



REAL PROPERTY **RESEARCH** GROUP

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Market Feasibility Analysis

Five Points 3

Knoxville, Knox County, Tennessee

Prepared for:

Knoxville's Community Development Corporation (KCDC)

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1. INTRODUCTION

A. Overview of Subject

The subject of this report is Five Points 3 which is the proposed redevelopment of a portion of the existing Walter P. Taylor Homes public housing community in eastern Knoxville, Knox County, Tennessee. The first phase is a 90-unit rental community targeting households with householder age 62 or older that was allocated Low Income Housing Tax Credits (LIHTC) in 2015 and is currently under construction. The 84-unit general occupancy second phase of Five Points received a LIHTC allocation in 2016, but has not started construction. Five Points 3 will be north of Phase I and west of phase II and will comprise 80 general occupancy units with all units benefiting from Low Income Housing Tax Credits and Project Based Rental Assistance (PBRA) via Section 8. Sixteen units at Five Points 3 will target households earning at or below 50 percent of the Area Median Income (AMI) and 64 units will target households earning at or below 60 percent AMI, adjusted for household size. Tenant-paid rents will be based on a percentage of income as all units will have PBRA; minimum income limits will not apply.

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 based on THDA's 2017 Market Study Guidelines, which includes a summary form presented in an accompanying spreadsheet and this limited narrative.

D. Client, Intended User, and Intended Use

The Client is Knoxville's Community Development Corporation (KCDC). Along with the Client, the intended users are THDA, lenders, and potential investors.

E. Applicable Requirements

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

- THDA's 2017 Market Study Guidelines.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered THDA's market study requirements, 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:

- Brett Welborn (Analyst), conducted visits to the subject site, neighborhood, and market area on January 5, 2017.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Terry Gilhula with the Knoxville/Knox County Metropolitan Planning Commission, and staff with Knoxville's Community Development Corporation (KCDC).



- 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.

H. Other Pertinent Remarks

No remarks.

2. EXECUTIVE SUMMARY /NARRATIVE

Proposed Site

- The Five Points neighborhood is an older and established residential area featuring a mixture of working class housing and deeply subsidized rental housing addressing households with low incomes. Modest single-family detached homes are the most common land use within one mile of the site with industrial uses roughly one mile west towards downtown Knoxville.
- The subject site is at the southwest corner of the McConnell Street and Martin Luther King Jr. Avenue intersection. The site consists of existing public housing apartments (Walter P. Taylor Homes), which will be demolished as part of the development of the subject property.
- The Five Points neighborhood is in close proximity to downtown Knoxville which is accessible via MLK Jr. Avenue/Hill Street and Magnolia Avenue (U.S. Highway 70). Tenants working near or in downtown will have a convenient commute to and from the subject property.
- The site is in close proximity to area employers, transportation arteries, public transportation, and neighborhood amenities/services including retailers, a pharmacy, restaurants, a bank, health care facilities, the Boys and Girls Club, public parks, and places of worship.
- The subject's location will be generally comparable to the locations of all surveyed communities with the exception of Maplehurst Park given proximity and similar access to major traffic arteries. Maplehurst Park is in close proximity to downtown, The University of Tennessee, and the Tennessee River which is more appealing than the subject site's location.

Proposed Product, Unit Mix, and Rent Summary

- Five Points 3 will target very low to moderate income renters earning at or below 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size (Table 1). The proposed unit mix includes 48 one-bedroom units, 14 two-bedroom units, and 18 three-bedroom units.
- Sixteen units will target households earning up to 50 percent AMI and 64 units will target households earning up to 60 percent AMI; the proposed 50 percent AMI units will not be tied to a specific floor plan so an AMI breakdown by floor plan has been estimated for the purpose of this analysis. All units will have PBRA through HUD's Section 8 program and tenant paid rents will be based on a percentage of income.
- The proposed contract/maximum LIHTC rents at Five Points 3 will have market advantages of 23.7 to 43.9 percent. Tenants will only pay a percentage of their income for rent, thus, market advantages will be even greater. It is important to note that the tenant paid rent will not exceed the maximum LIHTC rent.
- Five Points 3' unit features will be generally comparable to all surveyed communities including the LIHTC communities. The subject property will offer kitchens with a range/oven, refrigerator, and dishwasher. Additional unit features include washer and dryer connections, central heating and air-conditioning, and window blinds.
- Five Points 3 will include a playground and computer/business center. These proposed amenities are comparable to or superior to half of the surveyed communities including the highest priced community (Maplehurst Park) but will not be as extensive as those offered at three properties. The newest LIHTC community (River View Park) and two market rate communities offer superior community amenities than those proposed at the subject property which is appropriate given the small size of Five Points 3 (80 units) and the inclusion of PBRA on all proposed units.



Economic Analysis

- Knox County's unemployment rate has decreased significantly over the past six years to 4.8 percent in 2015 which is significantly below both state (5.8 percent) and national (5.3 percent) levels (Table 2). The unemployment rate dropped a percentage point through August of 2016 to an average of 3.8 percent.
- Total employment in Knox County has been cyclical since 2006 with growth during five years and loss during four years. Employment in the county has grown in each of the past two years and has grown significantly through August of 2016 (3.9 percent), outpacing employment growth in the state on a percentage basis each year (Table 3).
- Educational Services/Health Care/Social Assistance (24.7 percent), Retail Trade (14.0 percent), Professional/Scientific/Management/Waste Management (13.3 percent), and Arts/Entertainment/Recreation/Accommodation (12.9 percent) are the largest economic sectors in the market area (Table 4).

Demographic Analysis

- The market area is estimated to have added 322 people (0.8 percent) and 135 households (0.7 percent) per year from 2010 to 2017. Annual growth is projected to accelerate to 369 people (0.9 percent) and 159 households (0.8 percent) from 2017 to 2019 (Table 5).
- The market area's renter percentage increased from 52.3 percent in 2010 to 57.2 percent in 2017 and is projected to increase further to 57.4 percent in 2019 with the net addition of 222 renter households (70.0 percent of net household growth) over the next two years (Table 6).
- Based on Esri projections, the Primary Market Area's 2017 median income of \$29,133 is well below state (\$46,831) and county (\$50,066) medians and has decreased since 2010 (Table 7).

Competitive Environment

- The surveyed communities without PBRA that reported occupancy had six vacancies among 623 combined units for a vacancy rate of 1.0 percent (Table 8). Both LIHTC communities without deep subsidies were fully occupied and the LIHTC community with PBRA on all units (Minvilla Manor) was also fully occupied.
- The estimated market rents for the proposed units are \$699 for one-bedroom units (Table 9), \$1,025 for two-bedroom units (Table 10), and \$1,118 for three-bedroom units (Table 11). The weighted average market advantage for the project is 29.4 percent but rent advantages will be greater as tenants will only pay a percentage of their income for rent (Table 12).
- Pinnacle Park (200 units) and Holston Oaks (195 units) were allocated Low Income Housing Tax Credits in 2015 for rehabilitations, both of which have started rehabbing units. These two communities are existing deeply subsidized communities (Arbor Place and Green Hills) and their rehabilitations will not result in an expansion of the housing stock and thus are not subtracted from demand estimates. The 84-unit general occupancy second phase of Five Points received a LIHTC allocation in 2016 and will be comparable to the subject property given similar rent and income restrictions.
- KCDC operates 3,525 public housing units and administers approximately 4,000 Housing Choice Vouchers. The waiting list for public housing includes 2,442 households and the waiting list for Section 8 vouchers is closed.

Affordability Analysis

- The 50 percent AMI units will target households with incomes up to \$32,200 with no minimum income assuming PBRA on all units (Table 13). The renter capture rate for the proposed 50 percent AMI units is 0.2 percent with 7,753 income-qualified households.



- The 60 percent AMI units will target households with incomes up to \$38,640 with no minimum income assuming PBRA on all units (Table 13). The renter capture rate for the proposed 60 percent AMI units is 0.8 percent with 8,441 income-qualified households.
- The overall renter capture rate for all units is 0.9 percent. Without PBRA and rents at the lesser of the contract rent and the maximum LIHTC rent, the renter capture rate would be 2.7 percent.

Demand and Capture Rates

- Five Points 3's capture rate for all 80 units is 2.1 percent assuming PBRA on all units (Table 14). Capture rates by income target are 0.5 percent for 50 percent AMI/PBRA units and 1.7 percent for the 60 percent AMI/PBRA units. The capture rates are all well within general ranges of acceptability and indicate sufficient demand to support the proposed units at Five Points 3.

Final Conclusion/Recommendation

- Based on an analysis of projected household growth trends, affordability and demand estimates, current rental market conditions, and demographic trends, RPRG believes that Five Points 3 will be able to successfully reach and maintain stabilized occupancy of at least 95 percent. The proposed product will be competitive with existing rental communities in the market area and we estimate that Five Points 3 will lease an average of at least 25 units per month based on these factors and PBRA on all units. The 80-unit community will reach 95 percent occupancy within roughly three months based on this absorption.



3. TABLES

RPRG provides the base data tables used to complete the summary form. We also provide detailed information on the proposed development.

The following tables summarize key demographic, economic, and competitive data for the primary market area, county, and state. The rent grids used to derive the estimate of market rent and rent advantages follow the competitive data. Finally, the affordability analysis (income qualified households) and demand estimates are provided at the end of this section.

Table 1 Project Summary, Five Points 3

Five Points 3 McConnell Street Knoxville, Knox County, Tennessee									
Unit Mix/Rents									
Type	Bed	Bath	Income Target	Quantity	Square Feet	Contract Rent	Maximum LIHTC Rent	Utility Allowance	Gross Rent
Mix	1	1	50%/PBRA	10	654-689	\$533	\$490	\$91	\$624
Mix	1	1	60%/PBRA	38	654-689	\$533	\$606	\$91	\$624
Mix	2	1-1.5	50%/PBRA	3	903-1,050	\$579	\$575	\$122	\$701
Mix	2	1-1.5	60%/PBRA	11	903-1,050	\$579	\$715	\$122	\$701
Mix	3	2-2.5	50%/PBRA	3	1,390-1,411	\$747	\$655	\$150	\$897
Mix	3	2-2.5	60%/PBRA	15	1,390-1,411	\$747	\$816	\$150	\$897
Total/Average				80	0	\$565			

Rents evaluated in the market study are the lesser of the contract rent and maximum LIHTC rent

Twenty percent of units at the subject property will target households earning up to 50 percent of Area Median Income (AMI); we have estimated a unit mix including roughly 20 percent of each floor plan at 50 percent AMI as the 50 percent AMI units are not assigned to a specific floor plan.

Project Information		Additional Information	
Number of Residential Buildings	28	Construction Start Date	2018
Building Type	Duplex/TH	Date of First Move-In	2019
Number of Stories	One-Two	Construction Finish Date	2019
Construction Type	New Const.	Parking Type	Surface
Design Characteristics (exterior)	Brick and HardiPlank	Parking Cost	None
Community Amenities	Playground and computer/business center.	Kitchen Amenities	
		Dishwasher	Yes
		Disposal	No
		Microwave	No
		Range	Yes
Unit Features	Range/oven, refrigerator, dishwasher, central A/C, washer and dryer connections, and window blinds.	Utilities Included	
		Water/Sewer	Owner
		Trash	Owner
		Heat	Tenant
		Heat Source	Elec
		Hot/Water	Tenant
Electricity	Tenant		
		Other:	

Source: Knoxville's Community Development Corporation (KCDC)

Table 2 Unemployment Rates**Annual Unemployment Rates - Not Seasonally Adjusted**

Annual Unemployment	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Jan-Aug
Unemployment Rate											
Knox County	3.9%	3.4%	5.0%	8.1%	7.4%	6.9%	6.1%	6.3%	5.4%	4.8%	3.8%
Tennessee	5.2%	4.7%	6.6%	10.5%	9.7%	9.0%	7.8%	7.8%	6.5%	5.8%	4.5%
United States	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 3 Total Employment**Annual Employment - Not Seasonally Adjusted**

Annual Employment	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Jan-Aug
Knox County	215,313	221,965	218,720	211,705	212,757	217,245	216,978	213,444	214,306	217,619	226,150
% Change		3.1%	-1.5%	-3.2%	0.5%	2.1%	-0.1%	-1.6%	0.4%	1.5%	3.9%
Tennessee	2,878,455	2,920,352	2,853,746	2,733,113	2,792,063	2,844,662	2,860,355	2,837,898	2,847,777	2,886,024	2,992,612
% Change		1.5%	-2.3%	-4.2%	2.2%	1.9%	0.6%	-0.8%	0.3%	1.3%	3.7%
United States	144,427,000	146,047,000	145,362,000	139,877,000	139,064,000	139,869,000	142,469,000	143,929,000	146,305,000	148,834,000	151,092,000
% Change		1.1%	-0.5%	-3.8%	-0.6%	0.6%	1.9%	1.0%	1.7%	1.7%	1.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 4 Employment by Sector

Employment Sector	PMA	County	State
Agriculture, Forestry, Fishing & Hunting, and Mining	2 (0.0%)	733 (0.3%)	29,360 (1.0%)
Construction	1,262 (7.0%)	12,090 (5.6%)	179,866 (6.2%)
Manufacturing	1,200 (6.7%)	16,023 (7.4%)	377,952 (13.1%)
Wholesale Trade	378 (2.1%)	6,815 (3.2%)	78,856 (2.7%)
Retail Trade	2,507 (14.0%)	28,982 (13.5%)	353,842 (12.2%)
Transportation & Warehousing, and Utilities	833 (4.6%)	9,851 (4.6%)	180,880 (6.3%)
Information	479 (2.7%)	6,016 (2.8%)	54,513 (1.9%)
Finance and Insurance, and Real Estate and Rental and Leasing	777 (4.3%)	13,635 (6.3%)	165,472 (5.7%)
Professional, Scientific, and Management, and Administrative and Waste Management Services	2,389 (13.3%)	27,273 (12.7%)	270,435 (9.4%)
Educational Services, and Health Care and Social Assistance	4,432 (24.7%)	53,297 (24.8%)	658,855 (22.8%)
Arts, Entertainment, and Recreation, and Accommodation and Food Services	2,317 (12.9%)	22,428 (10.4%)	268,700 (9.3%)
Other Services (Except Public Administration)	855 (4.8%)	10,887 (5.1%)	142,790 (4.9%)
Public Administration	539 (3.0%)	7,223 (3.4%)	127,221 (4.4%)
Total	17,970	215,253	2,888,742

Source: American Community Survey 2011-2015

Table 5 Population and Household Projections

Population	Knox County					Primary Market Area					Tennessee				
	Count	Total Change		Annual Change		Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%		#	%	#	%
2000	382,032					40,471					5,689,283				
2010	432,226	50,194	13.1%	5,019	1.2%	39,792	-679	-1.7%	-68	-0.2%	6,346,105	656,822	11.5%	65,682	1.1%
2017	459,975	27,749	6.4%	3,964	0.9%	42,049	2,257	5.7%	322	0.8%	6,760,814	414,709	6.5%	59,244	0.9%
2019	468,676	8,702	1.9%	4,351	0.9%	42,786	737	1.8%	369	0.9%	6,885,724	124,910	1.8%	62,455	0.9%
Households	Knox County					Primary Market Area					Tennessee				
	Count	Total Change		Annual Change		Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%		#	%	#	%
2000	157,872					18,677					2,232,905				
2010	177,249	19,377	12.3%	1,938	1.2%	18,306	-371	-2.0%	-37	-0.2%	2,493,552	260,647	11.7%	26,065	1.1%
2017	186,695	9,446	5.3%	1,349	0.7%	19,249	943	5.1%	135	0.7%	2,637,889	144,337	5.8%	20,620	0.8%
2019	189,876	3,180	1.7%	1,590	0.8%	19,566	317	1.6%	159	0.8%	2,683,122	45,233	1.7%	22,616	0.9%

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

Table 6 Households by Tenure

Knox County	2000		2010		Change 2000-2010		2017		Change 2010-2017		2019		Change 2017-2019	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units														
Owner Occupied	105,562	66.9%	117,412	66.2%	11,850	61.2%	116,935	62.6%	-477	-5.0%	118,891	62.6%	1,956	61.5%
Renter Occupied	52,310	33.1%	59,837	33.8%	7,527	38.8%	69,760	37.4%	9,923	105.0%	70,984	37.4%	1,224	38.5%
Total Occupied	157,872	100%	177,249	100%	19,377	100%	186,695	100%	9,446	100%	189,876	100%	3,180	100%
Total Vacant	13,567		17,700				18,954				19,053			
TOTAL UNITS	171,439		194,949				205,650				208,928			
Primary Market Area	2000		2010		Change 2000-2010		2017		Change 2010-2017		2019		Change 2017-2019	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units														
Owner Occupied	9,421	50.4%	8,734	47.7%	-687	185.2%	8,245	42.8%	-489	-51.9%	8,340	42.6%	95	30.0%
Renter Occupied	9,256	49.6%	9,572	52.3%	316	-85.2%	11,004	57.2%	1,432	151.9%	11,226	57.4%	222	70.0%
Total Occupied	18,677	100%	18,306	100%	-371	100%	19,249	100%	943	100%	19,566	100%	317	100%
Total Vacant	2,567		3,005				3,319				3,426			
TOTAL UNITS	21,244		21,311				22,568				22,992			
Tennessee	2000		2010		Change 2000-2010		2017		Change 2010-2017		2019		Change 2017-2019	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Housing Units														
Owner Occupied	1,561,363	69.9%	1,700,592	68.2%	139,229	53.4%	1,710,677	64.9%	10,085	7.0%	1,739,225	64.8%	28,548	63.1%
Renter Occupied	671,542	30.1%	792,960	31.8%	121,418	46.6%	927,212	35.1%	134,252	93.0%	943,897	35.2%	16,685	36.9%
Total Occupied	2,232,905	100%	2,493,552	100%	260,647	100%	2,637,889	100%	144,337	100%	2,683,122	100%	45,233	100%
Total Vacant	206,538		318,581				354,132				366,418			
TOTAL UNITS	2,439,443		2,812,133				2,992,022				3,049,540			

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

Table 7 Household Income

Estimated Household Income	2010 Households			2017 Households			2019 Households		
	PMA	County	State	PMA	County	State	PMA	County	State
less than \$15,000	4,912	23,647	370,801	5,327	25,541	406,991	5,425	25,848	414,379
\$15,000 \$24,999	2,556	17,414	281,515	3,304	22,935	334,194	3,536	24,577	348,074
\$25,000 \$34,999	3,152	27,336	382,969	2,402	20,037	284,259	2,211	18,160	259,003
\$35,000 \$49,999	2,700	31,773	456,230	2,635	24,748	372,075	2,601	22,802	347,827
\$50,000 \$74,999	2,626	28,029	418,086	2,841	32,062	477,168	2,888	32,989	491,061
\$75,000 \$99,999	985	18,041	236,936	1,195	21,561	295,519	1,256	22,454	311,831
\$100,000 \$149,999	897	16,494	198,096	1,136	22,745	283,669	1,209	24,697	311,535
\$150,000 Over	311	12,830	134,942	408	17,066	184,016	440	18,348	199,411
Total	18,138	175,564	2,479,575	19,249	186,695	2,637,889	19,566	189,876	2,683,122
Median Income	\$30,079	\$44,151	\$41,723	\$29,133	\$50,066	\$46,831	\$28,717	\$52,690	\$48,803

Source: Esri; Real Property Research Group, Inc.

Table 8 Rental Communities Summary

Community	Year		Structure Type	Total Vacant Vacancy			Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	Built	Rehab		Units	Units	Rate			
Maplehurst Park	1975	2010	Mix	205	1	0.5%	\$825	\$1,173	None
Spring Meadow	1991		Gar	248	5	2.0%	\$668	\$812	None
Sunset Rill	1975		Gar	180	N/A	N/A	\$560	\$633	None
Lyon's Den*	2001		Gar	74	0	0.0%		\$625	None
River View Park*	2007		Gar	96	0	0.0%		\$610	None
Reporting Total				623	6	1.0%			
Average	1990			161			\$684	\$770	
LIHTC Total				170	0	0.0%			
LIHTC Average	2004			85				\$618	

Tax Credit Communities***(1) Rent is contract rent, and not adjusted for utilities or incentives**

Source: Field Survey, Real Property Research Group, Inc. January 2017.

Community	Year Structure		Total Vacant Vacancy			Avg 1BR Rent (1)	Incentive
	Built	Type	Units	Units	Rate		
Minvilla Manor*	2010	Reuse	57	0	0.0%	\$638	None
Total			57	0	0.0%		
Average	2010		57			\$638	

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. January 2017.



Table 9 Adjusted Rent Comparison, One Bedroom Units

One Bedroom Units							
Subject Property		Comparable Property #1		Comparable Property #2		Comparable Property #3	
Five Points 3 McConnell Street Knoxville, Knox County, TN		Maplehurst Park		Spring Meadow		Sunset Rill	
		814 W Hill Ave.		3101 Washington Ridge Way		235 Carta Rd.	
		Knoxville	Knox	Knoxville	Knox	Knoxville	Knox
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$533	\$825	\$0	\$668	\$0	\$560	\$0
Utilities Included	W,S,T	T	\$15	T	\$15	W,S,T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$533	\$840		\$683		\$560	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Duplex/TH	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2019	2010	\$7	1991	\$21	1975	\$33
Quality/Street Appeal	Above Average	Average	\$10	Average	\$10	Average	\$10
Location	Average	Above Average	(\$10)	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	1	\$0	1	\$0
Number of Bathrooms	1	1	\$0	1	\$0	1	\$0
Unit Interior Square Feet	672	680	(\$2)	710	(\$10)	696	(\$6)
Balcony / Patio / Porch	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	No / Yes	\$0	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	No	\$5	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	No	No	\$0	Yes	(\$10)	Yes	(\$10)
Pool	No	No	\$0	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	No	\$5	Yes	\$0	Yes	\$0
Fitness Center	No	No	\$0	Yes	(\$10)	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	3	2	5	3	4
Sum of Adjustments B to D		\$27	(\$17)	\$31	(\$45)	\$48	(\$31)
F. Total Summary							
<i>Gross Total Adjustment</i>		\$44		\$76		\$79	
<i>Net Total Adjustment</i>		\$10		(\$14)		\$17	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$850		\$669		\$577	
% of Effective Rent		101.2%		98.0%		103.0%	
Estimated Market Rent	\$699						
Rent Advantage \$	\$166						
Rent Advantage %	23.7%						

Table 10 Adjusted Rent Comparison, Two Bedroom Units

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Five Points 3 McConnell Street Knoxville, Knox County, TN	Maplehurst Park		Spring Meadow		Sunset Rill		
	814 W Hill Ave.		3101 Washington Ridge Way		235 Carta Rd.		
	Knoxville	Knox	Knoxville	Knox	Knoxville	Knox	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$579	\$1,173	\$0	\$812	\$0	\$933	\$0
Utilities Included	W,S,T	T	\$20	T	\$20	W,S,T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$579	\$1,193		\$832		\$933	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/TH	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2019	2010	\$7	1991	\$21	1975	\$33
Quality/Street Appeal	Above Average	Average	\$10	Average	\$10	Average	\$10
Location	Average	Above Average	(\$10)	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	1-1.5	1	\$8	1	\$8	1	\$8
Unit Interior Square Feet	977	855	\$31	900	\$19	933	\$11
Balcony / Patio / Porch	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	No / Yes	\$0	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	No	\$5	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	No	No	\$0	Yes	(\$10)	Yes	(\$10)
Pool	No	No	\$0	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	No	\$5	Yes	\$0	Yes	\$0
Fitness Center	No	No	\$0	Yes	(\$10)	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		6	2	4	4	5	3
Sum of Adjustments B to D		\$66	(\$15)	\$58	(\$35)	\$67	(\$25)
F. Total Summary							
<i>Gross Total Adjustment</i>			\$81		\$93		\$92
<i>Net Total Adjustment</i>			\$51		\$23		\$42
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,244		\$855		\$975	
% of Effective Rent		104.3%		102.8%		104.5%	
Estimated Market Rent	\$1,025						
Rent Advantage \$	\$446						
Rent Advantage %	43.5%						

Table 11 Adjusted Rent Comparison, Three Bedroom Units

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Five Points 3 McConnell Street Knoxville, Knox County, TN	Maplehurst Park		Spring Meadow		Sunset Rill		
	814 W Hill Ave.		3101 Washington Ridge Way		235 Carta Rd.		
	Knoxville	Knox	Knoxville	Knox	Knoxville	Knox	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$747	\$1,533	\$0	\$880	\$0	\$783	\$0
Utilities Included	W,S,T	T	\$25	T	\$25	W,S,T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$747	\$1,558		\$905		\$783	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/TH	SFD	(\$50)	Garden	\$0	Garden	\$0
Year Built / Condition	2019	2010	\$7	1991	\$21	1975	\$33
Quality/Street Appeal	Above Average	Average	\$10	Average	\$10	Average	\$10
Location	Average	Above Average	(\$10)	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	3	\$0	3	\$0
Number of Bathrooms	2-2.5	2	\$8	2	\$8	2	\$8
Unit Interior Square Feet	1,401	1,297	\$26	1,085	\$79	1,388	\$3
Balcony / Patio / Porch	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	No / Yes	\$0	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	No	No	\$0	Yes	(\$10)	Yes	(\$10)
Pool	No	No	\$0	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	No	\$5	Yes	\$0	Yes	\$0
Fitness Center	No	No	\$0	Yes	(\$10)	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		5	3	4	4	5	3
Sum of Adjustments B to D		\$56	(\$65)	\$118	(\$35)	\$59	(\$25)
F. Total Summary							
<i>Gross Total Adjustment</i>		\$121		\$153		\$84	
<i>Net Total Adjustment</i>		(\$9)		\$83		\$34	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,549		\$988		\$817	
% of Effective Rent		99.4%		109.2%		104.3%	
Estimated Market Rent	\$1,118						
Rent Advantage \$	\$371						
Rent Advantage %	33.2%						

Table 12 Estimated Market Rent and Rent Advantage Summary

	One Bedroom	Two Bedroom	Three Bedroom
60% AMI Units			
Subject Rent*	\$533	\$579	\$747
Estimated Market Rent	\$699	\$1,025	\$1,118
Rent Advantage (\$)	\$166	\$446	\$371
Rent Advantage (%)	23.7%	43.5%	33.2%
Proposed Units	53	11	14
50% AMI Units			
Subject Rent*	\$490	\$575	\$655
Estimated Market Rent	\$699	\$1,025	\$1,118
Rent Advantage (\$)	\$209	\$450	\$463
Rent Advantage (%)	29.9%	43.9%	41.4%
Proposed Units	13	3	4
Weighted Average			29.4%

Subject rents are the lesser of the contract rents and maximum LIHTC rents*

Table 13 2019 Affordability Analysis

50% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	10		3		3	
Net Rent	\$490		\$575		\$655	
Gross Rent	\$581		\$697		\$805	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	no min\$	\$23,250	no min\$	\$27,900	no min\$	\$32,200
Total Households						
Range of Qualified Hhlds	19,566	11,224	19,566	9,964	19,566	9,013
# Qualified Households		8,342		9,602		10,553
Total HH Capture Rate		0.1%		0.0%		0.0%
Renter Households						
Range of Qualified Hhlds	11,226	4,890	11,226	4,038	11,226	3,473
# Qualified Hhlds		6,336		7,187		7,753
Renter HH Capture Rate		0.2%		0.0%		0.0%
60% Units						
Number of Units	38		11		15	
Net Rent	\$533		\$579		\$747	
Gross Rent	\$624		\$701		\$897	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	no min\$	\$27,900	no min\$	\$33,480	no min\$	\$38,640
Total Households						
Range of Qualified Hhlds	19,566	9,964	19,566	8,730	19,566	7,763
# Qualified Households		9,602		10,836		11,803
Unit Total HH Capture Rate		0.4%		0.1%		0.1%
Renter Households						
Range of Qualified Hhlds	11,226	4,038	11,226	3,305	11,226	2,785
# Qualified Hhlds		7,187		7,921		8,441
Renter HH Capture Rate		0.5%		0.1%		0.2%



Income Target	# Units	All Households = 19,566				Renter Households = 11,226				
		Band of Qualified HHds		# Qualified HHs	Capture Rate	Band of Qualified HHds		# Qualified HHs	Capture Rate	
50% Units	16	<i>Income Households</i>	no min\$ 19,566	\$32,200 9,013	10,553	0.2%	no min\$ 11,226	\$32,200 3,473	7,753	0.2%
60% Units	64	<i>Income Households</i>	no min\$ 19,566	\$38,640 7,763	11,803	0.5%	no min\$ 11,226	\$38,640 2,785	8,441	0.8%
Total Units	80	<i>Income Households</i>	no min\$ 19,566	\$38,640 7,763	11,803	0.7%	no min\$ 11,226	\$38,640 2,785	8,441	0.9%

Subject rents used for affordability and demand estimates are the lesser of the proposed contract rent and the maximum allowable LIHTC rent

Source: Income Projections, RPRG, Inc.

Table 14 Overall Demand Estimates and Capture Rates

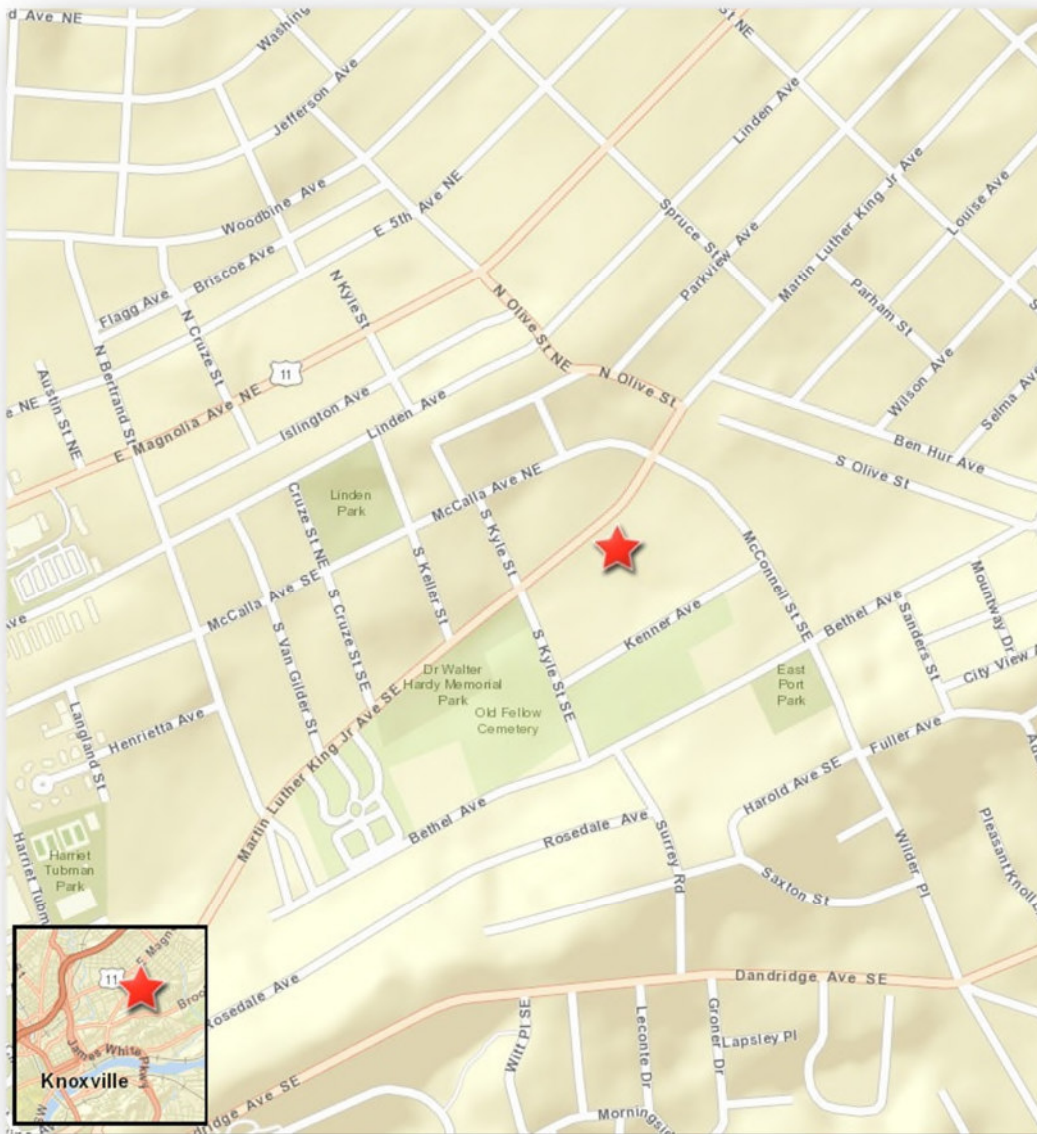
<i>Income Target</i>	50% Units / PBRA Units	60% Units / PBRA Units	Total Units
<i>Minimum Income Limit</i>	no min\$	no min\$	no min\$
<i>Maximum Income Limit</i>	\$32,200	\$38,640	\$38,640
<i>(A) Renter Income Qualification Percentage</i>	69.1%	75.2%	75.2%
Demand from New Renter Households <i>Calculation: (C-B) * A</i>	178	194	194
Plus			
Demand from Substandard Housing <i>Calculation: B * D * F * A</i>	139	151	151
Plus			
Demand from Rent Over-burdened Households <i>Calculation: B * E * F * A</i>	3,227	3,514	3,514
Equals			
Total PMA Demand	3,544	3,859	3,859
Less			
Comparable Units*	15	61	76
Equals			
Net Demand	3,529	3,798	3,783
Proposed Units	16	64	80
Capture Rate	0.5%	1.7%	2.1%

Five Points Phase II was allocated Low Income Housing Tax Credits in 2016. The one, two, and three-bedroom units at this community are subtracted from demand estimates. Holston Oaks (195 units) and Pinnacle Park (200 units) received LIHTC allocations in 2015. Both are existing deeply subsidized communities and are currently being rehabbed. These communities are not subtracted from demand estimates as the rehabilitations will not result in an expansion of the market area's rental housing stock *

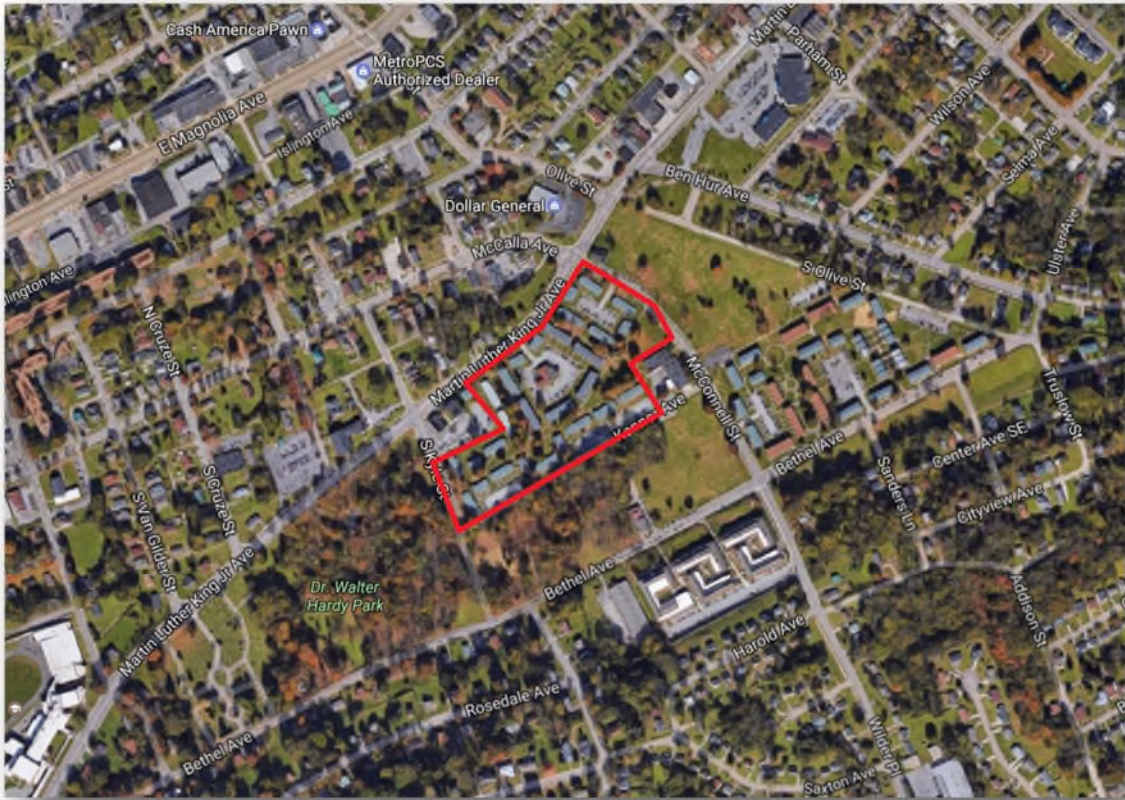
4. MAPS

Maps requested by THDA are provided in this section including a location/neighborhood map, an aerial overview of the site, map of the market area, comparable community map, and neighborhood amenities map.

Map 1 Site Location and Neighborhood



Map 2 Aerial View of Site



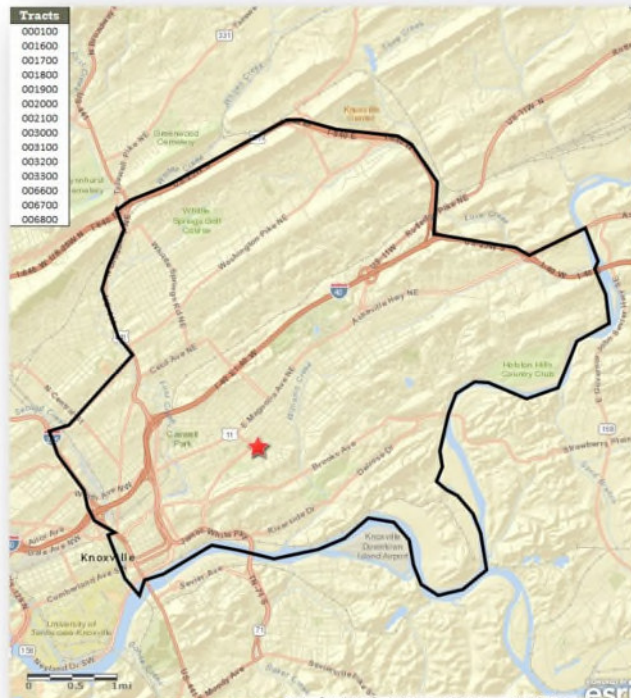
Delineation of Market Area

The primary market area for the proposed Five Points 3 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 primary market area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

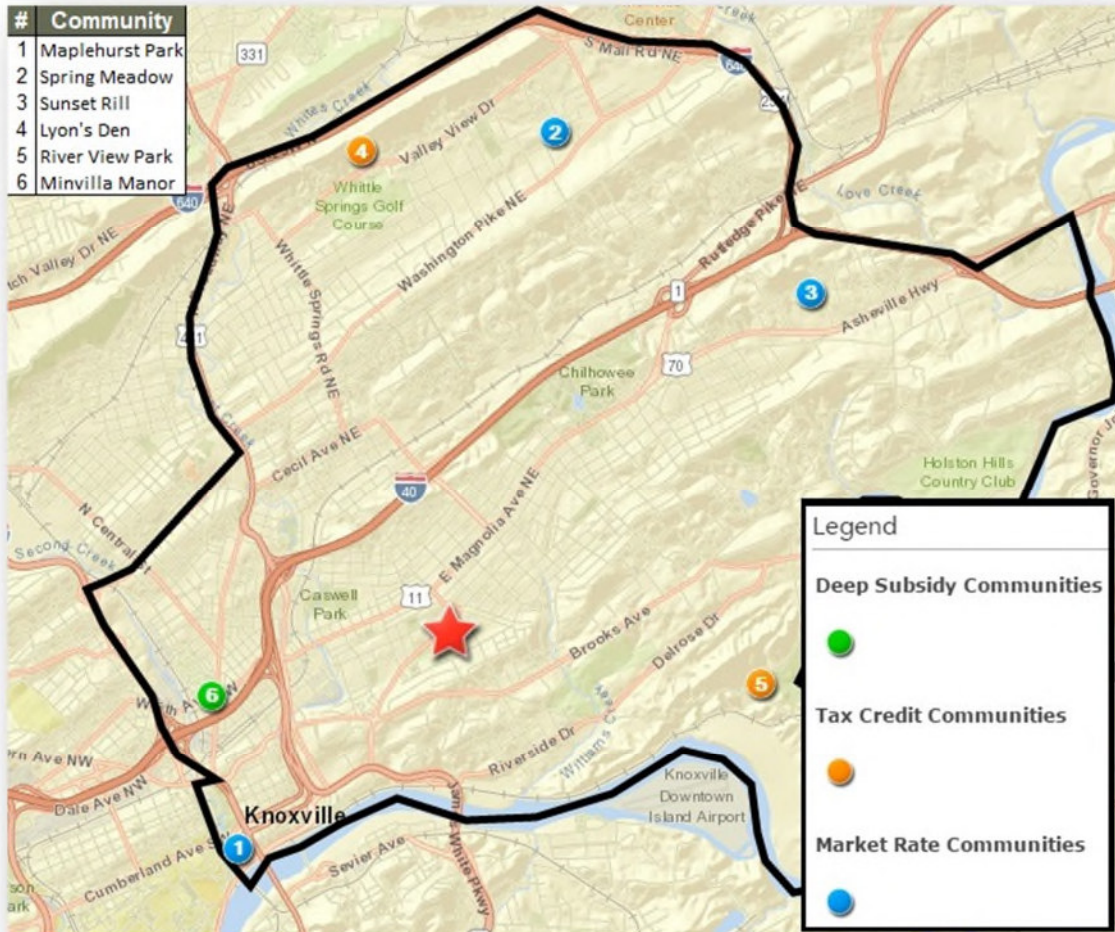
The Primary Market Area consists of census tracts including downtown Knoxville and much of eastern Knoxville (Map 3). This market area includes the portions of Knoxville that are most comparable with the areas surrounding the subject site; residents of this market area would find the subject site an acceptable location for rental housing. The market area does not extend further west as this area is heavily influenced by The University of Tennessee and its large student population and housing is generally not comparable to that of the market area. The Tennessee and Holston Rivers act as natural barriers to development in Knoxville to the south and east of the site; land uses become rural quickly on the opposite side of these rivers. The Primary Market Area does not extend further to the north due to distance and a transition to suburban areas. The boundaries of the Primary Market Area and their approximate distance from the subject site are:

North:	Interstate 640	3.5 miles
East:	Holston River	3.8 miles
South:	Tennessee River	1.1 miles
West:	U.S. Highway 441 / Interstate 275	2.1 miles

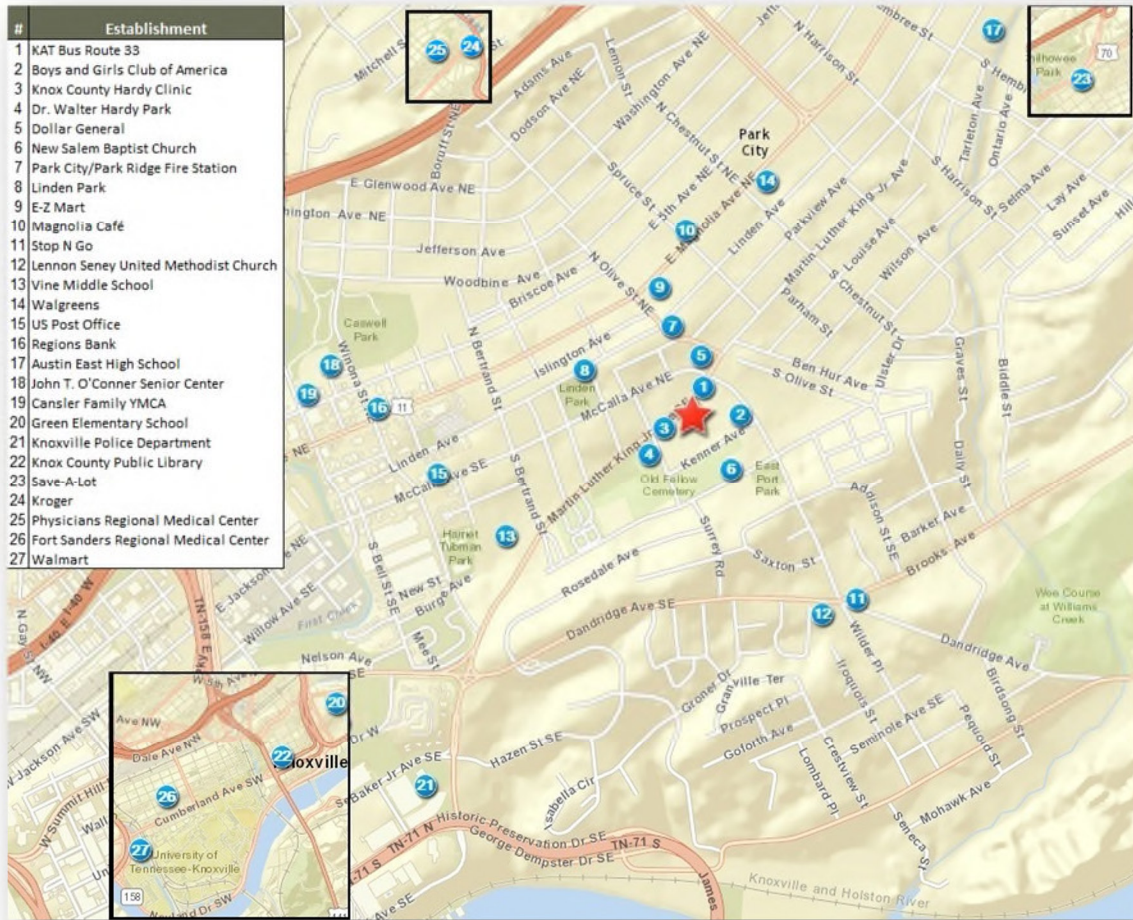
Map 3 Primary Market Area



Map 4 Surveyed Comparable Communities



Map 5 Neighborhood Amenities



5. SITE AND NEIGHBORHOOD PICTURES

Figure 1 Views of Subject Site



Subject site facing north from Kenner Avenue.



Northern corner of the site facing south from the McConnell Street and MLK Jr. Avenue intersection.



Site facing southwest from McConnell Street.



Site facing east from S Kyle Street.



Martin Luther King Jr. Avenue facing northeast (site on the right).



Existing buildings and parking lot.

Figure 2 Views of Surrounding Land Uses



Five Points Phase I under construction to the south.



Single-family detached homes to the northwest.



Dollar General to the north.



St. John Baptist Church to the north.



Site for Five Points Phase II to the east.



Boys & Girls Club of America to the southeast.



6. 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.



7. APPENDIX 2 QUALIFICATIONS

ROBERT M. LEFENFELD **Managing Principal**

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 serves as an adjunct 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****Principal**

Tad Scepianiak 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 Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice-Chair and 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. Scepianiak 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. Scepianiak 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. Scepianiak 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



8. APPENDIX 3 ANALYST CERTIFICATION

I affirm that I or an employee of my firm have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the Tennessee Housing Development Agency’s programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the THDA’s market study guidelines. The information included is accurate and can be relied upon by the THDA to present a true assessment of the low-income housing rental market.

Tad Scepaniak
Principal
Real Property Research Group, Inc.
770-517-2666

January 12, 2017

Date

Brett Welborn
Analyst
Real Property Research Group, Inc.
770-517-2666

January 12, 2017

Date

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.



9. APPENDIX 4 COMPARABLE COMMUNITY PROFILES/PICTURES

Lyon's Den

Multifamily Community Profile

3610 Lyons Way
Knoxville, TN

CommunityType: LIHTC - General
Structure Type: Garden

74 Units 0.0% Vacant (0 units vacant) as of 1/9/2017

Opened in 2001



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	40.5%	\$625	989	\$0.63	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	59.5%	\$725	1,150	\$0.63	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: TN Housing Authority	
Owner: --	

Comments

Select units have PBRA.

Floorplans (Published Rents as of 1/9/2017) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	30	\$625	989	\$.63	LIHTC/ 60%	1/9/17	0.0%	--	\$625	\$725
Garden	--	3	2	44	\$725	1,150	\$.63	LIHTC/ 60%	12/30/15	0.0%	--	\$595	\$695
									12/19/14	0.0%	--	\$575	\$675
									1/22/14	5.4%	--	\$575	\$675

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Lyon's Den

TN093-019559

Maplehurst Park

Multifamily Community Profile

814 W Hill Ave.
Knoxville, TN

CommunityType: Market Rate - General

Structure Type: Mix

205 Units 0.5% Vacant (1 units vacant) as of 1/9/2017

Last Major Rehab in 2010 Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	9.8%	\$608	356	\$1.71	<input type="checkbox"/>	<input type="checkbox"/>
One	68.8%	\$840	680	\$1.24	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	19.5%	\$1,193	855	\$1.39	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	1.0%	\$1,558	1,297	\$1.20	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	1.0%	\$2,655	2,000	\$1.33	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Patio/Balcony	
Select Units: Dishwasher; Disposal; In Unit Laundry	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Dominion Managemme Owner: --	

Comments

Waiting list. Vacancy is a 2BR/2BA.
Washer and dryer connections in single-family detached homes.

Floorplans (Published Rents as of 1/9/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	20	\$595	356	\$1.67	Market	1/9/17	0.5%	\$840	\$1,193	\$1,558
Garden	--	1	1	140	\$825	680	\$1.21	Market	12/30/15	0.0%	\$753	\$905	\$1,632
SF Detached	--	1	1	1	\$895	700	\$1.28	Market	12/19/14	0.0%	\$795	\$1,170	\$1,625
Garden	--	2	1	40	\$1,173	855	\$1.37	Market	1/24/14	0.5%	--	--	--
SF Detached	--	3	2	2	\$1,533	1,297	\$1.18	Market					
SF Detached	--	4	2	2	\$2,625	2,000	\$1.31	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Maplehurst Park

TN093-019560

Minvilla Manor

Multifamily Community Profile

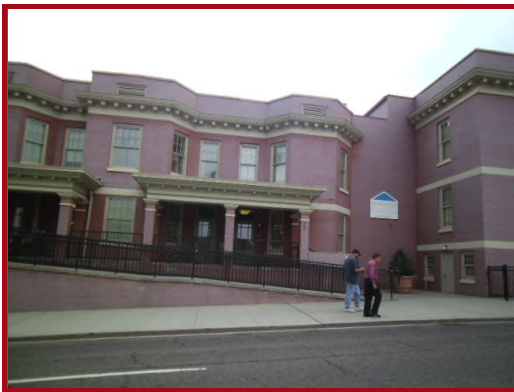
447 N Broadway
Knoxville, TN

CommunityType: LIHTC - Homeless

Structure Type: 3-Story Adaptive Reuse

57 Units 0.0% Vacant (0 units vacant) as of 1/10/2017

Opened in 2010



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	42.1%	\$451	362	\$1.25	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	57.9%	\$533	509	\$1.05	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Microwave; Ceiling Fan; Central A/C	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: Gated Entry; Keyed Bldg Entry; Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: American Apartment Owner: --	

Comments

All units PBRA. Units filled by case mgt referrals. Tenants are chronically homeless. Opened 2010 & leased up quickly.
Built in 1913 as Minvilla TH (13 units). 1960's converted to 5th Avenue Motel.

Floorplans (Published Rents as of 1/10/2017) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Reuse	--	Eff	1	24	\$539	362	\$1.49	Section 8/ 50%	1/10/17	0.0%	\$533	--	--
Reuse	--	1	1	33	\$638	509	\$1.25	Section 8/ 50%	12/30/15	0.0%	\$506	--	--
									12/19/14	0.0%	\$407	--	--
									1/23/14	0.0%	\$496	--	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Minvilla Manor

TN093-019561

River View Park

Multifamily Community Profile

3221 Holston Hills Rd.
Knoxville, TN 37914

CommunityType: LIHTC - General

Structure Type: Garden

96 Units 0.0% Vacant (0 units vacant) as of 1/9/2017

Opened in 2007



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	62.5%	\$610	978	\$0.62	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	37.5%	\$720	1,180	\$0.61	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	

Features	
Standard: Dishwasher; Disposal; 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: Crescent Bend	
Owner: --	

Comments

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 1/9/2017) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	60	\$610	978	\$.62	LIHTC/ 60%	1/9/17	0.0%	--	\$610	\$720
Garden	--	3	2	36	\$720	1,180	\$.61	LIHTC/ 60%	1/5/16	6.3%	--	\$0	\$0

Adjustments to Rent

Incentives:	
None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Spring Meadow

Multifamily Community Profile

3101 Washington Ridge Way
Knoxville, TN 37917

CommunityType: Market Rate - General

Structure Type: Garden

248 Units 2.0% Vacant (5 units vacant) as of 1/9/2017

Opened in 1991



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	32.3%	\$683	651	\$1.05	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	48.4%	\$832	962	\$0.86	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	19.4%	\$905	1,085	\$0.83	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hooks); Central A/C; Patio/Balcony	
Select Units: Fireplace; HighCeilings	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: The CJ Lombardo Co Owner: --	

Comments

Video rental, book library. 8- 2BR units built 2014/2015.

Floorplans (Published Rents as of 1/9/2017) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	32	\$668	562	\$1.19	Market	1/9/17	2.0%	\$683	\$832	\$905
Garden	--	1	1	48	\$668	710	\$0.94	Market	1/4/16	2.8%	\$676	\$821	\$905
Garden	--	2	1	24	\$812	900	\$0.90	Market	12/19/14	1.2%	\$650	\$830	\$874
Garden	--	2	2	96	\$812	978	\$0.83	Market	1/23/14	2.0%	\$633	\$787	\$875
Garden	--	3	2	48	\$880	1,085	\$0.81	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Sunset Rill

Multifamily Community Profile

235 Carta Rd.
Knoxville, TN 37914

CommunityType: Market Rate - General

Structure Type: Garden

180 Units Occupancy data not currently available

Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$560	696	\$0.80	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$633	989	\$0.64	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$783	1,388	\$0.56	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; Central A/C; Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: --	Owner: --

Comments

Refused occupancy info.

Floorplans (Published Rents as of 1/12/2017) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$560	696	\$.80	Market	1/12/17	--	\$560	\$633	\$783
Garden	--	2	1.5	--	\$640	1,091	\$.59	Market	10/15/13	2.2%	\$509	\$579	\$764
Garden	--	2	1	--	\$620	933	\$.66	Market					
Garden	--	2	2.5	--	\$640	943	\$.68	Market					
Garden	--	3	2	--	\$783	1,388	\$.56	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash: