Market Analysis
for
Hunter's Glen
Tax Credit (Sec. 42) Apartments
With Rental Assistance
in
Cairo, Georgia
Grady County

Prepared For:

Georgia Department of Community Affairs

by

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1 FOREWORD

1.1 STATEMENT OF QUALIFICATIONS

John Wall and Associates (the Anderson office) has done over 2,200 market analyses, the majority of these being for apartment projects (conventional and government). However, the firm has done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis and GIS projects. Clients include private developers, government officials, syndicators, and lending institutions.

Prior to founding John Wall and Associates, Mr. Wall was the Planning Director for a city of 30,000 where he supervised the work of the Planning Department, including coordinating the activities of and making presentations to both the Planning and Zoning Commission and the Zoning Board of Adjustment and Appeals. His duties included site plan approval, subdivision review, annexation, downtown revitalization, land use mapping program, and negotiation of realistic, workable solutions with various groups.

While in the public and private sectors, Mr. Wall served on the Appalachian Regional Council of Governments Planning and Economic Development Committee for more than seven years.

Mr. Wall has also taught site analysis and site planning part-time at the graduate level for several semesters as a visiting professor at Clemson University College of Architecture, Planning Department.

Mr. Wall holds a Master's degree in City and Regional Planning and a BS degree in Pre-Architecture. In addition, he has studied at the Clemson College of Architecture Center for Building Research and Urban Studies at Genoa, Italy, and at Harvard University in the Management of Planning and Design Firms, Real Estate Finance, and Real Estate Development.

1.2 RELEASE OF INFORMATION

This report shall not be released by John Wall and Associates to persons other than the client and his/her designates for a period of at least sixty (60) days. Other arrangements can be made upon the client's request.

1.3 TRUTH AND ACCURACY

It is hereby attested to that the information contained in this report is true and accurate. The report can be relied upon as a true assessment of the low income housing rental market. However, no assumption of liability is being made or implied.

1.4 IDENTITY OF INTEREST

The market analyst will receive no fees contingent upon approval of the project by any agency or lending institution, before or after the fact, and the market analyst will have no interest in the housing project.

1.5 CERTIFICATION OF PHYSICAL INSPECTION

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full assessment of the need and demand for new rental units.

1.6 REQUIRED STATEMENT

The statement below is required precisely as worded by some clients. It is, in part, repetitious of some of the other statements in this section, which are required by other clients *exactly* as *they* are worded.

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area, and the information derived from that inspection has been used in the full study of the need and demand for new rental units.

To the best of my knowledge: the market can support the project to the extent shown in the study; the study was written according to The Client's *Market Study Guide*; the information is accurate; and the report can be relied upon by The Client to present a true assessment of the low-income rental housing market.

I understand that any misrepresentation of this statement may result in the denial of further participation in The Client's rental housing programs. I affirm that I have no interest in the project. I have no relationship with the ownership entity that has not been disclosed to The Client in accordance with the certifications in the *Proposal for Market Studies*. My compensation is not contingent on this project being funded.

1.7 NCAHMA MEMBER CERTIFICATION

This market study has been prepared by John Wall and Associates, a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA). This study has been prepared in conformance with the standards adopted by NCAHMA for the market analysts' industry except as noted in the introduction under limitations. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects, and Model Content Standards for the Content of Market Studies* *for Affordable Housing Projects*. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Affordable Housing Market Analysts.

John Wall and Associates is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Affordable Housing Market Analysts (NCAHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. John Wall and Associates is an independent market analyst. No principal or employee of John Wall and Associates has any financial interest whatsoever in the development for which this analysis has been undertaken.

(Note: Information on the National Council of Affordable Housing Market Analysts including *Standard Definitions of Key Terms and Model Content Standards* may be obtained by visiting http://www.housinonline.com/mac/machome.htm)

Submitted and attested to by:

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John Wall, President

JOHN WALL and ASSOCIATES

____

Date

2 TABLE OF CONTENTS

2.1 TABLE OF TABLES

3 INTRODUCTION

3.1 PURPOSE

The purpose of this report is to analyze the apartment market for a specific site in Cairo, Georgia.

3.2 SCOPE

Considered in this report are market depth, bedroom mix, rental rates, unit size, and amenities. These items are investigated principally through a field survey conducted by John Wall and Associates. Unless otherwise noted, all charts and statistics are the result of this survey.

In general, only complexes of 30 units or more built since 1980 are considered in the field survey. Older or smaller projects are sometimes surveyed when it helps the analysis. Projects with rent subsidized units are included, if relevant, and noted.

3.3 METHODOLOGY

Three separate approaches to the analysis are used in this report; each is a check on the other. By using three generally accepted approaches, reasonable conclusions can be drawn. The three approaches used are:

(1) Statistical
(2) Like-Kind Comparison
(3) Interviews

The Statistical approach uses Census data and local statistics; 2000 is used as a base year. The population that would qualify for the proposed units is obtained from these figures.

The Like-Kind Comparison approach collects data on projects similar in nature to that which is being proposed and analyzes how they are doing. This approach assesses their strong points, as well as weak points, and compares them with the subject.

The last section, Interviews, assesses key individuals' special knowledge about the market area. While certainly subjective and limited in perspective, their collective knowledge, gathered and assessed, can offer valuable information.

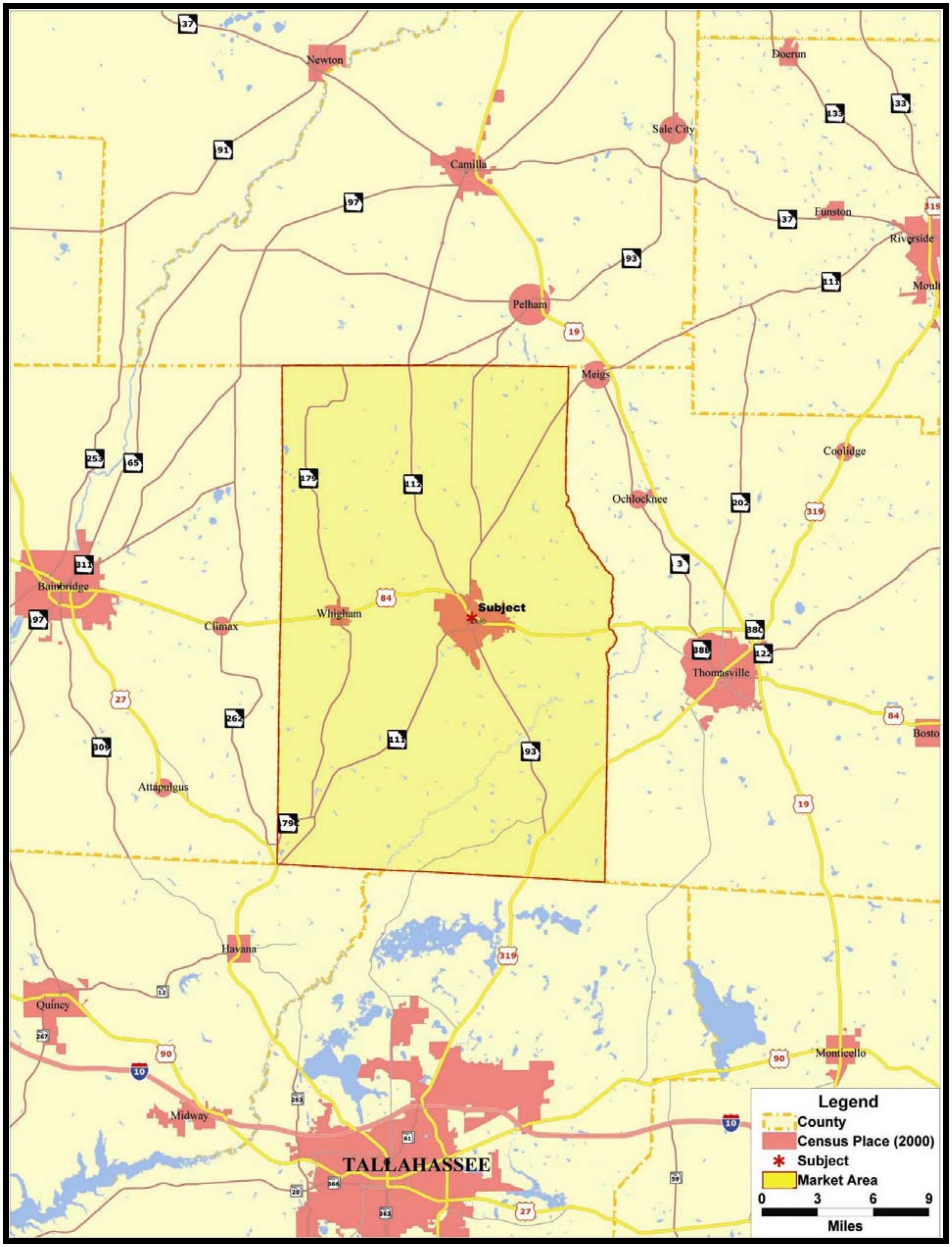
Taken individually, these three approaches give a somewhat restricted view of the market. However, by examining them together, knowledge sufficient to draw reasonable conclusions can be achieved.

3.4 LIMITATIONS

This market study was written according to DCA's (Client's) *Market Study Guide.* To the extent this guide differs from the NCAHMA *Standard Definitions of Key Terms or Model Content Standards*, the client's guide has prevailed.

REGIONAL LOCATOR MAP

AREA LOCATOR MAP



4 EXECUTIVE SUMMARY

The projected completion date of the proposed project is 2006.

The market area (conservative) consists of 100% of Census Tracts 9501, 9502, 9503, 9504, 9505, and 9506 in Grady County.

4.1 DEMAND

	Rental Assistance $0 to $12,050	Tax Credit — 50% AMI $11,150 to $20,100	Tax Credit — 60% AMI $11,150 to $24,150	Overall Tax Credit $11,150 to $24,150
DEMAND	1,210	229	258	258
Less comparable units built since 2000 or proposed	- 0	- 6	- 0	- 6
NET DEMAND	**1,210**	**223**	**258**	**252**
Recommended bedroom mix:				
One Bedroom	35%	35%	35%	35%
Two Bedroom	50%	50%	50%	50%
Three Bedroom	15%	15%	15%	15%
Four Bedroom	0	0	0	0

4.1.1 ABSORPTION

Given reasonable marketing and management, the project should be able to rent up to 93% occupancy within 2 to 4 months (depending on rehabilitation) — a few months longer if the project is completed in November, December, or January. The absorption rate determination considers such factors as the overall estimate of new household growth, the available supply of competitive units, observed trends in absorption of comparable units, and the availability of subsidies and rent specials. The absorption period is considered to start as soon as the first units are released for occupancy.

4.2 CAPTURE RATE

Capture Rate by Unit Size and Targeting

Rental Assistance $0 to $12,050

	Demand*	%	Developer's Proposal	Capture Rate
1 Bedroom	424	35	5	1.2%
2 Bedrooms	605	50	5	0.8%
3 Bedrooms	182	15	0	0.0%
4 or More Bedrooms	0	0	0	0.0%
Total	1,210	100	10	0.8%

50% AMI $11,150 to $20,100

	Demand*	%	Developer's Proposal	Capture Rate
1 Bedroom	78	35	6	7.7%
2 Bedrooms	112	50	5	4.5%
3 Bedrooms	33	15	0	0.0%
4 or More Bedrooms	0	0	0	0.0%
Total	223	100	11	4.9%

60% AMI	$11,150 to $24,150	Demand*	%	Developer's Proposal	Capture Rate
	1 Bedroom	90	35	13	14.4%
	2 Bedrooms	129	50	13	10.1%
	3 Bedrooms	39	15	0	0.0%
	4 or More Bedrooms	0	0	0	0.0%
	Total	258	100	26	10.1%

All (non RA) TC	$11,150 to $24,150	Demand*	%	Developer's Proposal	Capture Rate
	1 Bedroom	88	35	19	21.6%
	2 Bedrooms	126	50	18	14.3%
	3 Bedrooms	38	15	0	0.0%
	4 or More Bedrooms	0	0	0	0.0%
	Total	252	100	37	14.7%

* Numbers may not add due to rounding.

4.3 CONCLUSIONS

4.3.1 SUMMARY OF FINDINGS

- The **site** appears well suited for the project.
- The **neighborhood** is compatible with the project.
- The **location** is well suited to the project.
- The **economy** has been fluctuating slightly.
- The **population and household growth** in the market area is moderate.
- The **demand** for the project is reasonable.
- The **capture rate** for the project is reasonable.
- The **most comparable** apartments are Map IDs: 4 and 5.
- Total **vacancy rate** at competitive projects is 0.0%. The overall vacancy rate for non rental assisted units in the market is 1.5%. The subject presently has no vacancies.
- **Concessions** in the comparables are non-existent.
- The **rents**, given prevailing rents, vacancy rates, and concessions in the market area, are reasonable. The units will remain the same as before rehabilitation. Ten units have rental assistance.
- The proposed **bedroom mix** is reasonable for the market. A few three bedroom units would have been nice.
- The subject's **amenities** are good and comparable or superior to similarly priced apartments.
- The subject's **value** should be perceived as good.
- The subject's **affordability** is good.
- All of those **interviewed** felt the project should be successful.

4.3.2 RECOMMENDATIONS

None.

4.3.3 NOTES

Information regarding tenant retainage and the scope of work was requested to do this study, but it was not available.

4.3.4 CONCLUSION

The subject should be very successful.

5 PROJECT DESCRIPTION

The project description is provided by the developer.

5.1 DEVELOPMENT LOCATION

The site is toward the north side of Cairo, Georgia. It is located at the southeast corner of the intersection of 3rd Street Northeast and 6th Avenue Northeast across from the Housing Authority apartments.

5.2 CONSTRUCTION TYPE

Rehabilitation.

5.3 OCCUPANCY

Family.

5.4 TARGET INCOME GROUP

Low income.

5.5 SPECIAL POPULATION

3 units designated handicap and 1 unit designated vision impaired/hearing impaired.

5.6 STRUCTURE TYPE

2-story walk-up.

5.7 UNITS SIZES, RENTS AND TARGETING

Number	Bedrooms	Baths	Square Ft	Rent / Mo.	Utility Allowance	Gross Rent	Percent Median	
5	1	1	680	266	59	325	60%	RA
5	2	1	856	286	75	361	60%	RA
6	1	1	680	266	59	325	50%	
5	2	1	856	286	75	361	50%	
13	1	1	680	266	59	325	60%	
13	2	1	856	286	75	361	60%	
1*	2	1	856	—	—	—	—	

48 Total Units
10 Units With Rental Assistance
0 Market Rate Units
* Manager's Unit

5.8 DEVELOPMENT AMENITIES

Community spaces or community building, playground/tot lot, fitness center, covered pavilion with picnic area/BBQ, large open playing field, and grocery pick-up and/or delivery.

5.9 UNIT AMENITIES

Air conditioning, washer/dryer connections, dishwasher, and cable pre-wired.

5.10 UTILITIES INCLUDED

Water & sewer and trash.

5.11 REHAB INFORMATION

Current occupancy: 48 of 48 units, 0 vacancies

Current rents: 1BR=$266b, 2BR=$286b, 10 units of rental assistance

Tenant incomes if available: Not available. Tenant retainage figure was requested, but it was not available.

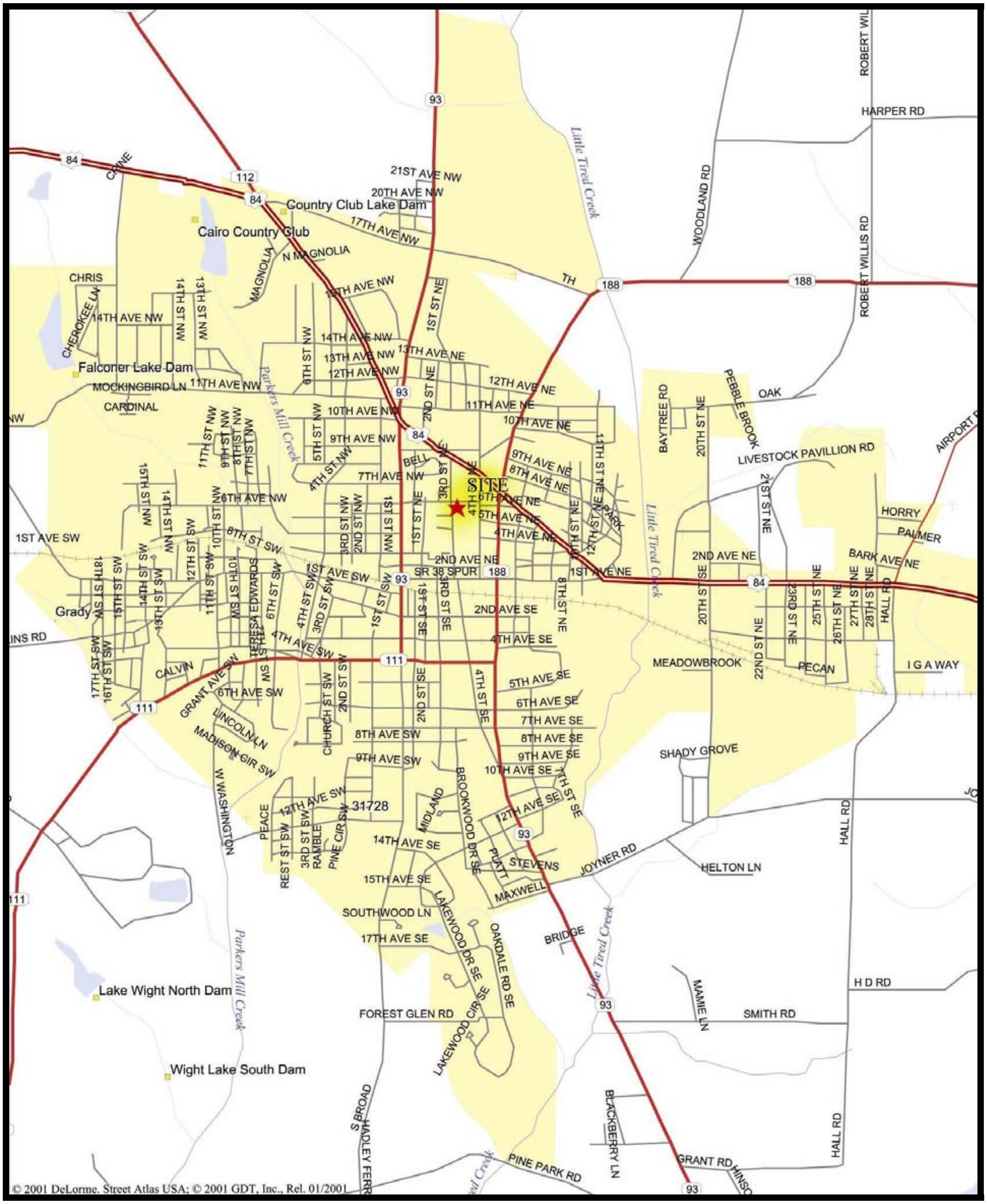
Scope of work: The scope of work was requested, but it was not available. Therefore, it had to be assumed that the scope of work would be sufficient.

5.12 PROJECTED CERTIFICATE OF OCCUPANCY DATE

2006

6 SITE EVALUATION

SITE LOCATION MAP



6.1 VISIBILITY AND CURB APPEAL

The site has good visibility from 3rd Street Northeast, 4th Street Northeast, and 6th Avenue Northeast; however, these are residential roads that are not heavily traveled. This is an existing complex, so visibility is not as important for initial rent up as with a new construction project. Curb appeal is good.

6.2 PHYSICAL CONDITIONS

The site is currently an existing Section 515 apartment complex that was built in 1983. The complex appears to be in relatively good condition.

6.3 ADJACENT LAND USES

N: 6th Avenue Northeast and then an automobile collision center

E: Single family

S: Single family

W: 3rd Street Northeast and then Housing Authority apartments

6.4 VIEWS

There are no views out from the site that could be considered negative. The automobile collision center seems to be well maintained, as are the Housing Authority apartments.

6.5 NEIGHBORHOOD

The immediate neighborhood is a mixture of single family, multi family, retail businesses, and service businesses.

6.6 SHOPPING, GOODS, SERVICES AND AMENITIES

The subject is only one block south of US Highway 84, the major east-west highway in Cairo that contains most of the shopping, goods, services, and amenities. There is a Winn-Dixie grocery store less than one mile from the site on Georgia Highway 38. There is a Wal-Mart on the north side of US Highway 84, just northwest of the site.

6.7 EMPLOYMENT OPPORTUNITIES

Most of the employment opportunities exist in the retail and service sectors along US Highway 84, the major east-west highway in Cairo, and the subject is just one block south of US Highway 84.

6.8 TRANSPORTATION

There is no public transportation in Cairo.

6.9 CONCLUSION

The site is well suited for the proposed rehabilitation.

SITE AND NEIGHBORHOOD PHOTOS AND ADJACENT LAND USES MAP

6.10 SITE AND NEIGHBORHOOD PHOTOS

Photo 1

Photo 2

Photo 3

Photo 4

Photo 5

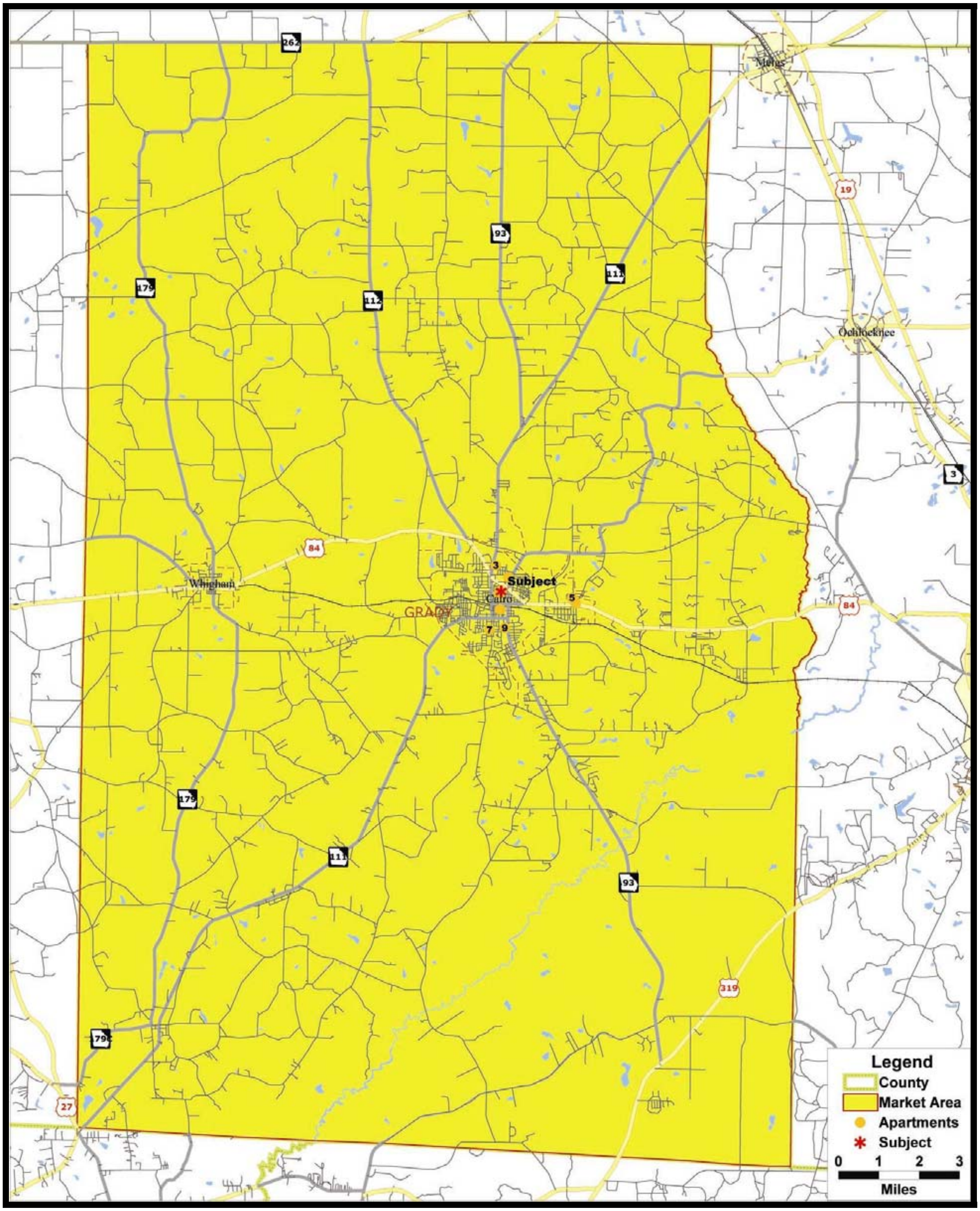
Photo 6

Photo 7

Photo 8

7 MARKET AREA

MARKET AREA MAP



7.1 MARKET AREA DETERMINATION

The market area is the community where the project will be located and only those outlying rural areas that will be significantly impacted by the project, generally excluding other significant established communities. The market area is considered to be the area from which most of the prospective tenants will be drawn. Some people will move into the market area from nearby towns, while others will move away. These households are accounted for in the "Household Trends" section. The border of the market area is based on travel time, commuting patterns, the gravity model, physical boundaries, and the distribution of renters in the area. The analyst visits the area before the market area definition is finalized.

7.2 DRIVING TIMES AND PLACE OF WORK

Commuter time to work is shown below:

Workers' Travel Time to Work for the Market Area (Time in Minutes)

Category	Persons	%
Less than 5 minutes	342	3.6
5 to 9 minutes	1,020	10.7
10 to 14 minutes	1,486	15.6
15 to 19 minutes	1,663	17.4
20 to 24 minutes	1,450	15.2
25 to 29 minutes	484	5.1
30 to 34 minutes	1,286	13.5
35 to 39 minutes	133	1.4
40 to 44 minutes	281	2.9
45 to 59 minutes	634	6.6
60 to 89 minutes	609	6.4
90 or more minutes	148	1.6
Total	9,536	

Source: 2000 Census

The following table shows the number of persons who work in the county in which they reside.

Place of Work—State and County Level By Place of Residence

	Inside County	%	Outside County	%	Outside State	%	Total
Georgia	2,240,758	60	1,496,272	40	95,773	2.6	3,737,030
Grady County	5,580	63.8	3,169	36	1,170	13	8,749
Market Area	5,580	63.8	3,169	36	1,170	13	8,749
Cairo city	2,105	68.8	955	31	236	7.7	3,060

Source: 2000 Census

7.3 MARKET AREA DEFINITION

The market area for this report has been defined as (2000 Census) 100% of Census Tracts 9501, 9502, 9503, 9504, 9505, and 9506 in Grady County. The market area is defined in terms of standard US Census geography so it will be possible to obtain accurate, verifiable information about it. The Market Area Map highlights this area.

8 COMMUNITY DEMOGRAPHIC DATA

8.1 POPULATION

8.1.1 POPULATION TRENDS

Housing demand is most closely associated with population trends. While no population projection presently exists for the market area, one is calculated from existing figures and shown below. Since city populations vary based in part on annexations, no city projection is given.

Population Trends and Projections

	1990	2000	2003	2006	2008	1990 to 2000 Avg. Annual % Change	2000 to 2006 Avg. Annual % Change
Georgia	6,478,216	8,186,453	8,681,578	9,166,017	9,488,977	2.6	2.0
Grady County	20,279	23,659	24,281	24,950	25,396	1.7	0.9
Market Area	20,279	23,659	24,281	24,950	25,396	1.7	0.9
Cairo city	—	9,239	—	—	—	—	—

Sources: 1990 Census, 2000 Census; 2003 estimates and 2008 projections by Claritas; Others estimated by John Wall and Associates from figures shown.

The population trends and projections shown in the table above indicate that between 2000 and 2006 the market area will grow about 0.5 times as fast as the state.

8.1.2 AGE

Population is shown below for several age categories. The percent figures are presented in such a way as to easily compare the market area to the state, which is a "norm." This will point out any peculiarities in the market area.

Persons by Age (Number)

	Under 18	18 to 34	35 to 54	55 to 64	65 to 74	75 to 84	85 or more	55 or more	65 or more
Georgia	2,169,234	2,136,988	2,433,500	661,456	435,695	261,723	87,857	1,446,731	785,275
Grady County	6,453	5,205	6,631	2,242	1,657	1,060	411	5,370	3,128
Market Area	6,453	5,205	6,631	2,242	1,657	1,060	411	5,370	3,128
Cairo city	2,686	2,110	2,403	797	675	403	165	2,040	1,243

Source: 2000 Census

Persons by Age (Percent)

	Under 18	18 to 34	35 to 54	55 to 64	65 to 74	75 to 84	85 or More	55 or More	65 or More
Georgia	26.5	26.1	29.7	8.1	5.3	3.2	1.1	17.7	9.6
Grady County	27.3	22.0	28.0	9.5	7.0	4.5	1.7	22.7	13.2
Market Area	27.3	22.0	28.0	9.5	7.0	4.5	1.7	22.7	13.2
Cairo city	29.1	22.8	26.0	8.6	7.3	4.4	1.8	22.1	13.5

Source: 2000 Census

8.1.3 RACE AND HISPANIC ORIGIN

The racial composition of the market area does not factor into the demand for units; the information below is provided for reference.

Note that "Hispanic" is not a racial category. "White," "Black," and "Other" represent 100% of the population. Some people in each of those categories also consider themselves "Hispanic." The percent figures allow for a comparison between the state ("norm") and the market area.

Race and Hispanic Origin

	White	%	Black	%	Other	%	Hispanic	%
Georgia	5,327,281	65.1	2,349,542	28.7	509,630	6.2	435,227	5.3
Grady County	15,285	64.6	7,133	30.1	1,241	5.2	1,222	5.2
Market Area	15,285	64.6	7,133	30.1	1,241	5.2	1,222	5.2
Cairo city	4,064	44.0	4,740	51.3	435	4.7	467	5.1

Source: 2000 Census

8.1.4 MINORITY STATUS

The term "minority" encompasses more than just race. It does not factor into demand.

Comparison of Persons by Minority Status

	2000 Not Minority	%	2000 Minority	%
Georgia	5,128,661	62.6	3,057,792	37.4
Grady County	14,954	63.2	8,705	36.8
Market Area	14,954	63.2	8,705	36.8
Cairo city	3,921	42.4	5,318	57.6

Source: 2000 Census

8.1.5 SEX

This information is not relevant to a market analysis, but it is frequently requested when omitted.

Comparison of Persons by Sex

	Female	%	Male	%
Georgia	4,159,340	50.8	4,027,113	49.2
Grady County	12,414	52.5	11,245	47.5
Market Area	12,414	52.5	11,245	47.5
Cairo city	5,038	54.5	4,201	45.5

Source: 2000 Census

8.2 HOUSEHOLDS

8.2.1 HOUSEHOLD TRENDS

The following table shows the change in the number of households between the base year and the projected year of completion.

Households and Persons Per Housing Unit

	1990 Households	2000 Households	2003 Households	2006 Households	2008 Households	Change 2000 to 2006	2000 Persons Per Household	2000 Persons Per Renter Household
Georgia	2,366,615	3,006,369	3,198,215	3,386,577	3,512,151	**380,208**	2.65	2.51
Grady County	7,354	8,797	9,094	9,415	9,629	**618**	2.66	2.71
Market Area	7,354	8,797	9,094	9,415	9,629	**618**	2.66	2.71
Cairo city	—	3,465	—	—	—	**—**	2.64	2.67

Sources: 1990 Census, 2000 Census; 2003 estimates and 2008 projections by Claritas; Others estimated by John Wall and Associates from figures shown.

In 2000, the market area had 8,797 households and thus a demand for the same number of housing units (because each household lives in its own housing unit). In 2006 the market area is projected to have 9,415 households. *This change in households creates a demand for* 618 *more housing units by the year of the subject's completion.*

The table above also shows the number of households in several different years, persons per household and persons per renter household in 2000.

8.2.2 HOUSEHOLD TENURE

The tables below show how many units are occupied by owners and by renters. The percent of the households in the market area that are occupied by renters will be used later in determining the demand for new rental housing.

Occupied Housing Units by Tenure

	Owner	%	Renter	%	Total
Georgia	2,029,154	67.5	977,215	32.5	3,006,369
Grady County	6,455	73.4	2,342	26.6	8,797
Market Area	6,455	73.4	2,342	26.6	8,797
Cairo city	2,207	63.7	1,258	36.3	3,465

Source: 2000 Census. Calculations by John Wall and Associates.

8.2.3 HOUSEHOLD SIZE

Household size is another characteristic that needs to be examined. The household size of those presently renting can be used as a strong indicator of the bedroom mix required. Renters and owners have been shown separately in the tables below because the make-up of owner-occupied units is significantly different from that of renters. A comparison of the percent figures for the market area and the state ("norm") is often of interest.

Rental Housing Units by Persons in Unit

	1 Pers.	%	2 Pers.	%	3 Pers.	%	4 Pers.	%	5 Pers.	%	6+ pers.	%
Georgia	321,869	33	262,458	27	164,048	17	120,828	12	61,510	6	46,502	5
Grady County	666	28	589	25	422	18	352	15	195	8	118	5
Market Area	666	28	589	25	422	18	352	15	195	8	118	5
Cairo city	363	29	330	26	235	19	161	13	105	8	64	5

Source: 2000 Census

Owner Housing Units by Persons in Unit

	1 Pers.	%	2 Pers.	%	3 Pers.	%	4 Pers.	%	5 Pers.	%	6+ pers.	%
Georgia	388,654	19	701,324	35	386,810	19	339,811	17	138,132	7	74,423	4
Grady County	1,305	20	2,308	36	1,230	19	981	15	415	6	216	3
Market Area	1,305	20	2,308	36	1,230	19	981	15	415	6	216	3
Cairo city	517	23	729	33	425	19	301	14	145	7	90	4

Source: 2000 Census

The percent and number of large (5 or more person) households in the market is an important fact to consider in projects with a significant number of 3 or 4 bedroom units. In such cases, this fact has been taken into account and is used to refine the analysis. It also helps to determine the upper income limit for the purpose of calculating demand.

8.2.4 HOUSEHOLD INCOMES

The table below shows the number of households (both renter and owner) that fall within various income ranges for the market area.

Number of Households in Various Income Ranges

	Georgia		Grady		Market Area		Cairo	
	#	%	#	%	#	%	#	%
Less than $10,000	304,816	10.1	1,622	18.4	1,622	18.4	891	26.0
$10,000 to $14,999	176,059	5.9	765	8.7	765	8.7	362	10.5
$15,000 to $19,999	177,676	5.9	792	9.0	792	9.0	334	9.7
$20,000 to $24,999	191,603	6.4	775	8.8	775	8.8	273	8.0
$25,000 to $29,999	191,619	6.4	583	6.6	583	6.6	187	5.4
$30,000 to $34,999	187,070	6.2	578	6.6	578	6.6	197	5.7
$35,000 to $39,999	176,616	5.9	629	7.1	629	7.1	226	6.6
$40,000 to $44,999	173,820	5.8	496	5.6	496	5.6	156	4.5
$45,000 to $49,999	152,525	5.1	413	4.7	413	4.7	110	3.2
$50,000 to $59,999	278,017	9.2	568	6.4	568	6.4	143	4.2
$60,000 to $74,999	315,186	10.5	648	7.3	648	7.3	147	4.3
$75,000 to $99,999	311,651	10.4	570	6.5	570	6.5	250	7.3
$100,000 to $124,999	157,818	5.2	181	2.1	181	2.1	63	1.8
$125,000 to $149,999	76,275	2.5	72	0.8	72	0.8	42	1.2
$150,000 to $199,999	66,084	2.2	67	0.8	67	0.8	17	0.5
$200,000 or more	70,843	2.4	58	0.7	58	0.7	34	1.0
Total:	3,007,678		8,817		8,817		3,432	

Source: 2000 Census

9 MARKET AREA ECONOMY

The economy of the market area will have an impact on the need for apartment units.

Occupation of Employed Persons Age 16 Years And Over

Occupation	Male	Female	Total	Percent
Total	5,465	4,603	10,068	—
Management, professional, and related occupations:	**1,043**	**1,380**	**2,423**	**24.1**
Management, business, and financial operations occupations:	611	339	950	9.4
Management occupations, except farmers and farm managers	292	191	483	4.8
Farmers and farm managers	193	33	226	2.2
Business and financial operations occupations:	126	115	241	2.4
Business operations specialists	83	55	138	1.4
Financial specialists	43	60	103	1.0
Professional and related occupations:	**432**	**1,041**	**1,473**	**14.6**
Computer and mathematical occupations	14	19	33	0.3
Architecture and engineering occupations:	86	13	99	1.0
Architects, surveyors, cartographers, and engineers	54	2	56	0.6
Drafters, engineering, and mapping technicians	32	11	43	0.4
Life, physical, and social science occupations	24	8	32	0.3
Community and social services occupations	79	59	138	1.4
Legal occupations	25	11	36	0.4
Education, training, and library occupations	126	486	612	6.1
Arts, design, entertainment, sports, and media occupations	27	76	103	1.0
Healthcare practitioners and technical occupations:	51	369	420	4.2
Health diagnosing and treating practitioners and technical occupations	40	296	336	3.3
Health technologists and technicians	11	73	84	0.8
Service occupations:	**582**	**994**	**1,576**	**15.7**
Healthcare support occupations	16	188	204	2.0
Protective service occupations:	163	40	203	2.0
Fire fighting and law enforcement workers, including supervisors	139	28	167	1.7
Other protective service workers, including supervisors	24	12	36	0.4
Food preparation and serving related occupations	125	367	492	4.9
Building and grounds cleaning and maintenance occupations	218	156	374	3.7
Personal care and service occupations	60	243	303	3.0
Sales and office occupations:	**711**	**1,511**	**2,222**	**22.1**
Sales and related occupations	501	473	974	9.7
Office and administrative support occupations	210	1,038	1,248	12.4
Farming, fishing, and forestry occupations	**404**	**113**	**517**	**5.1**
Construction, extraction, and maintenance occupations:	**1,095**	**35**	**1,130**	**11.2**
Construction and extraction occupations:	649	29	678	6.7
Supervisors, construction and extraction workers	82	0	82	0.8
Construction trades workers	567	29	596	5.9
Extraction workers	0	0	0	0.0
Installation, maintenance, and repair occupations	446	6	452	4.5
Production, transportation, and material moving occupations:	**1,630**	**570**	**2,200**	**21.9**
Production occupations	875	457	1,332	13.2
Transportation and material moving occupations:	755	113	868	8.6
Supervisors, transportation and material moving workers	19	0	19	0.2
Aircraft and traffic control occupations	9	0	9	0.1
Motor vehicle operators	437	32	469	4.7
Rail, water and other transportation occupations	13	9	22	0.2
Material moving workers	277	72	349	3.5

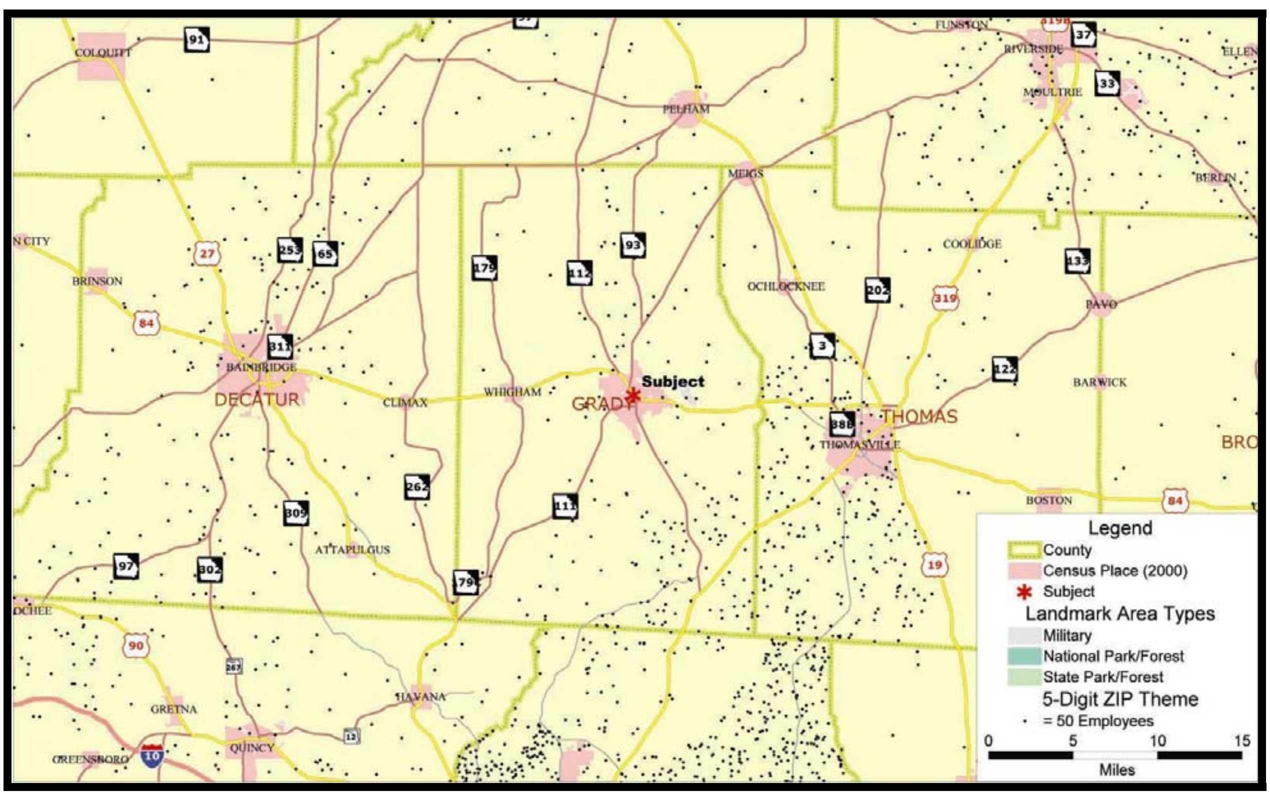
Source: 2000 Census

Industry of Employed Persons Age 16 Years And Over

Industry	Male	Female	Total	Percent
Total	5,465	4,603	10,068	—
Agriculture, forestry, fishing and hunting, and mining:	**682**	**164**	**846**	**8.4**
Agriculture, forestry, fishing and hunting	674	164	838	8.3
Mining	8	0	8	0.1
Construction	**710**	**59**	**769**	**7.6**
Manufacturing	**1,220**	**543**	**1,763**	**17.5**
Wholesale trade	**308**	**122**	**430**	**4.3**
Retail trade	**577**	**583**	**1,160**	**11.5**
Transportation and warehousing, and utilities:	**323**	**121**	**444**	**4.4**
Transportation and warehousing	284	84	368	3.7
Utilities	39	37	76	0.8
Information	**79**	**89**	**168**	**1.7**
Finance, insurance, real estate and rental and leasing:	**166**	**277**	**443**	**4.4**
Finance and insurance	120	244	364	3.6
Real estate and rental and leasing	46	33	79	0.8
Professional, scientific, mgmt., administrative, and waste mgmt. svcs.:	**279**	**238**	**517**	**5.1**
Professional, scientific, and technical services	75	158	233	2.3
Management of companies and enterprises	0	0	0	0.0
Administrative and support and waste management services	204	80	284	2.8
Educational, health and social services:	**309**	**1,493**	**1,802**	**17.9**
Educational services	221	589	810	8.0
Health care and social assistance	88	904	992	9.9
Arts, entertainment, recreation, accommodation and food services:	**192**	**381**	**573**	**5.7**
Arts, entertainment, and recreation	40	26	66	0.7
Accommodation and food services	152	355	507	5.0
Other services (except public administration)	**235**	**253**	**488**	**4.8**
Public administration	**385**	**280**	**665**	**6.6**

Source: 2000 Census

EMPLOYMENT CONCENTRATIONS MAP



9.1 MAJOR EMPLOYERS

The following is a list of major employers in the market area:

Company	Product	Employees	Year Est.
Grady Co. Board of Education	Education	800	NA
Wight Nurseries Inc.	Wholesale nursery	530	NA
Timken Co.	Needle bearing mfg.	400	NA
Grady General Hospital	Medical	200	NA
City of Cairo	Administration	160	NA
MacTavish	Furniture mfg.	160	NA
Grady County	Administration	130	NA
Pinewood Nursing Home	Nursing home	105	NA
Kinro	Window and screen door mfg.	100	NA
Seminole Marine	Boat mfg.	100	NA

Source: Chamber of Commerce

9.2 NEW OR PLANNED CHANGES IN WORKFORCE

If there are any, they will be discussed in the "Interviews" section of the report.

9.3 EMPLOYMENT (CIVILIAN LABOR FORCE)

In order to determine how employment affects the market area and whether the local economy is expanding, declining, or stable, it is necessary to inspect employment statistics for several years. The table below shows the increase or decrease in employment and the percentage of unemployed at the county level. This table also shows the change in the size of the labor force, an indicator of change in housing requirements for the county.

Employment Trends

	Civilian				Change		Annual Change	
Year	Labor Force	Unemployment	Rate (%)	Employment	Number	Pct.	Number	Pct.
2000	9,331	588	6.3	8,743	—	—	—	—
2001	9,035	461	5.1	8,574	-169	-1.9	-169	-1.9
2002	9,399	423	4.5	8,976	402	4.7	402	4.7
2003	9,346	458	4.9	8,888	-88	-1.0	-88	-1.0
J-04	8,791	352	4.0	8,439	-449	-5.1		
F-04	8,726	323	3.7	8,403	-36	-0.4		
M-04	9,154	330	3.6	8,824	421	5.0		
A-04	9,150	302	3.3	8,848	24	0.3		

Source: State Employment Security Commission

9.4 ECONOMIC SUMMARY

The largest number of persons is employed in the "Management, professional, and related occupations" occupation category and in the "Educational, health and social services" industry category.

A change in the size of labor force frequently indicates a corresponding change in the need for housing.

Employment has been fluctuating slightly over the past several years but has recently increased.

Projects without rental assistance require tenants who either earn enough money to afford the rent or have a rent subsidy voucher. When there is a downturn in the economy, there will be households where one or more employed persons become unemployed. Some households that could afford to live in the proposed units will no longer have enough income. By the same token, there will be other households that previously had incomes that were too high to live in the proposed units who will now be income qualified.

10 INCOME RESTRICTIONS AND AFFORDABILITY

Several economic factors need to be examined in a housing market study. Most important is the number of households that would qualify for apartments on the basis of their income. A variety of circumstances regarding restrictions and affordability are outlined below.

10.1 HOUSEHOLDS REQUIRING HUD RENTAL ASSISTANCE

The lower limit of the acceptable income range for units with rental assistance is zero income. The upper limit of the acceptable income range for units with HUD rental assistance is established by the HUD guidelines. HUD allows households below 50% of area median income (AMI) to receive rental assistance; however, 75% of the assistance is reserved for households at or below 30% AMI. Therefore, the pool of households eligible for rental assistance is calculated by using all of the households with incomes below 30% and limiting the number of households between 30% and 50% AMI to conform with the HUD guidelines (the 75/25 split between 30% AMI households and 50% AMI households).

10.2 HOUSEHOLDS NOT REQUIRING RENTAL ASSISTANCE

Households whose gross rent (rent plus utilities) would account for less than 30% of their annual adjusted income do not require rental assistance.

10.3 HOUSEHOLDS QUALIFYING FOR TAX CREDIT UNITS

Families who earn less than a defined percentage (usually 50% or 60%) of the county or MSA median income as adjusted by HUD (AMI) qualify for low income housing tax credit (LIHTC) units. Therefore, feasibility for projects expecting to receive tax credits will be based in part on the incomes required to support the tax credits.

For those tax credit units occupied by low income households, the monthly gross rent should not realistically exceed 35% of the household income. However, elderly households can afford to pay a larger portion of their income on housing than family households. Elderly households should not realistically exceed 40% of the household income.

Gross rent includes utilities, but excludes payments of rental assistance by federal, state, and local entities.

10.4 HOUSEHOLDS QUALIFYING FOR MARKET RATE UNITS

Households in luxury/upscale apartments typically spend less than 30% of their income on rent plus utilities. Thus, the realistic lower limit of the income range is determined by the following formula:

(rent + utilities / month) ÷ 30.0% x 12 months = annual income

The maximum likely income is established by using 20.0% of income to be spent on gross rent. These minimum and maximum incomes are used to establish the income *range* for households entering the project. Only households whose incomes fall within the range are considered as a source of demand.

Income data have been shown separately for owner and renter households.

10.5 ESTABLISHING TAX CREDIT QUALIFYING INCOME RANGES

It is critical to establish the number of households that qualify for apartments under the tax credit program based on their income. The income ranges are established in two stages. First, the maximum incomes allowable are calculated by applying the tax credit guidelines. Then, minimum incomes required are calculated. According to United States Code, either 20% of the units must be occupied by households who earn under 50% of the area median gross income (AMI), OR 40% of the units must be occupied by households who earn under 60% of the AMI. Sometimes units are restricted for even lower income households. In many cases, the developer has chosen to restrict the rents for 100% of the units to be for low income households.

Maximum Income Limit (HUD FY 2004)

Persons	30% of AMI	50% of AMI	60% of AMI
1	9,400	15,650	18,750
2	10,750	17,900	21,450
3	12,050	20,100	24,150
4	13,400	22,350	26,800
5	14,500	24,150	28,950
6	15,550	25,950	31,100
7	16,650	27,700	33,250
8	17,700	29,500	35,400

Source: *Very Low Income (50%) Limit: HUD,* Low and Very-Low Income Limits by Family Size.
Others: John Wall and Associates, derived from HUD figures.

The table above shows the maximum tax credit allowable incomes for households moving into the subject based on household size and the percent of area median gross income (AMI).

After establishing the maximum income, the lower income limit will be determined. The lower limit is the income a household must have in order to be able to afford the rent and utilities. The realistic lower limit of the income range is determined by the following formula:

(rent + utilities / month) ÷ 35% *[or 30% or 40%, as described in the subsections above]* x 12 months = annual income

This provides for up to 35% *[or 30% or 40%]* of adjusted annual income (AAI) to be used for rent plus utilities.

The proposed gross rents (rent plus utility allowance), as supplied by the client, and the minimum incomes required to maintain 35% *[or 30% or 40%]* or less of income spent on gross rent are:

Minimum Incomes Required and Gross Rents

Bedrooms	Effective % AMI	Target Population	Gross Rent	Minimum Income Required
1	30%	rental assistance	325	0
2	30%	rental assistance	361	0
1	50%	tax credit	325	11,143
2	50%	tax credit	361	12,377
1	60%	tax credit	325	11,143
2	60%	tax credit	361	12,377

Source: John Wall and Associates from data provided by client.

From the tables above, the practical lower income limits for units *without* rental assistance can be established. Units *with* rental assistance will use $0 as their lower income limit.

When the minimum incomes required are combined with the maximum tax credit limit, the income *ranges* for households entering the project can be established. Only households whose incomes fall within the range can be considered as a source of demand. Note that *both* the income limits *and* the amount of spread in the ranges are important.

10.6 QUALIFYING INCOME RANGES

Qualifying Income Ranges by Bedrooms and Persons Per Household

Effective % AMI	Bedrooms	Pers.	Gross Rent	Income Based Lower Limit	Spread Between Limits	Tax Credit Based Upper Limit	Market Rate Upper Limit
30%	1	1	325	0	9,400	9,400	n/a
30%	1	2	325	0	10,750	10,750	n/a
30%	2	2	361	0	10,750	10,750	n/a
30%	2	3	361	0	12,050	12,050	n/a
30%	2	4	361	0	13,400	13,400	n/a
% AMI	Bedrooms	Persons	Gross Rent	Income Based Lower Limit	Spread Between Limits	Tax Credit Based Upper Limit	Market Rate Upper Limit
50%	1	1	325	11,143	4,507	15,650	n/a
50%	1	2	325	11,143	6,757	17,900	n/a
50%	2	2	361	12,377	5,523	17,900	n/a
50%	2	3	361	12,377	7,723	20,100	n/a
50%	2	4	361	12,377	9,973	22,350	n/a
% AMI	Bedrooms	Persons	Gross Rent	Income Based Lower Limit	Spread Between Limits	Tax Credit Based Upper Limit	Market Rate Upper Limit
60%	1	1	325	11,143	7,607	18,750	n/a
60%	1	2	325	11,143	10,307	21,450	n/a
60%	2	2	361	12,377	9,073	21,450	n/a
60%	2	3	361	12,377	11,773	24,150	n/a
60%	2	4	361	12,377	14,423	26,800	n/a

Sources: Gross rents: client; Limits: tables on prior pages; Spread: calculated from data in table.

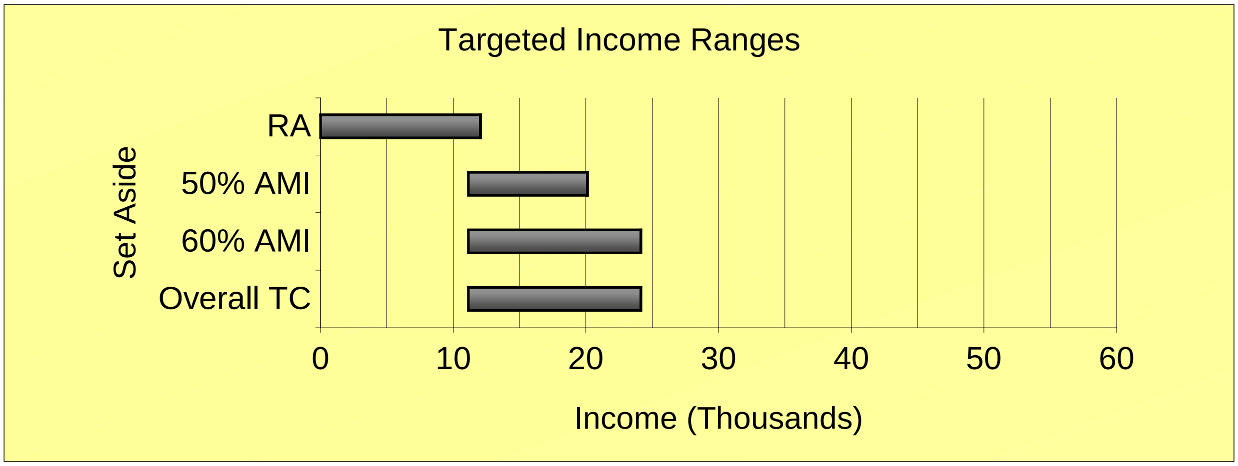
10.7 RENT AND INCOME SUMMARY

The table below shows a summary of eligible income data:

Qualifying and Proposed Rent and Income Summary

	RA Units	50% Units	60% Units
Number of Units			
1 Bedroom	5	6	13
2 Bedrooms	5	5	13
Maximum Allowable Gross Rent (Federal Guidelines)			
1 Bedroom	252	419	503
2 Bedrooms	301	503	604
Developer's Gross Rent			
1 Bedroom	325	325	325
2 Bedrooms	361	361	361
Minimum Income Based on Developer's Rent			
1 Bedroom	0	11,143	11,143
2 Bedrooms	0	12,377	12,377
Maximum Income at 1.5 Persons Per Bedroom (30% Income for Rent)			
1 Bedroom	10,075	16,775	20,100
2 Bedrooms	12,050	20,100	24,150

TARGETED INCOME RANGES



An income range of $0 to $12,050 is reasonable for the rental assistance apartments.

An income range of $11,150 to $20,100 is reasonable for the 50% AMI tax credit apartments.

An income range of $11,150 to $24,150 is reasonable for the 60% AMI tax credit apartments.

An income range of $11,150 to $24,150 is reasonable for the tax credit units (overall).

10.8 HOUSEHOLDS WITH QUALIFIED INCOMES

The table below shows income levels for renters and owners separately. The number and percent of income qualified *renter* households is calculated from this table.

Number of Specified Households in Various Income Ranges by Tenure

	Georgia		Grady		Market Area		Cairo	
	#	%	#	%	#	%	#	%
Owner occupied:	2,029,293	—	6,449	—	6,449	—	2,213	—
Less than $5,000	49,187	2.4	295	4.6	295	4.6	114	5.2
$5,000 to $9,999	77,334	3.8	584	9.1	584	9.1	295	13.3
$10,000 to $14,999	89,308	4.4	483	7.5	483	7.5	198	8.9
$15,000 to $19,999	93,271	4.6	553	8.6	553	8.6	231	10.4
$20,000 to $24,999	105,866	5.2	579	9.0	579	9.0	193	8.7
$25,000 to $34,999	224,674	11.1	873	13.5	873	13.5	250	11.3
$35,000 to $49,999	337,785	16.6	1,194	18.5	1,194	18.5	331	15.0
$50,000 to $74,999	454,257	22.4	1,050	16.3	1,050	16.3	254	11.5
$75,000 to $99,999	264,402	13.0	507	7.9	507	7.9	214	9.7
$100,000 to $149,999	207,952	10.2	209	3.2	209	3.2	84	3.8
$150,000 or more	125,257	6.2	122	1.9	122	1.9	49	2.2
	#	%	#	%	#	%	#	%
Renter occupied:	977,076	—	2,348	—	2,348	—	1,294	—
Less than $5,000	79,051	8.1	340	14.5	340	14.5	260	20.1
$5,000 to $9,999	101,728	10.4	440	18.7	440	18.7	279	21.6
$10,000 to $14,999	88,169	9.0	320	13.6	320	13.6	194	15.0
$15,000 to $19,999	85,585	8.8	254	10.8	254	10.8	116	9.0
$20,000 to $24,999	85,920	8.8	192	8.2	192	8.2	68	5.3
$25,000 to $34,999	154,221	15.8	262	11.2	262	11.2	124	9.6
$35,000 to $49,999	164,048	16.8	315	13.4	315	13.4	142	11.0
$50,000 to $74,999	136,372	14.0	117	5.0	117	5.0	32	2.5
$75,000 to $99,999	45,847	4.7	65	2.8	65	2.8	48	3.7
$100,000 to $149,999	25,077	2.6	43	1.8	43	1.8	31	2.4
$150,000 or more	11,058	1.1	0	0.0	0	0.0	0	0.0

Source: 2000 Census

The percent of renter households in the appropriate income ranges will be applied to the renter household growth figures to determine the number of new renter households that will be income qualified to move into each of the different unit types the subject will offer.

Percent of Renter Households in Appropriate Income Ranges for the Market Area

AMI	Income Range	Number of Households	Percent of Households	Target Population
RA	$0 to $12,050	911	**38.8**	rental assistance
50%	$11,150 to $20,100	504	**21.5**	tax credit
60%	$11,150 to $24,150	660	**28.1**	tax credit
Overall TC	$11,150 to $24,150	660	**28.1**	tax credit

Source: John Wall and Associates from figures above

11 DEMAND

11.1 DEMAND FROM NEW HOUSEHOLDS

11.1.1 NEW HOUSEHOLDS

It was shown in the Household Trends section that there will be a demand for 618 more housing units by the year of completion. It was also shown in the Tenure section that the area ratio of rental units to total units is 26.6%. Therefore, 165 of these new units will need to be rental.

The table, "Percent of Renter Households in Appropriate Income Ranges for the Market Area," shows the percentage of renter households in various income ranges. These percentages are applied to the total number of new rental units needed (165) to arrive at the *number* of new rental units needed in the relevant income categories:

New Renter Households in Each Income Range for the Market Area

AMI	Income Range	Total New Renter Households	Percent of Households in Income Range	New Rental Units Needed	Target Population
RA	$0 to $12,050	165	38.8	**64**	rental assistance
50%	$11,150 to $20,100	165	21.5	**35**	tax credit
60%	$11,150 to $24,150	165	28.1	**46**	tax credit
Overall TC	$11,150 to $24,150	165	28.1	**46**	tax credit

Source: John Wall and Associates from figures above

11.2 DEMAND FROM EXISTING HOUSEHOLDS

11.2.1 DEMAND FROM RENT OVERBURDEN HOUSEHOLDS

A household is defined as rent overburdened when it pays 30% or more of its income on gross rent (rent plus utilities). Likewise, the household is *severely* rent overburdened if it pays 35% or more of its income on gross rent.

For tax credit units *without* rental assistance, households may pay 35% of their income for gross rent. Therefore, up to 35% of income for gross rent is used in establishing affordability in the "Demand from Growth" calculations. Hence, only *severely* (paying in excess of 35%) rent overburdened households are counted as a source of demand for tax credit units without rental assistance.

For units *with* rental assistance (tenants pay only 30% of their income for gross rent), any households paying more than *30%* for gross rent would benefit by moving into the unit so all overburdened households in the relevant income range are counted as a source of demand.

The following table presents data on rent overburdened households in various income ranges.

Percentage of Income Paid For Gross Rent (Renter Households in Specified Housing Units)

	Georgia		Grady		Market Area		Cairo	
	#	%	#	%	#	%	#	%
Less than $10,000:	178,632		779		779		539	
30.0 to 34.9 percent	7,227	4.0	18	2.3	18	2.3	13	2.4
35.0 percent or more	*110,843*	*62.1*	*528*	*67.8*	**528**	**67.8**	*367*	*68.1*
$10,000 to $19,999:	171,653		556		556		310	
30.0 to 34.9 percent	17,332	10.1	73	13.1	73	13.1	43	13.9
35.0 percent or more	*98,347*	*57.3*	*174*	*31.3*	**174**	**31.3**	*74*	*23.9*
$20,000 to $34,999:	237,062		411		411		192	
30.0 to 34.9 percent	35,945	15.2	40	9.7	40	9.7	24	12.5
35.0 percent or more	*54,027*	*22.8*	*0*	*0.0*	**0**	**0.0**	*0*	*0.0*
$35,000 to $49,999:	161,828		302		302		142	
30.0 to 34.9 percent	8,545	5.3	0	0.0	0	0.0	0	0.0
35.0 percent or more	*6,160*	*3.8*	*0*	*0.0*	**0**	**0.0**	*0*	*0.0*
$50,000 to $74,999:	134,565		105		105		32	
30.0 to 34.9 percent	1,565	1.2	0	0.0	0	0.0	0	0.0
35.0 percent or more	*1,091*	*0.8*	*0*	*0.0*	**0**	**0.0**	*0*	*0.0*
$75,000 to $99,999:	45,202		54		54		48	
30.0 to 34.9 percent	147	0.3	0	0.0	0	0.0	0	0.0
35.0 percent or more	*158*	*0.3*	*0*	*0.0*	**0**	**0.0**	*0*	*0.0*
$100,000 or more:	35,504		43		43		31	
30.0 to 34.9 percent	52	0.1	0	0.0	0	0.0	0	0.0
35.0 percent or more	*45*	*0.1*	*0*	*0.0*	**0**	**0.0**	*0*	*0.0*

Source: 2000 Census. Calculations by John Wall and Associates.

From the table above the number of rent overburdened households in each appropriate income range can be estimated in the table below.

Rent Overburdened Households in Each Income Range for the Market Area

AMI	Income Range	Rental Units Needed Due to Overburdened Condition	Target Population
RA	$0 to $12,050	**597**	rental assistance
50%	$11,150 to $20,100	**154**	tax credit
60%	$11,150 to $24,150	**154**	tax credit
Overall TC	$11,150 to $24,150	**154**	tax credit

Source: John Wall and Associates from figures above

11.2.2 DEMAND FROM SUBSTANDARD CONDITIONS

The Bureau of the Census defines substandard conditions as 1) lacking plumbing, or 2) 1.01 or more persons per room.

Substandard Occupied Units

	Georgia		Grady		Market Area		Cairo	
	#	%	#	%	#	%	#	%
Owner occupied:	2,029,293	100	6,449	100	6,449	100	2,213	100
Complete plumbing facilities:	2,021,003	99.6	6,430	100	6,430	100	2,207	100
1.01 or more occupants per room	49,133		213		213		94	
Lacking complete plumbing:	8,290	0.4	19	0.3	19	0.3	6	0.3
Substandard Owner Occ:	57,423	2.8	232	3.6	232	3.6	100	4.5
Renter occupied:	977,076		2,348		2,348		1,294	
Complete plumbing facilities:	968,249	99.1	2,331	99.3	2,331	99.3	1,294	100
1.00 or less occupants per room	874,536		2,043		2,043		1,075	
1.01 or more occupants per room	**93,713**		**288**		**288**		**219**	
Lacking complete plumbing:	**8,827**	0.9	**17**	0.7	**17**	0.7	**0**	0.0
1.00 or less occupants per room	7,020		14		14		0	
1.01 or more occupants per room	1,807		3		3		0	
Substandard Renter Occ:	**102,540**	**10.5**	**305**	**13.0**	**305**	**13.0**	**219**	**16.9**

Source: 2000 Census. Calculations by John Wall and Associates.

From these tables, the need from substandard rental units can be drawn. There were 305 substandard rental units in the market area. It can be shown that 81% of these renters have qualifying incomes for rental assisted housing, so 247 additional rent assisted units will be required.

Likewise, 19.0% of the renters who desire to live in non-substandard units have qualifying incomes for non-rental assisted housing, so 58 additional units will be required to accommodate them.

From the figures above the number of substandard units in each appropriate income range can be estimated in the table below.

Substandard Conditions in Each Income Range for the Market Area

AMI	Income Range	Rental Units Needed Due to Substandard Conditions	Target Population
RA	$0 to $12,050	**247**	rental assistance
50%	$11,150 to $20,100	**40**	tax credit
60%	$11,150 to $24,150	**58**	tax credit
Overall TC	$11,150 to $24,150	**58**	tax credit

Source: *John Wall and Associates from figures above*

12 SUMMARY OF DEMAND

		Rental Assistance $0 to $12,050	Tax Credit — 50% AMI $11,150 to $20,100	Tax Credit — 60% AMI $11,150 to $24,150	Overall Tax Credit $11,150 to $24,150
1)	New housing units required by year of completion	618	618	618	618
	Times ratio of rental units to total units	0.266	0.266	0.266	0.266
	Equals rental units needed by year of completion	165	165	165	165
	Times ratio of rental households with qualifying income	0.388	0.215	0.281	0.281
	Equals demand due to household increase	**64**	**35**	**46**	**46**
2)	**Rent overburden households with qualifying income**	**597**	**154**	**154**	**154**
3)	**Rental substandard units with qualifying income**	**247**	**40**	**58**	**58**
4)	**Subtotal**	**908**	**229**	**258**	**258**
5)	75/25 split adjustment allowed by HUD (see "Income Limits")	0.75	n/a	n/a	n/a
6)	Adjusted subtotal for rental assistance units	1,210	n/a	n/a	n/a
7)	**Demand**	**1,210**	**229**	**258**	**258**
8)	**Less comparable units built since 2000 or proposed**	**0**	**6**	**0**	**6**
9)	**NET DEMAND**	**1,210**	**223**	**258**	**252**

* Numbers may not add due to rounding.

13 SUPPLY ANALYSIS (AND COMPARABLES)

13.1 RENTS AT BASE YEAR

The following table is a schedule of all rental units (single family and multifamily) in the market area and the rent being charged:

Rents in the Market Area

	Contract Rent	%	Gross Rent	%	Asking Rent	%	Percent Vacant
Total:	2,250	—	2,250	—	284	—	—
With cash rent:	2,068	91.9	2,068	91.9	n/a	—	—
Less than $100	196	8.7	26	1.2	12	4.2	5.7
$100 to $149	149	6.6	143	6.4	9	3.2	5.7
$150 to $199	195	8.7	60	2.7	16	5.6	7.5
$200 to $249	380	16.9	210	9.3	35	12.3	8.4
$250 to $299	449	20.0	236	10.5	45	15.8	9.1
$300 to $349	282	12.5	276	12.3	72	25.4	20.3
$350 to $399	119	5.3	236	10.5	32	11.3	21.1
$400 to $449	54	2.4	276	12.3	22	7.7	28.6
$450 to $499	121	5.4	122	5.4	20	7.0	14.1
$500 to $549	61	2.7	141	6.3	21	7.4	25.3
$550 to $599	5	0.2	98	4.4	0	0.0	0.0
$600 to $649	28	1.2	91	4.0	0	0.0	0.0
$650 to $699	0	0.0	68	3.0	0	0.0	0.0
$700 to $749	5	0.2	36	1.6	0	0.0	0.0
$750 to $799	24	1.1	10	0.4	0	0.0	0.0
$800 to $899	0	0.0	39	1.7	0	0.0	0.0
$900 to $999	0	0.0	0	0.0	0	0.0	0.0
$1,000 to $1,249	0	0.0	0	0.0	0	0.0	0.0
$1,250 to $1,499	0	0.0	0	0.0	0	0.0	0.0
$1,500 to $1,999	0	0.0	0	0.0	0	0.0	0.0
$2,000 or more	0	0.0	0	0.0	0	0.0	0.0
No cash rent	182	8.1	182	8.1	n/a	—	—

Source: 2000 Census. Calculations by John Wall and Associates.

These figures indicate that the most frequent contract rents in the market area were from $250 to $299 per month. There were 182 units that paid no cash rent.

Number of Bedrooms by Gross Rent for the Market Area

	0 BR	%	1 BR	%	2 BR	%	3+ BR	%
Total	81	—	332	—	973	—	864	—
With cash rent:	81	—	316	—	913	—	758	—
Less than $200	17	21.0	58	18.4	95	10.4	59	7.8
$200 to $299	60	74.1	51	16.1	211	23.1	124	16.4
$300 to $499	4	4.9	129	40.8	483	52.9	294	38.8
$500 to $749	0	0.0	76	24.1	110	12.0	248	32.7
$750 to $999	0	0.0	2	0.6	14	1.5	33	4.4
$1,000 or more	0	0.0	0	0.0	0	0.0	0	0.0
No cash rent	0	—	16	—	60	—	106	—

Source: 2000 Census. Calculations by John Wall and Associates.

13.2 TENURE

Tenure by Bedrooms

	Georgia		Grady		Market Area		Cairo	
	#	%	#	%	#	%	#	%
Owner Occupied:	2,029,293		6,449		6,449		2,213	
No bedroom	7,861	0.4	15	0.2	15	0.2	0	0.0
1 bedroom	43,857	2.2	150	2.3	150	2.3	50	2.3
2 bedrooms	331,173	16.3	1,329	20.6	1,329	20.6	404	18.3
3 bedrooms	1,111,338	54.8	4,113	63.8	4,113	63.8	1,450	65.5
4 bedrooms	427,685	21.1	750	11.6	750	11.6	283	12.8
5 or more bedrooms	107,379	5.3	92	1.4	92	1.4	26	1.2
Renter Occupied:	977,076		2,348		2,348		1,294	
No bedroom	38,750	4.0	81	3.4	81	**3.4**	72	5.6
1 bedroom	241,196	24.7	343	14.6	343	**14.6**	252	19.5
2 bedrooms	414,489	42.4	984	41.9	984	**41.9**	573	44.3
3 bedrooms	237,355	24.3	898	38.2	898	**38.2**	383	29.6
4 bedrooms	39,103	4.0	35	1.5	35	**1.5**	7	0.5
5 or more bedrooms	6,183	0.6	7	0.3	7	**0.3**	7	0.5

Source: 2000 Census. Calculations by John Wall and Associates.

The tables below indicate most of the rental units in the market area are in the "single family" category:

Housing Units Occupied Year-Round By Tenure and Units in Structure

	single family	%	duplex	3 or 4	5 to 9	10 to 49	50 plus	%	mobile home	%	other
Owner Occupied:											
Georgia	1,738,525	*85.7*	6,228	8,196	8,180	7,741	5,104	*0.3*	254,198	*12.5*	1,121
Grady County	4,414	*68.4*	7	5	0	0	0	*0.0*	2,009	*31.2*	14
Market Area	4,414	*68.4*	7	5	0	0	0	*0.0*	2,009	*31.2*	14
Cairo city	1,959	*88.5*	7	0	0	0	0	*0.0*	241	*10.9*	6
Renter Occupied:											
Georgia	316,646	*32.4*	72,587	111,002	147,645	158,039	82,005	*8.4*	88,451	*9.1*	701
Grady County	1,065	*45.4*	208	156	104	54	22	*0.9*	734	*31.3*	5
Market Area	1,065	*45.4*	208	156	104	54	22	*0.9*	734	*31.3*	5
Cairo city	594	*45.9*	205	154	93	54	22	*1.7*	172	*13.3*	0

Source: 2000 Census

13.3 BUILDING PERMITS ISSUED

Building permits are an indicator of the economic strength and activity of a community. While permits are never issued for a market area, the multi-family permits issued for the county and town are an indicator of apartments recently added to the supply:

Building Permits Issued

	Grady County			Cairo		
Year	Total	Single Family	Multi-Family	Total	Single Family	Multi-Family
1990	30	30	0	30	30	0
1991	45	41	4	43	39	4
1992	29	29	0	27	27	0
1993	63	63	0	0	0	0
1994	59	59	0	0	0	0
1995	67	65	2	NA	NA	NA
1996	82	82	0	NA	NA	NA
1997	68	68	0	NA	NA	NA
1998	55	55	0	NA	NA	NA
1999	71	71	0	NA	NA	NA
2000	64	64	0	NA	NA	NA
2001	46	46	0	NA	NA	NA
2002	76	76	0	16	16	0
2003	66	66	0	12	12	0

KEY: X = Did not issue permits at that time; NA = Data not available; S = No annual report received, or fewer than 9 monthly reports received

Source: C-40, U.S. Dept. of Commerce, Bureau of the Census, "Housing Units Authorized by Building Permits".

13.4 APARTMENT UNITS BUILT SINCE 2000 OR PROPOSED

The following table shows comparables built in the market area since 2000 or known to be proposed to be built by the subject's opening date.

Apartment Units Built Since 2000 or Proposed

Project Name	Year Built	Above Moderate Income	60% AMI, No Rental Assistance	50% AMI, No Rental Assistance	30% AMI, No Rental Assistance	Units With Rental Assistance	TOTAL
Bil-Mar	2003	—	—	6	—	—	6

13.5 SCHEDULE OF PRESENT RENTS, UNITS, AND VACANCIES

The present housing situation is examined in this section. The apartment inventory sheet reflects selected apartment complexes in the market area.

The table below shows selected apartment complexes *with* rent subsidy in or near the market area.

Schedule of Number of Units and Vacancies for *Rent-Assisted* Apartment Units

1-Bedroom & Eff		2-Bedroom		3-Bedroom		4-Bedroom or More	
units	vacancies	units	vacancies	units	vacancies	units	vacancies
65	0	64	0	48	0	6	0
32(E)	0	4(E)	0	—	—	—	—
5	**Subj.**	**5**	**Subj.**	—	—	—	—

Orange = Subject
Green = Tax Credit
E = Elderly; P = Proposed; UC = Under Construction; RU= in Rent Up
Source: John Wall and Associates

It is interesting to note that, of the 219 apartments surveyed in the market area *with* rent subsidy, there are 0 vacancies. This represents an overall vacancy rate of 0.0%. Of the 36 elderly apartments with rental assistance in the market area, there are 0 vacancies. This represents a vacancy rate of 0.0%.

The table below shows selected comparable apartment complexes *without* rent subsidy in or near the market area:

Schedule of Number of Units and Vacancies for *Unassisted* Apartment Units

1-Bedroom Units				2-Bedroom Units				3-Bedroom Units		
Rents		Units	Vacancies	Rents		Units	Vacancies	Rents	Units	Vacancies
241b		20	0	267b		32	0	304b	8	0
255b		8	0	273b		33	0	375	4	0
266		**6**	**Subj. 50%**	279b		16	0	425	7	1
266		**13**	**Subj. 60%**	**286**		**5**	**Subj. 50%**			
266b	Subj. now	24	0	**286**		**13**	**Subj. 60%**			
325		3	0	286b	Subj. now	24	0			
				300		4	0			
Orange = Subject				338*		20	0			
				385		10	1			
Green = Tax Credit				400*		22	0			
Vacancy Rate:			0.0%				0.6%			5.3%
Median Rent:			$255b				$279b			$375

b = Basic rent; * = Average rent; r = Renovating; UC = Under Construction; RU= in Rent Up

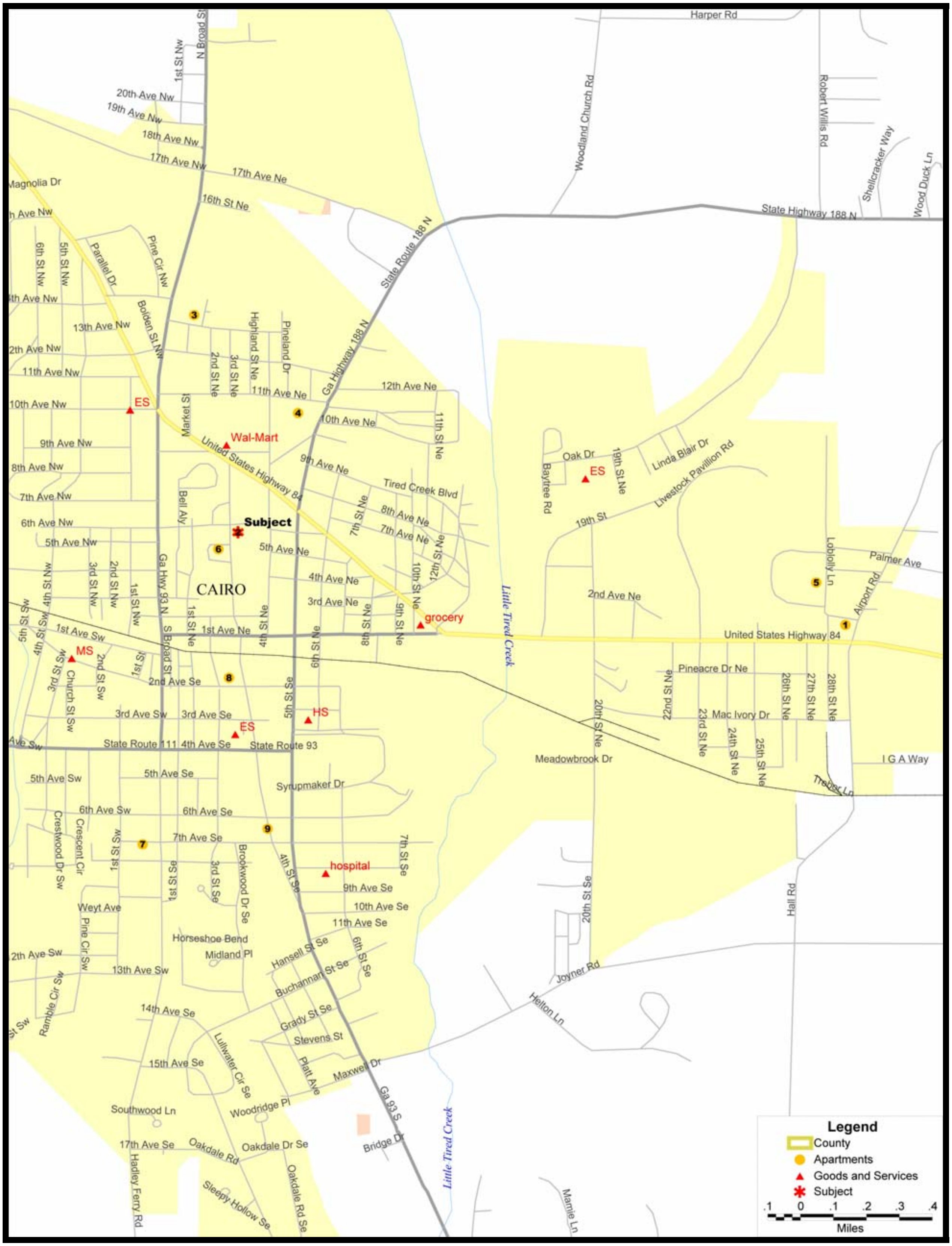
Source: John Wall and Associates

It is interesting to note that, of the 135 apartments surveyed in the market area *without* rent subsidy (100 of the above apartments have project based rental assistance), there are 2 vacancies. This represents a vacancy rate of 1.5%. A vacancy rate of 5.0% is considered normal.

13.6 IMPACT OF THE SUBJECT ON EXISTING TAX CREDIT UNITS

The subject should have little or no impact on the existing tax credit properties: Map ID #s 3, 4, and 5. The subject will not add any units to the market. It is a rehabilitation project. It will continue to have 10 units of rental assistance. Neither the subject nor any other tax credit property has any vacancies at the present time.

APARTMENT LOCATIONS MAP



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APARTMENT INVENTORY
Cairo, Georgia (PCN: 04-054)

KEY: P = proposed; UC= under construction; R = renovated; BOI = based on income

	ID#	Apartment Name	Year Built vac%	Efficiency/Studio (e) One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom			COMMENTS
				Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	
		Hunter's Glen SUBJECT - Proposed 340 6th Ave.	1983	5 6 13	P P P	BOI 266 266	5 5 13 1*	P P P P	BOI 286 286 —							TC (50%, 60%); RA=10; Handicap=3; Vision/ Hearing=1 *Manager's unit; **Community spaces or community building; ***Playground/tot lot; ****Large open playing field, covered pavilion with picnic/BBQ facilities, and grocery pick-up and/or delivery; 2-story walk-up.
	1	Bil-Mar Apartments Bark Ave. Cairo Bill 229-377-1112	1979- 2003* 0%	3	0	325	22	0	350-450							Conventional *6 units were built in 2003; **Manager would not release; ***Water (some units)
	2	Hunter's Glen SUBJECT - Present 340 6th Ave. NE Cairo Marie 229-377-8992	1983 0%	24	0	266b	24	0	286b							WL=14 Sec 515; RA=10 One unit is down for painting; *Outside storage units; **Water, sewer, and garbage
	3	Longleaf 101 13th Ave. NE Cairo Ernestine 229-377-8687	1989 0%	32	0	BOI	4	0	BOI							WL=70 TC/Sec 515 Elderly; RA=36 *Community room; **Water, sewer, garbage, and pest control
	4	Pine Forest 480 11th Ave. NE Cairo Cindy 229-377-9131 or 229-221 -8992	1980 2001* 0%	8	0	255b	32 16	0 0	267b 279b	8	0	304b				WL=14 TC/Sec 515; RA=29 *Rehabilitation; **Community room, sprinkler system, and picnic area
	5	Windwood Villas 331 Loblolly Ln. Cairo Jean 229-377-5874	1988 0%	20	0	241b	33	0	273b							WL=4 TC/Sec 515; RA=25
	6	Cairo Housing Authority Scattered Sites* Cairo/Whigham Catherine 229-377-2065	1958- 1972 0%	e 8 57	0 0	BOI BOI	64	0	BOI	48	0	BOI	4 2**	0 0	BOI BOI	WL=75 Public Housing *4 sites in Cairo and 1 site in Whigham; **Five bedroom units; ***Water
	7	Village South 10 7th Ave. SW Cairo David 229-377-8915	1976 0%				20	0	325-350	4	0	375				Conventional Unable to update information provided by client
	8	Las Palmas 241 3rd Ave. SE Cairo Sabre 229-377-5607	1979 0%				4	0	300							Conventional *Manager would not release; **Water
	9	Chateau Bernard 750 4th St. SE Cairo Olivia 229-228-5336	1979 11.8%				10	1	385	7	1	425				Conventional *Manager would not release

Project: Cairo, Georgia (PCN: 04-054)

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	5	1	P	680	BOI
1 BR vacancy rate	6	1	P	680	266
	13	1	P	680	266
Two-Bedroom	5	1	P	856	BOI
2 BR vacancy rate	5	1	P	856	286
	13	1	P	856	286
	1*	1	P	856	—
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	48				

Complex:
Hunter's Glen
SUBJECT - Proposed
340 6th Ave.

Map Number:

Year Built:
1983

Last Rent Increase

Specials

Waiting List

Subsidies
TC (50%, 60%); RA=10;
Handicap=3; Vision/Hearing=1

Amenities

x	Laundry Facility
	Tennis Court
	Swimming Pool
**	Club House
	Garages
***	Playground
	Access/Security Gate
x	Fitness Center
****	Other

Appliances

x	Refrigerator
x	Range/Oven
	Microwave Oven
x	Dishwasher
	Garbage Disposal
x	W/D Connection
	Washer, Dryer
	Ceiling Fan
	Other

Unit Features

	Fireplace
WST	Utilities Included
	Furnished
x	Air Conditioning
x	Drapes/Blinds
x	Cable Pre-Wired
	Free Cable
	Free Internet
	Other

Comments: *Manager's unit; **Community spaces or community building; ***Playground/tot lot; ****Large open playing field, covered pavilion with picnic/BBQ facilities, and grocery pick-up and/or delivery; 2-story walk-up.

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

Project: Cairo, Georgia (PCN: 04-054)

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	3	1	0	**	325
1 BR vacancy rate 0.0%					
Two-Bedroom	22	1.5	0	**	350-450
2 BR vacancy rate 0.0%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS **0.0%**	**25**		**0**		

Complex:
Bil-Mar Apartments
Bark Ave.
Cairo
Bill
229-377-1112

Map Number: 1

Year Built:
1979-
2003*

Amenities
- ____ Laundry Facility
- ____ Tennis Court
- ____ Swimming Pool
- ____ Club House
- ____ Garages
- ____ Playground
- ____ Access/Security Gate
- ____ Fitness Center
- ____ Other

Appliances
- x Refrigerator
- x Range/Oven
- s Microwave Oven
- s Dishwasher
- ____ Garbage Disposal
- x W/D Connection
- ____ Washer, Dryer
- ____ Ceiling Fan
- ____ Other

Unit Features
- ____ Fireplace
- *** Utilities Included
- ____ Furnished
- x Air Conditioning
- x Drapes/Blinds
- x Cable Pre-Wired
- ____ Free Cable
- ____ Free Internet
- ____ Other

Last Rent Increase

Specials

Waiting List

Subsidies
Conventional

Comments: *6 units were built in 2003; **Manager would not release; ***Water (some units)

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

Project: Cairo, Georgia (PCN: 04-054)

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	24	1	0	680	266b
1 BR vacancy rate 0.0%					
Two-Bedroom	24	1	0	856	286b
2 BR vacancy rate 0.0%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS 0.0%	**48**		**0**		

Complex:
Hunter's Glen
SUBJECT - Present
340 6th Ave. NE
Cairo
Marie
229-377-8992

Map Number: 2

Year Built:
1983

Last Rent Increase

Specials

Waiting List
WL=14

Subsidies
Sec 515; RA=10

Amenities
- x Laundry Facility
- ___ Tennis Court
- ___ Swimming Pool
- ___ Club House
- ___ Garages
- x Playground
- ___ Access/Security Gate
- ___ Fitness Center
- ___ Other

Appliances
- x Refrigerator
- x Range/Oven
- ___ Microwave Oven
- ___ Dishwasher
- ___ Garbage Disposal
- x W/D Connection
- ___ Washer, Dryer
- ___ Ceiling Fan
- ___ Other

Unit Features
- ___ Fireplace
- ** Utilities Included
- ___ Furnished
- x Air Conditioning
- x Drapes/Blinds
- x Cable Pre-Wired
- ___ Free Cable
- ___ Free Internet
- * Other

Comments: One unit is down for painting; *Outside storage units; **Water, sewer, and garbage

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	32	1	0	650	BOI
1 BR vacancy rate 0.0%					
Two-Bedroom	4	1	0	850	BOI
2 BR vacancy rate 0.0%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS 0.0%	**36**		**0**		

Complex:
Longleaf
101 13th Ave. NE
Cairo
Ernestine
229-377-8687

Map Number: 3

Year Built:
1989

Amenities
- x Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances
- x Refrigerator
- x Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- x W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features
- Fireplace
- ** Utilities Included
- Furnished
- x Air Conditioning
- x Drapes/Blinds
- x Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Last Rent Increase

Specials

Waiting List
WL=70

Subsidies
TC/Sec 515 Elderly; RA=36

Comments: *Community room; **Water, sewer, garbage, and pest control

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

Project: Cairo, Georgia (PCN: 04-054)

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	8	1	0	790	255b
1 BR vacancy rate 0.0%					
Two-Bedroom	32	1	0	800	267b
2 BR vacancy rate 0.0%	16	1.5	0	1000	279b
Three-Bedroom	8	1	0	1100	304b
3 BR vacancy rate 0.0%					
Four-Bedroom					
4 BR vacancy rate					
TOTALS 0.0%	64		0		

Complex:
Pine Forest
480 11th Ave. NE
Cairo
Cindy
229-377-9131 or 229-221-8992

Map Number: 4

Year Built:
1980
2001*

Last Rent Increase

Specials

Waiting List
WL=14

Subsidies
TC/Sec 515; RA=29

Amenities

- x Laundry Facility
- ___ Tennis Court
- ___ Swimming Pool
- ___ Club House
- ___ Garages
- x Playground
- ___ Access/Security Gate
- ___ Fitness Center
- ** Other

Appliances

- x Refrigerator
- x Range/Oven
- ___ Microwave Oven
- x Dishwasher
- x Garbage Disposal
- x W/D Connection
- ___ Washer, Dryer
- ___ Ceiling Fan
- ___ Other

Unit Features

- ___ Fireplace
- ___ Utilities Included
- ___ Furnished
- x Air Conditioning
- x Drapes/Blinds
- x Cable Pre-Wired
- ___ Free Cable
- ___ Free Internet
- ___ Other

Comments: *Rehabilitation; **Community room, sprinkler system, and picnic area

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	20	1	0	650	241b
1 BR vacancy rate 0.0%					
Two-Bedroom	33	1.5	0	850	273b
2 BR vacancy rate 0.0%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS **0.0%**	**53**		**0**		

Complex:
Windwood Villas
331 Loblolly Ln.
Cairo
Jean
229-377-5874

Map Number: 5

Year Built:
1988

Last Rent Increase

Specials

Waiting List
WL=4

Subsidies
TC/Sec 515; RA=25

Amenities

- x Laundry Facility
- ___ Tennis Court
- ___ Swimming Pool
- ___ Club House
- ___ Garages
- ___ Playground
- ___ Access/Security Gate
- ___ Fitness Center
- ___ Other

Appliances

- x Refrigerator
- x Range/Oven
- ___ Microwave Oven
- ___ Dishwasher
- ___ Garbage Disposal
- x W/D Connection
- ___ Washer, Dryer
- ___ Ceiling Fan
- ___ Other

Unit Features

- ___ Fireplace
- ___ Utilities Included
- ___ Furnished
- x Air Conditioning
- x Drapes/Blinds
- x Cable Pre-Wired
- ___ Free Cable
- ___ Free Internet
- ___ Other

Comments:

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

Project: Cairo, Georgia (PCN: 04-054)

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio	8	1	0		BOI
One-Bedroom	57	1	0		BOI
1 BR vacancy rate 0.0%					
Two-Bedroom	64	1	0		BOI
2 BR vacancy rate 0.0%					
Three-Bedroom	48	1	0		BOI
3 BR vacancy rate 0.0%					
Four-Bedroom	4	2	0		BOI
4 BR vacancy rate 0.0%	2**	2	0		BOI
TOTALS **0.0%**	**183**		**0**		

Complex:
Cairo Housing Authority
Scattered Sites*
Cairo/Whigham
Catherine
229-377-2065

Map Number: 6

Year Built:
1958-
1972

Last Rent Increase

Specials

Waiting List
WL=75

Subsidies
Public Housing

Amenities
- ____ Laundry Facility
- ____ Tennis Court
- ____ Swimming Pool
- ____ Club House
- ____ Garages
- ____ Playground
- ____ Access/Security Gate
- ____ Fitness Center
- ____ Other

Appliances
- x Refrigerator
- x Range/Oven
- ____ Microwave Oven
- ____ Dishwasher
- ____ Garbage Disposal
- s W/D Connection
- ____ Washer, Dryer
- ____ Ceiling Fan
- ____ Other

Unit Features
- ____ Fireplace
- *** Utilities Included
- ____ Furnished
- s Air Conditioning
- ____ Drapes/Blinds
- x Cable Pre-Wired
- ____ Free Cable
- ____ Free Internet
- ____ Other

Comments: *4 sites in Cairo and 1 site in Whigham; **Five bedroom units; ***Water

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom	20	1	0		325-350
2 BR vacancy rate 0.0%					
Three-Bedroom	4	1.5	0		375
3 BR vacancy rate 0.0%					
Four-Bedroom					
4 BR vacancy rate					
TOTALS 0.0%	**24**		**0**		

Complex:
Village South
10 7th Ave. SW
Cairo
David
229-377-8915

Map Number: 7

Year Built:
1976

Last Rent Increase

Specials

Waiting List

Subsidies
Conventional

Amenities
- _____ Laundry Facility
- _____ Tennis Court
- _____ Swimming Pool
- _____ Club House
- _____ Garages
- _____ Playground
- _____ Access/Security Gate
- _____ Fitness Center
- _____ Other

Appliances
- _____ Refrigerator
- _____ Range/Oven
- _____ Microwave Oven
- _____ Dishwasher
- _____ Garbage Disposal
- _____ W/D Connection
- _____ Washer, Dryer
- _____ Ceiling Fan
- _____ Other

Unit Features
- _____ Fireplace
- _____ Utilities Included
- _____ Furnished
- _____ Air Conditioning
- _____ Drapes/Blinds
- _____ Cable Pre-Wired
- _____ Free Cable
- _____ Free Internet
- _____ Other

Comments: Unable to update information provided by client

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom	4	1	0	*	300
2 BR vacancy rate 0.0%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS **0.0%**	**4**		**0**		

Complex:
Las Palmas
241 3rd Ave. SE
Cairo
Sabre
229-377-5607

Map Number: 8

Year Built:
1979

Last Rent Increase

Specials

Waiting List

Subsidies
Conventional

Amenities
- ____ Laundry Facility
- ____ Tennis Court
- ____ Swimming Pool
- ____ Club House
- ____ Garages
- ____ Playground
- ____ Access/Security Gate
- ____ Fitness Center
- ____ Other

Appliances
- _x_ Refrigerator
- _x_ Range/Oven
- ____ Microwave Oven
- _x_ Dishwasher
- ____ Garbage Disposal
- ____ W/D Connection
- ____ Washer, Dryer
- ____ Ceiling Fan
- ____ Other

Unit Features
- ____ Fireplace
- _**_ Utilities Included
- ____ Furnished
- _x_ Air Conditioning
- _x_ Drapes/Blinds
- _x_ Cable Pre-Wired
- ____ Free Cable
- ____ Free Internet
- ____ Other

Comments: *Manager would not release; **Water

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom	10	1	1	*	385
2 BR vacancy rate 10.0%					
Three-Bedroom	7	2	1	*	425
3 BR vacancy rate 14.3%					
Four-Bedroom					
4 BR vacancy rate					
TOTALS **11.8%**	**17**		**2**		

Complex:
Chateau Bernard
750 4th St. SE
Cairo
Olivia
229-228-5336

Map Number: 9

Year Built:
1979

Last Rent Increase

Specials

Waiting List

Subsidies
Conventional

Amenities

- ____ Laundry Facility
- ____ Tennis Court
- ____ Swimming Pool
- ____ Club House
- ____ Garages
- ____ Playground
- ____ Access/Security Gate
- ____ Fitness Center
- ____ Other

Appliances

- x Refrigerator
- x Range/Oven
- ____ Microwave Oven
- x Dishwasher
- ____ Garbage Disposal
- x W/D Connection
- ____ Washer, Dryer
- ____ Ceiling Fan
- ____ Other

Unit Features

- ____ Fireplace
- ____ Utilities Included
- ____ Furnished
- x Air Conditioning
- x Drapes/Blinds
- x Cable Pre-Wired
- ____ Free Cable
- ____ Free Internet
- ____ Other

Comments: *Manager would not release

KEY: P = proposed; UC = under construction; R = renovated; BOI = based on income; s = some; a = average; b = basic rent

14 INTERVIEWS

The following interviews were conducted regarding demand for the subject.

Marie, the apartment manager of Hunter's Glen (Section 515; Map ID #2; Subject), said her current rents work well, and since the proposal is not changing the rents, the rents will continue to work well. She said the new, proposed amenities are very nice as well. Marie said the current bedroom mix works well. She said two bedroom units are the most popular, and she only receives some inquiries about three bedroom units. Overall, Marie said Hunter's Glen will continue to be successful after rehabilitation.

Ernestine, the apartment manager of Longleaf (Tax Credit/Section 515 Elderly; Map ID #3), said the subject's proposed rents are good. She said the new, proposed amenities sound nice. Overall, Ernestine said the subject should continue to do well after rehabilitation.

Cindy, the apartment manager of Pine Forest (Tax Credit/Section 515; Map ID #4), said the subject's proposed rents are good. She said the new, proposed amenities sound very nice. She said some three bedroom units would be good for the bedroom mix. Overall, Cindy said rehabilitation of Hunter's Glen is a good idea for the neighborhood around the property.

Jean, the apartment manager of Windwood Villas (Tax Credit/Section 515; Map ID #5), said the subject's proposed rents are good. She said the new, proposed amenities sound nice. She said some three bedroom units would be nice for the proposed bedroom mix. Overall, Jean said the subject would benefit from being rehabilitated.

Rick McCaskall, Economic Director of the Cairo-Grady County Chamber of Commerce, said Roddenberry Plant (Dean Foods) closed in 2003; 600 jobs were lost. Seminole Marine, which produces boats, added 60 employees in 2003. At the time of the expansion, they already employed 60 people. McTavish, which manufactures furniture, added 75 people in 2002. They now have 175 employees. Southwest Georgia Technical College in Cairo had a ground breaking in May 2004. It is not certain when construction will begin. The hospital has received major expansion and renovation to rooms and offices. In addition, an updating of technology was made. This project was completed in April 2004. Nothing major has been done with the schools or roads.

15 DCA 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 ________

Signed: ______________________ Date ________

A. Executive Summary

1 Market demand for subject property given the economic conditions of the area	Page 8
2 Projected Stabilized Occupancy Level and Timeframe	Page 8
3 Appropriateness of unit mix, rent and unit sizes	Page 9
4 Appropriateness of interior and exterior amenities including appliances	Page 9
5 Location and distance of subject property in relationship to local amenities	Page 15
6 Discussion of capture rates in relationship to subject	Page 9
7 Conclusion regarding the strength of the market for subject	Page 10

B. Project Description

1 Project address, legal description and location[i]	Page 11
2 Number of units by unit type	Page 11
3 Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc)	Page 11
4 Rents and Utility Allowance*	Page 11
5 Existing or proposed project based rental assistance	Page 11
6 Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.)	Page 11

7 For rehab proposals, current occupancy levels, rents, and tenant incomes (it available), as well as detailed information as to renovation of property Page 12

8 Projected placed in service date Page 12

9 Construction type: New Construction/Rehab/Adaptive Reuse, etc. Page 11

10 Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs,etc. Page 11

11 Special Population Target (if applicable) Page 11

**** For the Atlanta MSA, for 60% income, rents are based on 54% rents***

**** Net Rents are to be used for calculation of income bands***

C. Site Evaluation

1 Date of Inspection of Subject Property by Market Analyst Page N/A[ii]

2 Physical features of Subject Property and Adjacent Uses Page 14

3 Subject Photographs (front, rear, and side elevations as well as street scenes) Page 16

4 Map identifying location of subject as well as closest shopping centers. schools, medical facilities and other amenities relative to subject Page 15

5 Developments in vicinity to subject and proximity in miles (Identify developments surrounding the subject on all sides) Page 41
zoning of subject and surrounding uses Page N/A[iii]

6 Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject Page 41

7 Road or infrastructure improvements planned or under construction in the PMA Page 42[iv]

8 Comment on access, ingress/egress and visibility of subject Page 14

9 Any visible environmental or other concerns Page 14[v]

10 Overall conclusions of site and their marketability Page 14

D. Market Area

1 Map identifying Subject's Location within PMA Page 20

2 Map identifying Subject's Location within SMA, if applicable Page N/A[vi]

E. Community Demographic Data

Data on Population and Households Five Years Prior to Market Entry, and Projected — Page 22, 23,

Five Years Post-Market Entry, (2004, 2005 and 2010) *

**** If using sources other than U.S. Census (I.e.,Claritas or other reputable source of data), please include in Addenda***[vii]

1. Population

Trends

a.	Total Population	Page 22
b.	Population by Age Group	Page 22
c.	Number of elderly and non-elderly (for elderly projects)	Page 22
d.	If a special needs is proposed, additional information for this segment	Page N/A[viii]

2. Household

Trends

a.	Total number of households and average household size	Page 23, 24
b.	Households by tenure (# of owner and renter households) Elderly by tenure, if applicable	Page 23,
c.	Households by Income (Elderly, if applicable, should be allocated separately)	Page 31,
d.	Renter households by # of persons in the household	Page 24

3. Employment Trend

a.	Employment by industry—#s &% (i.e. manufacturing: 150,000 (20%))	Page 25
b.	Major employers, product or service, total employees, anticipated expansions, contractions in work forces, as well as newly planned employers and impact on employment in the PMA	Page 27, 27
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page 27
d.	Map of the site and location of major employment concentrations.	Page 26
e.	Overall conclusions	Page 10

F. Project Specific Demand Analysis

**** Assume 35% of gross income towards total housing expenses for family***

**** Assume 40% of gross income towards total housing expenses for elderly***

**** Assume 35% of net income/or derivation of income band for family***

**** Assume 40% of net income for derivation of income band for elderly***

G. Supply Analysis

H. Interviews

I. Conclusions and Recommendations

J. Signed Statement

K. Comparison of Competing Properties

1 Separate Letter addressing addition of more than one competing property

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[i] A legal description of the site was not provided by DCA.
[ii] The date(s) of the site visit(s) is not provided.
[iii] Zoning is not addressed in this report.
[iv] Any road and infrastructure improvements relevant to the site will be discussed in interviews.
[v] If there are any visible environmental concerns, they will be addressed in the 'Physical Conditions" section.
[vi] This report does not use a secondary market area.
[vii] The license for our data does not allow us to redistribute it.
[viii] Any special documentation regarding special needs population is provided in an appendix.
[ix] Rents for market and tax credit units are shown on the same table to facilitate comparisons.
[x] The chart follows the map; the photo sheets follow the chart.
[xi] The chart follows the map; the photo sheets follow the chart.
[xii] The chart follows the map; the photo sheets follow the chart.
[xiii] Telephone numbers of apartment managers are found on the photo sheets. Names and titles are within the interviews.

16 DCA REQUIRED CHART

Unit Size	Income Limits	Units Proposed	Total Demand	New Supply	Net Demand	Capture Rate	Absorption	Avg. Market Rent	Proposed Rents
1 Bdrm	PBRA	5	424	0	424	1.2%			RA
	50%	6	78	0	78	7.7%			266
	60%	13	90	0	90	14.4%			266
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
1 Bdrm	TOTAL (w/o RA)	19	88	0	88	21.6%		255b	—
2 Bdrm	PBRA	5	605	0	605	0.8%			RA
	50%	5	112	0	112	4.5%			286
	60%	13	129	0	129	10.1%			286
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
2 Bdrm	TOTAL (w/o RA)	18	126	0	126	14.3%		279b	—
3 Bdrm	PBRA	0	182	0	182	—			0
	50%	0	33	0	33	—			0
	60%	0	39	0	39	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
3 Bdrm	TOTAL (w/o RA)	0	38	0	38	—		375	—
4 Bdrm	30%	0	0	0	0	—			0
	50%	0	0	0	0	—			0
	60%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
	0%	0	0	0	0	—			0
4 Bdrm	TOTAL	0	0	0	0	—			—
5 Bdrm	30%		0			—			
	50%		0			—			
	60%		0			—			
	0%		0			—			
	0%		0			—			
5 Bdrm	TOTAL		0			—			—

NOTE: TOTAL line reflects total tax credit units. The numbers do not add, due to overlap in income bands

Proposed project capture rate LIHTC units	14.7%
Proposed project capture rate market rate units	NA
Proposed project stabilization period	2-4 mos.*

*Depends largely on the rehabilitation.

PBRA=Project-Based Rental Assistance

17 JOHN WALL — RÉSUMÉ

EXPERIENCE

17.1.1 PRESIDENT

JWA, Inc., Anderson, South Carolina (June, 1990 to Present)

JWA, Inc. is an information services company providing demographic and other types of data, as well as geographic information system services, mapping, and research to market analysts and other clients. JWA, Inc. is the licensing authority for the independent offices of John Wall & Associates. There are currently two such offices: Anderson, South Carolina and Cary, North Carolina.

17.1.2 PRESIDENT

John Wall & Associates, Anderson, South Carolina (December, 1982 to Present)

John Wall & Associates is a planning and design firm specializing in real estate market analysis and land development consultation. Initially, the firm concentrated on work in the southeastern portion of the United States. In 1990, a second office was licensed in Cary, North Carolina, and both offices expanded their areas of work to the entire United States. John Wall & Associates (Anderson, South Carolina office) has completed over 1,800 market analyses, the majority of these being for apartment projects (both government and conventional). The firm has also done many other types of real estate market analyses; shopping center master plans; industrial park master plans; housing and demographic studies; land planning projects; site analysis; location analysis; and GIS projects. Clients have included private developers, government officials, syndicators, and lending institutions.

17.1.3 VISITING PROFESSOR OF SITE PLANNING (PART-TIME)

Clemson University College of Architecture, Planning Dept., Clemson, South Carolina (Spring 1985; Fall 1985; Spring 1986)

17.1.4 PLANNING DIRECTOR

Planning Department, City of Anderson, South Carolina (September, 1980 to December, 1982)

17.1.5 PLANNER II

Planning Department, City of Anderson, South Carolina (June, 1980 to September, 1980)

17.1.6 ASSISTANT DOWNTOWN PLANNER

Planning Department, City of Anderson, South Carolina (December, 1978 to June, 1980)

17.1.7 CARTOGRAPHER

Oconee County Tax Assessors' Office, Walhalla, South Carolina (October, 1976 to January, 1977)

17.1.8 ASSISTANT ENGINEER

American Concrete Pipe Association, Vienna, Virginia (January, 1969 to March, 1969)

EDUCATION

Real Estate Development, Harvard University, Cambridge, Massachusetts (July, 1989)
Fundamentals of Real Estate Finance, Harvard University, Cambridge, Massachusetts (July, 1989)
Management of Planning & Design Firms, Harvard University, Cambridge, Massachusetts (August, 1984)
Master of City & Regional Planning, Clemson University, Clemson, South Carolina (May, 1980)
BS Pre-Architecture, Clemson University, Clemson, South Carolina (May, 1978)
Graduate of Manlius Military Academy, Manlius, New York (June, 1965)

MILITARY

U.S. Navy, Interim Top Secret Clearance (April, 1969 to October, 1973; Honorable Discharge)