

**A RENTAL HOUSING
MARKET STUDY FOR
SAVANNAH, GEORGIA**
HAS Senior Partnership, LP

July 1, 2004

Prepared for:

Georgia Department of Community Affairs
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**CONSULTANT CERTIFICATION/
CERTIFICATE OF ACCURACY**

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. However, Community Research Services does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment.

Furthermore, the following report was written according to DCA's market study requirements, the information included is accurate to the best of our knowledge, and that the report can be relied upon by representatives of DCA as a true assessment of the low-income housing rental market as of the date this report was completed.



Jamee L. Zielke
COMMUNITY RESEARCH SERVICES, LLC

Date: July 1, 2004

Section 1: INTRODUCTION

The Georgia Department of Community Affairs (DCA) has commissioned Community Research Services, LLC to prepare the following market study to examine and analyze the Savannah area as it pertains to the construction of an affordable rental housing alternative utilizing the Low Income Housing Tax Credit (LIHTC). The subject proposal is a 100-unit rental development that will consist of 84 one-bedroom apartments and 16 two-bedroom apartments. The proposed development will be constructed on Henry Street west of the intersection of Henry Street with Bee Road in the central section of the City of Savannah. The property is approximately two miles east of the main downtown business district, in a residential area with a mix of single-family and multi-family units. As part of the development plan, Stubbs Tower, which is currently located immediately to the west of the proposed site, will be demolished.

This study assumes Low Income Housing Tax Credits will be utilized in the development of a portion of the proposed rental facility, along with the associated rent and income restrictions obtained from HUD and the Georgia DCA. As a result, the subject proposal will feature a total of 100 units targeted at a variety of income levels: 11 units will be restricted at 30 percent of the area's median income (AMI), 21 units will be restricted at 50 percent of AMI, 57 units will be restricted at 60 percent AMI and the remaining 11 units will be leased at market rates. In addition, all the income-restricted units will include Project Based Rental Assistance (PBRA), – totaling 89 PBRA units.

The primary purpose of the following market analysis is to provide evidence of sufficient market depth and demand for the successful renovation and re-absorption of the subject proposal. This will be demonstrated through an in-depth analysis of local and regional demographic and income trends, economic and employment patterns, existing housing conditions, as well as a supply and demand analysis within the Savannah rental market area. A phone survey of existing rental projects comparable to the subject within the area was also reviewed and analyzed to further measure the potential market depth for the subject proposal.

Section 2: EXECUTIVE SUMMARY

The following overview highlights the major findings and conclusions reached from information collected through demographic analysis, economic observations, and survey research of existing developments:

- Based on the information collected within this study, sufficient evidence has been introduced for the successful construction of the subject proposal within the Savannah market area. Stable occupancy levels within the overall rental market, stabilizing demographic trends for the market area, and a solid statistical demand all support the introduction of rental housing alternatives targeted for low -income elderly households. The subject proposal represents a reduction in the local rental housing stock targeted to seniors.
- Current economic conditions locally are relatively positive. As such, the number of jobs within Chatham County has increased substantially since 1990, resulting in nearly 17,000 new jobs (a 17 percent increase). More recently, more than 5,000 jobs have been created since 2000, representing an increase of 5 percent during this time period.
- The absorption rate is conservatively calculated at approximately eight to ten units per month, on average. The overall stabilization period is estimated at 10 to 12 months to reach 93 percent occupancy. Additionally, the projected stabilized occupancy level is estimated at 95 percent. As such, evidence presented within the market study suggests a normal lease-up period should be anticipated based on project characteristics as proposed.
- It is estimated that a 4 to 12 month absorption period will be needed for one-bedroom units and 4 months for two-bedroom units.
- A total of six rental developments within the PMA reported to be LIHTC properties, totaling 502 units with a combined occupancy rate of 99 percent. Three of these properties are family/senior mix and lease a majority of their units to families. One property subsidizes its rents in addition to utilizing tax credits.
- The proposed rental rates are affordable, averaging between \$0.33 and \$0.94 per square foot, although the rental rates proposed for 60 percent of AMI and the market rates are higher than average. Eighty-nine of the units will include Project Based Rental Assistance (PBRA), which will insure that they are affordable to potential tenants.
- The subject will consist of 84 one-bedroom units and 16 two-bedroom units. While one-bedroom units are generally favored by senior citizens, the inclusion of two-bedroom units is appropriate, given the increasing demand for a second bedroom. One-bedroom units will be comprised of 662 square feet, just slightly smaller than average. Two-bedroom units will consist of 900 square feet, which is larger than average for the rental market. Unit sizes are appropriate

- The amenity package within the proposal is extremely competitive, and in most cases, superior to most other developments throughout the market area. The subject proposal will offer at a minimum central air conditioning, coin-operated laundry, a community room, an equipped exercise room and computer center, dishwashers, entry security, garbage disposals, laundry hookups, a library, and a theater. The amenity package at the subject proposal is superior to what is available at most, if not all, other elderly-targeted rental alternatives in the rental market.
- The subject property has prime visibility along a well traveled roadway, providing convenient access to retail, medical, recreation, and employment locations. A large shopping center is located within 1 mile of the site and several other retail alternatives can be found within a two-mile radius.
- Demand estimates for the proposed development show solid statistical support for the introduction and absorption of additional rental units within the Savannah PMA. Approximately 41 percent of all renter households are income-qualified for the LIHTC portion of the project, resulting in an overall capture rate of 29.4 percent. If PBRA is taken into consideration, the capture rate for the affordable units is 22 percent. Capture rates range between 7.8 percent and 53.1 percent for each individual unit size.
- Stubbs Tower, a high-rise elderly rental alternative managed by the Housing Authority of Savannah, will be demolished in 2005 as part of the subject proposal. Stubbs Tower consists of 210 units, but the proposed development will consist of 100 units. Consequently, the subject proposal represents a reduction in the rental stock available to elderly households in the Savannah PMA. Displacement should not be an issue as Stubbs Tower has a 50 percent occupancy rate at this time, indicating that the elimination of 110 units from the rental market will not have a negative impact on residents' ability to located affordable housing. At the same time, the demolition of Stubbs Tower will be a source of potential tenants for the subject proposal as those who are displaced will seek new affordable housing. In addition, the subject will be far superior to Stubbs Tower.
- Occupancy rates for rental housing appear stable throughout the Savannah market area. An overall occupancy rate of 98.2 percent was calculated from a June 2004 CRS survey of 12 rental developments identified and contacted within the PMA. Additionally, an occupancy rate of 99 percent was determined within the six LIHTC properties, reflective of stable rental conditions locally.
- Considering the subject proposal's location, amenities, PBRA, and potential tenant base from Stubbs Tower, the construction of the subject development should prove successful.

Section 3: PROJECT DESCRIPTION

Project Size:

Total Development Size..... 100 units
 Number of LIHTC Units..... 89 units
 Number of Market Rate Units..... 11 units

Development Characteristics:

- All units will be on one site;
- 1 residential building with 3 or more stories;
- 5 handicapped-equipped units;
- 2 units for sight- or hearing-impaired tenants;
- 62 residential parking spaces.

Income Targeting:

	<u>PBRA</u>
Project Based Rental Assistance.....	89 units total
30 percent of AMI..... 11 units.....	11 units
40 percent of AMI..... 0 units.....	NA
50 percent of AMI..... 21 units.....	21 units
60 percent of AMI..... 57 units.....	57 units
Market Rate..... 11 units.....	0 units

Project Mix:

One-bedroom/1-bath units 84 units
 Two-bedroom/1-bath units..... 16 units

Square Feet:

One-bedroom units..... 662 square feet
 Two-bedroom units..... 900 square feet

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

	30 percent	50 percent	60 percent
	<u>AMI</u>	<u>AMI</u>	<u>AMI</u>
One-bedroom units.....	\$221.....	\$421.....	\$521*
Two-bedroom units.....	NA.....	NA.....	\$628*

***Note:** These figures do not correspond to the Low Income Units with PBRA chart on page 10 of the application that was forwarded to the author of this report. The figure entered on the application exceeds the Program Maximum Rent for the one-bedrooms at 60 percent of AMI. The figures listed on the application below the referenced chart were used because they do not exceed the Program Maximum Rents.

Unit/Development Amenities:

- Full kitchen, including refrigerator, oven/stove, garbage disposal, and dishwasher;
- Library;
- Theater;
- Central heat and air conditioning;
- Community area with equipped exercise/fitness room and computer center;
- Washer and dryer hookups in all units.

Additional Assumptions:

- Water, sewer, and trash removal will be included within the rent. Tenant is responsible for electricity, heat, cable television, and telephone charges;
- A professional management company with experience in LIHTC rental housing will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

Section 4: SITE AND MARKET PROFILE

Site Characteristics

The building site was visited on June 24, 2004. The proposed development will be constructed on the south side of Henry Street west of Bee Road in the northeast section of the City of Savannah. The development site is flat with a few mature trees scattered throughout the property. The area surrounding the site is residential and the homes in the area are in good condition. The facility will be visible from Henry Street, Anderson Street, and Bee Road. Bee Road is a particularly well traveled thoroughfare. The subject's location also provides convenient access to the area's interstate system and to other retail, medical, and employment locations - the site is less than one mile north of Victory Drive, a major surface street in the area, and 4 miles east of U.S. 516. The subject property consists of 3.87 acres and is located within Census Tract 22 of Chatham County (based on 2000 Census delineations).

Immediately to the east of the building site is Stubbs Tower, an elderly-targeted high-rise apartment building managed by the Housing Authority of Savannah. All of the units are subsidized and approximately half of the 210 one-bedroom apartments are occupied. The structure is aged and will be demolished in 2005. Ashley Oaks at Midtown is under construction across Henry Street from the site to the north. Many buildings have been framed and work is well underway. The facility is part of a Hope VI project and when complete will consist of 168 two and three-bedroom units. Single-family homes are located to the south and east of the site. Adjacent land usage is as follows:

- North:** Ashley Oaks at Midtown
- South:** Single-family homes
- East:** Single-family homes
- West:** Stubbs Tower and Harry S. Truman Parkway

As a relatively large city, Savannah offers a wide range of shopping, recreation, and dining options. There are retail areas located throughout the city. The downtown area is located two miles west of the site, close to the Savannah River. The area consists of dozens of shops and restaurants, designed primarily to appeal to tourists. There is a small retail area with local businesses to cater to residents' needs found at the intersection of Waters Avenue and 37th Street. Additional commercial establishments are located further south on Waters Avenue, near the

Memorial Health Hospital. Additional retail businesses are located along Skidaway Road north of Victory Drive including several fast food restaurants and gas stations. Food Lion, a grocery store, is located at the intersection of Victory Drive and Skidaway Road. Additionally, a major retail concentration can be found along Victory Drive, west of its intersection with Harry S. Truman Parkway. Among the establishments in that area include the following:

- Kroger
- Taco Bell
- CVS/Pharmacy
- Big Lots
- Eckerd Drugs
- Piggly Wiggly
- Dairy Queen
- Arby's
- Blockbuster Video

In addition, a variety of medical offices and clinics can be found throughout the area and within relatively close proximity to the subject. The closest of these is Savannah Care Center, Inc. located 1 ¼ miles west of the site. The nearest hospital, Memorial Health Hospital, can be found near the intersection of Waters Avenue and 66th Street. In addition, there is a Rite Aid Pharmacy where Gwinnett Street intersects with Price Street.

Overall site characteristics are very positive and there are no concerns regarding the site. The proposed building site is located in a quiet residential neighborhood with well-maintained homes. Ashley Oaks at Midtown will be located immediately north of the site; as a brand new apartment complex the facility will enhance the area resulting in pleasant surroundings. Essential goods and services are available nearby. The proposed building site is in an appealing location and the subject development should be of interest to potential tenants. The development will be highly visible given its location near a heavily traveled roadway and a relatively large newly constructed rental development. The development will be easily accessed via Anderson Street and Henry Street. Information regarding road construction in the PMA was unavailable.

The following identifies additional pertinent locations and features within the market area, and can be found on the following map by the letter next to the corresponding description:

Medical

- A. Savannah Care Center, Inc.....1 ¼ miles west
- B. West Side Urban Heath Center1 ½ miles northwest
- C. Memorial Health1 ¾ miles northwest
- D. Memorial Health Hospital.....2 ½ miles southwest

Education

- E. Savannah High School.....1 mile northeast
- F. Leiston T Shuman Middle School¾ mile northeast
- G. Hubert Middle School.....1 mile northwest
- H. Frank W Spenser Elementary School¾ mile northwest
- I. Islands Elementary School.....1 mile northwest
- J. Charles Ellis Elementary School1 ½ miles southwest

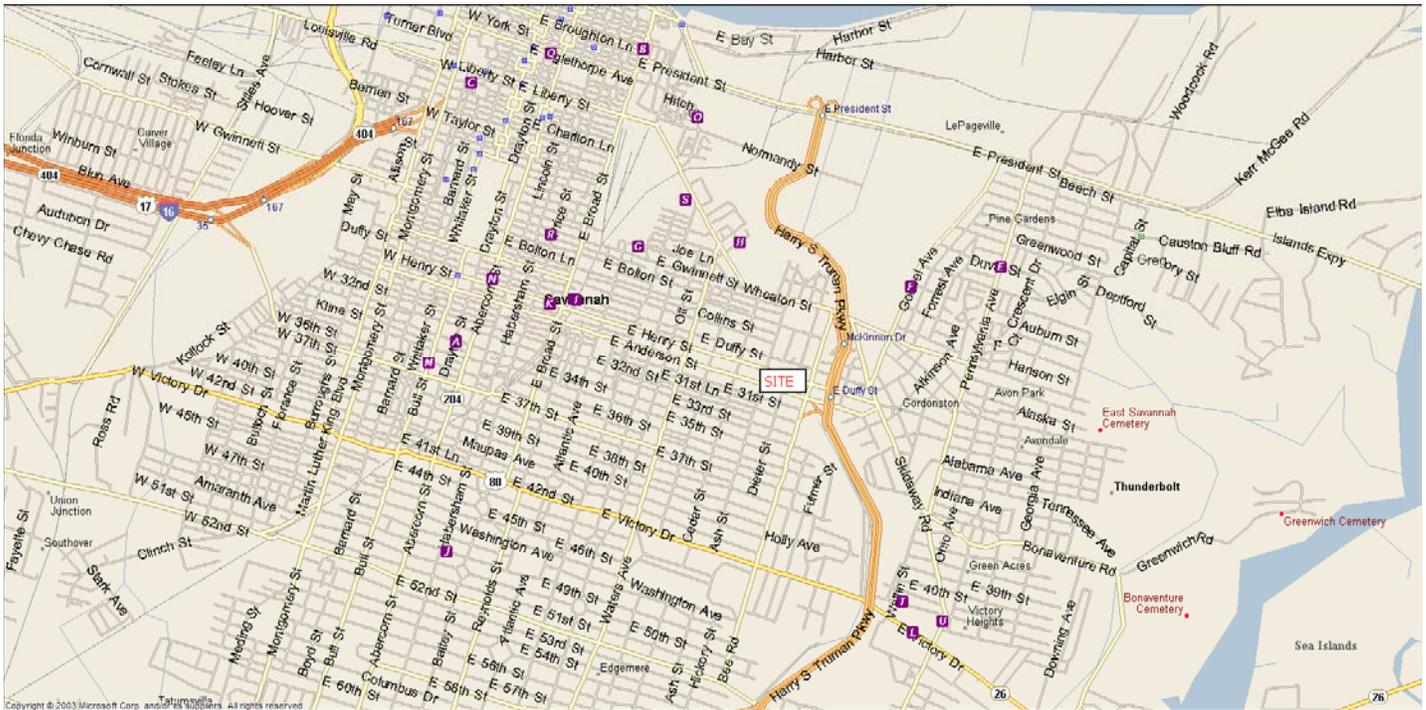
Recreation/Other

- K. Carnegie Branch Library.....1 mile northwest
- L. AMF Victory Lanes1 ¼ miles southeast
- M. Library for the blind.....1 ½ miles west
- N. Chatham County Public Library1 ¼ miles northwest
- O. Hitch Branch Library1 ¼ miles northwest
- P. Island Miniature Golf.....1 mile northwest

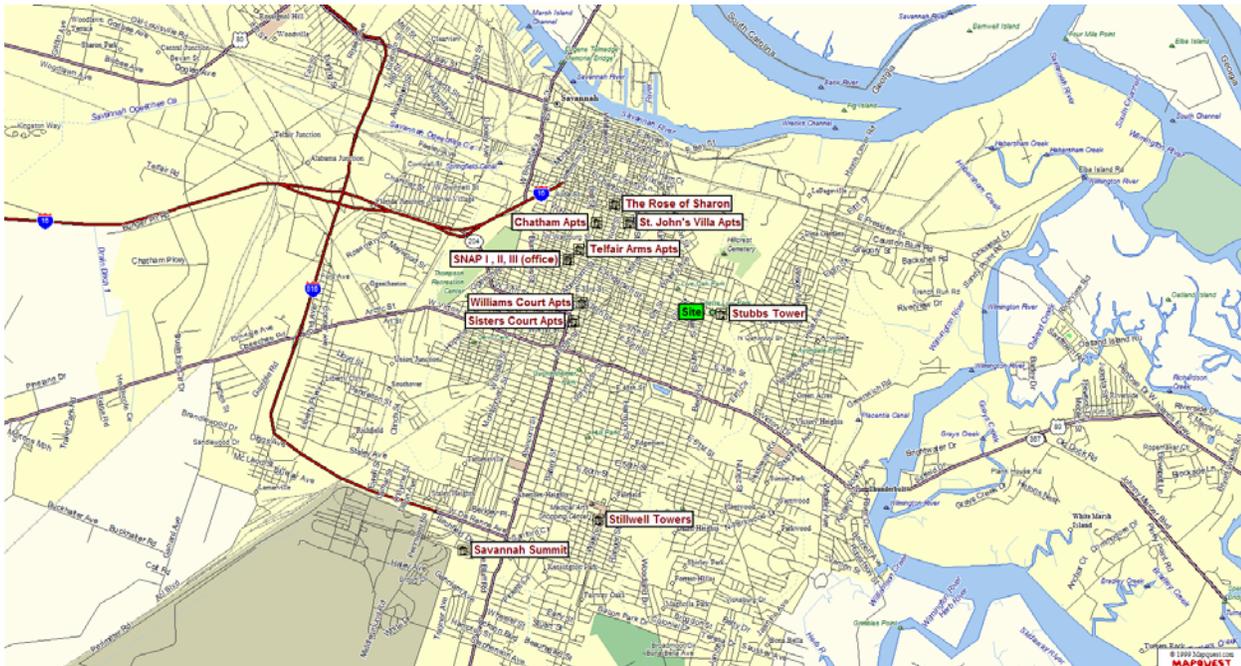
Retail

- Q. Downtown.....2 miles northwest
(w/ specialty shops, restaurants, tourist attractions, office space)
- R. Rite Aid.....1 ¼ miles west
- S. Family Dollar1 ½ miles northwest
- T. Major Retail Area1 mile southeast
(w/ Kroger, Big Lots, Blockbuster, Dairy Queen, CVS/Pharmacy, Piggly Wiggly, Eckerd, Arby's, Taco Bell, etc.)
- U. Food Lion.....1 ½ miles southeast

Map: Local Features/Amenities
Savannah PMA



Map: Existing Low-Income Housing



Site Photos



Site – facing south from Henry Street



Site – facing east toward Bee Street and Stubbs Tower

Neighborhood Photos



View from site to the west



Facing west down Henry Street



Facing east down Henry Street



Facing north from site – View of Ashley Oaks at Midtown (under construction)



Stubbs Tower – adjacent to site to the east



Rental home – adjacent to site to the west



Typical Home – Henry Street west of the site



Typical Home – Henry Street west of the site

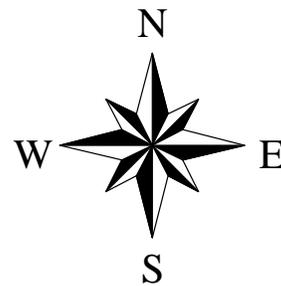
Primary and Secondary Market Area Delineation

The Savannah Primary Market Area (PMA), as defined for the use throughout this study, consists a portion of the City of Savannah bounded by the Savannah River to the north, U.S. 516 to the west, William F. Lynes Parkway to the south, and the Wilmington River to the east. A visual representation of the PMA, and census tracts within the PMA, can be found in the maps on the following pages. In general terms, the market area reaches approximately 1¾ miles north, 2½ miles east, 2½ miles south, and 3¾ miles east, and represents the area from which the majority of potential residents for the subject development currently reside. The market area is located in the eastern portion of the state of Georgia approximately 10 miles southwest of the Georgia/South Carolina border, and roughly 100 miles north of the Georgia/Florida state border.

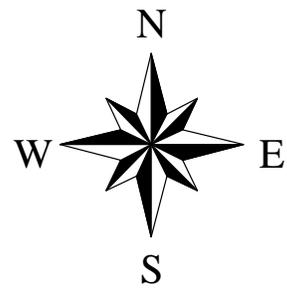
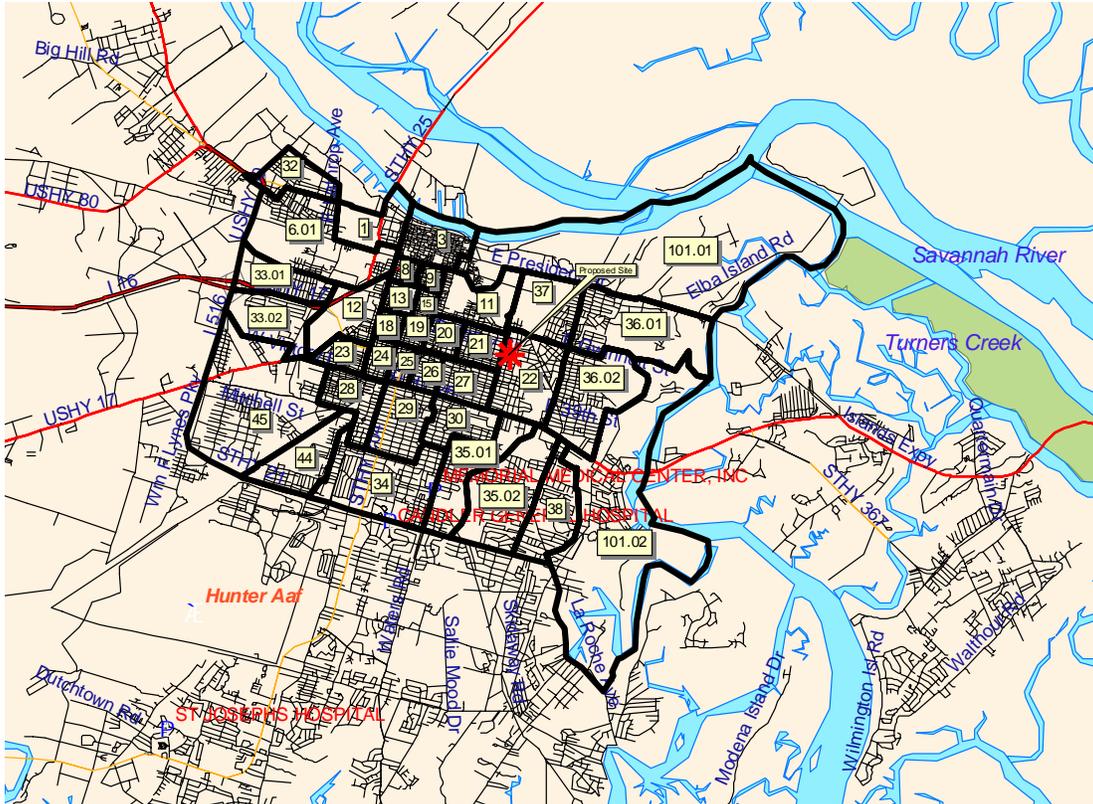
The market area was determined based on physical features of the area, an estimation of the distance potential tenants would go in search of affordable rental housing targeted to elderly persons, and demographics of the region. All areas within the PMA can be reached within a five to ten minute drive, and the area that encompasses the PMA consists of housing of a similar character and quality. The following demographic and income information, comparables, and demand analysis are based on the PMA as defined above and outlined in the following maps. In addition, the city of Savannah has also been used throughout the analysis for local comparisons.

Areas relatively close to the site of the subject development, but not included within the PMA, comprise the Secondary Market Area (SMA). While not included within the actual analysis throughout this report, it is important to remember that these areas could also yield potential residents for the proposed rental community. These nearby secondary sources include persons currently residing in the balance of the City of Savannah and outlying areas. Secondary market considerations will not be considered in any demand calculations.

Map: State of Georgia



Map: Census Tracts
Savannah PMA



Section 5: COMMUNITY DEMOGRAPHIC DATA

Population Trends

Population in the PMA and the City of Savannah decreased during the 1990s, as was common in many heavily populated areas during that period. A decrease of 6.5 percent was recorded for the PMA and Savannah’s population decreased by 4.4 percent. Chatham County reported an increase in its population, indicating that at least a portion of the persons who left the PMA and the city relocated to the less heavily populated areas in the county.

Claritas (a third-party demographic forecasting service) projections indicate the PMA’s population will increase modestly over the next five years. By 2009, estimates indicate there will be approximately 1 percent more persons in the PMA than there were in 2000. A small increase is also predicted for Savannah, while a more substantial increase is expected for Chatham County. Stabilization of population trends will help to expand the pool of potential tenants in the future. It should be noted that the proposed senior housing units will represent a reduction in the number senior renter households in the PMA.

Table 5.1: Population Trends (1990 to 2009)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Population	137,560	90,560	216,935
2000 Population	131,510	84,699	232,048
Percent Change (1990-2000)	-4.4%	-6.5%	7.0%
2004 Population Estimate	131,874	85,013	236,920
Percent Change (2000-2004)	0.3%	0.4%	2.1%
2006 Population Forecast	132,056	85,170	239,356
Percent Change (2000-2006)	0.4%	0.6%	3.1%
2009 Population Forecast	132,329	85,406	243,010
Percent Change (2000-2009)	0.6%	0.8%	4.7%

SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.

As in most area's, the majority of the PMA's residents area younger than 44. Persons over 65, who account for the majority of potential tenants for the subject proposal, represent the smallest age group. The largest age group in the PMA in 1990 was residents between the ages of 20 and 44. More than one-third of the PMA's residents fell into this range. The second largest age group was persons less than 20; 31.2 percent of the residents were children. Comparable age distributions occurred in the city and the county.

Between 1990 and 2000, most age groups declined in size in the PMA and Savannah. The only age group to report an increase in each region was persons between 45 and 64; that cohort increased by 9.4 percent in the PMA. The county reported much more positive trends for the same period. All age groups expanded in size during the decade. The fastest growth was observed among residents aged 45 to 64.

Claritas projections indicate general patterns of population growth will continue through 2009 in all three areas, although rates of growth will change for most age bands. In the PMA, persons younger than 44 will continue to decline. The rate of decline for residents less than 20 years old is expected to slow. In the coming years, middle-aged residents are expected to continue to expand in number. An increase of 23.3 percent is projected for that age band and the number of residents 65 and over is expected to remain virtually unchanged. It appears that the aging of the baby boom generation will impact the Savannah PMA in the coming years. The expansion of older residents will directly lead to an expansion of qualified tenants for the subject proposal.

Table 5.2: Age Distribution (1990 to 2009)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
Age Less than 20 - 1990	41,340	28,217	64,097
Percent of total 1990 population	30.1%	31.2%	29.5%
Age Between 20 and 44 - 1990	53,707	32,701	85,990
Percent of total 1990 population	39.0%	36.1%	39.6%
Age Between 45 and 64 - 1990	23,556	15,605	39,177
Percent of total 1990 population	17.1%	17.2%	18.1%
Age 65 and Over - 1990	18,957	14,037	27,671
Percent of total 1990 population	13.8%	15.5%	12.8%
Age Less than 20 - 2000	38,311	25,577	65,248
Percent of total 2000 population	29.1%	30.2%	28.1%
Percent change (1990 to 2000)	-7.3%	-9.4%	1.8%
Age Between 20 and 44 - 2000	50,099	30,444	87,315
Percent of total 2000 population	38.1%	35.9%	37.6%
Percent change (1990 to 2000)	-6.7%	-6.9%	1.5%
Age Between 45 and 64 - 2000	25,633	17,074	49,715
Percent of total 2000 population	19.5%	20.2%	21.4%
Percent change (1990 to 2000)	8.8%	9.4%	26.9%
Age 65 and Over - 2000	17,467	11,604	29,770
Percent of total 2000 population	13.3%	13.7%	12.8%
Percent change (1990 to 2000)	-7.9%	-17.3%	7.6%
Age Less than 20 - 2009	37,562	24,956	62,572
Percent of total 2009 population	28.4%	29.2%	25.7%
Percent change (2000 to 2009)	-2.0%	-2.4%	-4.1%
Age Between 20 and 44 - 2009	45,745	27,835	84,695
Percent of total 2009 population	34.6%	32.6%	34.9%
Percent change (2000 to 2009)	-8.7%	-8.6%	-3.0%
Age Between 45 and 64 - 2009	31,584	21,049	65,394
Percent of total 2009 population	23.9%	24.6%	26.9%
Percent change (2000 to 2009)	23.2%	23.3%	31.5%
Age 65 and Over - 2009	17,439	11,567	30,349
Percent of total 2009 population	13.2%	13.5%	12.5%
Percent change (2000 to 2009)	-0.2%	-0.3%	1.9%
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.			

Senior Population Trends

Residents aged 65 and above comprise the smallest age cohort in the PMA as defined within the previous table. In 1990, 15.5 percent of the PMA's residents fell into this age range. During the 1990s, as mentioned above, the senior citizen population in the PMA declined substantially. Consequently, in 2000, seniors represented only 13.6 percent of the population. Claritas projections for the next five years indicate the senior population will stabilize. As time passes, the aging of residents between 45 and 64 will lead to increases in the population of persons over 65. The marketing of the subject proposal should not be negatively impacted by the lack of growth among the senior population in the PMA because the proposed development represents a reduction in the number of senior-targeted units available in the market.

Table 5.3: Senior Population Trends (1990 to 2009)

	City of <u>Savannah</u>	<u>PMA</u>	Chatham <u>County</u>
1990 Senior Population (60 years and Over)	24,782	18,037	37,110
Percent of total 1990 population	18.0%	19.9%	17.1%
2000 Senior Population (60 years and Over)	22,184	14,790	37,110
Percent of total 2000 population	16.9%	17.5%	16.0%
Percent change (1990 to 2000)	-10.5%	-18.0%	0.0%
2004 Senior Population (60 years and Over)	22,863	15,241	39,861
Percent of total 2004 population	17.3%	17.9%	16.8%
Percent change (2000 to 2004)	3.1%	3.0%	7.4%
2006 Senior Population (60 years and Over)	23,202	15,466	41,237
Percent of total 2006 population	17.6%	18.2%	17.2%
Percent change (2000 to 2006)	4.6%	4.6%	11.1%
2009 Senior Population (60 years and Over)	23,711	15,804	43,301
Percent of total 2009 population	17.9%	18.5%	17.8%
Percent change (2000 to 2009)	6.9%	6.9%	16.7%
1990 Senior Population (65 years and Over)	18,957	14,037	27,671
Percent of total 1990 population	13.8%	15.5%	12.8%
2000 Senior Population (65 years and Over)	17,467	11,604	29,770
Percent of total 2000 population	13.3%	13.7%	12.8%
Percent change (1990 to 2000)	-7.9%	-17.3%	7.6%
2004 Senior Population (65 years and Over)	17,454	11,587	30,027
Percent of total 2004 population	13.2%	13.6%	12.7%
Percent change (2000 to 2004)	-0.1%	-0.1%	0.9%
2006 Senior Population (65 years and Over)	17,448	11,579	30,156
Percent of total 2006 population	13.2%	13.6%	12.6%
Percent change (2000 to 2006)	-0.1%	-0.2%	1.3%
2009 Senior Population (65 years and Over)	17,439	11,567	30,349
Percent of total 2009 population	13.2%	13.5%	12.5%
Percent change (2000 to 2009)	-0.2%	-0.3%	1.9%
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.			

Senior and Non-Senior Population

The vast majority of area residents are not elderly. In each region analyzed within this report, less than 15 percent of the population are seniors. In the PMA and the city, the senior population declined more rapidly than the non-senior population during the 1990s. By 2009, Claritas projections indicate population for both groups will stabilize in each area. No dramatic changes are expected in the near future.

Table 5.4: Senior and Non-Senior Population Trends (1990 to 2005)

	City of Savannah	PMA	Chatham County
1990 Non-Senior Population	118,603	76,523	189,264
Percent of total 1990 population	86.2%	84.5%	87.2%
2000 Non-Senior Population	114,043	73,095	202,278
Percent of total 2000 population	86.7%	86.3%	87.2%
Percent change (1990 to 2000)	-3.8%	-4.5%	6.9%
2005 Non-Senior Population	114,608	73,591	209,200
Percent of total 2005 population	86.8%	86.4%	87.4%
Percent change (2000 to 2005)	0.2%	0.2%	1.1%
1990 Senior Population (65 years and Over)	18,957	14,037	27,671
Percent of total 1990 population	13.8%	15.5%	12.8%
2000 Senior Population (65 years and Over)	17,467	11,604	29,770
Percent of total 2000 population	13.3%	13.7%	12.8%
Percent change (1990 to 2000)	-7.9%	-17.3%	7.6%
2005 Senior Population (65 years and Over)	17,448	11,579	30,156
Percent of total 2005 population	13.2%	13.6%	12.6%
Percent change (2000 to 2005)	-0.1%	-0.2%	1.3%
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.			

Household Trends

Consistent with population trends, the PMA and Savannah experienced a reduction in the number of households located in each region during the 1990s. Chatham County reported a significant increase for the same period. It appears that at least a portion of the resident who are leaving the urban areas associated with the city and the PMA are relocating to less congested areas within the county. According to Claritas forecasts, each region can expect expansion of their current household numbers over the next five years.

Table 5.5: Household Trends (1990 to 2009)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Households	51,938	34,349	81,111
2000 Households	51,375	33,283	89,865
Percent Change (1990-2000)	-1.1%	-3.1%	10.8%
2004 Household Estimate	52,093	33,711	92,868
Percent Change (2000-2004)	1.4%	1.3%	3.3%
2006 Household Forecast	52,452	33,925	94,370
Percent Change (2000-2006)	2.1%	1.9%	5.0%
2009 Household Forecast	52,990	34,246	96,623
Percent Change (2000-2009)	3.1%	2.9%	7.5%
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.			

According to 2000 Census data, average household sizes throughout Chatham County decreased during the past decade – similar to the typical shift toward smaller family sizes seen in most areas throughout the country. For the PMA, the average household size was 2.47 persons in 2000, representing a decrease of 3.5 percent from 1990’s average of 2.55 persons. Savannah followed the same patterns as the PMA. Projections indicate households will continue to shrink through 2009.

Table 5.6: Average Household Size (1990 to 2009)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Average Household Size	2.55	2.55	2.59
2000 Average Household Size	2.45	2.47	2.49
Percent Change (1990-2000)	-3.7%	-3.5%	-3.6%
2004 Average Household Size Estimate	2.43	2.44	2.46
Percent Change (2000-2004)	-1.1%	-0.9%	-1.1%
2006 Average Household Size Forecast	2.41	2.43	2.45
Percent Change (2000-2006)	-1.6%	-1.3%	-1.7%
2009 Average Household Size Forecast	2.39	2.42	2.43
Percent Change (2000-2009)	-2.4%	-2.0%	-2.4%
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.			

Growth rates for renter occupied households within the Savannah PMA were similar to patterns experienced by overall households during the 1990s. In 2000, 16,860 renter-occupied households were reported within the PMA, representing a decrease of nearly three percent from 1990 figures. In comparison, the number of renter households within Chatham County increased by more than 2,188 renter households during the same time frame, representing an increase of roughly 7 percent.

Overall, renter household propensities are quite high throughout the area; approximately half of all households are rented by their occupants in the PMA. Despite declines in the number of renter households during the 1990s, renter households continued to represent roughly half of households overall in 2000.

Table 5.7: Renter Household Trends (1990 to 2000)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Renter-Occupied Households	25,622	17,358	33,384
Percent of total 1990 households	49.3%	50.5%	41.2%
2000 Renter-Occupied Households	25,533	16,860	35,572
Percent of total 2000 households	49.7%	50.7%	39.6%
Percent change (1990 to 2000)	-0.3%	-2.9%	6.6%
1990 Owner-Occupied Households	26,316	16,991	47,727
Percent of total 1990 households	50.7%	49.5%	58.8%
2000 Owner-Occupied Households	25,842	16,423	54,293
Percent of total 2000 households	50.3%	49.3%	60.4%
Percent change (1990 to 2000)	-1.8%	-3.3%	13.8%
SOURCE: 1990 and 2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; CRS			

Housing Stock Composition

The majority of residents across the region were housed in single-family structures in 2000. According to U.S. Census data, approximately 69 percent of all households within the PMA were single-family dwellings, while roughly 30 percent were in multi-family structures (apartments or condominiums). Mobile homes, trailers, and other arrangements represented a relatively small portion of the households within the market area.

Table 5.8: Housing Stock Composition (2000)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
Single-Family	33,998	22,935	62,446
Percent of total units	66.1%	68.8%	69.5%
Multi-Family	16,674	9,980	22,390
Percent of total units	32.4%	29.9%	24.9%
2 to 4 units	8,290	6,189	10,610
Percent of total units	16.1%	18.6%	11.8%
5 or more units	8,384	3,791	11,780
Percent of total units	16.3%	11.4%	13.1%
Mobile Homes - Total	730	405	4,962
Percent of total units	1.4%	1.2%	5.5%
Other	24	9	67
Percent of total units	0.0%	0.0%	0.1%
SOURCE: 2000 Census of Population and Housing, SF3, U.S. Census Bureau			

Median Gross Rent and Unit Size

The median gross rent within the Cuthbert PMA was recorded at \$498 in 2000, according to information from the U.S. Census. The PMA's gross rent figure was much lower than the gross rents reported for the other two areas. It is probable that this difference will continue into the future. Rental rates in each area increased at about the same rate during the 1990s and are likely to do so in the future.

Table 5.9: Median Gross Rent (1990 to 2000)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Median Gross Rent	\$390	\$339	\$406
2000 Median Gross Rent	\$564	\$498	\$589
Total percent change (1990 to 2000)	44.6%	46.9%	45.1%
Annual percent change (1990 to 2000)	3.8%	3.9%	3.8%

SOURCE: 1990 and 2000 Census of Population and Housing, STF3/SF3, U.S. Census Bureau

In 2000, more than half of all renter homes in the PMA were comprised of one or two people. Renter households with one person accounted for 36.7 percent of rental households and renter households with two persons accounted for 25.1 percent. The median persons per rental unit in 2000 in the PMA was 2.43. Proportions in the other two areas were very similar.

Table 5.10: Rental Unit Size Distribution (2000)

	City of Savannah	PMA	Chatham County
One Person	9,288	6,188	12,508
Percent of total renter households	36.4%	36.7%	35.2%
Two Persons	6,753	4,240	9,896
Percent of total renter households	26.4%	25.1%	27.8%
Three or Four Persons	6,958	4,542	9,904
Percent of total renter households	27.3%	26.9%	27.8%
Five or More Person	2,534	1,890	3,264
Percent of total renter households	9.9%	11.2%	9.2%
Median Persons Per Rental Unit - 1990	2.45	2.48	2.45
Median Persons Per Rental Unit - 2000	2.38	2.43	2.37
SOURCE: 1990 and 2000 Census of Population and Housing, STF1/SF1, U.S. Census Bureau			

Senior Household Trends

When compared to population in the 1990s, senior households were consistently represented more frequently amongst households than they were in the population. This is true in all three geographic areas and whether considering the 60 year and above age group or the 65 year and above age group. A number of factors increase the likelihood that seniors will live alone and will in turn account for more households. For example, seniors do not generally have children living with them, fewer seniors live with unrelated roommates, and death of a spouse becomes more likely as people age.

In 2000, senior households were more common in the PMA than there were in Savannah or Chatham County. The number of senior households in the PMA declined at rates similar to population declines during the 1990s. It is anticipated that the rapid decrease in the number of senior households in the PMA will slow considerably over the next five years. Projections indicate that between 2000 and 2009, the reduction in the number of senior households (persons over 65) will decrease by only 1 percent.

Table 5.11: Senior Household Trends (1990 to 2009)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Households with Senior 60 years and Over	17,943	13,413	25,889
Percent of total 1990 households	34.5%	39.0%	31.9%
2000 Households with Senior 60 years and Over	16,310	11,204	27,142
Percent of total 2000 households	31.7%	33.7%	30.2%
Percent change (1990 to 2000)	-9.1%	-16.5%	4.8%
2004 Senior Households (60 years and Over)	16,141	10,990	27,150
Percent of total 2004 households	31.0%	32.6%	29.2%
Percent change (2000 to 2004)	-1.0%	-1.9%	0.0%
2006 Senior Households (60 years and Over)	16,057	10,883	27,154
Percent of total 2006 households	30.6%	32.1%	28.8%
Percent change (2000 to 2006)	-1.6%	-2.9%	0.0%
2009 Senior Households (60 years and Over)	15,931	10,723	27,159
Percent of total 2009 households	30.1%	31.3%	28.1%
Percent change (2000 to 2009)	-2.3%	-4.3%	0.1%
1990 Senior Households (65 years and Over)	13,688	10,485	19,143
Percent of total 1990 households	26.4%	30.5%	23.6%
2000 Senior Households (65 years and Over)	12,065	8,297	19,485
Percent of total 2000 households	23.5%	24.9%	21.7%
Percent change (1990 to 2000)	-11.9%	-20.9%	1.8%
2004 Senior Households (65 years and Over)	12,127	8,260	19,738
Percent of total 2004 households	23.3%	24.5%	21.3%
Percent change (2000 to 2004)	0.5%	-0.4%	1.3%
2006 Senior Households (65 years and Over)	12,158	8,241	19,865
Percent of total 2006 households	23.2%	24.3%	21.0%
Percent change (2000 to 2006)	0.8%	-0.7%	1.9%
2009 Senior Households (65 years and Over)	12,205	8,213	20,055
Percent of total 2009 households	23.0%	24.0%	20.8%
Percent change (2000 to 2009)	1.2%	-1.0%	2.9%

SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau; Claritas, Inc.

In 1990, households occupied by seniors in the PMA were rented 34.7 percent of the time. Similar percentages of senior households were rented in the city and the county. A sharp decline in the number of senior renter households in the PMA was reported in 2000. At that time, there were more than 30 percent fewer senior renter households than there had been in 1990.

Table 5.12: Senior Renter Household Trends (1990 to 2000)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1990 Senior Renter Households (65 years and Over)	4,601	3,643	5,314
Percent of total 1990 senior households	33.6%	34.7%	27.8%
2000 Senior Renter Households (65 years and Over)	3,514	2,432	4,280
Percent of total 2000 senior households	29.1%	29.3%	22.0%
Percent change (1990 to 2000)	-23.6%	-33.2%	-19.5%
SOURCE: 1990-2000 Census of Population and Housing, STF 1A/SF1, U.S. Census Bureau			

Economic and Social Characteristics

Employment in the Savannah area is dominated by the services industry. Among employed residents in the PMA, 54.2 percent work in the services industry. Approximately 52 percent of the employed residents of Statesboro and approximately 48 percent of workers in Chatham County hold jobs in the services industry. Another common industry for employed persons in all three locales is retail trade. Manufacturing is another common source of employment. In the PMA, 8.3 percent of those employed hold manufacturing jobs. Other industries are represented in very small percentages in the PMA.

Table 5.13: Employment by Industry (2000)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
Agriculture and Mining	95	51	267
Percent	0.2%	0.2%	0.3%
Construction	3,717	2,420	7,825
Percent	7.1%	7.5%	7.8%
Manufacturing	4,300	2,698	11,001
Percent	8.2%	8.3%	11.0%
Transportation and Public Utilities	2,911	1,808	6,125
Percent	5.6%	5.6%	6.1%
Wholesale Trade	1,356	893	3,068
Percent	2.6%	2.8%	3.1%
Retail Trade	7,282	4,252	13,126
Percent	14.0%	13.1%	13.2%
Finance, Insurance, & Real Estate	2,646	1,209	5,533
Percent	5.1%	3.7%	5.5%
Services	27,133	17,579	47,812
Percent	52.0%	54.2%	47.9%
Public Administration	2,732	1,534	5,042
Percent	5.2%	4.7%	5.1%

SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau

A small proportion of employed persons in the PMA work outside of Chatham County. Only 5 percent of the residents travel to other counties or states for employment. This suggests there are ample employment opportunities in the local area.

Table 5.14: Employment by Place of Work (2000)

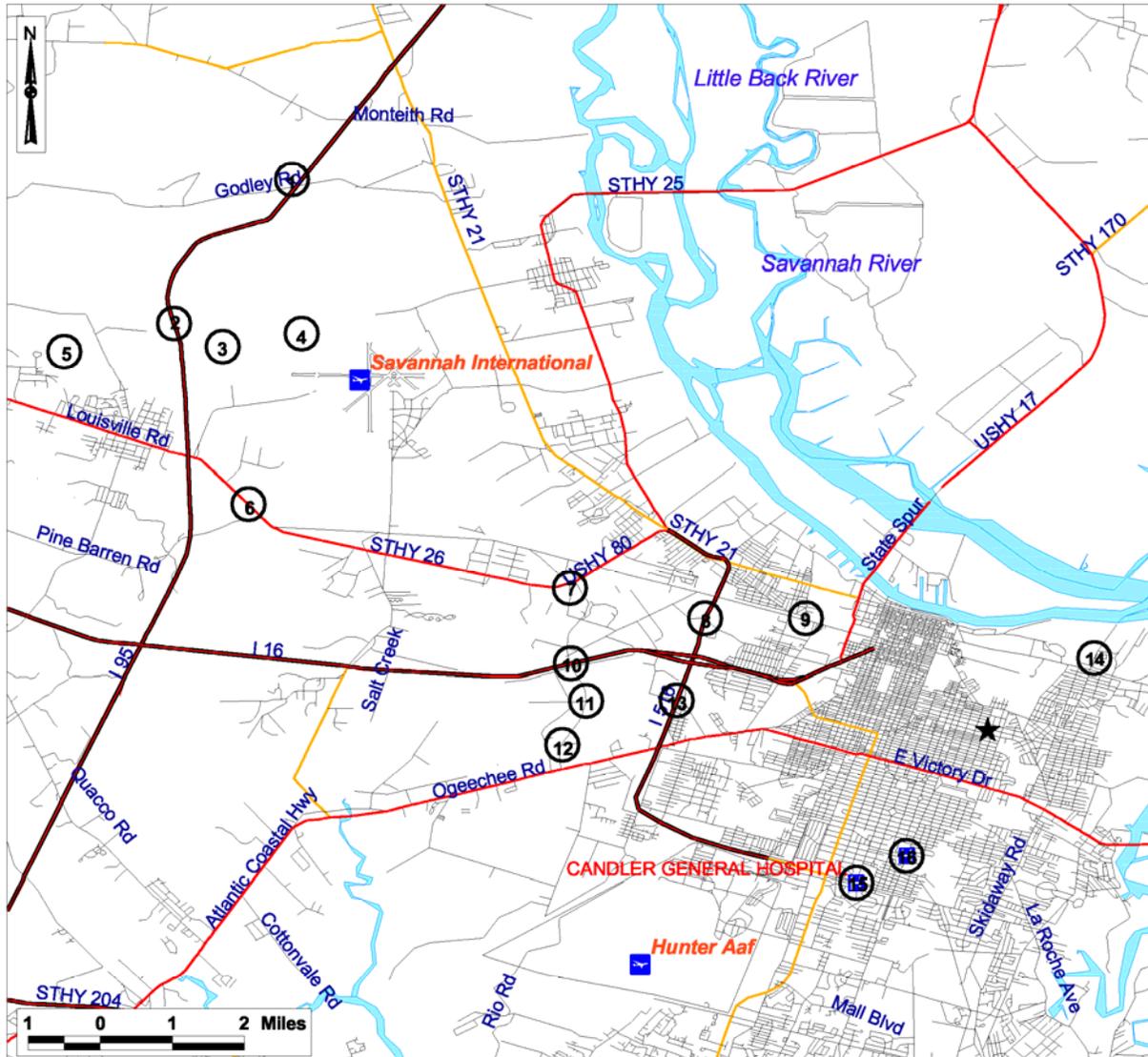
	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
Place of Work within County	52,615	31,199	98,501
Percent	94.4%	95.0%	93.9%
Place of Work Outside of County	1,677	812	3,614
Percent	3.0%	2.5%	3.4%
Place of Work Outside of State	1,448	839	2,738
Percent	2.6%	2.6%	2.6%
SOURCE: 2000 Census of Population and Housing, SF 3, U.S. Census Bureau			

The top employers within Chatham County are part of the healthcare, education, and travel industries. There are many manufacturing employers in the area, but most employ relatively small numbers of people. Savannah-Chatham Board of Education is the largest employer, followed by Memorial Medical Center and Savannah/Hilton Head International Airport. Gulfstream Aerospace and St. Joseph’s Health System are also major employers within the county.

As can be observed within the list of major employers, the largest job providers within the Savannah area represent a variety of employment possibilities with various occupations. The top employers within Chatham County include the following:

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
Savannah-Chatham Board of Ed.	Education	4700
Memorial Medical Center	Healthcare	4600
Savannah/Hilton Head International Airport	Travel	4500
Gulfstream Aerospace	Jet Aircraft	4000
St. Joseph’s/Candler Health System	Healthcare	3700
Ft. Stewart/Hunter	Military	3485
City of Savannah	Local Government	2000
International Paper Company	Unbleached Kraft Paper	1800
Chatham County	Local government	1600
Georgia-Pacific Savannah River Mill	Tissues	1500
Kroger	Grocer	1300
Great Dane Trailers	Refrigerated Vans	700
Wal-Mart Stores, Inc.	Department Store	565
Savannah Electric	Utility	548

Map: Nearby Employment Centers



- | | | |
|--------------------------------|-------------------------------|-------------------------------------|
| ① Norwest Business Park | ⑦ Garden City Industrial Park | ⑬ Horizon Industrial Park |
| ② Crossroads Business Center | ⑧ Lynes Parkway Center | ⑭ Georgia Pacific |
| ③ Savannah Hilton Head Airport | ⑨ Great Dane Trailers | ⑮ St. Josephs/Candler Health System |
| ④ Gulfstream Aerospace Corp. | ⑩ Pooler Park of Commerce | ⑯ Memorial Medical Center |
| ⑤ Pooler Park of Commerce | ⑪ Savannah Park of Commerce | |
| ⑥ Pooler Development Park | ⑫ Parkway Business Center | |

Overall, economic conditions have been positive in Chatham County between 1990 and 2000. Information obtained from the Georgia Department of Labor is presented in the following figures and clearly illustrates these employment patterns throughout the county. A net gain of 16,520 jobs (a 17.2 percent increase) has been added to the county since 1990. The unemployment rate for the county has been substantially lower than the state and national rates since 1999 and has steadily declined since then.

Figure Two: Area Employment Growth – Chatham County

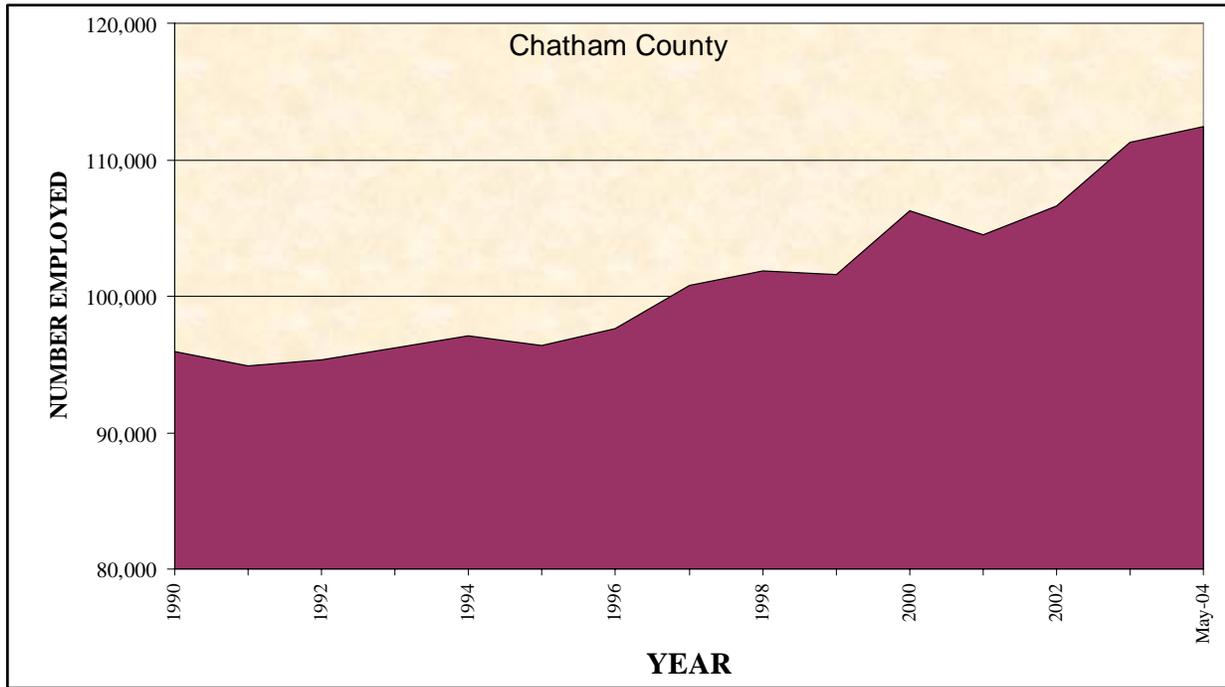


Figure Three: Unemployment Rate Comparison

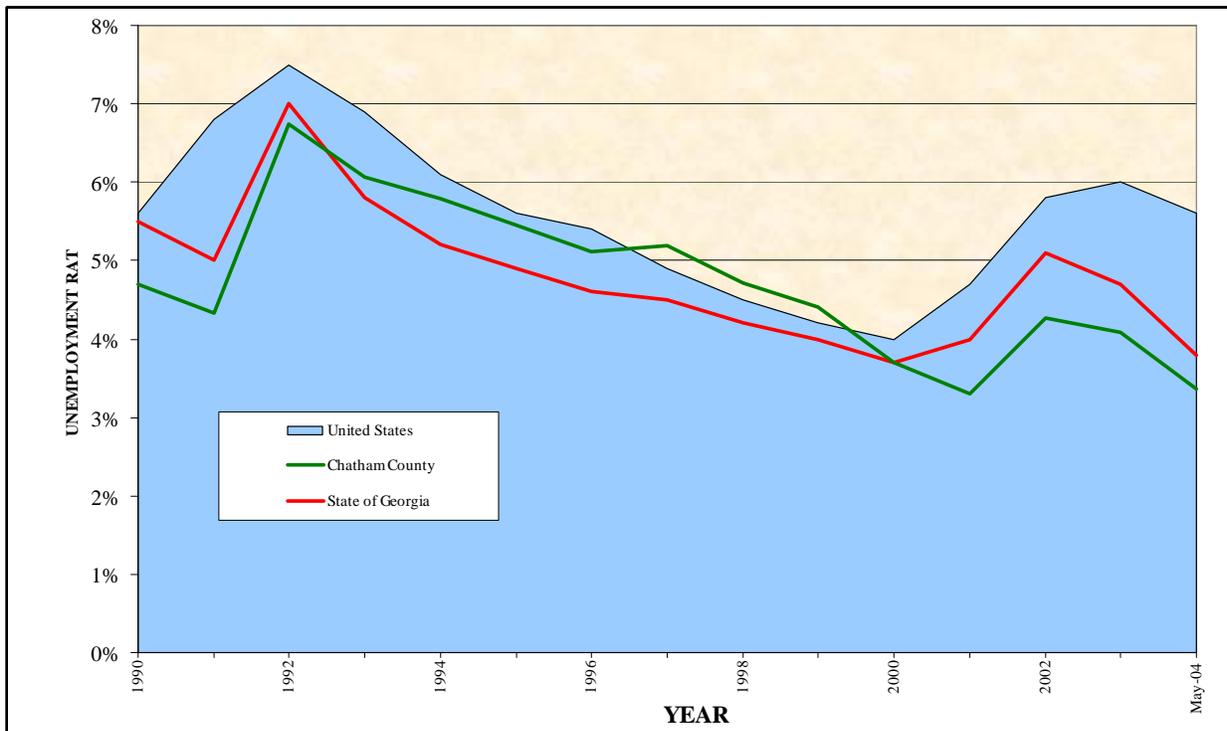


Table 5.15: Employment Trends (1990 to Present)

	<i>Chatham County</i>				<i>State of Georgia</i>	<i>United States</i>
<i>Year</i>	<i>Labor Force</i>	<i>Number Employed</i>	<i>Annual Change</i>	<i>Unemployment Rate</i>	<i>Unemployment Rate</i>	<i>Unemployment Rate</i>
1990	100,675	95,942	--	4.7%	5.5%	5.6%
1991	99,161	94,873	(1,069)	4.3%	5.0%	6.8%
1992	102,226	95,329	456	6.7%	7.0%	7.5%
1993	102,459	96,246	917	6.1%	5.8%	6.9%
1994	103,017	97,055	809	5.8%	5.2%	6.1%
1995	101,995	96,429	(626)	5.5%	4.9%	5.6%
1996	102,921	97,651	1,222	5.1%	4.6%	5.4%
1997	106,303	100,783	3,132	5.2%	4.5%	4.9%
1998	106,916	101,872	1,089	4.7%	4.2%	4.5%
1999	106,311	101,621	(251)	4.4%	4.0%	4.2%
2000	110,312	106,224	4,603	3.7%	3.7%	4.0%
2001	108,100	104,523	(1,701)	3.3%	4.0%	4.7%
2002	111,330	106,582	2,059	4.3%	5.1%	5.8%
2003	115,990	111,252	4,670	4.1%	4.7%	6.0%
May-04	116,375	112,462	5,880	3.4%	3.8%	5.6%

	<u><i>Number</i></u>	<u><i>Percent</i></u>
Change (1990-Present):	16,520	17.2%
Change (1995-Present):	16,033	16.6%
Change (1990-1995):	487	0.5%
Change (1995-2000):	9,795	10.2%
Change (2000-Present):	5,028	4.7%

Many closures and layoffs have occurred in the Savannah area since 2000, according to information from the Georgia Department of Labor. None of the reported closures or layoffs affected more than 200 persons. Savannah’s labor force was able to absorb the changes without significant negative impacts on the local job market. As can be seen in the employment growth chart above, many more jobs were added to the region than were eliminated.

Table 5.16: Area Closures and Layoffs since 2000

Company	Event	Employees Affected	Date
Kmart Corporation	Closure	100	3/21/2003
Pitney Bowles	Closure	200	3/7/2003
Belk, Inc.	Closure	49	3/1/2003
Soft Sheen Carson	Layoffs	40	11/30/2002
Intermarine Savannah	Closure	131	11/30/2002
Parisian-Saks Incorporated	Closure	60	1/1/2003
Crystal Telecom	Closure	25	8/1/2002
ADM/Archer Daniels Midland Co.	Closure	71	4/1/2002
International Paper Company	Layoffs	140	9/1/2001
G-P Gypsum Corporation	Closure	85	6/13/2001

Overall, the county’s employment distribution and prevailing average incomes are reflective of the need for affordable housing. The overall increase of new jobs throughout Chatham County since 1990 is indicative of stable economic conditions. Although many local residents work in positions affiliated in some way with the airport nearby, most positions are typically in the lower paying categories, further emphasizing the importance of affordable housing alternatives.

Income Trends

According to Census data and Claritas projections, median household income levels throughout Chatham County have experienced steady gains since 1990, with decreasing rates of income appreciation expected through 2009. In 1999, the median household income within the PMA was recorded at \$26,607 which was the lowest among the three locales. Furthermore, this figure represents an increase of approximately 44 percent during the decade (an average annual increase of 3.7 percent), while the city increased at slightly slower rates (by 2.8 percent annually).

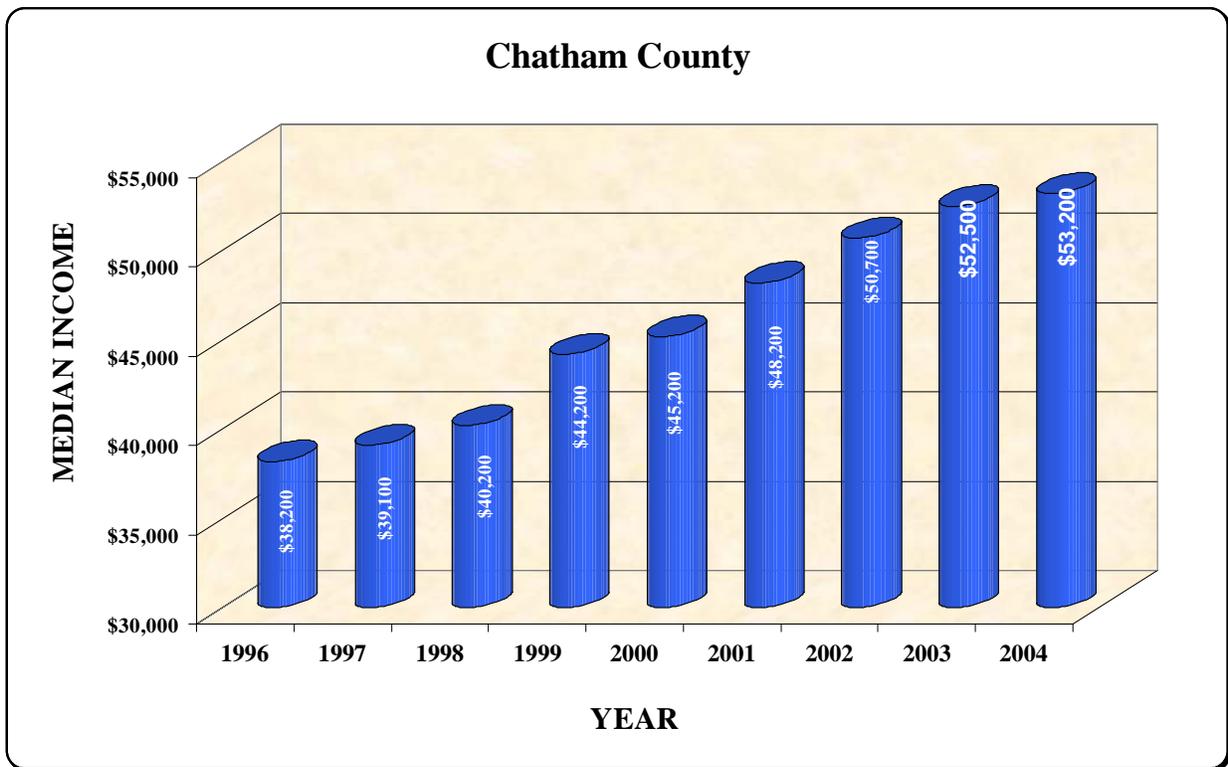
According to Claritas, income appreciation is expected to remain steady through 2009 for much of Chatham County, including the Savannah area. It is projected that the PMA will increase by 22.9 percent between 2000 and 2009 (2.3 percent annually), slower than the city (3.5 percent annually) and the county (3.7 percent annually) over the same time span.

Table 5.17: Median Household Incomes (1979 to 2009)

	<u>City of Savannah</u>	<u>PMA</u>	<u>Chatham County</u>
1989 Median Household Income	\$22,102	\$18,504	\$26,721
1999 Median Household Income	\$29,038	\$26,607	\$37,752
Total percent change (1989 to 1999)	31.4%	43.8%	41.3%
Annual percent change (1989 to 1999)	2.8%	3.7%	3.5%
2004 Estimated Median Income	\$33,783	\$29,312	\$44,182
Total percent change (1999 to 2004)	16.3%	10.2%	17.0%
Annual percent change (1999 to 2004)	3.9%	2.5%	4.0%
2006 Estimated Median Income	\$36,155	\$30,665	\$47,397
Total percent change (1999 to 2006)	24.5%	15.3%	25.5%
Annual percent change (1999 to 2006)	3.7%	2.4%	3.9%
2009 Forecast Median Income	\$39,713	\$32,694	\$52,219
Total percent change (1999 to 2009)	36.8%	22.9%	38.3%
Annual percent change (1999 to 2009)	3.5%	2.3%	3.7%
SOURCE: 1990 and 2000 Census of Population and Housing, U.S. Census Bureau; Claritas			

Increases in median income for Chatham County during the latter part of the 1990s, as measured by HUD, are higher than income appreciation as reported within the U.S. Census between 1990 and 2000. According to HUD median income trends, the average annual increase was 4.2 percent for the county between 1996 and 2004, but increased by 3.5 percent annually between 1989 and 1999 according to Census figures. Following strong annual increases through 2002, the most recent HUD estimates indicate the county's median income has grown more modestly in the last few years. Considering on-going stable economic conditions throughout the Savannah region, this income stagnation is not expected to continue, and increases in HUD Area Median Income levels are anticipated to increase in coming years.

Figure Four: HUD Median Income Trends



Income-Qualified Population

The key LIHTC income range for the proposed facility is approximately \$8,940 to \$25,500 (in current dollars) and \$0 to \$25,500 if subsidies are taken into consideration. The estimated income range for the market rate units is \$25,500 to \$40,000. To compare this range with the latest Census information available on household income by tenure, dollar values from 1999 were inflated to current dollars using the Bureau of Labor Statistics' Consumer Price Index. Based on this data, the LIHTC income range accounts for a sizeable number of low-income households throughout the area - approximately 31 percent of the PMA's total owner-occupied household number, and 41 percent of the renter-occupied household count. Overall, this income range accounted for more than one out of every three households (at 34 percent) within the PMA. If subsidies are taken into consideration, 52 percent of the households in the PMA would be qualified to lease a unit at the subject proposal. A significant portion (18 percent) of households would qualify for the market rate units. Considering the relative density of the PMA, this equates to a large number of potential income-qualified residents for the proposed development.

Table 5.18: Income by Tenure – Households 62+ (2006)

	<u>Total</u> <u>Households</u>	<u>Owner</u> <u>Households</u>	<u>Renter</u> <u>Households</u>
Under \$10,980	2,576	1,193	1,383
Percent of 2006 Households	21.5%	13.8%	39.1%
\$10,980 to \$16,470	1,736	1,040	696
Percent of 2006 Households	14.4%	12.1%	19.7%
\$16,471 to \$21,961	1,121	793	329
Percent of 2006 Households	9.2%	9.2%	9.3%
\$21,962 to \$27,451	1,261	975	286
Percent of 2006 Households	10.3%	11.3%	8.1%
\$27,452 to \$32,941	898	640	258
Percent of 2006 Households	7.4%	7.4%	7.3%
\$32,942 to \$38,432	643	536	107
Percent of 2006 Households	5.3%	6.2%	3.0%
\$38,433 to \$43,923	584	446	138
Percent of 2006 Households	4.8%	5.2%	3.9%
\$43,924 to \$54,904	1,080	966	114
Percent of 2006 Households	8.8%	11.2%	3.2%
\$54,905 and Over	2,259	2,028	230
Percent of 2006 Households	18.4%	23.5%	6.5%

SOURCE: 1990 Census of Population and Housing, STF 4, U.S. Census Bureau; BLS Consumer Price Index

Section 6: DEMAND ANALYSIS

Demand for Tax Credit Rental Units

Overall population and household projections are illustrated in the following tables, along with demand forecasts for the subject proposal across all applicable income bands and bedroom types. Based on Georgia DCA requirements, demand estimates are 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 HUD. For the subject proposal, demand estimates will be calculated at 30 percent, 50 percent, and 60 percent AMI. Calculations will be based on the starting rental rate, a 40 percent rent-to-income ratio, and an income ceiling of \$25,500 (the 2-person income limit at 60 percent AMI for Chatham County). As a result, the LIHTC income-eligibility range is \$8,940 to \$25,500. Demand estimates will also be presented with PBRA taken into consideration and for the market rate units.

By applying the income-qualified range and 2006 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, 41 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. If PBRA is taken into consideration, 73 percent of the renter households qualify. Fourteen percent of the renter households qualify for the market rate units.

Based on U.S. Census data and projections from Claritas, there will be 94 fewer renter households in the PMA in 2006 than there were in 2000. By applying the income-qualified percentage to this declining figure (41 percent within the PMA for LIHTC units), demand for tax credit units from new renter households is negative. Similarly, demand for the units if PBRA is taken into consideration and demand for the market rate units are negative.

Using U.S. Census data on substandard rental housing, it is estimated that roughly 8 percent of all renter households within the Savannah 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 percentage, along with the renter percentage and income-qualified percentage, to the number of households currently present in 2000 (the base year utilized within the demand calculations), a total demand resulting from substandard units is calculated at 114 units within the PMA for the LIHTC units. If PBRA is taken into consideration, the demand is 201 units. The demand from substandard units from the market rate units is 39.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 40 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on rent-overburdened households paying between 40 percent and 50 percent of monthly income for rent can be determined. A ceiling of 50 percent rent-to-income ratio is utilized to rationalize management decisions on the ability to pay rent, as well as insert a level of conservatism within the calculations. This same range has been applied to all income bands, to avoid duplication of demand sources within the total demand sum.

The percentage of renter households who are overburdened is estimated to be nearly 3.2 percent. Applying this rate to the number of renter households in 2000 yields a total demand of 105 additional units as a result of rent-overburden.

No comparable LIHTC property within the Savannah PMA has received an LIHTC allocation since 2000, so no units need to be deducted from the three factors listed previously. As such, combining these factors (and excluding units entering the market since 2000) results in an overall demand of 303 units within the LIHTC income range in 2006. It should be noted that the neighboring Stubbs Towers will be demolished in 2006. Currently, the 210-unit building has approximately 105 occupied apartments. A least a portion of those displaced tenants are likely to lease a unit at the subject proposal.

Calculations by individual bedroom size are also provided utilizing the same methodology. Therefore, it is estimated that a tax credit demand exists for 249 one-bedroom units and 198 for two-bedroom units. If PBRA is taken into consideration, the demand is 370 units for one-bedroom and 300 units for two-bedrooms. The estimated demand for market rate units is 140 units.

It is worth noting at this time that these demand calculations do not consider that the construction of a new rental facility typically generates interest above movership ratios typically observed. In this case, a new rental housing option for low-income households should receive a positive response due to high occupancy levels within existing properties as well as the lack of modern affordable rental alternatives locally. There will also be additional demand from displaced persons currently living in Stubbs Towers not accounted for in the above calculations.

Table 6.1: Demand Calculation – by AMI (2006)

2000 Total Occupied Households 60+	11,204					
2000 Owner-Occupied Households 60+	7,920					
2000 Renter-Occupied Households 60+	3,284					
		30%	50%	60%		Total
		AMI	AMI	AMI	PBRA	LIHTC
						Market
QUALIFIED-INCOME RANGE <i>(unduplicated)</i>						Rate
Minimum Annual Income		\$8,940	\$14,940	\$17,940	\$0	\$8,940
Maximum Annual Income		\$14,940	\$17,940	\$25,500	\$25,500	\$25,500
						\$40,000
DEMAND FROM NEW HOUSEHOLD GROWTH						
Renter Household Growth, 2000-2005		-94	-94	-94	-94	-94
Percent Income Qualified Renter Households		21.4%	8.0%	12.0%	73.2%	41.4%
Total Demand From New Households		(20)	(7)	(11)	(69)	(13)
DEMAND FROM EXISTING RENTER HOUSEHOLDS						
Percent of Renters in Substandard Housing		8.4%	8.4%	8.4%	8.4%	8.4%
Percent Income Qualified Renter Households		21.4%	8.0%	12.0%	73.2%	41.4%
Total Demand From Substandard Renter Households		59	22	33	201	114
Percent of Renters Rent-Overburdened		3.2%	3.2%	3.2%	3.2%	3.2%
Total Demand From Overburdened Renter Households		105	105	105	105	105
DEMAND FROM EXISTING OWNER HOUSEHOLDS						
Percent Owner Households		70.7%	70.7%	70.7%	70.7%	70.7%
Percent Turnover		5.0%	5.0%	5.0%	5.0%	5.0%
Percent Income Qualified		11.3%	5.8%	14.0%	42.4%	31.1%
Total Demand from Owner Households		45	23	56	168	123
Total Demand From Existing Households		209	150	194	474	342
TOTAL DEMAND		188	143	182	405	303
LESS: Total Comparable Units Constructed Since 2000		0	0	0	0	0
LESS: Total Comparable Units Proposed/Under Construction		0	0	0	0	0
TOTAL NET DEMAND		188	143	182	405	303
PROPOSED NUMBER OF UNITS		11	21	57	89	11
CAPTURE RATE		5.8%	14.7%	31.3%	22.0%	29.4%
Note: Totals may not sum due to rounding						
SOURCE: 1990/2000 U.S. Census of Population and Housing, U.S. Census Bureau 1999 American Housing Survey, U.S. Census Bureau and U.S. Department of Housing and Urban Development Claritas						

Table 6.2: Demand Calculation – by Bedroom (2006)

Unit Type	Income Targeting		Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Estimated Absorption	Avg. Market Rent	Proposed Rents
One-Bedroom Units	30%	AMI	11	83	0	83	13.2%	4 months	\$426	\$221
One-Bedroom Units	50%	AMI	21	37	0	37	56.1%	5 months	\$426	\$421
One-Bedroom Units	60%	AMI	41	77	0	77	53.1%	12 months	\$426	\$521
One-Bedroom Units		PBRA	73	370	0	370	19.7%	12 months	\$426	30%
One-Bedroom Units	Market	Rate	11	140	0	140	7.8%	6 months	\$426	\$625
One-Bedroom Units	Total	LIHTC	73	249	0	249	29.3%	12 months	\$426	
Two-Bedroom Units	60%	AMI	16	42	0	42	37.8%	4 months	\$560	\$628
Two-Bedroom Units	PBRA	AMI	16	300	0	300	5.3%	4 months	\$560	30%
Two-Bedroom Units	Total	LIHTC	16	198	0	198	8.1%	4 months	\$560	

Capture and Absorption Rates

From the LIHTC demand calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the subject property. Lower capture rates indicate generally deeper markets, thus reducing risk and hastening potential absorption periods.

An overall capture rate of 29.4 percent was determined based on the demand calculation (including renter household growth, existing renter households, substandard units, and excluding any comparable rental activity since 1999), providing an indication of the subject proposal's market depth within the Savannah PMA. It should be noted that the proposed project represents a reduction in the renter home stock available to elderly persons in Savannah. The actual capture rate is likely to be lower. If it is assumed that ½ of the current tenants of Stubbs Tower relocate to the subject proposal, the capture rate drops to 13 percent. As such, the capture rate provides a realistic indication of the subject's marketability, and should be considered as a positive factor.

Taking into consideration the seemingly stable occupancy rates throughout the Savannah PMA, relatively solid economic conditions, and the numerous modern amenities to be added to the proposal, an estimate of the overall absorption rate can be calculated at approximately eight to ten units per month, on average. The resulting absorption period to reach 93 percent occupancy would be ten to twelve months.

Evidence presented within the market study suggests a normal lease-up period should be anticipated based on project characteristics as proposed. Although population has been declining among older residents, projections indicate a slowing of these trends to stabilization. Additionally, the proposal represents a reduction in available stock for the Savannah PMA.

Section 7: SUPPLY ANALYSIS

Savannah Rental Market Characteristics

A survey of existing rental projects within the Savannah PMA was completed by Community Research Services in June 2004. Rental developments within the area that lease all or many of their units to elderly persons were contacted and questioned for information such as current rental rates, amenities, and vacancy levels. General survey results for the overall rental market are described below and are presented on the following pages, providing an indication of overall market conditions throughout the area.

Of the developments contacted, a total of 1,457 units were reviewed with the majority of units being one-bedroom. Among those rental facilities providing unit mix information during the survey, 3 percent were efficiencies, 83 percent were one-bedroom units, 9 percent were two-bedroom units, and 8 percent consisted of three or four-bedroom units. The facilities with three and four-bedroom units lease to both seniors and families.

The average year of construction for the facilities was 1977 – averaging roughly 27 years old, and reflective of a relatively aged rental stock. Among the developments contacted, one was constructed prior to 1970, seven were built in the 1970s, three were constructed in the 1980s, and two were developed in the 1990s. No new facilities targeted to seniors have been developed since 2000 in the PMA. According to survey results, all but one development lease their units within some kind of income restrictions. Of these, one was tax credit, five were HUD/LIHTC, three were HUD Section 8, one was HUD Section 236, and two were Public Housing.

Despite its composition of a large number of older rental developments, PMA occupancy levels discovered during the survey indicate that a relatively stable rental market exists within the Savannah area, regardless of age, rent levels, or unit mix. All but one of the developments were at least 93 percent occupied. The only facility to report a substantial number of vacancies was Stubbs Towers, a public housing facility. Stubbs Towers, which is adjacent to the proposed site, is scheduled to be demolished in 2005. As units become vacant, they are not being leased to new tenants. Consequently, the occupancy rate for Stubbs Tower is approximately 50 percent.

Eleven of the surveyed developments reported they are maintaining waiting lists. Occupancy levels appear to be stable, and are representative of generally positive rental market conditions throughout the immediate area.

Detailed survey results are illustrated in tables on the following pages. Overall, the average rent for a one-bedroom unit was calculated at \$426 per month with an average size of 712 square feet, resulting in an average rent per square foot ratio of \$0.60. The average rent for a two-bedroom unit was \$560 with an average size of 871 square feet (an average rent per square foot ratio of \$0.64).

Without taking PBRA into consideration, the proposed rental rates at 60 percent of AMI and market rate are higher than average for the market. It is difficult, however, to make a direct comparison because the majority of senior properties base tenants' rents on their incomes and therefore no rental rate is reported. The only LIHTC property with unsubsidized rents for all of its units is Sisters Court. Rents for one-bedroom units at that property range from \$350 to \$370 and rents for two-bedroom apartments range from \$410 to \$440. Just as with the market overall, the subjects proposed rents at 60 percent of AMI and market rate are higher. It is important to note that just like the vast majority of elderly-targeted rental options in the PMA, the subject will offer PBRA for nearly all of the units. In the Savannah senior housing market, the rental subsidies are vital for successful marketing of the property.

Overall, the most common amenities found within the market include coin-operated laundry (92 percent), coat closets (69 percent), central air conditioning (62 percent), and activities, entry security, garbage disposal, library, and emergency pullcord (all at 38 percent). In comparison, the subject proposal will offer, at minimum, central air conditioning, an equipped computer center, a community room, an exercise room, laundry hookups, dishwashers, entry security, garbage disposals, a library, and a theater. The inclusion of these features will clearly aid in the marketability of the proposed facility, and would undoubtedly give the subject proposal a distinct competitive advantage over most other local properties.

From a market standpoint, it is evident that sufficient demand is present for the

construction of the proposed development as an affordable rental alternative targeted to elderly persons. As such, the proposed rental rates, with PBRA, within the subject are well-suited for the Savannah marketplace by providing a newly updated rental option with modern amenities at an affordable price. Although there is adequate statistical demand for the proposed units without PBRA, realistically, the majority of interested tenants will utilize the rental assistance. In light of an occupancy rate calculated at over 98 percent for the overall market and an up to date product with the inclusion of a full suite of modern amenities, the subject should be absorbed into the local rental market within a normal period of time with no long-term adverse effects on existing local rental facilities – either affordable or market rate.

Building Permits

Year	Total	1 unit	2 units	3 or 4 units	5 or more	No. of Structures with 5 or more units
2002	2691	1980	22	17	672	48
2003	2526	2297	32	21	176	22

Source: U.S. Census Bureau

According to local officials, no rental housing targeted to elderly persons has been proposed or is under construction within the market area. According to Savannah officials, there are three LIHTC facilities under construction in the city. Ashley Oaks at Midtown, which was mentioned previously, is under construction adjacent to the proposed site to the north. The facility will consist of 168 two and three-bedroom apartments and townhouses, of which 67 will be subsidized, 67 will be leased within LIHTC restrictions, and 34 will be leased at market rates. Rental rates will range from \$530 to \$650 for two-bedroom units and \$775 for three-bedroom units. It is estimated that the units will enter the rental market in December 2004. Montgomery Landing is a property targeted to families that will consist of a total of 144 units (80 percent of the units will be LIHTC and the remaining 20 percent will lease at market rates). The development will be located west of the intersection of Florence Street and West 59th Street and is being developed by Paces Foundation. Ground breaking occurred recently and completion is expected to occur in early 2005. Finally, Mercy Housing is under development in the Cuyler-Brownsville area and will consist of approximately 70 LIHTC units targeted to families. Construction has not begun and no further information was available for this property.

A Rental Housing Market Study for Savannah, Georgia

Table 7.1: Rental Housing Survey

Project Name	Year	Total Units	Eff.	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom	Heat Included	Heat Type	Electric Included	Occupancy Rate	Senior Occupancy
CHATHAM APT	1951		0	0	0	0	0	No	ELE	No	97%	100%
SAVANNAH SUMMIT	1979	138	0	136	2	0	0	Yes	ELE	Yes	100%	100%
SISTERS COURT APT	1998	78	0	73	5	0	0	No	ELE	No	95%	100%
SNAP I	1970	100	0	28	29	38	3	No	GAS	No	98%	mix
SNAP II	1970	89	1	3	54	27	4	No	GAS	No	99%	mix
SNAP III	1970	44	0	0	10	12	22	No	GAS	No	100%	mix
ST. JOHN'S VILLA APT	1986	19	12	7	0	0	0	Yes	ELE	Yes	100%	100%
STILLWATER	1983	53	6	41	6	0	0	No	ELE	No	94%	mix
STILLWELL TOWERS	1972	211	0	210	1	0	0	Yes	GAS	No	100%	100%
STUBBS TOWER	1970	210	0	210	0	0	0	Yes	GAS	No	50%	100%
TELFAIR ARMS APT	1997	53	10	39	0	4	0	No	ELE	No	100%	100%
THE ROSE OF SHARON	1972	217	10	140	0	0	0	Yes	GAS	Yes	95%	100%
THE WOODS OF SAVANNAH	1972	94	0	94	0	0	0	Yes	GAS	No	100%	100%
WILLIAMS COURT APT	1980	151	0	136	15	0	0	Yes	GAS	Yes	100%	100%
Totals and Averages	1977	1,457	39 3%	1,117 83%	122 9%	81 6%	29 2%				98.2%	
Subject Project:	2006	100	0	84	16	0	0	No	ELE	No		

A Rental Housing Market Study for Savannah, Georgia

Table 7.2: Rent Range for 1 & 2 Bedrooms

Project Name	Subsidized	Program	Low Rent 1BR	High Rent 1BR	Low SQFT 1BR	High SQFT 1BR	Rent per Square Foot		Low Rent 2BR	High Rent 2BR	Low SQFT 2BR	High SQFT 2BR	Rent per Square Foot	
CHATHAM APT	No	HUD SEC 8												
SAVANNAH SUMMIT	Yes	HUD/LIHTC			538						842			
SISTERS COURT APT	No	LIHTC	\$350.00	\$370.00					\$410.00	\$440.00				
SNAP I	Yes	HUD/LIHTC			488	535					620	936		
SNAP II	Yes	HUD/LIHTC			481	779					859	1312		
SNAP III	Yes	HUD/LIHTC									794			
ST. JOHN'S VILLA APT	Yes	HUD SEC 8			500									
STILLWATER	No	CONV	\$594.00		576		\$1.03		\$685.00	\$704.00	864	864	\$0.79	\$0.81
STILLWELL TOWERS	Yes	PHA			600									
STUBBS TOWER	Yes	PHA			600									
TELFAIR ARMS APT	Yes	HUD/LIHTC												
THE ROSE OF SHARON	No	HUD SEC 236	\$361.00	\$456.00	575	575	\$0.63	\$0.79						
THE WOODS OF SAVANNAH	Yes	HUD SEC 8			640									
WILLIAMS COURT APT	Yes	HUD 202			575						750			
Totals and Averages				\$426		712		\$0.60		\$560		871		\$0.64
Subject Project:	Yes	LIHTC	\$221	\$625	662	662	\$0.33	\$0.94	\$628		900			\$0.70

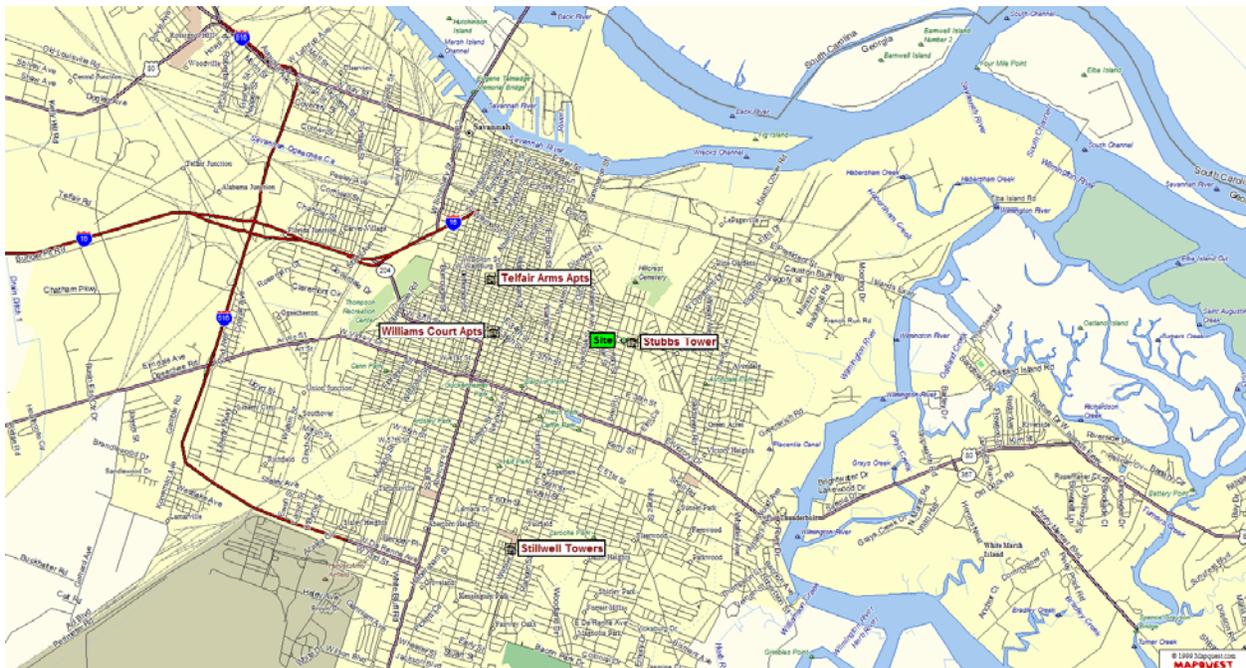
Table 7.4: Project Amenities

Project Name	Activities	Central Air	Coat Closet	Coin Op Laundry	Community Room	Dish Washer	Entry Security	Exercise Room	Garbage Disposal	Individual Entry	In-unit Laundry	Laundry Hookup	Library	Microwave	Mini Blinds	Patio/ Balcony	Emergency Pull Cord	Storage	Walk-in Closet	Wall Unit Air
SNAP I	No	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
TELFAIR ARMS APT	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	No	No	Yes	No	Yes	No	No	No
THE ROSE OF SHARON	Yes	Yes	No	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	No	No
STUBBS TOWER	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	No	No	No	Yes	No	No	No
SNAP III	No	Yes	Yes	No	No	No	No	No	No	Yes	No	Yes	No	No	No	No	No	No	No	No
SNAP II	No	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
ST. JOHN'S VILLA APT	No	No	No	Yes	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
SISTERS COURT APT	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	Yes	No	Yes	No	No	No
THE WOODS OF SAVANNAH	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	No	No	No	No	No	Yes	Yes	No	No	No
WILLIAMS COURT APT	Yes	Yes	No	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	No	No
CHATHAM APT	No	No	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	No	Yes	No	No	No	Yes	No
STILLWATER	No	No	Yes	Yes	No	No	No	No	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	No	Yes
SAVANNAH SUMMIT	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No
Totals and Averages	38%	62%	69%	92%	62%	15%	38%	0%	38%	15%	0%	15%	38%	0%	31%	15%	38%	0%	8%	8%
Subject Project:		Yes		Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes							

Comparable/Nearby Rental Projects – Savannah PMA

Following are individual descriptions of four rental developments within the Savannah area most comparable to the subject either by income targeting, age of project, or proximity to the subject property. Information is presented for one LIHTC/HUD Section 8 property, one HUD 202 property, and two public housing properties. Although public housing properties are not normally considered comparable, in this case they can be considered comparable because the Housing Authority of Savannah is a sponsor for the proposed development (i.e. the subject proposal is part of a local public housing replacement program). Potential tenants may consider other properties in the area but these properties were chosen due to their similarity in size or targeting to the subject proposal. These developments provide a more realistic indication of the market conditions facing the development of the proposed facility.

Map: Nearby/Comparable Rental Developments
Savannah PMA





Stillwell Towers was originally constructed in 1972. All 211 of its units are subsidized and tenants' rents are based on their incomes. The development is managed by the Housing Authority. Amenities at the facility are comparable to the subject, while unit sizes are somewhat smaller. Stillwell Towers does not offer two-bedroom units. The property is well-maintained and is adjacent to a hospital. Traffic in the area is extremely heavy and the neighborhood is primarily commercial.

Project Name: **STILLWELL TOWERS**
 Address: 5100 Waters Avenue
 Phone: (912) 235-5835

Year Built: 1972
 City: Savannah State: GA
 Zip: 31404

<i>Unit Type</i>	<i># of Units</i>	<i># Vacant</i>	<i>Square Feet</i>	<i>Rental Rate*</i>	<i>Occupancy %</i>
1BR	210	0	600	Income Based	100%
2BR	1	0	NA	Income Based	100%
3BR	0	--			
Total	211	0			100%

<i>Appliances</i>		<i>Project</i>		<i>Unit</i>		<i>Other Information</i>	
Refrigerator/Stove	X	Coin Op Laundry	X	Draperies	X	Heat Included	YES
Garbage Disposal		Clubhouse		Mini-blinds		Electricity Included	NO
Dishwasher	X	Swimming Pool		Walk-in Closet		Heat Type	GAS
Microwave		Playground		Fireplace			
Laundry Hook-up		Tennis Court		Patio/Balcony		# of Floors	18
In-Unit Laundry		Basketball Court		Central Air			
		Carport		Wall AC Unit	X	Percent Senior	100
		Garage		Storage		Subsidized	HSG AUTH
		Elevator	X	Individual Entry		Specials	NO



Stubbs Tower will be demolished in 2005 as part of the proposed project. It is presented here for comparison purposes. The subject proposal will offer larger one-bedroom units and will offer two-bedroom apartments not available at Stubbs Tower. Amenities at the subject proposal will be superior.

Project Name: **STUBBS TOWER**
 Address: 1301 Bee Road
 Phone: (912) 235-5830

Year Built: 1970
 City: Savannah State: GA
 Zip: 31404

<i>Unit Type</i>	<i># of Units</i>	<i># Vacant</i>	<i>Square Feet</i>	<i>Rental Rate</i>	<i>Occupancy %</i>
1BR	210	NA	600	Income Based	NA
2BR	0	NA	---		NA
3BR	0	--	---	---	---
Total	210	105*			50%

<i>Appliances</i>	<i>Project</i>	<i>Unit</i>	<i>Other Information</i>				
Refrigerator/Stove	X	Coin Op Laundry	X	Draperies	X	Heat Included	Yes
Garbage Disposal		Clubhouse		Mini-blinds		Electricity Included	No
Dishwasher		Swimming Pool	X	Walk-in Closet		Heat Type	GAS
Microwave		Playground		Fireplace			
Laundry Hook-up		Tennis Court		Patio/Balcony		# of Floors	15
In-Unit Laundry		Basketball Court		Central Air			
		Carport		Wall AC Unit		Percent Senior	100
		Garage		Storage		Subsidized	HSG AUTH
		Elevator		Individual Entry		Specials	NO

*Estimated. Vacancies are not being filled due to the planned demolition.

No Picture Available

Telfair Arms Apartments was rehabilitated in 1997. The property is similar to the subject in that it is an LIHTC property and all of the tenants' rents are subsidized (unlike the subject, there are no market rate units). Amenities offered are similar, although Telfair Arms does not have an exercise room or a computer center.

Project Name: **TELFAIR ARMS APTS**
 Address: 17 East Park Ave
 Phone: (912) 238-9899

Year Built: 1997 (Rehab)
 City: Savannah State: GA
 Zip: 31401

<i>Unit Type</i>	<i># of Units</i>	<i># Vacant</i>	<i>Square Feet</i>	<i>Rental Rate</i>	<i>Occupancy %</i>
EFF	10	0	NA	Income Based	100%
1BR	39	0	NA	Income Based	100%
2BR	0	0	---	---	---
3BR	4	0	NA	Income Based	100%
Total	53	0			100%

<i>Appliances</i>	<i>Project</i>	<i>Unit</i>	<i>Other Information</i>
Refrigerator/Stove	X	Coin Op Laundry X	Heat Included No
Garbage Disposal	X	Clubhouse	Electricity Included No
Dishwasher	X	Swimming Pool	Heat Type ELE
Microwave		Playground	
Laundry Hook-up		Tennis Court	# of Floors 4
In-Unit Laundry		Basketball Court	
		Carport	Percent Senior 100%
		Garage	Subsidized LIHTC/HUD SEC 8
		Elevator	Specials NO
		Draperies	
		Mini-blinds X	
		Walk-in Closet	
		Fireplace	
		Patio/Balcony X	
		Central Air X	
		Wall AC Unit	
		Storage	
		Individual Entry	



Williams Court was developed in 1980 and is a HUD 202 property. The property is located in roughly the same neighborhood as the subject. It is in excellent condition. The amenities offered by the subject proposal are superior to what is offered at Williams Court.

Project Name: **WILLIAMS COURT APTS**
 Address: 1900 Lincoln Street
 Phone: (912) 233-9344

Year Built: 1980
 City: Savannah State: GA
 Zip: 31401

<i>Unit Type</i>	<i># of Units</i>	<i># Vacant</i>	<i>Square Feet</i>	<i>Rental Rate</i>	<i>Occupancy %</i>
1BR	136	0	575	Income Based	100%
2BR	15	0	750	Income Based	100%
3BR	0	--	--	--	--
Total	151	0			100%

<i>Appliances</i>		<i>Project</i>		<i>Unit</i>		<i>Other Information</i>	
Refrigerator/Stove	X	Coin Op Laundry	X	Draperies	X	Heat Included	YES
Garbage Disposal		Clubhouse		Mini-blinds		Electricity Included	YES
Dishwasher		Swimming Pool		Walk-in Closet		Heat Type	ELE
Microwave		Playground		Fireplace			
Laundry Hook-up		Tennis Court		Patio/Balcony	X	# of Floors	8
In-Unit Laundry		Basketball Court		Central Air	X		
		Carport		Wall AC Unit		Percent Senior	100
		Garage		Storage		Subsidized	HUD 202
		Elevator		Individual Entry		Specials	NO

Section 8: INTERVIEWS

Throughout the course of performing this analysis of the Savannah rental market, many individuals were contacted. Based on discussions with city planning officials, no comparable developments are currently proposed or under construction. There are three family-targeted development that will utilize tax credits under construction. Martin Fretty of the Housing Department, was interviewed by phone at 912-651-6926 to obtain this information. During the course of the interview, he also indicated the city is in need of affordable housing within the city.

In addition, resident managers at local rental properties did not express any negative feelings regarding the strength or stability of the rental market. None of the properties contacted are offering any concessions or specials, indicating there is little or no difficulty locating qualified tenants when vacancies occur. Additional information was collected during these informal interviews with leasing agents and resident managers within the Savannah rental market as part of Community Research Services' survey of existing rental housing to collect more specific data. The results of these are compiled and presented within a previous section of the market study. The managers' contact information is listed below.

Property	Contact Name	Title	Phone Number
Savannah Summit	Tereasa	Manager	912-355-2566
Chatham Apts	Pam	Manager	912-236-1311
Sisters Court Apts	Sheila	Manager	912-232-2090
SNAP I,II, III	Ms. Maxwell	Manager	912-232-7284
St. Johns Villa Apts	George Martin	Manager	912-232-5176
Stillwater	Candy	Manager	912-354-1398
The Rose of Sharon	Alice Hudson	Manager	912-234-5417
The Woods of Savar	Linda Hallard	Manager	912-354-7053
Stillwell Towers	Erlene Davis	Deputy Executive Director	912-235-5835
Stubbs Tower	Unknown	Manager	912-235-5830
Telfair Arms Apts	Sheila	Manager	912-238-9899
Williams Court Apts	Alice Hudson	Manager	912-238-9344

According to the Housing Authority of Savannah, which administers Section 8 Vouchers for Chatham County, a total of 1,689 vouchers are available for the county as a whole. All vouchers are currently being utilized, and there are 1,500 names on the waiting list. The waiting list is currently closed. Gwen Mobley was contacted at 912-235-5844 for this information.

Section 9: CONCLUSIONS AND RECOMMENDATIONS

Based on the information collected within this study, sufficient evidence has been introduced for the successful construction of a rental facility targeted for elderly persons at the proposed site within the City of Savannah. Improving demographic patterns, positive economic trends, a stable rental market, and a solid statistical demand all support the construction of the subject proposal as a tax credit rental facility targeted for elderly households with low incomes. Additionally, the proposal should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Community Research Services can provide a positive recommendation for the facility with no reservations or conditions.

Section 10: SIGNED STATEMENT REQUIREMENTS

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area on June 24, 2004, and that information 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 demand 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.



Jamee L. Zielke
COMMUNITY RESEARCH SERVICES, LLC

Date: July 1, 2004

Section 11: BIBLIOGRAPHY

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1995-1999 American Housing Survey, U.S. Census Bureau and U.S. Department of Housing and Urban Development

2002/2008 Demographic Forecasts, Claritas Inc., Ithaca, NY

Thematic maps through ESRI ArcView, Version 3.3

Local roadway maps through Microsoft Streets and Trips 2004

Area Labor Statistics, 1985 – Present, U.S. Bureau of Labor Statistics and Georgia Department of Labor

Chatham County Area Labor Profile – Georgia Department of Labor

Savannah Economic Development Authority

Interviews with managers and leasing specialists, local rental developments

Interviews with city and county planning officials

Section 12: RESUME

JAMEE ZIELKE
COMMUNITY RESEARCH SERVICES, LLC

Ms. Zielke serves as a market analyst for Community Research Services (CRS). Services of CRS include market study preparation, pre-feasibility analysis, survey and focus group research, demographic and economic analysis, and geographic mapping.

Prior to working with CRS, Ms. Zielke was a market consultant for Community Research Group and provided the same services currently provided for CRS.

Previously, Ms. Zielke was an Information Analyst at EDS, a large information technology company locally based in Troy, Michigan. Ms. Zielke worked primarily on mainframe systems that supported the activities of the Warranty and Service Department of General Motors. Additionally, she analyzed warranty claim data to detect any patterns that may have existed. While at EDS, Ms. Zielke was also responsible for addressing customer's and fellow employee's needs regarding phones, voice mail and computers. These duties included testing and verifying the stability of new mainframe and PC applications.

Before EDS, Ms. Zielke taught seventh and eighth grade at a private middle school in the City of Detroit. Subjects taught included math, English, history, and religion. As a teacher, Ms. Zielke planned and presented lessons, assessed student performance, assisted in acceptance process for new students, and met with students' parents to discuss their progress.

A graduate of Michigan State University, Jamee graduated with a Bachelor of Arts degree in Mathematics with Teacher Certification, while also earning a minor in English.