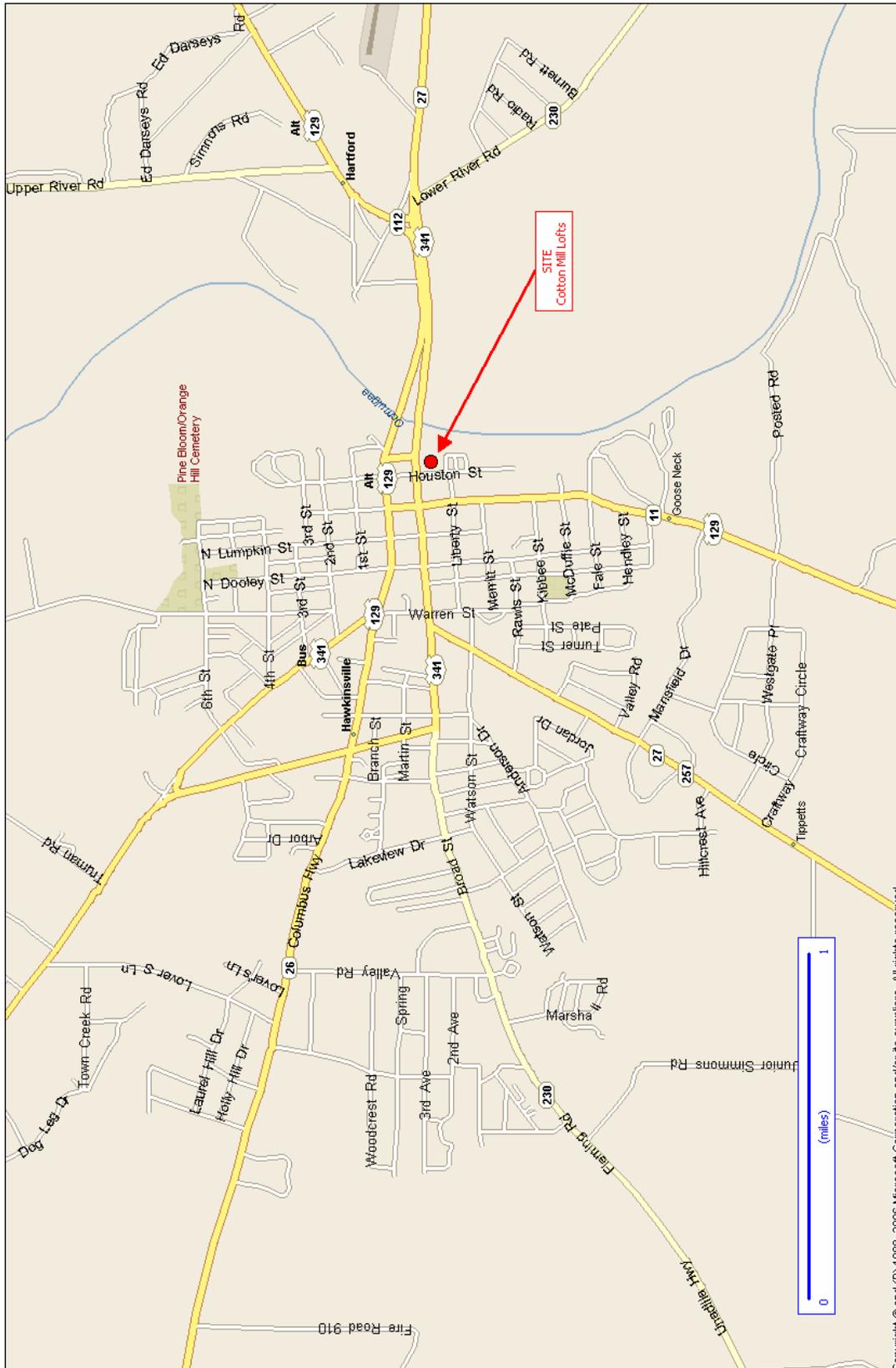
Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, school district boundaries, physical boundaries, and personal observations and interviews were utilized when defining the primary and secondary market areas. As such, several key transportation routes located near the subject property make the site convenient for persons currently residing both inside and outside of the immediate area. Providing this convenience are several prominent roadways intersecting the PMA – including U.S. 341, U.S. 129, Highway 26, Highway 27, and Highway 257. In addition, Interstate 75 is located approximately 18 miles west of the site, offering access to other communities and metropolitan areas throughout the region.

A visual representation of the PMA can be found in the maps on the following pages. The defined market area represents a realistic area from which the majority of potential residents for the subject development currently reside. The following demographic and economic information, comparable properties, and demand analysis are based on the PMA as defined above and highlighted in the following maps. Furthermore, Census Tract 9502 and Hawkinsville have also been used throughout the analysis for neighborhood and regional comparisons.

Map 4: State of Georgia

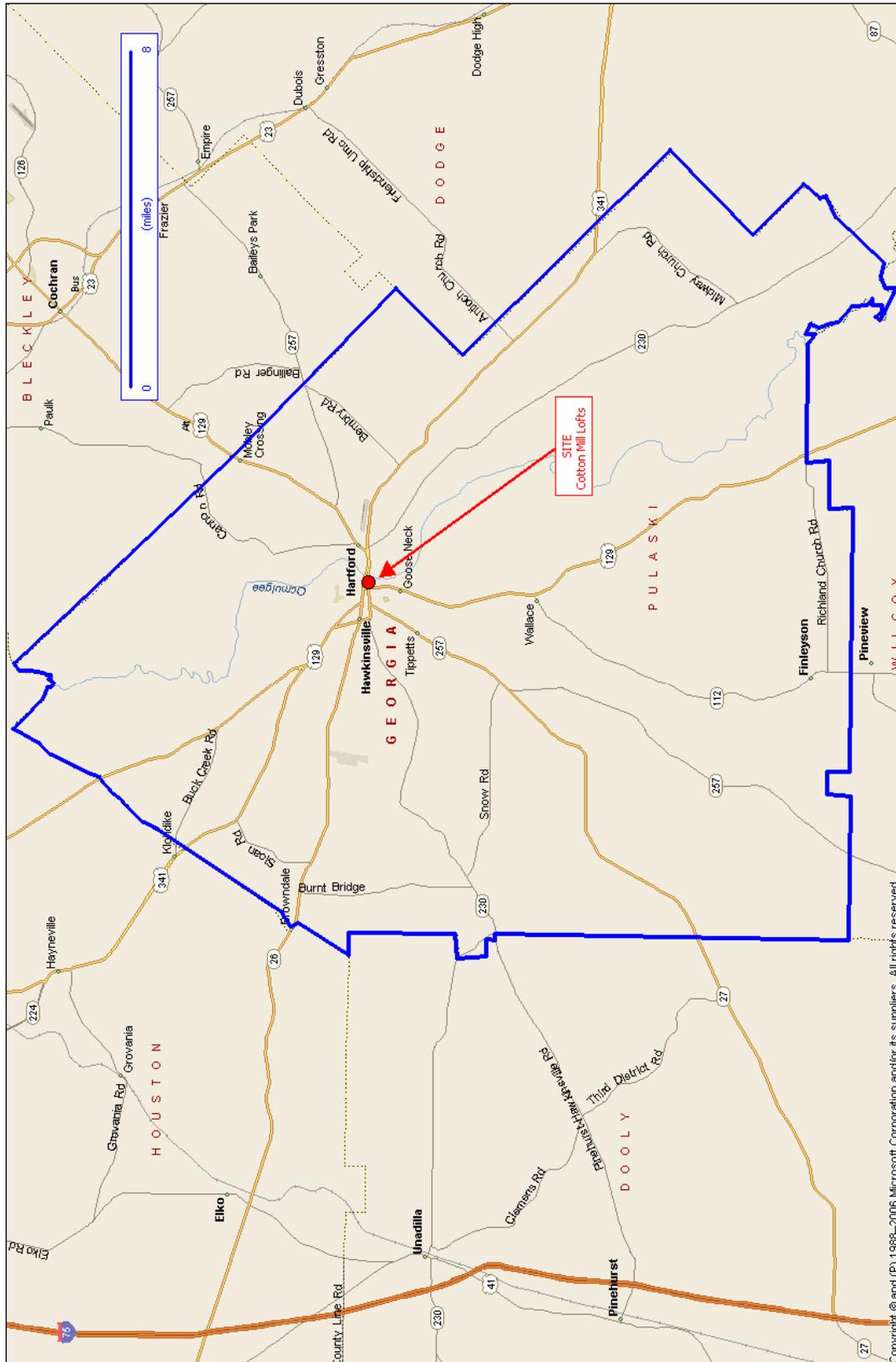


Map 5: Hawkinsville Area



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Map 6: Hawkinsville Primary Market Area



VI. COMMUNITY DEMOGRAPHIC DATA

A. Population Trends

Although overall demographic patterns for Hawkinsville proper have been somewhat negative since 1990, trends for the Hawkinsville PMA (including Tract 9502) have exhibited quite positive numbers during this time. According to U.S. Census data, the PMA had a population of 9,588 persons in 2000, representing an 18 percent increase from 1990 (a gain of nearly 1,500 persons), while Census Tract 9502 increased by one percent during the same time span. In contrast, the city of Hawkinsville decreased by seven percent during the decade to 3,280 persons.

Future trends indicate population figures will be relatively stable through 2012 for each geographic level analyzed, with each area increasing slightly. As such, the PMA is anticipated to increase by approximately 215 persons between 2000 and 2012 (a gain of two percent), while Tract 9502 and the city are expected to increase by one percent or less during this same time span.

Table 1: Population Trends (1990 to 2012)

| | <u>1990</u> | <u>2000</u> | <u>2007</u> | <u>2009</u> | <u>2012</u> |
|-----------------------------|-------------|------------------|------------------|------------------|------------------|
| Census Tract 9502 | 5,640 | 5,720 | 5,757 | 5,768 | 5,784 |
| Hawkinsville PMA | 8,108 | 9,588 | 9,713 | 9,749 | 9,803 |
| City of Hawkinsville | 3,527 | 3,280 | 3,286 | 3,288 | 3,291 |
| | | 1990-2000 | 2000-2007 | 2000-2009 | 2000-2012 |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| Census Tract 9502 | | 1.4% | 0.7% | 0.8% | 1.1% |
| Hawkinsville PMA | | 18.3% | 1.3% | 1.7% | 2.2% |
| City of Hawkinsville | | -7.0% | 0.2% | 0.3% | 0.3% |

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

The largest population group for the PMA in 2000 consisted of persons between the ages of 20 and 44 years, representing 38 percent of all persons. In comparison, this age cohort represented 31 percent of persons within Tract 9502 and the city. However, persons under 20 accounted for the greatest portion of the population within the city and tract. As such, 30 percent of the total population in Hawkinsville was under 20 years in 2000, while representing a similar proportion of the tract population.

When reviewing distribution patterns between 1990 and 2012, the aging of the population is clearly evident within all three areas. The proportion of persons under the age of 44 has steadily declined since 1990, and is expected to decrease further through 2012. In contrast, the fastest growing age segment within the PMA is the 45 to 64 age cohort, which represented 21 percent of the population in 1990 and is expected to increase to 26 percent by 2012 – clearly demonstrating the aging of the baby boom generation.

The steady percentage of population below the age of 45 seen throughout the PMA (64 percent of all persons in 2000) and city (60 percent) signify positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 2: Age Distribution (1990 to 2012)

| | Census Tract 9502 | | | | Hawkinsville PMA | | | | City of Hawkinsville | | | |
|--------------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|----------------------|-----------------|-----------------|-----------------|
| | 2000 Number | 1990 Percent | 2000 Percent | 2012 Percent | 2000 Number | 1990 Percent | 2000 Percent | 2012 Percent | 2000 Number | 1990 Percent | 2000 Percent | 2012 Percent |
| Under 20 years | 1,636 | 29.4% | 28.5% | 28.5% | 2,495 | 29.9% | 26.1% | 24.6% | 968 | 30.6% | 29.5% | 29.6% |
| 20 to 24 years | 303 | 5.7% | 5.3% | 4.3% | 613 | 5.8% | 6.4% | 5.4% | 194 | 5.8% | 5.9% | 5.0% |
| 25 to 34 years | 692 | 13.5% | 12.1% | 10.9% | 1,425 | 13.9% | 14.9% | 14.1% | 399 | 13.6% | 12.2% | 11.8% |
| 35 to 44 years | 782 | 13.2% | 13.7% | 12.5% | 1,550 | 13.5% | 16.2% | 15.3% | 418 | 12.1% | 12.7% | 11.8% |
| 45 to 54 years | 741 | 11.3% | 13.0% | 13.5% | 1,288 | 11.3% | 13.4% | 13.2% | 414 | 11.1% | 12.6% | 12.6% |
| 55 to 59 years | 340 | 5.1% | 5.9% | 6.7% | 524 | 5.1% | 5.5% | 7.0% | 185 | 5.0% | 5.6% | 6.5% |
| 60 to 64 years | 285 | 4.7% | 5.0% | 6.0% | 421 | 4.9% | 4.4% | 5.8% | 162 | 4.9% | 4.9% | 5.8% |
| 65 to 74 years | 458 | 9.3% | 8.0% | 9.4% | 673 | 8.7% | 7.0% | 8.2% | 265 | 9.1% | 8.1% | 8.9% |
| 75 to 84 years | 333 | 6.0% | 5.8% | 5.2% | 422 | 5.3% | 4.4% | 4.4% | 199 | 6.4% | 6.1% | 5.0% |
| 85 years and older | 150 | 1.8% | 2.6% | 3.1% | 177 | 1.5% | 1.8% | 2.1% | 76 | 1.5% | 2.3% | 2.9% |
| Under 20 years | 1,636 | 29.4% | 28.5% | 28.5% | 2,495 | 29.9% | 26.1% | 24.6% | 968 | 30.6% | 29.5% | 29.6% |
| 20 to 44 years | 1,777 | 32.4% | 31.1% | 27.6% | 3,588 | 33.2% | 37.5% | 34.8% | 1,011 | 31.4% | 30.8% | 28.5% |
| 45 to 64 years | 1,366 | 21.1% | 23.9% | 26.2% | 2,233 | 21.3% | 23.3% | 26.0% | 761 | 21.0% | 23.1% | 25.0% |
| 65 years and older | 941 | 17.1% | 16.4% | 17.7% | 1,272 | 15.5% | 13.2% | 14.6% | 540 | 17.0% | 16.5% | 16.8% |
| 55 years and older | 1,566 | 26.9% | 27.3% | 30.4% | 2,217 | 25.6% | 23.1% | 27.4% | 887 | 26.9% | 27.0% | 29.2% |
| 75 years and older | 483 | 7.8% | 8.4% | 8.2% | 599 | 6.9% | 6.2% | 6.5% | 275 | 7.9% | 8.4% | 7.9% |

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

Average household sizes throughout the Hawkinsville area indicate a continuing trend of declining family sizes throughout the area – another likely effect of the aging of the baby boomers and generally consistent with regional and national trends. For the PMA, the average household size was 2.49 persons in 2000, representing a decrease of three percent from 1990’s average of 2.58 persons. These trends are expected to continue through the year 2012, albeit at a somewhat slower rate as compared to previous decades for the PMA and city. Based on estimates obtained from ESRI Business Analyst, average household sizes for the PMA are forecast to decrease an additional two percent between 2000 and 2012, to 2.45 persons per household.

Overall, the PMA contains somewhat larger household sizes than the city as a whole, and generally more in line with Tract 9502. In comparison to the PMA average of 2.49 persons per household in 2000, Tract 9502 had an average household size of 2.44 persons, while the city had an average of 2.39 persons per household.

Table 3: Average Household Size (1990 to 2012)

| | <u>1990</u> | <u>2000</u> | <u>2007</u> | <u>2009</u> | <u>2012</u> |
|-----------------------------|-------------|------------------|------------------|------------------|------------------|
| Census Tract 9502 | 2.50 | 2.44 | 2.42 | 2.41 | 2.40 |
| Hawkinsville PMA | 2.58 | 2.49 | 2.47 | 2.46 | 2.45 |
| City of Hawkinsville | 2.47 | 2.39 | 2.36 | 2.36 | 2.34 |
| | | 1990-2000 | 2000-2007 | 2000-2009 | 2000-2012 |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| Census Tract 9502 | | -2.6% | -1.0% | -1.3% | -1.7% |
| Hawkinsville PMA | | -3.4% | -1.0% | -1.2% | -1.6% |
| City of Hawkinsville | | -3.4% | -1.1% | -1.4% | -1.8% |

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

B. Household Trends

Similar to population trends, the Hawkinsville PMA (including the immediate neighborhood) experienced solid growth in the number of households since 1990, while the Hawkinsville as a whole demonstrated slight losses during the past decade. Occupied households within the PMA increased to a total of 3,407 households in 2000, representing a gain of ten percent during the 1990s and an increase of more than 300 households. ESRI forecasts indicate that household creation will continue throughout the PMA through 2012, increasing by four percent (approximately 150 additional households) between 2000 and 2012.

In comparison, the number of households within Hawkinsville decreased by four percent (60 units) between 1990 and 2000. However, future projections indicate an increase of two percent through 2012, demonstrating stable demographic patterns throughout the region.

Table 4: Household Trends (1990 to 2012)

| | <u>1990</u> | <u>2000</u> | <u>2007</u> | <u>2009</u> | <u>2012</u> |
|-----------------------------|-------------|------------------|------------------|------------------|------------------|
| Census Tract 9502 | 2,204 | 2,291 | 2,330 | 2,341 | 2,357 |
| Hawkinsville PMA | 3,098 | 3,407 | 3,491 | 3,515 | 3,551 |
| City of Hawkinsville | 1,419 | 1,360 | 1,378 | 1,383 | 1,390 |
| | | 1990-2000 | 2000-2007 | 2000-2009 | 2000-2012 |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| Census Tract 9502 | | 3.9% | 1.7% | 2.2% | 2.9% |
| Hawkinsville PMA | | 10.0% | 2.5% | 3.2% | 4.2% |
| City of Hawkinsville | | -4.2% | 1.3% | 1.7% | 2.2% |

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

Despite gains in the overall number of households, renter-occupied units throughout the PMA have exhibited declines over the past decade. A total of 899 renter-occupied households were recorded within the PMA in 2000, representing a decrease of two percent from 1990 figures (a decline of 50 rental units). Consistent with overall household trends, declines were experienced for Hawkinsville as well, decreasing by roughly ten percent between 1990 and 2000.

Overall, the Hawkinsville area contains moderate propensities of rental units. For the PMA, the renter household percentage was calculated at 26 percent in 2000, somewhat lower than that recorded for the city as a whole at 36 percent. In comparison, Tract 9502 had a renter household percentage of 29 percent in 2000. It should also be noted that renter propensities for the PMA and city decreased slightly from a decade earlier, consistent with trends seen throughout much of the country as home ownership options have increased.

Table 5: Renter Household Trends (1990 to 2000)

| | <u>1990</u> | <u>2000</u> | <u>2007</u> | 1990-2000 <u>Change</u> | 2000-2007 <u>Change</u> |
|-----------------------------|-----------------|-----------------|-----------------|-----------------------------------|-----------------------------------|
| Census Tract 9502 | 718 | 672 | 672 | -6.4% | 0.0% |
| Hawkinsville PMA | 913 | 899 | 904 | -1.5% | 0.6% |
| City of Hawkinsville | 546 | 494 | 500 | -9.5% | 1.2% |
| | % Renter | % Renter | % Renter | | |
| | <u>1990</u> | <u>2000</u> | <u>2007</u> | | |
| Census Tract 9502 | 32.6% | 29.3% | 28.8% | | |
| Hawkinsville PMA | 29.5% | 26.4% | 25.9% | | |
| City of Hawkinsville | 38.5% | 36.3% | 36.3% | | |

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

C. Housing Stock Composition

Overall, Pulaski County has a quite diverse housing stock, with a mixture of single-family homes, multi-family units, and a relatively sizeable percentage of mobile homes. Within the PMA, approximately 73 percent of all households were single-family dwellings, eight percent were in multi-family structures (apartments or condominiums), and 19 percent were mobile homes. In comparison, Hawkinsville proper contains a higher percentage of both single-family and multi-family units, but a substantially lesser concentration of mobile homes than the PMA.

Table 6: Housing Stock Composition (2000)

| | Census Tract 9502 | Hawkinsville PMA | City of Hawkinsville |
|-----------------------------|------------------------------|-----------------------------|---------------------------------|
| Single-Family | 1,725 | 2,479 | 1,087 |
| Percent of total units | 75.3% | 72.8% | 79.8% |
| Multi-Family | 262 | 280 | 248 |
| Percent of total units | 11.4% | 8.2% | 18.2% |
| 2 to 4 units | 192 | 210 | 178 |
| Percent of total units | 8.4% | 6.2% | 13.1% |
| 5 or more units | 70 | 70 | 70 |
| Percent of total units | 3.1% | 2.1% | 5.1% |
| Mobile Homes - Total | 304 | 648 | 28 |
| Percent of total units | 13.3% | 19.0% | 2.1% |
| Other | 0 | 0 | 0 |
| Percent of total units | 0.0% | 0.0% | 0.0% |

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

D. Median Gross Rent and Unit Size

The median gross rent within the Hawkinsville PMA increased from \$235 in 1990 to \$369 in 2000, representing an increase of 57 percent and an average annual increase of 4.6 percent from 1990 levels. In comparison, the PMA’s 2000 median gross rent was nine percent greater than the city, and three percent higher that recorded for the tract. The city’s gross rent figure of \$338 represented an average annual increase of 4.0 percent from 1990 (an overall increase of 48 percent). As such, these figures represent steady gains within each area from a decade earlier, and are representative of a reasonably healthy rental sector.

Table 7: Median Gross Rent (1990 to 2000)

| | <u>1990</u> | <u>2000</u> | <u>1990-2000</u> <u>Change</u> | <u>1990-2000</u> <u>Annual</u> |
|-----------------------------|-------------|-------------|-----------------------------------|-----------------------------------|
| Census Tract 9502 | \$233 | \$360 | 54.5% | 4.4% |
| Hawkinsville PMA | \$235 | \$369 | 57.0% | 4.6% |
| City of Hawkinsville | \$229 | \$338 | 47.6% | 4.0% |

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

Renter household sizes for Hawkinsville and the PMA were quite similar in 2000. As such, one-person households within the PMA accounted for 36 percent of all rental households in 2000 (representing the greatest proportion of rental units), while two-persons represented 22 percent. Three- and four-person households represented 30 percent of all units, and those renter households with five or more persons accounted for 12 percent of the PMA's rental housing stock in 2000.

The PMA's average rental unit size of 2.53 persons in 2000 represents a notable decline from 2.62 persons per rental in 1990 (a three percent decrease). In all, rental unit sizes are extremely diverse as demonstrated by sizeable percentages of one, two, and three/four person renter households within the PMA, as well as throughout the city.

Table 8: Rental Unit Size Distribution (2000)

| | <u>One Person</u> | <u>Two Persons</u> | <u>3 or 4 Persons</u> | <u>5 or More Persons</u> | <u>Median Persons Per Rental Unit</u> | |
|----------------------|---------------------------|---------------------------|---------------------------|--------------------------|---------------------------------------|-------------|
| | | | | | <u>1990</u> | <u>2000</u> |
| Census Tract 9502 | 247 | 143 | 203 | 79 | 2.52 | 2.53 |
| Hawkinsville PMA | 324 | 197 | 270 | 108 | 2.62 | 2.53 |
| City of Hawkinsville | 192 | 100 | 144 | 58 | 2.53 | 2.48 |
| | <u>One Person Percent</u> | <u>Two Person Percent</u> | <u>3-4 Person Percent</u> | <u>5+ Person Percent</u> | <u>Median Change</u> | |
| Census Tract 9502 | 36.8% | 21.3% | 30.2% | 11.8% | 0.4% | |
| Hawkinsville PMA | 36.0% | 21.9% | 30.0% | 12.0% | -3.4% | |
| City of Hawkinsville | 38.9% | 20.2% | 29.1% | 11.7% | -2.0% | |

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

E. Economic and Employment Characteristics

Overall, the economy throughout Hawkinsville and Pulaski County is comprised largely of manufacturing and services employment. According to U.S. Census data, 37 percent of all employed persons within the PMA were employed in the services industry in 2000 and represented the largest employment segment, followed by the manufacturing sector at 21 percent. In addition, public administration employment and retail trade also represented a sizeable portion of the market area's economy at eleven and ten percent of the employment base, respectively.

Based on a comparison of employment by industry from the 1990 and 2000 Census', the services industry experienced the largest gains over the past decade, increasing by 56 percent, while manufacturing increased by 23 percent. In contrast, the retail trade sector exhibited sizeable decreases (18 percent) during the same time frame.

Table 9: Employment by Industry (2000)

| | Hawkinsville PMA | | Census Tract 9502 | City of Hawkinsville |
|--|------------------|----------------|----------------------|-------------------------|
| | <u>Number</u> | <u>Percent</u> | <u>Percent</u> | <u>Percent</u> |
| Agriculture | 223 | 5.8% | 4.6% | 2.1% |
| Construction | 196 | 5.1% | 3.9% | 1.8% |
| Manufacturing | 823 | 21.2% | 21.9% | 23.4% |
| Transportation and Public Utilities | 123 | 3.2% | 2.9% | 3.7% |
| Wholesale Trade | 97 | 2.5% | 2.4% | 1.9% |
| Retail Trade | 390 | 10.1% | 11.3% | 9.4% |
| Finance, Insurance, and Real Estate | 182 | 4.7% | 4.6% | 6.1% |
| Services | 1,431 | 36.9% | 37.9% | 42.7% |
| Public Administration | 409 | 10.6% | 10.5% | 8.9% |

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

Additional analysis of Census employment data demonstrates a mix of white-collar and blue-collar employment opportunities throughout the area. According to 2000 data, service and sales employment not surprisingly represented the largest segment of the labor force within the PMA (41 percent), followed by managerial and professional occupations (25 percent), and production, transportation, and material moving positions (21 percent).

Table 10: Employment by Occupation (2000)

| | Hawkinsville PMA | | Census Tract 9502 | City of Hawkinsville |
|--|------------------|----------------|----------------------|-------------------------|
| | <u>Number</u> | <u>Percent</u> | <u>Percent</u> | <u>Percent</u> |
| Managerial and Professional | 1,007 | 25.4% | 28.5% | 27.1% |
| Service and Sales | 1,609 | 40.5% | 39.7% | 42.3% |
| Farming and Forestry | 72 | 1.8% | 1.3% | 0.6% |
| Construction, Extraction, and Maintenance | 434 | 10.9% | 7.6% | 5.0% |
| Production, Transportation, and Material Moving | 850 | 21.4% | 22.8% | 25.1% |

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

Based on place of employment, approximately 58 percent of PMA residents are employed within Pulaski County, while 42 percent are employed outside of the county. According to the 2006 Pulaski County Area Labor Profile, the largest percentage of county residents (14 percent) commute to Houston County, while an additional seven percent commute to Bleckley County.

Table 11: Place of Employment (2000)

| | Hawkinsville PMA | | Census Tract 9502 | City of Hawkinsville |
|--|------------------|----------------|----------------------|-------------------------|
| | <u>Number</u> | <u>Percent</u> | <u>Percent</u> | <u>Percent</u> |
| Place of Work within County | 2,241 | 57.6% | 61.4% | 63.5% |
| Place of Work Outside of County | 1,653 | 42.4% | 38.6% | 36.5% |
| Place of Work Outside of State | 0 | 0.0% | 0.0% | 0.0% |

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

Below is a chart depicting the largest employers within the immediate Hawkinsville area, according to information supplied by the Hawkinsville-Pulaski County Chamber of Commerce and United Pulaski Economic Development. As can be seen, the largest employer is Taylor Regional Hospital, with nearly 500 employees, followed by the Pulaski State Prison with 425 positions. Additional larger employers locally include the Hawkinsville and Pulaski County governments.

| Employer | Industry | Number of Employees |
|-----------------------------|--------------------|----------------------------|
| Taylor Regional Hospital | Healthcare | 499 |
| Pulaski State Prison | Corrections | 425 |
| Pulaski County Schools | Education | 240 |
| Pinewood Manor Nursing Home | Healthcare | 76 |
| Hollingsworth & Vose | Automotive Filters | 75 |
| | | |

Pulaski County's most noteworthy industry is equestrian training. Just south of Hawkinsville is the Lawrence Bennett Harness Horse Training Facility, the only harness horse training facility in the state.

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

| Company | Location | Persons Affected | Type | Date |
|----------------------|---------------------------------|-------------------------|-------------|-------------|
| First Data Resources | Bibb County (Macon) | 293 | Closure | 2/13/2006 |
| Tamsco, Inc. | Houston County (Warner-Robbins) | 137 | Layoff | 10/31/2005 |
| Guardsmark | Bibb County (Macon) | 30 | Layoff | 7/7/2005 |

Pulaski County is largely an agricultural community, with an employment distribution and prevailing average incomes reflective of the relatively rural characteristics of the area and the need for affordable housing. The continued growth in the number of new jobs throughout Pulaski County since 2002, coupled with a generally declining unemployment rate (which has

been below state and national averages in recent years) are clearly indicative of healthy economic conditions locally. Further, most positions available within rural-type communities such as Hawkinsville are typically in the lower-paying categories, further emphasizing the importance of affordable housing alternatives.

Pulaski County's employment distribution and prevailing average incomes are reflective of the need for affordable housing. The continued growth of new jobs throughout Pulaski County since 1990 (despite declines experienced between 1999 and 2002) are clearly indicative of healthy economic conditions locally. Further, most positions available near the Baker Village neighborhood are typically in the lower paying categories, further emphasizing the importance of affordable housing alternatives.

Overall, economic conditions have been somewhat mixed throughout Pulaski County, although sustained job creation has occurred since 2004 (and in three of the last four years). Information obtained from the Georgia Department of Labor is presented in the following figures and illustrates these employment patterns throughout the county. More than 1,050 jobs (a 31 percent increase) have been added to the county since 1990, with roughly 335 of these added since 1995 (an increase of eight percent). Although employment levels dropped between 1998 and 2002 (although subsequent increases in the unemployment rate were not experienced), it is important to note that more than 500 new jobs were added to the county's workforce between 2002 and 2006 (representing an increase of 13 percent over the four years – or 3.3 percent annually).

Furthermore, the latest annual figures reported Pulaski County had an unemployment rate of 4.5 percent in 2006 – which was slightly lower than both the state and national averages (each at 4.6 percent). As of April 2007, the unemployment rate for the county further decreased to 3.7 percent, remaining below the state (4.1 percent) and national levels (4.3 percent). In addition, the county's latest monthly figure represented an increase of 50 new jobs over April 2006 employment levels, and a decrease from an unemployment rate of 4.2 percent a year ago, both indicative of a stable and improving economy.

Figure 1: Employment Growth

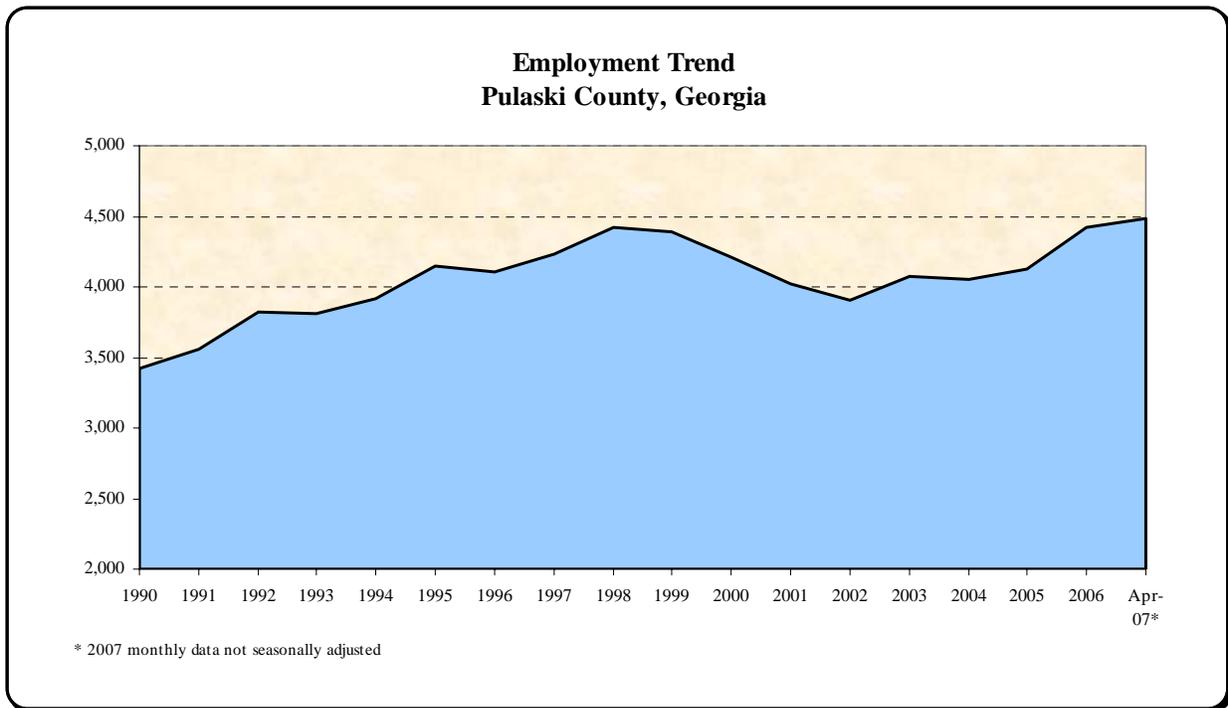


Figure 2: Historical Unemployment Rate

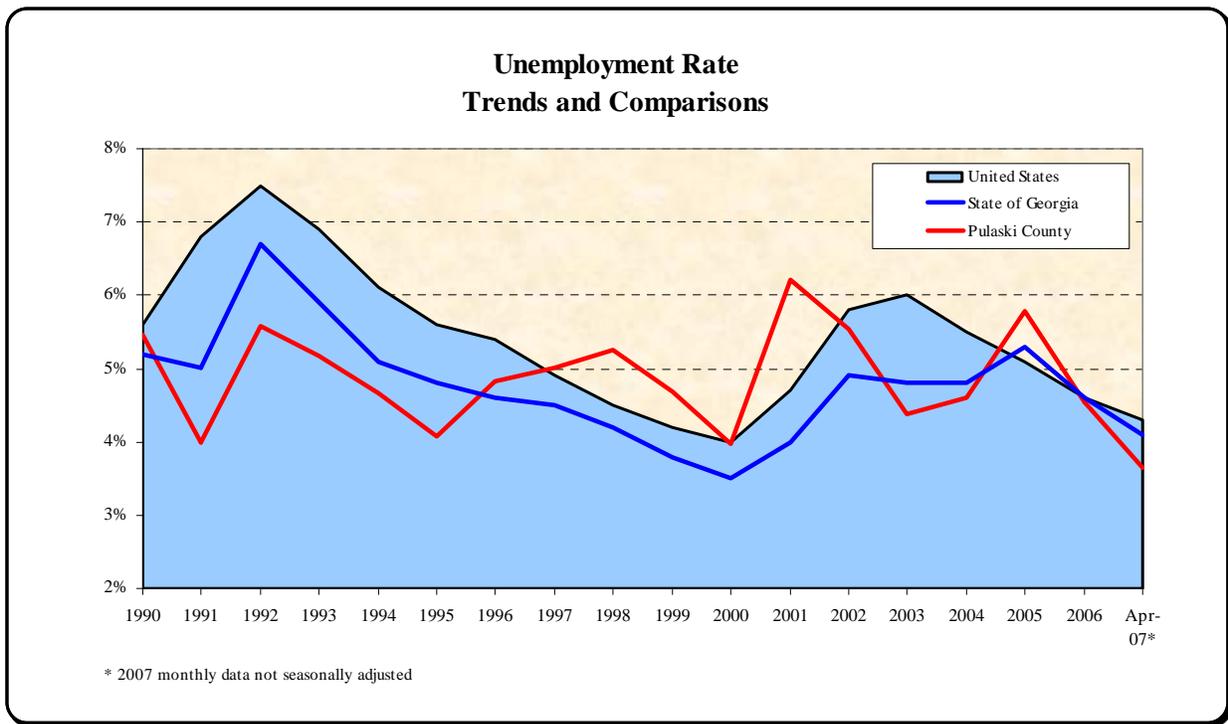


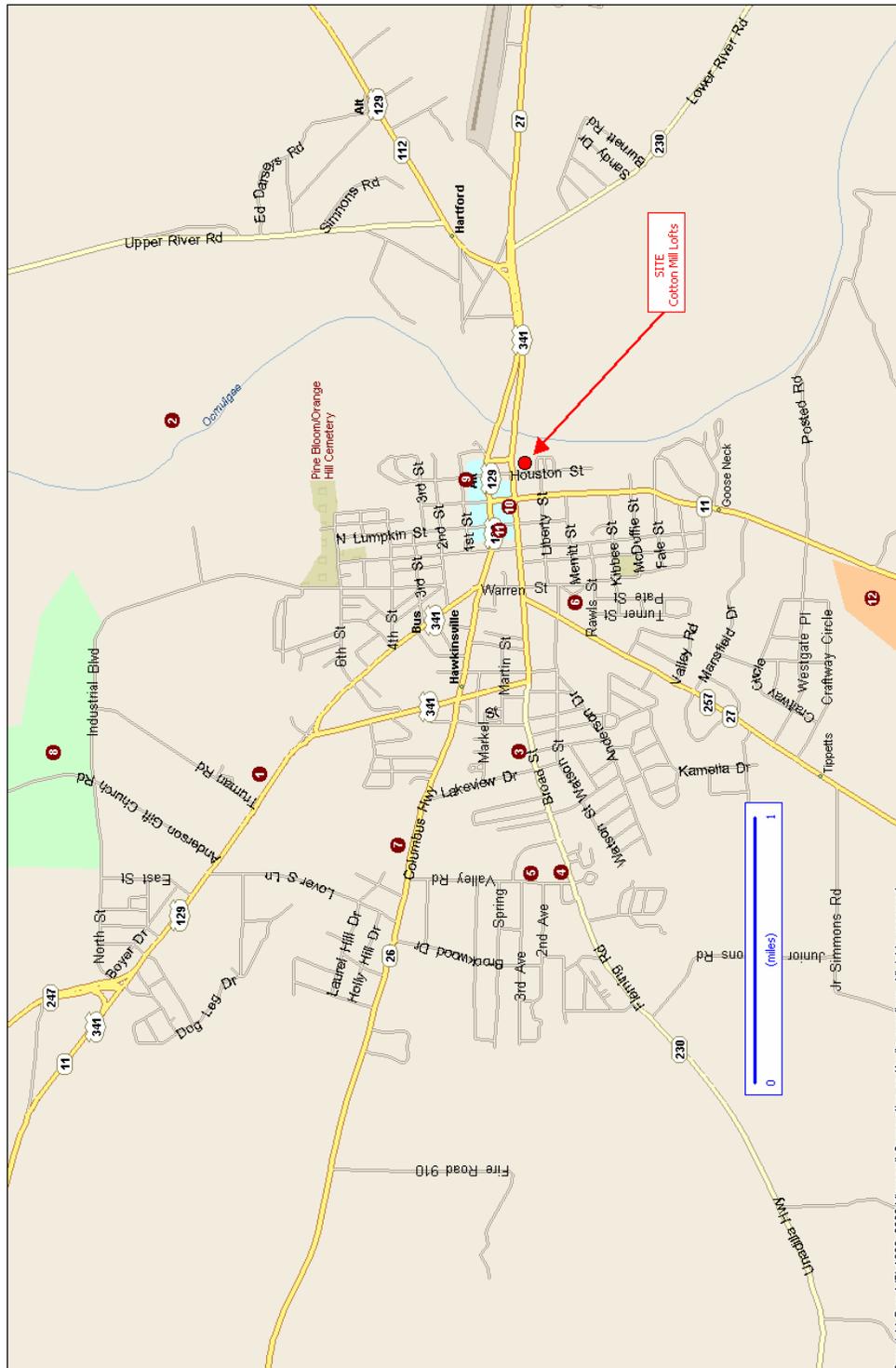
Table 12: Historical Employment Trends

| Year | Pulaski County | | | | State of Georgia | United States |
|---------|----------------|-----------------|---------------|-------------------|-------------------|-------------------|
| | Labor Force | Number Employed | Annual Change | Unemployment Rate | Unemployment Rate | Unemployment Rate |
| 1990 | 3,613 | 3,416 | -- | 5.5% | 5.2% | 5.6% |
| 1991 | 3,711 | 3,563 | 147 | 4.0% | 5.0% | 6.8% |
| 1992 | 4,046 | 3,820 | 257 | 5.6% | 6.7% | 7.5% |
| 1993 | 4,020 | 3,812 | (8) | 5.2% | 5.9% | 6.9% |
| 1994 | 4,108 | 3,916 | 104 | 4.7% | 5.1% | 6.1% |
| 1995 | 4,323 | 4,147 | 231 | 4.1% | 4.8% | 5.6% |
| 1996 | 4,315 | 4,107 | (40) | 4.8% | 4.6% | 5.4% |
| 1997 | 4,455 | 4,232 | 125 | 5.0% | 4.5% | 4.9% |
| 1998 | 4,664 | 4,419 | 187 | 5.3% | 4.2% | 4.5% |
| 1999 | 4,610 | 4,394 | (25) | 4.7% | 3.8% | 4.2% |
| 2000 | 4,387 | 4,213 | (181) | 4.0% | 3.5% | 4.0% |
| 2001 | 4,284 | 4,018 | (195) | 6.2% | 4.0% | 4.7% |
| 2002 | 4,138 | 3,909 | (109) | 5.5% | 4.9% | 5.8% |
| 2003 | 4,261 | 4,074 | 165 | 4.4% | 4.8% | 6.0% |
| 2004 | 4,244 | 4,049 | (25) | 4.6% | 4.8% | 5.5% |
| 2005 | 4,381 | 4,128 | 79 | 5.8% | 5.3% | 5.1% |
| 2006 | 4,631 | 4,421 | 293 | 4.5% | 4.6% | 4.6% |
| Apr-06* | 4,625 | 4,433 | -- | 4.2% | 4.3% | 4.5% |
| Apr-07* | 4,653 | 4,483 | 50 | 3.7% | 4.1% | 4.3% |

| | <u>Number</u> | <u>Percent</u> | <u>Avg. Annual</u> |
|-------------------------|---------------|----------------|--------------------|
| Change (1990-Present): | 1,067 | 31.2% | 1.8% |
| Change (1995-Present): | 336 | 8.1% | 0.7% |
| Change (2000-Present): | 270 | 6.4% | 0.9% |
| Change (2005.-Present): | 355 | 8.6% | 4.3% |
| Change (1990-1995): | 731 | 21.4% | 4.3% |
| Change (1995-2000): | 66 | 1.6% | 0.3% |
| Change (2000-2005): | (85) | -2.0% | -0.4% |

*Monthly data not seasonally adjusted

Map 7: Major Employers – Hawkinsville Area



- | | | | |
|-----------------------------|-------------------------|--------------------------|-------------------------------------|
| 1. Taylor Regional Hospital | 2. Pulaski State Prison | 3. Pulaski Elementary | 4. Pulaski Middle |
| 5. Hawkinsville High | 6. Pulaski Alternative | 7. Pinewood Nursing Home | 8. Hollingsworth & Vose |
| 9. Fire/Police/Sheriff | 10. City Government | 11. County Government | 12. Bennett Harness Racing Facility |

F. Median Household Income

Income levels throughout the Hawkinsville area have experienced steady gains over the past decade. While all three geographic levels recorded annual increases of nearly four percent or greater during the 1990s, income levels for the PMA are somewhat greater than that recorded for the city as a whole. In 1999, the median household income was calculated at \$31,895 for the PMA, which was ten percent higher than that of Hawkinsville proper (\$28,977), and roughly three percent above Pulaski County (\$30,996). Furthermore, the PMA figure represents an increase of 49 percent during the decade (an average annual increase of 4.1 percent), while the city also increased at a healthy rate (5.3 percent annually) between 1989 and 1999.

According to ESRI data, the rate of income growth is forecast to slow somewhat through 2012, but remain relatively healthy nonetheless. As such, it is projected that the PMA will increase by 2.6 percent annually between 2000 and 2012, as compared to 2.2 percent for the city during this time.

Table 13: Median Household Incomes (1989 to 2012)

| | <u>1989</u> | <u>1999</u> | <u>2007</u> | <u>2009</u> | <u>2012</u> |
|----------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| Census Tract 9502 | \$21,118 | \$30,996 | \$37,865 | \$39,827 | \$42,771 |
| Hawkinsville PMA | \$21,376 | \$31,895 | \$38,664 | \$40,598 | \$43,499 |
| City of Hawkinsville | \$17,300 | \$28,977 | \$34,118 | \$35,587 | \$37,790 |
| | | <u>1989-1999</u> | <u>1999-2007</u> | <u>1999-2009</u> | <u>1999-2012</u> |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| Census Tract 9502 | | 46.8% | 22.2% | 28.5% | 38.0% |
| Hawkinsville PMA | | 49.2% | 21.2% | 27.3% | 36.4% |
| City of Hawkinsville | | 67.5% | 17.7% | 22.8% | 30.4% |
| | | <u>1989-1999</u> | <u>1999-2007</u> | <u>1999-2009</u> | <u>1999-2012</u> |
| | | <u>Ann. Change</u> | <u>Ann. Change</u> | <u>Ann. Change</u> | <u>Ann. Change</u> |
| Census Tract 9502 | | 3.9% | 2.9% | 2.8% | 2.7% |
| Hawkinsville PMA | | 4.1% | 2.8% | 2.7% | 2.6% |
| City of Hawkinsville | | 5.3% | 2.4% | 2.3% | 2.2% |

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

G. Overall Household Income Distribution

According to the U.S. Census Bureau, more than 55 percent of all households within the Hawkinsville PMA had an annual income of less than \$35,000 in 1999 – the portion of the population with the greatest need for affordable housing options. In comparison, 57 percent of households within Tract 9502 and 64 percent of households in Hawkinsville had incomes within this range.

Table 14: Overall Household Income Distribution - 1999

| | Census Tract 9502 | | Hawkinsville PMA | | City of Hawkinsville | |
|------------------------|-------------------|----------------|------------------|----------------|----------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Less than \$10,000 | 390 | 16.9% | 537 | 15.7% | 292 | 21.3% |
| \$10,000 to \$14,999 | 164 | 7.1% | 244 | 7.1% | 102 | 7.5% |
| \$15,000 to \$19,999 | 241 | 10.5% | 352 | 10.3% | 157 | 11.5% |
| \$20,000 to \$24,999 | 156 | 6.8% | 199 | 5.8% | 78 | 5.7% |
| \$25,000 to \$29,999 | 156 | 6.8% | 258 | 7.5% | 78 | 5.7% |
| \$30,000 to \$34,999 | 215 | 9.3% | 295 | 8.6% | 168 | 12.3% |
| \$35,000 to \$39,999 | 92 | 4.0% | 185 | 5.4% | 64 | 4.7% |
| \$40,000 to \$44,999 | 135 | 5.9% | 218 | 6.4% | 60 | 4.4% |
| \$45,000 to \$49,999 | 38 | 1.6% | 79 | 2.3% | 15 | 1.1% |
| \$50,000 to \$59,999 | 206 | 8.9% | 280 | 8.2% | 98 | 7.2% |
| \$60,000 to \$74,999 | 208 | 9.0% | 334 | 9.8% | 95 | 6.9% |
| \$75,000 to \$99,999 | 149 | 6.5% | 229 | 6.7% | 88 | 6.4% |
| \$100,000 to \$124,999 | 33 | 1.4% | 55 | 1.6% | 23 | 1.7% |
| \$125,000 to \$149,999 | 21 | 0.9% | 43 | 1.3% | 0 | 0.0% |
| \$150,000 to \$199,999 | 30 | 1.3% | 40 | 1.2% | 20 | 1.5% |
| \$200,000 and Over | 70 | 3.0% | 70 | 2.0% | 31 | 2.3% |
| TOTAL | 2,304 | 100.0% | 3,418 | 100.0% | 1,369 | 100.0% |
| Median Income | \$30,996 | | \$31,895 | | \$28,977 | |
| Less than \$34,999 | 1,322 | 57.4% | 1,885 | 55.1% | 875 | 63.9% |
| \$35,000 to \$49,999 | 265 | 11.5% | 482 | 14.1% | 139 | 10.2% |
| \$50,000 to \$74,999 | 414 | 18.0% | 614 | 18.0% | 193 | 14.1% |
| \$75,000 to \$99,000 | 149 | 6.5% | 229 | 6.7% | 88 | 6.4% |
| \$100,000 and Over | 154 | 6.7% | 208 | 6.1% | 74 | 5.4% |

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

H. Income-Qualified Households

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$14,777 to \$33,631 (in current dollars). Utilizing 2000 Census information available on household income by tenure, dollar values from 1999 were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic's website. Based on this data, the targeted income range accounts for a sizable number of low-income households throughout the area. As such, roughly 24 percent of the PMA's total owner-occupied household number, and 32 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounts for more than one out of every four households (at 26 percent) within the PMA. Considering the relative density of the PMA, this equates to more than 900 potential income-qualified households for the proposed development, including nearly 300 income-qualified renter households.

Table 15: Household Income by Tenure – Hawkinsville PMA (2009)

| | Number of 2009 Households | | | Percent of 2009 Households | | |
|----------------------|---------------------------|--------------|---------------|----------------------------|---------------|---------------|
| | <u>Total</u> | <u>Owner</u> | <u>Renter</u> | <u>Total</u> | <u>Owner</u> | <u>Renter</u> |
| Less than \$5,962 | 169 | 103 | 66 | 4.8% | 3.9% | 7.2% |
| \$5,963 to \$11,924 | 385 | 183 | 202 | 11.0% | 7.0% | 22.2% |
| \$11,925 to \$17,887 | 273 | 174 | 98 | 7.8% | 6.7% | 10.8% |
| \$17,888 to \$23,849 | 370 | 247 | 123 | 10.5% | 9.5% | 13.5% |
| \$23,850 to \$29,812 | 216 | 146 | 70 | 6.2% | 5.6% | 7.7% |
| \$29,813 to \$41,737 | 544 | 407 | 137 | 15.5% | 15.6% | 15.1% |
| \$41,738 to \$59,625 | 486 | 389 | 96 | 13.8% | 14.9% | 10.6% |
| \$59,626 to \$89,438 | 631 | 535 | 95 | 17.9% | 20.6% | 10.5% |
| \$88,439 and Over | <u>443</u> | <u>420</u> | <u>22</u> | <u>12.5%</u> | <u>16.1%</u> | <u>2.5%</u> |
| Total | 3,515 | 2,605 | 910 | 100.0% | 100.0% | 100.0% |

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

I. Rent Overburdened Households

The 2000 Census shows that approximately 33 percent of all renter households within the PMA that have incomes between \$10,000 and \$20,000 are overburdened; that is, they pay more than 35 percent of their incomes on rent. Additionally, roughly 55 percent of renter households having incomes less than \$10,000 are rent overburdened. This data suggests that the need for affordable housing is apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this problem.

Table 16: Rent Overburdened Households (2000)

| | Census Tract 9502 | Hawkinsville PMA | City of Hawkinsville |
|---------------------------------------|----------------------|---------------------|-------------------------|
| HH Income less than \$10,000 | 200 | 264 | 165 |
| Less than 35 percent for housing | 93 | 100 | 74 |
| 35 percent or more for housing | 97 | 125 | 81 |
| Not computed | 10 | 39 | 10 |
| Percent paying more than 35 percent | 51.1% | 55.6% | 52.3% |
| HH Income \$10,000 to \$19,999 | 169 | 203 | 108 |
| Less than 35 percent for housing | 90 | 117 | 75 |
| 35 percent or more for housing | 57 | 57 | 23 |
| Not computed | 22 | 29 | 10 |
| Percent paying more than 35 percent | 38.8% | 32.8% | 23.5% |
| HH Income \$20,000 to \$34,999 | 159 | 198 | 96 |
| Less than 35 percent for housing | 149 | 188 | 96 |
| 35 percent or more for housing | 0 | 0 | 0 |
| Not computed | 10 | 10 | 0 |
| Percent paying more than 35 percent | 0.0% | 0.0% | 0.0% |
| HH Income \$35,000 to \$49,999 | 65 | 95 | 45 |
| Less than 35 percent for housing | 58 | 78 | 38 |
| 35 percent or more for housing | 0 | 0 | 0 |
| Not computed | 7 | 17 | 7 |
| Percent paying more than 35 percent | 0.0% | 0.0% | 0.0% |
| HH Income \$50,000 to \$74,999 | 41 | 74 | 35 |
| Less than 35 percent for housing | 35 | 68 | 29 |
| 35 percent or more for housing | 0 | 0 | 0 |
| Not computed | 6 | 6 | 6 |
| Percent paying more than 35 percent | 0.0% | 0.0% | 0.0% |
| HH Income \$75,000 to \$99,999 | 0 | 6 | 0 |
| Less than 35 percent for housing | 0 | 6 | 0 |
| 35 percent or more for housing | 0 | 0 | 0 |
| Not computed | 0 | 0 | 0 |
| Percent paying more than 35 percent | NA | 0.0% | NA |
| HH Income \$100,000 or More | 16 | 16 | 7 |
| Less than 35 percent for housing | 16 | 16 | 7 |
| 35 percent or more for housing | 0 | 0 | 0 |
| Not computed | 0 | 0 | 0 |
| Percent paying more than 35 percent | 0.0% | 0.0% | 0.0% |

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

VII. DEMAND ANALYSIS

A. Demand for Tax Credit and Market Rate Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing Georgia DCA requirements, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions based on information as published by DCA and HUD. For the subject proposal, demand estimates will be calculated for units designated at 50 percent AMI and 60 percent AMI. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and an income ceiling of \$33,631 (the 5-person income limit at 60 percent AMI for Pulaski County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

| | <u>Minimum</u> | <u>Maximum</u> |
|--------------------------------|-----------------------|-----------------|
| 50 percent of AMI | \$14,777 | \$28,026 |
| 60 percent of AMI | \$16,491 | \$33,631 |
| Overall | \$14,777 | \$33,631 |

By applying the income-qualified range and 2009 household forecasts to the current-year household income distribution by tenure (adjusted from 2000 data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 32 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 25 percent of all renter households are income-qualified for units at 50 percent of AMI and 29 percent are qualified for units at 60 percent AMI.

Based on U.S. Census data and projections from ESRI, approximately 11 additional renter households are anticipated in 2009 as compared to 2000. By applying the income-qualified percentage to the overall eligible figure, a demand of four LIHTC rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately six percent of all renter households within the Hawkinsville PMA could be considered

substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2000 (the base year utilized within the demand calculations), a total tax credit demand resulting from substandard units is calculated at 17 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on 2000 Census data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using the subject proposal's beginning rental rate and utilizing the above-mentioned affordability range, the percentage of renter households within this overburdened range is estimated at five percent. Applying this rate to the estimated number of renter households in 2009 yields a total demand of 48 additional units as a result of rent-overburden.

There are no comparable LIHTC properties within the Hawkinsville PMA which have received an LIHTC allocation since 2000. As such, no units need to be deducted from the three factors listed previously. Combining the factors above (and including a 15 percent allowance for potential demand arising from secondary market sources) results in an overall demand of 79 LIHTC units in 2009.

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

| | | | |
|---|--------------|--------------|--------------|
| 2000 Total Occupied Households | 3,407 | | |
| 2000 Owner-Occupied Households | 2,508 | | |
| 2000 Renter-Occupied Households | 899 | | |
| | | 50% | 60% |
| | | AMI | AMI |
| | | | Total |
| QUALIFIED-INCOME RANGE (<i>unduplicated</i>) | | | LIHTC |
| Minimum Annual Income | | \$14,777 | \$16,491 |
| Maximum Annual Income | | \$28,026 | \$33,631 |
| | | | \$14,777 |
| | | | \$33,631 |
| DEMAND FROM NEW HOUSEHOLD GROWTH | | | |
| Renter Household Growth, 2000-2009 | 11 | 11 | 11 |
| Percent Income Qualified Renter Households | 24.5% | 28.5% | 31.6% |
| Total Demand From New Households | 3 | 3 | 4 |
| DEMAND FROM EXISTING HOUSEHOLDS | | | |
| Percent of Renters in Substandard Housing | 6.0% | 6.0% | 6.0% |
| Percent Income Qualified Renter Households | 24.5% | 28.5% | 31.6% |
| Total Demand From Substandard Renter Households | 13 | 15 | 17 |
| Percent of Renters Rent-Overburdened | 5.4% | 4.5% | 5.4% |
| Total Demand From Overburdened Renter Households | 48 | 40 | 48 |
| Total Demand From Existing Households | 62 | 56 | 65 |
| DEMAND FROM SECONDARY MARKET SOURCES (15%) | 9 | 8 | 10 |
| TOTAL DEMAND | 74 | 68 | 79 |
| LESS: Total Comparable Units Constructed Since 2000 | 0 | 0 | 0 |
| LESS: Total Comparable Units Proposed/Under Construction | 0 | 0 | 0 |
| TOTAL NET DEMAND | 74 | 68 | 79 |
| PROPOSED NUMBER OF UNITS | 23 | 42 | 65 |
| CAPTURE RATE | 31.2% | 62.2% | 82.4% |
| Note: Totals may not sum due to rounding | | | |
| Source: U.S. Census of Population and Housing - 2000; U.S. Department of Housing and Urban Development; ESRI Business Analyst | | | |

Table 18: Demand Calculation – by Bedroom Size

| | One-Bedroom Units | | | Two-Bedroom Units | | | Three-Bedroom Units | | |
|---|-------------------|--------------|--------------|-------------------|--------------|--------------|---------------------|--------------|--------------|
| | 50% AMI | 60% AMI | Total LIHTC | 50% AMI | 60% AMI | Total LIHTC | 50% AMI | 60% AMI | Total LIHTC |
| 2000 Total Occupied Households | | | 3,407 | | | | | | |
| 2000 Owner-Occupied Households | | | 2,508 | | | | | | |
| 2000 Renter-Occupied Households | | | 899 | | | | | | |
| QUALIFIED-INCOME RANGE (unduplicated) | | | | | | | | | |
| Minimum Annual Income | \$14,777 | \$16,491 | \$14,777 | \$17,349 | \$19,063 | \$17,349 | \$18,994 | \$20,709 | \$18,994 |
| Maximum Annual Income | \$20,760 | \$24,912 | \$24,912 | \$23,355 | \$28,026 | \$28,026 | \$28,026 | \$33,631 | \$33,631 |
| DEMAND FROM NEW HOUSEHOLD GROWTH | | | | | | | | | |
| Renter Household Growth, 2000-2008 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Percent Income Qualified Renter Households | 12% | 17% | 21% | 13% | 16% | 20% | 16% | 20% | 23% |
| Total Demand From New Households | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| DEMAND FROM EXISTING HOUSEHOLDS | | | | | | | | | |
| Percent of Renters in Substandard Housing | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| Percent Income Qualified Renter Households | 12% | 17% | 21% | 13% | 16% | 20% | 16% | 20% | 23% |
| Total Demand From Substandard Renter Households | 7 | 9 | 11 | 7 | 9 | 11 | 9 | 11 | 13 |
| Percent of Renters Rent-Overburdened | 3.4% | 4.5% | 5.4% | 3.7% | 3.0% | 4.1% | 3.1% | 2.0% | 3.1% |
| Total Demand From Overburdened Renter Households | 31 | 40 | 48 | 34 | 27 | 37 | 28 | 18 | 28 |
| Total Demand From Existing Households | 37 | 50 | 59 | 41 | 36 | 47 | 37 | 29 | 40 |
| DEMAND FROM SECONDARY MARKET SOURCES (15%) | 6 | 7 | 9 | 6 | 5 | 7 | 5 | 4 | 6 |
| TOTAL DEMAND | 44 | 59 | 71 | 49 | 43 | 57 | 44 | 35 | 49 |
| LESS: Total Comparable Units Constructed Since 2000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LESS: Total Comparable Units Proposed/Under Construction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL NET DEMAND | 44 | 59 | 71 | 49 | 43 | 57 | 44 | 35 | 49 |
| PROPOSED NUMBER OF UNITS | 5 | 7 | 12 | 9 | 23 | 32 | 9 | 12 | 21 |
| CAPTURE RATE | 11.3% | 11.8% | 17.0% | 18.5% | 53.0% | 56.5% | 20.5% | 34.2% | 42.7% |

Note: Totals may not sum due to rounding
 Source: U.S. Census of Population and Housing - 2000; U.S. Department of Housing and Urban Development; ESRI Business Analyst

B. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of less than 82 percent was determined based on the demand calculation (including renter household growth, existing renter households, substandard units, and excluding any comparable rental activity since 2000), providing an indication of the subject proposal’s market depth within the Hawkinsville PMA. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 31 percent, while the 60 percent AMI rate was 62 percent. As such, the capture rate provides a negative indication of the subject’s marketability and is well above DCA thresholds, and should NOT be considered as a positive factor. Although there are a number of positive attributes of the Hawkinsville rental market, the subject proposal, as presented in the Project Description section of this report, would likely encounter a drawn-out absorption period as well have difficulty maintaining an occupancy rate above 93 percent.

However, taking into consideration the generally positive occupancy rates among the RHS and market rate properties, the subject’s location, and the proposed income targeting, affordable rental rates, unit mix, and amenities, an estimate of the overall absorption rate can be calculated as follows:

| | <u>Number</u> | <u>Estimated Units Per Month</u> | | <u>Absorption Range (in months)</u> | |
|---|---------------|--------------------------------------|---|---|-----------|
| 50 Percent of AMI | 23 | 3 | 4 | 6 | 8 |
| 60 Percent of AMI | 42 | 3 | 4 | 11 | 14 |
| Total Units | 65 | | | 11 | 14 |
| Total Units (93 percent occupancy) | 60 | | | 10 | 13 |

Based on limited market depth, the resulting absorption period to reach 93 percent occupancy is estimated at ten to 13 months. This estimate is based on an approximate market entry in late 2009; a minimum of 20 percent of units pre-leased of the project; and assumes all units will enter the market at approximately the same time. Considering the proposal’s characteristics and demand estimates, absorption of the subject to 93 percent occupancy can be expected to take more than one year, and will likely be problematic maintaining such a level.

VIII. COMPARABLE RENTAL ANALYSIS

A. Hawkinsville Rental Market Characteristics

As part of the Hawkinsville rental analysis, a survey of existing rental projects within the Hawkinsville primary market area was completed by Shaw Research & Consulting in June 2007. Excluding senior-only rental developments, a total of six apartment properties within the Hawkinsville area were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Hawkinsville area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 205 units were reported with the majority containing two bedrooms. Among the properties providing a specific unit breakdown, 32 percent of all units contained one bedroom, 50 percent had two bedrooms, and 15 percent of units contained three bedrooms. No efficiency/studio and few four-bedroom units were reported in the survey – representing just three percent of all units. The average age of the rental properties was 36 years old (with an average build date of 1971), clearly indicative of the aged conditions among the communities rental stock. Two properties were built in 1940, three during the 1980s, and just one since 1990. The most recent rental property is Lakeshore Landing, a 36-unit market-rate development constructed in 1999. Nearly all of the rental developments (five of six) have some sort of income eligibility requirements – two are RHS 515 facilities (with various levels of Rental Assistance available) and three are Public Housing projects. No LIHTC developments were identified in Hawkinsville or Pulaski County.

Overall conditions for the Hawkinsville rental market appear somewhat mixed. Among the six properties included in the survey, the overall occupancy rate was calculated at 91 percent. Breaking down occupancy rates by development type, the Rural Development facility's averaged 99 percent occupancy, the market rate development was 94 percent occupied, and the three Public Housing projects averaged just 82 percent occupied. According to the director of Hawkinsville Public Housing Authority, the reason for this vacancy problem has to do with the recent state guideline where residents can take Section 8 Vouchers (HAP) anywhere when they move, even out of the county. This resulted in a large number of move-outs, and coupled with a

number of evictions, the project has maintained a relatively low occupancy rate. However, he has mentioned that traffic has improved and that vacancy numbers are slowly going down. Excluding PHA developments, the remaining three facilities are a combined 97 percent occupied, thereby reflecting more positive conditions within the Hawkinsville rental market.

Detailed results from our survey of area rental developments are illustrated in the tables on the following pages. Overall, the average rent for a one-bedroom unit was calculated at \$418 per month with an average size of 550 square feet – the resulting average rent per square foot ratio is \$0.76. The average rent for a two-bedroom unit was \$453 with an average size of 753 square feet (an average rent per square foot ratio of \$0.60). However, because these overall average rents may be skewed due to the inclusion of both “basic” and “market” rents from the RHS 515 developments in the calculation, these figures may not be an accurate assessment of the market. Excluding the “market” rents from these RHS projects, the average one-bedroom rent is calculated at \$351 (\$0.64 per square foot) and two-bedroom units average \$399 (\$0.53 per square foot). As can be seen, the proposed rental rates are quite competitive to the adjusted market averages. Overall, the rental stock throughout the Hawkinsville area appears quite affordable. As such, the subject proposal’s rental rates compare favorably to market rate averages, and can be considered appropriate for the market area.

Due to the relative age of the existing rental communities as well as the level of subsidy available, amenities and features offered at the majority of the rental developments are extremely limited. The most common amenities found within the market include laundry hook-up (100 percent of all properties), individual entry (100 percent), patio/balcony (100 percent), and central air conditioning (67 percent). Along with laundry hook-up and central air, the subject property will contain a number of additional amenities that are not as prevalent (or not found at all) throughout the area. These include clubhouse, coin-operated laundry, dishwasher, exercise/fitness room, garbage disposal, microwave, mini-blinds, library, and playground. Coupled with the proposal’s income targeting, affordable rental rates and large unit sizes, the generous amenity package undoubtedly gives a competitive advantage over every rental property within the market area.

The proposed rental rates within the subject appear to be competitive and appropriate for the market area. In comparison to the community's only market-rate project (Lakeshore Landing – which only has two-bedroom units), the proposed 50 percent AMI rents are \$25 but 60 percent AMI rents are \$25 higher. However, it should be noted that Lakeshore Landing does not include any appliances (that is, tenants must supply their own refrigerator and stove) and the only real marketable amenities are central air and laundry hook-up. When taking the lack of amenities in to the consideration, the proposed rental rates compare favorably with Lakeshore Landing, which is currently 94 percent occupied and has historically maintained an occupancy rate above 94 percent. Further considering the larger unit sizes as well as the number of additional amenities to be included (with clubhouse, dishwasher, disposal, microwave, exercise room, mini-blinds, and library, among others), the proposal's relative value becomes even more apparent.

In addition, single-family and mobile homes are also quite affordable to rent within the Hawkinsville area. According to information provided by the Hawkinsville-Pulaski County Chamber and Commerce, a small number of single-family homes and mobile homes are available to rent, starting at \$315 for a one-bedroom, \$340 for a two-bedroom, and \$500 for a three-bedroom home.

From a market standpoint, it is evident that the Hawkinsville rental market is in dire need for an upgrade. However, based on prevailing rental rates and income levels, the rent structure is crucial for the viability of any new rental development. As such, the proposed rental rates within the subject are well-suited for the Hawkinsville marketplace by providing a modern rental option with numerous amenities at a relatively affordable price. In light of an occupancy rate calculated at 97 percent for the market (not including PHA units) and the extreme lack of amenities found within most existing rental properties, any newly constructed units (with rent and amenity levels similar to those proposed) would receive positive attention locally. Additionally, the rental market appears to be relatively stable, with 8 of the 11 facilities surveyed at 95 percent occupancy or greater, as well as no widespread rent concessions reported. As such, based on the proposed unit sizes and amenities to be offered, the proposed rents and units will be competitive with other local available rental alternatives.

Table 19: Rental Housing Survey

| Project Name | Year Built | Total Units | Studio/ Eff. | One-bedroom | Two-bedroom | Three-bedroom | Four-bedroom | Heat Included | Heat Type | Electric Included | Occupancy Rate | Senior Only Facility |
|--|-----------------------|-------------------|-----------------------|-------------------------|--------------------------|-------------------------|-----------------------|---------------|------------------|-------------------|----------------|----------------------|
| Arrowhead Apts | 1980 | 51 | 0 | 30 | 21 | 0 | 0 | No | ELE | No | 98% | No |
| Georgia Wallace Apts | 1981 | 30 | 0 | 11 | 11 | 8 | 0 | No | GAS | No | 87% | No |
| Henry Way Apts | 1940 | 35 | 0 | 7 | 10 | 14 | 4 | No | GAS | No | 74% | No |
| Lakeshore Landing | 1999 | 36 | 0 | 0 | 36 | 0 | 0 | No | ELE | No | 94% | No |
| Lakeside Villas | 1986 | 32 | 0 | 16 | 16 | 0 | 0 | No | ELE | No | 100% | No |
| Mooney Apts | 1940 | 21 | 0 | 2 | 8 | 8 | 3 | No | GAS | No | 90% | No |
| Totals and Averages <i>Unit Distribution</i> | 1971 | 205 | 0 0% | 66 32% | 102 50% | 30 15% | 7 3% | | | | 91.1% | |
| SUBJECT PROJECT | | | | | | | | | | | | |
| COTTON MILL LOFTS | 2009 | 65 | 0 | 12 | 32 | 21 | 0 | No | ELE | No | NA | No |
| SUMMARY | | | | | | | | | | | | |
| | Number of Dev. | Year Built | Total Units | Studio/ Eff. | 1BR | 2BR | 3BR | 4BR | Avg. Occ. | | | |
| Total Developments | 6 | 1971 | 205 | 0 | 66 | 102 | 30 | 7 | 91.1% | | | |
| Market Rate Only | 1 | 1999 | 36 | 0 | 0 | 36 | 0 | 0 | 94.0% | | | |
| LIHTC Only | 0 | NA | 0 | 0 | 0 | 0 | 0 | 0 | NA | | | |
| Other Affordalbe | 2 | 1983 | 83 | 0 | 46 | 37 | 0 | 0 | 98.8% | | | |
| Subsidized Only | 3 | 1954 | 86 | 0 | 20 | 29 | 30 | 7 | 82.4% | | | |

Table 20: Rent Range for 1 & 2 Bedrooms

| Project Name | Subsidized | 1BR Rent LOW | 1BR Rent HIGH | 1BR Ft. LOW | Sq. 1BR Ft. HIGH | Rent per Square Foot Range | | 2BR Rent LOW | 2BR Rent HIGH | 2BR Ft. LOW | Sq. 2BR Ft. HIGH | Rent per Square Foot Range | |
|----------------------------|------------|-----------------|------------------|----------------|---------------------|-------------------------------|---------------|-----------------|------------------|----------------|---------------------|-------------------------------|---------------|
| Arrowhead Apts | Yes | \$314 | \$446 | | | | | \$339 | \$485 | | | | |
| Georgia Wallace Apts | Yes | | | | | | | | | | | | |
| Henry Way Apts | Yes | | | | | | | | | | | | |
| Lakeshore Landing | No | | | | | | | \$425 | | 1,000 | | \$0.43 | |
| Lakeside Villas | Yes | \$387 | \$523 | 550 | 550 | \$0.70 | \$0.95 | \$433 | \$584 | 630 | 630 | \$0.69 | \$0.93 |
| Mooney Apts | Yes | | | | | | | | | | | | |
| Totals and Averages | | | \$418 | | 550 | | \$0.76 | | \$453 | | 753 | | \$0.60 |
| SUBJECT PROPERTY | | | | | | | | | | | | | |
| COTTON MILL LOFTS | No | \$350 | \$400 | 900 | 900 | \$0.39 | \$0.44 | \$400 | \$450 | 1,150 | 1,150 | \$0.35 | \$0.39 |
| SUMMARY | | | | | | | | | | | | | |
| Overall | | | | | | | | | | | | | |
| Market Rate Only | | | NA | | NA | | NA | | \$425 | | 1,000 | | \$0.43 |
| LIHTC Only | | | NA | | NA | | NA | | NA | | NA | | NA |
| Other Affordable Only | | | \$418 | | 550 | | \$0.76 | | \$460 | | 630 | | \$0.73 |
| Subsidized Only | | | NA | | NA | | NA | | NA | | NA | | NA |

Table 21: Rent Range for 3 & 4 Bedrooms

| Project Name | Program | 3BR Rent LOW | 3BR Rent HIGH | 3BR Ft. LOW | Sq. 3BR Ft. HIGH | Sq. Rent per Square Foot Range | 4BR Rent LOW | 4BR Rent HIGH | 4BR Ft. LOW | Sq. 4BR Ft. HIGH | Sq. Rent per Square Foot Range |
|---|---|-----------------|------------------|----------------|---------------------|--------------------------------------|-----------------|------------------|----------------|---------------------|--------------------------------------|
| Arrowhead Apts Georgia Wallace Apts Henry Way Apts Lakeshore Landing Lakeside Villas Mooney Apts | RHS PUB HSG PUB HSG RHS PUB HSG | | | | | | | | | | |
| Totals and Averages | | | NA | | NA | NA | | NA | | NA | NA |
| SUBJECT PROPERTY | | | | | | | | | | | |
| COTTON MILL LOFTS | LIHTC | \$425 | \$475 | 1,350 | 1,350 | \$0.31 \$0.35 | | | | | |
| SUMMARY | | | | | | | | | | | |
| Overall | | | NA | | NA | NA | | NA | | NA | NA |
| Market Rate Only | | | NA | | NA | NA | | NA | | NA | NA |
| LIHTC Only | | | NA | | NA | NA | | NA | | NA | NA |
| Other Affordable Only | | | NA | | NA | NA | | NA | | NA | NA |
| Subsidized Only | | | NA | | NA | NA | | NA | | NA | NA |

Table 22: Project Amenities

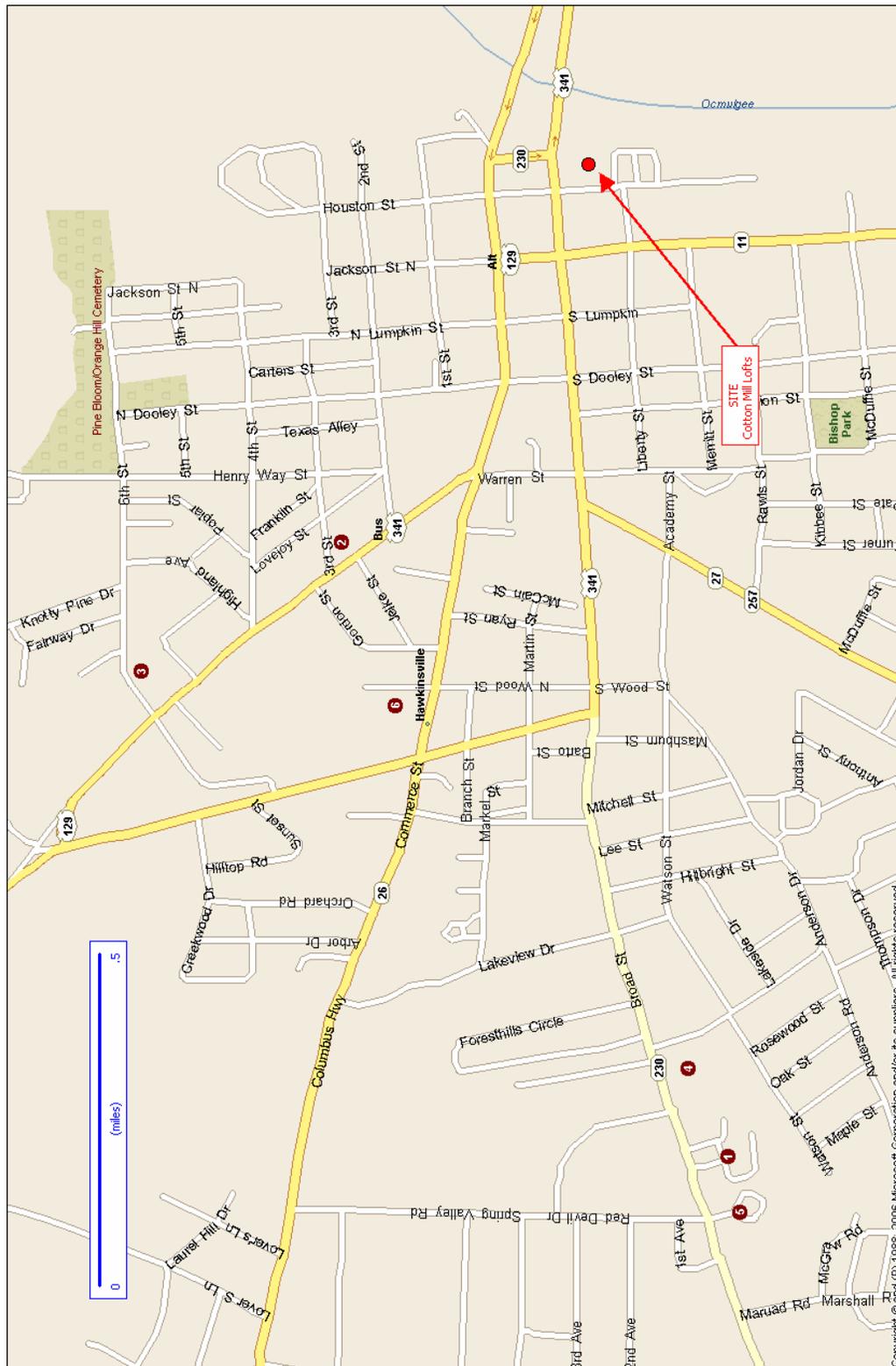
| Project Name | Carport | Central Air | Club House | Coin Op Laundry | Dish Washer | Exercise Room | Garbage Disposal | Individ. Entry | Laundry Hookup | Micro-wave | Mini Blinds | Patio/Balcony | Play-ground | Pool |
|------------------------------|-----------|-------------|------------|-----------------|-------------|---------------|------------------|----------------|----------------|------------|-------------|---------------|-------------|-----------|
| Arrowhead Apts | No | Yes | No | Yes | No | No | No | Yes | Yes | No | Yes | Yes | No | No |
| Georgia Wallace Apts | No | Yes | No | No | No | No | No | Yes | Yes | No | No | Yes | No | No |
| Henry Way Apts | No | No | No | No | No | No | No | Yes | Yes | No | No | Yes | No | No |
| Lakeshore Landing | No | Yes | No | No | No | No | No | Yes | Yes | No | No | Yes | No | No |
| Lakeside Villas | No | Yes | No | Yes | No | No | No | Yes | Yes | No | Yes | Yes | Yes | No |
| Mooney Apts | No | No | No | No | No | No | No | Yes | Yes | No | No | Yes | No | No |
| Totals and Averages | 0% | 67% | 0% | 33% | 0% | 0% | 0% | 100% | 100% | 0% | 33% | 100% | 17% | 0% |
| SUBJECT PROJECT | | | | | | | | | | | | | | |
| COTTON MILL LOFTS | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | NA | Yes | No |
| SUMMARY | | | | | | | | | | | | | | |
| Overall | 0% | 67% | 0% | 33% | 0% | 0% | 0% | 100% | 100% | 0% | 33% | 100% | 17% | 0% |
| Market Rate Only | 0% | 100% | 0% | 0% | 0% | 0% | 0% | 100% | 100% | 0% | 0% | 100% | 0% | 0% |
| LIHTC Only | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Other Affordable Only | 0% | 100% | 0% | 100% | 0% | 0% | 0% | 100% | 100% | 0% | 100% | 100% | 50% | 0% |
| Subsidized Only | 0% | 33% | 0% | 0% | 0% | 0% | 0% | 100% | 100% | 0% | 0% | 100% | 0% | 0% |

B. Comparable/Nearby Rental Projects –Hawkinsville PMA

The following map includes all rental developments within the city of Hawkinsville. While no existing property can be considered as directly comparable to the subject property, additional information (for the two RHS projects and one market rate property) is presented in the following section to provide a more realistic indication of the market conditions facing the development of the proposal. In addition, photographs are included of other rental properties within the immediate area.

.

Map 8: Hawkinsville Rental Developments



- 1. Arrowhead Apts – RHS
- 2. Georgia Wallace Apts – PHA
- 3. Henry Way Apts – PHA
- 4. Lakeshore Landing - Market
- 5. Lakeside Villas – RHS
- 6. Mooney Apts – PHA



| COMPARABLE PROJECT INFORMATION | | | | | |
|---------------------------------|-------------------------------------|------------------------|-------------------------------------|---|--------------------------|
| Project Name: | ARROWHEAD APARTMENTS | Year Built: | 1980 | City/State: | Hawkinsville, GA |
| Address: | 850 Broad Street | Zip Code: | 31036 | Program: | RHS 515 |
| Phone: | (478) 783-1535 | Floors: | 1 | Number of PBRA*: | 36 |
| | | Percent Senior: | NA | * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | |
| Unit Type | Number | Vacancies | Square Feet | Contract Rents | Occupancy Rate |
| 1 Bedroom | 30 | 0 | N/A | \$314-\$446 | 100% |
| 2 Bedroom | 21 | 1 | N/A | \$339-\$485 | 95% |
| 3 Bedroom | 0 | 0 | --- | --- | N/A |
| TOTAL | 51 | 1 | | <i>(basic-market)</i> | 98% |
| AMENITIES | | | | | |
| APPLIANCES | | UNIT | | DEVELOPMENT | |
| Dishwasher | <input type="checkbox"/> | Draperies | <input type="checkbox"/> | Clubhouse | <input type="checkbox"/> |
| Garbage Disposal | <input type="checkbox"/> | Fireplace | <input type="checkbox"/> | Community Room | <input type="checkbox"/> |
| Microwave | <input type="checkbox"/> | Individ. Entry | <input checked="" type="checkbox"/> | Playground | <input type="checkbox"/> |
| Refrigerator | <input checked="" type="checkbox"/> | Mini-Blinds | <input checked="" type="checkbox"/> | Swimming Pool | <input type="checkbox"/> |
| Stove/Range | <input checked="" type="checkbox"/> | Patio/Balcony | <input checked="" type="checkbox"/> | Basketball Court | <input type="checkbox"/> |
| Central A/C | <input checked="" type="checkbox"/> | Storage | <input type="checkbox"/> | Tennis Court | <input type="checkbox"/> |
| Wall A/C Unit | <input type="checkbox"/> | Walk-in Closet | <input type="checkbox"/> | Volleyball Court | <input type="checkbox"/> |
| LAUNDRY | | PARKING | | OTHER | |
| Coin-Op | <input checked="" type="checkbox"/> | Carport | <input type="checkbox"/> | Heat Included | <input type="checkbox"/> |
| Hook-Up | <input checked="" type="checkbox"/> | Garage | <input type="checkbox"/> | Elect. Included | <input type="checkbox"/> |
| In-Unit | <input type="checkbox"/> | Surface Lot Only | <input checked="" type="checkbox"/> | Heat Type | ELE |





COMPARABLE PROJECT INFORMATION

| | | | |
|-------------------------|------------------------|------------------------|------------------|
| Project Name: | LAKESIDE VILLAS | Year Built: | 1986 |
| Address: | 880 Broad Street | City/State: | Hawkinsville, GA |
| Phone: | (478) 783-1287 | Zip Code: | 31036 |
| Program: | RHS 515 | Floors: | 1 |
| Number of PBRA*: | 28 | Percent Senior: | NA |

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

| <u>Unit Type</u> | <u>Number</u> | <u>Vacancies</u> | <u>Square Feet</u> | <u>Contract Rents</u> | <u>Occupancy Rate</u> |
|------------------|---------------|------------------|--------------------|-----------------------|-----------------------|
| 1 Bedroom | 16 | 0 | 550 | \$387-\$523 | 100% |
| 2 Bedroom | 16 | 0 | 630 | \$433-\$584 | 100% |
| 3 Bedroom | 0 | 0 | --- | --- | N/A |
| TOTAL | 32 | 0 | | | 100% |

AMENITIES

| APPLIANCES | UNIT | DEVELOPMENT |
|--|--|--|
| Dishwasher <input type="checkbox"/> | Draperies <input type="checkbox"/> | Clubhouse <input type="checkbox"/> |
| Garbage Disposal <input type="checkbox"/> | Fireplace <input type="checkbox"/> | Community Room <input type="checkbox"/> |
| Microwave <input type="checkbox"/> | Individ. Entry <input checked="" type="checkbox"/> | Playground <input checked="" type="checkbox"/> |
| Refrigerator <input checked="" type="checkbox"/> | Mini-Blinds <input checked="" type="checkbox"/> | Swimming Pool <input type="checkbox"/> |
| Stove/Range <input checked="" type="checkbox"/> | Patio/Balcony <input checked="" type="checkbox"/> | Basketball Court <input type="checkbox"/> |
| Central A/C <input checked="" type="checkbox"/> | Storage <input checked="" type="checkbox"/> | Tennis Court <input type="checkbox"/> |
| Wall A/C Unit <input type="checkbox"/> | Walk-in Closet <input type="checkbox"/> | Volleyball Court <input type="checkbox"/> |
| LAUNDRY | PARKING | OTHER |
| Coin-Op <input checked="" type="checkbox"/> | Carport <input type="checkbox"/> | Heat Included <input type="checkbox"/> |
| Hook-Up <input checked="" type="checkbox"/> | Garage <input type="checkbox"/> | Elect. Included <input type="checkbox"/> |
| In-Unit <input type="checkbox"/> | Surface Lot Only <input checked="" type="checkbox"/> | Heat Type <input type="checkbox"/> ELE |





COMPARABLE PROJECT INFORMATION

| | | | |
|-------------------------|--------------------------|------------------------|------------------|
| Project Name: | LAKESHORE LANDING | Year Built: | 1999 |
| Address: | Broad Street | City/State: | Hawkinsville, GA |
| Phone: | (478) 892-9339 | Zip Code: | 31036 |
| Program: | Conventional | Floors: | 1 |
| Number of PBRA*: | 0 | Percent Senior: | NA |

* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES

| <u>Unit Type</u> | <u>Number</u> | <u>Vacancies</u> | <u>Square Feet</u> | <u>Contract Rents</u> | <u>Occupancy Rate</u> |
|------------------|---------------|------------------|--------------------|-----------------------|-----------------------|
| 1 Bedroom | 0 | 0 | --- | --- | N/A |
| 2 Bedroom | 36 | 2 | 1,000 | \$425 | 94% |
| 3 Bedroom | 0 | 0 | --- | --- | N/A |
| TOTAL | 36 | 2 | | | 94% |

AMENITIES

| APPLIANCES | UNIT | DEVELOPMENT |
|---|--|---|
| Dishwasher <input type="checkbox"/> | Draperies <input type="checkbox"/> | Clubhouse <input type="checkbox"/> |
| Garbage Disposal <input type="checkbox"/> | Fireplace <input type="checkbox"/> | Community Room <input type="checkbox"/> |
| Microwave <input type="checkbox"/> | Individ. Entry <input checked="" type="checkbox"/> | Playground <input type="checkbox"/> |
| Refrigerator <input type="checkbox"/> | Mini-Blinds <input type="checkbox"/> | Swimming Pool <input type="checkbox"/> |
| Stove/Range <input type="checkbox"/> | Patio/Balcony <input checked="" type="checkbox"/> | Basketball Court <input type="checkbox"/> |
| Central A/C <input checked="" type="checkbox"/> | Storage <input type="checkbox"/> | Tennis Court <input type="checkbox"/> |
| Wall A/C Unit <input type="checkbox"/> | Walk-in Closet <input type="checkbox"/> | Volleyball Court <input type="checkbox"/> |
| LAUNDRY | PARKING | OTHER |
| Coin-Op <input type="checkbox"/> | Carport <input type="checkbox"/> | Heat Included <input type="checkbox"/> |
| Hook-Up <input checked="" type="checkbox"/> | Garage <input type="checkbox"/> | Elect. Included <input type="checkbox"/> |
| In-Unit <input type="checkbox"/> | Surface Lot Only <input checked="" type="checkbox"/> | Heat Type <input type="checkbox"/> ELE |



IX. INTERVIEWS

Throughout the course of performing this analysis of the Hawkinsville rental market, many individuals were contacted. Based on discussions with local government officials, no comparable multi-family rental development is under construction or proposed, outside of the subject proposal.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Hawkinsville rental market as part of Shaw Research and Consulting's survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. It is also worth noting that leasing agents throughout the local rental market did not express any negative feelings regarding the strength or stability of the rental market, and in many cases, expressed positive comments noting improving conditions with good traffic and generally low turnover.

Based on an interview with James Joyner of the Hawkinsville Housing Authority, occupancy rates in all three PHA developments are relatively low, largely due to Section 8 Vouchers leaving the county. However, he did mention that traffic has been picking up in recent months and that the overall occupancy rate was improving, although still below 85 percent.

According to the Eastman Middle Georgia Regional Office, there are 52 Section 8 Vouchers for Pulaski County. However, it was mentioned that the waiting list has depleted and will be re-opened soon.

X. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, while sufficient evidence has been presented for the successful introduction and absorption of tax credit units within the Hawkinsville PMA, it is NOT recommended to pursue the subject proposal, as described. The market area has numerous positive attributes, including strong occupancy levels among non-Public Housing developments (at 97 percent), improving economic conditions, relatively positive demographic patterns, and a market in desperate need for a modern product with numerous amenities and features. However, a 65-unit tax credit development results in an insufficient demand calculation and capture rate which indicates that the market cannot support the introduction of a larger project at the current time.

Furthermore, most characteristics of the proposal are quite positive, including income targeting, affordable rental rates, unit sizes, and amenity package. The overall number of tax credit units is the most significant drawback. While the revitalization of a local landmark to fill a clear void in the local rental market would be a noteworthy accomplishment for the community, a property struggling to maintain an acceptable occupancy threshold could have potential negative ramifications for the neighborhood. Considering the proposal as currently configured, it is estimated that the absorption period to 93 percent occupancy is between 11 and 13 months, and more importantly, the ability to maintain at least a 93 percent occupancy rate into the foreseeable future will likely be problematic.

Should the sponsor of the subject proposal reduce the total number of units, revise the income targeting structure to include a broader range of residents (by including units at 30 percent and/or market rate), or a combination of the two, a positive recommendation would likely result.

XI. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market area and the subject property on June 14, 2007, and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent upon this project being funded.



Steven R. Shaw
SHAW RESEARCH AND CONSULTING

Date: June 27, 2007

XII. COMPARISON OF COMPETING PROJECTS

Based on information supplied by DCA, no other developments in Pulaski County are competing with the subject proposal in the 2007 Georgia funding round.

XIII. SOURCES

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

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

2007/2012 Demographic Forecasts, ESRI Business Analyst Online

ESRI ArcView, Version 3.3

Microsoft Streets and Trips 2007

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

Pulaski County Area Labor Profile – Georgia Department of Labor

Hawkinsville-Pulaski County Major Employers – United Pulaski Economic Development

Hawkinsville-Pulaski County Community Handbook – Hawkinsville-Pulaski County Chamber of Commerce and United Pulaski Economic Development

New Georgia Encyclopedia: Pulaski County – Georgia Humanities Council and the University of Georgia Press

Interviews with managers and leasing specialists at local rental developments

Interviews with community planning officials

XIV. RESUME

STEVEN R. SHAW SHAW RESEARCH & CONSULTING

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

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

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

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

XV. DCA TABLE OF CONTENTS

Market Analyst Certification and Checklist

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

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

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

Signed: 

Date: June 27, 2007

A. Executive Summary

| | |
|--|----------|
| Market demand for subject property given the economic conditions of the area | Page 3-4 |
| Projected Stabilized Occupancy Level and Timeframe | Page 3 |
| Appropriateness of unit mix, rent and unit sizes | Page 2-3 |
| Appropriateness of interior and exterior amenities including appliances | Page 2-3 |
| Location and distance of subject property in relationship to local amenities | Page 3 |
| Discussion of capture rates in relationship to subject | Page 3-4 |
| Conclusion regarding the strength of the market for subject | Page 3-4 |

B. Project Description

| | |
|---|---------|
| Project address, legal description and location | Page 6 |
| Number of units by unit type | Page 8 |
| Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc) | Page 8 |
| Rents and Utility Allowance | Page 8 |
| Existing or proposed project based rental assistance | Page 6 |
| Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.) | Page 7 |
| For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property | Page NA |
| Projected placed in service date | Page 6 |
| Construction type: New Construction/Rehab/Adaptive Reuse, etc. | Page 6 |
| Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs. | Page 6 |
| Special Population Target (if applicable) | Page NA |

C. Site Evaluation

| | | |
|--|------|-------|
| Date of Inspection of Subject Property by Market Analyst | Page | 10 |
| Physical features of Subject Property and Adjacent Uses | Page | 9-11 |
| Subject Photographs (front, rear, and side elevations as well as street scenes) | Page | 15-21 |
| Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject | Page | 13-14 |
| Developments in vicinity to subject and proximity in miles (Identify developments surrounding the subject on all sides) | Page | 22 |
| Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject | Page | 22 |
| Road or infrastructure improvements planned or under construction in the PMA | Page | 9-10 |
| Comment on access, ingress/egress and visibility of subject | Page | 9-10 |
| Any visible environmental or other concerns | Page | 10-11 |
| Overall conclusions of site and their marketability | Page | 10-11 |

D. Market Area

| | | |
|--|------|-------|
| Map identifying Subject's Location within PMA | Page | 25-26 |
| Map identifying Subject's Location within SMA, if applicable | Page | NA |

E. Community Demographic Data

| | | |
|---|------|-------|
| Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry. | Page | 27-47 |
|---|------|-------|

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

1. Population Trends

| | | |
|--|------|----|
| a. Total Population | Page | 27 |
| b. Population by Age Group | Page | 29 |
| c. Number of elderly and non-elderly (for elderly projects) | Page | NA |
| d. If a special needs is proposed, additional information for this segment | Page | NA |

2. Household Trends**Elderly by tenure, if applicable**

| | | |
|--|------|-------|
| a. Total number of households and average household size | Page | 30-31 |
| b. Households by tenure (# of owner and renter households) | Page | 32 |
| c. Households by Income (Elderly, if applicable, should be allocated separately) | Page | 44-45 |
| d. Renter households by # of persons in the household | Page | 35 |

3. Employment Trend

| | |
|--|------------|
| a. Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%)) | Page 36 |
| a. Major employers, product or service, total employees, anticipated expansions, | Page 38 |
| b. contractions in work forces, as well as newly planned employers and impact on employment in the PMA | |
| c. Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years. | Page 40-41 |
| d. Map of the site and location of major employment concentrations. | Page 42 |
| e. Overall conclusions | Page 39 |

F. Project Specific Demand Analysis

| | |
|---|------------|
| Income Restrictions - uses applicable incomes and rents in the development's tax application. | Page 48 |
| Affordability - Delineation of Income Bands | Page 48 |
| Comparison of market rates of competing properties with proposed subject market rent | Page 57-58 |
| Comparison of market rates of competing properties with proposed LIHTC rents | Page 57-58 |
| Demand Analysis Using Projected Service Date (within 2 years) | Page 48-51 |
| a. New Households Using Growth Rates from Reputable Source | Page 48-51 |
| b. Demand from Existing Households | Page 48-51 |
| c. Elderly Households Converting to Rentership (applicable only to elderly)) | Page NA |
| d. Elderly Households Relocating to the Market (applicable only to elderly) | Page NA |
| e. Deduction of Supply of "Comparable Units" | Page 48-51 |
| f. Capture Rates for Each Bedroom Type | Page 51 |
| g. Anticipated Absorption period for the property | Page 52 |

G. Supply Analysis

| | |
|--|------------|
| Comparative chart of subject amenities and competing properties | Page 59 |
| Supply & analysis of competing developments under construction & pending | Page 53-55 |
| Comparison of competing developments (occupancy, unit mix and rents) | Page 53-59 |
| Rent Comparable Map (showing subject and comparables) | Page 61 |
| Rental Assisted Projects in PMA * | Page 22 |
| Multi-Family Building Permits issued in PMA in last two years | Page |

* PHA properties are not considered comparable with LIHTC units

H. Interviews

| | |
|--|---------|
| Names, Title, and Telephone # of Individuals Interviewed | Page 65 |
|--|---------|

I. Conclusions and Recommendations

| | |
|---|---------|
| Conclusion as to Impact of Subject on PMA | Page 66 |
| Recommendation as to Subject's Viability in PMA | Page 66 |

J. Signed Statement

| | |
|-------------------------------|---------|
| Signed Statement from Analyst | Page 67 |
|-------------------------------|---------|

K. Comparison of Competing Properties

Separate Letter addressing addition of more than one competing property