Market Feasibility Analysis

Highland Trace Apartments

Dahlonega, Lumpkin County, Georgia

Prepared for:

John Huff Consultants, Inc.

Project # - 2015-2066

Effective Date: May 25, 2015

Site Inspection: May 25, 2015

National Council of Housing Market Analysts

AN AFFILIATE OF NATIONAL HOUSING & REHABILITATION ASSOCIATION

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EXECUTIVE SUMMARY

John Huff Consultants, Inc. has retained Real Property Research Group, Inc. (RPRG) to conduct a comprehensive market feasibility analysis of Highland Trace, a proposed general occupancy rental community in Dahlonega, Lumpkin County, Georgia. As proposed, Highland Trace will be financed in part with nine percent Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA). The subject property will contain 80 total rental units including 79 LIHTC units reserved for households earning at or below 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. The community will include one non-revenue managers unit.

1. **Project Description**

- Highland Trace will be located on the west side of South Chestatee Street, south of downtown Dahlonega. The subject site is located outside the city limits of Dahlonega. The subject property will offer 79 LIHTC units and one non-revenue managers unit.

- Highland Trace will offer 16 one-bedroom units with a weighted average of 820 square feet, 40 two-bedroom units with a weighted average of 1,054 square feet, and 24 three-bedroom units with a weighted average of 1,218 square feet.

- A detailed summary of the subject property, including the rent and unit configuration, is shown in the table below.

Highland Trace							
S Chestatee Street							
Dahlonega, Lumpkin County, Georgia							
Unit Mix/Rents							
Bed	Bath	Income Target	Size (sqft)	Quantity	Gross Rent	Utility	Net Rent
1	1	50%	820	4	$526	$163	$363
1	1	60%	820	12	$634	$163	$471
2	2	50%	1,054	8	$635	$207	$428
2	2	60%	1,054	31	$745	$207	$538
3	2	50%	1,218	4	$735	$257	$478
3	2	60%	1,218	20	$885	$257	$628
2	2	Manager	1,054	1	-	-	-
Total				80			

Rents include trash removal.

- In-unit features offered at the subject property will include a range, a refrigerator, a dishwasher, a microwave, washer/dryer in each unit, and a patio/balcony. These unit features are superior to the surveyed communities inside and outside the market area including LIHTC communities.

- Highland Trace's community amenity package will include a clubhouse/ community room, a business/computer center, a playground, and an exterior gathering area with a gazebo. Amenities offered at the subject property are comparable to Golden Hills, the only LIHTC community in the market area.

2. Site Description / Evaluation

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has access to amenities, services, and transportation arteries.

- The site for Highland Trace is located in an established residential neighborhood south of downtown Dahlonega. The site is located outside the city limits of Dahlonega. Single-family detached homes are common within one-half mile of the site.

- The site is located within two miles of many community amenities and services in Dahlonega. In addition, the site is located within four miles of Georgia 400, a major regional thoroughfare, providing access to the Atlanta Metro Area.

- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace.

3. Market Area Definition

- The Highland Trace Market Area is comprised of the five census tracts in Lumpkin County including Dahlonega. As the county's residential and commercial make-up is relatively homogenous, we used the entire county as the primary market area.   Most areas of the market area are easily accessible via several State and U.S. Highways. Census tracts in the counties surrounding Lumpkin County were not included in the Highland Trace Market Area due to distance from the site. Furthermore, the more rural counties are considered separate markets and Dawson County is considered more exurban given its location along Georgia 400.

- The boundaries of the Highland Trace Market Area and their approximate distance from the subject site are Union County to the north (14.4 miles), White County/Hall County to the east (7.9 miles), Dawson County/Hall County to the south (6.6 miles), and Dawson County to the west (11.3 miles).

4. Community Demographic Data

The Highland Trace Market Area has experienced steady population and household growth since 2000, a trend projected to continue over the next couple of years.

- The Highland Trace Market Area added 898 people (3.6 percent) and 346 households (3.9 percent) per year between the 2000 and 2010 Census Counts. This trend continued, albeit at a slower pace from 2010 to 2015, as the county's population and household base grew at annual rates of 0.5 percent and 0.3 percent, respectively.

- From 2015 to 2017, Esri projects the Highland Trace Market Area's population will increase by 156 people (0.5 percent) and 42 households (0.4 percent) per year.

- Adults age 35-61 comprise the largest percentage of the population in in the market area at 32.5 percent compared to 34.5 percent in the Bi-County Market Area. Roughly 49 percent of the market area's population is under the age of 35 including 25.5 percent under the age of 20. Approximately 19 percent of the population is 62 or older compared to 20 percent in the Bi-County Market Area.

- Roughly 47 percent of all households in the Highland Trace Market Area contain at least two people but no children and 31.1 percent have children. Single persons account for 22.2 percent of all market area households.

- The Highland Trace Market Area's renter percentage was 29.7 percent in 2010 which increased to 31.7 percent in 2015. The market area's renter percentage is expected to increase to 32.4 percent in 2017.

- Young households form the core of the market area's renters, as roughly 44 percent of all renter householders are under 35 years old. Within this age segment, renters age 25 to 34 account for the single largest percentage of renter householders in the Highland Trace Market Area at 25.6 percent. Approximately 30 percent of renter households 35 to 54 years old and 25.7 percent are age 55 or older.

- As of 2010, 56.8 percent of all renter households in the Highland Trace Market Area contained one or two persons including 27.4 percent with one person. Households with three or four persons accounted for 32.7 percent of renter households and large households (5+ persons) accounted for 10.5 percent of renter households.

- The 2015 median income of households in the Highland Trace Market Area is $47,270, 9.0 percent lower than the Bi-County Market Area median household income of $51,942. RPRG estimates that the median income of renter households in the Highland Trace Market Area is $28,911. Approximately 46 percent of renters earn less than $25,000 including 24.8 percent earning less than $15,000. Roughly 29 percent earn between $25,000 and $49,999.

5. **Economic Data**

Lumpkin County's economy is growing with At-Place-Employment at an all-time high and an unemployment rate below state and national levels.

- Following a recession high of 11.7 percent in 2009, Lumpkin County's unemployment rate has decreased in each of the past five years reaching a six year low of 6.6 percent in 2014. The unemployment rate has continued to drop to 5.6 percent in the first quarter of 2015, compared to 6.3 percent in Georgia and 5.8 percent in the nation.

- Lumpkin County's At-Place Employment grew by 12.4 percent from 2000 to 2013, adding a net total of 717 jobs. After losing 592 jobs from 2008 to 2010, the county recouped all losses by adding 687 net jobs from 2011 to 2014 (Q3). The At-Place-Employment total in the third quarter of 2014 of 6,682 jobs eclipses the pre-recession peak in 2007.

- Government is the largest sector in the county accounting for 31.5 percent of all jobs compared to 15.4 percent in the nation. Trade-Transportation-Utilities and Leisure-Hospitality are the next two largest employment sectors.

- The subject site is convenient to all major employers in the county via numerous highways intersecting Dahlonega. The site is located within seven miles of the county's major employers.

- Downtown Dahlonega has seen $47 million of private and public investment, adding 57 new businesses, 29 expanded businesses, and 176 new jobs over the past seven years.

6. **Project Specific Affordability and Demand Analysis:**

- Highland Trace will contain 80 general occupancy rental units including 16 one-bedroom units, 40 two-bedroom units, and 24 three-bedroom units. Seventy-nine proposed units will target households earning up to 50 percent and 60 percent of the AMI. One non-revenue two-bedroom managers unit is not included in the affordability analysis.

- The 50 percent units will target renter householders earning between $18,034 and $31,200. The 16 proposed units at 50 percent AMI would need to capture 2.2 percent of the 722 income qualified renter households in order to lease-up.

- The 60 percent units will target renter householders earning between $21,737 and $37,440. The 63 proposed units at 60 percent AMI would need to capture 9.0 percent of the 700 income qualified renter households in order to lease-up.

- The overall affordability capture rate for the project is 8.2 percent.

- All affordability capture rates are within reasonable and achievable levels for a general occupancy community. The capture rate for the two bedroom 60 percent AMI units is elevated; however; this capture rate is considered acceptable given limited competition exists in the market area.

- Based on DCA methodology, total net demand for the 79 LIHTC units proposed in the Highland Trace Market Area is 504 households, resulting in a capture rate of 15.7 percent. Capture rates by income level are 4.1 percent for 50 percent units and 17.6 percent for 60 percent AMI units. Highland Trace's capture rates by floor plan range from 2.3 percent to 28.6 percent.

- All demand capture rates are below DCA's mandated threshold of 35 percent for a rural county and indicate sufficient demand to support the proposed Highland Trace.

7. Competitive Rental Analysis

RPRG surveyed five multi-family rental communities, one (Golden Hills) located in the Highland Trace Market Area and four located outside of the market area in Dawsonville. At the time of our survey, surveyed rental communities were performing very well with no vacancies.

- Golden Hills, the only LIHTC community in the market area, was fully occupied with a waiting list. The four communities outside the market area combine for 409 units and no vacant units; Farmington Woods, a LIHTC community, reported a waiting list.

- Among the five rental communities surveyed (the lone community in the market area, Golden Hills, only offers three bedroom units without deep subsidies), net rents, unit sizes, and rents per square foot were as follows:

  - **One-bedroom** effective rents outside of the market area averaged $647 per month with an average unit size of 747 square feet, resulting in a net rent per square foot of $0.87.

  - **Two-bedroom** effective rents outside of the market area averaged $735 per month with an average unit size of 1,009 square feet, resulting in a net rent per square foot of $0.73.

  - **Three-bedroom** effective rent at Golden Hills was $650 with a unit size of 1,370 square feet for a rent per square foot of $0.47. Three bedroom effective rents outside of the market area averaged $885 per month with an average unit size of 1,317 square feet, resulting in a net rent per square foot of $0.67.

- The average rents for scattered site rentals were $812 for one-bedroom units, $767 for two-bedroom units, and $1,130 for three-bedroom units. The one bedroom average is higher than the two bedroom average due to less diversity among units; one bedroom units were found at slightly higher end properties.

- The "average market rent" among market rate units in the market area is $812 for one bedroom units, $767 for two bedroom units, and $1,130 for three bedroom units. The

subject property's proposed rents are all well below these average market rents with rent advantages ranging from 29.9 percent to 57.7 percent.

- The only rental communities identified in the market area's development pipeline are student oriented, which are not considered directly comparable to the proposed units.

8. Absorption/Stabilization Estimate

- Based on the product to be constructed and the factors discussed above, we expect Highland Trace to lease-up at a rate of 12 units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within approximately six months.

- Given the limited rental options in the Highland Trace Market Area and projected household growth over the next couple of years, we do not expect Highland Trace to have negative impact on existing rental communities in the Highland Trace Market Area including those with tax credits.

9. Overall Conclusion / Recommendation

Based on household growth, acceptable affordability and demand capture rates, and limited rental options in the market area including one LIHTC community that is fully occupied with a waiting list, sufficient demand exists to support the proposed units at Highland Trace. As such, RPRG believes that the proposed Highland Trace will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with the existing LIHTC community (Golden Hills) in the Highland Trace Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

We do not believe that the proposed development of Highland Trace will have a negative impact on the existing LIHTC communities in the market area.

10. DCA Summary Table:

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
50% Units	**$18,034 - $31,200**										
One Bedroom Units	$18,034 - $22,500	4	9.0%	177	0	177	2.3%	1-2 months	$812	$645-$895	$363
Two Bedroom Units	$22,501 - $25,500	8	5.5%	109	0	109	7.4%	2-3 months	$767	$549-$1,200	$428
Three Bedroom Units	$25,501 - $31,200	4	5.6%	109	0	109	3.7%	1-2 months	$1,130	$1,095-$1,200	$478
60% Units	**$21,737 - $37,440**										
One Bedroom Units	$21,737 - $25,550	12	7.1%	140	0	140	8.6%	2-3 months	$812	$645-$895	$471
Two Bedroom Units	$25,551 - $31,200	31	5.5%	108	0	108	28.6%	6 months	$767	$549-$1,200	$538
Three Bedroom Units	$31,201 - $37,440	20	6.8%	134	25	109	18.3%	4-5 months	$1,130	$1,095-$1,200	$628
Project Total	**$18,034 - $37,440**										
50% Units	$18,034 - $31,200	16	20.1%	395	0	395	4.1%	2-3 months			
60% Units	$21,737 - $37,440	63	19.5%	383	25	358	17.6%	6 months			
Total Units	$18,034 - $37,440	79	26.9%	529	25	504	15.7%	6 months			

SUMMARY TABLE:			
Development Name:	Highland Trace	Total # Units:	80
Location:	South Chestatee Street, Dahlonega, Lumpkin County, GA	# LIHTC Units:	**79**
PMA Boundary:	North: Union County, East: White County/Hall County, South: Dawson County/Hall County, West: Dawson County		
		Farthest Boundary Distance to Subject:	14.4 miles

RENTAL HOUSING STOCK – (found on pages 5, 34, 38)				
Type	**# Properties**	**Total Units**	**Vacant Units**	**Average Occupancy***
All Rental Housing	5	478	0	100.0%
Market-Rate Housing	3	337	0	100.0%
Assisted/Subsidized Housing not to include LIHTC				
LIHTC	2	141	0	100.0%
Stabilized Comps	5	478	0	100.0%
Properties in construction & lease up				

Surveyed communities located inside and outside the market area are included (only one surveyed community is located inside the market area)

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent*	
# Units	**# Bedrooms**	**# Baths**	**Size (SF)**	**Proposed Tenant Rent**	**Per Unit**	**Per SF**	**Advantage**	**Per Unit**	**Per SF**
4	1	1	820	**$363**	$812	$0.99	55.3%	$864	$1.14
12	1	1	820	**$471**	$812	$0.99	42.0%	$864	$1.14
8	2	2	1,054	**$428**	$767	$0.73	44.2%	$1,029	$0.90
31	2	2	1,054	**$538**	$767	$0.73	29.9%	$1,029	$0.90
4	3	2	1,218	**$478**	$1,130	$0.93	57.7%	$1,229	$0.89
20	3	2	1,218	**$628**	$1,130	$0.93	44.4%	$1,229	$0.89
1	2	2	1,054	**Manager**	$767	$0.73	N/A	$1,029	$0.90

Highest Unadjusted Comp Rent came from inside and outside the market area (only one surveyed community is located inside the market area)*

DEMOGRAPHIC DATA (found on pages 27, 47)						
	2012		**2015**		**2017**	
Renter Households	3,403	30.8%	3,549	31.7%	3,647	32.4%
Income-Qualified Renter HHs (LIHTC)	1,079	31.7%	986	27.8%	951	26.1%
Income-Qualified Renter HHs (MR)						

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 49)						
Type of Demand	**50%**	**60%**				**Overall**
Renter Household Growth	8	8				11
Existing Households (Overburd + Substand)	387	375				519
Homeowner Conversion (Seniors)						
Secondary Market Demand (10%)						
Total Primary Market Demand	**395**	**383**				**529**
Less Comparable/Competitive Supply	0	25				25
Adjusted Income-qualified Renter HHs	**395**	**358**				**504**

Demand estimates calculated without PBRA on any units

CAPTURE RATES (found on page 49)						
Targeted Population	**50%**	**60%**				**Overall**
Capture Rate	**4.1%**	**17.6%**				**15.7%**

1. INTRODUCTION

A. Overview of Subject

The subject of this report is Highland Trace, a proposed multi-family rental community in Dahlonega, Lumpkin County, Georgia. Highland Trace will be newly constructed and financed in part by Low Income Housing Tax Credits (LIHTC) allocated by the Georgia Department of Community Affairs (DCA). Upon completion, Highland Trace will contain 80 total rental units including 79 LIHTC units reserved for households earning at or below 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. The community will include one non-revenue managers unit.

B. Purpose of Report

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability analysis.

C. Format of Report

The report format is comprehensive and conforms to DCA's 2015 Market Study Manual. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is John Huff Consultants, Inc.. Along with the Client, the Intended Users are DCA, potential lenders, and investors.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- DCA's 2015 Market Study Manual.
- The National Council of Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Index.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 5 and 6 for a detailed list of DCA and NCHMA requirements as well as the corresponding pages of requirements within the report.

- Brett Welborn (Analyst) conducted a site visit on May 25, 2015.

- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Chris Head with the Dahlonega Planning and Zoning department, Jeff Smith with the Lumpkin County Planning department, and staff with the Dahlonega Housing Authority.

- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

2. PROJECT DESCRIPTION

A. Project Overview

Highland Trace will be located on the west side of South Chestatee Street, south of its intersection with Crown Mountain Drive, just over one mile south of downtown Dahlonega. The subject site is located outside the city limits of Dahlonega. The subject property will comprise 80 general occupancy rental units including 16 units targeting householders earning up to 50 percent of the Area Median Income (AMI) and 63 units targeting householders earning up to 60 percent AMI. In addition to the 79 LIHTC units, one unit will be a non-revenue unit intended for the property manager.

B. Project Type and Target Market

Highland Trace will target low to moderate income renter households. Given the proposed unit mix of one, two, and three bedroom floor plans, potential renter household types include singles, roommates, couples, and families.

C. Building Types and Placement

Highland Trace will comprise ten newly constructed residential buildings, all of which will be two-story and garden-style with brick and HardiPlank siding exteriors. The residential buildings will be located on a single site with parking located along the community's access road as well as parking lots located adjacent to the residential buildings.   The subject property will be accessible via an entrance on South Chestatee Street and the community building and the majority of community amenities will be located near the entrance (Figure 1).

D. Detailed Project Description

1. Project Description

- Highland Trace will offer 16 one-bedroom units, 40 two-bedroom units, and 24 three-bedroom units. One two-bedroom unit will be a managers unit.
- Proposed weighted average unit sizes are 820 square feet for one-bedroom units, 1,054 square feet for two-bedroom units, and 1,218 square feet for three-bedroom units (Table 1).
- One bedroom units will have one bathroom; two and three bedroom units will have two bathrooms.
- Proposed rents will include the cost of trash removal. Tenants will bear the cost of all other utilities. All appliances and the heating/cooling for each unit will be electric.

The following **unit features** are planned:
- Kitchens with a refrigerator, oven/range, dishwasher, and microwave
- Central heating and air-conditioning
- Patio or balcony
- Window blinds
- Washer and dryer in unit

The following **community amenities** are planned:
- Community room
- Playground

- Business/computer center
- Exterior gathering area with a gazebo

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Highland Trace is expected to begin construction in June 2016 and will be completed in August 2017. For the purposes of this report, the subject property's anticipated placed-in-service year is 2017.

Figure 1 Highland Trace Site Plan
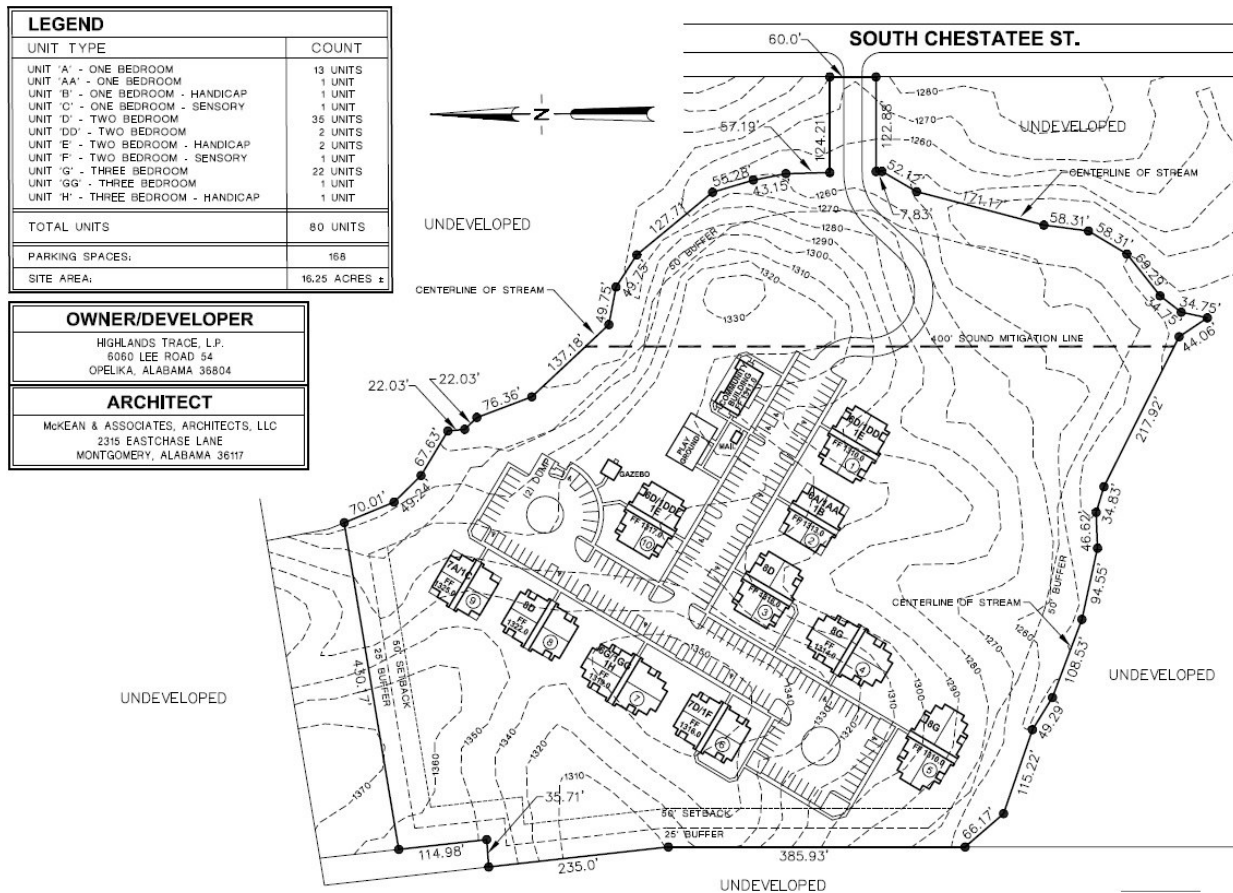
Source: John Huff Consultants, Inc.

Table 1 Highland Trace Detailed Project Summary

Highland Trace S Chestatee Street Dahlonega, Lumpkin County, Georgia							
Unit Mix/Rents							
Bed	**Bath**	**Income Target**	**Size (sqft)**	**Quantity**	**Gross Rent**	**Utility**	**Net Rent**
1	1	50%	820	4	$526	$163	$363
1	1	60%	820	12	$634	$163	$471
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3	2	50%	1,218	4	$735	$257	$478
3	2	60%	1,218	20	$885	$257	$628
2	2	Manager	1,054	1	-	-	-
Total				**80**			

Rents include trash removal.

Project Information			Additional Information	
Number of Residential Buildings	10		**Construction Start Date**	6/1/2016
Building Type	Garden		**Date of First Move-In**	9/15/2017
Number of Stories	Two		**Construction Finish Date**	8/31/2017
Construction Type	New Const.		**Parking Type**	Surface
Design Characteristics (exterior)	Brick and HardiPlank		**Parking Cost**	None
Community Amenities	Community room, business/computer center, playground, exterior gathering area with gazebo		**Kitchen Amenities**	
			Dishwasher	Yes
			Disposal	No
			Microwave	Yes
			Range	Yes
			Refrigerator	Yes
Unit Features	Refrigerator, stove, dishwasher, microwave, either patio or balcony, washer/dryer in each unit, central heating and cooling, window blinds		**Utilities Included**	
			Water/Sewer	Tenant
			Trash	Owner
			Heat	Tenant
			Heat Source	Elec
			Hot/Water	Tenant
			Electricity	Tenant
			Other:	

Source: John Huff Consultants, Inc.

3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is located on the west side of South Chestatee Street (State Highway 60), in southern Dahlonega, Lumpkin County, Georgia (Map 1, Figure 2). The subject site is located outside the city limits of Dahlonega.

2. Existing Uses

The subject site is wooded and includes no existing structures (Figure 3).

3. Size, Shape, and Topography

The subject site is irregular shaped, is comprised of 16.25 acres, and slopes sharply down from South Chestatee Street before sloping up towards the west.

4. General Description of Land Uses Surrounding the Subject Site

The site for Highland Trace is located in an established residential neighborhood in Dahlonega with a mix of surrounding land uses. The site is located along South Chestatee Street (Highway 60), a thoroughfare with a number of commercial uses which increase in density the closer one gets to downtown Dahlonega. Land uses in close proximity to the subject site include single-family detached homes, undeveloped land, a Pizza Hut, medical facilities, a car repair shop, and a church (The Church at Dahlonega) (Figure 4). The predominant residential use within one-half mile of the site is single-family detached homes which are well maintained.

5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses bordering the subject site are as follows (Figure 4):

- **North:** Undeveloped land, a Pizza Hut, The Church at Dahlonega, and medical facilities.
- **East:** Single-family detached homes and undeveloped land.
- **South:** Undeveloped land and a car repair shop (Your Repair and Service Center).
- **West:** Single-family detached homes and undeveloped land.

Map 1 Site Location
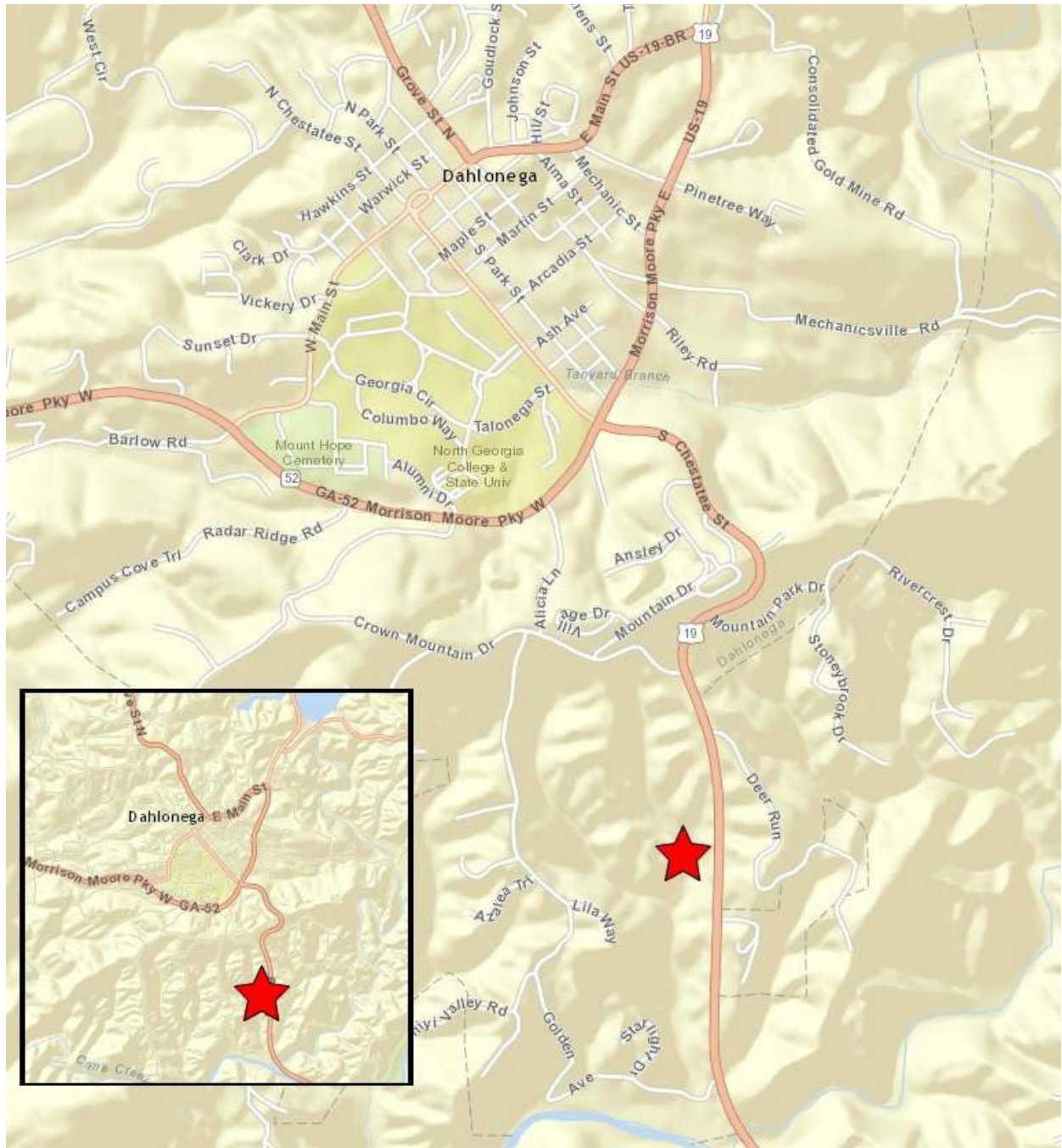
Figure 2 Satellite Image of Subject Site
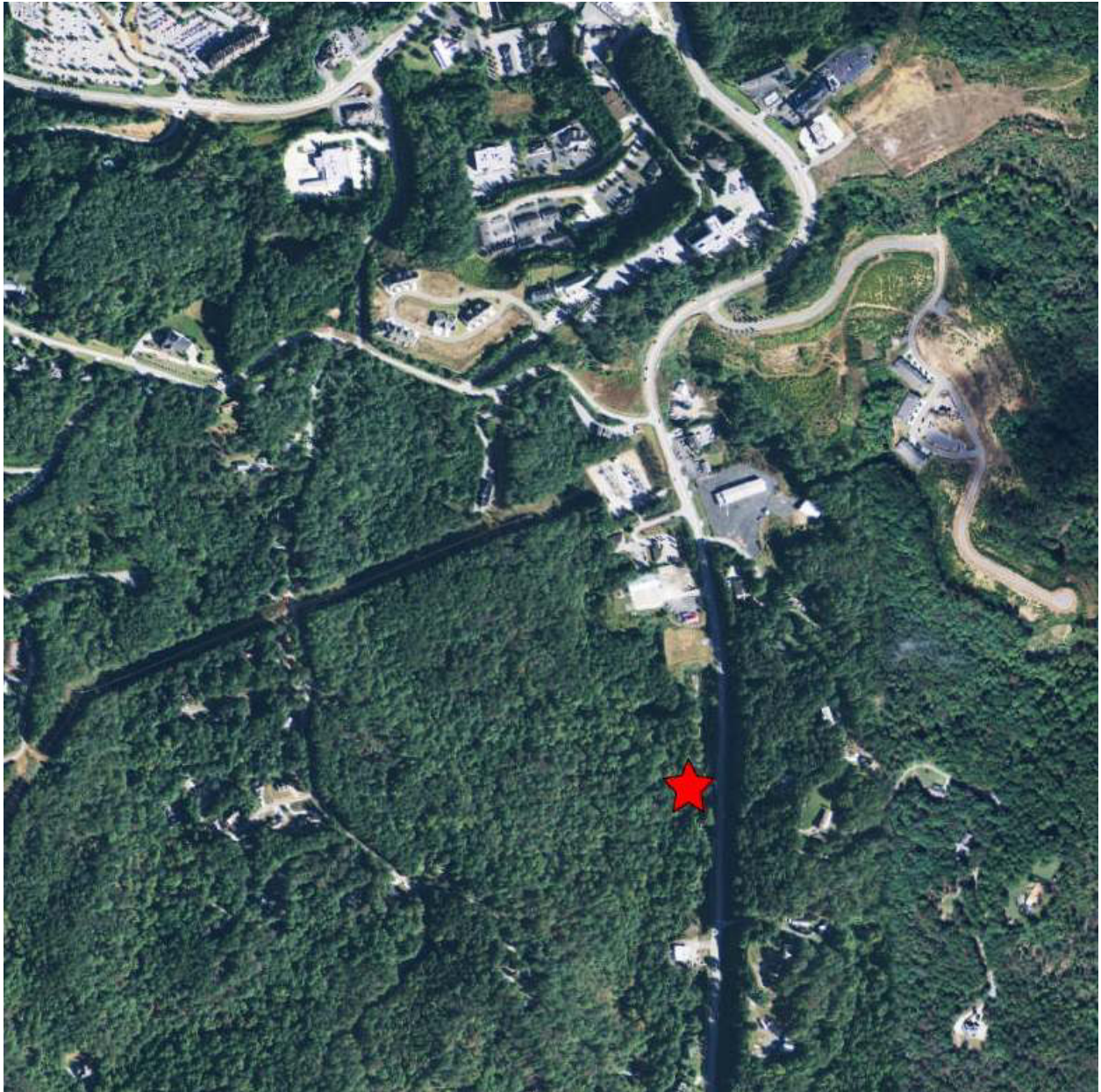
Figure 3 Views of Subject Site

Site facing southwest from the northeastern corner of the site

South Chestatee Street facing south (site on the right)

Site facing west from South Chestatee Street

South Chestatee Street facing north (site on the left)

Site facing northwest from the southeastern corner of the site

Site facing northwest from South Chestatee Street

Figure 4 Views of Surrounding Land Uses

Your Repair & Service Center to the south

Undeveloped land to the north

Pizza Hut to the north

The Church at Dahlonega to the north

Single-family detached home to the east on Deer Run

Single-family detached home to the west on Golden Avenue

B. Neighborhood Analysis

1. General Description of Neighborhood

Highland Trace will be located in Dahlonega, a modest sized city in the North Georgia Mountains approximately 65 miles northeast of downtown Atlanta. Dahlonega is home to the University of North Georgia, which has an enrollment of approximately 6,700 students. Downtown Dahlonega which offers shopping, restaurants, and entertainment is located approximately one mile north of the site. Student housing is very common in and around the city as are single-family detached homes; Dahlonega supports few multi-family apartments not targeting students. The site's immediate neighborhood is established yet less dense than most areas closer to downtown and the University of North Georgia. Surrounding land uses are mixed including single-family detached homes and commercial uses located along South Chestatee Street (Highway 60). The Chestatee River, located roughly one-half mile south of the site, is a major tourism destination with numerous options for outdoor recreation.

2. Neighborhood Planning Activities

Several student housing communities have been approved or are under construction in the Highland Trace Market Area. Bellamy Student Housing is under construction on State Highway 52 approximately one mile northwest of the site including 150 three, four, or five bedroom units. In addition, a 48-unit student living community has been approved on Happy Hollow Road and The University of North Georgia has been approved to build student living units with up to 500 beds across from the dining hall near campus.

3. Public Safety

CrimeRisk data is an analysis tool for crime provided by Applied Geographic Solutions (AGS). CrimeRisk is a block-group level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the block group level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

Map 2 displays the 2014 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The subject site's census tract and all census tracts in the region surrounding Dahlonega are yellow, indicating they have a below average crime risk (under 100) compared to the nation (100). Based on this data and our field work and analysis, we do not expect crime or the perception of crime to negatively impact the subject property's marketability.

Map 2 2014 CrimeRisk, Subject Site and Surrounding Areas
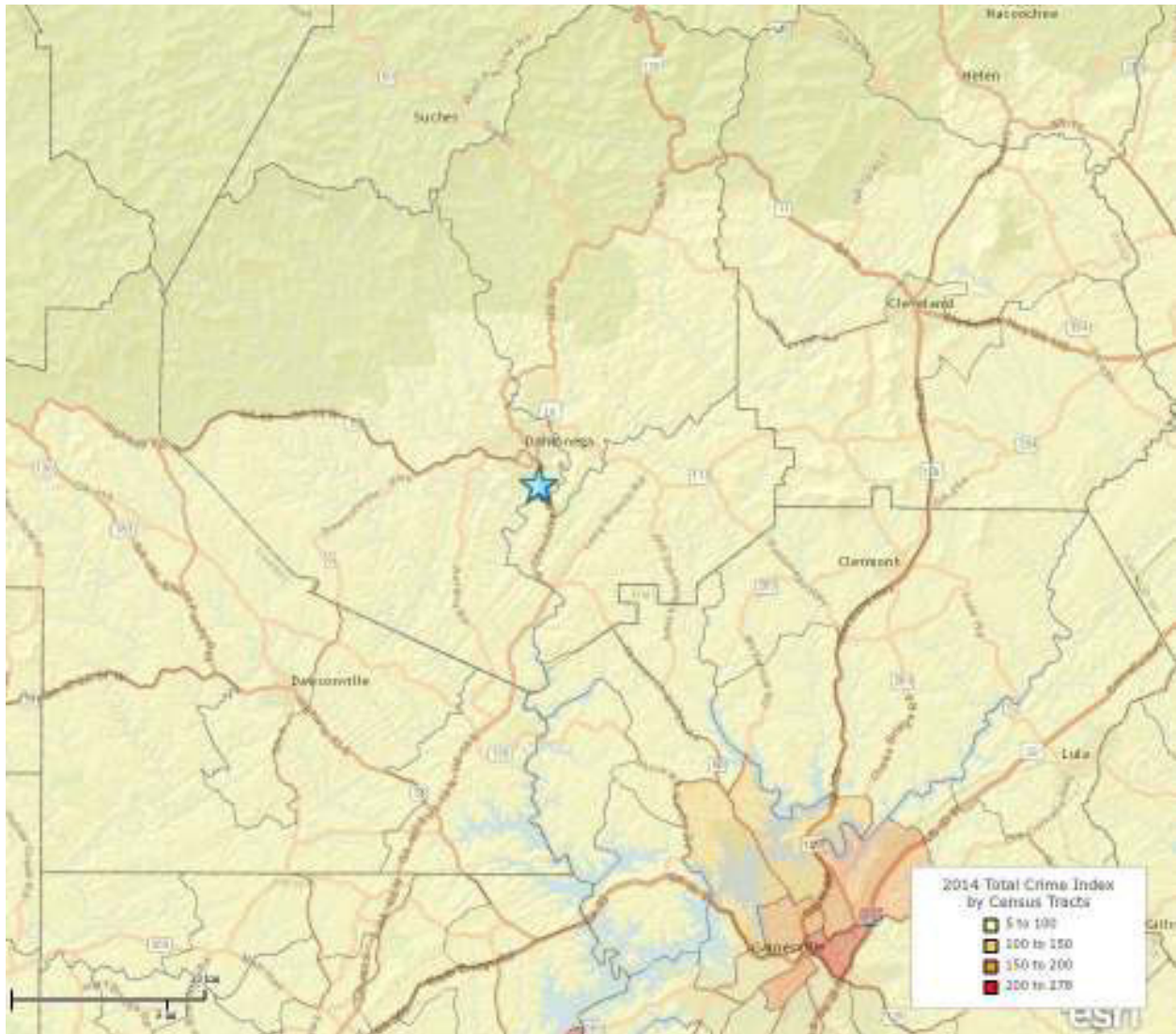
C. Site Visibility and Accessibility

1.   Visibility

Highland Trace will benefit from good visibility along South Chestatee Street (Highway 60), which has steady traffic.

2.   Vehicular Access

Highland Trace's entrance will be on South Chestatee Street (Highway 60) which has steady traffic in front of the site. With turning lanes and sufficient traffic breaks on Chestatee Street, problems with ingress or egress are not anticipated.

3.   Availability of Public Transit and Inter-Regional Transit

The subject site is served by Lumpkin County Transit, which offers demand response transportation. Fixed route service is not available in Dahlonega.

Dahlonega is located roughly five miles north of the terminus of Georgia 400, a major regional thoroughfare providing access to Atlanta and the Atlanta Metro Area to the southwest; Georgia 400 provides access to all major interstates in Atlanta via Interstate 285. Dahlonega is also served by State Highways 52 and 60, which provide connections to smaller communities through the north Georgia region.

Hartsfield-Jackson International Airport, the closest passenger airport in the region, is roughly 75 miles southwest of the subject site via Georgia 400 to Interstate 75/85.

4. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. Through this research, no major roadway improvements were identified that would have a direct impact on this market.

Transit and Other Improvements under Construction and/or Planned

None identified.

5. Environmental Concerns

No visible environmental or other site concerns were identified.

D. Residential Support Network

6. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part on its proximity to those facilities and services required on a daily basis. Key facilities and services and their distances from the subject site are listed in Table 2. The location of those facilities is plotted on Map 3.

7. Essential Services

Health Care

Chestatee Regional Hospital is the closest hospital to the subject site. This 49-bed medical center offers a wide range of services including emergency medicine and general medical care. Chestatee Regional Hospital is located on Mountain Drive, 0.7 mile north of the site.

Outside of this major healthcare provider, a couple of smaller medical facilities are located in close proximity to Highland Trace. Foothills Family Medicine and Dahlonega Family Practice are located 0.2 mile and 0.9 mile from the site, respectively.

Education

The subject property will be served by the Lumpkin County Schools District, which includes five schools and has an approximate enrollment of 4,000 students. School age children residing at the subject property will attend Lumpkin County Elementary School (2.8 miles), Lumpkin County Middle School (2.7 miles), and Lumpkin County High School (3.9 miles).

The University of North Georgia is located in Dahlonega with an enrollment of approximately 6,700 students. It is a major influence on the city of Dahlonega.

Table 2 Key Facilities and Services

Establishment	Type	Address	Driving Distance
Foothills Family Medicine	Doctor/Medical	1300 S Chestatee	0.2 mile
The Cupboard	Convenience Store	891 S Chestatee St.	0.6 mile
Chestatee Regional Hospital	Hospital	227 Mountian Dr.	0.7 mile
Mullins Pharmacy	Pharmacy	24 Alicia Ln.	0.8 mile
Post Office	Post Office	72 Alicia Ln.	0.8 mile
United Community Bank	Bank	227 Mountian Dr.	0.8 mile
Dahlonega Family Practice	Doctor/Medical	59 Tipton Dr.	0.9 mile
Madeleine K. Anthony Park	Public Park	S Chestatee St. & Morrison Moore Pkwy.	1 mile
Lumpkin County Parks and Recreation	Community Center	365 Riley Rd.	1.3 miles
Lumpkin County Fire Dept.	Fire	557 Pinetree Way	1.4 miles
Dollar General	General Retail	473 Morrison Moore Pkwy. E	1.5 miles
Fresh 'n Frugal	Grocery	406 E Main St.	1.7 miles
Dahlonega Police Dept.	Police	385 E Main St.	1.7 miles
Lumpkin County Library	Library	342 Courthouse Hill	1.7 miles
Walmart	General Retail	270 Walmart Way	1.8 miles
Lumpkin County Middle School	Public School	44 School Dr.	2.7 miles
Lumpkin County Elementary School	Public School	153 School Dr.	2.8 miles
Lumpkin County High School	Public School	2001 Indian Dr.	3.9 miles

Source: Field and Internet Survey, RPRG, Inc.

Map 3 Location of Key Facilities and Services
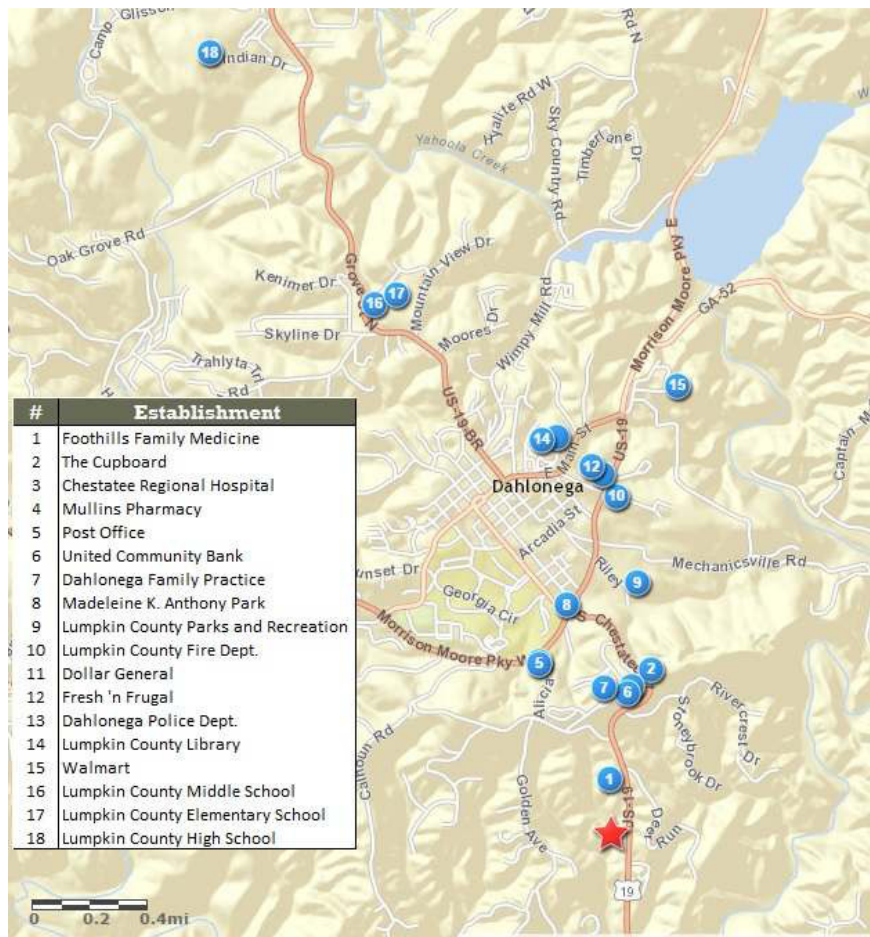
8. **Commercial Goods and Services**

Convenience Goods

The term "convenience goods" refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

Highland Trace is located within two miles of a grocery store (Fresh 'n Frugal), a pharmacy (Mullins Pharmacy), a bank (United Community Bank), a convenience store (The Cupboard), and numerous restaurants.

Shoppers Goods

The term "shoppers goods" refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called "comparison goods." Examples of shoppers' goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

The closest general shopping opportunities are Dollar General and Walmart located 1.5 miles and 1.8 miles north of the site, respectively. The closest mall is the North Georgia Premium Outlets, located 14.5 miles south of the site in Dawsonville on Georgia 400.   The North Georgia Premium Outlets feature 140 retail outlet stores including Ann Taylor, Burberry, Coach, Cole Hann, Ellie Tahari, Gap, Hugo Boss, Kate Spade, Michael Kors, Nike, Polo Ralph Lauren, Saks Fifth Avenue, and Williams-Sonoma.

9. **Recreational Amenities**

The closest recreational park to Highland Trace is Madeleine K. Anthony Park which includes a pavilion with picnic tables and greenspace. Madeleine K. Anthony Park is located one mile north of the site. The Lumpkin County Parks and Recreation Center including a community building, a playground, sports fields, a senior center, and numerous planned activities is located 1.3 miles north of the site on Riley Road. A Lumpkin County public library is located 1.7 miles from the site on Courthouse Hill. In addition, Chestatee River access is located within one-half mile of the site.

10. **Location of Low Income Housing**

A list and map of existing low-income housing in the Highland Trace Market Area are provided in the Existing Low Income Rental Housing Section of this report, starting on page 39.

E. Site Conclusion

The subject site is located in an established residential neighborhood south of downtown Dahlonega and is convenient to community services, employment centers, and traffic arteries. The site is considered appropriate for the proposed development of Highland Trace.

4. MARKET AREA DEFINITION

A. Introduction

The primary market area for the proposed Highland Trace is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the Highland Trace Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The Highland Trace Market Area is comprised of the five census tracts in Lumpkin County including Dahlonega. As the county's residential and commercial make-up is relatively homogenous, we used the entire county as the primary market area. Most areas of the market area are easily accessible via several State and U.S. Highways. Census tracts in the counties surrounding Lumpkin County were not included in the Highland Trace Market Area due to distance from the site. Furthermore, the more rural counties are considered separate markets and Dawson County is considered more exurban given its location along Georgia 400.

The boundaries of the Highland Trace Market Area and their approximate distance from the subject site are:

North: Union County .... (14.4 miles)
East: White County / Hall County .... (7.9 miles)
South: Dawson County / Hall County .... (6.6 miles)
West: Dawson County .... (11.3 miles)

This market area is depicted in Map 4 and the census tracts that comprise the market area are listed on the edge of the map. As appropriate for this analysis, the Highland Trace Market Area is compared to a Bi-County Market Area of Lumpkin County and Dawson County, which is considered as the secondary market area, although demand will be computed based only on the Highland Trace Market Area.

Map 4 Highland Trace Market Area
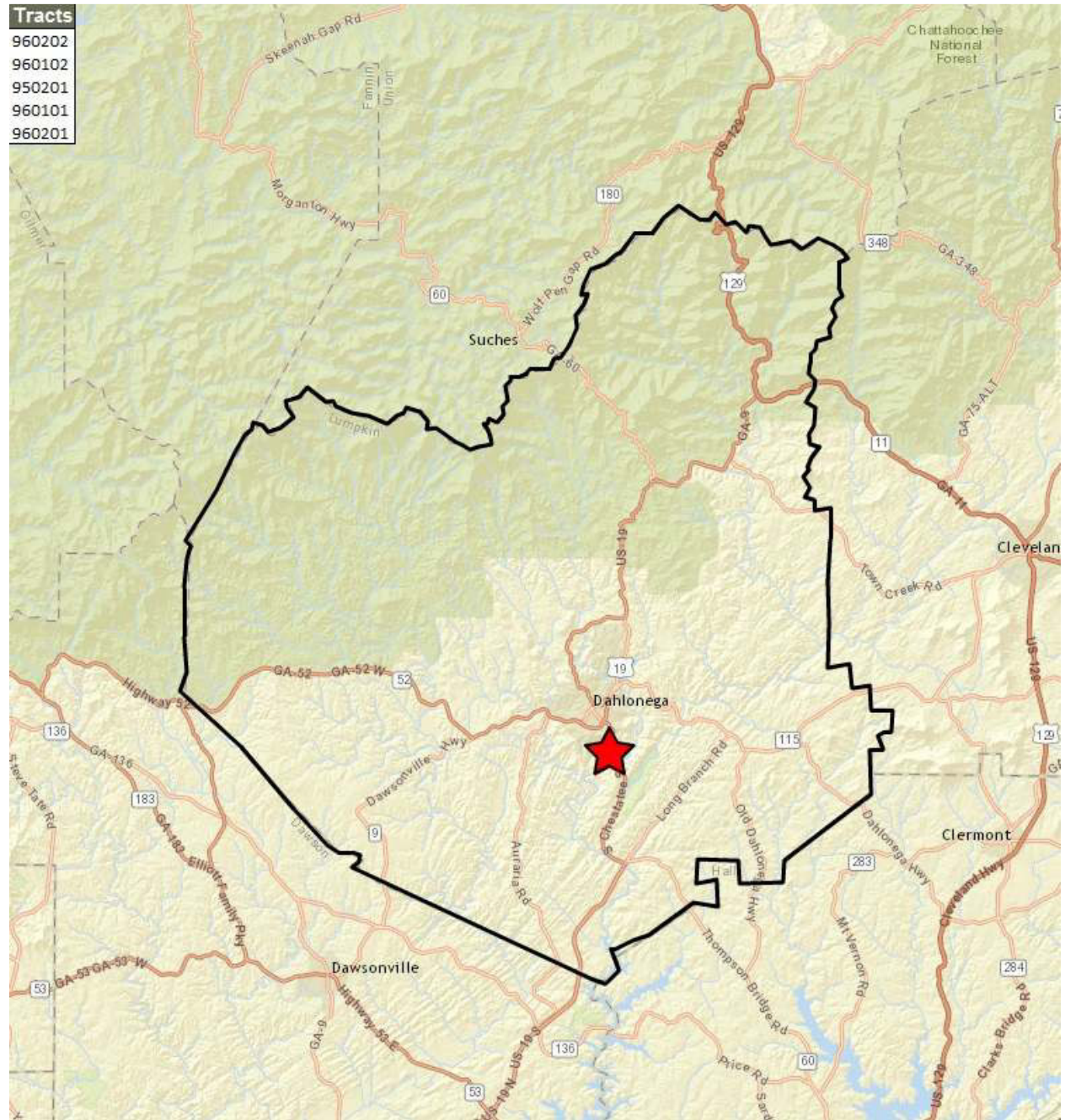
5. ECONOMIC CONTENT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Lumpkin County, the jurisdiction in which Highland Trace will be located. For purposes of comparison, economic trends in Georgia and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

Lumpkin County's labor force added workers every year between 2000 and 2008 increasing from 10,903 to 13,460 workers for a net gain of 23.5 percent. The labor force decreased slightly to 13,305 workers in 2009 during the national economic downturn before increasing to 15,179 workers in 2012 (Table 3). Since 2012, the labor force has remained relatively unchanged with 15,146 workers in the labor force in the first quarter of 2015. Since 2009, growth in the employed portion of the labor force (2,561) exceeded overall labor force growth of 1,841.

2. Trends in County Unemployment Rate

The unemployment rate in Lumpkin County ranged from 3.0 percent to 4.8 percent between 2000 and 2007 before increasing significantly to 11.7 percent in 2009 during the national recession and prolonged economic downturn. The unemployment rates in the county, state, and nation have all decreased significantly over the past several years. The county's unemployment rate was 5.6 percent through the first quarter of 2015, which is lower than both state (6.3 percent) and national (5.8 percent) unemployment rates.

C. Commutation Patterns

According to 2009-2013 American Community Survey (ACS) data, over half (55.4 percent) of workers residing in the Highland Trace Market Area spent less than 30 minutes commuting to work (Table 4). Approximately 39 percent of workers residing in the market area spent 30 minutes or more commuting to work.

Nearly half (49.1 percent) of all workers residing in the Highland Trace Market Area worked in Lumpkin County and 50.1 percent worked in another Georgia county. Less than one percent of market area workers worked in another state.

Table 3 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Q1
Labor Force	10,903	10,939	11,173	11,664	11,826	12,168	12,752	13,154	13,460	13,305	14,711	14,886	15,179	15,174	15,184	15,146
Employment	10,577	10,575	10,702	11,184	11,324	11,586	12,224	12,612	12,520	11,743	13,184	13,426	13,899	14,030	14,187	14,304
Unemployment	326	364	471	480	502	582	528	542	940	1,562	1,527	1,460	1,280	1,144	997	843
Unemployment Rate																
Lumpkin County	3.0%	3.3%	4.2%	4.1%	4.2%	4.8%	4.1%	4.1%	7.0%	11.7%	10.4%	9.8%	8.4%	7.5%	6.6%	5.6%
Georgia	3.6%	4.0%	5.0%	4.8%	4.8%	5.3%	4.7%	4.5%	6.2%	9.9%	10.5%	10.2%	9.2%	8.2%	7.2%	6.3%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.8%

Source: U.S. Department of Labor, Bureau of Labor Statistics
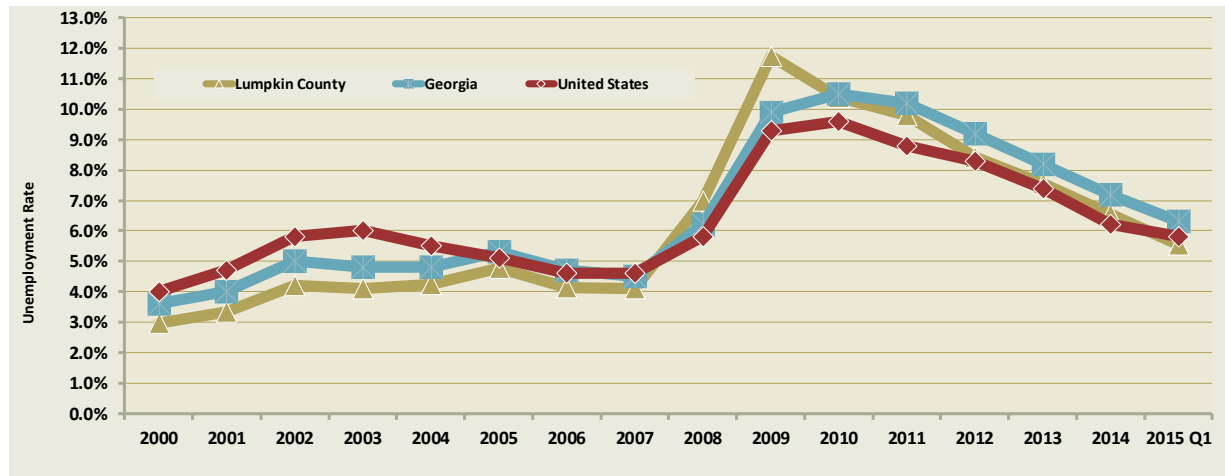
Table 4 2009-2013 Commuting Patterns, Highland Trace Market Area

Travel Time to Work				Place of Work		
Workers 16 years+	**#**	**%**		**Workers 16 years and over**	**#**	**%**
Did not work at home	12,541	94.6%		Worked in state of residence:	13,155	99.3%
Less than 5 minutes	341	2.6%		Worked in county of residence	6,512	49.1%
5 to 9 minutes	846	6.4%		Worked outside county of residence	6,643	50.1%
10 to 14 minutes	1,845	13.9%		Worked outside state of residence	96	0.7%
15 to 19 minutes	2,405	18.1%		**Total**	**13,251**	**100%**
20 to 24 minutes	1,265	9.5%				
25 to 29 minutes	636	4.8%				
30 to 34 minutes	1,569	11.8%				
35 to 39 minutes	548	4.1%				
40 to 44 minutes	260	2.0%				
45 to 59 minutes	1,347	10.2%				
60 to 89 minutes	761	5.7%				
90 or more minutes	718	5.4%				
Worked at home	710	5.4%				
Total	**13,251**					

Source: American Community Survey 2009-2013

2009-2013 Commuting Patterns
Highland Trace Market Area

Outside County 50.1%
Outside State 0.7%
In County 49.1%
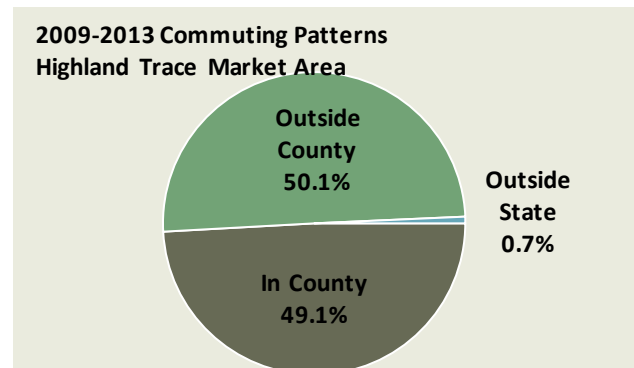
Source: American Community Survey 2009-2013

D. At-Place Employment

1. Trends in Total At-Place Employment

Lumpkin County added jobs in six of seven years between 2000 and 2007, adding 809 jobs for a net increase of 14.0 percent (Figure 5). The county lost 592 net jobs or 9.0 percent of its 2007 employment base between 2008 and 2010. Following a low of 5,995 jobs in 2010, the county has recouped all jobs lost from 2008 to 2010 with the net addition of 687 total jobs over the past four years to reach a new peak of 6,682 jobs in 2014 Q3. The county experienced a larger dip in jobs on a percentage basis from 2008 to 2010 when compared to the nation; however, the county has rebounded faster with three of four years of growth exceeding the nation's on a percentage basis.

Figure 5 At-Place Employment
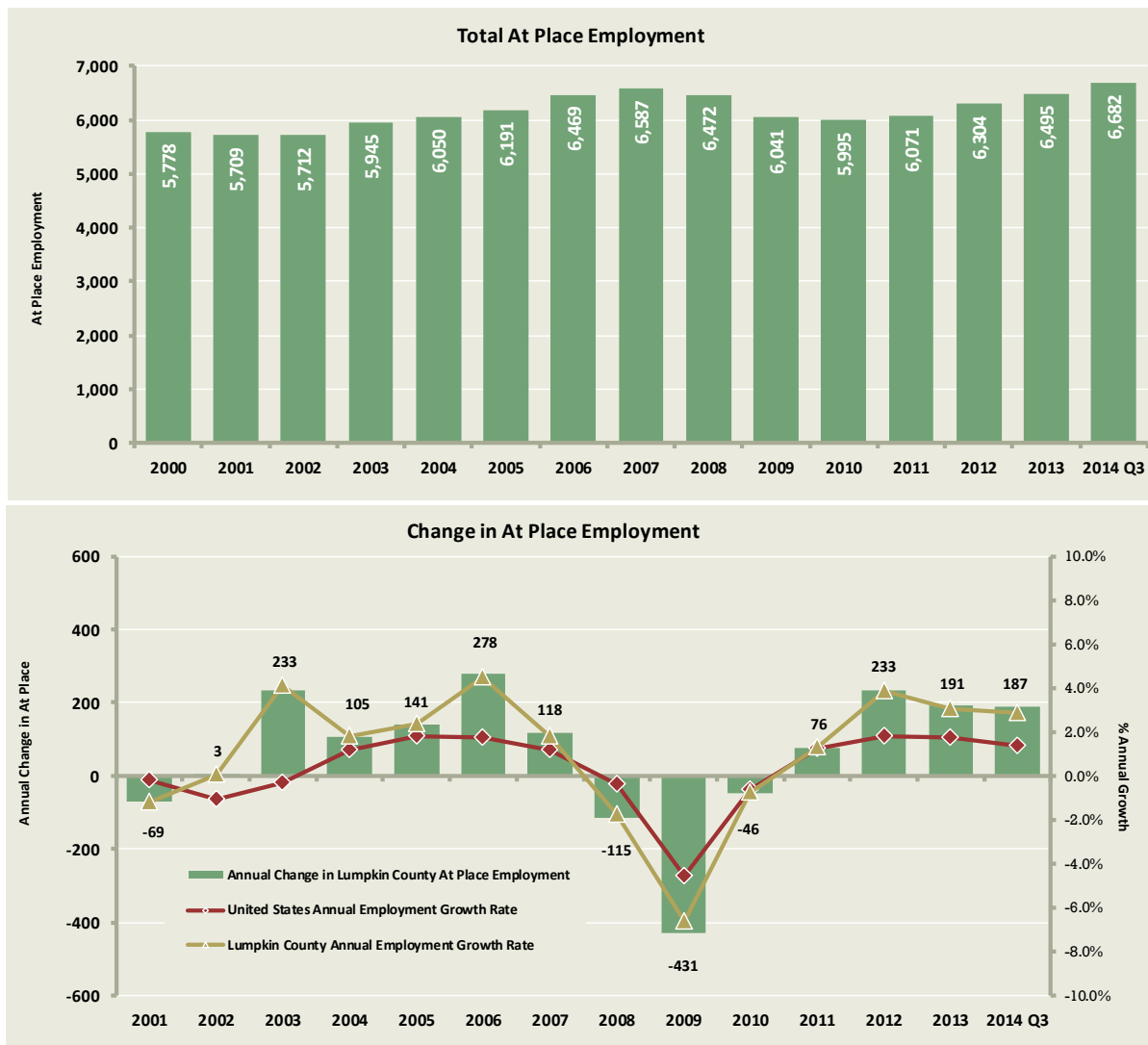
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

2. At-Place Employment by Industry Sector

Government is by far the largest industry sector in the county accounting for 31.5 percent of all jobs compared to 15.4 percent in the nation. Trade-Transportation-Utilities and Leisure-Hospitality are the next two largest employment sectors in Lumpkin County accounting for 17.7 percent and 15.9 percent of all jobs, respectively (Figure 6). Relative to national figures, Lumpkin County has a lower percentage of jobs in all sectors besides Government, Leisure-Hospitality, and Manufacturing.

Figure 6 Total Employment by Sector, 2014(Q3)

Employment by Industry Sector - 2014 (Q3)	
Sector	Jobs
Government	**2,103**
Federal	68
State	1,023
Local	1,012
Private Sector	**4,579**
Goods-Producing	994
Natural Resources-Mining	27
Construction	236
Manufacturing	730
Service Providing	3,556
Trade-Trans-Utilities	1,180
Information	27
Financial Activities	129
Professional-Business	340
Education-Health	737
Leisure-Hospitality	1,062
Other	81
Unclassified	30
Total Employment	**6,682**

Source: U.S. Department of Labor

Between 2001 and 2014 (Q3), six of eleven sectors added jobs in Lumpkin County (Figure 7). The four largest sectors in the county added jobs at annual rates ranging from 1.9 percent to 4.5 percent including Government at 3.1 percent annual growth. The most notable losses were among Manufacturing (3.1 percent annual loss) and Construction (1.8 percent annual loss).

Figure 7 Change in Employment by Sector 2001-2014(Q3)
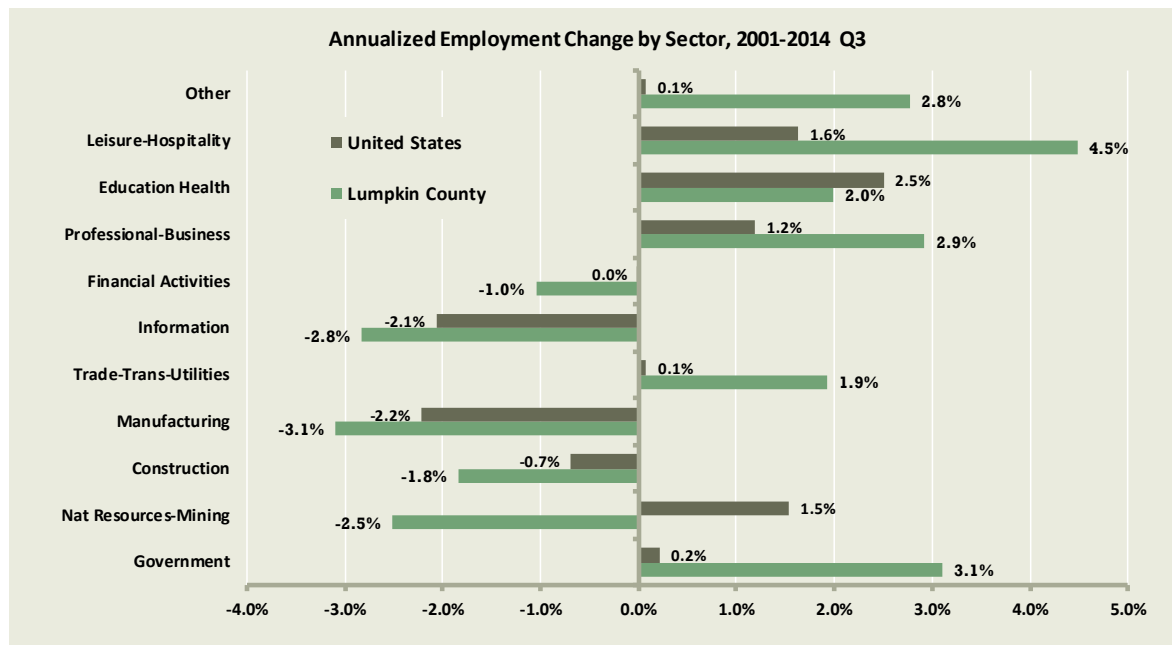
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

3. Major Employers

The top 15 employers in Lumpkin County cover a range of industries with Education and Manufacturing being the two most represented. The University of North Georgia (Education), Koyo Bearings North America (Manufacturing), and Walmart (Retail) are the three largest employers in the county (Table 5). In addition to the Education and Manufacturing sectors, major employers include several retailers, the army, a recreation camp, a construction company, and a nursing home.

Ten employers are located in close proximity to the site in and around downtown Dahlonega, four employers are located south of the site near Georgia 400, and Camp Merrill (U.S. Army) is located to the northwest of Dahlonega. All major employers are convenient to the site via several highways that intersect Dahlonega in close proximity to the site (Map 5).

Table 5 Major Employers, Lumpkin County

Rank	Name	Industry	Employment
1	University of North Georgia	Education	250-499
2	Koyo Bearings North America	Manufacturing	250-499
3	Walmart Supercenter	Retail	250-499
4	US Army	Government	100-249
5	Home Depot	Retail	100-249
6	Lumpkin County Middle School	Education	100-249
7	Camp Glisson United Methodist	Recreation & Leisure	100-249
8	Refrigiwear Inc	Manufacturing	100-249
9	Lumpkin County High School	Education	100-249
10	Blackburn Elementary School	Education	100-249
11	Gold City Convalescent	Healthcare	100-249
12	The Louver Shop	Retail	100-249
13	North Georgia Concrete	Construction	100-249
14	Poly Portables Inc	Manufacturing	100-249
15	Southern Switches Corp	Manufacturing	100-249

Sources: Georgia Department of Labor

Map 5 Major Employers

#	Employer
1	University of North Georgia
2	Koyo Bearings North America
3	Walmart Supercenter
4	US Army
5	Home Depot
6	Lumpkin County Middle School
7	Camp Glisson United Methodist
8	Refrigiwear Inc
9	Lumpkin County High School
10	Blackburn Elementary School
11	Gold City Convalescent
12	Louver Shop
13	North Georgia Concrete
14	Poly Portables Inc
15	Southern Switches Corp

4. Recent Economic Expansions and Contractions

Per the Dahlonega Downtown Development Authority, downtown Dahlonega has seen $47 million of private and public investment, adding 57 new businesses, 29 expanded businesses, and 176 new jobs over the past seven years. A fire at Shenanigans Irish Pub near downtown Dahlonega resulted in a temporary layoff of 30 employees in 2014; however, the restaurant has reopened and rehired.

5. Conclusions on Local Economics

Lumpkin County experienced steady job growth throughout most of the past fourteen years and was able to recover faster from job losses suffered during the recent national recession than both Georgia and the nation. Over the past four years, the county has sustained post-recession job growth eclipsing the pre-recession high and has seen a reduction of the unemployment rate to pre-recession levels. As such, we do not expect local economics to inhibit the subject property's ability to lease-up or maintain a stabilized occupancy.

6. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Highland Trace Market Area and the Bi-County Market Area using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the Highland Trace Market Area grew by 42.8 percent, rising from 20,986 to 29,966 people (Table 6). Annual growth during this decade was 898 people or 3.6 percent. During the same time period, the number of households in the Highland Trace Market Area increased by 46.0 percent from 7,529 to 10,989 households with annual growth of 346 households or 3.9 percent.

During the same decade, the Bi-County Market Area added 15,311 people (44.4 percent) and 5,824 households (42.8 percent). Annual growth was 1,531 people (3.5 percent) and 582 households (3.6 percent).

2. Projected Trends

Based on Esri growth rate projections, the Highland Trace Market Area added 846 people and 193 households between 2010 and 2015. RPRG further projects that the market area will add 313 people between 2015 and 2017, bringing the total population to 31,125 people in 2017; the annual growth will be 0.5 percent or 156 people. The number of households will increase to 11,265 with annual growth of 42 households or 0.4 percent from 2015 to 2017.

The Bi-County Market Area's population is projected to grow by 1.2 percent and households are projected to grow by 1.1 percent between 2015 and 2017. Annual growth in the county is projected at 323 people (0.6 percent) and 113 households (0.6 percent).

3. Building Permit Trends

RPRG examines building permit trends to help determine if the housing supply is meeting demand, as measured by new households. From 2000 to 2003, housing permits remained relatively steady at 320 to 375 permits before increasing in 2004 to 473 issued permits. Permits remained elevated for the next two years at 519 in 2005 and 495 in 2006. Beginning in 2007, permits in Lumpkin County (Highland Trace Market Area) decreased significantly in six consecutive years to 35 units permitted in 2012. Building permits issued rebounded to 166 in 2013 before decreasing again to 91 permits in 2014. New housing units permitted between 2000 and 2009 averaged 355 compared to an annual increase of 346 households between the 2000 and 2010 census counts (Table 7).

By structure type, 99 percent of all residential permits issued in Lumpkin County (Highland Trace Market Area) were for single-family detached homes. Multi-family structures (5+ units) accounted for one percent of units permitted while buildings with 2-4 units contain less than one percent of permitted units.

Table 6 Population and Household Projections

		Bi-County Market Area						Highland Trace Market Area				
		Total Change		Annual Change				Total Change		Annual Change	
Population	Count	#	%	#	%		Count	#	%	#	%
2000	36,985						20,986				
2010	52,296	15,311	41.4%	1,531	3.5%		29,966	8,980	42.8%	898	3.6%
2015	53,845	1,549	3.0%	310	0.6%		30,812	846	2.8%	169	0.6%
2017	54,491	645	1.2%	323	0.6%		31,125	313	1.0%	156	0.5%
		Total Change		Annual Change				Total Change		Annual Change	
Households	Count	#	%	#	%		Count	#	%	#	%
2000	13,598						7,529				
2010	19,422	5,824	42.8%	582	3.6%		10,989	3,460	46.0%	346	3.9%
2015	19,936	514	2.6%	103	0.5%		11,182	193	1.8%	39	0.3%
2017	20,162	226	1.1%	113	0.6%		11,265	83	0.7%	42	0.4%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.

Annual Change in Number of Households, 2000 to 2017
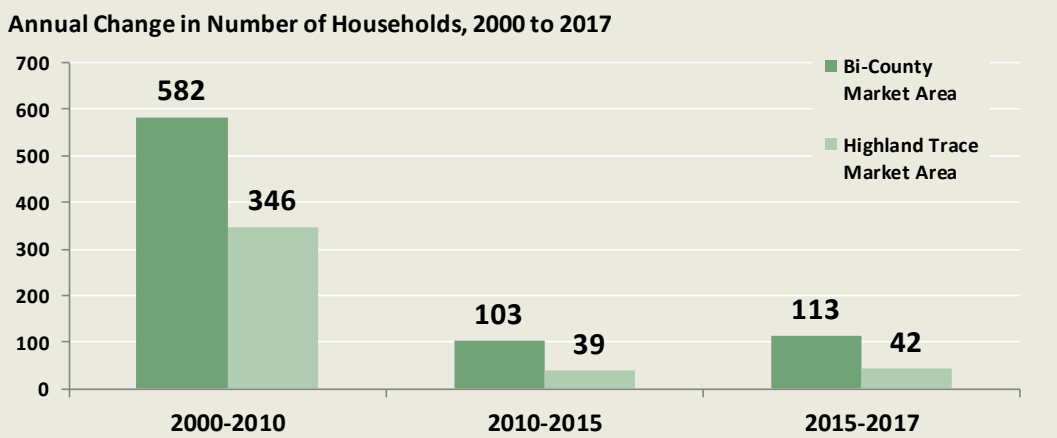
Table 7 Building Permits by Structure Type, Lumpkin County

Lumpkin County (Highland Trace Market Area)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2000-2014	Annual Average
Single Family	347	310	333	375	464	512	495	392	194	71	56	48	35	166	91	3,889	259
Two Family	4	10	4	0	0	0	0	0	0	0	0	0	0	0	0	18	1
3 - 4 Family	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0
5+ Family	0	0	18	0	9	7	0	0	0	0	0	0	0	0	0	34	2
Total	354	320	355	375	473	519	495	392	194	71	56	48	35	166	91	3,944	263

Source: U.S. Census Bureau, C-40 Building Permit Reports.

Total Housing Units Permitted
2000 - 2014
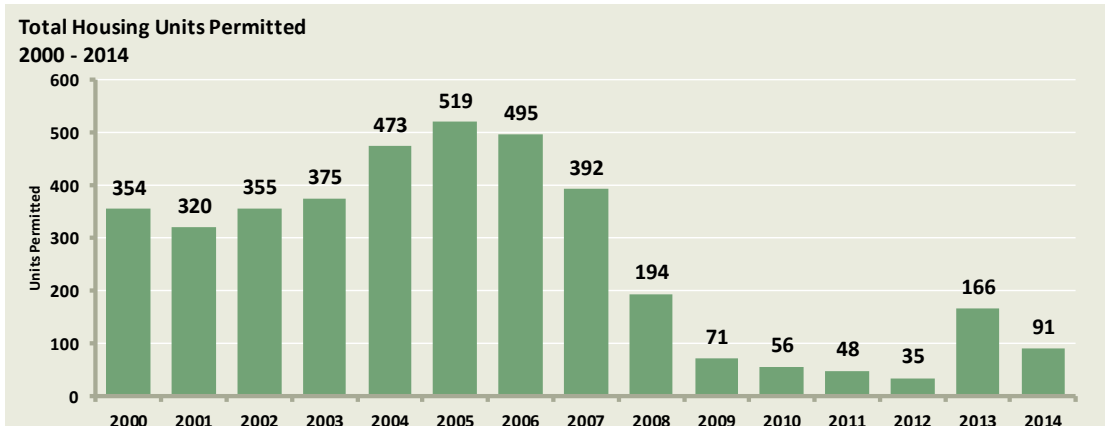
C. Demographic Characteristics

1. Age Distribution and Household Type

The Highland Trace Market Area's population is younger than the Bi-County Market Area's with median ages of 35 and 38, respectively (Table 8). Adults age 35-61 comprise the largest percentage of the population in both areas at 32.5 percent in the market area and 34.5 percent in the county. Children/Youth under the age of 20 account for 25.5 percent of people in the market area and 24.6 percent of the county's population. In addition, the market area has a larger percentage of Young Adults (20-34 years). Seniors age 62 or older account for 18.8 percent of people in the market area and 20.0 percent of the Bi-County Market Area's population.

Table 8 2015 Age Distribution

	Bi-County Market Area		Highland Trace Market Area	
	#	%	#	%
Children/Youth	**13,227**	**24.6%**	**7,861**	**25.5%**
Under 5 years	2,899	5.4%	1,690	5.5%
5-9 years	3,120	5.8%	1,767	5.7%
10-14 years	3,100	5.8%	1,638	5.3%
15-19 years	4,108	7.6%	2,766	9.0%
Young Adults	**11,225**	**20.8%**	**7,145**	**23.2%**
20-24 years	4,062	7.5%	2,867	9.3%
25-34 years	7,163	13.3%	4,278	13.9%
Adults	**18,603**	**34.5%**	**10,018**	**32.5%**
35-44 years	6,415	11.9%	3,531	11.5%
45-54 years	7,061	13.1%	3,695	12.0%
55-61 years	5,127	9.5%	2,793	9.1%
Seniors	**10,791**	**20.0%**	**5,788**	**18.8%**
62-64 years	2,197	4.1%	1,197	3.9%
65-74 years	5,867	10.9%	3,023	9.8%
75-84 years	2,167	4.0%	1,216	3.9%
85 and older	559	1.0%	352	1.1%
TOTAL	**53,845**	**100%**	**30,812**	**100%**
Median Age	**38**		**35**	

Source: Esri; RPRG, Inc.
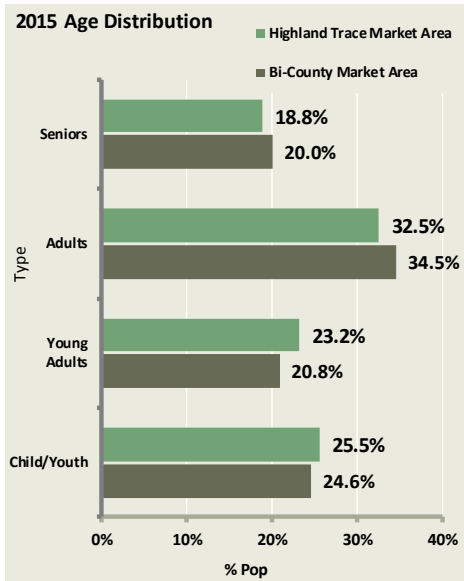
Households with at least two people but no children are the most common in the market area at 46.7 percent of households compared to 47.0 percent in the Bi-County Market Area, most of which are married couples without children (Table 9). Roughly 31 percent of households in the market area have children present compared to 31.9 percent in the Bi-County Market Area. Singles account for 22.2 percent of households in the Highland Trace Market Area compared to 21.1 percent in the Bi-County Market Area.

Table 9 2010 Households by Household Type

Households by Household Type	Bi-County Market Area		Highland Trace Market Area	
	#	%	#	%
Married w/Children	4,488	23.1%	2,445	22.2%
Other w/ Children	1,713	8.8%	969	8.8%
Households w/ Children	**6,201**	**31.9%**	**3,414**	**31.1%**
Married w/o Children	6,798	35.0%	3,637	33.1%
Other Family w/o Children	1,119	5.8%	641	5.8%
Non-Family w/o Children	1,207	6.2%	859	7.8%
Households w/o Children	**9,124**	**47.0%**	**5,137**	**46.7%**
Singles Living Alone	4,097	21.1%	2,438	22.2%
Singles	**4,097**	**21.1%**	**2,438**	**22.2%**
Total	**19,422**	**100%**	**10,989**	**100%**

Source: 2010 Census; RPRG, Inc.

2010 Households by Household Type
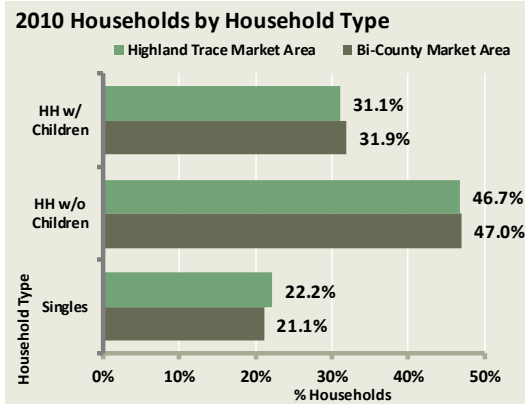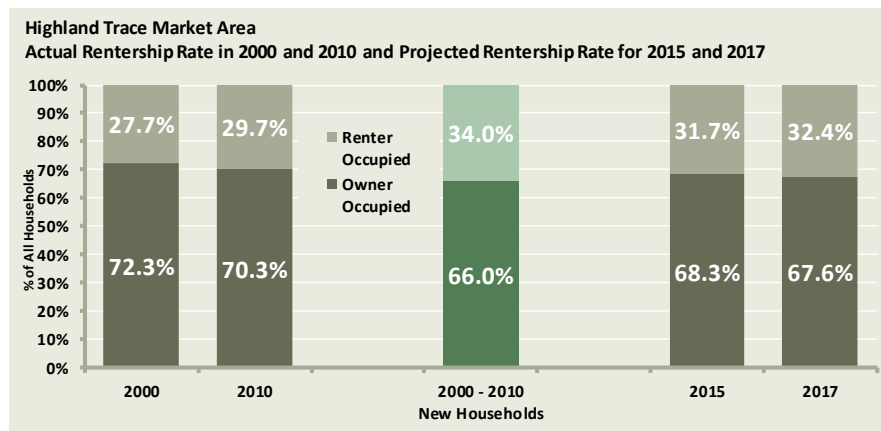
2. Renter Household Characteristics

The Highland Trace Market Area's households have a higher propensity to rent with 29.7 percent of all households renting in 2010 compared to 25.3 percent in the Bi-County Market Area (Table 10). Based on 2000 and 2010 census data, Highland Trace Market Area renter households accounted for 34.0 percent of the net household change for the decade which resulted in a renter percentage increase. The market area is projected to add roughly 100 new renter households over the next two years and the renter percentage is expected to increase to 32.4 percent in 2017.

Table 10 Households by Tenure

Bi-County Market Area	2000		2010		Change 2000-2010		2015		2017	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	10,389	76.4%	14,502	74.7%	4,113	70.6%	14,502	72.7%	14,548	72.2%
Renter Occupied	3,209	23.6%	4,920	25.3%	1,711	29.4%	5,434	27.3%	5,614	27.8%
Total Occupied	**13,598**	**100%**	**19,422**	**100%**	**5,824**	**100%**	**19,936**	**100%**	**20,162**	**100%**
Total Vacant	1,819		3,928				4,032		4,078	
TOTAL UNITS	**15,417**		**23,350**				**23,968**		**24,240**	

Highland Trace Market Area	2000		2010		Change 2000-2010		2015		2017	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	5,446	72.3%	7,728	70.3%	2,282	66.0%	7,633	68.3%	7,618	67.6%
Renter Occupied	2,083	27.7%	3,261	29.7%	1,178	34.0%	3,549	31.7%	3,647	32.4%
Total Occupied	**7,529**	**100%**	**10,989**	**100%**	**3,460**	**100%**	**11,182**	**100%**	**11,265**	**100%**
Total Vacant	725		1,936				1,970		1,985	
TOTAL UNITS	**8,254**		**12,925**				**13,152**		**13,250**	

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Highland Trace Market Area
Actual Rentership Rate in 2000 and 2010 and Projected Rentership Rate for 2015 and 2017
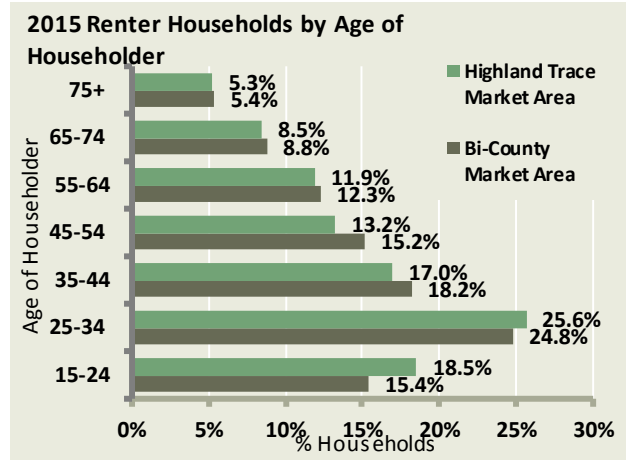
Young renter householders under the age of 35 account for 44.2 percent of renters in the Highland Trace Market Area compared to 40.2 percent in the Bi-County Market Area. Renter householders age 35-54 account for 30.2 percent of market area renters and 33.4 percent of Bi-County Market Area renters. Roughly one-quarter (25.6 percent) of renter householders in the market area are age 55 or older.

Table 11   Renter Households by Age of Householder

Renter Households	Bi-County Market Area		Highland Trace Market Area	
Age of HHldr	#	%	#	%
15-24 years	838	15.4%	658	18.5%
25-34 years	1,346	24.8%	909	25.6%
35-44 years	988	18.2%	602	17.0%
45-54 years	824	15.2%	470	13.2%
55-64 years	667	12.3%	422	11.9%
65-74 years	477	8.8%	301	8.5%
75+ years	293	5.4%	187	5.3%
Total	5,434	100%	3,549	100%

Source: Esri, Real Property Research Group, Inc.

As of 2010, roughly 57 percent of all renter households in the Highland Trace Market Area contained one or two persons compared to 55.9 percent in the Bi-County Market Area. Renter households with three people accounted for 18.4 percent of the households in the market area and large households (4+ persons) accounted for 24.8 percent of renter households including 10.5 percent with 5+ people (Table 12).

Table 12 2010 Renter Households by Household Size

| Renter Occupied	Bi-County Market Area		Highland Trace Market Area	
	#	%	#	%
1-person hhld	1,354	27.5%	893	27.4%
2-person hhld	1,396	28.4%	959	29.4%
3-person hhld	894	18.2%	600	18.4%
4-person hhld	715	14.5%	467	14.3%
5+-person hhld	561	11.4%	342	10.5%
TOTAL	4,920	100%	3,261	100%

Source: 2010 Census
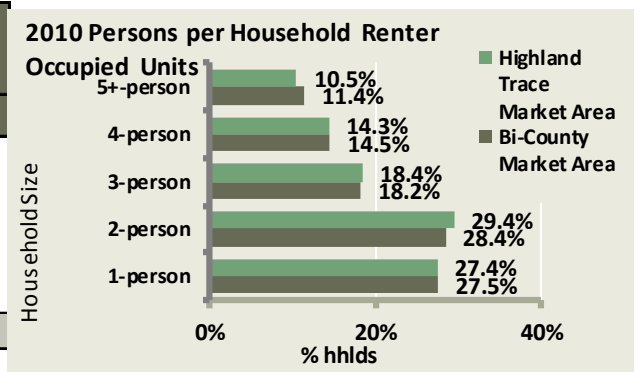
3.   Income Characteristics

Based on Esri estimates, the Highland Trace Market Area's 2015 median income of $47,270 is $4,672 or 9.0 percent lower than the $51,942 median in the Bi-County Market Area (Table 13). Roughly 29 percent of market area households earn less than $25,000 including 15.7 percent earning less than $15,000. Approximately 23 percent of households in the Highland Trace Market Area earn $25,000 to $49,999 and 35.0 percent earn between $50,000 and $99,999.

Table 13 2015 Household Income

Estimated 2015 Household Income		Bi-County Market Area		Highland Trace Market Area	
		#	%	#	%
less than	$15,000	2,583	13.0%	1,758	15.7%
$15,000	$24,999	2,488	12.5%	1,508	13.5%
$25,000	$34,999	2,011	10.1%	1,045	9.3%
$35,000	$49,999	2,551	12.8%	1,565	14.0%
$50,000	$74,999	4,294	21.5%	2,592	23.2%
$75,000	$99,999	2,623	13.2%	1,319	11.8%
$100,000	$149,999	2,332	11.7%	876	7.8%
$150,000	Over	1,052	5.3%	519	4.6%
Total		**19,936**	**100%**	**11,182**	**100%**
Median Income		**$51,942**		**$47,270**	


Source: Esri; Real Property Research Group, Inc.
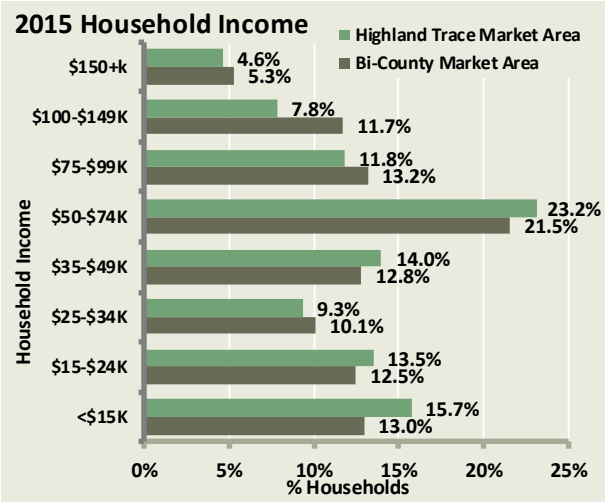
Based on the ACS data income projections, the breakdown of tenure, and household estimates, RPRG estimates that the median income of renters in the Highland Trace Market Area as of 2015 is a modest $28,911 (Table 14), roughly half the owner median of $57,130. Among renter households, 46.1 percent earn less than $25,000 including 24.8 percent earning less than $15,000. Approximately 29 percent of renters earn between $25,000 and $49,999.

Table 14 2015 Household Income by Tenure

Highland Trace Market Area		Renter Households		Owner Households	
		#	%	#	%
less than	$15,000	881	24.8%	876	11.5%
$15,000	$24,999	756	21.3%	752	9.8%
$25,000	$34,999	350	9.9%	695	9.1%
$35,000	$49,999	674	19.0%	891	11.7%
$50,000	$74,999	480	13.5%	2,112	27.7%
$75,000	$99,999	272	7.7%	1,047	13.7%
$100,000	$149,999	97	2.7%	779	10.2%
$150,000	over	38	1.1%	481	6.3%
Total		**3,549**	**100%**	**7,633**	**100%**
Median Income		**$28,911**		**$57,130**	

Source: American Community Survey 2009-2013 Estimates, RPRG, Inc.
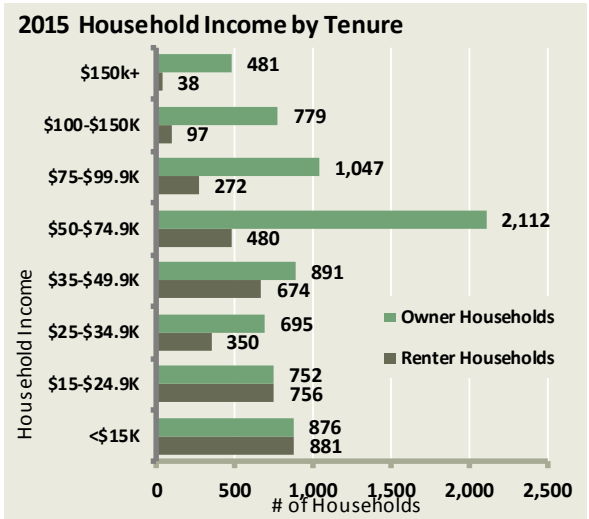
7. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Highland Trace Market Area. We pursued several avenues of research in an attempt to identify multifamily rental projects that are in the planning stages or under construction in the Highland Trace Market Area. We contacted planners with the City of Dahlonega and Lumpkin County. In addition, we reviewed the list of recent LIHTC awards from DCA. The rental survey was conducted in May/June 2015.

B. Overview of Market Area Housing Stock

The renter occupied stock in both areas includes a range of housing types with single-family detached homes and mobile homes the most common. Single-family detached homes accounted for 53.6 percent of rentals in the Highland Trace Market Area and mobile homes accounted for 15.0 percent of rentals. In comparison, single-family detached homes accounted for 56.6 percent of Bi-County Market Area rentals and mobile homes accounted for 14.3 percent of rentals (Table 15). Multi-family structures with five or more units contain just 14.3 percent of rental units in the market area and 15.4 percent in the Bi-County Market Area.

The renter-occupied housing stock in the Highland Trace Market Area is older when compared to the Bi-County Market Area with median years built of 1987 and 1991, respectively. The median year built of the owner-occupied units was 1996 in both areas (Table 16). Roughly 54 percent of the renter occupied units in the Highland Trace Market Area were constructed in the 1980's or 1990's and 20.7 percent have been constructed since 2000.

According to ACS data, the median value among owner-occupied housing units in the Highland Trace Market Area from 2009 to 2013 was $174,446, which is $8,065 or 4.4 percent lower than the Bi-County Market Area median of $182,510 (Table 17).   ACS estimates home values based upon values from homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.

Table 15 Renter Occupied Unit by Structure Type

Renter Occupied	Bi-County Market Area		Highland Trace Market Area	
	#	%	#	%
1, detached	3,246	56.6%	1,878	53.6%
1, attached	184	3.2%	127	3.6%
2	202	3.5%	199	5.7%
3-4	403	7.0%	271	7.7%
5-9	394	6.9%	210	6.0%
10-19	190	3.3%	46	1.3%
20+ units	300	5.2%	245	7.0%
Mobile home	821	14.3%	527	15.0%
Boat, RV, Van	0	0.0%	0	0.0%
TOTAL	5,740	100%	3,503	100%

2009-2013 Renter Occupied Units By Structure
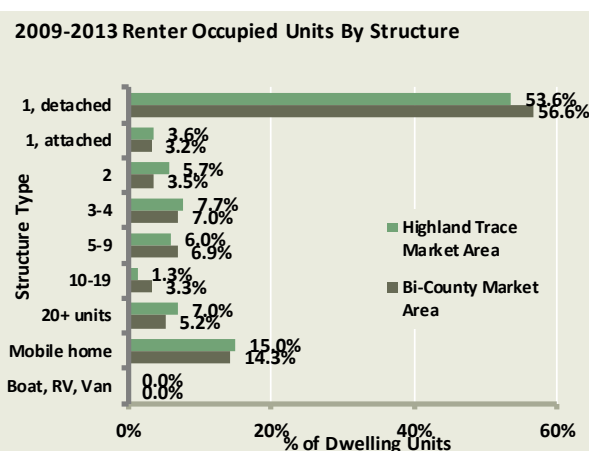
Source: American Community Survey 2009-2013

Table 16 Dwelling Units by Year Built and Tenure

Owner Occupied	Bi-County Market Area		Highland Trace Market Area	
	#	%	#	%
2010 or later	122	0.9%	62	0.8%
2000 to 2009	5,235	38.0%	2,967	39.6%
1990 to 1999	4,047	29.4%	2,069	27.6%
1980 to 1989	2,434	17.7%	1,260	16.8%
1970 to 1979	1,180	8.6%	703	9.4%
1960 to 1969	211	1.5%	121	1.6%
1950 to 1959	237	1.7%	155	2.1%
1940 to 1949	126	0.9%	47	0.6%
1939 or earlier	173	1.3%	112	1.5%
TOTAL	13,765	100%	7,496	100%
MEDIAN YEAR BUILT	1996		1996	

Source: American Community Survey 2009-2013

Renter Occupied	Bi-County Market Area		Highland Trace Market Area	
	#	%	#	%
2010 or later	33	0.6%	16	0.5%
2000 to 2009	1,430	24.9%	709	20.2%
1990 to 1999	1,506	26.2%	835	23.8%
1980 to 1989	1,441	25.1%	1,047	29.9%
1970 to 1979	765	13.3%	571	16.3%
1960 to 1969	203	3.5%	99	2.8%
1950 to 1959	180	3.1%	127	3.6%
1940 to 1949	37	0.6%	26	0.7%
1939 or earlier	145	2.5%	73	2.1%
TOTAL	5,740	100%	3,503	100%
MEDIAN YEAR BUILT	1991		1987	

Source: American Community Survey 2009-2013

Table 17 Value of Owner Occupied Housing Stock

2009-2013 Home Value		Bi-County Market Area		Highland Trace Market Area	
		#	%	#	%
less than	$60,000	1,080	8.0%	637	8.8%
$60,000	$99,999	1,171	8.7%	841	11.6%
$100,000	$149,999	2,781	20.7%	1,429	19.8%
$150,000	$199,999	2,616	19.4%	1,446	20.0%
$200,000	$299,999	2,513	18.7%	1,453	20.1%
$300,000	$399,999	1,349	10.0%	585	8.1%
$400,000	$499,999	772	5.7%	335	4.6%
$500,000	$749,999	892	6.6%	402	5.6%
$750,000	over	292	2.2%	100	1.4%
Total		13,466	100%	7,228	100%
Median Value		$182,510		$174,446	

Source: American Community Survey 2009-2013
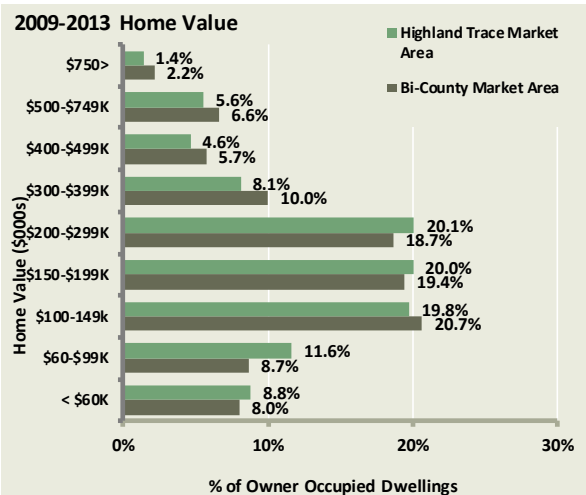
C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

The market area's multi-family and non-student oriented rental stock is extremely limited. As part of this analysis, RPRG surveyed one community in the market area. We repeatedly attempted to survey a property management company, S&R Properties, which manages several smaller market rate communities in the market area; however, attempts were unsuccessful. To provide additional context, we surveyed four communities outside the market area in Dawsonville (Table 18). Furthermore, we searched for scattered site rentals available in the market area (Table 22). Profile

sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 7.

2. Location

Golden Hills, the only rental community surveyed in the market area, is located 1.4 miles north of the site in Dahlonega (Map 6). The four communities located outside the market area are located in Dawsonville, roughly 15 miles to the southwest. Dawsonville is considered a comparable location to Dahlonega as both have similar residential and commercial make-ups and both are located in close proximity to Georgia 400. The subject site's location is comparable to all but one surveyed market rate rental community, Dawson Forest, and will be acceptable for affordable rental units. Dawson Forest is located along Georgia 400 near the North Georgia Premium Outlets allowing it to command higher rents, above the remainder of the surveyed rental stock.

3. Size of Communities

Golden Hills has a total of 69 LIHTC rental units, of which 44 have PBRA. The four surveyed communities outside of the market area range from 27 to 268 units and average 102 units.

4. Age of Communities

Golden Hills was built in 1991; however, in 2014 the 44 original units at the community were rehabbed and 25 additional three-bedroom units were constructed. The four surveyed communities outside of the market area had an average year built of 1996.

5. Structure Type

Golden Hills includes both garden and townhouse style units. Among the four communities outside of the market area, all offer garden style units and Pinewood offers garden and townhouse style units.

6. Vacancy Rates

Golden Hills, the only LIHTC community in the market area, was fully occupied with a waiting list (Table 18). The four communities outside the market area combine for 409 units and no vacant units; Farmington Woods, a LIHTC community, reported a waiting list.

7. Rent Concessions

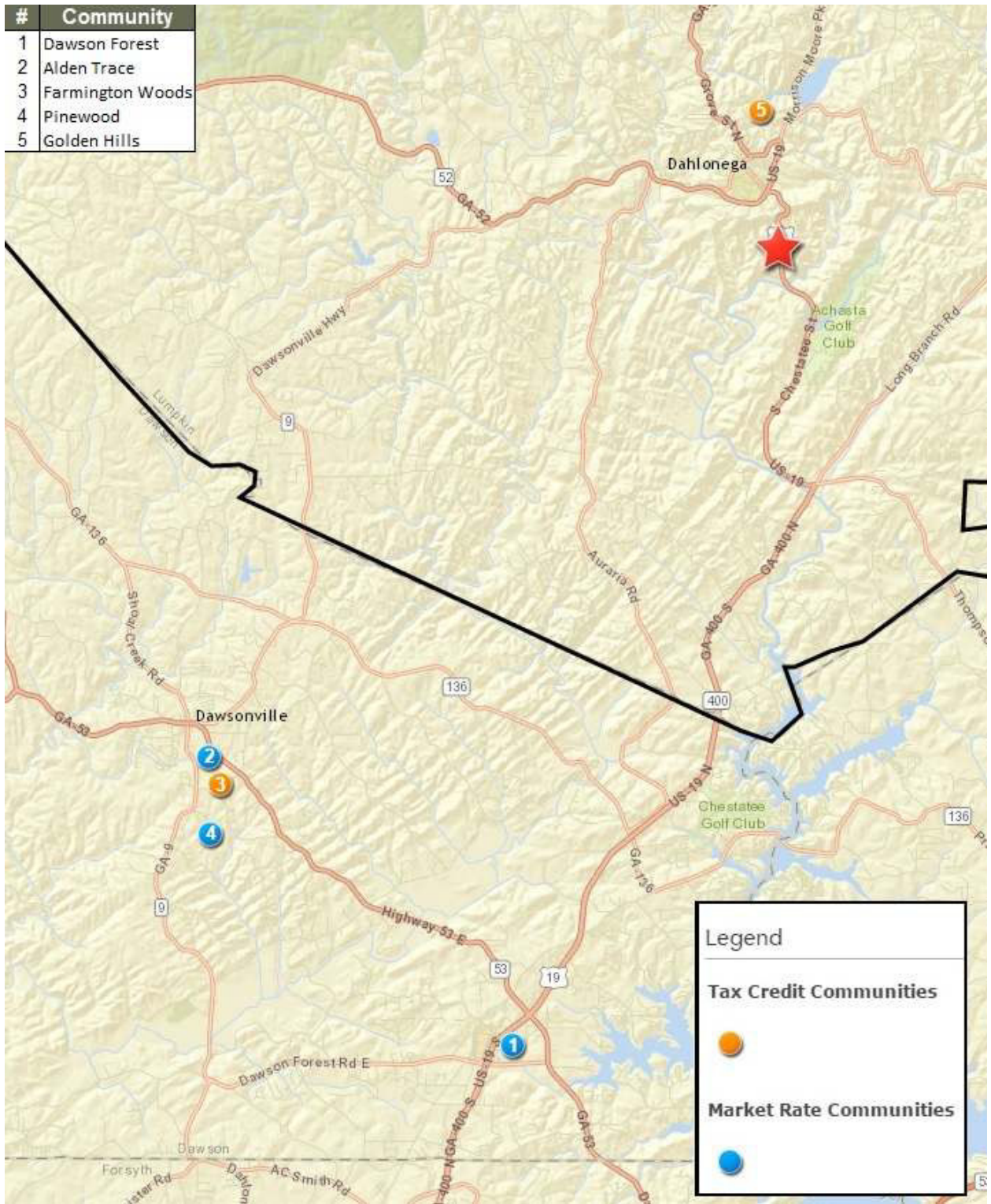No surveyed communities are currently offering rental incentives.

8. Absorption History

Absorption history was not available for Golden Hills.

Map 6 Surveyed Rental Communities

#	Community
1	Dawson Forest
2	Alden Trace
3	Farmington Woods
4	Pinewood
5	Golden Hills

Legend

Tax Credit Communities

Market Rate Communities

Table 18 Rental Summary, Surveyed Communities

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	Subject 50% AMI			Gar	16			$363	$428	
	Subject 60% AMI			Gar	63			$471	$538	
	Communities Inside the Market Area									
1	Golden Hills*	1991	2014	Gar/TH	25	0	0.0%			None
	Communities Inside the Market Area									
2	Dawson Forest	1985	1998	Gar	268	0	0.0%	$864	$1,012	None
3	Alden Trace	1999		Gar	42	0	0.0%		$710	None
4	Farmington Woods*	2013		Gar	72	0	0.0%	$598	$710	None
5	Pinewood	1985	2003	Gar/TH	27	0	0.0%	$625	$700	None
	Outside the PMA Total				409	0	0.0%			
	Outside the PMA Average	1996			102			$696	$783	

Tax Credit Communities*

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. May/June 2015.

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
1	Golden Hills*	1991	2014	Gar/TH	44	0	0.0%	$392	$427	None
	Total				44	0	0.0%			
	Average	1991			44			$392	$427	

Tax Credit/Deep Subsidy Communities*

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. May/June 2015.

D. Analysis of Product Offerings

1. Payment of Utility Costs

Golden Hills includes trash removal in the price of rent. Among the surveyed communities outside of the market area, three include water/sewer and trash removal in the rent and one community, Farmington Woods (a LIHTC community), offers only trash removal (Table 19). The subject property will include trash removal only.

2. Unit Features

Golden Hills includes a dishwasher and washer and dryer hook ups. Three surveyed communities outside the market area include a dishwasher and one offers a microwave as a standard feature. All surveyed communities outside the market area offer washer and dryer connections. Highland Trace will be superior to all surveyed rental communities as features will include a dishwasher, a microwave, a washer and dryer in each unit, and a patio/balcony.

3. Parking

All communities include free surface parking as a standard feature.

4. Community Amenities

Golden Hills, the only community in the market area, offers a clubhouse/community room, a fitness center, a playground, and a business/computer center. Two surveyed communities outside of the market area offer no amenities and two (Dawson Forest and Farmington Woods) offer several amenities. Dawson Forest and Farmington Woods both offer a clubhouse/community room, a swimming pool, a playground, and a business/computer center. Dawson Forest also offers a fitness center and tennis court (Table 20). Highland Trace will include a clubhouse/community room, a business/computer center, a playground, and an exterior gathering area with a gazebo. Amenities offered at the subject property are comparable to Golden Hills, the only LIHTC community in the market area.

Table 19   Utility Arrangement and Unit Features

| Community | Heat Type | Utilities Included in Rent | | | | | | Dish-washer | Micro-wave | Parking | In-Unit Laundry |
		Heat	Hot Water	Cooking	Electric	Water	Trash				
Subject	Elec	☐	☐	☐	☐	☐	☒	STD	STD	Surface	STD- Full Size
Communities Inside the Market Area											
Golden Hills	Elec	☐	☐	☐	☐	☐	☒	STD		Surface	Hook Ups
Communities Outside the Market Area											
Dawson Forest	Elec	☐	☐	☐	☐	☒	☒	STD		Surface	Hook Ups
Alden Trace	Elec	☐	☐	☐	☐	☒	☒	STD		Surface	Hook Ups
Farmington Woods	Elec	☐	☐	☐	☐	☐	☒	STD	STD	Surface	Hook Ups
Pinewood	Elec	☐	☐	☐	☐	☒	☒			Surface	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. May/June 2015.

Table 20 Community Amenities

Community	Clubhouse	Fitness Room	Pool	Playground	Tennis Court	Business Center
Subject	☒	☐	☐	☒	☐	☒
Communities Inside the Market Area						
Golden Hills	☒	☒	☐	☒	☐	☒
Communities Outside the Market Area						
Dawson Forest	☒	☒	☒	☒	☒	☒
Alden Trace	☐	☐	☐	☐	☐	☐
Farmington Woods	☒	☐	☒	☒	☐	☒
Pinewood	☐	☐	☐	☐	☐	☐

Source: Field Survey, Real Property Research Group, Inc. May/June 2015.

5. Unit Distribution

Golden Hills offers 10 one-bedroom units (14.5 percent), 34 two-bedroom units (49.3 percent), and 21 three-bedroom units (36.2 percent). Among the surveyed communities out of the market area, two bedroom units are the most common at 59.9 percent of surveyed units; three bedroom units comprise 15.6 percent of surveyed units and one bedroom units comprise 24.4 percent of surveyed units (Table 21).

6. Effective Rents

Unit rents presented in Table 21 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply adjustments to street rents in order to control for current rental incentives and to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where trash removal utility costs are included in monthly rents at all communities, with tenants responsible for other utility costs. The lone community in the market area only offers three bedroom units without deep subsidies.

Among the five rental communities surveyed, net rents, unit sizes, and rents per square foot were as follows:

- **One-bedroom** effective rents outside of the market area averaged $647 per month with an average unit size of 747 square feet, resulting in a net rent per square foot of $0.87.

- **Two-bedroom** effective rents outside of the market area averaged $735 per month with an average unit size of 1,009 square feet, resulting in a net rent per square foot of $0.73.

- **Three-bedroom** effective rent at Golden Hills was $650 with a unit size of 1,370 square feet for a rent per square foot of $0.47. Three bedroom effective rents outside of the market area averaged $885 per month with an average unit size of 1,317 square feet, resulting in a net rent per square foot of $0.67.

The average rents outside of the market area include market rents and LIHTC units at 50 and 60 percent AMI.

Table 21 Unit Distribution, Size and Pricing

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject 50% AMI	Gar	16	4	$363	820	$0.44	8	$428	1,054	$0.41	4	$478	1,218	$0.39
Subject 60% AMI	Gar	63	12	$471	820	$0.57	31	$538	1,054	$0.51	20	$628	1,218	$0.52
Communities Inside the Market Area														
Golden Hills* 60% AMI	Gar/TH	25									25	$650	1,370	$0.47
Communities Outside the Market Area														
Dawson Forest	Gar	268	84	$849	778	$1.09	144	$992	1,127	$0.88	40	$1,204	1,378	$0.87
Farmington Woods* 60% AMI	Gar	61	9	$630	829	$0.76	32	$725	1,094	$0.66	20	$785	1,286	$0.61
Alden Trace	Gar	42					42	$690	800	$0.86				
Pinewood	Gar/TH	27	4	$610	550	$1.11	23	$680	930	$0.73				
Farmington Woods* 50% AMI	Gar	11	3	$500	829	$0.60	4	$590	1,094	$0.54	4	$665	1,286	$0.52
Outside The PMA Total/Average		**409**		**$647**	**747**	**$0.87**		**$735**	**1,009**	**$0.73**		**$885**	**1,317**	**$0.67**
Outside The PMA Unit Distribution		**409**	**100**				**245**				**64**			
Outside The PMA % of Total		**100.0%**	**24.4%**				**59.9%**				**15.6%**			

Tax Credit Communities*

(1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. May/June 2015.

7. Scattered Site Rentals

Given limited multi-family rental communities in the market area, we also researched scattered site rentals in the market area to add depth to the market rate rent analysis. Based on online listings, 19 communities/individual units were listed for rent. The rents for these scattered site rentals averaged $812 for one-bedroom units, $767 for two-bedroom units, and $1,130 for three-bedroom units. The one bedroom average is higher than the two bedroom average due to less diversity among units; one bedroom units were found at higher end properties.

Table 22 Scattered Site Rentals, Highland Trace Market Area

Bed	Bath	Sq. Ft.	Rent	Address/Community	City	Type
1	1	931	$745	Copper Creek Dr.	Dahlonega	Duplex
1	1	800	$795	Sherman Green Lodge	Dahlonega	Garden
1	1	800	$895	Sims Gold Nugget Lodge	Dahlonega	Garden
Average		**844**	**$812**			
2	1	1,000	$549	Greenbriar Townhomes	Dahlonega	TH
2	1	1,000	$595	Greenbriar Estate	Dahlonega	SFD
2	2	1,400	$595	Greenbriar Townhomes	Dahlonega	Garden
2	1		$650	1360 Red Oak Flats Rd.	Dahlonega	Garden
2	1.5	1,400	$695	Greenbriar Townhomes	Dahlonega	TH
2	1	884	$725	Creekside Dr.	Dahlonega	Duplex
2	1	884	$725	Riverside Dr.	Dahlonega	Duplex
2	1.5	1,500	$795	Magnolia Townhomes	Dahlonega	TH
2	1	1,100	$800	1127 Frogtown Rd.	Dahlonega	SFD
2	2		$850	3268 Morrison Moore Pkwy.	Dahlonega	SFD
2	2	1,600	$895	Sherman Green Terrace I	Dahlonega	TH
2	2	931	$895	Copper Creek Dr.	Dahlonega	Duplex
2	2	1,650	$1,200	103 Gold Dust Trace	Dahlonega	SFD
Average		**1,214**	**$767**			
3	2	1,232	$1,095	Mountain View Trail E	Dahlonega	SFD
3	2	1,800	$1,095	Sherman Green Terrace	Dahlonega	TH
3	2	1,800	$1,200	Gold Cove Dr.	Dahlonega	SFD
Average		**1,611**	**$1,130**			

Source: RentDahlonega, Dahlonegarents, Hotpads, DahlonegaRentals, Craigslist

8. DCA Average Market Rent

To determine average "market rents" as outlined in DCA's 2015 Market Study Manual, we used the average market rents among scattered site rentals found in Table 22 as there were no market rate communities surveyed in the market area. It is important to note, "average market rents" are not adjusted to reflect differences in age, unit size, or amenities relative to the subject property and DCA only allows data from market rate communities located inside the market area.

The "average market rent" among market rate units in the market area is $812 for one bedroom units, $767 for two bedroom units, and $1,130 for three bedroom units (Table 23). The subject property's proposed rents are well below these average market rents with rent advantages ranging from 29.9 percent to 57.7 percent. The overall market advantage is 39.5 percent (Table 24).

Table 23 Average Market Rent, Most Comparable Communities

Community	One Bedroom Units Rent(1)	SF	Rent/SF	Two Bedroom Units Rent(1)	SF	Rent/SF	Three Bedroom Units Rent(1)	SF	Rent/SF
Scattered Site Rentals	$812	844	$0.96	$767	1,214	$0.63	$1,130	1,611	$0.70
Total/Average	$812	844	$0.96	$767	1214	$0.63	$1,130	1611	$0.70

Source: Field Survey, Real Property Research Group, Inc. May/June 2015.

Table 24 Average Market Rent and Rent Advantage Summary

	1 BR	2 BR	3 BR
Average Market Rent	**$812**	**$767**	**$1,130**
Proposed 50% AMI Rent	$363	$428	$478
Advantage ($)	$449	$339	$652
Advantage (%)	55.3%	44.2%	57.7%
Total Units	4	8	4
Proposed 60% AMI Rent	$471	$538	$628
Advantage ($)	$341	$229	$502
Advantage (%)	42.0%	29.9%	44.4%
Total Units	12	31	20
Overall Rent Advantage			**39.5%**

E. Interviews

Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Chris Head with the Dahlonega Planning and Zoning department, Jeff Smith with the Lumpkin County Planning department, and staff with the Dahlonega Housing Authority.

F. Multi-Family Pipeline

Based on information provided by planning officials and DCA's list of LIHTC allocations, several student housing communities have been approved or are under construction in the Highland Trace Market Area. Bellamy Student Housing is under construction on State Highway 52 approximately one mile northwest of the site including 150 three, four, or five bedroom student living units. In addition, a 48-unit student living community has been approved on Happy Hollow Road and The University of North Georgia has been approved to build student living units with up to 500 beds across from the dining hall near campus.

Given the difference in the targeted population (general occupancy versus student), these communities will not directly compete with the proposed units at Highland Trace.

G. Housing Authority Data

Per staff at the Dahlonega Housing Authority, the housing authority operates 30 public housing units with a waiting list of two to six years. The Dahlonega Housing Authority does not manage Section 8 Housing Choice Vouchers.

H. Existing Low Income Rental Housing

The table and map on the following pages show the location of the subject site in relation to existing low-income rental housing properties, including those with tax credits.

Table 25 Subsidized Communities, Highland Trace Market Area

Community	Subsidy	Type	Address	Distance
Brooks Point	LIHTC/USDA	Senior	555 Wimpy Mill Rd.	1.4 miles
Golden Hills	LIHTC/USDA	General	121 Golden Hills Dr.	1.4 miles

Map 7 Subsidized Rental Communities

#	Community
1	Brooks Point
2	Golden Hills
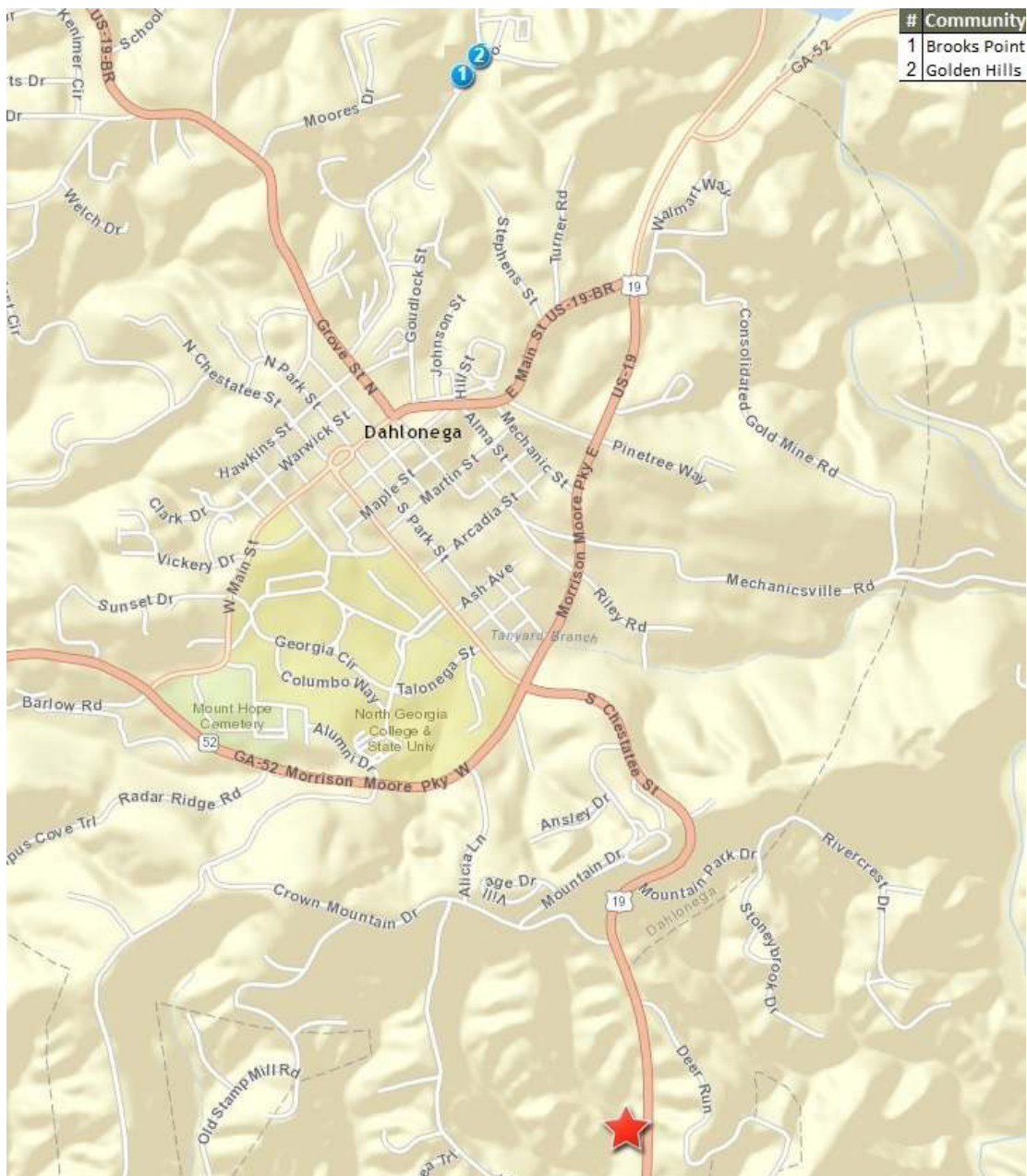
I. Impact of Abandoned, Vacant, or Foreclosed Homes

Based on field observations, limited abandoned / vacant single and multi-family homes exist in the Highland Trace Market Area. In addition, to understand the state of foreclosure in the community around the subject site, we tapped data available through RealtyTrac, a web site aimed primarily at assisting interested parties in the process of locating and purchasing properties in foreclosure and at risk of foreclosure. RealtyTrac classifies properties in its database into several different categories, among them three that are relevant to our analysis: 1.) pre-foreclosure property – a property with loans in default and in danger of being repossessed or auctioned, 2.) auction property – a property that lien holders decide to sell at public auctions, once the homeowner's grace period has expired, in order to dispose of the property as quickly as possible, and 3.) bank-owned property – a unit that has been repossessed by lenders. We included properties within these three foreclosure categories in our analysis. We queried the RealtyTrac database for ZIP code 30533 in which the subject property will be located and the broader areas of Dahlonega, Lumpkin County, Georgia, and the United States for comparison purposes.

Our RealtyTrac search revealed April 2015 foreclosure rates of 0.06 percent in the subject property's ZIP Code (30533), Dahlonega, and Lumpkin County. The foreclosure rate was .10 percent in Georgia and .09 percent in the nation (Table 26). An uncharacteristic 67 foreclosures were issued in August 2014 in the subject site's zip code; besides this month, the monthly foreclosures ranged from two to nine over the past year.

While the conversion of foreclosure properties can affect the demand for new multi-family rental housing in some markets, the impact on affordable housing and mixed-income rental communities is typically limited due to their tenant rent and income restrictions on most units. Furthermore, current foreclosure activity in the subject site's ZIP Code was minimal over the past year. As such, we do not believe foreclosed, abandoned, or vacant single/multi-family homes will impact the subject property's ability to lease its units.

**Table 26 Foreclosure Rate and Recent Foreclosure Activity, ZIP Code 30533**

Geography	April 2015 Foreclosure Rate
ZIP Code: 30533	0.06%
Dahlonega	0.06%
Lumpkin County	0.06%
Georgia	0.10%
National	0.09%

Source: Realtytrac.com
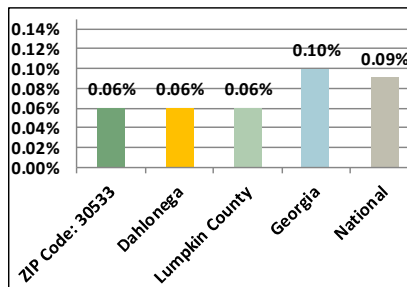
ZIP Code: 30533	
Month	# of Foreclosures
May 2014	8
June 2014	3
July 2014	9
August 2014	67
September 2014	2
October 2014	7
November 2014	3
December 2014	3
January 2015	7
February 2015	5
March 2015	8
April 2015	7

Source: Realtytrac.com
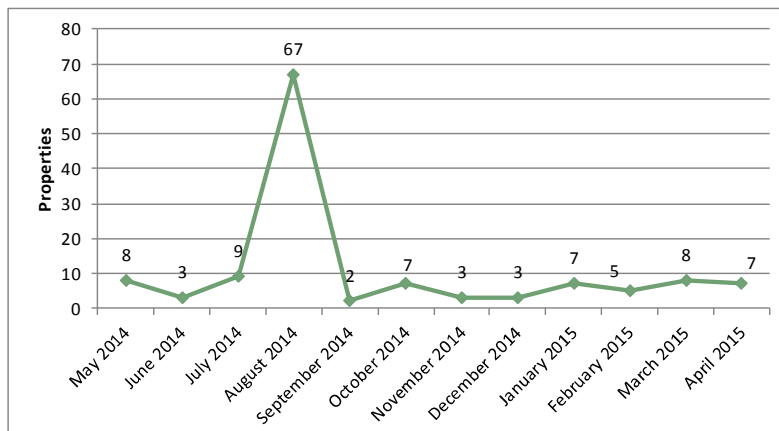
8. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Highland Trace Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has access to amenities, services, and transportation arteries.

- The site for Highland Trace is located in an established residential neighborhood south of downtown Dahlonega. The site is located outside the city limits of Dahlonega. Single-family detached homes are common within one-half mile of the site.

- The site is located within two miles of many community amenities and services in Dahlonega. In addition, the site is located within four miles of Georgia 400, a major regional thoroughfare, providing access to the Atlanta Metro Area.

- The subject site is suitable for the proposed development. No negative land uses were identified at the time of the site visit that would affect the proposed development's viability in the marketplace.

2. Economic Context

Lumpkin County's economy is growing with At-Place-Employment at an all-time high and an unemployment rate below state and national levels.

- Following a recession high of 11.7 percent in 2009, Lumpkin County's unemployment rate has decreased in each of the past five years reaching a six year low of 6.6 percent in 2014. The unemployment rate has continued to drop to 5.6 percent in the first quarter of 2015, compared to 6.3 percent in Georgia and 5.8 percent in the nation.

- Lumpkin County's At-Place Employment grew by 12.4 percent from 2000 to 2013, adding a net total of 717 jobs. After losing 592 jobs from 2008 to 2010, the county recouped all losses by adding 687 net jobs from 2011 to 2014 (Q3). The At-Place-Employment total in the third quarter of 2014 of 6,682 jobs eclipses the pre-recession peak in 2007.

- Government is the largest sector in the county accounting for 31.5 percent of all jobs compared to 15.4 percent in the nation. Trade-Transportation-Utilities and Leisure-Hospitality are the next two largest employment sectors.

- The subject site is convenient to all major employers in the county via numerous highways intersecting Dahlonega. The site is located within seven miles of the county's major employers.

- Downtown Dahlonega has seen $47 million of private and public investment, adding 57 new businesses, 29 expanded businesses, and 176 new jobs over the past seven years.

3. Population and Household Trends

The Highland Trace Market Area has experienced steady population and household growth since 2000, a trend projected to continue over the next couple of years.

- The Highland Trace Market Area added 898 people (3.6 percent) and 346 households (3.9 percent) per year between the 2000 and 2010 Census Counts. This trend continued, albeit at

a slower pace from 2010 to 2015, as the county's population and household base grew at annual rates of 0.5 percent and 0.3 percent, respectively.

- From 2015 to 2017, Esri projects the Highland Trace Market Area's population will increase by 156 people (0.5 percent) and 42 households (0.4 percent) per year.

4. Demographic Trends

The population and household base of the Highland Trace Market Area is younger when compared to the Bi-County Market Area and has a high proportion of families with and without children. Over the past decade, the market area added nearly 1,200 renter households; Esri projects the market area will continue to add renter households over the next two years. Renter household incomes in the market area are modest with a high proportion of low to moderate income households.

- Adults age 35-61 comprise the largest percentage of the population in in the market area at 32.5 percent compared to 34.5 percent in the Bi-County Market Area. Roughly 49 percent of the market area's population is under the age of 35 including 25.5 percent under the age of 20. Approximately 19 percent of the population is 62 or older compared to 20 percent in the Bi-County Market Area.

- Roughly 47 percent of all households in the Highland Trace Market Area contain at least two people but no children and 31.1 percent have children. Single persons account for 22.2 percent of all market area households.

- The Highland Trace Market Area's renter percentage was 29.7 percent in 2010 which increased to 31.7 percent in 2015. The market area's renter percentage is expected to increase to 32.4 percent in 2017.

- Young households form the core of the market area's renters, as roughly 44 percent of all renter householders are under 35 years old. Within this age segment, renters age 25 to 34 account for the single largest percentage of renter householders in the Highland Trace Market Area at 25.6 percent. Approximately 30 percent of renter households 35 to 54 years old and 25.7 percent are age 55 or older.

- As of 2010, 56.8 percent of all renter households in the Highland Trace Market Area contained one or two persons including 27.4 percent with one person. Households with three or four persons accounted for 32.7 percent of renter households and large households (5+ persons) accounted for 10.5 percent of renter households.

- The 2015 median income of households in the Highland Trace Market Area is $47,270, 9.0 percent lower than the Bi-County Market Area median household income of $51,942. RPRG estimates that the median income of renter households in the Highland Trace Market Area is $28,911. Approximately 46 percent of renters earn less than $25,000 including 24.8 percent earning less than $15,000. Roughly 29 percent earn between $25,000 and $49,999.

5. Competitive Housing Analysis

RPRG surveyed five multi-family rental communities, one (Golden Hills) located in the Highland Trace Market Area and four located outside of the market area in Dawsonville. At the time of our survey, surveyed rental communities were performing very well with no vacancies.

- Golden Hills, the only LIHTC community in the market area, was fully occupied with a waiting list. The four communities outside the market area combine for 409 units and no vacant units; Farmington Woods, a LIHTC community, reported a waiting list.

- Among the five rental communities surveyed (the lone community in the market area, Golden Hills, only offers three bedroom units without deep subsidies), net rents, unit sizes, and rents per square foot were as follows:

    o **One-bedroom** effective rents outside of the market area averaged $647 per month with an average unit size of 747 square feet, resulting in a net rent per square foot of $0.87.

    o **Two-bedroom** effective rents outside of the market area averaged $735 per month with an average unit size of 1,009 square feet, resulting in a net rent per square foot of $0.73.

    o **Three-bedroom** effective rent at Golden Hills was $650 with a unit size of 1,370 square feet for a rent per square foot of $0.47. Three bedroom effective rents outside of the market area averaged $885 per month with an average unit size of 1,317 square feet, resulting in a net rent per square foot of $0.67.

- The average rents for scattered site rentals were $812 for one-bedroom units, $767 for two-bedroom units, and $1,130 for three-bedroom units. The one bedroom average is higher than the two bedroom average due to less diversity among units; one bedroom units were found at slightly higher end properties.

- The "average market rent" among market rate units in the market area is $812 for one bedroom units, $767 for two bedroom units, and $1,130 for three bedroom units. The subject property's proposed rents are all well below these average market rents with rent advantages ranging from 29.9 percent to 57.7 percent.

- The only rental communities identified in the market area's development pipeline are student oriented, which are not considered directly comparable to the proposed units.

B. Affordability Analysis

1. Methodology

The Affordability Analysis tests the percentage of income-qualified households in the market area that the subject community must capture in order to achieve full occupancy.

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among Highland Trace Market Area households for the target year of 2016. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2009-2013 American Community Survey along with estimates and projected income growth by Esri (Table 27).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For the Affordability Analysis, RPRG employs a 35 percent gross rent burden.

The proposed LIHTC units at Highland Trace will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2015 HUD income limits for Lumpkin County, GA and are based on an average of 1.5 persons per bedroom rounded up to the nearest whole number per DCA requirements. Rent and income limits are detailed in Table 28 on the following page. The analysis was completed for the 79 revenue generating units as one unit will be a non-revenue unit for a property manager.

Table 27 2016 Total and Renter Income Distribution

Highland Trace Market Area		Total Households		Renter Households	
		#	%	#	%
less than	$15,000	1,731	15.4%	888	24.7%
$15,000	$24,999	1,412	12.6%	725	20.1%
$25,000	$34,999	1,025	9.1%	351	9.8%
$35,000	$49,999	1,570	14.0%	692	19.2%
$50,000	$74,999	2,696	24.0%	511	14.2%
$75,000	$99,999	1,384	12.3%	292	8.1%
$100,000	$149,999	865	7.7%	98	2.7%
$150,000	Over	540	4.8%	41	1.1%
Total		**11,224**	**100%**	**3,598**	**100%**
Median Income		**$48,791**		**$30,303**	

Source: American Community Survey 2009-2013 Projections, RPRG, Inc.

Table 28   LIHTC Income and Rent Limits, Lumpkin County, GA

HUD 2015 Median Household Income		
Lumpkin County, GA	$57,700	
Very Low Income for 4 Person Household	$28,850	
2015 Computed Area Median Gross Income	**$57,700**	
Utility Allowance:		
1 Bedroom	$163	
2 Bedroom	$207	
3 Bedroom	$257	

LIHTC Household Income Limits by Household Size:

Household Size	30%	40%	50%	60%	80%	100%	150%
1 Person	$12,120	$16,160	$20,200	$24,240	$32,320	$40,400	$60,600
2 Persons	$13,860	$18,480	$23,100	$27,720	$36,960	$46,200	$69,300
3 Persons	$15,600	$20,800	$26,000	$31,200	$41,600	$52,000	$78,000
4 Persons	$17,310	$23,080	$28,850	$34,620	$46,160	$57,700	$86,550
5 Persons	$18,720	$24,960	$31,200	$37,440	$49,920	$62,400	$93,600
6 Persons	$20,100	$26,800	$33,500	$40,200	$53,600	$67,000	$100,500

Imputed Income Limits by Number of Bedrooms:

Assumes 1.5 persons per bedroom	Persons	Bedrooms	30%	40%	50%	60%	80%	100%	150%
	1	0	$12,120	$16,160	$20,200	$24,240	$32,320	$40,400	$60,600
	2	1	$13,860	$18,480	$23,100	$27,720	$36,960	$46,200	$69,300
	3	2	$15,600	$20,800	$26,000	$31,200	$41,600	$52,000	$78,000
	5	3	$18,720	$24,960	$31,200	$37,440	$49,920	$62,400	$93,600
	6	4	$20,100	$26,800	$33,500	$40,200	$53,600	$67,000	$100,500

LIHTC Tenant Rent Limits by Number of Bedrooms:

Assumes 1.5 Persons per bedroom

# Persons	30%		40%		50%		60%		80%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom	$324	$161	$433	$270	$541	$378	$649	$486	$866	$703
2 Bedroom	$390	$183	$520	$313	$650	$443	$780	$573	$1,040	$833
3 Bedroom	$450	$193	$600	$343	$750	$493	$900	$643	$1,201	$944

Source: U.S. Department of Housing and Urban Development

2. Affordability Analysis

The steps in the affordability analysis (Table 29) are as follows:

- Looking at the one bedroom units at 50 percent AMI, the overall shelter cost at the proposed rent would be $526 ($363 net rent plus a $163 allowance to cover all utilities except trash removal).

- By applying a 35 percent rent burden to this gross rent, we determined that a 50 percent one bedroom unit would be affordable to households earning at least $18,034 per year. A projected 9,064 households in the market area will earn at least this amount in 2016.

- Based on an average household size of two persons, the maximum income limit for a one bedroom unit at 50 percent of the AMI is $23,100. According to the interpolated income distribution for 2016, 8,349 households in the Highland Trace Market Area will have incomes exceeding this 50 percent LIHTC income limit.

- Subtracting the 8,349 households with incomes above the maximum income limit from the 9,064 households that could afford to rent this unit, RPRG computes that an estimated 715

households in the Highland Trace Market Area fall within the band of affordability for the subject's one bedroom units at 50 percent AMI. The subject property would need to capture 0.6 percent of these income-qualified households to absorb the proposed one bedroom units at 50 percent AMI.

- RPRG next tested the range of qualified households that are currently renters and determined that 2,490 renter households can afford to rent a one bedroom 50 percent unit at the subject property. Of these, 2,123 have incomes above our maximum income of $23,100. The net result is 367 renter households within the income band. To absorb the proposed 50 percent one bedroom units, the subject property would need to capture 1.1 percent of income-qualified renter households.

- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and income levels offered at the community. We also computed the capture rates for all units. The remaining renter capture rates by floor plan range from 1.9 percent to 15.6 percent.

- By income level, renter capture rates are 2.2 percent for 50 percent units, 9.0 percent for 60 percent units, and 8.2 percent for all units.

3. Conclusions of Affordability

All affordability capture rates are within reasonable and achievable levels for a general occupancy community. The capture rate for the two bedroom 60 percent AMI units is elevated; however; this capture rate is considered acceptable given limited competition exists in the market area.

Table 29 Highland Trace Affordability Analysis

50% Units	One Bedroom		Two Bedroom		Three Bedroom	
	Min.	**Max.**	**Min.**	**Max.**	**Min.**	**Max.**
Number of Units	4		8		4	
Net Rent	$363		$428		$478	
Gross Rent	$526		$635		$735	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	$18,034	$23,100	$21,771	$26,000	$25,200	$31,200
Total Households						
Range of Qualified Hslds	9,064	8,349	8,537	7,978	8,060	7,445
# Qualified Households		715		558		615
Total HH Capture Rate		**0.6%**		**1.4%**		**0.7%**
Renter Households						
Range of Qualified Hhdls	2,490	2,123	2,219	1,950	1,978	1,767
# Qualified Hhlds		367		269		211
Renter HH Capture Rate		**1.1%**		**3.0%**		**1.9%**

60% Units	One Bedroom		Two Bedroom		Three Bedroom	
Number of Units	12		31		20	
Net Rent	$471		$538		$628	
Gross Rent	$634		$745		$885	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	$21,737	$27,720	$25,543	$31,200	$30,343	$37,440
Total Households						
Range of Qualified Hslds	8,541	7,802	8,025	7,445	7,533	6,800
# Qualified Households		740		580		733
Unit Total HH Capture Rate		**1.6%**		**5.3%**		**2.7%**
Renter Households						
Range of Qualified Hhdls	2,221	1,890	1,966	1,767	1,797	1,521
# Qualified Hhlds		332		199		276
Renter HH Capture Rate		**3.6%**		**15.6%**		**7.2%**

Income Target	Units		All Households = 11,224				Renter Households = 3,598			
			Band of Qualified Hhlds		**# Qualified HHs**	**Capture Rate**	**Band of Qualified Hhlds**		**# Qualified HHs**	**Capture Rate**
50% Units	16	Income Households	$18,034 9,064	$31,200 7,445	1,619	**1.0%**	$18,034 2,490	$31,200 1,767	722	**2.2%**
60% Units	63	Income Households	$21,737 8,541	$37,440 6,800	1,741	**3.6%**	$21,737 2,221	$37,440 1,521	700	**9.0%**
Total Units	79	Income Households	$18,034 9,064	$37,440 6,800	2,264	**3.5%**	$18,034 2,490	$37,440 1,521	968	**8.2%**

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.

C. Demand Estimates and Capture Rates

1. Methodology

DCA's demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of age and income qualified renter households projected to move into the Highland Trace Market Area between the base year of 2013 and 2016.

- The next component of demand is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2010 Census data, the percentage of renter households in the primary market area that are "substandard" is 3.2 percent (Table 30). This substandard percentage is applied to current household numbers.

- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 51.5 percent of the Highland Trace Market Area's renter households are categorized as cost burdened (Table 30).

The data assumptions used in the calculation of these demand estimates are detailed at the bottom of Table 31. Income qualification percentages are derived by using the Affordability Analysis detailed in Table 29. The demand analysis was completed for the 79 revenue generating units as one unit will be a non-revenue unit for a property manager.

2. Demand Analysis

According to DCA's demand methodology, all comparable units built or approved since the base year (2013) are to be subtracted from the demand estimates to arrive at net demand. One community, Golden Hills, was rehabbed in 2014. As part of the rehab, 25 three-bedroom 60 percent AMI units were added to the existing community. These 25 units have been subtracted from demand estimates.

The overall capture rate for the 79 units at Highland Trace is 15.7 percent (Table 31). Capture rates by income level are 4.1 percent for 50 percent units and 17.6 percent for 60 percent AMI units. Highland Trace's capture rates by floor plan range from 2.3 percent to 28.6 percent (Table 32).

All capture rates are below DCA's mandated threshold of 35 percent for a rural county and indicate sufficient demand to support the proposed Highland Trace.

Table 30 Substandard and Cost Burdened Calculations

Rent Cost Burden				Substandardness	
Total Households	#	%		Total Households	
Less than 10.0 percent	89	2.5%		**Owner occupied:**	
10.0 to 14.9 percent	203	5.8%		Complete plumbing facilities:	7,455
15.0 to 19.9 percent	363	10.4%		1.00 or less occupants per room	7,423
20.0 to 24.9 percent	275	7.9%		1.01 or more occupants per room	32
25.0 to 29.9 percent	407	11.6%		Lacking complete plumbing facilities:	41
30.0 to 34.9 percent	120	3.4%		Overcrowded or lacking plumbing	73
35.0 to 39.9 percent	302	8.6%			
40.0 to 49.9 percent	362	10.3%		**Renter occupied:**	
50.0 percent or more	883	25.2%		Complete plumbing facilities:	3,483
Not computed	499	14.2%		1.00 or less occupants per room	3,391
Total	3,503	100.0%		1.01 or more occupants per room	92
				Lacking complete plumbing facilities:	20
> 35% income on rent	**1,547**	**51.5%**		Overcrowded or lacking plumbing	112

Source: American Community Survey 2009-2013

Substandard Housing	**185**
% Total Stock Substandard	**1.7%**
% Rental Stock Substandard	**3.2%**

Table 31 DCA Demand by Income Level

Income Target	50% Units	60% Units	Total Units
Minimum Income Limit	$18,034	$21,737	$18,034
Maximum Income Limit	$31,200	$37,440	$37,440
(A) Renter Income Qualification Percentage	**20.1%**	**19.5%**	**26.9%**
Demand from New Renter Households *Calculation (C-B)*F*A*	8	8	11
PLUS			
Demand from Existing Renter HHs (Substandard) *Calculation B*D*F*A*	23	22	30
PLUS			
Demand from Existing Renter HHhs (Overburdened) *- Calculation B*E*F*A*	364	353	488
Total Demand	**395**	**383**	**529**
LESS			
Comparable Units Built or Planned Since 2013	0	25	25
Net Demand	**395**	**358**	**504**
Proposed Units	16	63	79
Capture Rate	**4.1%**	**17.6%**	**15.7%**

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2013 Households	11,099
C). 2016 Households	11,224
D). Substandard Housing (% of Rental Stock)	3.2%
E). Rent Overburdened (% of Renter Hhlds at >35%)	51.5%
F). Renter Percentage (% of all 2015 HHlds)	31.7%

Table 32 DCA Demand by Floor Plan

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate
50% Units	**$18,034 - $31,200**						
One Bedroom Units	$18,034 - $22,500	4	9.0%	177	0	177	2.3%
Two Bedroom Units	$22,501 - $25,500	8	5.5%	109	0	109	7.4%
Three Bedroom Units	$25,501 - $31,200	4	5.6%	109	0	109	3.7%
60% Units	**$21,737 - $37,440**						
One Bedroom Units	$21,737 - $25,550	12	7.1%	140	0	140	8.6%
Two Bedroom Units	$25,551 - $31,200	31	5.5%	108	0	108	28.6%
Three Bedroom Units	$31,201 - $37,440	20	6.8%	134	25	109	18.3%
Project Total	**$18,034 - $37,440**						
50% Units	$18,034 - $31,200	16	20.1%	395	0	395	4.1%
60% Units	$21,737 - $37,440	63	19.5%	383	25	358	17.6%
Total Units	$18,034 - $37,440	79	26.9%	529	25	504	15.7%

D. Product Evaluation

Considered in the context of the competitive environment, the relative position of Highland Trace is as follows:

- **Site:** The subject site is acceptable for a rental housing development targeting low to moderate income renter households. Surrounding land uses are compatible with multi-family development and are appropriate for an affordable rental community. The subject site is convenient to a major thoroughfare (Georgia 400), employment concentrations, and community amenities.

- **Unit Distribution:** The proposed unit mix for Highland Trace will offer one, two, and three bedroom units. The only community in the market area, Golden Hills, offers one, two, and three bedroom units. In addition, these floor plans are common among surveyed communities outside of the market area. The proposed one, two, and three bedroom units will be well received by the target market.

- **Unit Size:** The proposed weighted average unit sizes at Highland Trace are 820 square feet for one bedroom units, 1,054 square feet for two bedroom units, and 1,218 square feet for three bedroom units. The proposed three-bedroom unit size is smaller than the three-bedroom units offered at Golden Hills; however, both proposed rents are lower than the rent offered at this community resulting in a comparable rent per square foot figure. In addition, the proposed one and two bedroom floor plans are larger than the average among surveyed communities outside of the market area. The proposed three-bedroom unit size is roughly 100 square feet smaller than the average outside of the market area; however, both proposed rents are lower than all existing three bedroom rents. The proposed unit sizes for all floor plans will be well received by the proposed target market.

- **Unit Features:** In-unit features offered at the subject property will include a range, a refrigerator, a dishwasher, a microwave, washer/dryer in each unit, and a patio/balcony. These unit features are superior to the surveyed communities inside and outside the market area including LIHTC communities.

- **Community Amenities**: Highland Trace's community amenity package will include a clubhouse/ community room, a business/computer center, a playground, and an exterior gathering area with a gazebo. Amenities offered at the subject property are comparable to Golden Hills, the only LIHTC community in the market area.

- **Marketability:** The subject property will offer an attractive product that is suitable for the target market.

E. Price Position

As shown in Figure 8, all proposed rents will be the lowest among surveyed communities inside and outside of the market area. The proposed rent per square foot for each floor plan at the subject property is comparable to the surveyed units.

Figure 8 Price Position – Highland Trace

One Bedroom Rent by Unit Size

Two Bedroom Rent by Unit Size

Three Bedroom Rent by Unit Size
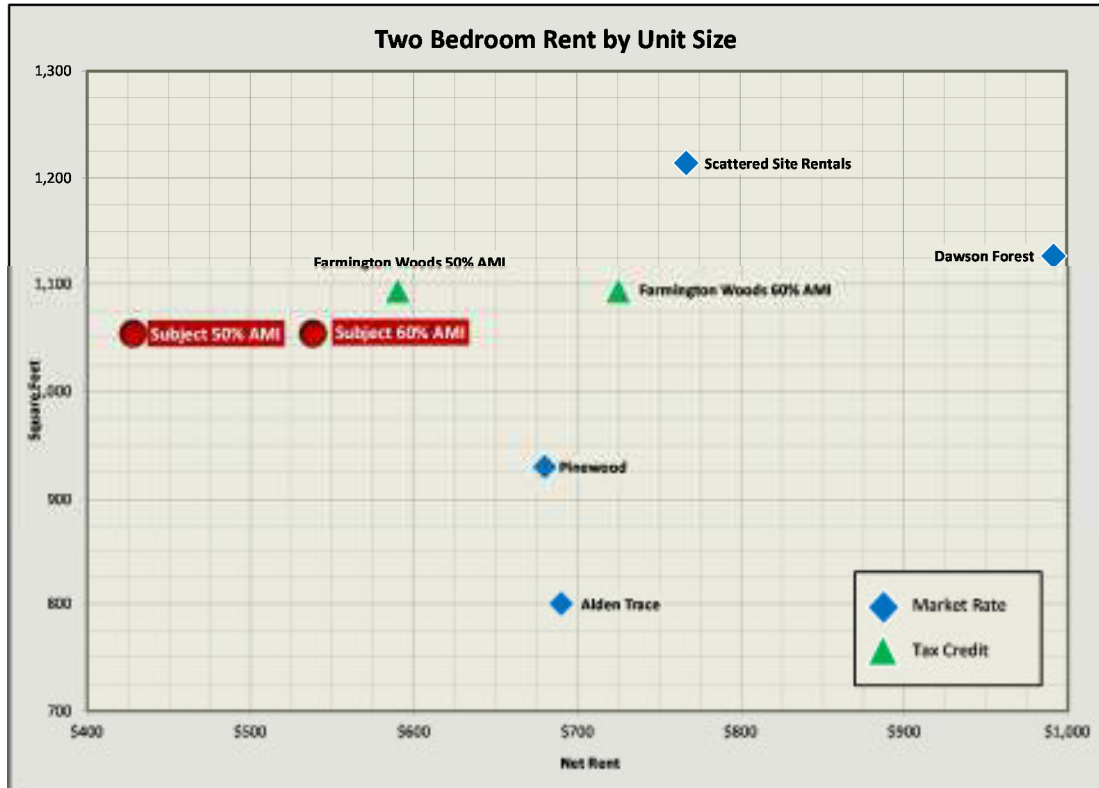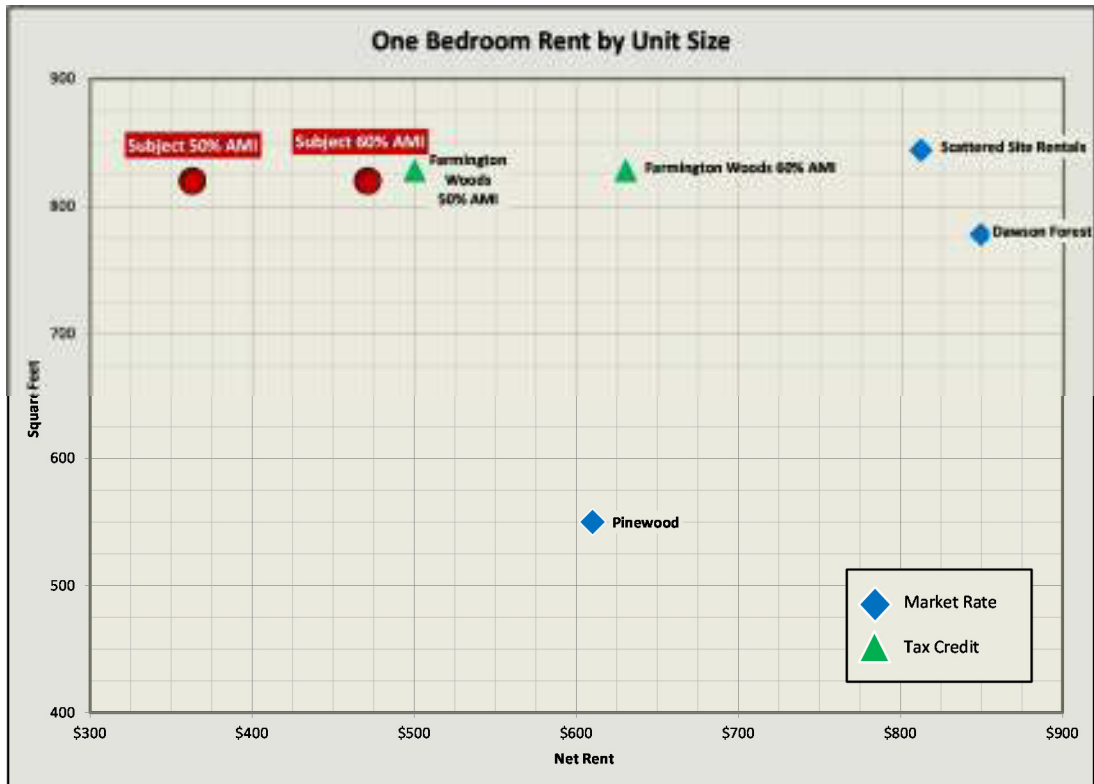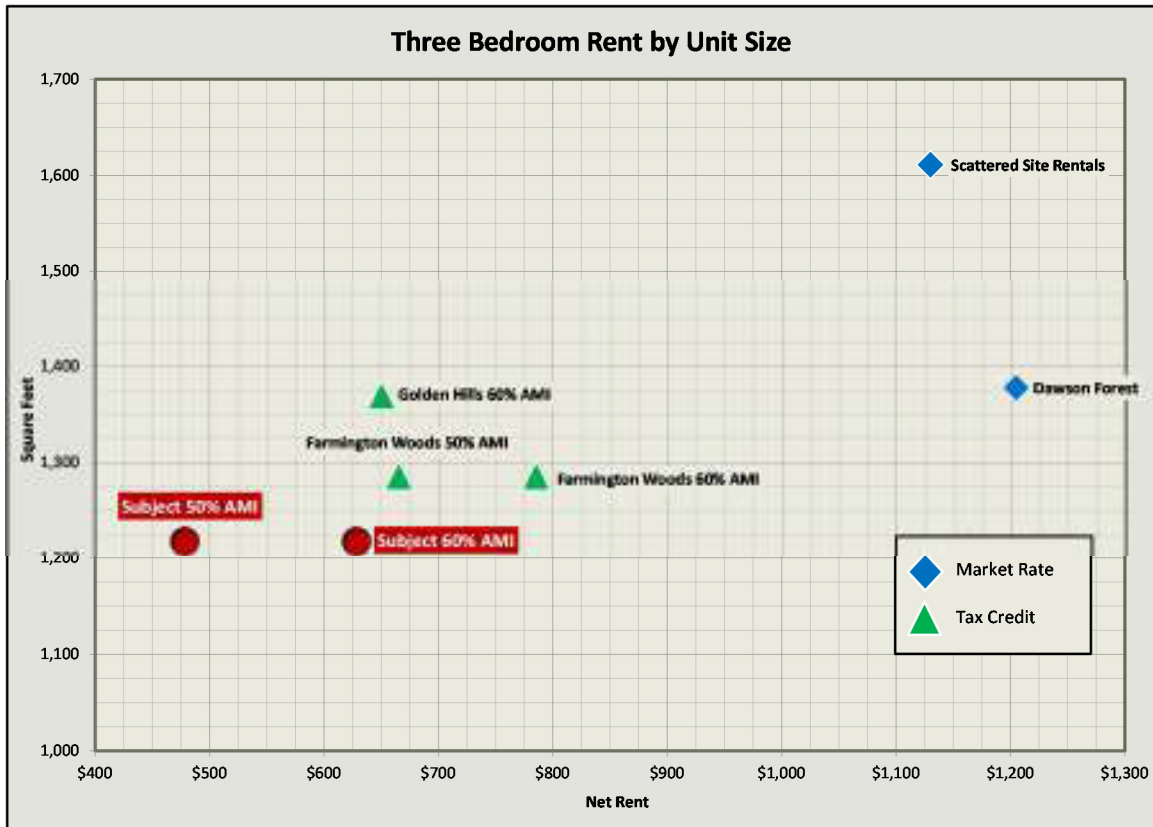
F. Absorption Estimate

Absorption information was not available for the only surveyed community, Golden Hills, in the market area. In addition to the experience of recently constructed rental communities, the projected absorption rate for the subject property is based on projected household growth, the number of income-qualified renter households projected in the market area, reasonable demand estimates, rental market conditions, and the marketability of the proposed site and product.

- The population and household base of the Highland Trace Market Area are projected to grow, adding 156 people (0.5 percent) and 42 households (0.4 percent) per year through 2017.

- Over 950 renter households will be income-qualified for the proposed units.

- All DCA demand capture rates, both overall and by floor plan, are within acceptable thresholds of 35 percent for all units proposed at Highland Trace.

- The rental market in the Highland Trace Market Area is limited including only one LIHTC community, Golden Hills, which is fully occupied with a waiting list.

- The proposed rents at Highland Trace will be the lowest among surveyed communities both inside and outside of the market area. Proposed rents have an advantage relative to the average unadjusted market rent ranging from 29.9 percent to 57.7 percent. The overall weighted average rent advantage is 39.5 percent.

- Highland Trace will offer an attractive product that will be well received at the proposed price points.

Based on the product to be constructed and the factors discussed above, we expect Highland Trace to lease-up at a rate of 12 units per month. At this rate, the subject property will reach a stabilized occupancy of at least 93 percent within approximately six months.

G. Impact on Existing Market

Given the limited rental options in the Highland Trace Market Area and projected household growth over the next couple of years, we do not expect Highland Trace to have negative impact on existing rental communities in the Highland Trace Market Area including those with tax credits.

H. Final Conclusions and Recommendations

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band	Proposed Rents
50% Units	**$18,034 - $31,200**										
One Bedroom Units	$18,034 - $22,500	4	9.0%	177	0	177	2.3%	1-2 months	$812	$645-$895	$363
Two Bedroom Units	$22,501 - $25,500	8	5.5%	109	0	109	7.4%	2-3 months	$767	$549-$1,200	$428
Three Bedroom Units	$25,501 - $31,200	4	5.6%	109	0	109	3.7%	1-2 months	$1,130	$1,095-$1,200	$478
60% Units	**$21,737 - $37,440**										
One Bedroom Units	$21,737 - $25,550	12	7.1%	140	0	140	8.6%	2-3 months	$812	$645-$895	$471
Two Bedroom Units	$25,551 - $31,200	31	5.5%	108	0	108	28.6%	6 months	$767	$549-$1,200	$538
Three Bedroom Units	$31,201 - $37,440	20	6.8%	134	25	109	18.3%	4-5 months	$1,130	$1,095-$1,200	$628
Project Total	**$18,034 - $37,440**										
50% Units	$18,034 - $31,200	16	20.1%	395	0	395	4.1%	2-3 months			
60% Units	$21,737 - $37,440	63	19.5%	383	25	358	17.6%	6 months			
Total Units	$18,034 - $37,440	79	26.9%	529	25	504	15.7%	6 months			

Based on household growth, acceptable affordability and demand capture rates, and limited rental options in the market area including one LIHTC community that is fully occupied with a waiting list, sufficient demand exists to support the proposed units at Highland Trace. As such, RPRG believes that the proposed Highland Trace will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following its entrance into the rental market. The subject property will be competitively positioned with the existing LIHTC community (Golden Hills) in the Highland Trace Market Area and the units will be well received by the target market. We recommend proceeding with the project as planned.

We do not believe that the proposed development of Highland Trace will have a negative impact on the existing LIHTC communities in the market area.

Brett Welborn

Analyst

Tad Scepaniak

Principal

9. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.

2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.

3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.

4. The subject project will be served by adequate transportation, utilities and governmental facilities.

5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.

6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.

7. The subject project will be developed, marketed and operated in a highly professional manner.

8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.

9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.

2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.

3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.

4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.

5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.

6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.

10. APPENDIX 2 ANALYST CERTIFICATIONS

I certify that, to the best of my knowledge and belief:

- ▪ The statements of fact contained in this report are true and correct.

- ▪ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.

- ▪ I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

- ▪ My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

- ▪ The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.

- ▪ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

- ▪ To the best of my knowledge, the market can support the proposed project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs.

- ▪ DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.

_____	_____
Brett Welborn	Tad Scepaniak
Analyst	Principal
Real Property Research Group, Inc.	Real Property Research Group, Inc.

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years or both.

11. APPENDIX 3 NCHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. 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 Housing Market Analysts.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

Real Property Research Group, Inc.

_____Tad Scepaniak_____
Name

_____Principal_____
Title

_____May 25, 2015_____
Date

12. APPENDIX 4 ANALYST RESUMES

ROBERT M. LEFENFELD

Mr. Lefenfeld is the Managing Principal of the firm with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in February, 2001, Bob served as an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders, the National Council on Seniors' Housing and various local homebuilder associations. Bob serves as a visiting professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He has served as National Chair of the National Council of Affordable Housing Market Analysts (NCAHMA) and is currently a board member of the Baltimore chapter of Lambda Alpha Land Economics Society.

Areas of Concentration:

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), facilitating the comprehensive integration of data.

Education:
Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.

TAD SCEPANIAK

Tad Scepaniak directs the Atlanta office of Real Property Research Group and leads the firm's affordable housing practice. Tad directs the firm's efforts in the southeast and south central United States and has worked extensively in North Carolina, South Carolina, Georgia, Florida, Tennessee, Iowa, and Michigan. He specializes in the preparation of market feasibility studies for rental housing communities, including market-rate apartments developed under the HUD 221(d)(4) program and affordable housing built under the Low-Income Housing Tax Credit program. Along with work for developer clients, Tad is the key contact for research contracts with the North Carolina, South Carolina, Georgia, Michigan, and Iowa Housing Finance agencies.   Tad is also responsible for development and implementation of many of the firm's automated systems.

Tad is Vice Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as the Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas and Tennessee.

Education:
Bachelor of Science – Marketing; Berry College – Rome, Georgia

BRETT WELBORN

Analyst

Brett Welborn entered the field of Real Estate Market Research in 2008, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Brett's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Through his experience, Brett has progressed to serve as Analyst for RPRG.

Areas of Concentration:
Low Income Housing Tax Credit Rental Housing: Brett has worked with the Low Income Housing Tax Credit program, evaluating general occupancy and senior oriented developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a range of project types, including newly constructed communities and rehabilitations.

In addition to market analysis responsibilities, Brett has also assisted in the development of research tools for the organization.

Education:
Bachelor of Business Administration – Real Estate; University of Georgia, Athens, GA

13. APPENDIX 5 DCA CHECKLIST

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

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: May 25, 2015

                    Brett Welborn

A. Executive Summary

1. Project Description:
    i. Brief description of the project location including address and/or position relative to the closest cross-street ....Page(s)   v
    ii. Construction and Occupancy Types ....Page(s)   v
    iii. Unit mix, including bedrooms, bathrooms, square footage, Income targeting, rents, and utility allowance ....Page(s)   v
    iv. Any additional subsidies available, including project based rental assistance (PBRA) ....Page(s)   v
    v. Brief description of proposed amenities and how they compare with existing properties ....Page(s)   v

2. Site Description/Evaluation:
    i. A brief description of physical features of the site and adjacent parcels....................................Page(s)   vi
    ii. A brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural)...Page(s)   vi
    iii. A discussion of site access and visibility ....Page(s)   vi
    iv. Any significant positive or negative aspects of the subject site................................Page(s)   vi
    v. A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc ....Page(s)   vi
    vi. An overall conclusion of the site's appropriateness for the proposed development...Page(s)   vi

3. Market Area Definition:
    i. A brief definition of the primary market area (PMA) including boundaries and their approximate distance from the subject site ....Page(s)   vi

4. Community Demographic Data:
    i. Current and projected household and population counts for the PMA......................................Page(s)   vi
    ii. Household tenure including any trends in rental rates. ....Page(s)   vi
    iii. Household income level. ....Page(s)   vi

B.   Project Description

C.   Site Evaluation

14. APPENDIX 6 NCHMA CHECKLIST

Introduction: Members of the National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

Component (*First occurring page is noted)	*Page(s)
Executive Summary	
1. Executive Summary	
Project Summary	
2. Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	3,5
3. Utilities (and utility sources) included in rent	3, 5
4. Project design description	3,5
5. Unit and project amenities; parking	3,5
6. Public programs included	3
7. Target population description	3
8. Date of construction/preliminary completion	4
9. If rehabilitation, existing unit breakdown and rents	N/A
10. Reference to review/status of project plans	3
Location and Market Area	
11. Market area/secondary market area description	16
12. Concise description of the site and adjacent parcels	6
13. Description of site characteristics	6
14. Site photos/maps	7 - 10
15. Map of community services	14
16. Visibility and accessibility evaluation	12
17. Crime information	11
Employment and Economy	
18. Employment by industry	21
19. Historical unemployment rate	19
20. Area major employers	22
21. Five-year employment growth	20

22.	Typical wages by occupation	N/A
23.	Discussion of commuting patterns of area workers	18
Demographic Characteristics		
24.	Population and household estimates and projections	24
25.	Area building permits	24
26.	Distribution of income	27
27.	Households by tenure	27
Competitive Environment		
28.	Comparable property profiles	68
29.	Map of comparable properties	33
30.	Comparable property photos	68
31.	Existing rental housing evaluation	30
32.	Comparable property discussion	30
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	34
34.	Comparison of subject property to comparable properties	49
35.	Availability of Housing Choice Vouchers	38
36.	Identification of waiting lists	32
37.	Description of overall rental market including share of market-rate and affordable properties	31
38.	List of existing LIHTC properties	68
39.	Discussion of future changes in housing stock	38
40.	Discussion of availability and cost of other affordable housing options, including homeownership	30
41.	Tax credit and other planned or under construction rental communities in market area	38
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	47
43.	Calculation and analysis of Penetration Rate	30
44.	Evaluation of proposed rent levels	50
45.	Derivation of Achievable Market Rent and Market Advantage	37
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	41
48.	Market strengths and weaknesses impacting project	49
49.	Recommendation and/or modification to project description	49, if applicable
50.	Discussion of subject property's impact on existing housing	49
51.	Absorption projection with issues impacting performance	52

52.	Discussion of risks or other mitigating circumstances impacting project	41, if applicable
53.	Interviews with area housing stakeholders	38
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	1
56.	Certifications	App.
57.	Statement of qualifications	57
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A

15.   APPENDIX 7 RENTAL COMMUNITY PROFILES

Community	Address	City	Phone Number	Date Surveyed	Contact
Alden Trace	40 Alden Ct.	Dawsonville	706-265-7976	5/27/2015	Property Manager
Dawson Forest	100 Green Forest Dr.	Dawsonville	706-216-4292	5/27/2015	Property Manager
Farmington Woods	2201 Perimeter Rd.	Dawsonville	706-265-3021	5/28/2015	Property Manager
Golden Hills	121 Golden Hills Dr.	Dahlonega	706-864-5344	6/1/2015	Property Manager
Pinewood	32 Reeves Rd.	Dawsonville	706-265-0617	5/27/2015	Property Manager

Alden Trace

Multifamily Community Profile

40 Alden Ct
Dawsonville,GA 30534

CommunityType: **Market Rate - General**
Structure Type: **1-Story Garden**

42 Units	0.0% Vacant (0 units vacant) as of 5/27/2015	Opened in 1999

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	--	--	--
One/Den	--	--	--	--
Two	100.0%	$710	800	$0.89
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Community Amenities

Clubhouse: ☐		Pool-Outdr: ☐
Comm Rm: ☐		Basketball: ☐
Centrl Lndry: ☐		Tennis: ☐
Elevator: ☐		Volleyball: ☐
Fitness: ☐		CarWash: ☐
Hot Tub: ☐		BusinessCtr: ☐
Sauna: ☐		ComputerCtr: ☐
Playground: ☐		

Features

Standard: **Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Storage (In Unit); Carpet / Vinyl/Linoleum**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking**   *Parking 2:* --
Fee: --   *Fee:* --

Property Manager: **Starmount Propertie**
Owner: --

Comments

Floorplans (Published Rents as of 5/27/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	2	1	42	$710	800	$.89	**Market**

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
5/27/15	0.0%	--	$710	--
8/25/14	0.0%	--	$710	--
5/22/13	0.0%	--	$595	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat: ☐	Cooking: ☐	Wtr/Swr: ☑
Hot Water: ☐	Electricity: ☐	Trash: ☑

Alden Trace   **GA085-018901**

Dawson Forest

Multifamily Community Profile

100 Green Forest Drive
Dawsonville, GA 30534

CommunityType: **Market Rate - General**
Structure Type: **Garden**

268 Units   **0.0% Vacant (0 units vacant) as of 5/27/2015**   Last Major Rehab in 1998   Opened in 1985

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	31.3%	$864	778	$1.11
One/Den	--	--	--	--
Two	53.7%	$1,012	1,127	$0.90
Two/Den	--	--	--	--
Three	14.9%	$1,229	1,378	$0.89
Four+	--	--	--	--

Community Amenities

Clubhouse:	☑	Pool-Outdr:	☑
Comm Rm:	☑	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☑
Elevator:	☐	Volleyball:	☐
Fitness:	☑	CarWash:	☑
Hot Tub:	☐	BusinessCtr:	☑
Sauna:	☐	ComputerCtr:	☑
Playground:	☑		

Features

Standard: **Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit); Carpet**

Select Units: **HighCeilings**

Optional($): **--**

Security: **Unit Alarms; Gated Entry**

Parking 1: **Free Surface Parking**   *Parking 2:* **Detached Garage**
Fee: **--**   *Fee:* **$100**

Property Manager: **EOS**
Owner: **--**

Comments

Floorplans (Published Rents as of 5/27/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	84	$864	778	$1.11	Market
Garden	--	2	2	72	$994	1,109	$.90	Market
Garden	--	2	2	72	$1,029	1,144	$.90	Market
Garden	--	3	2	40	$1,229	1,378	$.89	Market

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
5/27/15	0.0%	$864	$1,012	$1,229
8/28/14	0.0%	$805	$960	$1,178
5/22/13	1.1%	$719	$874	$939

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	☐	**Cooking:**	☐	**Wtr/Swr:**	☑
Hot Water:	☐	**Electricity:**	☐	**Trash:**	☑

Dawson Forest   **GA085-018899**

Farmington Woods

Multifamily Community Profile

2201 Perimeter Rd.
Dawsonville, GA 30534

Community Type: **LIHTC - General**
Structure Type: **2-Story Garden**

72 Units   0.0% Vacant (0 units vacant) as of 5/28/2015   **Opened in 2013**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	16.7%	$613	829	$0.74
One/Den	--	--	--	--
Two	50.0%	$730	1,094	$0.67
Two/Den	--	--	--	--
Three	33.3%	$790	1,286	$0.61
Four+	--	--	--	--

Community Amenities

Clubhouse:	☑	Pool-Outdr:	☑
Comm Rm:	☑	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☐
Elevator:	☐	Volleyball:	☐
Fitness:	☐	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☑
Sauna:	☐	ComputerCtr:	☑
Playground:	☑		

Features

Standard: **Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Cable TV**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking**   *Parking 2:* --
Fee: --   *Fee:* --

Property Manager: --
Owner: --

Comments

Cable included in rent.

Waitlist.

Opened December 2, 2013 & leased up on June 1, 2014.

Floorplans (Published Rents as of 5/28/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	9	$630	829	$.76	LIHTC/ 60%
Garden	--	1	1	3	$500	829	$.60	LIHTC/ 50%
Garden	--	2	2	4	$590	1,094	$.54	LIHTC/ 50%
Garden	--	2	2	32	$725	1,094	$.66	LIHTC/ 60%
Garden	--	3	2	4	$665	1,286	$.52	LIHTC/ 50%
Garden	--	3	2	20	$785	1,286	$.61	LIHTC/ 60%

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
5/28/15	0.0%	$613	$730	$790
9/4/14	0.0%	$583	$703	$768

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat: ☐	Cooking: ☐	Wtr/Swr: ☐	
Hot Water: ☐	Electricity: ☐	Trash: ☑	

Farmington Woods   **GA085-020472**

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
    (2) Published Rent is rent as quoted by management.

Golden Hills

121 Golden Hills Dr.
Dahlonega, GA 30533

CommunityType: **LIHTC - General**
Structure Type: **Garden/TH**

69 Units	0.0% Vacant (0 units vacant) as of 6/1/2015	Last Major Rehab in 2014	Opened in 1991

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	14.5%	$407	850	$0.48
One/Den	--	--	--	--
Two	49.3%	$447	950	$0.47
Two/Den	--	--	--	--
Three	36.2%	$675	1,390	$0.49
Four+	--	--	--	--

Community Amenities

Clubhouse:	☑	Pool-Outdr:	☐
Comm Rm:	☑	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☐
Elevator:	☐	Volleyball:	☐
Fitness:	☑	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☑
Sauna:	☐	ComputerCtr:	☑
Playground:	☑		

Features

Standard: **Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking**   *Parking 2:* --
Fee: --   *Fee:* --

Property Manager: **Wellspring Communi**
Owner: --

Comments

Wait list.

Rural development rents are basic rents.

Floorplans (Published Rents as of 6/1/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	10	$392	850	$.46	LIHTC/USDA
Garden	--	2	1	34	$427	950	$.45	LIHTC/USDA
Garden	--	3	2	4	$650	1,340	$.49	LIHTC/ 60%
Townhouse	--	3	2.5	21	$650	1,400	$.46	LIHTC/ 60%

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/1/15	0.0%	$407	$447	$675

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat: ☐	Cooking: ☐	Wtr/Swr: ☐
Hot Water: ☐	Electricity: ☐	Trash: ☑

Pinewood

Multifamily Community Profile

54 Reeves Road
Dawsonville, GA 30534

CommunityType: **Market Rate - General**
Structure Type: **Garden/TH**

27 Units	0.0% Vacant (0 units vacant) as of 5/27/2015	Last Major Rehab in 2003	Opened in 1985

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	14.8%	$625	550	$1.14
One/Den	--	--	--	--
Two	85.2%	$700	930	$0.75
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Community Amenities

Clubhouse: ☐		Pool-Outdr: ☐	
Comm Rm: ☐		Basketball: ☐	
Centrl Lndry: ☐		Tennis: ☐	
Elevator: ☐		Volleyball: ☐	
Fitness: ☐		CarWash: ☐	
Hot Tub: ☐		BusinessCtr: ☐	
Sauna: ☐		ComputerCtr: ☐	
Playground: ☐			

Features

Standard: **In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking**   *Parking 2:* --
Fee: --   *Fee:* --

Property Manager: --
Owner: --

Comments

All units have W/D hookups. 1BRs have stacked W/D included in rent.

Wait list.

Floorplans (Published Rents as of 5/27/2015) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	4	$625	550	$1.14	Market
Garden	--	2	1	4	$700	930	$.75	Market
Townhouse	--	2	1	19	$700	930	$.75	Market

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
5/27/15	0.0%	$625	$700	--
8/28/14	0.0%	$575	$666	--
5/29/13	3.7%	$550	$618	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat: ☐	**Cooking:** ☐	**Wtr/Swr:** ☑
Hot Water: ☐	**Electricity:** ☐	**Trash:** ☑

Pinewood   GA085-018900